

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

November 21, 2013

Autodesk, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

000-14338

(Commission File Number)

94-2819853

(IRS Employer
Identification No.)

**111 McInnis Parkway
San Rafael, California 94903**

(Address of principal executive offices, including zip code)

(415) 507-5000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On November 21, 2013, Autodesk, Inc. (“Autodesk” or the “Company”) issued a press release and prepared remarks reporting financial results for the third quarter ended October 31, 2013. The press release and prepared remarks are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

These exhibits shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Non-GAAP Financial Measures

To supplement Autodesk’s consolidated financial statements presented on a GAAP basis, the press release and prepared remarks furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, provide investors with certain non-GAAP measures, including but not limited to historical non-GAAP net earnings and historical and future non-GAAP net earnings per diluted share. For our internal budgeting and resource allocation process and as a means to evaluate period-to-period comparisons, Autodesk uses non-GAAP measures to supplement our consolidated financial statements presented on a GAAP basis. These non-GAAP measures do not include certain items that may have a material impact upon our reported financial results. Autodesk uses non-GAAP measures in making operating decisions because Autodesk believes those measures provide meaningful supplemental information regarding our earning potential and performance for management by excluding certain expenses and charges that may not be indicative of our core business operating results. For the reasons set forth below, Autodesk believes these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. This allows investors and others to better understand and evaluate our operating results and future prospects in the same manner as management, compare financial results across accounting periods and to those of peer companies and to better understand the long-term performance of our core business. Autodesk also uses some of these measures for purposes of determining company-wide incentive compensation.

As described above, Autodesk may exclude the following items from its non-GAAP measures:

A. *Stock-based compensation expenses.* Autodesk excludes stock-based compensation expenses from its non-GAAP measures primarily because they are non-cash expenses and management finds it useful to exclude certain non-cash charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use under FASB ASC Topic 718, Autodesk believes excluding stock-based compensation expenses allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies.

B. *Amortization of purchased intangibles.* Autodesk incurs amortization of acquisition-related purchased intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of intangible assets is inconsistent in amount and frequency and is significantly affected by the timing and size of our acquisitions. Management finds it useful to exclude these variable charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of purchased intangible assets will recur in future periods.

C. *Goodwill impairment.* This is a non-cash charge to write-down goodwill to fair value when there was an indication that the asset was impaired. As explained above, management finds it useful to exclude certain non-cash charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods.

D. *Restructuring charges (benefits), net.* These expenses are associated with realigning our business strategies based on current economic conditions. In connection with these restructuring actions, Autodesk recognizes costs related to termination benefits for former employees whose positions were eliminated, and the closure of facilities and cancellation of certain contracts. Autodesk excludes these charges because these expenses are not reflective of ongoing business and operating results. Autodesk believes it is useful for investors to understand the effects of these items on our total operating expenses.

E. *Loss (gain) on strategic investments.* Autodesk excludes gains and losses related to our strategic investments from our non-GAAP measures primarily because management finds it useful to exclude these variable gains and losses on these investments in assessing our financial results. Included in these amounts are non-cash unrealized gains and losses on the derivative components and

realized gains and losses on the sale or losses on the impairment of these investments. Autodesk believes excluding these items is useful to investors because these excluded items do not correlate to the underlying performance of our business and these losses or gains were incurred in connection with strategic investments which do not occur regularly.

F. *Establishment of a valuation allowance on certain net deferred tax assets.* This is a non-cash charge to record a valuation allowance on certain deferred tax assets. As explained above, management finds it useful to exclude certain non-cash charges to assess the appropriate level of various cash expenses to assist in budgeting, planning and forecasting future periods.

G. *Discrete tax items.* Autodesk excludes the GAAP tax provision, including discrete items, from the non-GAAP measure of income, and includes a non-GAAP tax provision based upon the projected annual non-GAAP effective tax rate. Discrete tax items include income tax expenses or benefits that do not relate to ordinary income from continuing operations in the current fiscal year, unusual or infrequently occurring items, or the tax impact of certain stock-based compensation. Examples of discrete tax items include, but are not limited to, certain changes in judgment and changes in estimates of tax matters related to prior fiscal years, certain costs related to business combinations, certain changes in the realizability of deferred tax assets or changes in tax law. Management believes this approach assists investors in understanding the tax provision and the effective tax rate related to ongoing operations. Autodesk believes the exclusion of these discrete tax items provides investors with useful supplemental information about the Company's operational performance.

H. *Income tax effects on the difference between GAAP and non-GAAP costs and expenses.* The income tax effects that are excluded from the non-GAAP measures relate to the tax impact on the difference between GAAP and non-GAAP costs and expenses, primarily due to stock-based compensation, purchased intangibles and restructuring for GAAP and non-GAAP measures.

There are limitations in using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which charges are excluded from the non-GAAP financial measures. Autodesk compensates for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in our public disclosures. The presentation of non-GAAP financial information is meant to be considered in addition to, not as a substitute for or in isolation from, the directly comparable financial measures prepared in accordance with GAAP. Autodesk urges investors to review the reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate our business.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated as of November 21, 2013.
99.2	Prepared remarks dated as of November 21, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AUTODESK, INC.

By: /s/ Mark J. Hawkins

Mark J. Hawkins

Executive Vice President and Chief Financial Officer

Date: November 21, 2013

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated as of November 21, 2013.
99.2	Prepared remarks dated as of November 21, 2013.

Investors: David Gennarelli, david.gennarelli@autodesk.com, 415-507-6033

Press: Noah Cole, noah.cole@autodesk.com, 415-580-3535

AUTODESK REPORTS THIRD QUARTER RESULTS Suites Grow 21 Percent Year-over-Year

SAN RAFAEL, Calif., NOVEMBER 21, 2013-- [Autodesk, Inc.](http://www.autodesk.com) (NASDAQ: ADSK) today reported financial results for the third quarter of fiscal 2014.

Third Quarter Fiscal 2014

- Revenue was \$555 million, an increase of 1 percent, compared to the third quarter of fiscal 2013 as reported, and increased 4 percent on a constant currency basis.
- GAAP operating margin was 12 percent, compared to 6 percent in the third quarter of fiscal 2013.
- Non-GAAP operating margin was 22 percent, compared with 27 percent in the third quarter of fiscal 2013. A reconciliation of GAAP to non-GAAP results is provided in the accompanying tables.
- GAAP diluted earnings per share were \$0.25, compared to \$0.13 in the third quarter of fiscal 2013.
- Non-GAAP diluted earnings per share were \$0.41, compared to \$0.47 in the third quarter of fiscal 2013.
- Deferred revenue increased 7 percent to \$766 million, compared to the third quarter of fiscal 2013.
- Cash flow from operating activities was \$91 million, compared to \$157 million in the third quarter of fiscal 2013.

"Our third quarter was marked by strong growth in suites and solid execution across Architecture, Engineering and Construction (AEC) and Manufacturing," said [Carl Bass](#), Autodesk president and CEO. "Continued global adoption of building information modeling (BIM) drove double-digit growth within our AEC business. Our Manufacturing segment benefited from greater demand for our design and digital manufacturing tools, as well as continued momentum within the automotive industry. We continue to see steady adoption of our new cloud and mobile-based services, which complement our Design and Creation suites."

Third Quarter Operational Overview

Revenue in the Americas decreased 1 percent to \$208 million compared to the third quarter last year as reported, and was flat on a constant currency basis. EMEA revenue increased 4 percent to \$204 million compared to the third quarter last year as reported, and increased 5 percent on a constant currency basis. Revenue in Asia Pacific was flat at \$143 million compared to the third quarter last year as reported, and increased 7 percent on a constant currency basis. Revenue from emerging economies increased 6 percent to \$84 million compared to the third quarter last year as reported and on a constant currency basis. Revenue from emerging economies represented 15 percent of total revenue in the third quarter.

Revenue from the Platform Solutions and Emerging Business (PSEB) segment decreased 10 percent to \$183 million compared to the third quarter last year. Revenue from the AEC business segment increased 13 percent to \$186 million compared to the third quarter last year. Revenue from the Manufacturing business segment increased 8 percent to \$142 million compared to the third quarter last year. Revenue from the Media and Entertainment business (M&E) segment decreased 9 percent to \$44 million compared to the third quarter last year.

Revenue from Flagship products decreased 9 percent to \$275 million compared to the third quarter last year. Revenue from Suites increased 21 percent to \$199 million compared to the third quarter last year. Revenue from New and Adjacent products was \$82 million, and was flat compared to the third quarter last year.

"While challenges remain in parts of our markets, we continue to be diligent about managing our spend while making essential investments to drive growth," said Mark Hawkins, Autodesk executive vice president and CFO. "We are seeing some modest improvements around the world and are cautiously optimistic about the current macro environment."

