
**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 17, 2009

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 17, 2009, Autodesk, Inc. (“Autodesk” or the “Company”) issued a press release and prepared remarks reporting financial results for the third quarter ended October 31, 2009. 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, Autodesk’s management uses these non-GAAP measures that do not include: (a) stock-based compensation expenses, (b) amortization of purchased intangibles and purchases of technology, including in-process research and development, (c) goodwill impairment, (d) establishment of a valuation allowance on certain net deferred tax assets, (e) restructuring charges and (f) the income tax effects on the difference between GAAP and non-GAAP costs and expenses. Autodesk’s management uses these non-GAAP measures in making operating decisions because we believe the measures provide meaningful supplemental information regarding Autodesk’s earning potential. In addition, these non-GAAP financial measures facilitate comparisons to our and our competitors’ historical results and operating guidance.

As described above, Autodesk excludes 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.

B. *Amortization of purchased intangibles and in-process research and development expenses.* Autodesk incurs amortization of acquisition-related purchased intangible assets and charges related to in-process research and development, primarily in connection with its acquisition of certain businesses and technologies. The amortization of purchased intangibles varies depending on the level of acquisition activity, and 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.

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. *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 expenses to assist in budgeting, planning and forecasting future periods.

E. *Restructuring charges.* These expenses are associated with realigning our business strategies based on current economic conditions. In connection with these restructuring actions, we recognize costs related to termination benefits for former employees whose positions were eliminated, and the closure of facilities and cancelation of certain contracts. We exclude these charges because these expenses are not reflective of ongoing operating results in the current period.

F. *Income tax effects.* 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 differences in the timing of when income tax benefits are recognized for stock compensation and purchased intangibles for GAAP and non-GAAP measures.

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. In addition, 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. Management 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 earnings release and prepared remarks. The presentation of non-GAAP financial 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. The non-GAAP financial measures are meant to supplement, and be viewed in conjunction with, GAAP financial measures. Investors should review the information regarding non-GAAP financial measures provided in our press release and prepared remarks.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated as of November 17, 2009, entitled "Autodesk Increases Profitability in Third Quarter Fiscal 2010."
99.2	Prepared Remarks dated as of November 17, 2009.

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 17, 2009

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated as of November 17, 2009, entitled "Autodesk Increases Profitability in Third Quarter Fiscal 2010."
99.2	Prepared Remarks dated as of November 17, 2009.

PRESS RELEASE

Investors

David Gennarelli, 415.507.6033, david.gennarelli@autodesk.com

Press :

Pam Pollace, 415.547.2441, pam.pollace@autodesk.com

Michael Cabot, 415-547-2439, michael.cabot@autodesk.com

Autodesk Increases Profitability in Third Quarter Fiscal 2010

SAN RAFAEL, Calif., November 17, 2009– [Autodesk, Inc.](http://www.autodesk.com) (NASDAQ: ADSK) today reported financial results for the third quarter of fiscal 2010.

- Revenue was \$417 million, flat sequentially, and a decrease of 31 percent compared to the third quarter of fiscal 2009.
- GAAP diluted earnings per share were \$0.13, compared to GAAP diluted earnings per share of \$0.05 in the second quarter of fiscal 2010, and \$0.45 in the third quarter of fiscal 2009.
- Non-GAAP diluted earnings per share were \$0.27, compared to non-GAAP diluted earnings per share of \$0.24 in the second quarter of fiscal 2010, and non-GAAP diluted earnings per share of \$0.56 in the third quarter of fiscal 2009. A reconciliation of the GAAP and non-GAAP results is provided in the accompanying tables.

“Our business appears to be increasingly stable,” said [Carl Bass](http://www.autodesk.com), Autodesk president and CEO. “We posted sequential increases in a number of important metrics including revenue from commercial new seat licenses, revenue from our Americas and EMEA geographies, revenue from our 2D horizontal solutions, and revenue from our 3D animation solutions. These results reflect the business environment that began stabilizing in the second quarter of this fiscal year.

“In addition, our efforts to reduce operating expenses resulted in a sequential increase in profitability for the second consecutive quarter,” continued Bass. “While there are several data points in our business that are encouraging and represent positive indicators for our business, the health of the global economic environment remains mixed and the continued job losses in our core markets represent ongoing challenges to a swift recovery in our business.”

Operational OverviewThe Autodesk logo is positioned vertically on the right side of the page. It consists of the word "Autodesk" in a bold, sans-serif font, rotated 90 degrees counter-clockwise.

Revenue in the Americas increased 2 percent sequentially to \$164 million and decreased 25 percent compared to the third quarter of fiscal 2009. EMEA revenue increased 1 percent sequentially as reported, to \$159 million, and declined 3 percent on a constant currency basis. EMEA revenue decreased 38 percent compared to the third quarter of fiscal 2009 as reported, and 35 percent on a constant currency basis. Revenue in Asia Pacific was \$94 million, a decrease of 4 percent sequentially as reported, and 7 percent on a constant currency basis. Revenue in Asia Pacific decreased 29 percent compared to the third quarter of fiscal 2009 as reported, and 33 percent on a constant currency basis.

Revenue from emerging economies was \$62 million, a decline of 2 percent sequentially as reported and 3 percent on a constant currency basis. Revenue from emerging economies decreased 46 percent compared to the third quarter of fiscal 2009 as reported and 45 percent on a constant currency basis. Revenue from emerging economies represented 15 percent of total revenue in the quarter.

Combined revenue from Autodesk's model-based 3D design solutions was \$122 million, flat sequentially and a decline of 25 percent compared to the third quarter of fiscal 2009. Revenue from 2D horizontal and vertical products was \$189 million, a slight decrease sequentially and a decline of 37 percent compared to the third quarter of fiscal 2009. Combined revenue from our AutoCAD and AutoCAD LT products increased 2 percent sequentially and decreased 39 percent compared to the third quarter last year.

“With more than \$1 billion in cash and investments, no debt, and positive cash flows, Autodesk remains in solid financial condition,” continued Bass. “We are on track to deliver more than \$300 million in pre-tax cost savings in fiscal 2010 compared to fiscal 2009. We will continue to strive to increase our efficiencies and profitability while making essential investments for the future.”

During the current quarter, Autodesk determined that the way in which its third-party software application accounted for estimated forfeitures in stock-based compensation calculations was incorrect. As a result, fiscal third quarter 2010 GAAP results include a one-time adjustment to increase stock-based compensation expense by \$7.9 million net of tax, or approximately \$0.03 per diluted share. This is a cumulative adjustment from prior periods. For the nine month period ended October 31, 2009 the cumulative adjustment from prior periods was \$6.8 million net of tax or \$0.03 per diluted share.

Business Outlook

The following are forward-looking statements that are based on current expectations that involve risks and uncertainties, some of which are set forth below.

Fourth Quarter Fiscal 2010

For the fourth quarter, Autodesk expects revenue to be in the range of \$420 million to \$440 million. GAAP earnings per diluted share are expected to be in the range of \$0.07 and \$0.12. Non-GAAP earnings per diluted share are expected to be in the range of \$0.19 and \$0.24, excluding \$0.06 related to stock-based compensation expense and \$0.06 for amortization of acquisition related intangibles.

Full Year Fiscal 2010

Net revenue for fiscal 2010 is expected to be in the range of \$1.68 billion and \$1.7 billion. GAAP earnings per diluted share are expected to be in the range of \$0.11 and \$0.16. Non-GAAP earnings per diluted share are expected to be in the range of \$0.88 and \$0.93 and exclude \$0.29 related to stock-based compensation expense, \$0.18 for the amortization of acquisition related intangibles, \$0.15 for restructuring charges, \$0.06 related to goodwill impairment, and \$0.09 related to the establishment of a valuation allowance on deferred tax assets.

