

Courtesy of KlingStubbins



# Revenue Growth and Business Model Optimization Drive Shareholder Value

**Mark Hawkins**  
Executive Vice President, CFO



Image courtesy of Mammoth-WEBCO, Inc.

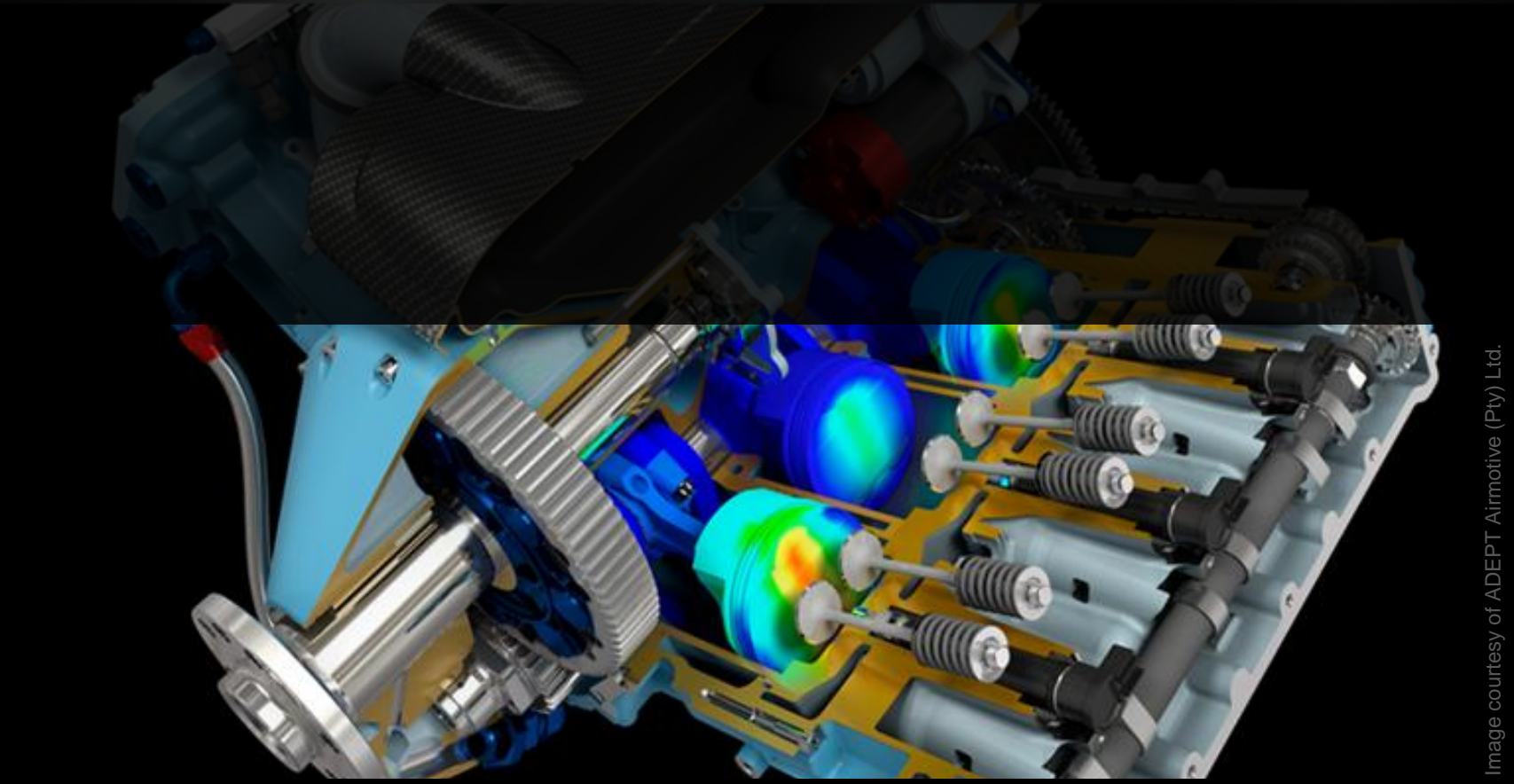


Image courtesy of ADEPT Airmotive (Pty) Ltd.

# Safe Harbor Statement

This presentation contains forward looking statements about future results, performance or achievements, financial and otherwise. These statements reflect management's current expectations, estimates and assumptions based on the information currently available to Autodesk. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause Autodesk's actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in this presentation. A discussion of the factors that may affect future results is contained in Autodesk's most recent SEC filings, including descriptions of the risk factors that may impact Autodesk and the forward-looking statements made in this presentation. The forward-looking statements made in this presentation are being made as of the time and date of its live presentation. If this presentation is reviewed after the time and date of its live presentation, even if it subsequently is made available by Autodesk, on its Web site or otherwise, this presentation may not contain current or accurate information. Autodesk disclaims any obligation to update or revise any forward-looking statement based on new information, future events or otherwise.

# Agenda

- **Navigating the recession of FY10**
- **Top FY11 priorities**
- **Guidance**

# Navigating the Recession of FY10

- **Reduced spend by \$312 million\***
- **Increased cash & investments to \$1.1 billion**
- **Generated \$247 million in cash flow from operations**
- **Invested in future growth**
- **Mitigated risk**

\*Reconciliation of GAAP to non-GAAP is found at the end of the presentation.

