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

FORM 10-Q/A

(Mark One)

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

FOR THE PERIOD ENDED APRIL 30, 1998

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 June 4, 1998, there were 47,019,000 shares of the Registrant's Common Stock outstanding.

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AUTODESK, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	Three months ended April 30, 1998	Three months ended April 30, 1997
Net revenues	$ 187,206	$ 118,984
Costs and expenses:		
Cost of revenues	19,831	16,089
Marketing and sales	65,213	52,606
Research and development	35,377	27,609
General and administrative	28,958	18,981
Nonrecurring charges	-	22,187
	149,379	137,472
Income (loss) from operations	37,827	(18,488)
Interest and other income, net	2,227	2,375
Income (loss) before income taxes	40,054	(16,113)
Provision for income taxes	14,239	1,324
Net income (loss)	$ 25,815	$ (17,437)
Basic net income (loss) per share	$ 0.56	$ (0.38)
Diluted net income (loss) per share	$ 0.51	$ (0.38)
Shares used in computing basic net income (loss) per share	46,390	45,940
Shares used in computing diluted net income (loss) per share	50,240	45,940

See accompanying notes.

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

	April 30, 1998 (Unaudited)	January 31, 1998 (Audited)
Current assets:		
Cash and cash equivalents	$ 124,784	$ 96,089
Marketable securities	145,232	100,399
Accounts receivable, net	64,579	60,856
Inventories	5,439	7,351
Deferred income taxes	43,284	27,577
Prepaid expenses and other current assets	13,240	15,430
Total current assets	396,558	307,702
Marketable securities, including a restricted balance of $18,200 at April 30, 1998 and $18,000 at January 31, 1998	97,569	104,831
Computer equipment, furniture, and leasehold improvements, at cost:		
Computer equipment and furniture	121,879	117,434
Leasehold improvements	21,245	20,505
Less accumulated depreciation	(104,161)	(98,800)
Net computer equipment, furniture, and leasehold improvements	38,963	39,139
Purchased technologies and capitalized software	31,071	33,373
Goodwill	41,934	44,982
Deferred income taxes	1,250	13,782
Other assets	16,028	19,681
	$ 623,373	$ 563,490

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
LIABILITIES AND STOCKHOLDERS' EQUITY
(In thousands)
(Restated)

	April 30, 1998	January 31, 1998
	(Unaudited)	(Audited)
Current liabilities:		
Accounts payable	$ 23,725	$ 26,417
Accrued compensation	27,901	34,962
Accrued income taxes	83,689	76,465
Deferred revenues	16,188	18,934
Litigation accrual	29,328	-
Other accrued liabilities	41,926	42,709
Total current liabilities	222,757	199,487
Deferred income taxes	504	481
Litigation accrual	-	29,328
Other liabilities	2,025	1,255
Stockholders' equity:		
Common stock	342,310	299,315
Retained earnings	72,913	50,279
Foreign currency translation adjustment	(17,136)	(16,655)
Total stockholders' equity	398,087	332,939
	$ 623,373	$ 563,490

See accompanying notes.

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

	Three months ended April 30, 1998	1997
Operating activities		
Net income (loss)	$ 25,815	$ (17,437)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Charges for acquired in-process research and development	-	22,187
Depreciation and amortization	14,087	8,731
Changes in operating assets and liabilities, net of business combinations	(9,202)	6,568
Net cash provided by operating activities	30,700	20,049
Investing activities		
Net purchases of marketable securities	(37,571)	(21,131)
Business combinations, net of cash acquired	-	(5,766)
Purchases of computer equipment, furniture, and leasehold improvements	(4,924)	(2,603)
Purchases of software technologies, capitalization of software costs and other	3,777	6,079
Net cash used in investing activities	(38,718)	(23,421)
Financing activities		
Proceeds from issuance of common stock	42,995	8,050
Repurchase of common stock	-	(12,722)
Dividends paid	(2,810)	(2,872)
Net cash provided by (used in) financing activities	40,185	(7,544)
Effect of exchange rate changes on cash	(3,472)	(4,709)
Net increase (decrease) in cash and cash equivalents	28,695	(15,625)
Cash and cash equivalents at beginning of year	96,089	64,814
Cash and cash equivalents at end of quarter	$ 124,784	$ 49,189
Supplemental Disclosure of noncash investing and financing activities:		
Shares of common stock received in relation to the equity collar (See Note 3)	$ 4,265	$ -
Common stock issued in connection with the acquisition of Softdesk, Inc.	$ -	$ 92,021

See accompanying notes.

AUTODESK, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The condensed consolidated financial statements of Autodesk, Inc. ("Autodesk" or the "Company") at April 30, 1998 and 1997 are unaudited and 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. The condensed consolidated financial statements at April 30, 1998 should be read in conjunction with the consolidated financial statements, as restated, and notes thereto, together with management's discussion and analysis of financial condition and results of operations, contained in the Company's Annual Report to Stockholders incorporated by reference in the Company's Annual Report on Form 10-K/A for the fiscal year ended January 31, 1998. The results of operations for the three months ended April 30, 1998 are not necessarily indicative of the results for the entire fiscal year ending January 31, 1999.