"We are transforming our business to better serve the growing number of people that rely on Autodesk tools every day and position the company for its next stage of growth," Bass continued. "With the recent introduction of more flexible license and service offerings, Autodesk will evolve to an even more recurring and ratable revenue business model. Our outlook for the fourth quarter includes a business model transition impact of approximately \$50 million in revenue. We anticipate a larger impact in fiscal year 2015 and plan to provide more details when we release our fourth quarter financial results."

Business Outlook

The following are forward-looking statements based on current expectations and assumptions, and involve risks and uncertainties some of which are set forth below. Autodesk's business outlook for the fourth quarter and full year fiscal 2014 assumes, among other things, a continuation of the current economic environment and foreign exchange currency rate environment, and interest expense related to Autodesk's \$750 million debt offering in December 2012.

Fourth Quarter Fiscal 2014

Q4 FY14 Guidance Metrics (1)	Q4 FY14 (ending January 31, 2014)
Revenue (in millions)	\$560 - \$580
EPS GAAP	\$0.09 - \$0.16
EPS Non-GAAP (2)	\$0.29 - \$0.36

(1) Includes impact of approximately \$50 million from business model transition as revenue that would have otherwise been recognized during this period will be deferred. Deferred revenue is expected to increase by an equivalent amount related to this transition.

(2) Non-GAAP earnings per diluted share exclude \$0.11 related to stock-based compensation expense, \$0.07 for the amortization of acquisition related intangibles, and \$0.02 related to restructuring charges.

Full Year Fiscal 2014

FY14 Guidance Metrics (1)	FY14 (ending January 31, 2014)
Revenue (in millions)	\$2,247 - \$2,267
EPS GAAP	\$0.84 - \$0.90
EPS Non-GAAP (2)	\$1.55 - \$1.61

(1) Includes impact of approximately \$50 million from business model transition as revenue that would have otherwise been recognized during this period will be deferred. Deferred revenue is expected to increase by an equivalent amount related to this transition.

(2) Non-GAAP earnings per diluted share exclude \$0.41 related to stock-based compensation expense, \$0.26 for the amortization of acquisition related intangibles, and \$0.04 related to restructuring charges.

Both the fourth quarter and full year fiscal 2014 outlook assume annual effective tax rates of approximately 22 percent and approximately 25 percent for GAAP and non-GAAP results, respectively. These rates do not include one-time discrete items but do reflect the extension of the federal R&D tax credit benefit through December 31, 2013.

Earnings Conference Call and Webcast

Autodesk will host its third quarter conference call today at 5:00 p.m. ET. The live broadcast can be accessed at <http://www.autodesk.com/investors>. Supplemental financial information and prepared remarks for the conference call will be posted to the investor relations section of Autodesk's website simultaneously with this press release.

NOTE: The prepared remarks will not be read on the conference call. The conference call will include only brief remarks followed by questions and answers.

A replay of the broadcast will be available at 7:00 pm ET at <http://www.autodesk.com/investors>. This replay will be maintained on Autodesk's website for at least 12 months.

Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties, including statements in the paragraphs under "Business Outlook" above, statements regarding revenue growth, managing expenses while making essential investments, demand for and adoption of cloud and mobile-based services, impacts of business model evolution, and other statements regarding our strategies, market and products positions, performance, and results. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including: general market, political, economic and business conditions; failure to maintain our revenue growth and profitability; failure to maintain cost reductions and productivity increases or otherwise control our expenses; our performance in particular geographies, including emerging economies; the ability of governments around the world to meet their financial and debt obligations, and finance infrastructure projects; weak or negative growth in the industries we serve; failure to successfully manage transitions to new business models and markets, including the introduction of additional ratable revenue streams and our continuing efforts to attract customers to our cloud-based offerings and expenses related to the transition of our business model; slowing momentum in subscription billings or revenues; difficulty in predicting revenue from new businesses and the potential impact on our financial results from changes in our business models; difficulties encountered in integrating new or acquired businesses and technologies; the inability to identify and realize the anticipated benefits of acquisitions; the financial and business condition of our reseller and distribution channels; dependence on and the timing of large transactions; fluctuation in foreign currency exchange rates; the success of our foreign currency hedging program; failure to

achieve sufficient sell-through in our channels for new or existing products; pricing pressure; unexpected fluctuations in our tax rate; the timing and degree of expected investments in growth and efficiency opportunities; changes in the timing of product releases and retirements; and any unanticipated accounting charges.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's Annual Report on Form 10-K for the year ended January 31, 2013 and Forms 10-Q for the quarters ended April 30, 2013 and July 31, 2013, which are on file with the U.S. Securities and Exchange Commission. Autodesk does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

About Autodesk

Autodesk helps people imagine, design and create a better world. Everyone--from design professionals, engineers and architects to digital artists, students and hobbyists--uses Autodesk software to unlock their creativity and solve important challenges. For more information visit autodesk.com or follow @autodesk.

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Autodesk, Inc.
Condensed Consolidated Statements of Operations

(In millions, except per share data)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2013	2012	2013	2012
	(Unaudited)			
Net revenue (1):				
License and other	\$ 297.5	\$ 310.2	\$ 934.2	\$ 999.4
Subscription	257.7	237.8	753.1	705.9
Total net revenue	555.2	548.0	1,687.3	1,705.3
Cost of revenue (1):				
Cost of license and other revenue	43.4	41.3	130.6	124.6
Cost of subscription revenue	23.7	16.6	71.8	51.9
Total cost of revenue	67.1	57.9	202.4	176.5
Gross profit	488.1	490.1	1,484.9	1,528.8
Operating expenses:				
Marketing and sales	203.4	203.9	610.3	639.5
Research and development	149.0	153.0	448.7	450.6
General and administrative	63.2	62.1	186.3	180.7
Restructuring charges, net	4.4	36.7	6.5	36.7
Total operating expenses	420.0	455.7	1,251.8	1,307.5
Income from operations	68.1	34.4	233.1	221.3
Interest and other income (expense), net	1.1	(0.1)	(9.5)	2.6
Income before income taxes	69.2	34.3	223.6	223.9
Provision for income taxes	(11.6)	(4.9)	(48.7)	(51.0)
Net income	\$ 57.6	\$ 29.4	\$ 174.9	\$ 172.9
Basic net income per share	\$ 0.26	\$ 0.13	\$ 0.78	\$ 0.76
Diluted net income per share	\$ 0.25	\$ 0.13	\$ 0.77	\$ 0.75
Weighted average shares used in computing basic net income per share	223.1	225.5	223.4	227.1
Weighted average shares used in computing diluted net income per share	227.7	229.9	228.6	231.4

(1) Effective in the first quarter of fiscal 2014, Autodesk reclassified certain revenue and cost of revenue amounts associated with its cloud service offerings from "License and Other Revenue" to its new revenue line item "Subscription Revenue." Subscription Revenue consists of two components: maintenance revenue for our software products and revenue for our cloud service offerings including Autodesk 360. Prior period amounts have been revised to conform to the current period presentation.

Autodesk, Inc.

Condensed Consolidated Balance Sheets

(In millions)

	October 31, 2013	January 31, 2013
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,473.4	\$ 1,612.2
Marketable securities	587.1	342.1
Accounts receivable, net	304.1	495.1
Deferred income taxes	53.5	42.2
Prepaid expenses and other current assets	99.8	60.8
Total current assets	2,517.9	2,552.4
Marketable securities	418.5	411.1
Computer equipment, software, furniture and leasehold improvements, net	134.1	114.9
Purchased technologies, net	54.3	76.0
Goodwill	922.3	871.5
Deferred income taxes, net	118.3	122.8
Other assets	156.1	159.7
	<u>\$ 4,321.5</u>	<u>\$ 4,308.4</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 75.3	\$ 94.2
Accrued compensation	154.7	189.6
Accrued income taxes	37.2	13.9
Deferred revenue	610.8	647.0
Other accrued liabilities	70.1	99.0
Total current liabilities	948.1	1,043.7
Deferred revenue	154.9	187.6
Long term income taxes payable	209.0	194.2
Long term notes payable, net of discount	746.2	745.6
Other liabilities	101.4	94.1
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock	—	—
Common stock and additional paid-in capital	1,535.1	1,449.8
Accumulated other comprehensive loss	(4.1)	(5.7)
Retained earnings	630.9	599.1
Total stockholders' equity	2,161.9	2,043.2
	<u>\$ 4,321.5</u>	<u>\$ 4,308.4</u>

Autodesk, Inc.

