



Autodesk Reports Third Quarter Results

November 21, 2002

SAN RAFAEL, Calif.--(BUSINESS WIRE)--Nov. 21, 2002--Autodesk, Inc. (Nasdaq:ADSK), the world's leading design software and digital content company, today announced financial results for its third quarter ended October 31, 2002. For the third quarter of fiscal year 2003, Autodesk reported net revenues of \$188.7 million, compared to \$216.4 million in the third quarter of fiscal year 2002.

On a pro forma basis, as defined below, third quarter net income was \$5.8 million or \$0.05 per diluted share compared to \$20.8 million or \$0.19 per diluted share for the same quarter a year ago.

"This is perhaps the toughest technology buying environment we've seen, yet we are still making money and generating cash, we have no debt, and we are financially very healthy," said Carol Bartz, Autodesk chairman and CEO. "Customers are turning to Autodesk for cost savings and productivity improvements. In challenging times like these, customers look to a few key strategic technology partners for a quick ROI and Autodesk is clearly one of those partners."

Third quarter net loss was \$3.9 million or \$0.03 per diluted share compared to net income for the same quarter a year ago of \$21.5 million or \$0.19 per diluted share.

Third Quarter Highlights

- In manufacturing, our 3D business was up 3% over last year. Customers are looking for the productivity improvements associated with 3D solutions. We shipped more than 6,100 commercial 3D seats during the quarter -- well ahead of any other 3D modeling solution on the market.
- Strong new product releases continue to perform well even in the midst of an economic slowdown. Two notable examples of this are Autodesk Map 5 that grew more than 7% over last year, and 3ds max 5 that grew by more than 36%.
- Subscriptions had a stellar quarter with Americas growing 5% from last quarter and Europe doubling its subscription revenue. Subscription momentum is building with more customer sign-ups, and growth in order sizes and multiple-product contracts.
- Autodesk Streamline, a key part of our product lifecycle management strategy that enhances communication of design intent for 2D as well as 3D environments, doubled its reference accounts versus last quarter to a total of 15 accounts that have yielded demonstrable real benefits in productivity, cost savings and quick ROI.
- Buzzsaw, an integral part of our building lifecycle management solution that increases process efficiency through better use of digital design information, saw 6% sequential growth in its user base, with more than 65,000 users.

Business Outlook

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

Net revenues and pro forma earnings per share for the fourth quarter of fiscal year 2003 are expected to be approximately equal to the third quarter ended October 31, 2002. Pro forma earnings per share exclude restructuring and other charges as well as amortization of purchased intangibles.

These revenue expectations are subject to a number of risks, including the possibility of further slowing in the worldwide economies, or in the manufacturing and entertainment sectors, failure to achieve continuing customer acceptance of new AutoCAD releases, failure to grow new or emerging businesses, competitive pressure, and fluctuations in foreign currency.

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, financial and business condition of our reseller and distribution channels, failure to grow lifecycle management or collaboration. 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 July 31, 2002 which are on file with the Securities and Exchange Commission.

Autodesk will host a toll free conference call at 800-857-9746 (password: Autodesk) and an audio webcast on the third quarter results beginning at 5:00 p.m. Eastern Time at www.Autodesk.com/investor. An audio webcast replay will be available until December 1, 2002.

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

Three months ended October 31	2002	2001
Net revenues	\$188,701,000	\$216,357,000
Net (loss) income (1)(2)	\$(3,910,000)	\$21,471,000
Pro forma net income (3)	\$5,808,000	\$20,751,000
Diluted net (loss) income		

per share (1)(2)	\$(0.03)	\$0.19
Pro forma diluted net income per share (3)	\$0.05	\$0.19

(1) Net loss for the quarter ended October 31, 2002 includes restructuring and other charges of \$13.3 million or \$0.12 per diluted share. Net income for the quarter ended October 31, 2001, includes restructuring and other charges of \$7.3 million or \$0.07 per diluted share and a one-time gain on disposal of affiliate of \$9.5 million or \$0.08 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 October 31, 2001 includes \$5.0 million or \$0.04 per diluted share of goodwill amortization.

(3) Pro forma results for the quarter ended October 31, 2002 exclude restructuring and other charges and amortization of purchased intangibles totaling \$13.3 million or \$0.12 per diluted share. Pro forma results for the quarter ended October 31, 2001, exclude amortization of goodwill and purchased intangibles of \$5.2 million or \$0.05 per diluted share, restructuring and other charges of \$7.3 million or \$0.07 per diluted share and a one-time gain on disposal of affiliate of \$9.5 million or \$0.08 per diluted share.

