UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended April 30, 2001

OR

_ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-14338

AUTODESK, INC.
(Exact name of registrant as specified in its charter)

Delaware	94-2819853
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

111 McInnis Parkway
San Rafael, California 94903
(Address of principal executive offices)

Telephone Number (415) 507-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes X No ___

As of April 30, 2001, there were approximately 53.9 million shares of the Registrant's Common Stock outstanding.

AUTODESK, INC.

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AUTODESK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three months ended April 30, 2001	Three months ended April 30, 2000
Net revenues	$ 245,740	$ 231,259
Costs and expenses:		
Cost of revenues	36,725	36,726
Marketing and sales	87,005	77,502
Research and development	46,159	40,255
General and administrative	33,943	31,805
Amortization of goodwill and purchased intangibles	5,307	7,788
Nonrecurring credits	--	(800)
	209,139	193,276
Income from operations	36,601	37,983
Interest and other income, net	4,986	2,973
Income before income taxes	41,587	40,956
Provision for income taxes	(12,476)	(13,105)
Equity in net loss of affiliate	(1,211)	(2,245)
Net income	$ 27,900	$ 25,606
Basic net income per share	$ 0.52	$ 0.43
Diluted net income per share	$ 0.50	$ 0.41
Shares used in computing basic net income per share	54,033	59,005
Shares used in computing diluted net income per share	55,687	62,583

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
(In thousands)

	April 30, 2001 (Unaudited)	January 31, 2001 (Audited)
Current assets:		
Cash and cash equivalents	$ 122,988	$ 116,391
Marketable securities	102,431	142,961
Accounts receivable, net	150,477	157,422
Inventories	17,114	17,255
Deferred income taxes	26,622	26,696
Prepaid expenses and other current assets	35,462	30,596
Total current assets	455,094	491,321
Marketable securities	169,359	163,148
Computer equipment, furniture, and leasehold improvements, at cost:		
Computer equipment and furniture	183,318	171,176
Leasehold improvements	27,351	27,145
Less accumulated depreciation	(150,235)	(144,325)
Net computer equipment, furniture, and leasehold improvements	60,434	53,996
Purchased technologies and capitalized software, net	15,836	16,403
Goodwill, net	49,358	54,273
Deferred income taxes	17,935	18,242
Other assets	9,080	10,376
	$ 777,096	$ 807,759

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY
(In thousands)

	April 30, 2001	January 31, 2001
	(Unaudited)	(Audited)
Current liabilities:		
Accounts payable	$ 52,216	$ 47,962
Accrued compensation	42,339	55,907
Accrued income taxes	101,788	97,109
Deferred revenues	49,671	50,993
Other accrued liabilities	80,259	81,942
Total current liabilities	326,273	333,913
Other liabilities	1,208	1,208
Commitments and contingencies		
Minority interest	12,210	12,964
Stockholders' equity:		
Common stock and additional paid-in capital	407,820	424,652
Accumulated other comprehensive loss	(18,722)	(16,104)
Deferred compensation	(1,043)	(1,172)
Retained earnings	49,350	52,298
Total stockholders' equity	437,405	459,674
	$ 777,096	$ 807,759

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended April 30, 2001	Three months ended April 30, 2000
Operating activities		
Net income	$ 27,900	$ 25,606
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,865	19,006
Net loss on asset disposals	711	709
Equity in net loss of affiliate	1,211	2,245
Tax benefits from employee stock plans	3,464	16,041
Changes in operating assets and liabilities	(6,074)	(25,105)
Net cash provided by operating activities	43,077	38,502
Investing activities		
Net maturities of marketable securities	33,534	103,741
Capital and other expenditures	(13,179)	(10,481)
Investments in unconsolidated entities	--	(19,500)
Other investing activities	(1,988)	2,560
Net cash provided by investing activities	18,367	76,320
Financing activities		
Repayment of notes payable and borrowings	(4)	(2)
Repurchases of common stock	(68,290)	(192,961)
Proceeds from issuance of common stock, net of issuance costs	20,376	83,615
Dividends paid	(3,230)	(3,500)
Minority interest	(754)	--
Net cash used in financing activities	(51,902)	(112,848)
Effect of exchange rate changes on cash and cash equivalents	(2,945)	(5,252)
Net increase (decrease) in cash and cash equivalents	6,597	(3,278)
Cash and cash equivalents at beginning of year	116,391	108,641
Cash and cash equivalents at end of period	$ 122,988	$ 105,363
Supplemental cash flow information:		
Cash paid during the period for income taxes	$ 3,989	$ 3,921

See accompanying notes.

