



## Autodesk Reports Second Quarter Results

August 15, 2002

SAN RAFAEL, Calif.--(BUSINESS WIRE)--Aug. 15, 2002--Autodesk, Inc. (Nasdaq: ADSK), the world's leading design software and digital content company, today announced financial results for its second quarter ended July 31, 2002. For the second quarter of fiscal year 2003, Autodesk reported net revenues of \$211 million, compared to \$231 million in the second quarter of fiscal year 2002.

Second quarter net income was \$12 million or \$0.10 per diluted share compared to net income for the same quarter a year ago of \$19 million or \$0.17 per diluted share.

On a pro forma basis, as defined below, second quarter net income was \$15 million or \$0.13 per diluted share compared to \$30 million or \$0.27 per diluted share for the same quarter a year ago.

In accordance with Section 906 of the Sarbanes-Oxley Act of 2002, Carol Bartz, Autodesk chairman and CEO, and Al Castino, Senior Vice President and CFO, will be certifying the second quarter Form 10-Q to the SEC. This new certification will start with the filing of our second quarter 10-Q due out in September.

"Although our businesses felt varying degrees of economic softness, we are pleased to deliver on our projected results," said Carol Bartz, Autodesk chairman and CEO. "The fundamentals of our business are strong. Our sales teams around the world drove new product sales, subscriptions, and professional services. As a result, we are gaining market share and are well positioned for growth when the economy turns around."

### Second Quarter Highlights

- In Manufacturing, we continue to grow our 3D market share. Division revenues for the quarter were \$33 million, up 21% from last year. We added 14,000 3D commercial users during the quarter, far exceeding the seats sold by any other 3D modeler on the market for three consecutive quarters.
- With growth in major accounts, and government and municipality sales, our Geographic Information Systems division generated revenues of \$26 million, despite tough market conditions.
- Fueled by strong 3D manufacturing and major account sales, European revenues for the second quarter came in at \$66 million, an increase of 11% from last year.
- By helping customers increase business process efficiency through better use of digital design information, our collaboration businesses are gaining momentum.
- Buzzsaw's user base expanded by another 3%, as revenue grew by 5% compared to last quarter.
- Streamline, a key component of our PLM strategy, had four customer wins that stood out this quarter: SPX Airgage, Jacobs Engineering, Arken Design and the Hong Kong government.
- The combination of subscription and professional services are fast becoming an integral part in winning major account engagements, especially in competitive situations. During the quarter, the Americas' subscription program grew 5% sequentially while Europe, in its second quarter with subscriptions, grew exponentially. We also closed our first million-dollar, one year global service contract with a major semiconductor equipment manufacturer.

### Business Outlook

The following statements are based on current expectations. These statements are forward-looking and actual results may differ materially.

#### Revenue outlook:

Net revenues for the third quarter of fiscal year 2003 are expected to range between \$200 million and \$210 million. This brings the company's net revenue expectations for the fiscal year 2003 to a range between \$860 million and \$900 million.

These revenue expectations are subject to a number of risks, including the possibility of further slowing in the worldwide economies, especially in Europe and Japan, or in the commercial construction and entertainment sectors, failure to achieve continuing customer acceptance of the AutoCAD 2002 family of products, failure to grow new or emerging businesses, competitive pressure, and fluctuations in foreign currency.

#### Earnings per share outlook:

Earnings per diluted share on a pro forma basis, excluding restructuring and other charges as well as amortization of purchased intangibles, is expected to range between \$0.05 and \$0.10 per diluted share for the third quarter of fiscal year 2003. This brings pro forma earnings expectations for fiscal year 2003 to range between \$0.50 and \$0.70 per diluted share.

Pro forma earnings per diluted share may vary from expectations due to inability to maintain or grow overall revenue, inability to further reduce operating costs, inability to successfully integrate new or acquired businesses like Revit and CAICE, and fluctuations in interest rates and share count.