On March 31, 1997, the Company issued approximately 2.9 million shares of its common stock for all outstanding shares of Softdesk, Inc. ("Softdesk"), a leading supplier of AutoCAD-based application software for the architecture, engineering, and construction market, and exchanged Autodesk options for outstanding Softdesk options. The acquisition of Softdesk was accounted for as a business combination using the purchase method of accounting. In accordance with Accounting Principles Board Opinion No.16,"Accounting for Business Combinations," the cost of the Softdesk acquisition was allocated to the assets acquired and the liabilities assumed (including in-process research and development) based on their estimated fair values using valuation methods believed to be appropriate at the time. The estimated fair value of the in-process research and development of $55.1 million was expensed in the first quarter of fiscal 1998 (the period in which the acquisition was consummated) in accordance with FASB Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." Subsequent to the Securities and Exchange Commission's letter to the AICPA dated September 9, 1998, regarding its views on in-process research and development ("IPR&D"), the Company has re-evaluated its IPR&D charges on the Softdesk acquisition, revised the purchase price allocation and restated its financial statements. As a result, the Company has made an adjustment to decrease the amount previously expensed as in-process research and development by $35.9 million.

The effect of this adjustment on previously reported consolidated financial statements as of and for the quarters ended April 30, 1998 and April 30, 1997 is as follows (in thousands):

	Three Months Ended April 30, 1998		Three Months Ended April 30, 1997	
	As Reported	Restated	As Reported	Restated
Nonrecurring charges	$ -	$ -	$ 58,087	$ 22,187
General and administrative	27,276	28,958	18,437	18,981
Cost of revenues	19,687	19,831	16,041	16,089
Income (loss) from operations	39,653	37,827	(53,796)	(18,488)
Net income (loss)	27,641	25,815	(52,745)	(17,437)
Basic net income (loss) per share	$ 0.60	$ 0.56	(1.15)	(0.38)
Diluted net income (loss) per share	$ 0.55	$ 0.51	(1.15)	(0.38)
Purchased technologies and capitalized software, net	$ 29,395	$ 31,071	24,922	27,174
Goodwill, net	15,629	41,934	20,699	53,755
Retained Earnings	44,932	72,913	39,186	74,494

2. Recently Issued Accounting Standards

In the first quarter of fiscal year 1999, the Company adopted the provisions of the American Institute of Certified Public Accountants' Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This standard requires companies to capitalize qualifying computer software costs which are incurred during the application development stage and amortize them over the software's estimated useful life. The adoption of this standard did not have a material effect on the Company's consolidated operating results or financial position.

3. Common Stock Repurchase Programs

The Company sold put warrants to an independent third party in December 1997 that entitled the holder of the warrants to sell 1.5 million shares of common stock to the Company at $38.12 per share. Additionally, the Company purchased call options from the same independent third party that entitled the Company to buy 1 million shares at $39.88 per share. The premiums received with respect to the equity options totaled $4.5 million and equaled the premiums paid. Consequently, there was no exchange of cash. The put warrants permitted a net share settlement at the Company's option. In March 1998, the Company exercised the call option, electing the net share settlement option and retired approximately 97,000 shares of its common stock. The put warrants expired unexcercised.

4. Net Income Per Share

Basic net income per share is calculated using the weighted average number of common shares outstanding. Diluted net income per share is computed using the weighted average number of common shares outstanding and dilutive common stock equivalents outstanding during the period. A reconciliation of the numerators and denominators used in the basic and diluted net income (loss) per share amounts follows:

	Three months ended April 30,	
	1998	1997
(In thousands)		
Numerator:		
Numerator for basic and diluted per share amounts--net income (loss)	$ 25,815	$ (17,437)
Denominator:		
Denominator for basic net income (loss) per share--weighted average shares	46,390	45,940
Effect of dilutive common stock options	3,850	-
Denominator for dilutive net income (loss) per share	50,240	45,940

5. Change in Accounting Principle

Effective February 1, 1998, Autodesk adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this Statement had no impact on the Company's net income or stockholders' equity. This Statement requires unrealized gains or losses on the Company's available-for-sale securities and foreign currency translation adjustments, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive income. Prior year financial statements have been reclassified to conform to the requirements of SFAS 130.

Autodesk's total comprehensive income was as follows:

	Three months ended April 30,	
	1998	1997
(In thousands)		
Net income (loss)	$ 25,815	$ (17,437)
Other comprehensive loss	(513)	(3,929)
Total comprehensive income (loss)	$ 25,302	$ (21,366)

6. Subsequent Events

On May 4, 1998, the Company acquired various mechanical computer-aided-design software and technologies from Genius CAD Software GmbH ("Genius"), a German limited liability company, for approximately $69 million in cash, which includes fees and expenses. The acquisition will be accounted for using the purchase method with the results of Genius being included in Autodesk's consolidated financial statements from the acquisition date.

In May 1998, final judgment was entered in the Vermont Microsystems, Inc. ("VMI") trade secret litigation in the amount of $7.8 million plus accrued interest. Following entry of judgment, final payment of approximately $8.4 million was made to VMI and charged against a previously recorded litigation accrual, and the remainder of the escrow account returned to Autodesk. As a result, the Company plans to record a credit to operating income during the second quarter of fiscal year 1999 that reflects excess litigation accruals.