Condensed Consolidated Statements of Cash Flows

(In millions)

	Nine Months Ended October 31,	
	2013	2012
	(Unaudited)	
Operating activities:		
Net income	\$ 174.9	\$ 172.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	95.7	93.1
Stock-based compensation expense	96.1	118.8
Excess tax benefits from stock-based compensation	0.8	(27.4)
Restructuring charges, net	6.5	36.7
Other operating activities	(3.1)	4.4
Changes in operating assets and liabilities, net of business combinations	9.1	5.0
Net cash provided by operating activities	380.0	403.5
Investing activities:		
Purchases of marketable securities	(969.8)	(1,103.1)
Sales of marketable securities	329.9	207.0
Maturities of marketable securities	395.1	436.6
Capital expenditures	(55.0)	(44.7)
Acquisitions, net of cash acquired	(68.0)	(204.2)
Other investing activities	(15.7)	(22.1)
Net cash (used in) investing activities	(383.5)	(730.5)
Financing activities:		
Proceeds from issuance of common stock, net of issuance costs	183.4	199.6
Repurchases of common stock	(318.7)	(340.5)
Draws on line of credit	—	110.0
Excess tax benefits from stock-based compensation	(0.8)	27.4
Net cash (used in) financing activities	(136.1)	(3.5)
Effect of exchange rate changes on cash and cash equivalents	0.8	0.6
Net decrease in cash and cash equivalents	(138.8)	(329.9)
Cash and cash equivalents at beginning of fiscal year	1,612.2	1,156.9
Cash and cash equivalents at end of period	\$ 1,473.4	\$ 827.0

Autodesk, Inc.

Reconciliation of GAAP financial measures to non-GAAP financial measures

(In millions, except per share data)

To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP cost of license and other revenue, non-GAAP cost of subscription revenue, non-GAAP gross profit, non-GAAP operating expenses, non-GAAP restructuring charges (benefits), non-GAAP income from operations, non-GAAP operating margin, non-GAAP interest and other income (expense), non-GAAP provision for income taxes, non-GAAP net income, and non-GAAP net income per share. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, restructuring charges, amortization of purchased intangibles, gain and loss on strategic investments, and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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 non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying this press release.

The following table shows Autodesk's non-GAAP results reconciled to GAAP results included in this release.

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	2013	2012	2013	2012
	(Unaudited)		(Unaudited)	
GAAP cost of license and other revenue (1)	\$ 43.4	\$ 41.3	\$ 130.6	\$ 124.6
Stock-based compensation expense (1)	(0.9)	(1.0)	(2.7)	(2.7)
Amortization of developed technology (1)	(9.7)	(9.2)	(29.5)	(27.7)
Non-GAAP cost of license and other revenue (1)	<u>\$ 32.8</u>	<u>\$ 31.1</u>	<u>\$ 98.4</u>	<u>\$ 94.2</u>
GAAP cost of subscription revenue (1)	\$ 23.7	\$ 16.6	\$ 71.8	\$ 51.9
Stock-based compensation expense (1)	(0.5)	(0.3)	(1.6)	(1.1)
Amortization of developed technology (1)	(1.1)	(0.7)	(3.1)	(1.6)
Non-GAAP cost of subscription revenue (1)	<u>\$ 22.1</u>	<u>\$ 15.6</u>	<u>\$ 67.1</u>	<u>\$ 49.2</u>
GAAP gross profit	\$ 488.1	\$ 490.1	\$ 1,484.9	\$ 1,528.8
Stock-based compensation expense	1.4	1.3	4.3	3.8
Amortization of developed technology	10.8	9.9	32.6	29.3
Non-GAAP gross profit	<u>\$ 500.3</u>	<u>\$ 501.3</u>	<u>\$ 1,521.8</u>	<u>\$ 1,561.9</u>
GAAP marketing and sales	\$ 203.4	\$ 203.9	\$ 610.3	\$ 639.5
Stock-based compensation expense	(14.5)	(16.7)	(42.5)	(47.4)
Non-GAAP marketing and sales	<u>\$ 188.9</u>	<u>\$ 187.2</u>	<u>\$ 567.8</u>	<u>\$ 592.1</u>
GAAP research and development	\$ 149.0	\$ 153.0	\$ 448.7	\$ 450.6
Stock-based compensation expense	(10.2)	(28.1)	(31.3)	(49.6)
Non-GAAP research and development	<u>\$ 138.8</u>	<u>\$ 124.9</u>	<u>\$ 417.4</u>	<u>\$ 401.0</u>

GAAP general and administrative	\$ 63.2	\$ 62.1	\$ 186.3	\$ 180.7
Stock-based compensation expense	(5.5)	(5.8)	(18.0)	(18.0)
Amortization of customer relationships and trade names	(7.4)	(13.8)	(27.5)	(29.5)
Non-GAAP general and administrative	<u>\$ 50.3</u>	<u>\$ 42.5</u>	<u>\$ 140.8</u>	<u>\$ 133.2</u>
GAAP restructuring charges (benefits), net	\$ 4.4	\$ 36.7	\$ 6.5	\$ 36.7
Restructuring (charges) benefits	(4.4)	(36.7)	(6.5)	(36.7)
Non-GAAP restructuring charges (benefits), net	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
GAAP operating expenses	\$ 420.0	\$ 455.7	\$ 1,251.8	\$ 1,307.5
Stock-based compensation expense	(30.2)	(50.6)	(91.8)	(115.0)
Amortization of customer relationships and trade names	(7.4)	(13.8)	(27.5)	(29.5)
Restructuring (charges) benefits	(4.4)	(36.7)	(6.5)	(36.7)
Non-GAAP operating expenses	<u>\$ 378.0</u>	<u>\$ 354.6</u>	<u>\$ 1,126.0</u>	<u>\$ 1,126.3</u>
GAAP income from operations	\$ 68.1	\$ 34.4	\$ 233.1	\$ 221.3
Stock-based compensation expense	31.6	51.9	96.1	118.8
Amortization of developed technology	10.8	9.9	32.6	29.3
Amortization of customer relationships and trade names	7.4	13.8	27.5	29.5
Restructuring charges (benefits)	4.4	36.7	6.5	36.7
Non-GAAP income from operations	<u>\$ 122.3</u>	<u>\$ 146.7</u>	<u>\$ 395.8</u>	<u>\$ 435.6</u>
GAAP interest and other income, net	\$ 1.1	\$ (0.1)	\$ (9.5)	\$ 2.6
(Gain) loss on strategic investments	(0.3)	(0.1)	1.0	3.8
Non-GAAP interest and other income, net	<u>\$ 0.8</u>	<u>\$ (0.2)</u>	<u>\$ (8.5)</u>	<u>\$ 6.4</u>
GAAP provision for income taxes	\$ (11.6)	\$ (4.9)	\$ (48.7)	\$ (51.0)
Discrete GAAP tax provision items	(3.0)	(15.4)	(2.3)	(19.0)
Income tax effect of non-GAAP adjustments	(14.2)	(17.2)	(43.9)	(42.8)
Non-GAAP provision for income tax	<u>\$ (28.8)</u>	<u>\$ (37.5)</u>	<u>\$ (94.9)</u>	<u>\$ (112.8)</u>
GAAP net income	\$ 57.6	\$ 29.4	\$ 174.9	\$ 172.9
Stock-based compensation expense	31.6	51.9	96.1	118.8
Amortization of developed technology	10.8	9.9	32.6	29.3
Amortization of customer relationships and trade names	7.4	13.8	27.5	29.5
Restructuring charges (benefits)	4.4	36.7	6.5	36.7
(Gain) loss on strategic investments	(0.3)	(0.1)	1.0	3.8
Discrete GAAP tax provision items	(3.0)	(15.4)	(2.3)	(19.0)
Income tax effect of non-GAAP adjustments	(14.2)	(17.2)	(43.9)	(42.8)
Non-GAAP net income	<u>\$ 94.3</u>	<u>\$ 109.0</u>	<u>\$ 292.4</u>	<u>\$ 329.2</u>
GAAP diluted net income per share	\$ 0.25	\$ 0.13	\$ 0.77	\$ 0.75
Stock-based compensation expense	0.14	0.23	0.42	0.51
Amortization of developed technology	0.04	0.04	0.14	0.13
Amortization of customer relationships and trade names	0.03	0.06	0.12	0.13
Restructuring charges (benefits)	0.02	0.15	0.03	0.15
(Gain) loss on strategic investments	—	—	—	0.02
Discrete GAAP tax provision items	(0.01)	(0.07)	(0.01)	(0.09)

Income tax effect of non-GAAP adjustments	(0.06)	(0.07)	(0.19)	(0.18)
Non-GAAP diluted net income per share	<u>\$ 0.41</u>	<u>\$ 0.47</u>	<u>\$ 1.28</u>	<u>\$ 1.42</u>

(1) Effective in the first quarter of fiscal 2014, Autodesk reclassified certain costs associated cloud service offerings from "Cost of License and Other Revenue" to "Cost of Subscription Revenue." Prior period amounts have been revised to conform to the current period presentation.

Autodesk, Inc.