# Top Priority: Drive Shareholder Value

- **Grow revenue and operating margin**
- **Maximize cash flow**
- **Optimize capital allocation**

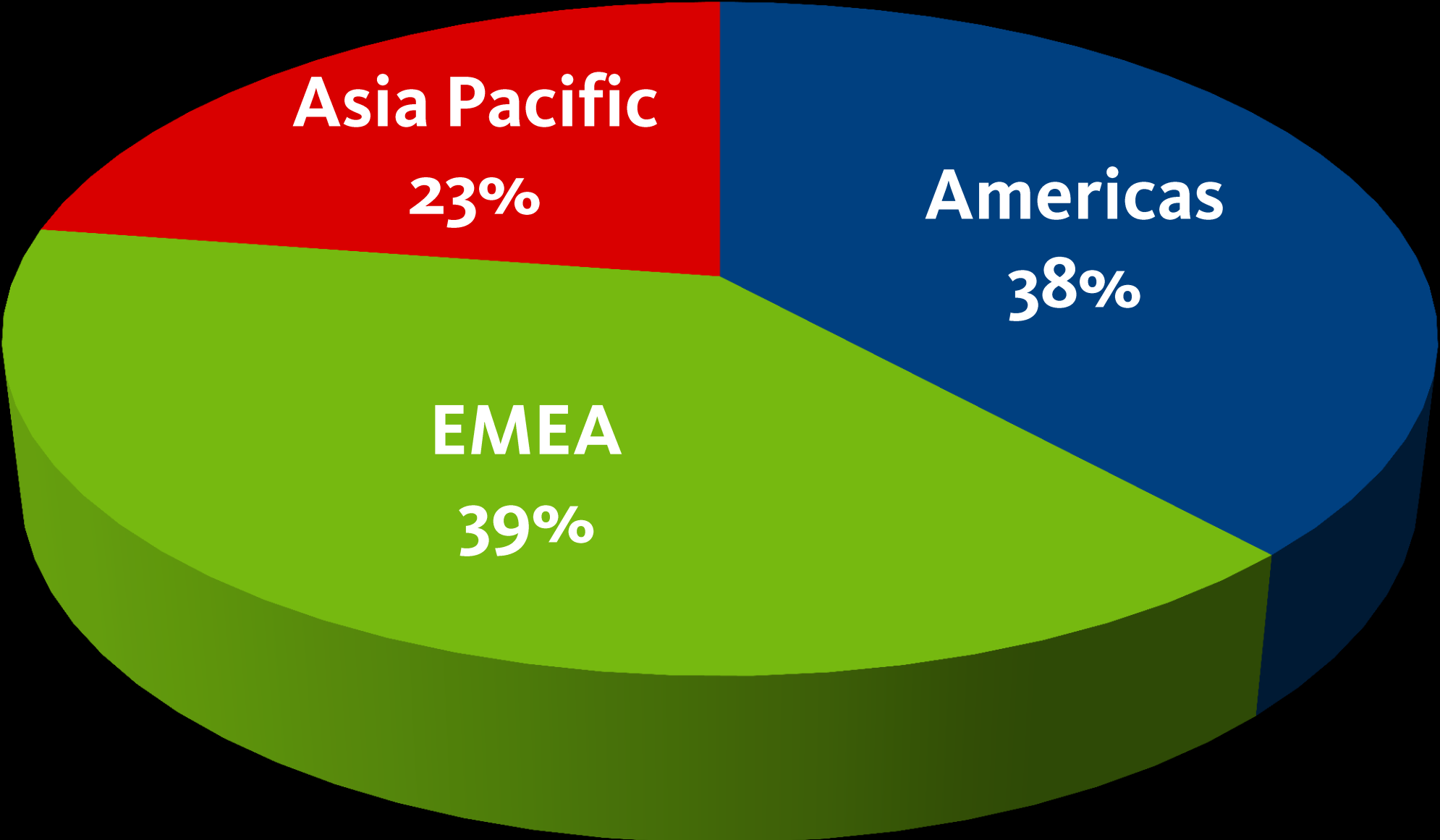


# Top Priority: Drive Shareholder Value

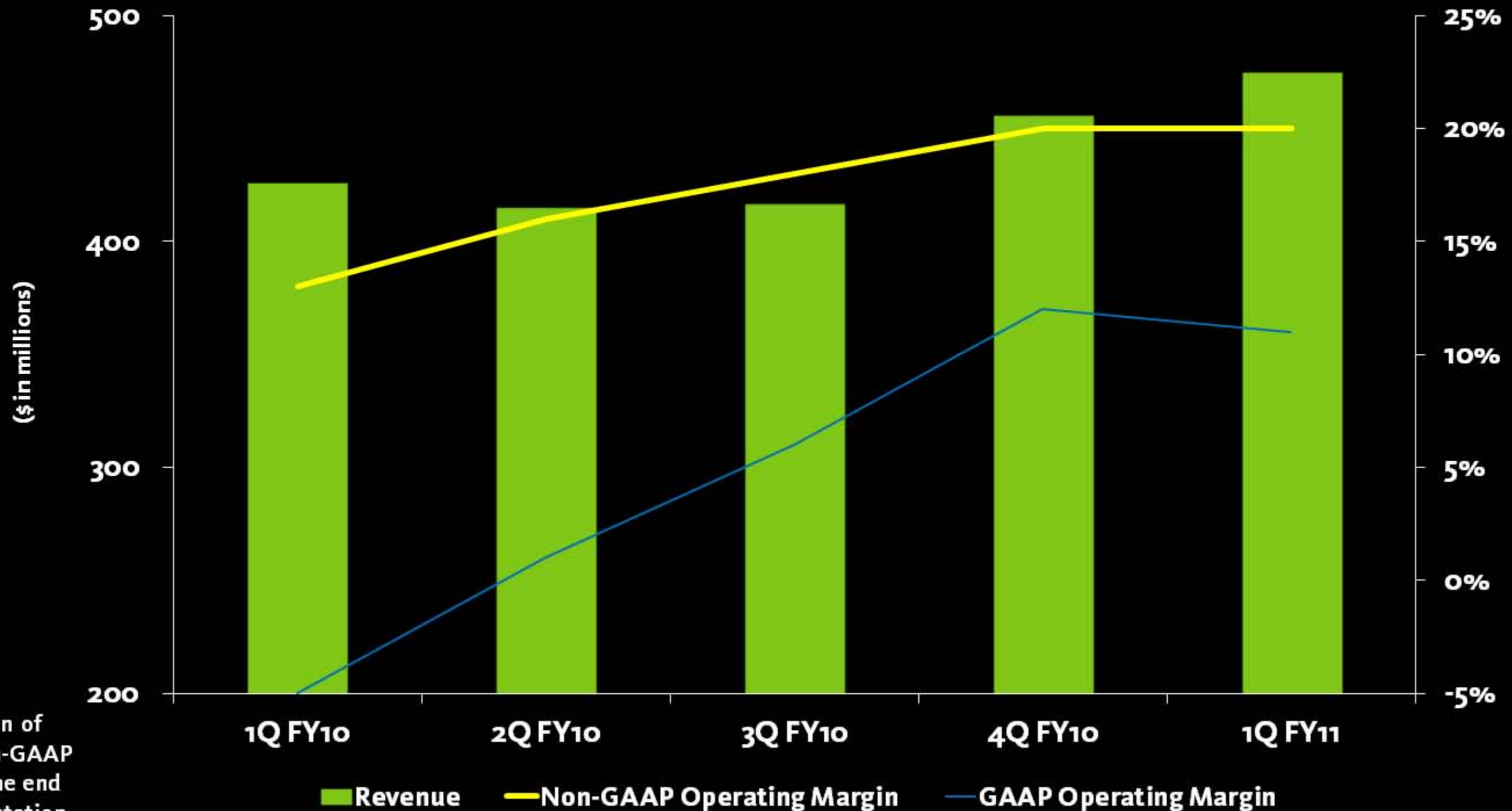
- **Grow revenue and operating margin**
- **Maximize cash flow**
- **Optimize capital allocation**