In addition, Autodesk anticipates total GAAP pre-tax spend (operating expenses plus cost of goods sold) for fiscal 2010 to range between \$1.65 billion and \$1.66 billion, which is lower than fiscal 2009 by between \$407 and \$417 million. The company anticipates total non-GAAP pre-tax spend (operating expenses plus cost of goods sold) for fiscal 2010 to range between \$1.42 billion and \$1.43 billion, which is lower than fiscal 2009 by between \$300 and \$310 million. Total non-GAAP pre-tax spend excludes approximately \$95 million of stock-based compensation expense, \$60 million of amortization of acquisition related intangibles, \$50 million of restructuring charges and \$20 million of goodwill impairment charges, which are included in total GAAP pre-tax spend.

First Quarter 2011 and Full Year Fiscal 2011

Autodesk is not providing specific revenue or EPS guidance for fiscal 2011 at this time. However, in the first quarter of fiscal 2011, GAAP operating margin is expected to increase year-over-year as the company recorded significant impairment charges in the first quarter of fiscal 2010 that it does not anticipate recording in fiscal 2011. Non-GAAP operating margin in the first quarter of fiscal 2011 is anticipated to be flat to slightly down compared to the first quarter of fiscal 2010, as a result of normal seasonality and the return of some costs that were suppressed in the first quarter of fiscal 2010.

GAAP operating margin for the full year fiscal 2011 is expected to increase as the company recorded significant impairment charges in fiscal 2010 that it does not anticipate recording in fiscal 2011. Autodesk anticipates modest improvement in non-GAAP operating margin for full year fiscal 2011 compared to fiscal 2010.

Non-GAAP operating margin excludes stock-based compensation expense, amortization of acquisition related intangibles, restructuring charges and goodwill impairments.

Earnings Conference Call and Webcast

Autodesk will host its third quarter conference call today at 5:00 p.m. EST. 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 our 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 EST at <http://www.autodesk.com/investors>. This replay will be maintained on our website for at least twelve 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 anticipated market, economic and revenue trends, cost savings, timing of certain charges and other statements regarding our expected strategies, market position, performance and results. Other factors that could cause actual results to differ materially include the following: general market, economic and business conditions, our performance in particular geographies, including emerging economies, the financial and business condition of our reseller and distribution channels, fluctuation in foreign currency exchange rates, failure to achieve and maintain planned cost reductions and productivity increases, slowing momentum in maintenance revenues, failure to achieve sufficient sell-through in our channels for new or existing products, pricing pressure, failure to achieve continued migration from 2D products to 3D products, difficulties encountered in integrating new or acquired businesses and technologies, the inability to identify and realize the anticipated benefits of acquisitions, unexpected fluctuations in our tax rate, the timing and degree of expected investments in growth opportunities, changes in the timing of product releases and retirements, failure of key new applications to achieve anticipated levels of customer acceptance, failure to achieve continued success in technology advancements, interruptions or terminations in the business of Autodesk consultants, and any unanticipated accounting charges.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's reports on Form 10-K for the year ended January 31, 2009 and Forms 10-Q for the quarters ended April 30, 2009 and July 31, 2009, 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, Inc., is a world leader in 2D and 3D design, engineering and entertainment software for the manufacturing, building and construction, and media and entertainment markets. Since its introduction of AutoCAD software in 1982, Autodesk continues to develop the broadest portfolio of state-of-the-art software to help customers experience their ideas digitally before they are built. Fortune 100 companies - as well as the last 14 Academy Award winners for Best Visual Effects - use Autodesk software tools to design, visualize and simulate their ideas to save time and money, enhance quality, and foster innovation for competitive advantage. For additional information about Autodesk, visit www.autodesk.com.

Autodesk, AutoCAD, AutoCAD LT are registered trademarks or trademarks of Autodesk, Inc., and/or its subsidiaries and/or affiliates in the USA and/or other countries. Academy Award is a registered trademark of the Academy of Motion Picture Arts and Sciences. All other brand names, product names or trademarks belong to their respective holders. Autodesk reserves the right to alter product offerings and specifications at any time without notice, and is not responsible for typographical or graphical errors that may appear in this document. © 2009 Autodesk, Inc. All rights reserved.

© 2009 Autodesk, Inc. All rights reserved.

Autodesk, Inc.

Consolidated Statements of Operations

(In millions, except per share data)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Net revenue:				
License and other	\$ 236.1	\$ 421.0	\$ 710.7	\$ 1,293.4
Maintenance	180.8	186.1	546.9	532.0
Total net revenue	416.9	607.1	1,257.6	1,825.4
Cost of revenue:				
Cost of license and other revenue	42.0	50.5	138.6	164.1
Cost of maintenance revenue	3.0	2.4	8.8	6.5
Total cost of revenue	45.0	52.9	147.4	170.6
Gross profit	371.9	554.2	1,110.2	1,654.8
Operating Expenses:				
Marketing and sales	180.3	227.0	540.6	682.7
Research and development	109.3	137.0	340.7	437.4
General and administrative	51.1	50.6	150.6	156.4
Impairment of goodwill	-	-	21.0	-
Restructuring charges	4.9	-	47.8	-
Total operating expenses	345.6	414.6	1,100.7	1,276.5
Income from operations	26.3	139.6	9.5	378.3
Interest and other income (expense), net	5.7	(3.4)	16.5	9.9
Income before income taxes	32.0	136.2	26.0	388.2
Provision for income taxes	(2.5)	(31.7)	(18.1)	(99.2)
Net income	\$ 29.5	\$ 104.5	\$ 7.9	\$ 289.0
Basic net income per share	\$ 0.13	\$ 0.46	\$ 0.03	\$ 1.28
Diluted net income per share	\$ 0.13	\$ 0.45	\$ 0.03	\$ 1.25
Shares used in computing basic net income per share	229.6	225.3	228.5	225.2
Shares used in computing diluted net income per share	232.9	230.4	231.1	231.2

Autodesk, Inc.
Condensed Consolidated Balance Sheets
(In millions)

	October 31, 2009 <u>(Unaudited)</u>	January 31, 2009 <u></u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 698.5	\$ 917.6
Marketable securities	263.1	63.5
Accounts receivable, net	215.7	316.5
Deferred income taxes	49.8	31.1
Prepaid expenses and other current assets	60.0	59.3
Total current assets	1,287.1	1,388.0
Marketable securities	92.0	7.6
Computer equipment, software, furniture and leasehold improvements, net	111.9	120.6
Purchased technologies, net	88.9	113.3
Goodwill	530.5	542.5
Long term deferred income taxes, net	92.7	125.7
Other assets	112.3	123.0
	\$ 2,315.4	\$ 2,420.7
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 60.0	\$ 62.4
Accrued compensation	98.9	124.3
Accrued income taxes	9.8	16.7
Deferred revenue	401.2	438.8
Borrowings under line of credit	-	52.1
Other accrued liabilities	57.4	105.8
Total current liabilities	627.3	800.1
Deferred revenue	68.3	113.3
Long term income taxes payable	123.2	116.9
Long term deferred income taxes	-	22.7
Other liabilities	64.9	57.0
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	-	-
Common stock and additional paid-in capital	1,194.2	1,080.4
Accumulated other comprehensive income (loss)	3.7	(11.2)
Retained earnings	233.8	241.5
Total stockholders' equity	1,431.7	1,310.7
	\$ 2,315.4	\$ 2,420.7

Autodesk, Inc.**Condensed Consolidated Statements of Cash Flows**

(In millions)

	Nine Months Ended October 31,	
	2009	2008
	(Unaudited)	
Operating Activities		
Net income	\$ 7.9	\$ 289.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84.4	64.5
Stock-based compensation expense	74.7	70.9
Impairment of goodwill	21.0	-
Restructuring charges, net	47.8	-
Gain on disposition of assets	(2.3)	-
Charge for acquired in-process research and development	-	18.0
Changes in operating assets and liabilities, net of business combinations	(112.3)	65.1
Net cash provided by operating activities	<u>121.2</u>	<u>507.5</u>
Investing Activities		
Purchases of marketable securities	(409.9)	(111.2)
Sales of marketable securities	8.1	5.2
Maturities of marketable securities	126.5	-
Capital expenditures	(30.2)	(59.1)
Purchase of equity investment	(10.0)	-
Business combinations, net of cash acquired	(3.6)	(297.3)
Net cash used in investing activities	<u>(319.1)</u>	<u>(462.4)</u>
Financing activities		
Draws on line of credit	2.2	800.0
Repayments of line of credit	(54.3)	(796.0)
Proceeds from issuance of common stock, net of issuance costs	67.5	89.1
Repurchases of common stock	(39.4)	(256.6)
Net cash used in financing activities	<u>(24.0)</u>	<u>(163.5)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2.8</u>	<u>(3.1)</u>
Net decrease in cash and cash equivalents	(219.1)	(121.5)
Cash and cash equivalents at beginning of fiscal year	917.6	917.9
Cash and cash equivalents at end of period	<u>\$ 698.5</u>	<u>\$ 796.4</u>