AUTODESK, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. These statements should be read in conjunction with the consolidated financial statements and related notes, together with management's discussion and analysis of financial condition and results of operations, contained in Autodesk's fiscal 2001 Annual Report on Form 10-K. The results of operations for the three months ended April 30, 2001 are not necessarily indicative of the results for the entire fiscal year ending January 31, 2002.

2. Financial Instruments

On February 1, 2001 Autodesk, or the Company, adopted the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). Under SFAS 133, all derivatives, whether in hedging relationships or not, are required to be recorded on the balance sheet at fair value. Gains and losses resulting from changes in fair value are accounted for depending upon the use of the derivative and whether it is designated and qualifies for hedge accounting. The adoption of SFAS 133 did not have a material impact on the Company's financial position and results of operations.

The Company uses derivative instruments to manage its earnings and cash flow exposures to fluctuations in foreign currency exchange rates. Under its risk management strategy, the Company uses foreign currency forward and option contracts to manage its exposures of underlying assets, liabilities and other obligations, which exist as part of the ongoing business operations. Generally, the Company's practice is to hedge a majority of its short-term foreign exchange transaction exposures. Contracts are primarily denominated in European and Asian currencies, and Autodesk does not enter into any foreign exchange derivative instruments for trading or speculative purposes.

The Company's forward contracts, which are not designated as hedging instruments under SFAS 133, have average maturities of 60 days or less. The forwards are used to reduce the exchange rate risk associated primarily with receivables and payables. Forward contracts are marked-to-market at the end of each reporting period, with gains and losses recognized as other income or expense to offset the gains or losses resulting from the settlement of the underlying foreign currency denominated receivables and payables.

In addition to the forward contracts, Autodesk utilizes foreign currency option contracts to reduce the exchange rate impact on the net revenue of certain anticipated transactions. These option contracts, which are designated and documented as cash flow hedges and qualify for hedge accounting treatment under SFAS 133, have maturities of less than three months and settle before the end of each fiscal quarter. Autodesk's financial exposure is generally limited to the amount paid for the options.

Gains, if any, from the effective portion of the option contracts, as determinable under SFAS 133, are recognized as net revenues, while the ineffective portion of the gain is recorded as other income. During the first quarter of fiscal 2002, the Company recognized $0.4 million of settlement gains as net revenues. A nominal amount associated with the settlement gain was recorded as other income.

3. Net Income Per Share

The following is a reconciliation of the numerators and denominators used in the basic and diluted net income per share amounts:

(In thousands)	Three months ended April 30, 2001	2000
Numerator:		
Numerator for basic and diluted per share amount -- net income	$27,900	$25,606
Denominator:		
Denominator for basic net income per share -- weighted average shares	54,033	59,005
Effect of dilutive common stock options	1,654	3,578
Denominator for dilutive net income per share	55,687	62,583

For the three months ended April 30, 2001 and 2000, options to purchase 4.7 million and 2.0 million shares, respectively, were excluded from the computation of diluted net income per share. These options were excluded because the options' exercise prices were greater than the average market prices of Autodesk's common stock during the respective periods.

4. Comprehensive Income (Loss)

Autodesk's total comprehensive income (loss) was as follows:

(In thousands)	Three months ended April 30, 2001	2000
Net income	$ 27,900	$ 25,606
Other comprehensive loss, net	(2,618)	(1,872)
Total comprehensive income	$ 25,282	$ 23,734

5. Investment in Affiliate -- Buzzsaw.com, Inc.

During the first quarter of fiscal 2002 and 2001, Autodesk recognized $1.2 million and $2.2 million, respectively, of losses associated with its equity investment in Buzzsaw.com.