Other Supplemental Financial Information (a)

Fiscal Year 2014	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2014
Financial Statistics (\$ in millions, except per share data):					
Total Net Revenue:	\$ 570	\$ 562	\$ 555		\$ 1,687
License and Other Revenue	\$ 324	\$ 313	\$ 298		\$ 934
Subscription Revenue	\$ 247	\$ 249	\$ 258		\$ 753
GAAP Gross Margin	88%	88%	88%		88%
Non-GAAP Gross Margin (1)(2)	90%	90%	90%		90%
GAAP Operating Expenses	\$ 422	\$ 410	\$ 420		\$ 1,252
GAAP Operating Margin	14%	15%	12%		14%
GAAP Net Income	\$ 56	\$ 62	\$ 58		\$ 175
GAAP Diluted Net Income Per Share (b)	\$ 0.24	\$ 0.27	\$ 0.25		\$ 0.77
Non-GAAP Operating Expenses (1)(3)	\$ 378	\$ 370	\$ 378		\$ 1,126
Non-GAAP Operating Margin (1)(4)	24%	24%	22%		23%
Non-GAAP Net Income (1)(5)(c)	\$ 96	\$ 102	\$ 94		\$ 292
Non-GAAP Diluted Net Income Per Share (1)(6)(b)(c)	\$ 0.42	\$ 0.45	\$ 0.41		\$ 1.28
Total Cash and Marketable Securities	\$ 2,480	\$ 2,408	\$ 2,479		\$ 2,479
Days Sales Outstanding	46	49	50		50
Capital Expenditures	\$ 26	\$ 17	\$ 12		\$ 55
Cash Flow from Operating Activities	\$ 224	\$ 65	\$ 91		\$ 380
GAAP Depreciation, Amortization and Accretion	\$ 33	\$ 32	\$ 31		\$ 96
Deferred Subscription Revenue Balance (c)	\$ 775	\$ 736	\$ 699		\$ 699
Revenue by Geography:					
Americas	\$ 202	\$ 202	\$ 208		\$ 612
Europe, Middle East and Africa	\$ 216	\$ 202	\$ 204		\$ 622
Asia Pacific	\$ 152	\$ 158	\$ 143		\$ 453
% of Total Rev from Emerging Economies	13%	15%	15%		15%
Revenue by Segment:					
Platform Solutions and Emerging Business	\$ 213	\$ 197	\$ 183		\$ 593
Architecture, Engineering and Construction	\$ 172	\$ 177	\$ 186		\$ 535
Manufacturing	\$ 139	\$ 144	\$ 142		\$ 425

Media and Entertainment	\$ 47	\$ 43	\$ 44	\$ 134
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Other Revenue Statistics:

% of Total Rev from Flagship	55%	51%	50%	52%
% of Total Rev from Suites	31%	34%	36%	34%
% of Total Rev from New and Adjacent	14%	14%	15%	14%
% of Total Rev from AutoCAD and AutoCAD LT	34%	31%	29%	31%

Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period:

FX Impact on Total Net Revenue	\$ (17)	\$ (17)	\$ (13)	\$ (47)
FX Impact on Cost of Revenue and Total Operating Expenses	\$ 5	\$ 4	\$ 3	\$ 13
FX Impact on Operating Income	\$ (12)	\$ (13)	\$ (10)	\$ (34)

Gross Margin by Segment:

Platform Solutions and Emerging Business	\$ 195	\$ 180	\$ 166	\$ 541
Architecture, Engineering and Construction	\$ 156	\$ 161	\$ 169	\$ 485
Manufacturing	\$ 128	\$ 132	\$ 130	\$ 390
Media and Entertainment	\$ 37	\$ 34	\$ 35	\$ 106
Unallocated amounts	\$ (12)	\$ (12)	\$ (12)	\$ (37)

Common Stock Statistics (in millions):

Common Shares Outstanding	224.4	222.5	224.6	224.6
Fully Diluted Weighted Average Shares Outstanding	229.3	228.3	227.7	228.6
Shares Repurchased	3.2	3.1	2.0	8.3

(a) Totals may not agree with the sum of the components due to rounding.

(b) Earnings per share were computed independently for each of the periods presented; therefore the sum of the earnings per share amounts for the quarters may not equal the total for the year.

(c) Prior amounts have been conformed to align with the current period presentation.

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating margin, non-GAAP net income, and non-GAAP net income per share. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, restructuring charges, amortization of purchased intangibles, gain and loss on strategic investments, and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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, non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods. There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying Autodesk's press release.

	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2014
(2) GAAP Gross Margin	88%	88%	88%		88%
Stock-based compensation expense	—%	—%	—%		—%
Amortization of developed technology	2%	2%	2%		2%
Non-GAAP Gross Margin	90%	90%	90%		90%
(3) GAAP Operating Expenses	\$ 422	\$ 410	\$ 420		\$ 1,252
Stock-based compensation expense	(32)	(30)	(30)		(92)
Amortization of customer relationships and trade names	(11)	(9)	(7)		(28)
Restructuring (charges) benefits, net	—	(2)	(4)		(7)
Non-GAAP Operating Expenses	\$ 378	\$ 370	\$ 378		\$ 1,126
(4) GAAP Operating Margin	14%	15%	12%		14%
Stock-based compensation expense	6%	6%	6%		6%
Amortization of developed technology	2%	2%	2%		2%
Amortization of customer relationships and trade names	2%	1%	1%		1%
Restructuring charges (benefits), net	—%	—%	1%		—%
Non-GAAP Operating Margin	24%	24%	22%		23%
(5) GAAP Net Income	\$ 56	\$ 62	\$ 58		\$ 175
Stock-based compensation expense	34	31	32		96
Amortization of developed technology	11	11	11		33
Amortization of customer relationships and trade names	11	9	7		28
Restructuring charges (benefits), net	—	2	4		7
(Gain) loss on strategic investments	1	—	—		1
Discrete GAAP tax provision items	(1)	1	(3)		(2)
Income tax effect of non-GAAP adjustments	(15)	(14)	(14)		(44)
Non-GAAP Net Income	\$ 96	\$ 102	\$ 94		\$ 292
(6) GAAP Diluted Net Income Per Share	\$ 0.24	\$ 0.27	\$ 0.25		\$ 0.77
Stock-based compensation expense	0.15	0.14	0.14		0.42
Amortization of developed technology	0.05	0.05	0.04		0.14
Amortization of customer relationships and trade names	0.05	0.04	0.03		0.12
Restructuring charges (benefits), net	—	0.01	0.02		0.03
(Gain) loss on strategic investments	—	—	—		—
Discrete GAAP tax provision items	—	—	(0.01)		(0.01)
Income tax effect of non-GAAP adjustments	(0.07)	(0.06)	(0.06)		(0.19)
Non-GAAP Diluted Net Income Per Share	\$ 0.42	\$ 0.45	\$ 0.41		\$ 1.28

AUTODESK, INC. (ADSK)
THIRD QUARTER FISCAL 2014 EARNINGS ANNOUNCEMENT
November 21, 2013
PREPARED REMARKS

Autodesk is posting a copy of these prepared remarks and its press release to its Investor Relations website. These prepared remarks are offered to provide shareholders and analysts with additional time and detail for analyzing our results in advance of our quarterly conference call. As previously scheduled, the conference call will begin today, November 21, 2013 at 2:00 pm PT (5:00 pm ET) and will include only brief comments followed by questions and answers. These prepared remarks will not be read on the call.

To access the live broadcast of the question and answer session, please visit the Investor Relations section of Autodesk's website at www.autodesk.com/investor. A complete reconciliation between GAAP and non-GAAP results is provided in the tables following these prepared remarks.

Third Quarter Fiscal 2014 Overview

Our third quarter was marked by continued strong growth in suites and solid execution in our Architecture, Engineering and Construction (AEC) and Manufacturing business segments. Both Europe, Middle East and Africa (EMEA) and Asia Pacific (APAC) experienced solid growth on a constant currency basis and revenue from emerging countries returned to year-over-year growth.

Third quarter performance included:

- Revenue was \$555 million, an increase of 1 percent compared to the third quarter last year as reported, and increased 4 percent on a constant currency basis. Revenue decreased 1 percent compared to the second quarter of fiscal 2014 as reported, and on a constant currency basis.
- GAAP operating margin was 12 percent, compared to 6 percent in the third quarter last year and 15 percent in the second quarter of fiscal 2014.
- Non-GAAP operating margin was 22 percent, compared to 27 percent in the third quarter last year and 24 percent in the second quarter of fiscal 2014.
- GAAP diluted earnings per share were \$0.25, compared to \$0.13 in the third quarter last year and \$0.27 in the second quarter of fiscal 2014.
- Non-GAAP diluted earnings per share were \$0.41, compared to \$0.47 in the third quarter last year and \$0.45 in the second quarter of fiscal 2014.
- Deferred revenue increased 7 percent to \$766 million, compared to \$714 million in the third quarter last year and decreased 5 percent compared to the second quarter of fiscal 2014.
- Cash flow from operating activities was \$91 million, compared to \$157 million in the third quarter last year and \$65 million in the second quarter of fiscal 2014.

Revenue Analysis

<i>(in millions)</i>	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Total net revenue (1)	\$ 548	\$ 607	\$ 570	\$ 562	\$ 555
License and other revenue (2)	\$ 310	\$ 365	\$ 324	\$ 313	\$ 298
Subscription revenue (2)	\$ 238	\$ 242	\$ 247	\$ 249	\$ 258

(1) Totals may not agree with the sum of the components due to rounding.