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 net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net and non-GAAP provision for income taxes. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, amortization of purchased intangibles, in-process research and development expenses, restructuring charges, goodwill impairment, establishment of a valuation allowance on certain deferred tax assets 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 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 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,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
GAAP cost of license and other revenue	\$ 42.0	\$ 50.5	\$ 138.6	\$ 164.1
Stock-based compensation expense	(1.1)	(1.0)	(2.4)	(3.1)
Amortization of developed technology	(8.7)	(6.4)	(25.3)	(15.2)
Non-GAAP cost of license and other revenue	<u>\$ 32.2</u>	<u>\$ 43.1</u>	<u>\$ 110.9</u>	<u>\$ 145.8</u>
GAAP gross profit	\$ 371.9	\$ 554.2	\$ 1,110.2	\$ 1,654.8
Stock-based compensation expense	1.1	1.0	2.4	3.1
Amortization of developed technology	8.7	6.4	25.3	15.2
Non-GAAP gross profit	<u>\$ 381.7</u>	<u>\$ 561.6</u>	<u>\$ 1,137.9</u>	<u>\$ 1,673.1</u>
GAAP marketing and sales	\$ 180.3	\$ 227.0	\$ 540.6	\$ 682.7
Stock-based compensation expense	(13.5)	(10.1)	(32.5)	(30.6)
Non-GAAP marketing and sales	<u>\$ 166.8</u>	<u>\$ 216.9</u>	<u>\$ 508.1</u>	<u>\$ 652.1</u>
GAAP research and development	\$ 109.3	\$ 137.0	\$ 340.7	\$ 437.4
Stock-based compensation expense	(9.5)	(7.2)	(23.7)	(23.3)
In-process research and development	-	(1.2)	-	(18.0)
Non-GAAP research and development	<u>\$ 99.8</u>	<u>\$ 128.6</u>	<u>\$ 317.0</u>	<u>\$ 396.1</u>
GAAP general and administrative	\$ 51.1	\$ 50.6	\$ 150.6	\$ 156.4
Stock-based compensation expense	(6.2)	(4.2)	(16.1)	(13.9)
Amortization of customer relationships and trademarks	(6.4)	(7.2)	(19.5)	(16.5)
Non-GAAP general and administrative	<u>\$ 38.5</u>	<u>\$ 39.2</u>	<u>\$ 115.0</u>	<u>\$ 126.0</u>
GAAP impairment of goodwill	\$ -	\$ -	\$ 21.0	\$ -
Impairment of goodwill	-	-	(21.0)	-
Non-GAAP impairment of goodwill	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GAAP restructuring charges	\$ 4.9	\$ -	\$ 47.8	\$ -
Restructuring charges	(4.9)	-	(47.8)	-
Non-GAAP restructuring charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GAAP operating expenses	\$ 345.6	\$ 414.6	\$ 1,100.7	\$ 1,276.5
Stock-based compensation expense	(29.2)	(21.5)	(72.3)	(67.8)
Amortization of customer relationships and trademarks	(6.4)	(7.2)	(19.5)	(16.5)
In-process research and development	-	(1.2)	-	(18.0)
Impairment of goodwill	-	-	(21.0)	-
Restructuring charges	(4.9)	-	(47.8)	-
Non-GAAP operating expenses	<u>\$ 305.1</u>	<u>\$ 384.7</u>	<u>\$ 940.1</u>	<u>\$ 1,174.2</u>
GAAP income from operations	\$ 26.3	\$ 139.6	\$ 9.5	\$ 378.3
Stock-based compensation expense	30.3	22.5	74.7	70.9
Amortization of developed technology	8.7	6.4	25.3	15.2
Amortization of customer relationships and trademarks	6.4	7.2	19.5	16.5
In-process research and development	-	1.2	-	18.0
Impairment of goodwill	-	-	21.0	-
Restructuring charges	4.9	-	47.8	-
Non-GAAP income from operations	<u>\$ 76.6</u>	<u>\$ 176.9</u>	<u>\$ 197.8</u>	<u>\$ 498.9</u>
GAAP provision for income taxes	\$ (2.5)	\$ (31.7)	\$ (18.1)	\$ (99.2)
Establishment of valuation allowance on deferred tax assets	-	-	21.0	-
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(16.7)	(11.8)	(55.4)	(32.1)
Non-GAAP provision for income tax	<u>\$ (19.2)</u>	<u>\$ (43.5)</u>	<u>\$ (52.5)</u>	<u>\$ (131.3)</u>
GAAP net income	\$ 29.5	\$ 104.5	\$ 7.9	\$ 289.0
Stock-based compensation expense	30.3	22.5	74.7	70.9
Amortization of developed technology	8.7	6.4	25.3	15.2
Amortization of customer relationships and trademarks	6.4	7.2	19.5	16.5
In-process research and development	-	1.2	-	18.0
Impairment of goodwill	-	-	21.0	-
Restructuring charges	4.9	-	47.8	-
Establishment of valuation allowance on deferred tax assets	-	-	21.0	-
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(16.7)	(11.8)	(55.4)	(32.1)
Non-GAAP net income	<u>\$ 63.1</u>	<u>\$ 130.0</u>	<u>\$ 161.8</u>	<u>\$ 377.5</u>
GAAP diluted net income per share	\$ 0.13	\$ 0.45	\$ 0.03	\$ 1.25
Stock-based compensation expense	0.13	0.10	0.33	0.31
Amortization of developed technology	0.04	0.03	0.11	0.06
Amortization of customer relationships and trademarks	0.02	0.03	0.08	0.07
In-process research and development	-	-	-	0.07
Impairment of goodwill	-	-	0.09	-
Restructuring charges	0.02	-	0.21	-
Establishment of valuation allowance on deferred tax assets	-	-	0.09	-
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(0.07)	(0.05)	(0.24)	(0.14)
Non-GAAP diluted net income per share	<u>\$ 0.27</u>	<u>\$ 0.56</u>	<u>\$ 0.70</u>	<u>\$ 1.62</u>
GAAP diluted shares used in per share calculation	232.9	230.4	231.1	231.2
Impact of stock-based compensation on diluted shares	0.9	-	0.8	0.3
Non-GAAP diluted shares used in per share calculation	<u>233.8</u>	<u>230.4</u>	<u>231.9</u>	<u>231.5</u>