6. Minority Interest - RedSpark, Inc.

In April 2000, Autodesk formed RedSpark, Inc. In October 2000, RedSpark received $14.0 million of third party venture funding. Autodesk currently maintains a majority interest in RedSpark, and consolidates RedSpark's financial position and results of operations.

The minority interest at April 30, 2001 represents equity funding received by RedSpark from third party investors, net of cumulative allocated losses.

7. Segments

Autodesk's operating results have been aggregated into two reportable segments:

the Discreet Segment and the Design Solutions Segment.

The Discreet Segment derives revenues from the sale of its products to creative professionals for a variety of applications, including feature films, television programs, commercials, music and corporate videos, interactive game production, live broadcasting and Web design.

The Design Solutions Segment derives revenues from the sale of design software products for professionals, occasional users or consumers who design, draft and diagram, and from the sale of mapping and geographic information systems technology to public and private users. The Design Solutions Segments consists of the following business divisions, all of which have industry specific focuses: Design Platforms Group; Manufacturing; Architecture, Engineering and Construction; Location Services; and Geographic Information Services.

Autodesk evaluates each segment's performance on the basis of income from operations before income taxes. Autodesk currently does not separately accumulate and report asset information by segment. Information concerning the operations of the reportable segments is as follows:

	Three months ended April 30,	
(In thousands)	2001	2000
Net revenues:		
Design Solutions	$ 196,632	$ 184,608
Discreet	49,108	46,651
	$ 245,740	$ 231,259
Income (loss) from operations:		
Design Solutions	$ 133,030	$ 122,919
Discreet	10,052	1,112
Unallocated amounts/1/	(106,481)	(86,048)
	$ 36,601	$ 37,983

/1/ Unallocated amounts are attributed primarily to other geographic costs and expenses that are managed outside the reportable segments.

8. Stock Repurchase Program

During the three months ended April 30, 2001 Autodesk repurchased and retired 1.8 million shares of its common stock at an average repurchase price of $37.42 per share. As a result, common stock and additional paid-in capital and retained earnings were reduced by $40.7 million and $27.6 million, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion below contains trend analyses and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, trend analyses and other information contained below relating to markets for our products and trends in revenue, as well as other statements including such words as "anticipate," "believe," "plan," "estimate," "expect," "goal," and "intend" and other similar expressions involving future trends or uncertainties, constitute forward-looking statements. These forward-looking statements are subject to business and economic risks, and our actual results could differ materially from those set forth in the forward-looking statements as a result of the factors set forth below, including "Risk Factors Which May Impact Future Operating Results" as well as factors set forth in our fiscal 2001 Annual Report on Form 10-K.

Results of Operations

Three Months Ended April 30, 2001 and 2000

Net revenues. Our net revenues for the first quarter of fiscal 2002 were $245.7 million, as compared to $231.3 million for the first quarter of the prior fiscal year. Increases in Europe's net revenues of 7 percent and Asia/Pacific's net revenues of 24 percent were partially offset by a decrease of 4 percent in the Americas' net revenues. The large increase in Asia/Pacific's net revenues resulted from increased sales of most product lines throughout the region. Net revenues for the Discreet Segment increased to $49.1 million, or 5 percent as compared to the first quarter in the prior fiscal year. Also, net revenues for the Design Solutions Segment increased by 7 percent as compared to the first quarter in the prior fiscal year. Sales of AutoCAD and AutoCAD upgrades, which were reflected in the net revenues for the Design Solutions Segment, accounted for approximately 31 percent of our consolidated net revenues in the first quarter of fiscal 2002 and 32 percent of our consolidated net revenues in the same period last year.

The stronger value of the US dollar, relative to international currencies and as compared to the first quarter of last year, had a negative impact on net revenues. Had the rates from the prior year been in effect in the first quarter of fiscal 2002, translated international revenue billed in local currencies would have been $9.2 million higher. If exchange rates move unfavorably in the future, they will have a negative impact on net revenues. International sales, including exports from the U.S., accounted for approximately 69 percent of our net revenues in the first quarter of fiscal 2002 as compared to 60 percent in the same period of last year.