(2) Effective in the first quarter of fiscal 2014, Autodesk reclassified certain revenue associated with cloud service offerings from "License and Other Revenue" to "Subscription Revenue." Prior period amounts have been revised to conform to the current period presentation. Subscription revenue includes maintenance and cloud-based revenue.

Total net revenue for the third quarter increased 1 percent to \$555 million, as compared to the third quarter last year as reported, and increased 4 percent on a constant currency basis. Total net revenue for the third quarter decreased 1 percent sequentially as reported, and on a constant currency basis.

At the start of the fiscal year we made a strategic decision to begin shifting our education business from selling to granting our software licenses in select regions and to key partners. We plan to expand upon this transition over time. The net financial impact of this change is a drag of approximately 2 percentage points of total revenue growth for the third quarter, with particular impact in the Americas.

License and other revenue decreased 4 percent to \$298 million, as compared to the third quarter last year, and decreased 5 percent sequentially.

Subscription revenue increased 8 percent to \$258 million, as compared to the third quarter last year, and increased 4 percent sequentially.

Net subscription billings (includes maintenance and cloud service billings) increased 11 percent compared to the third quarter last year. The increase is related primarily to an increase in multi-year maintenance subscriptions (related to a pricing change in the third quarter last year, which drove early renewal activity in the second quarter of last year), and the increase in Suites sales, which have higher maintenance subscription prices.

Net subscription billings increased 5 percent sequentially. The sequential increase is related primarily to multi-year maintenance subscriptions.

Revenue by Geography

<i>(in millions)</i>	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Americas	\$ 209	\$ 221	\$ 202	\$ 202	\$ 208
EMEA	\$ 196	\$ 238	\$ 216	\$ 202	\$ 204
Asia Pacific	\$ 142	\$ 148	\$ 152	\$ 158	\$ 143
Emerging Economies	\$ 80	\$ 84	\$ 75	\$ 86	\$ 84
Emerging as a percentage of Total Revenue	15%	14%	13%	15%	15%

Revenue in the Americas decreased 1 percent to \$208 million, as compared to the third quarter last year as reported, and was flat on a constant currency basis. A slight decline in the U.S. and parts of Latin America was partially offset by growth in Canada. Revenue in the Americas was impacted by a decrease in revenue from the education vertical (as noted above), as well as the U.S. government shutdown. Normalizing for these items,

revenue in the Americas would have experienced year-over-year growth. Revenue from the Americas increased 3 percent sequentially as reported, and on a constant currency basis.

Revenue in EMEA increased 4 percent to \$204 million, as compared to the third quarter last year as reported, and 5 percent on a constant currency basis. Year-over-year results were driven primarily by strength in northern Europe. EMEA revenue increased 1 percent sequentially as reported, and was flat on a constant currency basis.

Revenue in APAC remained flat at \$143 million, as compared to the third quarter last year as reported, and increased 7 percent on a constant currency basis. Growth on a constant currency basis was widespread across APAC, including Japan, which typically represents over 40 percent of APAC's revenue. Revenue in APAC decreased 10 percent sequentially as reported, and 9 percent on a constant currency basis.

Revenue from emerging economies increased 6 percent to \$84 million, as compared to the third quarter last year as reported, and on a constant currency basis. Among the BRIC countries, growth was led by strong results in China. Revenue from emerging economies decreased 2 percent sequentially as reported, and 3 percent on a constant currency basis.

Revenue by Product Type

<i>(in millions)</i>	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Flagship *	\$ 302	\$ 331	\$ 312	\$ 289	\$ 275
Suites *	\$ 164	\$ 188	\$ 176	\$ 193	\$ 199
New and Adjacent *	\$ 81	\$ 89	\$ 82	\$ 80	\$ 82

* The 2013 quarterly product category revenue amounts have been updated to conform with the current period's presentation.

As we have previously discussed, our customers continue to migrate to our Design and Creation Suites. As a result, revenue for many of our stand-alone products is decreasing, which impacts the growth of both Flagship and New and Adjacent categories.

Revenue from Flagship products decreased 9 percent to \$275 million, compared to the third quarter last year, and 5 percent sequentially. The year-over-year decline in Flagship was driven primarily by decreases in AutoCAD LT and AutoCAD, reflecting customer migration to our suites and weakness in our volume channels.

Revenue from Suites was \$199 million, or 36 percent of total revenue. Revenue from Suites increased 21 percent compared to the third quarter last year, and 3 percent sequentially. Year-over-year growth in Suites was broad based, and was led by strong growth in AEC suites.

Revenue from New and Adjacent products was \$82 million, flat compared to the third quarter last year, and increased 3 percent sequentially.

Revenue by Business Segment

<i>(in millions)</i>	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Platform Solutions and Emerging Business*	\$ 203	\$ 197	\$ 213	\$ 197	\$ 183
Architecture, Engineering and Construction*	\$ 165	\$ 208	\$ 172	\$ 177	\$ 186
Manufacturing	\$ 132	\$ 155	\$ 139	\$ 144	\$ 142
Media and Entertainment	\$ 48	\$ 47	\$ 47	\$ 43	\$ 44

* The 2013 quarterly segment revenue amounts have been updated to conform with the current period's presentation.

Revenue from our Platform Solutions and Emerging Business (PSEB) segment decreased 10 percent to \$183 million, compared to the third quarter last year, and 7 percent sequentially. Combined revenue from AutoCAD and AutoCAD LT was \$159 million, a decrease of 11 percent compared to the third quarter last year, and 8 percent sequentially. The decrease in AutoCAD in part reflects customer migration to our Design and Creation Suites. The decrease in AutoCAD LT, in part, reflects weakness in our volume channels. Revenue from PSEB suites decreased 5 percent compared to the third quarter last year and 3 percent sequentially. Strong year-over-year growth in AutoCAD Suites was more than offset by a decline in education suites related to our change in strategy within the education vertical (as noted previously).

Revenue from our AEC business segment increased 13 percent to \$186 million, compared to the third quarter last year, and 5 percent sequentially. Revenue from our AEC suites increased 42 percent compared to the third quarter last year, and 9 percent sequentially. All AEC suites grew on a year-over-year basis, led by strong growth in Building Design Suites and Infrastructure Design Suites.

Revenue from our Manufacturing business segment increased 8 percent to \$142 million, compared to the third quarter last year, and decreased 1 percent sequentially. Revenue from our Manufacturing suites increased 11 percent compared to the third quarter last year, and decreased 4 percent sequentially. The year-over-year growth in our manufacturing segment was primarily the result of growth in manufacturing suites, partially offset by declines in stand-alone products.

Revenue from our Media and Entertainment (M&E) business segment decreased 9 percent to \$44 million, compared to the third quarter last year and increased 1 percent sequentially. Revenue from our Animation products, including Maya, 3ds Max, and our Entertainment Creation Suites, decreased 5 percent compared to the third quarter last year, and increased 3 percent sequentially. Revenue from Creative Finishing decreased 22 percent compared to the third quarter last year, and 3 percent sequentially. The decrease in M&E revenue is related primarily to a general decrease in the M&E industry end-market demand, as well as the planned inclusion of our M&E products in other Autodesk industry suites.

Foreign Currency Impact

<i>(in millions)</i>	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
FX Impact on Total Revenue	\$ (10)	\$ (15)	\$ (17)	\$ (17)	\$ (13)
FX Impact on Cost of Revenue and Operating Expenses	\$ 7	\$ 1	\$ 5	\$ 4	\$ 3
FX Impact on Operating Income	\$ (3)	\$ (14)	\$ (12)	\$ (13)	\$ (10)

The foreign currency impact represents the U.S. Dollar impact of changes in foreign currency rates on our financial results as well as the impact of gains and losses from our hedging program.

Compared to the third quarter of last year, the impact of foreign currency exchange rates including the impact of our hedging program was \$13 million unfavorable on revenue and \$3 million favorable on cost of revenue and operating expenses.

Compared to the second quarter of fiscal 2014, the impact of foreign currency exchange rates and hedging was \$1 million favorable on revenue and \$1 million unfavorable on cost of revenue and operating expenses.

Balance Sheet Items and Cash Review

<i>(in millions)</i>	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Cash Flows from Operating Activities	\$ 157	\$ 156	\$ 224	\$ 65	\$ 91
Capital Expenditures	\$ 17	\$ 12	\$ 26	\$ 17	\$ 12
Depreciation, Amortization and Accretion	\$ 35	\$ 35	\$ 33	\$ 32	\$ 31
Total Cash and Marketable Securities	\$ 1,737	\$ 2,365	\$ 2,480	\$ 2,408	\$ 2,479
Days Sales Outstanding	49	74	46	49	50
Deferred Revenue	\$ 714	\$ 835	\$ 851	\$ 806	\$ 766

Total cash and investments at the end of the third quarter was approximately \$2.5 billion. Approximately 75 percent of the total cash and investments is located offshore and will fluctuate subject to business needs.