Other Supplemental Financial Information *

Fiscal Year 2010	QTR 1		QTR 2		QTR 3		QTR 4		YTD 2010	
Financial Statistics (\$ in millions, except per share data):										
Total net revenue	\$	426	\$	415	\$	417	\$		\$	1,258
License and other revenue	\$	244	\$	231	\$	236	\$		\$	711
Maintenance revenue	\$	182	\$	184	\$	181	\$		\$	547
GAAP Gross Margin		88%		88%		89%				88%
Non-GAAP Gross Margin (1)(2)		90%		90%		92%				90%
GAAP Operating Expenses	\$	393	\$	362	\$	346	\$		\$	1,101
GAAP Operating Margin		-5%		1%		6%				1%
GAAP Net Income (Loss)	\$	(32)	\$	10	\$	30	\$		\$	8
GAAP Diluted Net Income (Loss) Per Share	\$	(0.14)	\$	0.05	\$	0.13	\$		\$	0.03
Non-GAAP Operating Expenses (1)(3)	\$	327	\$	308	\$	305	\$		\$	940
Non-GAAP Operating Margin (1)(4)		13%		16%		18%				16%
Non-GAAP Net Income (1)(5)	\$	42	\$	57	\$	63	\$		\$	162
Non-GAAP Diluted Net Income Per Share (1)(6)	\$	0.18	\$	0.24	\$	0.27	\$		\$	0.70
Total Cash and Marketable Securities	\$	966	\$	1,029	\$	1,054	\$		\$	1,054
Days Sales Outstanding		49		49		47				47
Capital Expenditures	\$	14	\$	11	\$	6	\$		\$	30
Cash from Operations	\$	27	\$	47	\$	47	\$		\$	121
GAAP Depreciation and Amortization	\$	27	\$	28	\$	29	\$		\$	84
Deferred Maintenance Revenue Balance	\$	469	\$	444	\$	420	\$		\$	420
Revenue by Geography (in millions):										
Americas	\$	163	\$	159	\$	164	\$		\$	486
Europe	\$	167	\$	157	\$	159	\$		\$	484
Asia/Pacific	\$	96	\$	99	\$	94	\$		\$	288
Revenue by Segment (in millions): ***										
Platform Solutions and Emerging Business	\$	156	\$	150	\$	154	\$		\$	460
Architecture, Engineering and Construction	\$	128	\$	123	\$	125	\$		\$	376
Manufacturing	\$	94	\$	95	\$	90	\$		\$	279
Media and Entertainment	\$	48	\$	47	\$	48	\$		\$	143
Other	\$	-	\$	-	\$	-	\$		\$	-
Other Revenue Statistics:										
% of Total Rev from AutoCAD and AutoCAD LT ***		33%		31%		32%				32%
% of Total Rev from 3D design products		29%		29%		29%				29%
% of Total Rev from Emerging Economies		14%		15%		15%				15%
Upgrade Revenue (in millions)	\$	43	\$	26	\$	26	\$		\$	96
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period (in millions):										
FX Impact on Total Net Revenue	\$	(31)	\$	(24)	\$	(4)	\$		\$	(59)
FX Impact on Total Operating Expenses	\$	22	\$	14	\$	2	\$		\$	37
FX Impact on Total Net Income (Loss)	\$	(9)	\$	(10)	\$	(2)	\$		\$	(22)
Gross Margin by Segment (in millions): ***										
Platform Solutions and Emerging Business	\$	146	\$	140	\$	147	\$		\$	433
Architecture, Engineering and Construction	\$	116	\$	110	\$	113	\$		\$	340
Manufacturing	\$	86	\$	88	\$	84	\$		\$	257
Media and Entertainment	\$	34	\$	36	\$	38	\$		\$	108
Unallocated amounts	\$	(9)	\$	(9)	\$	(10)	\$		\$	(28)
Common Stock Statistics:										
GAAP Shares Outstanding		228,219,000		229,666,000		229,665,000				229,665,000
GAAP Fully Diluted Weighted Average Shares Outstanding		227,080,000		232,286,000		232,947,000				231,140,000
Shares Repurchased		-		-		1,673,000				1,673,000
Installed Base Statistics:										
Maintenance Installed Base **		1,719,000		2,299,000		2,236,000				2,236,000

* Totals may not agree with the sum of the components due to rounding.

** The second quarter of fiscal 2010 maintenance installed base includes a one-time adjustment of 581,000 educational seats for users migrated to a standard educational maintenance plan. These users were not previously captured in our maintenance installed base.

*** In the third quarter of fiscal 2010, Autodesk changed its methodology for allocating certain revenue transactions, including gains and losses from foreign currency. The second quarter of fiscal 2010 amounts have been reclassified to conform to the current presentation. The change in methodology did not have a material effect on any other period.

Autodesk®

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net and non-GAAP provision for income taxes. 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, goodwill impairment, establishment of a valuation allowance on certain deferred tax assets 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 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.

Fiscal Year 2010	QTR 1		QTR 2		QTR 3		QTR 4		YTD 2010	
(2) GAAP Gross Margin		88%		88%		89%				88%
Stock-based compensation expense		0%		0%		0%				0%
Amortization of developed technology		2%		2%		3%				2%
Non-GAAP Gross Margin		90%		90%		92%				90%
(3) GAAP Operating Expenses	\$	393	\$	362	\$	346		\$	1,101	
Stock-based compensation expense		(22)		(21)		(30)			(73)	
Amortization of customer relationships and trademarks		(6)		(7)		(6)			(19)	
Restructuring charges		(17)		(26)		(5)			(48)	
Impairment of goodwill		(21)		-		-			(21)	
Non-GAAP Operating Expenses	\$	327	\$	308	\$	305		\$	940	
(4) GAAP Operating Margin		-5%		1%		6%				1%
Stock-based compensation expense		5%		5%		7%				6%
Amortization of developed technology		2%		2%		2%				2%
Amortization of customer relationships and trademarks		2%		2%		2%				1%
Restructuring charges		4%		6%		1%				4%
Impairment of goodwill		5%		0%		0%				2%
Non-GAAP Operating Margin		13%		16%		18%				16%
(5) GAAP Net Income (Loss)	\$	(32)	\$	10	\$	30		\$	8	
Stock-based compensation expense		23		21		30			75	
Amortization of developed technology		8		8		9			25	
Amortization of customer relationships and trademarks		6		7		6			19	
Establishment of valuation allowance on deferred tax assets		21		-		-			21	
Impairment of goodwill		21		-		-			21	
Restructuring charges		17		26		5			48	
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(22)		(16)		(17)			(55)	
Non-GAAP Net Income	\$	42	\$	56	\$	63		\$	162	
(6) GAAP Diluted Net Income (Loss) Per Share	\$	(0.14)	\$	0.05	\$	0.13		\$	0.03	
Stock-based compensation expense		0.10		0.09		0.13			0.33	
Amortization of developed technology		0.04		0.03		0.04			0.11	
Amortization of customer relationships and trademarks		0.03		0.03		0.02			0.08	
Establishment of valuation allowance on deferred tax assets		0.09		-		-			0.09	
Impairment of goodwill		0.09		-		-			0.09	
Restructuring charges		0.07		0.11		0.02			0.21	
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(0.10)		(0.07)		(0.07)			(0.24)	
Non-GAAP Diluted Net Income Per Share	\$	0.18	\$	0.24	\$	0.27		\$	0.70	

AUTODESK, INC. (ADSK)
FISCAL THIRD QUARTER 2010 EARNINGS ANNOUNCEMENT
November 17, 2009
PREPARED REMARKS

Autodesk is posting a copy of these prepared remarks in combination with its press release to its investor 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 17, 2009 at 2:00 pm PST (5:00 pm EST) 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.

3Q Fiscal 2010 Overview

Our business appears to be increasingly stable as evidenced by our sequentially flat total revenue and sequential increases in a number of important metrics. In addition, we continued to make progress in reducing our operating costs, which led to a significant sequential improvement in profitability.

- Revenue was \$417 million, flat sequentially, and a decrease of 31 percent as compared to the third quarter of fiscal 2009.
- Total spend (operating expenses plus cost of goods sold) decreased sequentially due largely to realizing the full benefit of the restructuring actions taken in previous quarters, as well as continued focus on increasing efficiency and further cost control.
- GAAP diluted earnings per share were \$0.13, compared to GAAP diluted earnings per share of \$0.05 in the second quarter of fiscal 2010, and \$0.45 in the third quarter of fiscal 2009.
- Non-GAAP diluted earnings per share were \$0.27, compared to non-GAAP diluted earnings per share of \$0.24 in the second quarter of fiscal 2010, and non-GAAP diluted earnings per share of \$0.56 in the third quarter of fiscal 2009.

Not unexpectedly, results were mixed in our various geographies. However, global economic conditions in Autodesk's core markets were increasingly stable relative to the conditions experienced in late calendar 2008, and the early part of calendar 2009.

In addition to posting flat sequential revenue and increased profitability, there were a number of other positive data points including a 4 percent sequential increase in revenue from new commercial seats. Growth in revenue from commercial new seats is an essential building block in growing our revenue base over the long term.