Product returns, consisting principally of stock rotation, are recorded as a reduction of net revenues. Product returns as a percentage of revenues have historically ranged from two to six percent quarterly. We anticipate that the level of product returns in future periods will continue to be impacted by the timing of new product releases, as well as the quality and market acceptance of new products.

Cost of revenues. When expressed as a percentage of net revenues, cost of revenues was 15 percent for the first quarter of fiscal 2002 and 16 percent for the same period last year. The difference was primarily due to slightly lower material costs resulting from the current product sales mix and less software amortization costs, offset in part by higher royalty costs. Software amortization was less due to some intangibles being fully amortized by the end of last year. Cost of revenues as a percentage of net revenues will continue to be impacted by the mix of product sales, software amortization costs, royalty rates for licensed technology embedded in our products, and the geographic distribution of sales.

Marketing and sales. Marketing and sales expenses were 35 percent of net revenues in the first quarter of fiscal 2002, as compared to 34 percent in the first quarter of fiscal 2001. This difference was primarily due to higher employee-related expenses as we increase our focus on direct sales to major accounts. We expect to continue to make significant investments in marketing and sales, both in absolute dollars and as a percentage of net revenues.

Research and development. Research and development expenses were $46.2 million in the first quarter of fiscal 2002 as compared to $40.3 million in the first quarter of the prior year. The difference was primarily due to higher employee related costs, efforts associated with our location services initiatives and research and development costs incurred by RedSpark, Inc., a company that we formed in April 2000. We expect that research and development spending will continue to be significant as we continue to support product development efforts by our market groups.

General and administrative. General and administrative expenses as a percentage of net revenues remained constant at 14 percent for the first quarter of fiscal 2002 and 2001. Higher employee-related costs were offset by lower professional fees and depreciation costs. We expect that general and administrative expenses, as a percentage of net revenues, will remain consistent with levels recently experienced.

Amortization of goodwill and purchased intangibles. Amortization of goodwill and purchased intangibles was $5.3 million in the first quarter of fiscal 2002 as compared to $7.8 million in the same period last year due to some intangibles becoming fully amortized.

Nonrecurring credits. During the first quarter of last year, we reversed $0.8 million related to restructuring accruals established in fiscal 2000. The accruals were settled for less than originally estimated.

As we continue to evaluate our fixed cost structure, we expect to record restructuring and reorganization expenses later this year. These expenses will primarily consist of office closure and some one-time costs.

Interest and other income. Interest and other income, net was $5.0 million in the first quarter of fiscal 2002 and $3.0 million in the corresponding period last year. The increase was primarily due to higher investment income, mostly due to sales of marketable securities, and foreign exchange-related gains.

Provision for income taxes. Our effective income tax rate was 30 percent for the first quarter of fiscal 2002 and 32 percent for the first quarter of fiscal 2001. The lower effective tax rate is primarily due to the impact associated with our foreign earnings, which are taxed at rates different from the federal statutory rate, and non-deductible goodwill amortization. The effective tax rate for both periods is less than the federal statutory rate of 35 percent due to the amount of benefits associated with our foreign earnings, research credits and tax-exempt interest, partially offset by non-deductible goodwill amortization.

Equity in net loss of affiliate. We recognized $1.2 million of equity in net losses during the first quarter of fiscal 2002 and $2.2 million during the first quarter of last year. These amounts are related to our investment in Buzzsaw.com. While we do not currently have any plans to invest additional funds, we expect our equity in net losses of Buzzsaw.com to be significant in future periods if additional investments are made.

RedSpark, Inc. In April of last year, we formed RedSpark. We currently maintain a majority interest in RedSpark, and as such the financial position and results of operations of RedSpark are consolidated and included within the operating expense categories of our statement of operations. We expect to continue to consolidate RedSpark through most of fiscal 2002. The extent of our exposure to RedSpark's results of operations is dependent upon our future level of ownership interest, which will depend in part on the amount of RedSpark equity issued to other investors in the future.

Risk Factors Which May Impact Future Operating Results

We operate in a rapidly changing environment that involves a number of risks, many of which are beyond our control. The following discussion highlights some of these risks and the possible impact of these factors on future results of operations.