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

THE DISCUSSION IN "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" 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 HEREIN RELATIVE TO MARKETS FOR AUTODESK'S 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 CONSTITUTE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO BUSINESS AND ECONOMIC RISKS, AND AUTODESK'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF THE FACTORS SET FORTH ELSEWHERE HEREIN, INCLUDING "CERTAIN RISK FACTORS WHICH MAY IMPACT FUTURE OPERATING RESULTS," PAGE 13, AS WELL AS FACTORS SET FORTH IN AUTODESK'S ANNUAL REPORT ON FORM 10-K/A.

RESTATEMENT OF FINANCIAL STATEMENTS

On March 31, 1997, the Company issued approximately 2.9 million shares of its common stock for all outstanding shares of Softdesk, Inc. ("Softdesk"), a leading supplier of AutoCAD-based application software for the architecture, engineering, and construction market, and exchanged Autodesk options for outstanding Softdesk options. The acquisition of Softdesk was accounted for as a business combination using the purchase method of accounting. In accordance with Accounting Principles Board Opinion No.16,"Accounting for Business Combinations," the cost of the Softdesk acquisition was allocated to the assets acquired and the liabilities assumed (including in-process research and development) based on their estimated fair values using valuation methods believed to be appropriate at the time. The estimated fair value of the in-process research and development of $55.1 million was expensed in the first quarter of fiscal 1998 (the period in which the acquisition was consummated) in accordance with FASB Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method." Subsequent to the Securities and Exchange Commission's letter to the AICPA dated September 9, 1998, regarding its views on in-process research and development ("IPR&D"), the Company has re-evaluated its IPR&D charges on the Softdesk acquisition, revised the purchase price allocation and restated its financial statements. As a result, the Company has made an adjustment to decrease the amount previously expensed as in-process research and development by $35.9 million.

The effect of this adjustment on previously reported consolidated financial statements as of and for the quarters ended April 30, 1998 and April 30, 1997 is as follows (in thousands):

	Three Months Ended April 30, 1998		Three Months Ended April 30, 1997	
	As Reported	Restated	As Reported	Restated
Nonrecurring charges	$ -	$ -	$ 58,087	$ 22,187
General and administrative	27,276	28,958	18,437	18,981
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Net income (loss)	27,641	25,815	(52,745)	(17,437)
Basic net income (loss) per share	$ 0.60	$ 0.56	(1.15)	(0.38)
Diluted net income (loss) per share	$ 0.55	$ 0.51	(1.15)	(0.38)
Purchased technologies and capitalized software, net	$29,395	$31,071	24,922	27,174
Goodwill, net	15,629	41,934	20,699	53,755
Retained Earnings	44,932	72,913	39,186	74,494

RESULTS OF OPERATIONS

Three Months Ended April 30, 1998 and 1997

Net revenues. The Company's first quarter net revenues of $187.2 million increased 57 percent from the first quarter of the prior fiscal year. The Company achieved significant net revenue growth in the Americas and Europe when compared to the same period in the prior fiscal year while remaining relatively flat in Asia Pacific. The Company recorded net revenues in the Americas of $90.1 million, an 81 percent increase from the same period in the prior fiscal year, and net revenues in Europe of $68.0 million, an increase of 68 percent. This net revenue growth was the result of strong demand for new and upgrade units of AutoCAD Release 14, which began shipping in the second quarter of fiscal year 1998. Also contributing to the higher revenues were new and enhanced products such as Mechanical Desktop 2.0 and AutoCAD LT 97. Sales of AutoCAD and AutoCAD upgrades accounted for approximately 69 percent and 70 percent of the Company's consolidated net revenues in the first quarter of fiscal years 1999 and 1998, respectively. The stronger value of the US dollar, relative to certain international currencies, primarily the Japanese yen, the German mark and the French franc, negatively impacted net revenues in the first quarter of the current fiscal year by $4.4 million when compared to the same period in the prior fiscal year. International sales, including exports from the U.S., accounted for approximately 58 percent of the Company's revenues in the first quarter of fiscal year 1999 as compared to 64 percent in the same period of the prior fiscal year.

The Company derives a substantial portion of its revenues from sales of AutoCAD software, AutoCAD upgrades, and adjacent products which are interoperable with AutoCAD. As such, any factor adversely affecting sales of AutoCAD and AutoCAD upgrades, including such factors as product life cycle, market acceptance, product performance and reliability, reputation, price competition, and the availability of third-party applications, could have a material adverse effect on the Company's business and consolidated results of operations. Additionally, slowdowns in any of the Company's geographical markets, including the current economic instability in certain countries of the Asia Pacific region, could also have a material adverse impact on the Company's business and consolidated results of operations.

Product returns, consisting principally of stock rotation, are recorded as a reduction of revenues and represented approximately 5 percent of consolidated revenues in the first quarter of both fiscal years 1999 and 1998. Although product returns, comparing the first quarter of fiscal year 1999 to the same period in the prior year, remained the same as a percentage of consolidated revenues, management anticipates that 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 decreased approximately 3 percent in the first quarter of fiscal year 1999 as compared to the same period of the prior fiscal year. This improvement resulted from efficiencies in production and distribution activities, and the mix of product sales. Cost of revenues as a percentage of net revenues has been and may continue to be impacted by the mix of product sales, royalty rates for licensed technology embedded in Autodesk's products, and the geographic distribution of sales.