Once again our government business grew both sequentially and on a year-over-year basis as we experienced strong growth with U.S. federal agencies. While we are encouraged by the growth of sales into government organizations, we believe this is still largely based on our growing presence in this area and not yet related to U.S. government stimulus spending, which continues to be difficult to trace.

This quarter we were pleased to see sequential growth in our 2D horizontal products, AutoCAD and AutoCAD LT, which had been impacted more significantly than our other design solutions during this recession. In fact, revenue from Auto CAD and Auto CAD LT accounted for the majority of the growth in revenue from commercial new seats.

Revenue from our model-based 3D design solutions was flat sequentially. Sequential growth in our Civil 3D, Navisworks, Robot Structural Analysis and Moldflow products was offset by sequential declines in both the Inventor and Revit product families.

Emerging economies were a key component to our growth prior to the recession and we believe they will continue to be a key component to our revenue mix and future growth. Revenue from emerging economies posted a small sequential decrease in the third quarter after showing a sequential increase last quarter. Our design, manufacturing and engineering solutions are ideally suited to help these countries build out their infrastructures. Revenue from emerging economies experienced significant declines year-over-year.

On the expense side, we made further progress in creating efficiencies within our organization and reducing our overall expense structure. GAAP operating expenses declined 5 percent sequentially and 17 percent compared to the third quarter last year. Non-GAAP operating expenses declined 1 percent sequentially and 21 percent compared to the third quarter last year. The cost savings we have achieved in the first nine months of this fiscal year are significant. These reductions were made to better align our business and cost structure with the current operating environment. We will continue to look for opportunities to improve the progress we've made in this area while making essential investments in the future.

Consistent with normal seasonality, operating expenses are expected to increase sequentially in the fourth quarter. Regardless, we now believe we will exceed our plan of reducing pre-tax spend (operating expenses plus cost of goods sold) by \$300 million in fiscal 2010, compared to fiscal 2009.

Autodesk's financial position remains solid. The company's cash and investments balance increased slightly and remains over \$1 billion with no debt. In addition, during the third quarter, Autodesk repurchased 1.7 million shares of common stock.

While our markets have become increasingly stable over the past two quarters, reliable forecasting beyond one quarter remains challenging. While it is encouraging that some of the broader economic indicators are showing some improvement, the loss of jobs in our primary markets of architecture, construction and manufacturing continues to create a headwind for our business.

Revenue Analysis

<i>(in millions)</i>	3Q 2009		4Q 2009		1Q 2010		2Q 2010		3Q 2010	
Total net revenue	\$	607	\$	490	\$	426	\$	415	\$	417
License and other revenue	\$	421	\$	310	\$	244	\$	231	\$	236
Maintenance revenue	\$	186	\$	180	\$	182	\$	184	\$	181

Total net revenue for the third quarter was \$417 million, a slight increase sequentially and a decrease of 31 percent as compared to the third quarter of fiscal 2009. At constant currency, revenue for the third quarter decreased 2 percent sequentially and decreased 31 percent as compared to the third quarter of fiscal 2009.

License and other revenue was \$236 million, an increase of 2 percent sequentially, and a decrease of 44 percent compared to the third quarter last year.

Maintenance revenue was \$181 million, a decrease of 2 percent sequentially, and 3 percent compared to the third quarter of last year. Maintenance billings declined 4 percent sequentially and 10 percent year-over-year. Our maintenance billings metric contains adjustments for a number of items resulting in what we believe is a clearer reflection of our maintenance billings and the underlying business trends. For the past four quarters, maintenance billings have been impacted by lower renewal rates as well as fewer new seats sold.

Encouragingly, maintenance renewal rates in the third quarter appear to have stabilized relative to the declines we experienced in the prior four quarters. This is also reflected in our installed base of commercial maintenance customers, which was approximately flat sequentially. Renewal rates had been impacted as customers have reduced their work forces resulting in fewer seats to renew.

Revenue by Geography

<i>Revenue by Geography (in millions)</i>	3Q 2009		4Q 2009		1Q 2010		2Q 2010		3Q 2010	
Americas	\$	216	\$	172	\$	163	\$	159	\$	164
EMEA	\$	258	\$	219	\$	167	\$	157	\$	159
Asia Pacific	\$	133	\$	99	\$	96	\$	99	\$	94
Emerging Economies	\$	114	\$	80	\$	59	\$	63	\$	62
Emerging as a percentage of Total Revenue		19%		16%		14%		15%		15%

Revenue in the Americas increased 2 percent sequentially and declined 25 percent compared to the third quarter last year. Revenue in the U.S., Brazil and Mexico posted sequential increases while Canada declined sequentially.

EMEA revenue increased 1 percent sequentially as reported and decreased 3 percent sequentially at constant currency. EMEA revenue was led by growth in Northern Europe as well as emerging countries. EMEA revenue decreased 38 percent year-over-year as reported and 35 percent at constant currency.

Revenue from Asia Pacific decreased 4 percent sequentially as reported, and 7 percent at constant currency. Strong sequential growth in South Korea and India was offset by sequential declines in most other countries in APAC. Compared to the third quarter of last year, revenue from Asia Pacific decreased 29 percent as reported and 33 percent at constant currency.

Revenue from emerging economies decreased 2 percent sequentially as reported, and 46 percent compared to the third quarter of fiscal 2009. At constant currency, revenue from emerging economies decreased 3 percent sequentially and 45 percent compared to the third quarter of fiscal 2009. Similar to our overall results, performance of emerging economies was mixed in various geographies.

Revenue by Product Type

<i>3D Products as a % of Total Revenue</i>	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010
Model-based 3D Design Solutions Revenue %	27%	29%	29%	29%	29%

Revenue from our model-based 3D design solutions were \$122 million, flat sequentially and a decline of 25 percent compared to third quarter last year. Sequential growth in our Civil 3D, Navisworks, Robot Structural Analysis and Moldflow products was offset by sequential declines in both the Inventor and Revit families.

Our 2D horizontal products grew 2 percent sequentially, and decreased 39 percent compared to the third quarter last year. 2D vertical products continued to show both a sequential and year-over-year decrease. Combined revenue from 2D horizontal and 2D vertical products was \$189 million, a decrease of 1 percent sequentially and 37 percent compared to the third quarter of fiscal 2009.

Revenue by Business Segment

<i>Revenue by Segment (in millions)</i>	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010
Platform Solutions and Emerging Business	\$ 239	\$ 172	\$ 156	\$ 150	\$ 154
Architecture, Engineering and Construction	\$ 164	\$ 146	\$ 128	\$ 123	\$ 125
Manufacturing	\$ 124	\$ 115	\$ 94	\$ 95	\$ 90
Media and Entertainment	\$ 73	\$ 53	\$ 48	\$ 47	\$ 48
Other	\$ 7	\$ 4	\$ -	\$ -	\$ -

Revenue from Platform Solutions increased 3 percent sequentially to \$154 million. Platform Solutions decreased 36 percent compared to the third quarter last year.

Revenue from our AEC segment increased 2 percent sequentially to \$125 million. Revenue from our AEC segment decreased 24 percent compared to the third quarter last year. Revenue from our Civil 3D family of products increased 8 percent sequentially and decreased 18 percent compared to the third quarter last year. Revenue from our Revit family of products decreased 2 percent sequentially and 31 percent compared to the third quarter last year.

Revenue from our Manufacturing segment was \$90 million, a decrease of 6 percent sequentially, and 28 percent compared to the third quarter last year. Revenue from the Inventor family of products decreased 6 percent sequentially and 29 percent compared to the third quarter last year.

Revenue from our Media and Entertainment segment was \$48 million, a 3 percent increase sequentially and a decrease of 34 percent compared to the third quarter last year. Revenue from animation products including 3dsMax and Maya increased 12 percent sequentially and decreased 20 percent compared to the third quarter last year. Revenue from Advanced Systems declined 15 percent sequentially and 54 percent compared to the third quarter last year. Going forward, we expect animation products to continue to grow as a part of the media and entertainment revenue mix.