The statements above contained in the business outlook are forward-looking statements that involve risks and uncertainties. In addition to factors discussed above, other factors that could cause actual results to differ materially include the following: general market and business conditions, pricing pressure, failure to achieve continued success in technology advancements, delays in release of new products and services, failure to successfully integrate new or acquired businesses, changes in customer ordering patterns, failure to grow collaboration or location-based services. Further

information on potential factors that could affect the financial results of Autodesk are included in the company's report on Form 10-K, for the year ended January 31, 2002, and Form 10-Q for the quarter ended April 30, 2002 which are on file with the Securities and Exchange Commission.

Autodesk will host a toll free conference call at 888-790-5520 and an audio webcast on the second quarter results beginning at 5:00 p.m. Eastern Time at [www.Autodesk.com/investor](http://www.Autodesk.com/investor). An audio webcast replay will be available until September 1, 2002.

A summary of Autodesk's financial results is as follows:

Three months ended July 31	2002	2001
Net revenues	\$211,401,000	\$231,360,000
Net income (1)(2)	\$ 11,760,000	\$ 19,173,000
Pro forma net income (3)	\$ 14,518,000	\$ 29,636,000
Diluted net income per share (1)(2)	\$ 0.10	\$ 0.17
Pro forma diluted net income per share(3)	\$ 0.13	\$ 0.27

(1) Net income for the quarter ended July 31, 2002, includes restructuring and other charges of \$3.7 million or \$0.03 per diluted share. Net income for the quarter ended July 31, 2001, includes restructuring and other charges of \$9.8 million or \$0.09 per diluted share.

(2) On February 1, 2002, Autodesk adopted new accounting rules which resulted in the discontinuation of goodwill amortization. Net income for the quarter ended July 31, 2001 includes \$5.0 million or \$0.04 per diluted share of goodwill amortization.

(3) Pro forma results for the quarter ended July 31 2002, excludes restructuring and other charges and amortization of purchased intangibles totaling \$3.8 million or \$0.03 per diluted share. Pro forma results for the quarter ended July 31, 2001, excludes amortization of goodwill and purchased intangibles of \$5.2 million or \$0.05 per diluted share and restructuring and other charges of \$9.8 million or \$0.09 per diluted share.

Six months ended July 31	2002	2001
Net revenues	\$440,728,000	\$477,100,000
Net income (4)(5)	\$ 29,401,000	\$ 47,073,000
Pro forma net income (6)	\$ 33,433,000	\$ 61,203,000
Diluted net income per share (4)(5)	\$ 0.25	\$ 0.42
Pro forma diluted net income per share(6)	\$ 0.29	\$ 0.55

(4) Net income for the six months ended July 31, 2002, includes \$5.3 million of restructuring and other charges or \$0.05 per diluted share. Net income for the six months ended July 31, 2001, includes restructuring and other charges of \$9.8 million or \$0.09 per diluted share.

(5) On February 1, 2002, Autodesk adopted new accounting rules which resulted in the discontinuation of goodwill amortization. Net income for the six months ended July 31, 2001 includes \$9.9 million or \$0.09 per diluted share of goodwill amortization.

(6) Pro forma results for the six months ended July 31, 2002, excludes restructuring and other charges and amortization of purchased intangibles totaling \$5.5 million on \$0.05 per diluted share. Pro forma results for the six months ended July 31, 2001, excludes amortization of goodwill and purchased intangibles of \$10.5 million or \$0.09 per diluted share, and restructuring and other charges of \$9.8 million or \$0.09 per diluted share.

#### About Autodesk

Autodesk is the world's leading design software and digital content company. Founded in 1982, Autodesk provides design software, Internet portal services, wireless development platforms, and point-of-location applications that empower more than four million customers in over 150 countries to drive business and remain competitive. For more information, contact any Authorized Autodesk Reseller, call Autodesk at 800-964-6432, or visit [www.autodesk.com](http://www.autodesk.com). Discreet(TM) product information is available at 800-869-3504 or via the Web at [www.discreet.com](http://www.discreet.com).