During the third quarter, Autodesk used \$79 million to repurchase approximately 2 million shares of common stock at an average repurchase price of \$39.37 per share. Through this stock repurchase program, Autodesk remains committed to returning excess cash to our stockholders and reducing shares outstanding over time.

Cash flow from operating activities during the third quarter was \$91 million, a decrease of 42 percent compared to the third quarter last year and an increase of 39 percent sequentially. The year-over-year decrease is primarily related to prior year changes in accounts receivable. The sequential increase is primarily related to seasonal changes in various operating assets and liabilities. For the first nine months of fiscal 2014, cash flow from operating activities decreased 6 percent to \$380 million, as compared to the first nine months of fiscal 2013.

Days sales outstanding (DSO) was 50 days, which was an increase of 1 day as compared to the third quarter last year and sequentially.

Deferred revenue was \$766 million, an increase of 7 percent compared to the third quarter last year and a decrease of 5 percent sequentially. The year-over-year increase is primarily related to a net increase in subscription billings over the past four quarters. The sequential decrease in deferred revenue is primarily related to typical seasonality.

Backlog was \$2 million, flat compared to the third quarter last year and sequentially. At the end of the third quarter, channel inventory remained approximately one week.

Margins and EPS Review

	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Gross Margin					
Gross Margin - GAAP	89%	90%	88%	88%	88%
Gross Margin - Non-GAAP	91%	92%	90%	90%	90%
Operating Expenses (in millions)					
Operating Expenses - GAAP	\$ 456	\$ 460	\$ 422	\$ 410	\$ 420
Operating Expenses - Non-GAAP	\$ 355	\$ 404	\$ 378	\$ 370	\$ 378
Operating Margin					
Operating Margin - GAAP	6%	14%	14%	15%	12%
Operating Margin - Non-GAAP	27%	25%	24%	24%	22%
Earnings Per Share					
Diluted Net Income Per Share - GAAP	\$ 0.13	\$ 0.32	\$ 0.24	\$ 0.27	\$ 0.25
Diluted Net Income Per Share - Non-GAAP	\$ 0.47	\$ 0.53	\$ 0.42	\$ 0.45	\$ 0.41

GAAP gross margin in the third quarter was 88 percent. Non-GAAP gross margin in the third quarter was 90 percent. The year-over-year decrease in both GAAP and non-GAAP gross margin is primarily related to higher cloud and subscription-related costs.

GAAP operating expenses decreased 8 percent year-over-year primarily related to lower restructuring and stock-based compensation charges. The year-over-year decrease in GAAP operating expenses led to a 600 basis point improvement in the GAAP operating margin, which was 12 percent. GAAP operating expenses increased 2 percent sequentially primarily from higher marketing costs. The sequential increase in GAAP operating expenses led to an approximate 260 basis points decrease GAAP operating margin. Foreign currency exchange had a negative impact on GAAP operating margin of approximately 130 basis points, compared to the third quarter last year.

Non-GAAP operating expenses increased 7 percent year-over-year primarily related to higher employee related costs and professional fees. Non-GAAP operating expenses increased 2 percent sequentially primarily related to higher professional fees.

Non-GAAP operating margin was 22 percent and decreased approximately 470 basis points compared to the third quarter last year driven by higher employee related costs and foreign currency exchange headwinds. Foreign currency exchange had a negative impact on non-GAAP operating margin of approximately 110 basis points. Non-GAAP operating margin decreased approximately 230 basis points sequentially, primarily related to lower revenue and higher professional fees.

The third quarter effective tax rate was 17 percent and 23 percent for GAAP and non-GAAP, respectively. The GAAP effective tax rate was lower than expected due to the geographic mix of earnings and discrete items. The non-GAAP tax rate was lower than expected primarily due to the geographic mix of earnings and the impact of a lower rate for prior quarters.

GAAP earnings per diluted share for the third quarter were \$0.25. Non-GAAP earnings per diluted share for the third quarter were \$0.41.

The share count used to compute basic net income per share was 223.1 million. The share count used to compute diluted net income per share was 227.7 million.

A complete reconciliation between GAAP and non-GAAP results is provided in the tables following these prepared remarks.

Business Outlook

The following are forward-looking statements based on current expectations and assumptions, and involve risks and uncertainties some of which are set forth below. Autodesk's business outlook for the fourth quarter and full year fiscal 2014 assumes, among other things, a continuation of the current economic environment and foreign exchange currency rate environment, and interest expense related to Autodesk's \$750 million debt offering in December 2012.

Fourth Quarter Fiscal 2014

Q4 FY14 Guidance Metrics (1)	Q4 FY14 (ending January 31, 2014)
Revenue (in millions)	\$560 - \$580
EPS GAAP	\$0.09 - \$0.16
EPS Non-GAAP (2)	\$0.29 - \$0.36

(1) Includes impact of approximately \$50 million from business model transition as revenue that would have otherwise been recognized during this period will be deferred. Deferred revenue is expected to increase by an equivalent amount related to this transition.

(2) Non-GAAP earnings per diluted share exclude \$0.11 related to stock-based compensation expense, \$0.07 for the amortization of acquisition related intangibles, and \$0.02 related to restructuring charges.

The majority of the projected euro, yen and Australian dollar denominated net revenue for our fourth quarter fiscal 2014 has been hedged, which should materially reduce the impact of currency fluctuations on our fourth quarter results. However, over an extended period of time, currency fluctuations will increasingly impact our results. We also hedge certain expenses as noted below. We hedge our net exposures using a four quarter rolling layered hedge program. As such, a portion of the projected euro, yen, and Australian dollar denominated net revenue for our fiscal 2014 has been hedged. The closer to the current time period, the more we are hedged. See below for more details on our foreign currency hedging program.

Full Year Fiscal 2014

FY14 Guidance Metrics (1)	FY14 (ending January 31, 2014)
Revenue (in millions)	\$2,247 - \$2,267
EPS GAAP	\$0.84 - \$0.90
EPS Non-GAAP (2)	\$1.55 - \$1.61

(1) Includes impact of approximately \$50 million from business model transition as revenue that would have otherwise been recognized during this period will be deferred. Deferred revenue is expected to increase by an equivalent amount related to this transition.

(2) Non-GAAP earnings per diluted share exclude \$0.41 related to stock-based compensation expense, \$0.26 for the amortization of acquisition related intangibles, and \$0.04 related to restructuring charges.

Both the fourth quarter and full year fiscal 2014 outlook assume annual effective tax rates of approximately 22 percent and approximately 25 percent for GAAP and non-GAAP results, respectively. These rates do not

include one-time discrete items but do reflect the extension of the federal R&D tax credit benefit through December 31, 2013.

Autodesk's Foreign Currency Hedging Program and Calculation of Constant Currency Growth

Given continued foreign exchange volatility, we would like to provide a brief summary of how we handle foreign currency exchange hedging as well as a description of how we calculate constant currency growth rates. A few points on our hedging program include:

- We do not conduct foreign currency exchange hedging for speculative purposes. The purpose of our hedging program is to reduce risk from foreign denominated cash flows and to partially reduce variability that would otherwise impact our financial results from currency fluctuations.
- We utilize cash flow hedges on projected billings and certain projected operating expenses in major currencies. We hedge our net exposures using a four quarter rolling layered hedge. The closer to the current time period, the more we are hedged.
- The major currencies we hedge include the euro, yen, pound sterling, Australian dollar, Canadian dollar, and Swiss franc. The euro is the primary exposure for the company.

When we report period-over-period growth rate percentages on a constant currency basis, we attempt to represent the changes in the underlying business operations by eliminating fluctuations caused by changes in foreign currency exchange rates as well as eliminating hedge gains or losses recorded within the current and comparative period. However, when we calculate the foreign currency impact of exchange rates in the current and comparative period on our financial results (See table above in "Foreign Currency Impact" section) we include the U.S. Dollar impact of fluctuations in foreign currency exchange rates as well as the impact of gains and losses recorded as a result of our hedging program.

Autodesk's Product Type Classification

The following represents Autodesk's current view for product categorization. Autodesk will periodically make changes to this list. This is not a complete list.

"Flagship" includes the following products:

- 3ds Max[®]
- AutoCAD[®]
- AutoCAD LT[®]
- AutoCAD[®] vertical products such as AutoCAD[®] Mechanical and AutoCAD[®] Architecture
- Civil 3D[®]
- Inventor[®] products (standalone)
- Maya[®]
- Plant 3D
- Revit[®] products (standalone)

"Suites" include the following product classes:

- AutoCAD® Design Suites
- Building Design Suites
- Educational/academic suites
- Entertainment Creation Suites
- Factory Design Suites
- Infrastructure Design Suites
- Inventor® family suites
- Plant Design Suites
- Product Design Suites
- Revit® family suites

“New and Adjacent” includes the following products and services:

- Alias® Design products
- Autodesk® 360 products
- Autodesk® Consulting
- Autodesk® Simulation Mechanical
- Autodesk® Simulation Multiphysics
- Buzzsaw®
- CF Design
- Constructware®
- Consumer products
- Creative Finishing products
- Moldflow® products
- Navisworks®
- Scaleform®
- Vault products
- All other products

Glossary of Terms

License and Other revenue: License and other revenue consists of two components: all forms of product license revenue and other revenue. Product license revenue includes: software license revenue from the sale of new seat licenses and upgrades. Other revenue consists of revenue from Creative Finishing, consulting and training services.