# Diversified Global Revenue



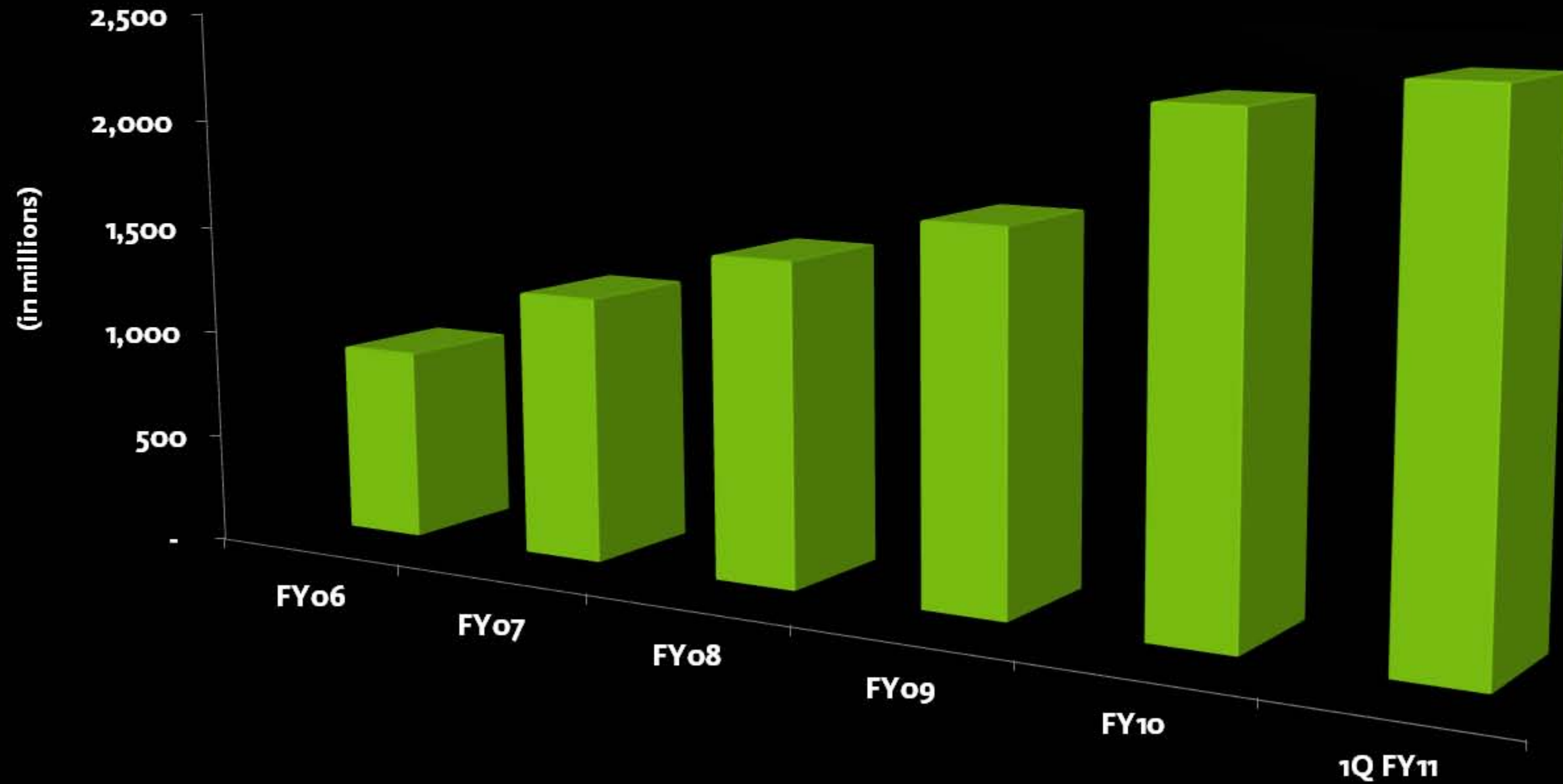
# Grow Revenue and Operating Margin



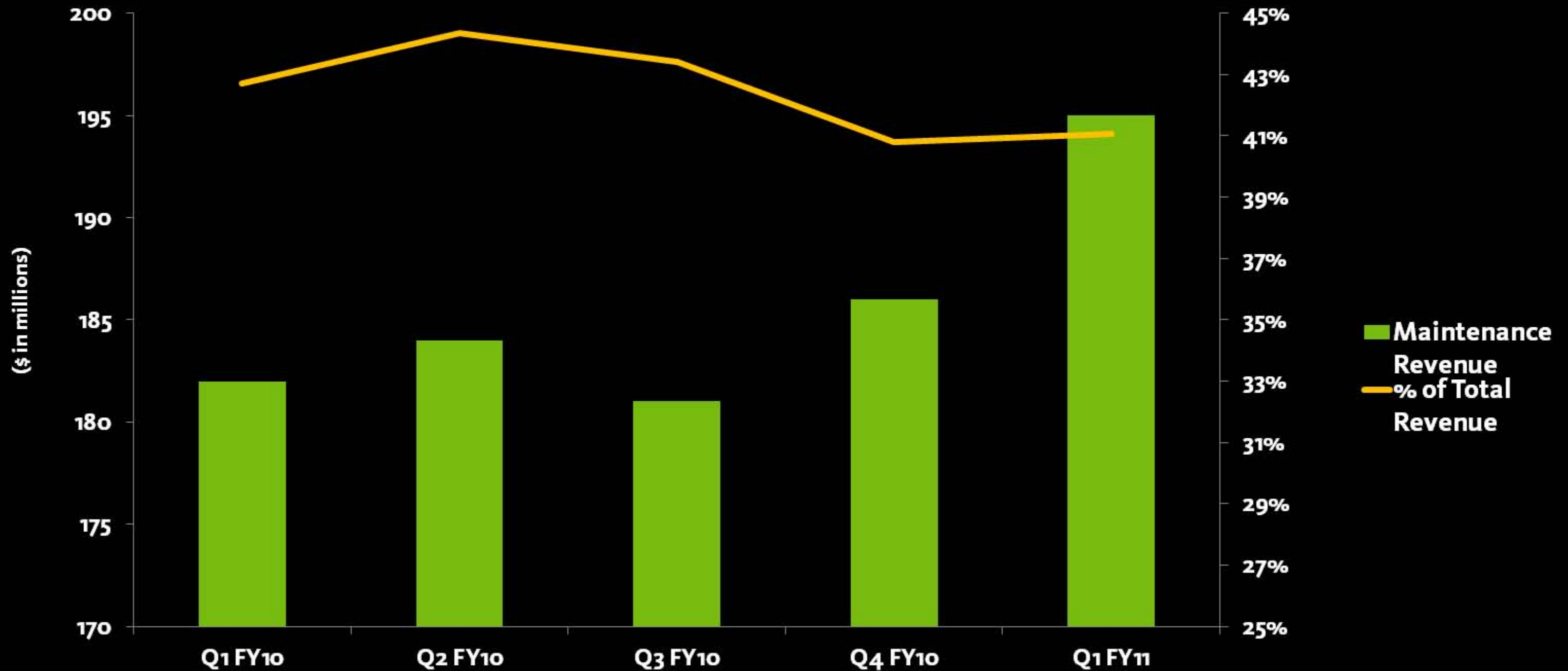
Reconciliation of GAAP to non-GAAP is found at the end of the presentation.