Marketing and sales. Marketing and sales expenses were 35 percent and 44 percent of net revenues in the first quarter of fiscal years 1999 and 1998, respectively. Actual spending increased 24 percent as a result of higher employee costs, including increased variable compensation associated with higher revenues, and higher advertising and promotion costs to support the launch of new and enhanced products from the Company's market groups, including AutoCAD Mechanical and MapGuide Release 3.0. The Company expects to continue to invest in marketing and sales of its products, to develop market opportunities, and to promote Autodesk's competitive position. Accordingly, the Company expects marketing and sales expenses to continue to be significant, both in absolute dollars and as a percentage of net revenues.

Research and development. Research and development expenses represented 19 percent and 23 percent of net revenues in the first quarter of fiscal years 1999 and 1998, respectively. Actual research and development spending (including capitalized software development costs of $1,750,000 recorded in the prior fiscal year) increased by 20 percent from the same period in the prior fiscal year due to the addition of software engineers, expenses associated with the development and translation of new products, and exit costs incurred in the restructuring of one of the Company's development centers. The Company anticipates that research and development expenses will increase in future periods as a result of product development efforts by the Company's market groups and incremental personnel costs. Additionally, the Company intends to continue recruiting and hiring experienced software developers and to consider the licensing and acquisition of complementary software technologies and businesses.

General and administrative. General and administrative expenses decreased to 15 percent of net revenues in the first quarter of fiscal year 1999 from 16 percent of net revenues in the first quarter of the prior fiscal year. In absolute dollar terms, general and administrative expenses increased 53 percent from the same period of the prior fiscal year, resulting primarily from increased employee-related expenses ($3.5 million increase), amortization of intangibles recorded in connection with the Softdesk merger ($1.9 million increase), and costs related to the Company's Year 2000 compliance program ($0.9 million). The Company currently expects that general and administrative expenses will increase in future periods to support spending on infrastructure, including continued investment in Autodesk's worldwide information systems and making any additional corrections to the Company's hardware and software for compliance in the year 2000; and to amortize goodwill and other intangible assets associated with recent business combinations.

Charge for acquired in-process research and development. On March 31, 1997, the Company exchanged 2.9 million shares of its common stock for all of the outstanding stock of Softdesk, Inc. Based on the value of Autodesk stock and options exchanged, the transaction, including transaction costs, was valued at approximately $94 million. This transaction was accounted for using the purchase method of accounting with the purchase price being principally allocated to capitalized software, purchased technologies, and intangible assets. Approximately $19.2 million of the total purchase price represented the value of in-process research and development that had not yet reached technological feasibility and had no alternative future use. Approximately $3.0 million of technology acquired from 3D/Eye during the first quarter of fiscal year 1998 also represented the value of in-process research and development that had not yet reached technological feasibility and had no alternative future use. The $19.2 million and the $3.0 million were charged to operations in the first quarter of fiscal year 1998. These charges reduced net income for the period by approximately $21.1 million ($0.46 per share on a diluted basis) and reflect the fact the one-time charge for acquired in-process research and development recorded in connection with the Softdesk transaction was not deductible for income tax purposes.

Interest and other income. Interest and other income remained relatively flat in the first quarter of fiscal year 1999 compared to the first quarter of fiscal year 1998. Interest and other income in the first quarter was $2.2 million, net of foreign exchange gains of $14,000, compared to $2.4 million in the same quarter of the prior fiscal year, including foreign currency losses of $56,000.

Provision for income taxes. Excluding the impact of nonrecurring charges, the Company's effective income tax rate was 35.5 percent in the first quarter of fiscal year 1999 compared to 43 percent in the same quarter of the prior fiscal year. The decrease in the effective income tax rate was due to tax benefits associated with the Company's foreign sales corporation and foreign earnings which are taxed at rates different than the U.S. statutory rate as well as the reduced impact of nondeductible goodwill amortization.

The Company's United States income tax returns for fiscal years ended January 31, 1992 through 1996, are under examination by the Internal Revenue Service ("IRS"). On August 27, 1997, the IRS issued a Notice of Deficiency proposing increases to the amount of the Company's federal income taxes for fiscal years 1992 and 1993. On November 25, 1997, the Company filed a petition with the United States Tax Court to contest these alleged tax deficiencies. Resolution of these alleged tax deficiencies and any adjustments that may ultimately result from these examinations are not expected to have a material adverse impact on the Company's consolidated results of operations or its financial position.

CERTAIN RISK FACTORS WHICH MAY IMPACT FUTURE OPERATING RESULTS

Autodesk operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. The following discussion highlights some of these risks and the possible impact of these factors on future results of operations.

Competition. 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. 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 revenues and profit margins, and loss of market share, any of which could adversely affect Autodesk's business, consolidated results of operations, and financial condition. The design software market in particular is characterized by vigorous competition in each of the vertical markets in which the Company competes, both by entry of competitors with innovative technologies and by consolidation of companies with complementary products and technologies.