Subscription revenue: Our subscription revenue consists of two components: maintenance revenue for our software products and revenue for our cloud service offerings, including Autodesk 360.

Maintenance: Our maintenance program provides our commercial and educational customers with a cost effective and predictable budgetary option to obtain the productivity benefits of our new releases and enhancements when and if released during the term of their contracts. Under our maintenance program, customers are eligible to receive unspecified upgrades when and if available, downloadable training courses and online support. We recognize maintenance revenue over the term of the agreements, generally between one and three years.

Safe Harbor Statement

These prepared remarks contain forward-looking statements that involve risks and uncertainties, including statements in the paragraphs under “Business Outlook” above, statements regarding revenue growth, managing expenses while making essential investments, demand for and adoption of cloud and mobile-based services, business model evolution, trends (including by geography, product, product type, and end user), the impact of general seasonality on the timing of future revenues, the impact of foreign exchange hedges, statements regarding the impact of our strategic decision regarding our education business and other statements regarding our strategies, market and products positions, performance and results. There are a significant number of factors that could cause actual results to differ materially from statements made in these remarks, including: general market, political, economic and business conditions; failure to maintain our revenue growth and profitability; failure to maintain cost reductions and productivity increases or otherwise control our expenses; our performance in particular geographies, including emerging economies; the ability of governments around the world to meet their financial and debt obligations, and finance infrastructure projects; weak or negative growth in the industries we serve; failure to successfully manage transitions to new business models and markets, including the introduction of additional ratable revenue streams and our continuing efforts to attract customers to our cloud-based offerings and expenses related to the transition of our business model; slowing momentum in subscription billings or revenues; difficulty in predicting revenue from new businesses and the potential impact on our financial results from changes in our business models; difficulties encountered in integrating new or acquired businesses and technologies; the inability to identify and realize the anticipated benefits of acquisitions; the financial and business condition of our reseller and distribution channels; dependence on and the timing of large transactions; fluctuation in foreign currency exchange rates; the success of our foreign currency hedging program; failure to achieve sufficient sell-through in our channels for new or existing products; pricing pressure; unexpected fluctuations in our tax rate; the timing and degree of expected investments in growth and efficiency opportunities; changes in the timing of product releases and retirements; and any unanticipated accounting charges.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's Annual Report on Form 10-K for the year ended January 31, 2013 and Forms 10-Q for the quarters ended April 30 and July 31, 2013, which are on file with the U.S. Securities and Exchange Commission. Autodesk does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

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Autodesk, Inc.

Other Supplemental Financial Information (a)

Fiscal Year 2014	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2014
Financial Statistics (\$ in millions, except per share data):					
Total Net Revenue:	\$ 570	\$ 562	\$ 555		\$ 1,687
License and Other Revenue	\$ 324	\$ 313	\$ 298		\$ 934
Subscription Revenue	\$ 247	\$ 249	\$ 258		\$ 753
GAAP Gross Margin	88%	88%	88%		88%
Non-GAAP Gross Margin (1)(2)	90%	90%	90%		90%
GAAP Operating Expenses	\$ 422	\$ 410	\$ 420		\$ 1,252
GAAP Operating Margin	14%	15%	12%		14%
GAAP Net Income	\$ 56	\$ 62	\$ 58		\$ 175
GAAP Diluted Net Income Per Share (b)	\$ 0.24	\$ 0.27	\$ 0.25		\$ 0.77
Non-GAAP Operating Expenses (1)(3)	\$ 378	\$ 370	\$ 378		\$ 1,126
Non-GAAP Operating Margin (1)(4)	24%	24%	22%		23%
Non-GAAP Net Income (1)(5)(c)	\$ 96	\$ 102	\$ 94		\$ 292
Non-GAAP Diluted Net Income Per Share (1)(6)(b)(c)	\$ 0.42	\$ 0.45	\$ 0.41		\$ 1.28
Total Cash and Marketable Securities	\$ 2,480	\$ 2,408	\$ 2,479		\$ 2,479
Days Sales Outstanding	46	49	50		50
Capital Expenditures	\$ 26	\$ 17	\$ 12		\$ 55
Cash Flow from Operating Activities	\$ 224	\$ 65	\$ 91		\$ 380
GAAP Depreciation, Amortization and Accretion	\$ 33	\$ 32	\$ 31		\$ 96
Deferred Subscription Revenue Balance (c)	775	736	699		699
Revenue by Geography:					
Americas	\$ 202	\$ 202	\$ 208		\$ 612
Europe, Middle East and Africa	\$ 216	\$ 202	\$ 204		\$ 622
Asia Pacific	\$ 152	\$ 158	\$ 143		\$ 453
% of Total Rev from Emerging Economies	13%	15%	15%		15%
Revenue by Segment:					
Platform Solutions and Emerging Business	\$ 213	\$ 197	\$ 183		\$ 593
Architecture, Engineering and Construction	\$ 172	\$ 177	\$ 186		\$ 535
Manufacturing	\$ 139	\$ 144	\$ 142		\$ 425
Media and Entertainment	\$ 47	\$ 43	\$ 44		\$ 134

Other Revenue Statistics:

% of Total Rev from Flagship	55%	51%	50%	52%
% of Total Rev from Suites	31%	34%	36%	34%
% of Total Rev from New and Adjacent	14%	14%	15%	14%
% of Total Rev from AutoCAD and AutoCAD LT	34%	31%	29%	31%

Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period:

FX Impact on Total Net Revenue	\$ (17)	\$ (17)	\$ (13)	\$ (47)
FX Impact on Cost of Revenue and Total Operating Expenses	\$ 5	\$ 4	\$ 3	\$ 13
FX Impact on Operating Income	(12)	(13)	(10)	(34)

Gross Margin by Segment:

Platform Solutions and Emerging Business	\$ 195	\$ 180	\$ 166	\$ 541
Architecture, Engineering and Construction	\$ 156	\$ 161	\$ 169	\$ 485
Manufacturing	\$ 128	\$ 132	\$ 130	\$ 390
Media and Entertainment	\$ 37	\$ 34	\$ 35	\$ 106
Unallocated amounts	\$ (12)	\$ (12)	\$ (12)	\$ (37)

Common Stock Statistics (in millions):

Common Shares Outstanding	224.4	222.5	224.6	224.6
Fully Diluted Weighted Average Shares Outstanding	229.3	228.3	227.7	228.6
Shares Repurchased	3.2	3.1	2.0	8.3

(a) Totals may not agree with the sum of the components due to rounding.

(b) Earnings per share were computed independently for each of the periods presented; therefore the sum of the earnings per share amounts for the quarters may not equal the total for the year.

(c) Prior amounts have been conformed to align with the current period presentation.

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating margin, non-GAAP net income, and non-GAAP net income per share. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, restructuring charges, amortization of purchased intangibles, gain and loss on strategic investments, and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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, non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods. There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying Autodesk's press release.

	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2014
(2) GAAP Gross Margin	88%	88%	88%		88%
Stock-based compensation expense	—%	—%	—%		—%

Amortization of developed technology	2%	2%	2%	2%
Non-GAAP Gross Margin	90%	90%	90%	90%
(3) GAAP Operating Expenses	\$ 422	\$ 410	\$ 420	\$ 1,252
Stock-based compensation expense	(32)	(30)	(30)	(92)
Amortization of customer relationships and trade names	(11)	(9)	(7)	(28)
Restructuring (charges) benefits, net	—	(2)	(4)	(7)
Non-GAAP Operating Expenses	\$ 378	\$ 370	\$ 378	\$ 1,126
(4) GAAP Operating Margin	14%	15%	12%	14%
Stock-based compensation expense	6%	6%	6%	6%
Amortization of developed technology	2%	2%	2%	2%
Amortization of customer relationships and trade names	2%	1%	1%	1%
Restructuring charges (benefits), net	—%	—%	1%	—%
Non-GAAP Operating Margin	24%	24%	22%	23%
(5) GAAP Net Income	\$ 56	\$ 62	\$ 58	\$ 175
Stock-based compensation expense	34	31	32	96
Amortization of developed technology	11	11	11	33
Amortization of customer relationships and trade names	11	9	7	28
Restructuring charges (benefits), net	—	2	4	7
(Gain) loss on strategic investments	1	—	—	1
Discrete GAAP tax provision items	(1)	1	(3)	(2)
Income tax effect of non-GAAP adjustments	(15)	(14)	(14)	(44)
Non-GAAP Net Income	\$ 96	\$ 102	\$ 94	\$ 292
(6) GAAP Diluted Net Income Per Share	\$ 0.24	\$ 0.27	\$ 0.25	\$ 0.77
Stock-based compensation expense	0.15	0.14	0.14	0.42
Amortization of developed technology	0.05	0.05	0.04	0.14
Amortization of customer relationships and trade names	0.05	0.04	0.03	0.12
Restructuring charges (benefits), net	—	0.01	0.02	0.03
(Gain) loss on strategic investments	—	—	—	—
Discrete GAAP tax provision items	—	—	(0.01)	(0.01)
Income tax effect of non-GAAP adjustments	(0.07)	(0.06)	(0.06)	(0.19)
Non-GAAP Diluted Net Income Per Share	\$ 0.42	\$ 0.45	\$ 0.41	\$ 1.28