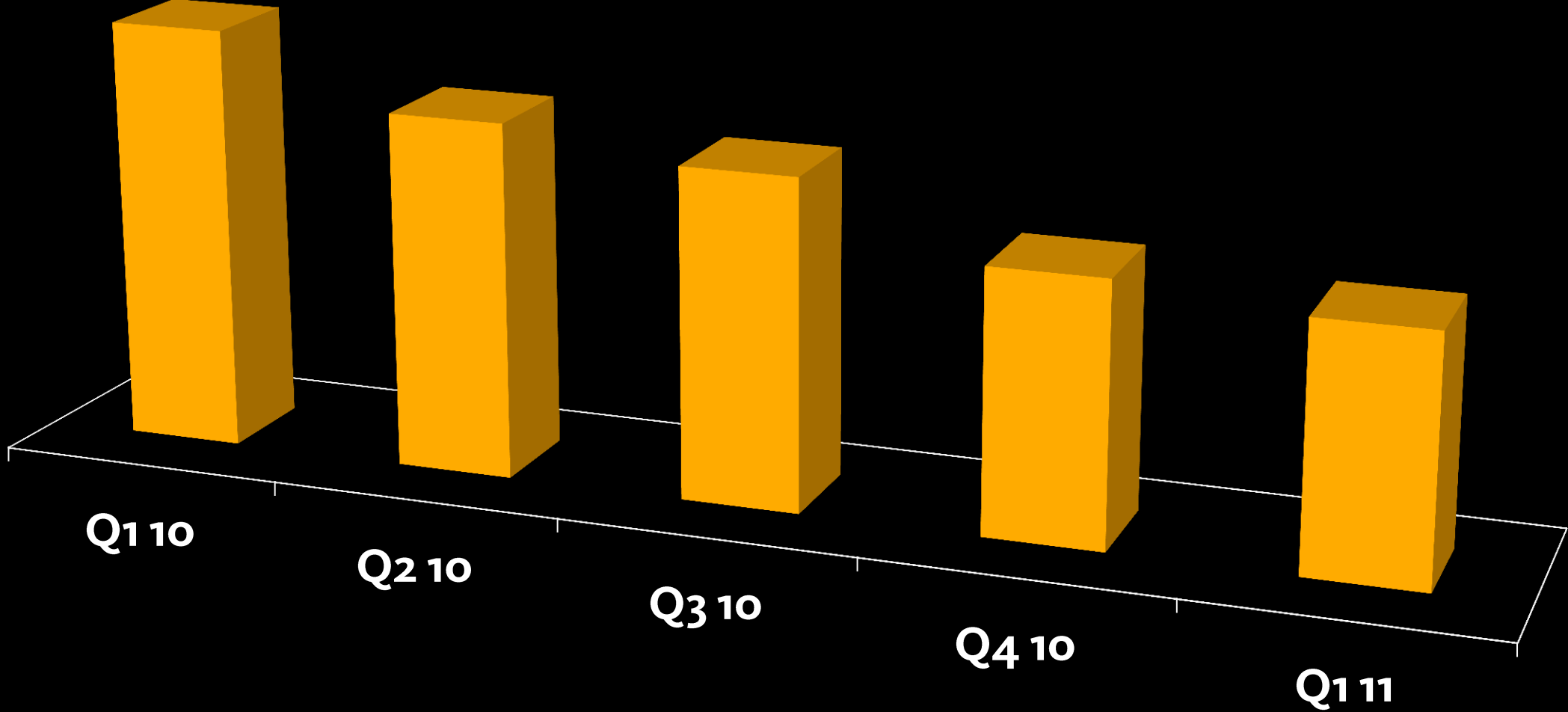
# Growing Maintenance Installed Base



# Increasing Maintenance Revenue

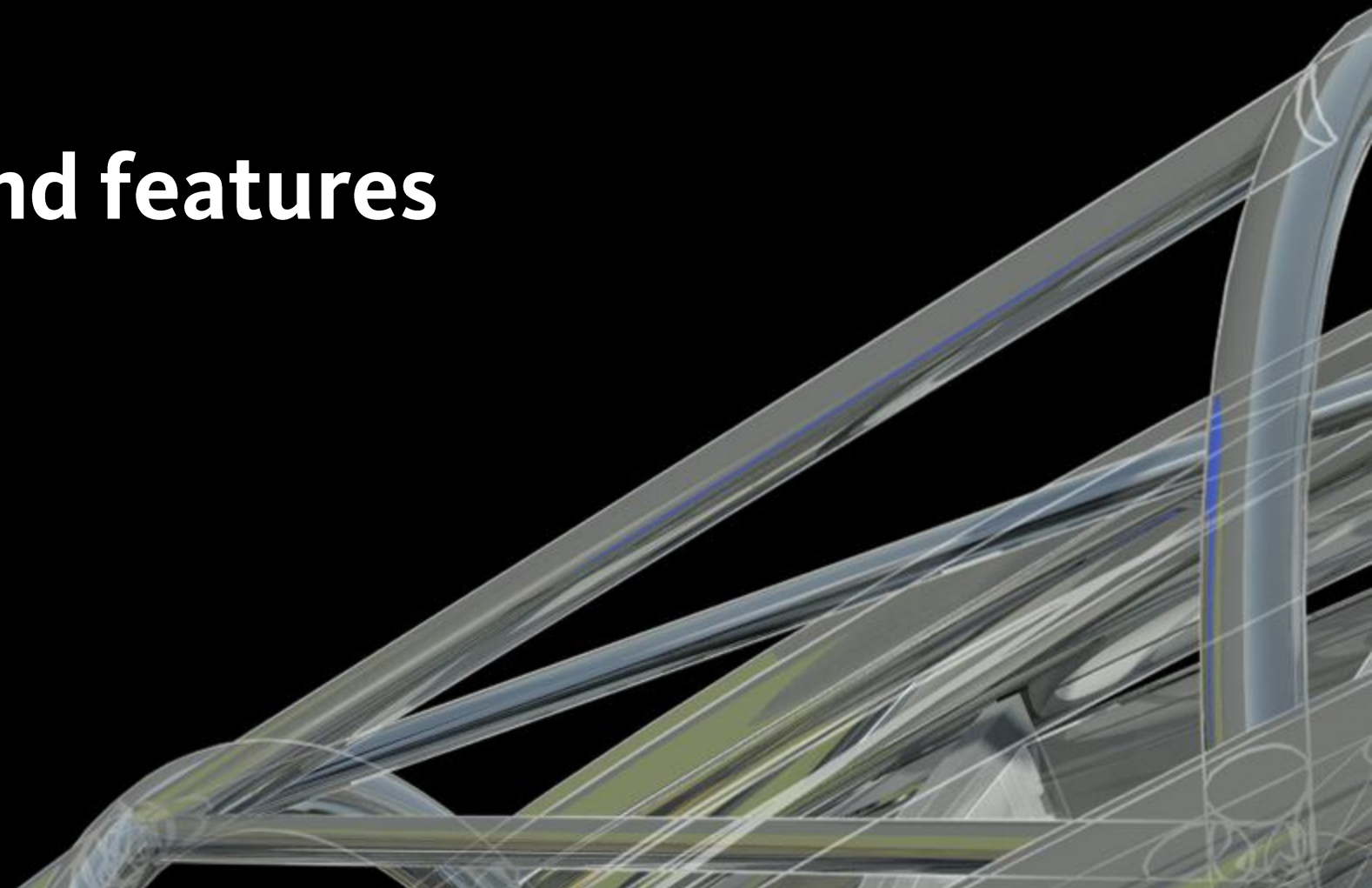