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Autodesk, Inc.  
Consolidated Balance Sheets  
(In thousands)

	July 31, 2002 (Unaudited)	January 31, 2002 (Audited)
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 152,696	\$ 136,781
Marketable securities	105,320	201,030
Accounts receivable, net	129,039	140,465
Inventories	17,643	17,999
Deferred income taxes	31,442	31,477
Prepaid expenses and other current assets	32,240	36,118
	-----	-----
Total current assets	468,380	563,870
	-----	-----
Marketable securities	148,728	166,800
Computer equipment, software, furniture and leasehold improvements, at cost:		
Computer equipment, software and furniture	210,927	200,568
Leasehold improvements	33,366	29,652
Less accumulated depreciation	(164,664)	(157,400)
	-----	-----
	79,629	72,820
Purchased technologies and capitalized software, net	32,101	19,336
Goodwill, net	162,682	39,987
Deferred income taxes	15,913	29,459
Other assets	10,569	10,172
	-----	-----
	\$ 918,002	\$ 902,444
	=====	=====
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 46,084	\$ 53,769
Accrued compensation	46,648	57,540
Accrued income taxes	71,250	91,922
Deferred revenues	74,222	65,474
Other accrued liabilities	87,833	101,946
	-----	-----
Total current liabilities	326,037	370,651
	-----	-----
Other liabilities	2,674	2,479
Stockholders' equity:		
Common stock and additional paid-in capital	497,749	458,135
Accumulated other comprehensive loss	(15,369)	(19,972)
Deferred compensation	(4,362)	(713)
Retained earnings	111,273	91,864

Total stockholders' equity	----- 589,291 ----- \$ 918,002 =====	----- 529,314 ----- \$ 902,444 =====
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Autodesk, Inc.  
Consolidated Statements of Income  
(In thousands, except per share data)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2002	2001	2002	2001
	(Unaudited)		(Unaudited)	
Net revenues	\$ 211,401	\$ 231,360	\$ 440,728	\$ 477,100
Costs and expenses:				
Cost of revenues	34,210	35,193	74,902	71,918
Marketing and sales	81,782	86,552	169,118	173,557
Research and development	46,642	43,583	91,849	89,742
General and administrative	34,595	31,696	67,754	65,639
Amortization of goodwill and purchased intangibles	44	5,174	247	10,481
Restructuring and other	3,735	9,774	5,277	9,774
	----- 201,008 -----	----- 211,972 -----	----- 409,147 -----	----- 421,111 -----
Income from operations	10,393	19,388	31,581	55,989
Interest and other income, net	5,716	8,002	8,694	12,988
	-----	-----	-----	-----
Income before income taxes	16,109	27,390	40,275	68,977
Provision for income taxes	(4,349)	(8,217)	(10,874)	(20,693)
Equity in net loss of affiliate	--	--	--	(1,211)
	-----	-----	-----	-----
Net income	\$ 11,760 =====	\$ 19,173 =====	\$ 29,401 =====	\$ 47,073 =====
Basic net income per share	\$ 0.10	\$ 0.18	\$ 0.26	\$ 0.44

	=====	=====	=====	=====
Diluted net income per share	\$ 0.10	\$ 0.17	\$ 0.25	\$ 0.42
	=====	=====	=====	=====
Shares used in computing basic net income per share	113,348	108,023	113,326	107,771
	=====	=====	=====	=====
Shares used in computing diluted net income per share	114,275	111,420	115,783	111,116
	=====	=====	=====	=====