Fiscal Year 2013	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2013
Financial Statistics (\$ in millions, except per share data):					
Total Net Revenue:	\$ 589	\$ 569	\$ 548	\$ 607	\$ 2,312
License and Other Revenue (c)	\$ 355	\$ 334	\$ 310	\$ 365	\$ 1,364
Subscription Revenue (c)	\$ 233	\$ 235	\$ 238	\$ 242	\$ 948
GAAP Gross Margin	90%	89%	89%	90%	90%
Non-GAAP Gross Margin (1)(2)	92%	91%	91%	92%	92%
GAAP Operating Expenses	\$ 436	\$ 416	\$ 456	\$ 460	\$ 1,768
GAAP Operating Margin	16%	16%	6%	14%	13%

GAAP Net Income	\$ 79	\$ 65	\$ 29	\$ 75	\$ 248
GAAP Diluted Net Income Per Share (b)	\$ 0.34	\$ 0.28	\$ 0.13	\$ 0.32	\$ 1.07
Non-GAAP Operating Expenses (1)(3)	\$ 396	\$ 376	\$ 355	\$ 404	\$ 1,531
Non-GAAP Operating Margin (1)(4)	25%	25%	27%	25%	25%
Non-GAAP Net Income (1)(5)(c)	\$ 109	\$ 111	\$ 109	\$ 121	\$ 450
Non-GAAP Diluted Net Income Per Share (1)(6)(b)(c)	\$ 0.47	\$ 0.48	\$ 0.47	\$ 0.53	\$ 1.94
Total Cash and Marketable Securities	\$ 1,796	\$ 1,717	\$ 1,737	\$ 2,365	\$ 2,365
Days Sales Outstanding	46	58	49	74	74
Capital Expenditures	\$ 12	\$ 17	\$ 17	\$ 12	\$ 56
Cash Flow from Operating Activities	\$ 139	\$ 107	\$ 157	\$ 156	\$ 559
GAAP Depreciation, Amortization and Accretion	\$ 29	\$ 29	\$ 35	\$ 35	\$ 128
Deferred Subscription Revenue Balance (c)	\$ 658	\$ 687	\$ 648	\$ 753	\$ 753
Revenue by Geography:					
Americas	\$ 208	\$ 199	\$ 209	\$ 221	\$ 836
Europe, Middle East and Africa	\$ 224	\$ 210	\$ 196	\$ 238	\$ 869
Asia Pacific	\$ 157	\$ 161	\$ 142	\$ 148	\$ 608
% of Total Rev from Emerging Economies	14%	15%	15%	14%	14%
Revenue by Segment:					
Platform Solutions and Emerging Business (c)	\$ 227	\$ 216	\$ 203	\$ 197	\$ 843
Architecture, Engineering and Construction (c)	\$ 166	\$ 163	\$ 165	\$ 208	\$ 701
Manufacturing	\$ 146	\$ 141	\$ 132	\$ 155	\$ 574
Media and Entertainment	\$ 51	\$ 49	\$ 48	\$ 47	\$ 194
Other Revenue Statistics (c):					
% of Total Rev from Flagship (d)	58%	57%	55%	54%	56%
% of Total Rev from Suites	28%	29%	30%	31%	30%
% of Total Rev from New and Adjacent (d)	14%	14%	15%	15%	15%
% of Total Rev from AutoCAD and AutoCAD LT	35%	34%	33%	29%	33%
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period:					
FX Impact on Total Net Revenue	\$ 14	\$ (1)	\$ (10)	\$ (15)	\$ (12)
FX Impact on Cost of Revenue and Total Operating Expenses	\$ (2)	\$ 6	\$ 7	\$ 1	\$ 12
FX Impact on Operating Income	\$ 12	\$ 5	\$ (3)	\$ (14)	\$ —
Gross Margin by Segment (c):					
Platform Solutions and Emerging Business	\$ 214	\$ 202	\$ 190	\$ 182	\$ 788
Architecture, Engineering and Construction	\$ 151	\$ 149	\$ 151	\$ 192	\$ 643
Manufacturing	\$ 134	\$ 130	\$ 122	\$ 145	\$ 531
Media and Entertainment	\$ 42	\$ 39	\$ 38	\$ 38	\$ 157
Unallocated amounts	\$ (11)	\$ (11)	\$ (11)	\$ (12)	\$ (45)

Common Stock Statistics (in millions):

Common Shares Outstanding	229.7	226.7	224.5	223.6	223.6
Fully Diluted Weighted Average Shares Outstanding	234.1	232.1	229.9	229.6	231.7
Shares Repurchased	2.5	3.4	4.0	2.6	12.5

(a) Totals may not agree with the sum of the components due to rounding.

(b) Earnings per share were computed independently for each of the periods presented; therefore the sum of the earnings per share amounts for the quarters may not equal the total for the year.

(c) Prior amounts have been conformed to align with the current period presentation.

(d) The first three quarters of 2013 percentages have been updated to reflect an adjustment implemented after we reported our results of operations for the third quarter of fiscal 2013.

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating margin, non-GAAP net income, and non-GAAP net income per share. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, restructuring charges, amortization of purchased intangibles, gain and loss on strategic investments, and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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, non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods. There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying Autodesk's press release.

	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2013
(2) GAAP Gross Margin	90%	89%	89%	90%	90%
Stock-based compensation expense	—%	—%	—%	—%	—%
Amortization of developed technology	2%	2%	2%	2%	2%
Non-GAAP Gross Margin	92%	91%	91%	92%	92%
(3) GAAP Operating Expenses	\$ 436	\$ 416	\$ 456	\$ 460	\$ 1,768
Stock-based compensation expense	(32)	(32)	(51)	(36)	(151)
Amortization of customer relationships and trade names	(8)	(8)	(14)	(13)	(42)
Restructuring (charges) benefits, net	—	—	(37)	(7)	(44)
Non-GAAP Operating Expenses	\$ 396	\$ 376	\$ 355	\$ 404	\$ 1,531
(4) GAAP Operating Margin	16%	16%	6%	14%	13%
Stock-based compensation expense	6%	6%	10%	6%	7%
Amortization of developed technology	2%	2%	2%	2%	1%
Amortization of customer relationships and trade names	1%	1%	2%	2%	2%
Restructuring charges (benefits), net	—%	—%	7%	1%	2%
Non-GAAP Operating Margin	25%	25%	27%	25%	25%

(5) GAAP Net Income	\$ 79	\$ 65	\$ 29	\$ 75	\$ 248
Stock-based compensation expense	33	34	52	38	156
Amortization of developed technology	10	10	10	10	40
Amortization of customer relationships and trade names	8	8	14	13	42
Restructuring charges (benefits), net	—	—	37	7	44
(Gain) loss on strategic investments (7)	(1)	5	—	—	4
Discrete GAAP tax provision items	(6)	3	(16)	(8)	(27)
Income tax effect of non-GAAP adjustments	(14)	(12)	(17)	(14)	(57)
Non-GAAP Net Income	\$ 109	\$ 111	\$ 109	\$ 121	\$ 450
(6) GAAP Diluted Net Income Per Share	\$ 0.34	\$ 0.28	\$ 0.13	\$ 0.32	\$ 1.07
Stock-based compensation expense	0.14	0.15	0.23	0.16	0.67
Amortization of developed technology	0.04	0.04	0.04	0.05	0.18
Amortization of customer relationships and trade names	0.03	0.03	0.06	0.05	0.18
Restructuring charges (benefits), net	—	—	0.15	0.03	0.18
(Gain) loss on strategic investments (7)	—	0.02	—	—	0.02
Discrete GAAP tax provision items	(0.03)	0.01	(0.07)	(0.02)	(0.12)
Income tax effect of non-GAAP adjustments	(0.05)	(0.05)	(0.07)	(0.06)	(0.24)
Non-GAAP Diluted Net Income Per Share	\$ 0.47	\$ 0.48	\$ 0.47	\$ 0.53	\$ 1.94

(7) Effective in the second quarter of fiscal 2013, Autodesk began excluding gains and losses on strategic investments for purposes of its non-GAAP financial measures. Prior period non-GAAP interest and other income (expense), net, net income and earnings per share amounts have been revised to conform to the current period presentation.