# Low Channel Inventory

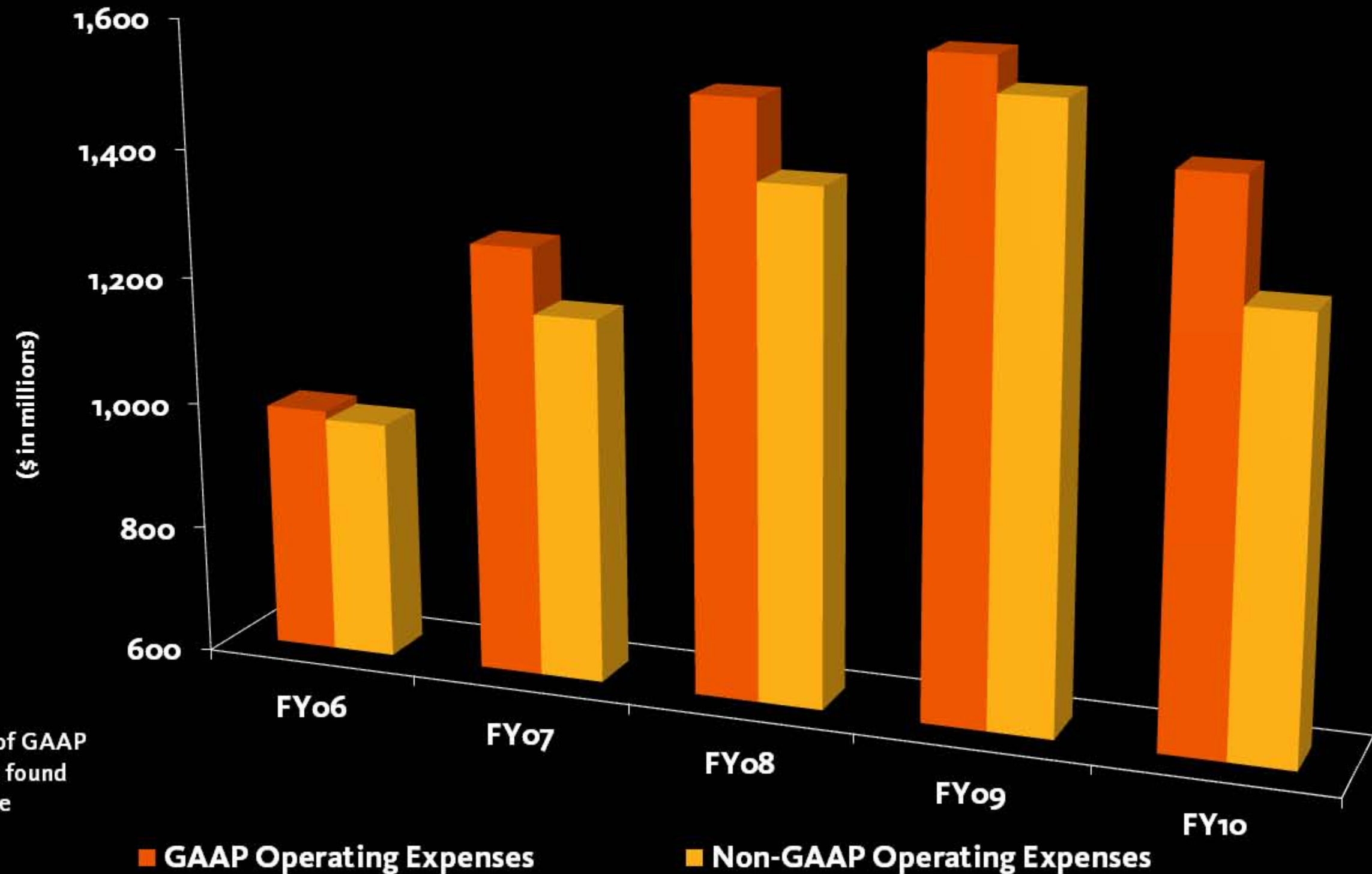


# Investing to Rekindle Growth

- Invested in R&D throughout downturn
- Sales and marketing investments
- M&A focused on new technology and features



