

# Autodesk, Inc.

## Pro Forma Consolidated Statements of Income

(See pro forma adjustments listed in the tables below)

(In thousands, except per share data)

	Three Months Ended January 31,		Year Ended January 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
<b>Net revenues:</b>				
License and other	\$ 262,119	\$ 173,674	\$ 836,737	\$ 748,944
Maintenance	33,191	21,842	114,906	76,001
<b>Total net revenues</b>	<b>295,310</b>	<b>195,516</b>	<b>951,643</b>	<b>824,945</b>
<b>Costs and expenses: (1)</b>				
Cost of license and other revenues	32,535	31,813	132,727	135,687
Cost of maintenance revenues	4,696	2,968	15,401	10,123
Marketing and sales	115,652	87,267	393,234	357,667
Research and development	55,102	44,250	209,349	190,252
General and administrative	25,949	20,642	90,990	80,068
	233,934	186,940	841,701	773,797
<b>Income from operations</b>	<b>61,376</b>	<b>8,576</b>	<b>109,942</b>	<b>51,148</b>
<b>Interest and other income, net</b>	<b>8,812</b>	<b>2,321</b>	<b>16,959</b>	<b>13,504</b>
<b>Income before income taxes</b>	<b>70,188</b>	<b>10,897</b>	<b>126,901</b>	<b>64,652</b>
<b>Provision for income taxes</b>	<b>(16,845)</b>	<b>(2,942)</b>	<b>(30,438)</b>	<b>(17,456)</b>
<b>Pro forma net income</b>	<b>\$ 53,343</b>	<b>\$ 7,955</b>	<b>\$ 96,463</b>	<b>\$ 47,196</b>
<b>Basic pro forma net income per share</b>	<b>\$ 0.48</b>	<b>\$ 0.07</b>	<b>\$ 0.87</b>	<b>\$ 0.42</b>
<b>Diluted pro forma net income per share</b>	<b>\$ 0.45</b>	<b>\$ 0.07</b>	<b>\$ 0.83</b>	<b>\$ 0.41</b>
<b>Shares used in computing basic pro forma net income per share</b>	<b>111,465</b>	<b>112,619</b>	<b>111,497</b>	<b>113,035</b>
<b>Shares used in computing diluted pro forma net income per share</b>	<b>119,837</b>	<b>114,161</b>	<b>115,652</b>	<b>114,775</b>

(1) Autodesk previously classified Information Technology and other corporate service costs that benefit the entire organization as General and Administrative expenses in our Consolidated Statements of Income. During the fourth quarter of fiscal 2004, Autodesk re-evaluated its cost allocation methodology and reclassified these costs to other functional areas of the business that benefit from these services. As a result, fiscal 2004 General and Administrative expenses have been reduced by \$46.4 million and fiscal 2004 total Cost of Revenues, Marketing and Sales and Research and Development have been increased by \$5.1 million, \$23.6 million and \$17.7 million, respectively. This reclassification has no impact on Autodesk's total income from operations or net income. Fiscal 2003 balances have been reclassified to conform to the 2004 presentation.

The effect of this adjustment on previously reported consolidated financial statements for the three months ended and fiscal year ended January 31, 2003 is as follows (in thousands):

	As reported		As reclassified	
	Three Months Ended January 31, 2003	Year Ended January 31, 2003	Three Months Ended January 31, 2003	Year Ended January 31, 2003
<b>Cost of revenues: (i)</b>				
License and other			\$ 31,813	\$ 135,687
Maintenance			2,968	10,123
<b>Total cost of revenues</b>	<b>\$ 33,425</b>	<b>\$ 140,162</b>	<b>34,781</b>	<b>145,810</b>
Marketing and sales	80,474	331,721	87,267	357,667
Research and development	39,957	172,985	44,250	190,252
General and administrative	33,084	128,929	20,642	80,068

<b>Pro forma income from operations</b>	8,576	51,148	8,576	51,148
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(i) Prior to fiscal 2004, Autodesk did not report separate components of cost of revenues.

	Three Months Ended January 31,		Year Ended January 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
A reconciliation between operating expenses on a GAAP basis and pro forma operating expenses is as follows:				
GAAP costs and expenses	\$ 237,561	\$ 194,290	\$ 845,406	\$ 799,983
Amortization of purchased intangibles	(444)	(26)	(522)	(299)
Restructuring and other	(3,183)	(7,324)	(3,183)	(25,887)
Pro forma costs and expenses	<u>\$ 233,934</u>	<u>\$ 186,940</u>	<u>\$ 841,701</u>	<u>\$ 773,797</u>
A reconciliation between income from operations on a GAAP basis and pro forma income from operations is as follows:				
GAAP income from operations	\$ 57,749	\$ 1,226	\$ 106,237	\$ 24,962
Amortization of purchased intangibles	444	26	522	299
Restructuring and other	3,183	7,324	3,183	25,887
Pro forma income from operations	<u>\$ 61,376</u>	<u>\$ 8,576</u>	<u>\$ 109,942</u>	<u>\$ 51,148</u>
A reconciliation between (provision) benefit for income taxes on a GAAP basis and pro forma provision for income taxes is as follows:				
GAAP (provision) benefit for income taxes	\$ (8,961)	\$ 2,866	\$ (2,880)	\$ (6,562)
Non-recurring tax benefit	(7,013)	(3,824)	(26,687)	(3,824)
Income tax effect of pro forma adjustments	(871)	(1,984)	(871)	(7,070)
Pro forma provision for income taxes	<u>\$ (16,845)</u>	<u>\$ (2,942)</u>	<u>\$ (30,438)</u>	<u>\$ (17,456)</u>
A reconciliation between net income on a GAAP basis and pro forma net income is as follows:				
GAAP net income	\$ 57,600	\$ 6,413	\$ 120,316	\$ 31,904
Amortization of purchased intangibles	444	26	522	299
Restructuring and other	3,183	7,324	3,183	25,887
Non-recurring tax benefit	(7,013)	(3,824)	(26,687)	(3,824)
Income tax effect of pro forma adjustments	(871)	(1,984)	(871)	(7,070)
Pro forma net income	<u>\$ 53,343</u>	<u>\$ 7,955</u>	<u>\$ 96,463</u>	<u>\$ 47,196</u>
A reconciliation between diluted net income per share on a GAAP basis and diluted pro forma net income per share is as follows:				
GAAP diluted net income per share	\$ 0.48	\$ 0.06	\$ 1.04	\$ 0.28
Amortization of purchased intangibles	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Restructuring and other	\$ 0.03	\$ 0.06	\$ 0.03	\$ 0.23
Non-recurring tax benefit	\$ (0.06)	\$ (0.03)	\$ (0.23)	\$ (0.04)
Income tax effect of pro forma adjustments	\$ 0.00	\$ (0.02)	\$ (0.01)	\$ (0.06)
Pro forma diluted net income per share	<u>\$ 0.45</u>	<u>\$ 0.07</u>	<u>\$ 0.83</u>	<u>\$ 0.41</u>

To supplement our consolidated financial statements presented on a GAAP basis, Autodesk uses pro forma measures of operating results, net income and net income per share, which are adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of Autodesk's underlying operational results and trends and our marketplace performance. For example, the pro forma results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core operating results. In addition, these adjusted pro forma results are among the primary indicators management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or diluted net income per share prepared in accordance with generally accepted accounting principles in the United States.