You should carefully consider these risks before making an investment decision. If any of the following risks actually occur, our business, financial condition or results of operations may be adversely impacted. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment.

Our operating results fluctuate within each quarter and from quarter to quarter making our future revenues and operating results difficult to predict.

Our quarterly operating results have fluctuated in the past and are likely to do so in the future. These fluctuations could cause our stock price to significantly fluctuate or experience declines. Some of the factors that could cause our operating results to fluctuate include, among other things the timing of the introduction of new products by us or our competitors, changes in marketing or operating expenses, changes in product pricing or product mix, platform changes, delays in product releases, competitive factors, distribution channel management, changes in compensation practices, the timing of systems sales and general economic conditions.

We have also experienced fluctuations in operating results in interim periods in certain geographic regions due to seasonality or regional economic conditions. In particular, our operating results in Europe during the third quarter are usually impacted by a slow summer period, and the Asia Pacific operations typically experience seasonal slowing in the third and fourth quarters.

Additionally, our operating expenses are based in part on our expectations for future revenues and are relatively fixed in the short term. Accordingly, any revenue shortfall below expectations could have an immediate and significant adverse effect on our business. Further, gross margins may be adversely affected if our sales of low-end CAD products and AutoCAD upgrades, which historically have had lower margins, grow at a faster rate than sales of our higher-margin products.

Because we derive a substantial portion of our net revenues from a limited number of products, if these products are not successful our net revenues will be adversely affected.

We derive a substantial portion of our net revenues from sales of AutoCAD software, AutoCAD upgrades, and products that are interoperable with AutoCAD. As such, any factor adversely affecting sales of AutoCAD and AutoCAD upgrades, including product life cycle, market acceptance, product performance and reliability, reputation, price competition and the availability of third-party applications, would likely harm our operating results.

Existing and increased competition in the design software market may reduce our net revenues, profits and market share.

The software industry has limited barriers to entry, and the availability of desktop computers with continually expanding capabilities at progressively lower prices contributes to the ease of market entry. Since customers increasingly rely on the Internet, new platforms and technologies can be expected to be developed in the design industries. The design software market in particular is characterized by vigorous competition in each of the vertical markets in which we compete, both by entry of competitors with innovative technologies and by consolidation of companies with complementary products and technologies. In addition, the availability of third-party application software is a competitive factor within the CAD market. Because of these and other factors, competitive conditions in the industry are likely to intensify in the future. Increased competition could result in price reductions, reduced net revenues and profit margins and loss of market share, any of which could harm our business. Furthermore, some of our competitors have greater financial, technical, sales and marketing and other resources.

We believe that our future results depend largely upon our ability to offer new products, and to continue to provide existing product offerings, that compete favorably with respect to reliability, performance, ease of use, range of useful features, continuing product enhancements, reputation, price and training.

Our efforts to develop and introduce new products expose us to risks such as costs related to product defects, large expenditures that may not result in additional net revenues and dependence on third party developers.

Rapid technological change as well as changes in customer requirements and preferences characterize the software industry. The software products we offer are internally complex, and despite extensive testing and quality control, may contain errors or defects. These defects or errors could result in corrective releases to our software products, damage to our reputation, loss of revenues, an increase in product returns or lack of market acceptance of our products, any of which could harm our business.

With the prevalence of new Internet technologies and the demand for increased customer connectivity, new platforms and technologies can be expected to be developed in the design industries. We are devoting significant resources to the development of such technologies as well as transitioning to new business models, requiring a considerable investment of technical and financial resources. Such investments may not result in sufficient revenue generation to justify their costs, or competitors may introduce new products and services that will achieve acceptance among our current customers, adversely affecting our competitive position.

Independent firms and contractors perform some of our product development activities, while other technologies are licensed from third parties. We generally either own or license the software developed by third parties. Because talented development personnel are in high demand, independent developers, including those who currently develop products for us, may not be able to provide development support to us in the future. Similarly, we may not be able to obtain and renew license agreements on favorable terms, if at all, and any failure to do so could harm our business.