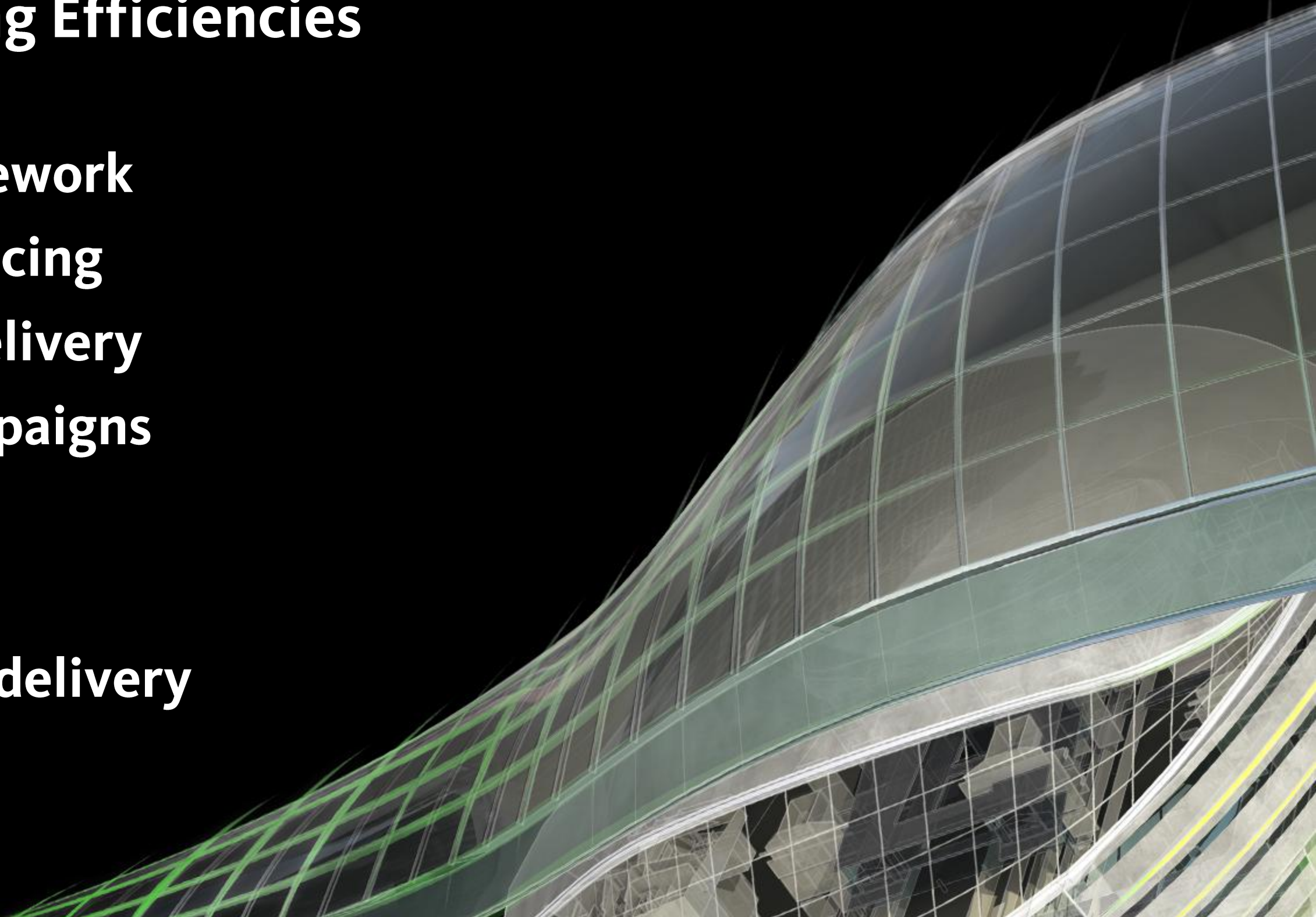
# Cost Reductions Create Opportunity To Invest For Growth



Reconciliation of GAAP to non-GAAP is found at the end of the presentation.