Nine months ended October 31	2002	2001
Net revenues	\$629,429,000	\$693,457,000
Net income (4)(5)	\$25,491,000	\$68,544,000
Pro forma net income (6)	\$39,241,000	\$81,954,000
Diluted net income per share (4)(5)	\$0.22	\$0.61
Pro forma diluted net income per share (6)	\$0.34	\$0.74

(4) Net income for the nine months ended October 31, 2002 includes \$18.6 million of restructuring and other charges or \$0.16 per diluted share. Net income for the nine months ended October 31, 2001, includes restructuring and other charges of \$17.1 million or \$0.15 per diluted share and a one-time gain on disposal of affiliate of \$9.5 million or \$0.08 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 nine months ended October 31, 2001 includes \$14.9 million or \$0.13 per diluted share of goodwill amortization.

(6) Pro forma results for the nine months ended October 31, 2002 excludes restructuring and other charges and amortization of purchased intangibles totaling \$18.8 million or \$0.16 per diluted share. Pro forma results for the nine months ended October 31, 2001, exclude amortization of goodwill and purchased intangibles of \$15.7 million or \$0.14 per diluted share, restructuring and other charges of \$17.1 million or \$0.15 per diluted share and a one-time gain on disposal of affiliate of \$9.5 million or \$0.08 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. Discreet(TM) product information is available at 800-869-3504 or via the Web at www.discreet.com.

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Autodesk, Inc.

Pro Forma Consolidated Statements of Income

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	2002	2001	2002	2001
	(Unaudited)		(Unaudited)	
Net revenues	\$188,701	\$216,357	\$629,429	\$693,457
Costs and expenses:				
Cost of revenues	31,835	37,799	106,737	109,717
Marketing and sales	82,129	81,109	251,247	254,666
Research and development	41,179	39,637	133,028	129,379
General and administrative	28,091	32,492	95,845	98,131
	183,234	191,037	586,857	591,893
Income from operations	5,467	25,320	42,572	101,564
Interest and other income, net	2,489	4,325	11,183	17,313
Income before income taxes	7,956	29,645	53,755	118,877
Provision for income taxes	(2,148)	(8,894)	(14,514)	(35,712)
Equity in net loss of affiliate	--	--	--	(1,211)
Net income	\$ 5,808	\$ 20,751	\$ 39,241	\$ 81,954
Basic net income per share	\$ 0.05	\$ 0.19	\$ 0.35	\$ 0.76
Diluted net income per share	\$ 0.05	\$ 0.19	\$ 0.34	\$ 0.74
Shares used in computing basic net income per share	112,809	108,740	113,161	108,186
Shares used in computing diluted net income per share	113,558	112,020	114,950	111,502
The above pro forma amounts have been adjusted to exclude the following items:				
Amortization of goodwill and purchased intangibles	\$ 26	\$ 5,198	\$ 273	\$ 15,679
Restructuring and other	13,286	7,290	18,563	17,064
Gain on disposal of affiliate	--	(9,461)	--	(9,461)
Income tax effect	(3,594)	(3,747)	(5,086)	(9,872)
Net difference between actual results and pro forma net income	\$ 9,718	\$ (720)	\$ 13,750	\$ 13,410

Autodesk, Inc.

Consolidated Statements of Operations

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	2002	2001	2002	2001
	(Unaudited)		(Unaudited)	
Net revenues	\$188,701	\$ 216,357	\$629,429	\$693,457
Costs and expenses:				
Cost of revenues	31,835	37,799	106,737	109,717
Marketing and sales	82,129	81,109	251,247	254,666
Research and development	41,179	39,637	133,028	129,379
General and administrative	28,091	32,492	95,845	98,131
Amortization of goodwill and purchased intangibles	26	5,198	273	15,679
Restructuring and other	13,286	7,290	18,563	17,064
	196,546	203,525	605,693	624,636
(Loss) income from operations	(7,845)	12,832	23,736	68,821
Interest and other income, net	2,489	4,325	11,183	17,313
Gain on disposal of affiliate	0	9,461	0	9,461
(Loss) income before income taxes	(5,356)	26,618	34,919	95,595
Benefit (provision) for income taxes	1,446	(5,147)	(9,428)	(25,840)
Equity in net loss of affiliate	--	--	--	(1,211)
Net (loss) income	\$ (3,910)	\$ 21,471	\$ 25,491	\$ 68,544
Basic net (loss) income per share	\$ (0.03)	\$ 0.20	\$ 0.23	\$ 0.63
Diluted net (loss) income per share	\$ (0.03)	\$ 0.19	\$ 0.22	\$ 0.61
Shares used in computing basic net (loss) income per share	112,809	108,740	113,161	108,186
Shares used in computing diluted net (loss) income per share	112,809	112,020	114,950	111,502