The AEC family of products competes directly with software offered by companies such as Bentley Systems, Inc. ("Bentley"); Computervision Corporation (a subsidiary of Parametric Technologies, Inc.) ("Computervision"); CADAM Systems Company, Inc.; Diehl Graphsoft, Inc.; EaglePoint Software; International Microcomputer Software, Inc. ("IMSI"); Intergraph Corporation; Ketiv Technologies; Nemetschek Systems, Inc. and Visio Corporation ("Visio"). Autodesk's MCAD products compete with products offered by Bentley; Visionary Design Systems; Hewlett-Packard Corporation; Parametric Technologies, Inc.; Structural Dynamics Research Corporation; Unigraphics; Computervision; Dassault Systemes ("Dassault"); Solidworks Corporation (a subsidiary of Dassault); and Baystate Technologies, Inc. Autodesk's GIS Market Group faces competition from Bentley; Intergraph; MapInfo Corporation; Earth Sciences Research Institute ("ESRI"); and MCI Systemhouse. Kinetix product offerings compete with products offered by other multimedia companies such as Adobe Systems Inc.; Macromedia, Inc.; and Silicon Graphics, Inc. The Personal Solutions Group family of products compete with IMSI; The Learning Company; Visio; Micrografx Inc.; and others. Certain of the competitors of Autodesk have greater financial, technical, sales and marketing, and other resources than Autodesk.

Autodesk believes that the principal factors affecting competition in its markets are product reliability, performance, ease of use, range of useful features, continuing product enhancements, reputation, price and training. In addition, the availability of third-party application software is a competitive factor within the CAD market. Autodesk believes that it competes favorably in these areas and that its competitive position will depend, in part, upon its continued ability to enhance existing products, and to develop and market new products.

In April 1998, the Company received notice that the Federal Trade Commission ("FTC") has undertaken a nonpublic investigation to determine whether Autodesk or others have engaged in or are engaging in unfair methods of competition. The FTC has not made any claims or allegations regarding the Company's current business practices or policies, nor have any charges been filed. Autodesk intends to cooperate fully with the FTC in its inquiry. The Company does not believe that the investigation will have a material adverse impact on its business or consolidated results of operations.

Fluctuations in quarterly operating results. Autodesk has experienced fluctuations in operating results in interim periods in certain geographic regions due to seasonality. The Company's operating results in Europe during the third fiscal quarter are usually impacted by a slow summer period while the Asia Pacific operations typically experience seasonal slowing in the third and fourth fiscal quarters.

The technology industry is particularly susceptible to fluctuations in operating results within a quarter. While Autodesk experienced more linear operating results within the current quarter compared to prior years, historically the majority of its orders within a fiscal quarter have frequently been concentrated within the last weeks or days of that quarter. These fluctuations are caused by a number of factors, including the relatively long sales cycle of some of Autodesk's products, the timing of the introduction of new products by Autodesk or its competitors, and other economic factors experienced by the Company's customers and the geographic regions in which Autodesk does business. Additionally, Autodesk's operating expenses are based in part on its 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 the Company's consolidated results of operations and financial condition.

Similarly, shortfalls in Autodesk's revenues or earnings from levels expected by securities analysts could have an immediate and significant adverse effect on the trading price of the Company's common stock. Moreover, the Company's stock price is subject to the volatility generally associated with technology stocks and may also be affected by broader market trends unrelated to performance.

Product concentration. Autodesk derives a substantial portion of its revenues from sales of AutoCAD software, AutoCAD upgrades, and adjacent products which are interoperable with AutoCAD. As such, any factor adversely affecting sales of AutoCAD and AutoCAD upgrades, including such factors as product life cycle, market acceptance, product performance and reliability, reputation, price competition, and the availability of third-party applications, could have a material adverse effect on the Company's business and consolidated results of operations.

In April 1998, the Company received notice that the Federal Trade Commission ("FTC") has undertaken a nonpublic investigation to determine whether Autodesk or others have engaged in or are engaging in unfair methods of competition. The FTC has not made any claims or allegations regarding the Company's current business practices or policies, nor have any charges been filed. Autodesk intends to cooperate fully with the FTC in its inquiry. The Company does not believe that the investigation will have a material adverse impact on its business or consolidated results of operations.

Product development and introduction. The software industry is characterized by rapid technological change as well as changes in customer requirements and preferences. The software products offered by the Company are complex and, despite extensive testing and quality control, may contain errors or defects ("bugs"), especially when first introduced. There can be no assurance that defects or errors will not occur in future releases of AutoCAD or other software products offered by the Company. Such defects or errors could result in corrective releases to the Company's software products, damage to Autodesk's reputation, loss of revenues, an increase in product returns, or lack of market acceptance of its products, any of which could have a material and adverse effect on the Company's business and consolidated results of operations.

The Company believes that its future results will depend largely upon its ability to offer products that compete favorably with respect to reliability, performance, ease of use, range of useful features, continuing product enhancements, reputation, price and training. Delays or difficulties may result in the delay or cancellation of planned development projects, and could have a material and adverse effect on Autodesk's business and consolidated results of operations.. Further, increased competition in the market for design, mapping, or multimedia software products could also have a negative impact on the Company's business and consolidated results of operations. More specifically, gross margins may be adversely affected if sales of low-end CAD products, which historically have had lower margins, grow at a faster rate than the Company's higher-margin products.