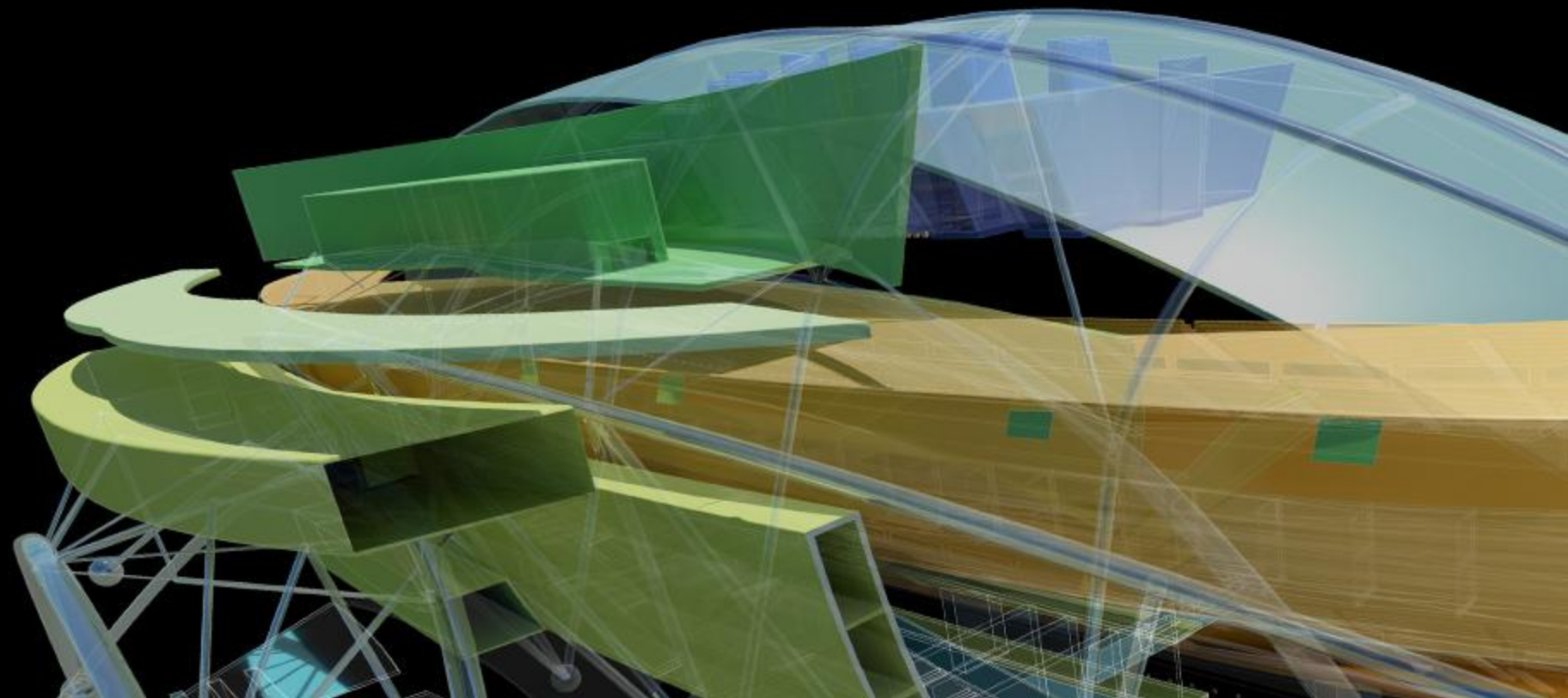
# Structurally Increasing Efficiencies

- **Channel partner framework**
- **Simplified upgrade pricing**
- **Electronic software delivery**
- **Global marketing campaigns**
- **Site consolidations**
- **Procurement process**
- **Learning and training delivery**