Our business strategy has historically depended in part on our relationships with third-party developers, who provide products that expand the functionality of our design software. Some developers may elect to support other products or may experience disruption in product development and delivery cycles. In particular markets, this disruption could negatively impact these third-party developers and end users, which could harm our business.

Our international operations expose us to significant regulatory, intellectual property, collections, exchange fluctuations and other risks, which could adversely impact our future net revenues.

We anticipate that international operations will continue to account for a significant portion of our consolidated net revenues. Risks inherent in our international operations include the following: unexpected changes in regulatory practices and tariffs, difficulties in staffing and managing foreign operations, longer collection cycles for accounts receivable, potential changes in tax laws, greater difficulty in protecting intellectual property and the impact of fluctuating exchange rates between the U.S. dollar and foreign currencies in markets where we do business.

Our risk management strategy uses derivative financial instruments in the form of foreign currency option contracts and forward contracts for the purpose of hedging foreign currency market exposures, which exist as a part of our ongoing business operations. Our international results may also be impacted by general economic and political conditions in these foreign markets. These and other factors may adversely impact our future international operations and consequently our business as a whole.

If we do not maintain our relationship with the members of our distribution channel, our ability to generate net revenues will be adversely affected.

We sell our software products primarily to distributors and value-added resellers, or VARs. Our ability to effectively distribute our products depends in part upon the financial and business condition of our VAR network. Although we have not recently experienced any material problems with the financial viability of our VAR network, computer software dealers and distributors are typically not highly capitalized, have previously experienced difficulties during times of economic contraction and may do so in the future. In addition, the changing distribution models resulting from the Internet, from increased focus on direct sales to major accounts or from two-tiered distribution may impact our VAR network in the future. While no single customer accounted for more than 10 percent of our consolidated net revenues in fiscal 2001, the loss of or a significant reduction in business with any one of our major international distributors or large U.S. resellers could harm our business.

Product returns by VARs could exceed our estimates and harm our net revenues.

With the exception of some distributors, agreements with our VARs do not contain specific product-return privileges. However, we permit our VARs to return product in certain instances, generally during periods of product transition and during update cycles. We anticipate that product returns in future periods will continue to be impacted by product update cycles, new product releases and software quality.

We establish reserves, including reserves for stock balancing and product rotation. These reserves are based on estimated future returns of product and, after taking into account channel inventory levels, the timing of new product introductions and other factors. While we maintain strict measures to monitor channel inventories and to provide appropriate reserves, actual product returns may differ from our reserve estimates, and such differences could harm our business.

If we are not able to adequately protect our proprietary rights, our business could be harmed.

We rely on a combination of patents, copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our proprietary rights. Despite such efforts to protect our proprietary rights, unauthorized parties from time to time have copied aspects of our software products or have obtained and used information that we regard as proprietary. Policing unauthorized use of our software products is time-consuming and costly. While we have recovered some revenues resulting from the unauthorized use of our software products, we are unable to measure the extent to which piracy of our software products exists, and software piracy can be expected to be a persistent problem. Furthermore, our means of protecting our proprietary rights may not be adequate, and our competitors may independently develop similar technology.

We may face intellectual property infringement claims that could be costly to defend and result in our loss of significant rights.

We expect that software product developers will be increasingly subject to infringement claims as the number of products and competitors in our industry segments grows and as the functionality of products in different industry segments overlaps. Infringement, invalidity claims, or misappropriation claims may be asserted against us, and any such assertions could harm our business. Any such claims, whether with or without merit, could be time-consuming, result in costly litigation and diversion of resources, cause product shipment delays, or require us to enter into royalty or licensing agreements. In addition, such royalty or license agreements, if required, may not be available on acceptable terms, if at all, which would likely harm our business.

We rely on third party technologies and if we are unable to use or integrate these technologies, our product and service development may be delayed.

We rely on certain software that we license from third parties, including software that is integrated with internally developed software and used in our products to perform key functions. These third-party software licenses may not continue to be available on commercially reasonable terms, and the software may not be appropriately supported, maintained or enhanced by the licensors. The loss of licenses to, or inability to support, maintain and enhance any such software could result in increased costs, or in delays or reductions in product shipments until equivalent software could be developed, identified, licensed and integrated, which could harm our business.