Certain of the Company's historical product development activities have been performed by independent firms and contractors, while other technologies are licensed from third parties. Autodesk generally either owns or licenses the software developed by third parties. Because talented development personnel are in high demand, there can be no assurance that independent developers, including those who have developed products for the Company in the past, will be able to provide development support to the Company in the future. Similarly, there can be no assurance that the Company will be able to obtain and renew license agreements on favorable terms, if at all, and any failure to do so could have a material adverse effect on the Company's business and consolidated results of operations.

Autodesk's business strategy has historically depended in large part on its relationships with third-party developers, who provide products that expand the functionality of the Company's design software. There can be no assurance that certain developers will not elect to support other products or otherwise experience disruption in product development and delivery cycles. Such disruption in particular markets could negatively impact these third-party developers and end users, which could have a material adverse effect on Autodesk's business and consolidated results of operations. Further, increased merger and acquisition activity currently experienced in the technology industry could affect relationships with other third-party developers, and thus adversely affect operating results.

International operations. The Company anticipates that international operations will continue to account for a significant portion of its consolidated revenues. Risks inherent in the Company's international operations include the following: unexpected changes in regulatory practices and tariffs; difficulties in staffing and managing foreign operations; longer collection cycles; 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 Autodesk does business. During the first three months of fiscal year 1999, changes in exchange rates from the same period of the prior fiscal year adversely impacted revenues, principally due to changes in the rate of exchange between the U.S. dollar and the Japanese yen, the German mark, and the French franc. The Company's risk management strategy uses derivative financial instruments in the form of forward foreign exchange contracts for the purpose of hedging foreign currency market exposures of underlying assets, liabilities, and other obligations which exist as a part of its ongoing business operations. Autodesk does not enter into derivative contracts for the purpose of trading or speculative transactions. The Company's international results may also be impacted by general economic and political conditions in these foreign markets. The Company's international results have been impacted by recent unfavorable economic and political conditions in the Asian markets as described above under "Results of Operations - Net Revenues." There can be no assurance that the economic crisis and currency issues currently being experienced in these markets will not have a material adverse effect on the Company's future international operations and consequently, on the Company's business and consolidated results of operations.

Dependence on distribution channels. The Company sells its software products primarily to distributors and resellers (value-added resellers, or "VARs"). Autodesk's ability to effectively distribute products depends in part upon the financial and business condition of its VAR network. Although the Company has not to date experienced any material problems with its VAR network, computer software dealers and distributors are typically not highly capitalized and have experienced difficulties during times of economic contraction and may do so in the future. The loss of or a significant reduction in business with any one of the Company's major international distributors or large U.S. resellers could have a material adverse effect on the Company's business and consolidated results of operations in future periods. Autodesk's largest international distributor is Computer 2000 AG in Germany. Autodesk's largest resellers and distributors in the United States are Ingram, Avatech, and DLT.

Product returns. With the exception of certain European distributors, agreements with the Company's VARs do not contain specific product-return privileges. However, Autodesk permits its VARs to return product in certain instances, generally during periods of product transition and during update cycles. Although product returns, comparing the first quarter of fiscal 1999 to the same period in the prior year, remained the same as a percentage of consolidated revenues, management anticipates that product returns in future periods will continue to be impacted by product update cycles, new product releases, and software quality.

Autodesk establishes reserves, including reserves for stock balancing and product rotation, 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 the Company maintains strict measures to monitor channel inventories and to provide appropriate reserves, actual product returns may differ from the Company's reserve estimates, and such differences could be material to Autodesk's consolidated financial statements.

Intellectual property. The Company relies on a combination of patent, copyright and trademark laws, trade secrets, confidentiality procedures, and contractual provisions to protect its proprietary rights. Despite such efforts to protect the Company's proprietary rights, unauthorized parties may attempt to copy aspects of the Company's software products or to obtain and use information that Autodesk regards as proprietary. Policing unauthorized use of the Company's software products is time-consuming and costly. Although the Company is unable to measure the extent to which piracy of its software products exists, software piracy can be expected to be a persistent problem. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that its competitors will not independently develop similar technology. The Company expects that software product developers will be increasingly subject to infringement claims as the number of products and competitors in its industry segments grows and the functionality of products in different industry segments overlap. There can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted against the Company or that any such assertions will not have a material adverse effect on its 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 the Company 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 could have a material adverse effect on the Company's business and consolidated results of operations.

The Company also relies on certain software that it licenses from third parties, including software that is integrated with internally developed software and used in its products to perform key functions. There can be no assurance that these third-party software licenses will continue to be available on commercially reasonable terms, or that the software will be appropriately supported, maintained, or enhanced by the licensors. The loss of licenses, 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 have a material adverse effect on the Company's business and consolidated results of operations.

Risks associated with recent acquisitions and investments. The Company periodically acquires or invests in businesses, software products and technologies which are complementary to the Company's business through strategic alliances, debt and equity investments, joint ventures 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. There can be no assurance that the Company will be successful in overcoming such risks or that such investments and acquisitions will not have a material adverse impact upon the Company's business, financial condition or results of operations. In addition, such investments and acquisitions may contribute to potential fluctuations in quarterly results of operations due to merger-related costs and charges associated with eliminating redundant expenses or write-offs of impaired assets recorded in connection with acquisitions, any of which could negatively impact results of operations for a given period or cause lack of linearity quarter to quarter in the Company's operating results or financial condition.