Autodesk, Inc.  
Pro Forma Consolidated Statements of Income  
(In thousands, except per share data)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2002	2001	2002	2001
	(Unaudited)		(Unaudited)	
Net revenues	\$ 211,401	\$ 231,360	\$ 440,728	\$ 477,100
Costs and expenses:				
Cost of revenues	34,210	35,193	74,902	71,918
Marketing and sales	81,782	86,552	169,118	173,557
Research and development	46,642	43,583	91,849	89,742
General and administrative	34,595	31,696	67,754	65,639
	-----	-----	-----	-----
	197,229	197,024	403,623	400,856
	-----	-----	-----	-----
Income from operations	14,172	34,336	37,105	76,244
Interest and other income, net	5,716	8,002	8,694	12,988
	-----	-----	-----	-----
Income before income taxes	19,888	42,338	45,799	89,232
Provision for income taxes	(5,370)	(12,702)	(12,366)	(26,818)
Equity in net loss of affiliate	--	--	--	(1,211)
	-----	-----	-----	-----
Net income	\$ 14,518	\$ 29,636	\$ 33,433	\$ 61,203

	=====	=====	=====	=====
Basic net income per share	\$ 0.13	\$ 0.27	\$ 0.30	\$ 0.57
	=====	=====	=====	=====
Diluted net income per share	\$ 0.13	\$ 0.27	\$ 0.29	\$ 0.55
	=====	=====	=====	=====
Shares used in computing basic net income per share	113,348	108,023	113,326	107,771
	=====	=====	=====	=====
Shares used in computing diluted net income per share	114,275	111,420	115,783	111,116
	=====	=====	=====	=====
The above pro forma amounts have been adjusted to exclude the following items:				
Amortization of goodwill and purchased intangibles	\$ 44	\$ 5,174	\$ 247	\$ 10,481
Restructuring and other	3,735	9,774	5,277	9,774
Income tax effect	(1,021)	(4,485)	(1,492)	(6,125)
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Net difference between actual and pro forma net income	\$ 2,758	\$ 10,463	\$ 4,032	\$ 14,130
	=====	=====	=====	=====

Fiscal Year 2003                      QTR 1                      QTR 2                      QTR 3                      QTR 4                      YTD2003

Financial Statistics  
(in millions):

Net Revenues	\$229.3	\$211.4		\$440.7
Gross Margin	82%	84%		83%
Pro Forma Operating Expenses	\$165.7	\$163.0		\$328.7
Pro Forma Operating Margin	10%	7%		8%
Pro Forma Net Income (1)	\$18.9	\$14.5		\$33.4
Pro Forma Earnings Per Share (diluted)	\$0.16	\$0.13		\$0.29
Total Cash and Marketable Securities	\$423.0	\$406.7		\$406.7
Days Sales Outstanding	50	56		

Revenue by Geography  
(in millions):

Americas	\$106.8	\$92.7	\$199.5
Europe	\$71.8	\$66.2	\$138.0
Asia/Pacific	\$50.7	\$52.5	\$103.2

Revenue by Division  
(in millions):

Design Solutions	\$193.9	\$178.6	\$372.5
Manufacturing	\$33.7	\$33.3	\$67.0
GIS	\$27.1	\$26.0	\$53.1
Building Industry	\$21.8	\$16.2	\$38.0
Platform Technology			
Group & Other	\$111.3	\$103.1	\$214.4
Discreet	\$35.4	\$32.8	\$68.2

AutoCAD Statistics:

New Units of AutoCAD-based Products	46,700	35,300	82,000
Upgrade Revenue of AutoCAD-based Products (in millions)	\$21.3	\$13.1	\$34.4
Installed Base	3,091,700	3,127,000	3,127,000

Headcount:

Headcount	3,706	3,715	3,715
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Common Stock Statistics:

Stock Outstanding

(Pro Forma EPS

Calculation-diluted)	118,402,000	114,275,000	115,783,000
Stock Repurchased	446,000	2,003,000	2,449,000

(1) Pro forma net income excludes amortization of purchased intangibles and restructuring and other charges.

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