Margins and EPS Review

<i>Gross Margin</i>	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010
Gross Margin - GAAP	91%	90%	88%	88%	89%
Gross Margin - Non-GAAP	93%	92%	90%	90%	92%
<i>Operating Expenses (in millions)</i>	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010
Operating Expenses - GAAP	\$ 415	\$ 575	\$ 393	\$ 362	\$ 346
Operating Expenses - Non-GAAP	\$ 385	\$ 372	\$ 327	\$ 308	\$ 305
<i>Earnings Per Share</i>	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010
Diluted Net Income (Loss) Per Share - GAAP	\$ 0.45	\$ (0.47)	\$ (0.14)	\$ 0.05	\$ 0.13
Diluted Net Income Per Share - Non-GAAP	\$ 0.56	\$ 0.31	\$ 0.18	\$ 0.24	\$ 0.27

GAAP gross margin in the third quarter was 89 percent. Non-GAAP gross margin in the third quarter was 92 percent. The sequential margin improvement resulted primarily from normal seasonality in subscription fulfillments, decreased vendor costs, and a more favorable product mix.

GAAP operating margin increased 5 percentage points on a sequential basis to 6 percent, driven primarily by reduced restructuring costs. Non-GAAP operating margin, which excludes restructuring costs among other things, rose 2 percentage points on a sequential basis to 18 percent. GAAP and non-GAAP operating margins in the third quarter decreased compared to the third quarter last year primarily due to the year-over-year drop in revenue.

During the current quarter, we determined that the way in which our third-party software application accounted for estimated forfeitures in our stock-based compensation calculations was incorrect. As a result, fiscal third quarter 2010 GAAP results include a one-time adjustment to increase stock-based compensation expense by \$7.9 million net of tax, or approximately \$0.03 per diluted share. This is a cumulative adjustment from prior periods. For the nine month period ended October 31, 2009 the cumulative adjustment from prior periods was \$6.8 million net of tax or \$0.03 per diluted share.

The effective tax rate for our third quarter was 8 percent for our GAAP results and includes one-time tax benefits for statute closures, stock option exercises, and the tax impact of the stock-based compensation adjustment discussed above. The third quarter effective tax rate for our non-GAAP results was 23 percent and includes a one-time tax benefit for statute closures.

Earnings per diluted share for the third quarter were \$0.13 GAAP and \$0.27 non-GAAP.

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

Foreign Exchange Impact

<i>Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies</i>					
<i>Compared to Comparable Prior Year Period</i>					
<i>(in millions)</i>	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010
FX Impact on Total Net Revenue	\$ 18	\$ (19)	\$ (31)	\$ (24)	\$ (4)
FX Impact on Operating Expenses	\$ (3)	\$ 17	\$ 22	\$ 14	\$ 2
FX Impact on Operating Income (Loss)	\$ 15	\$ (2)	\$ (9)	\$ (10)	\$ (2)

Compared to the second quarter, the foreign currency impact was \$10 million favorable on revenue and \$5 million unfavorable on expenses.

Compared to the third quarter of last year, the impact of foreign currency exchange rates in the third quarter was \$4 million unfavorable on revenue and \$2 million favorable on expenses.

Balance Sheet Items and Cash Review

<i>Financial Statistics (in millions)</i>	3Q 2009		4Q 2009		1Q 2010		2Q 2010		3Q 2010	
Total Cash and Marketable Securities	\$	941	\$	989	\$	966	\$	1,029	\$	1,054
Days Sales Outstanding		44		59		49		49		47
Capital Expenditures	\$	19	\$	19	\$	14	\$	11	\$	6
Cash Flow from Operating Activities	\$	107	\$	86	\$	27	\$	47	\$	47
Depreciation and Amortization	\$	25	\$	27	\$	27	\$	28	\$	29
Deferred Revenue	\$	499	\$	552	\$	534	\$	502	\$	470

Total cash and investments at the end of the third quarter was over \$1 billion.

During the third quarter Autodesk used approximately \$39 million to repurchase approximately 1.7 million shares of common stock.

Cash flow from operating activities during the third quarter was \$47 million, flat sequentially and significantly lower than the third quarter last year.

Shippable backlog at the end of the third quarter decreased by \$4 million sequentially to \$12 million.

Deferred revenue was \$470 million, a 6 percent decrease both sequentially and compared to the third quarter last year. The decrease is primarily due to the reduction in maintenance billings.

Total backlog at the end of the third quarter, including deferred revenue and shippable backlog orders was \$482 million, a decrease of \$23 million compared to the third quarter of last year.

Channel inventory at the end of the third quarter declined sequentially in weeks and in dollars. At the end of the third quarter, channel inventory was slightly under three weeks and remains healthy.

DSO was 47 days in the third quarter.

Business Outlook

Our guidance is based on our current expectations and the information we have available today, including currency exchange rates.

Fourth Quarter Fiscal 2010

4Q FY10 Guidance Metrics

	4Q FY10 (ending January 31, 2010)
Revenue (in millions)	\$420 to \$440
EPS - GAAP	\$0.07 to \$0.12
EPS - Non-GAAP	\$0.19 to \$0.24

Non-GAAP earnings per diluted share exclude \$0.06 related to stock-based compensation expense and \$0.06 for amortization of acquisition related intangibles.

Full Year Fiscal 2010

FY10 Guidance Metrics

	FY10 (ending January 31, 2010)
Revenue (in billions)	\$1.68 to \$1.70
EPS - GAAP	\$0.11 to \$0.16
EPS - Non-GAAP	\$0.88 to \$0.93

Non-GAAP earnings per diluted share exclude \$0.29 related to stock-based compensation expense, \$0.18 for the amortization of acquisition related intangibles, \$0.15 for restructuring charges, \$0.06 related to goodwill impairment, and \$0.09 related to the establishment of a valuation allowance on deferred tax assets.

In addition, the company anticipates total GAAP pre-tax spend (operating expenses plus cost of goods sold) for fiscal 2010 to range between \$1.65 billion and \$1.66 billion, which is lower than fiscal 2009 by between \$407 and \$417 million. The company anticipates total non-GAAP pre-tax spend (operating expenses plus cost of goods sold) for fiscal 2010 to range between \$1.42 billion and \$1.43 billion, which is lower than fiscal 2009 by between \$300 and \$310 million. Total non-GAAP pre-tax spend excludes approximately \$95 million of stock-based compensation expense, \$60 million of amortization of acquisition related intangibles, \$50 million of restructuring charges and \$20 million of goodwill impairment charges, which are included in total GAAP pre-tax spend.

First Quarter Fiscal 2011 and Full Year Fiscal 2011

Autodesk is not providing specific revenue or EPS guidance for fiscal 2011 at this time. However, in the first quarter of fiscal 2011, GAAP operating margin is expected to increase year-over-year as the company recorded significant impairment charges in the first quarter of fiscal 2010 that it does not anticipate recording in fiscal 2011. Non-GAAP operating margin in the first quarter of fiscal 2011 is anticipated to be flat to slightly down compared to the first quarter of fiscal 2010, as a result of normal seasonality and the return of some costs that were suppressed in the first quarter of fiscal 2010.

GAAP operating margin for the full year fiscal 2011 is expected to increase more significantly as the company recorded significant impairment charges in the first quarter of fiscal 2010 that it does not anticipate recording in fiscal 2011. Autodesk anticipates modest improvement in non-GAAP operating margin for full year fiscal 2011 compared to fiscal 2010.

Non-GAAP operating margin excludes stock-based compensation expense, amortization of acquisition related intangibles, restructuring charges and goodwill impairments.