As further described in Note 6 to the condensed consolidated financial statements, on May 4, 1998, the Company acquired the mechanical applications business of Genius CAD Software GmbH ("Genius"), a German limited liability company, for $69 million in cash, which includes fees and expenses. There can be no assurance that the anticipated benefits of the Genius asset purchase and any future mergers, acquisitions, or asset purchases will be realized.

Attraction and Retention of Employees. The continued growth and success of the Company 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. The Company's ability to attract and retain employees is dependent on a number of factors including its continued ability to grant stock incentive awards. There can be no assurance that the Company will be successful in continuing to recruit new personnel and to retain existing personnel. The loss of one or more key employees or the Company's inability to maintain existing employees or recruit new employees could have a material adverse impact on the Company. In addition, the Company may experience increased compensation costs to attract and retain skilled personnel.

Impact of Year 2000. Some of the computer programs used by the Company in its internal operations rely on time-sensitive software that was written using two digits rather than four to identify the applicable year. These programs may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities. Additionally, as the Company is in the business of software production, year 2000 issues may affect the Company's products which are being sold externally. The Company expects to successfully implement a six-phase year 2000 compliance program and does not believe that the cost of such procedures will have a material effect on the Company's results of operations or financial condition. There can be no assurance, however, that there will not be a delay in the completion of these procedures or that the cost of such procedures will not exceed original estimates, either of which could have a material adverse effect on future results of operations.

In addition to correcting the business and operating systems used by the Company in the ordinary course of business as described above, the Company has also reviewed all products it currently produces internally for sale to third parties to determine compliance of its products. Products currently sold either have been found to be substantially compliant or are currently being tested for compliance. However, many Autodesk products run on application systems produced and sold by third-party vendors. There can be no assurance that these application systems will be converted in a timely manner, and any failure in this regard may cause Autodesk products not to function as designed. Any future costs associated with ensuring that the Company's products are compliant with the year 2000 are not expected to have a material impact on the Company's results of operations or financial position.

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents, and marketable securities, which consist primarily of high-quality municipal bonds, tax-advantaged money market instruments and U.S. treasury notes, totaled $367.6 million at April 30, 1998, compared to $301.3 million at January 31, 1998. The $66.3 million increase in cash, cash equivalents, and marketable securities was due primarily to cash generated from operations ($30.7 million) and cash proceeds from the issuance of shares through employee stock option and stock purchase programs ($43.0 million). This increase was partially offset by cash used to purchase computer equipment, furniture, and leasehold improvements ($4.9 million); and to pay dividends on the Company's common stock ($2.8 million).

The Company sold put warrants to an independent third party in December 1997 that entitled the holder of the warrants to sell 1.5 million shares of common stock to the Company at $38.12 per share. Additionally, the Company purchased call options from the same independent third party that entitled the Company to buy 1 million shares at $39.88 per share. The premiums received with respect to the equity options totaled $4.5 million and equaled the premiums paid. Consequently, there was no exchange of cash. At any given date, the amounts potentially subject to market risk were generally limited to the amount by which the per share price of the put warrants exceeds the market value of the Company's common stock. The put warrants permitted a net share settlement at the Company's option. In March 1998, the Company exercised the call option, electing the net share settlement option and retired approximately 97,000 shares of its common stock. The put warrants expired unexercised.

The Company has an unsecured $40 million bank line of credit, of which $20 million is guaranteed, that may be used from time to time to facilitate short-term cash flow. At April 30, 1998, there were no borrowings outstanding under this credit agreement, which expires in January 1999.

The Company's principal commitments at April 30, 1998 consisted of obligations under operating leases for facilities. The Company believes that its existing cash, cash equivalents, marketable securities, available line of credit, and cash generated from operations will be sufficient to satisfy its currently anticipated cash requirements for the next twelve months.

Longer-term cash requirements, other than normal operating expenses, are anticipated for development of new software products and enhancement of existing products; financing anticipated growth; dividend payments; repurchases of the Company's common stock; and the acquisition of businesses, software products, or technologies complementary to the Company's business. The Company believes that its existing cash, cash equivalents, marketable securities, available line of credit, and cash generated from operations will be sufficient to satisfy its currently anticipated longer-term cash requirements.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In May 1998, final judgment was entered in the Vermont Microsystems, Inc. ("VMI") trade secret litigation in the amount of $7.8 million plus accrued interest. Following entry of judgment, final payment of approximately $8.4 million was made to VMI and charged against a previously recorded litigation accrual, and the remainder of the escrow account returned to Autodesk. As a result, the Company plans to record a credit to operating income during the second quarter of fiscal year 1999 that reflects excess litigation accruals.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held a Special Meeting of Stockholders on March 31, 1998. The following proposals were approved by the stockholders as indicted below:

	Affirmative Votes	Negative Votes	Votes Withheld	Non Votes
1. To amend the Company's Certificate of Incorporation to increase the number of authorized shares of Common Stock from 100,000,000 to 250,000,000	24,012,523	14,646,843	47,690	37
2. To approve the adoption of the Company's 1998 Employee Qualified Stock Purchase Plan	29,580,741	4,598,879	77,960	4,449,513
3. To approve certain amendments to the Company's 1996 Stock Plan	17,392,856	16,758,171	106,556	4,449,510

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

27.0 Financial Data Schedule restated for the period ended April 30, 1998

27.1 Financial Data Schedule restated for the twelve months ended January 31, 1998, 1997 & 1996

27.2 Financial Data Schedule restated for the fiscal quarters ended April 30, 1997, July 31, 1997, and October 31, 1997

27.3 Financial Data Schedule for the fiscal quarters ended April 30, 1996, July 31, 1996, and October 31, 1996

Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended April 30, 1998.