The loss of key personnel or the inability to attract and retain additional personnel, particularly in Northern California where we are headquartered, could harm our business.

Our continued growth and success depends significantly on the continued service of highly skilled employees. Competition for these employees in today's marketplace, especially in the technology industries, is intense. Our ability to attract and retain employees is dependent on a number of factors, including our continued ability to grant stock incentive awards. The loss of key employees or inability to recruit new employees would negatively impact our business. In addition, we may experience increased compensation costs to attract and retain skilled personnel.

The transition to a single European currency could negatively impact our international operations.

As a result of the introduction of the Euro and during the transition period, which will end on January 1, 2002, we will continue to modify the internal systems that will be affected by this conversion. We may not be able to complete such modifications to comply with Euro requirements, which could harm our business. We are currently evaluating the impact of the introduction of the Euro on our foreign exchange activities, functional currency designations, and pricing strategies in the new economic environment. In addition, we face risks to the extent that banks and vendors upon whom we rely and their suppliers are unable to make appropriate modifications to support our operations with respect to Euro transactions.

Our business could suffer as a result of risks associated with strategic acquisitions and investments.

We periodically acquire or invest in businesses, software products and technologies that are complementary to our business through strategic alliances, debt and equity investments, and the like. The risks associated with such acquisitions or investments include, among others, the difficulty of assimilating the operations and personnel of the companies, the failure to realize anticipated synergies, and the diversion of management's time and attention. In addition, such investments and acquisitions may involve significant transaction-related costs. We may not be successful in overcoming such risks and such investments and acquisitions may negatively impact our business. In addition, such investments and acquisitions may contribute to potential fluctuations in quarterly results of operations. The fluctuations could arise from merger-related costs and charges associated with eliminating redundant expenses or write-offs of impaired assets recorded in connection with acquisitions. These costs or charges could negatively impact results of operations for a given period or cause lack of a consistent increase quarter to quarter in our operating results and financial condition.

We periodically make investments in related entities, such as Buzzsaw.com and RedSpark, which typically do not expect to earn significant revenues in the initial period of operations and which incur considerable start-up costs. Such investments may negatively impact our results of operations and financial condition.

Fluctuations in the price of our common stock due to net revenues or earnings shortfalls or the volatility of the market generally may cause the market price of our stock to decline, which could harm our business.

The market price for our common stock has experienced significant fluctuations and may continue to fluctuate significantly. The market price for our common stock may be affected by a number of factors, including the following: net revenues or earnings shortfalls and changes in estimates or recommendations by securities analysts; the announcement of new products or product enhancements by us or our competitors; quarterly variations in our or our competitors' results of operations; developments in our industry; and general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors.

In addition, stock prices for many companies in the technology sector have experienced wide fluctuations that have often been unrelated to the operating performance of such companies. After periods of volatility in the market price of a particular company's securities, securities class action litigation has often been brought against that company. We are currently involved in this type of litigation, and may become involved in this type of litigation in the future. This type of litigation is often expensive and diverts management's attention and resources, which could adversely affect our financial condition or results of operations. Such factors and fluctuations, as well as general economic, political and market conditions, may cause the market price of our common stock to decline, which could harm our business.

General economic conditions may reduce our net revenues and harm our business.

As our business has grown, we have become increasingly subject to the risks arising from adverse changes in domestic and global economic conditions. Because of the recent economic slowdown in the U.S., many industries are delaying or reducing technology purchases. The impact of this slowdown on us is difficult to predict, but it may result in reductions in sales of our products, longer sales cycles and increased price competition. As a result, if the current economic slowdown continues or worsens, we may fall short of our revenue expectations for any given quarter in fiscal 2002 or for the entire year. These conditions would negatively affect our business and results of operations. In addition, weakness in the end-user market could negatively affect the cash flow of our distributors and VARs who could, in turn, delay paying their obligations to us. This would increase our credit risk exposure, which could harm our profitability and financial condition.

Business interruptions could adversely affect our business.