Safe Harbor Statement

These prepared remarks contain forward-looking statements that involve risks and uncertainties, including statements in the paragraphs under "Business Outlook", statements regarding anticipated market, economic and revenue trends, cost savings, timing of certain charges, revenue performance (including by geography and product), market position and other statements regarding our expected strategies, performance and results. Other factors that could cause actual results to differ materially include the following: general market, economic and business conditions, our performance in particular geographies, including emerging economies, the financial and business condition of our reseller and distribution channels, fluctuation in foreign currency exchange rates, failure to achieve and maintain planned cost reductions and productivity increases, slowing momentum in maintenance revenues, failure to achieve sufficient sell-through in our channels for new or existing products, pricing pressure, failure to achieve continued migration from 2D products to 3D products, difficulties encountered in integrating new or acquired businesses and technologies, the inability to identify and realize the anticipated benefits of acquisitions, unexpected fluctuations in our tax rate, the timing and degree of expected investments in growth opportunities, changes in the timing of product releases and retirements, failure of key new applications to achieve anticipated levels of customer acceptance, failure to achieve continued success in technology advancements, interruptions or terminations in the business of Autodesk consultants, and any unanticipated accounting charges.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's reports on Form 10-K for the year ended January 31, 2009 and Forms 10-Q for the quarters ended April 30, 2009 and July 31, 2009, 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.

© 2009 Autodesk, Inc. All rights reserved.

###



Other Supplemental Financial Information *

Fiscal Year 2010	QTR 1		QTR 2		QTR 3		QTR 4		YTD 2010	
Financial Statistics (\$ in millions, except per share data):										
Total net revenue	\$	426	\$	415	\$	417	\$		\$	1,258
License and other revenue	\$	244	\$	231	\$	236	\$		\$	711
Maintenance revenue	\$	182	\$	184	\$	181	\$		\$	547
GAAP Gross Margin		88%		88%		89%				88%
Non-GAAP Gross Margin (1)(2)		90%		90%		92%				90%
GAAP Operating Expenses	\$	393	\$	362	\$	346	\$		\$	1,101
GAAP Operating Margin		-5%		1%		6%				1%
GAAP Net Income (Loss)	\$	(32)	\$	10	\$	30	\$		\$	8
GAAP Diluted Net Income (Loss) Per Share	\$	(0.14)	\$	0.05	\$	0.13	\$		\$	0.03
Non-GAAP Operating Expenses (1)(3)	\$	327	\$	308	\$	305	\$		\$	940
Non-GAAP Operating Margin (1)(4)		13%		16%		18%				16%
Non-GAAP Net Income (1)(5)	\$	42	\$	57	\$	63	\$		\$	162
Non-GAAP Diluted Net Income Per Share (1)(6)	\$	0.18	\$	0.24	\$	0.27	\$		\$	0.70
Total Cash and Marketable Securities	\$	966	\$	1,029	\$	1,054	\$		\$	1,054
Days Sales Outstanding		49		49		47				47
Capital Expenditures	\$	14	\$	11	\$	6	\$		\$	30
Cash from Operations	\$	27	\$	47	\$	47	\$		\$	121
GAAP Depreciation and Amortization	\$	27	\$	28	\$	29	\$		\$	84
Deferred Maintenance Revenue Balance	\$	469	\$	444	\$	420	\$		\$	420
Revenue by Geography (in millions):										
Americas	\$	163	\$	159	\$	164	\$		\$	486
Europe	\$	167	\$	157	\$	159	\$		\$	484
Asia/Pacific	\$	96	\$	99	\$	94	\$		\$	288
Revenue by Segment (in millions): ***										
Platform Solutions and Emerging Business	\$	156	\$	150	\$	154	\$		\$	460
Architecture, Engineering and Construction	\$	128	\$	123	\$	125	\$		\$	376
Manufacturing	\$	94	\$	95	\$	90	\$		\$	279
Media and Entertainment	\$	48	\$	47	\$	48	\$		\$	143
Other	\$	-	\$	-	\$	-	\$		\$	-
Other Revenue Statistics:										
% of Total Rev from AutoCAD and AutoCAD LT ***		33%		31%		32%				32%
% of Total Rev from 3D design products		29%		29%		29%				29%
% of Total Rev from Emerging Economies		14%		15%		15%				15%
Upgrade Revenue (in millions)	\$	43	\$	26	\$	26	\$		\$	96
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period (in millions):										
FX Impact on Total Net Revenue	\$	(31)	\$	(24)	\$	(4)	\$		\$	(59)
FX Impact on Total Operating Expenses	\$	22	\$	14	\$	2	\$		\$	37
FX Impact on Total Net Income (Loss)	\$	(9)	\$	(10)	\$	(2)	\$		\$	(22)
Gross Margin by Segment (in millions): ***										
Platform Solutions and Emerging Business	\$	146	\$	140	\$	147	\$		\$	433
Architecture, Engineering and Construction	\$	116	\$	110	\$	113	\$		\$	340
Manufacturing	\$	86	\$	88	\$	84	\$		\$	257
Media and Entertainment	\$	34	\$	36	\$	38	\$		\$	108
Unallocated amounts	\$	(9)	\$	(9)	\$	(10)	\$		\$	(28)
Common Stock Statistics:										
GAAP Shares Outstanding		228,219,000		229,666,000		229,665,000				229,665,000
GAAP Fully Diluted Weighted Average Shares Outstanding		227,080,000		232,286,000		232,947,000				231,140,000
Shares Repurchased		-		-		1,673,000				1,673,000
Installed Base Statistics:										
Maintenance Installed Base **		1,719,000		2,299,000		2,236,000				2,236,000

* Totals may not agree with the sum of the components due to rounding.

** The second quarter of fiscal 2010 maintenance installed base includes a one-time adjustment of 581,000 educational seats for users migrated to a standard educational maintenance plan. These users were not previously captured in our maintenance installed base.

*** In the third quarter of fiscal 2010, Autodesk changed its methodology for allocating certain revenue transactions, including gains and losses from foreign currency. The second quarter of fiscal 2010 amounts have been reclassified to conform to the current presentation. The change in methodology did not have a material effect on any other period.

Autodesk®

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net and non-GAAP provision for income taxes. 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, goodwill impairment, establishment of a valuation allowance on certain deferred tax assets 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 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.

Fiscal Year 2010	QTR 1		QTR 2		QTR 3		QTR 4		YTD 2010	
(2) GAAP Gross Margin		88%		88%		89%				88%
Stock-based compensation expense		0%		0%		0%				0%
Amortization of developed technology		2%		2%		3%				2%
Non-GAAP Gross Margin		90%		90%		92%				90%
(3) GAAP Operating Expenses	\$	393	\$	362	\$	346		\$	1,101	
Stock-based compensation expense		(22)		(21)		(30)			(73)	
Amortization of customer relationships and trademarks		(6)		(7)		(6)			(19)	
Restructuring charges		(17)		(26)		(5)			(48)	
Impairment of goodwill		(21)		-		-			(21)	
Non-GAAP Operating Expenses	\$	327	\$	308	\$	305		\$	940	
(4) GAAP Operating Margin		-5%		1%		6%				1%
Stock-based compensation expense		5%		5%		7%				6%
Amortization of developed technology		2%		2%		2%				2%
Amortization of customer relationships and trademarks		2%		2%		2%				1%
Restructuring charges		4%		6%		1%				4%
Impairment of goodwill		5%		0%		0%				2%
Non-GAAP Operating Margin		13%		16%		18%				16%
(5) GAAP Net Income (Loss)	\$	(32)	\$	10	\$	30		\$	8	
Stock-based compensation expense		23		21		30			75	
Amortization of developed technology		8		8		9			25	
Amortization of customer relationships and trademarks		6		7		6			19	
Establishment of valuation allowance on deferred tax assets		21		-		-			21	
Impairment of goodwill		21		-		-			21	
Restructuring charges		17		26		5			48	
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(22)		(16)		(17)			(55)	
Non-GAAP Net Income	\$	42	\$	56	\$	63		\$	162	
(6) GAAP Diluted Net Income (Loss) Per Share	\$	(0.14)	\$	0.05	\$	0.13		\$	0.03	
Stock-based compensation expense		0.10		0.09		0.13			0.33	
Amortization of developed technology		0.04		0.03		0.04			0.11	
Amortization of customer relationships and trademarks		0.03		0.03		0.02			0.08	
Establishment of valuation allowance on deferred tax assets		0.09		-		-			0.09	
Impairment of goodwill		0.09		-		-			0.09	
Restructuring charges		0.07		0.11		0.02			0.21	
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(0.10)		(0.07)		(0.07)			(0.24)	
Non-GAAP Diluted Net Income Per Share	\$	0.18	\$	0.24	\$	0.27		\$	0.70	