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: February 3, 1999

AUTODESK, INC.
(Registrant)

/S/ CAROL A. BARTZ

Carol A. Bartz
Chief Executive Officer
and Chairman of the Board

/S/ STEVE CAKEBREAD

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

5
1,000

3-MOS
JAN-31-1999
FEB-01-1998
APR-30-1998
124,784
145,232
71,664
7,085
5,439
396,558
143,124
104,161
623,373
222,757
0
0
0
342,310
55,777
623,373
187,206
187,206
19,831
129,209
0
339
110
40,054
14,239
25,815
0
0
0
25,815
0.56
0.51

Certain information for the 3 months ended April 30, 1998 has been restated to reflect the adjustment described at Note 1 to the Company's condensed consolidated Financial Statements.

5
1,000

12-MOS	12-MOS	12-MOS
JAN-31-1998	JAN-31-1997	JAN-31-1996
FEB-01-1997	FEB-01-1996	FEB-01-1995
JAN-31-1998	JAN-31-1997	JAN-31-1996
96,089	64,814	129,305
100,399	117,971	64,001
67,992	75,212	100,650
7,136	6,635	6,731
7,351	7,340	9,685
307,702	310,528	347,834
137,939	121,721	127,743
98,800	77,671	78,778
563,490	492,233	517,929
199,487	150,171	144,295
0	0	0
0	0	0
0	0	0
299,315	147,091	140,765
33,624	96,523	201,563
563,490	492,233	517,929
617,126	496,693	534,167
617,126	496,693	534,167
71,338	64,217	66,812
466,925	370,922	334,801
0	0	0
3,701	1,737	3,527
159	1,842	1,841
84,806	66,512	138,280
39,635	24,941	50,492
45,171	41,571	87,788
0	0	0
0	0	0
0	0	0
45,171	41,571	87,788
0.97	0.91	1.86
0.91	0.88	1.76

Certain information for the 12 months ended January 31, 1998 has been restated to reflect the adjustment described at Note 1 to the Company's consolidated Financial Statements.

For purposes of this exhibit, primary means basic.

Amounts have been restated to comply with the provisions of Statement of Financial Accounting Standards No. 128, "Earnings per Share."

5
1,000

3-MOS	3-MOS	3-MOS
JAN-31-1998	JAN-31-1998	JAN-31-1998
FEB-01-1997	MAY-01-1997	AUG-01-1997
APR-30-1997	JUL-31-1997	OCT-31-1997
49,189	37,166	43,024
140,313	187,965	169,956
83,654	96,073	85,872
10,260	10,214	7,527
7,152	6,548	6,397
325,157	371,948	351,667
127,180	130,777	135,687
81,937	87,318	94,040
578,628	611,321	600,601
171,895	189,633	197,751
0	0	0
0	0	0
0	0	0
245,460	263,317	304,153
60,884	59,384	65,703
578,628	611,321	600,601
118,984	154,096	162,195
118,984	154,096	162,195
16,089	18,869	17,656
121,022	110,930	116,135
0	0	0
361	673	106
0	0	0
(18,488)	26,023	30,915
(1,324)	10,033	11,787
(17,437)	15,990	19,128
0	0	0
0	0	0
0	0	0
(17,437)	15,990	19,128
(0.38)	0.33	0.41
(0.38)	0.31	0.37

Certain information for the 3 months ended April 30, 1997, July 31, 1997, and October 31, 1997 have been restated to reflect the adjustment described at Note 1 to the Company's condensed consolidated Financial Statements.

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1,000

3-MOS	3-MOS	3-MOS
JAN-31-1997	JAN-31-1997	JAN-31-1997
FEB-01-1996	MAY-01-1996	AUG-01-1996
APR-30-1996	JUL-31-1996	OCT-31-1996
102,945	116,803	87,759
71,050	76,428	72,842
113,948	94,688	93,382
6,910	6,815	6,998
9,900	10,979	9,012
342,070	340,601	298,874
131,408	132,441	124,148
83,010	83,704	75,794
520,199	510,765	477,163
143,253	150,266	137,600
0	0	0
0	0	0
0	0	0
149,193	150,214	141,472
194,216	178,193	102,388
520,199	510,765	477,163
136,281	128,745	116,647
136,281	128,745	116,647
17,292	16,622	15,220
90,258	94,574	93,493
0	0	0
606	426	432
460	461	0
29,551	18,564	9,106
10,491	7,919	3,233
19,060	10,645	5,873
0	0	0
0	0	0
0	0	0
19,060	10,645	5,873
0.41	0.23	0.13
0.39	0.22	0.13