Our operations are vulnerable to interruption by fire, earthquake, power loss, telecommunications failure and other events beyond our control. Our facilities in Northern California are currently subject to electrical blackouts as a consequence of a shortage of available electrical power. In the event these blackouts continue or increase in severity, they could disrupt the operations of our affected facilities. In connection with the shortage of available power, prices for electricity have risen dramatically, and will likely continue to increase for the foreseeable future. Such price changes will increase our operating costs, which could in turn hurt our profitability.

Liquidity and Capital Resources

Cash, cash equivalents, and marketable securities totaled $394.8 million at April 30, 2001, compared to $422.5 million at January 31, 2001. The primary uses of cash during the first quarter of fiscal 2002 were: the repurchase of 1.8 million shares of our common stock for $68.3 million, capital and other expenditures of $13.2 million and dividend payments totaling $3.2 million. The primary sources of cash were cash provided by operating activities of $43.1 million and stock issuances resulting from our employee stock plans of $20.4 million.

The Board of Directors has approved plans to repurchase up to 22.0 million shares of our common stock. Of these 22.0 million shares, 13.9 million have been repurchased as of April 30, 2001. The primary purpose of the stock repurchase programs is to help offset the dilution to earnings per share caused by the issuance of stock under our employee stock plans.

We have a U.S. line of credit permitting short-term, unsecured borrowings of up to $75.0 million, which may be used from time to time for working capital or other business needs. At April 30, 2001, there were no borrowings outstanding under this agreement, which expires in January 2002.

Principal commitments at April 30, 2001 consisted of obligations under operating leases for facilities and some computer equipment.

We believe that our existing cash, cash equivalents, marketable securities, available line of credit, and cash generated from operations will be sufficient to satisfy our currently anticipated short-term and longer-term cash requirements. Longer-term cash requirements, other than normal operating expenses, are anticipated for the development of new software products and incremental product offerings resulting from the enhancement of existing products; financing anticipated growth; dividend payments; the share repurchase programs; investments in related entities; and the acquisition of businesses, software products or technologies complementary to our business.

Our international operations are subject to currency fluctuations. To minimize the impact of these fluctuations, we use foreign currency option contracts to hedge our exposure on anticipated transactions and forward contracts to hedge our exposure on firm commitments, primarily certain payables and receivables denominated in foreign currencies. Our foreign currency instruments generally have maturities of less than three months, and the option contracts settle before the end of a quarterly period. The principal currencies hedged during the three months ended April 30, 2001 were the Euro, British pound, and Japanese yen. We monitor our foreign exchange exposures to ensure the overall effectiveness of our foreign currency hedge positions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have no material changes to the disclosure on this matter made in our report on Form 10-K for the fiscal year ended January 31, 2001.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in various legal proceedings arising from the normal course of business activities. In addition, in March and April 2000, three class action complaints were filed against us and certain of our officers and directors, alleging violations of the Securities Exchange Act of 1934. The Unites States District Court for the Northern District of California consolidated these complaints into one lawsuit in August 2000. The plaintiffs seek to act on behalf of purchasers of Autodesk common stock during the period between September 14, 1998 and May 4, 1999 and are seeking unspecified damages. On November 14, 2000 the Court granted our motion to dismiss the lawsuit, allowing the plaintiffs to amend their complaint. The plaintiffs filed an amended complaint and we have filed a motion to dismiss the amended complaint. The motion is not yet scheduled for a hearing. We believe we have meritorious defenses to the amended complaint and we intend to vigorously defend the action.

In our opinion, resolution of these matters is not expected to have a material adverse impact on our consolidated results of operations or our financial position. However, depending on the amount and timing, an unfavorable resolution of a matter could materially affect our future results of operations or cash flows in a particular period.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

No exhibits were filed as part of this Form 10-Q.

Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended April 30, 2001.

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 thereunto duly authorized.

Dated: May 22, 2001

AUTODESK, INC.
(Registrant)

/s/ CAROL A. BARTZ

Carol A. Bartz
Chairman, Chief Executive Officer and President

/s/ STEVE CAKEBREAD

Steve Cakebread
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Principal
Accounting Officer)