Autodesk®

Fiscal Year 2009	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2009
Financial Statistics (\$ in millions, except per share data):					
Total net revenue	\$ 599	\$ 620	\$ 607	\$ 490	\$ 2,315
License and other revenue	\$ 432	\$ 440	\$ 421	\$ 310	\$ 1,603
Maintenance revenue	\$ 167	\$ 180	\$ 186	\$ 180	\$ 712
GAAP Gross Margin	90%	90%	91%	90%	91%
Non-GAAP Gross Margin (1)(2)	91%	91%	93%	92%	92%
GAAP Operating Expenses	\$ 421	\$ 441	\$ 415	\$ 575	\$ 1,852
GAAP Operating Margin	20%	19%	23%	-27%	11%
GAAP Net Income (Loss)	\$ 95	\$ 90	\$ 104	\$ (105)	\$ 184
GAAP Diluted Net Income (Loss) Per Share	\$ 0.41	\$ 0.39	\$ 0.45	\$ (0.47)	\$ 0.80
Non-GAAP Operating Expenses (1)(3)	\$ 394	\$ 396	\$ 385	\$ 372	\$ 1,546
Non-GAAP Operating Margin (1)(4)	25%	28%	29%	16%	25%
Non-GAAP Net Income (1)(5)	\$ 117	\$ 130	\$ 130	\$ 70	\$ 448
Non-GAAP Diluted Net Income Per Share (1)(6)	\$ 0.50	\$ 0.56	\$ 0.56	\$ 0.31	\$ 1.95
Total Cash and Marketable Securities	\$ 950	\$ 970	\$ 941	\$ 989	\$ 989
Days Sales Outstanding	51	48	44	59	59
Capital Expenditures	\$ 14	\$ 26	\$ 19	\$ 19	\$ 78
Cash from Operations	\$ 185	\$ 215	\$ 107	\$ 86	\$ 594
GAAP Depreciation and Amortization	\$ 17	\$ 22	\$ 25	\$ 27	\$ 92
Deferred Maintenance Revenue Balance	\$ 474	\$ 488	\$ 433	\$ 475	\$ 475
Revenue by Geography (in millions):					
Americas	\$ 191	\$ 203	\$ 216	\$ 172	\$ 782
Europe	\$ 259	\$ 267	\$ 258	\$ 219	\$ 1,003
Asia/Pacific	\$ 149	\$ 150	\$ 133	\$ 99	\$ 530
Revenue by Segment (in millions):					
Platform Solutions and Emerging Business	\$ 253	\$ 237	\$ 239	\$ 172	\$ 901
Architecture, Engineering and Construction	\$ 155	\$ 176	\$ 164	\$ 146	\$ 641
Manufacturing	\$ 119	\$ 131	\$ 124	\$ 115	\$ 489
Media and Entertainment	\$ 67	\$ 69	\$ 73	\$ 53	\$ 262
Other	\$ 5	\$ 6	\$ 7	\$ 4	\$ 22
Other Revenue Statistics:					
% of Total Rev from AutoCAD and AutoCAD LT	41%	35%	35%	32%	36%
% of Total Rev from 3D design products	24%	26%	27%	29%	27%
% of Total Rev from Emerging Economies	17%	18%	19%	16%	18%
Upgrade Revenue (in millions)	\$ 61	\$ 58	\$ 41	\$ 34	\$ 194
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period (in millions):					
FX Impact on Total Net Revenue	\$ 41	\$ 42	\$ 18	\$ (19)	\$ 82
FX Impact on Total Operating Expenses	\$ (14)	\$ (11)	\$ (3)	\$ 17	\$ (11)
FX Impact on Total Net Income (Loss)	\$ 27	\$ 31	\$ 15	\$ (2)	\$ 71
Gross Margin by Segment (in millions):					
Platform Solutions and Emerging Business	\$ 240	\$ 226	\$ 231	\$ 164	\$ 861
Architecture, Engineering and Construction	\$ 143	\$ 162	\$ 152	\$ 135	\$ 592
Manufacturing	\$ 110	\$ 122	\$ 117	\$ 108	\$ 457
Media and Entertainment	\$ 49	\$ 52	\$ 57	\$ 40	\$ 198
Unallocated amounts	\$ (1)	\$ (2)	\$ (3)	\$ (6)	\$ (12)
Common Stock Statistics:					
GAAP Shares Outstanding	223,616,000	224,528,000	226,248,000	226,354,000	226,354,000
GAAP Fully Diluted Weighted Average Shares Outstanding	232,607,000	231,078,000	230,364,000	226,299,000	230,068,000
Shares Repurchased	8,001,000	-	-	-	8,001,000
Installed Base Statistics:					
Maintenance Installed Base	1,587,000	1,644,000	1,696,000	1,704,000	1,704,000

Autodesk

Note: Totals may not agree with the sum of the components due to rounding.

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net and non-GAAP provision for income taxes. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, employee tax reimbursements related to our stock option review, in-process research and development expenses, restructuring charges, amortization of purchased intangibles, asset impairment 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 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.

Fiscal Year 2009	QTR 1		QTR 2		QTR 3		QTR 4		YTD 2009	
(2) GAAP Gross Margin		90%		90%		91%		90%		91%
Stock-based compensation expense		0%		0%		0%		0%		0%
Amortization of developed technology		1%		1%		2%		2%		1%
Non-GAAP Gross Margin		91%		91%		93%		92%		92%
(3) GAAP Operating Expenses	\$	421	\$	441	\$	415	\$	575	\$	1,852
Stock-based compensation expense		(24)		(22)		(21)		(18)		(87)
Amortization of customer relationships and trademarks		(3)		(6)		(7)		(7)		(24)
In-process research and development		-		(17)		(1)		(9)		(27)
Restructuring charges		-		-		-		(40)		(40)
Impairment of goodwill and intangibles		-		-		-		(129)		(129)
Non-GAAP Operating Expenses	\$	394	\$	396	\$	385	\$	372	\$	1,546
(4) GAAP Operating Margin		20%		19%		23%		-27%		11%
Stock-based compensation expense		4%		4%		4%		4%		4%
Amortization of developed technology		1%		1%		1%		2%		1%
Amortization of customer relationships and trademarks		0%		1%		1%		1%		1%
In-process research and development		0%		3%		0%		2%		1%
Restructuring charges		0%		0%		0%		8%		2%
Impairment of goodwill and intangibles		0%		0%		0%		26%		6%
Non-GAAP Operating Margin		25%		28%		29%		16%		25%
(5) GAAP Net Income (Loss)	\$	95	\$	90	\$	104	\$	(105)	\$	184
Stock-based compensation expense		25		23		23		19		90
Amortization of developed technology		4		5		6		8		23
Amortization of customer relationships and trademarks		3		6		7		7		24
In-process research and development		-		17		1		9		27
Impairment of goodwill and intangibles		-		-		-		129		129
Restructuring charges		-		-		-		40		40
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(9)		(11)		(12)		(36)		(68)
Non-GAAP Net Income	\$	117	\$	130	\$	130	\$	70	\$	448
(6) GAAP Diluted Net Income (Loss) Per Share	\$	0.41	\$	0.39	\$	0.45	\$	(0.47)	\$	0.80
Stock-based compensation expense		0.11		0.10		0.10		0.08		0.39
Amortization of developed technology		0.01		0.02		0.03		0.04		0.10
Amortization of customer relationships and trademarks		0.01		0.03		0.03		0.03		0.10
In-process research and development		-		0.07		-		0.04		0.12
Impairment of goodwill and intangibles		-		-		-		0.56		0.56
Restructuring charges		-		-		-		0.18		0.18
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(0.04)		(0.05)		(0.05)		(0.15)		(0.30)
Non-GAAP Diluted Net Income Per Share	\$	0.50	\$	0.56	\$	0.56	\$	0.31	\$	1.95