Autodesk, Inc.
Consolidated Balance Sheets
(In thousands)

	October 31,	January 31,
	2002	2002
	(Unaudited)	(Audited)

ASSETS:

Current assets:

Cash and cash equivalents	\$	134,642	\$	136,781
Marketable securities		94,983		201,030
Accounts receivable, net		129,007		140,465

Inventories	15,510	17,999
Deferred income taxes	33,027	31,477
Prepaid expenses and other current assets	29,555	36,118
	-----	-----
Total current assets	436,724	563,870
	-----	-----
Marketable securities	165,595	166,800
Computer equipment, software, furniture and leasehold improvements, at cost:		
Computer equipment, software and furniture	210,065	200,568
Leasehold improvements	33,685	29,652
Less accumulated depreciation	(165,991)	(157,400)
	-----	-----
	77,759	72,820
Purchased technologies and capitalized software, net	30,932	19,336
Goodwill, net	170,217	39,987
Deferred income taxes	9,761	29,459
Other assets	9,497	10,172
	-----	-----
	\$ 900,485	\$ 902,444
	=====	=====

LIABILITIES & STOCKHOLDERS' EQUITY:

Current liabilities:		
Accounts payable	\$ 46,100	\$ 53,769
Accrued compensation	43,500	57,540
Accrued income taxes	62,994	91,922
Deferred revenues	76,656	65,474
Other accrued liabilities	83,071	101,946
	-----	-----
Total current liabilities	312,321	370,651
	-----	-----
Other liabilities	2,637	2,479
Stockholders' equity:		
Common stock and additional paid-in capital	501,112	458,135
Accumulated other comprehensive loss	(16,151)	(19,972)
Deferred compensation	(3,380)	(713)
Retained earnings	103,946	91,864
	-----	-----
Total stockholders' equity	585,527	529,314
	-----	-----
	\$ 900,485	\$ 902,444
	=====	=====

Autodesk, Inc.
Financial Fact Sheet

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

Financial								
Statistics (in millions):								
Net Revenues	\$	229.3	\$	211.4	\$	188.7	\$	629.4
Gross Margin		82%		84%		83%		83%
Pro Forma								
Operating								
Expenses	\$	165.7	\$	163.0	\$	151.4	\$	480.1
Pro Forma								
Operating								
Margin		10%		7%		3%		7%
Pro Forma Net								
Income (1)	\$	18.9	\$	14.5	\$	5.8	\$	39.2
Pro Forma Earnings								
Per Share								
(diluted)	\$	0.16	\$	0.13	\$	0.05	\$	0.34
Total Cash and								
Marketable								
Securities	\$	423.0	\$	406.7	\$	395.2	\$	395.2
Days Sales								
Outstanding		50		56		62		
Revenue by								
Geography (in								
millions):								
Americas	\$	106.8	\$	92.7	\$	87.4	\$	286.9
Europe	\$	71.8	\$	66.2	\$	58.2	\$	196.2
Asia/Pacific	\$	50.7	\$	52.5	\$	43.1	\$	146.3
Revenue by								
Division								
(in millions):								
Design Solutions	\$	193.9	\$	178.6	\$	158.2	\$	530.7
Manufacturing	\$	33.7	\$	33.3	\$	24.6	\$	91.6
GIS	\$	27.1	\$	26.0	\$	23.9	\$	77.0
Building								
Industry	\$	21.8	\$	16.2	\$	16.9	\$	54.9
Platform								
Technology								
Group & Other	\$	111.3	\$	103.1	\$	92.8	\$	307.2
Discreet	\$	35.4	\$	32.8	\$	30.5	\$	98.7
AutoCAD								
Statistics:								
New Units of								
AutoCAD-based								
Products		46,700		35,300		46,000		128,000
Upgrade Revenue of								
AutoCAD-based								
Products	\$	21.3	\$	13.1	\$	10.9	\$	45.3
(in millions)								
Installed Base		3,091,700		3,127,000		3,173,000		3,173,000
Headcount:								
Headcount		3,706		3,715		3,622		3,622
Common Stock								
Statistics:								
Stock Outstanding								
(Pro Forma EPS								
Calculation-								
diluted)		118,402,000		114,275,000		113,558,000		114,950,000
Stock Repurchased		446,000		2,003,000		641,000		3,090,000

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

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