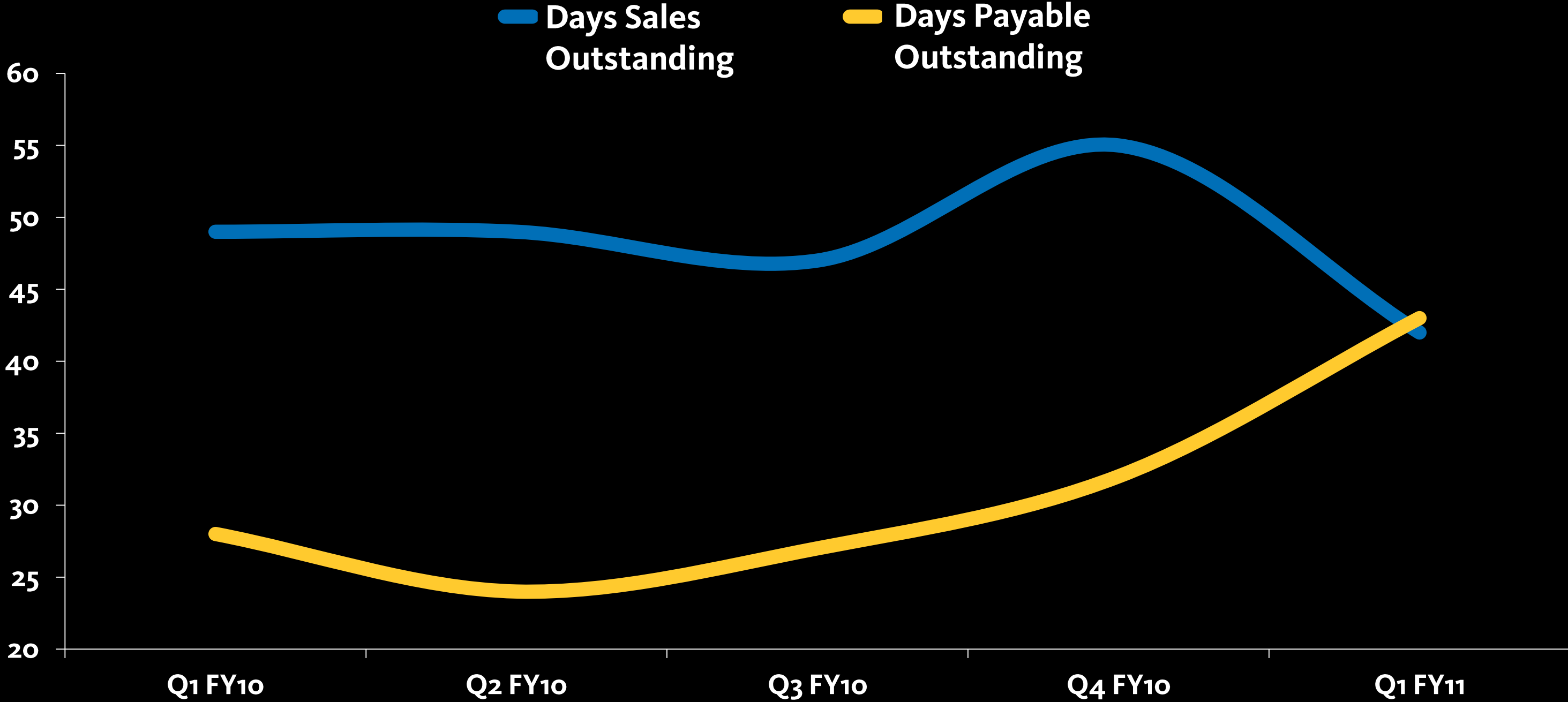


# Top Priority: Drive Shareholder Value

- **Grow revenue and operating margin**
- **Maximize cash flow**
- **Optimize capital allocation**

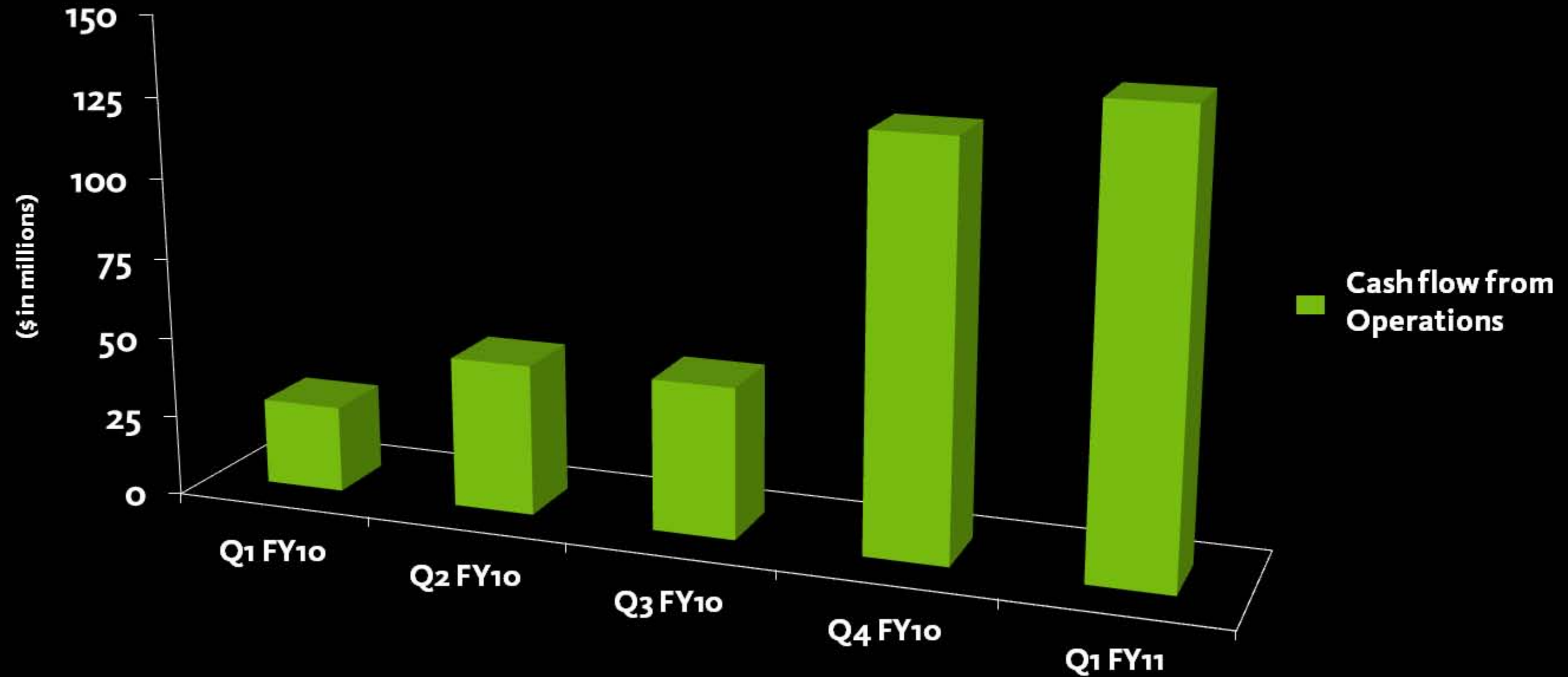


# Improved Cash Conversion Cycle

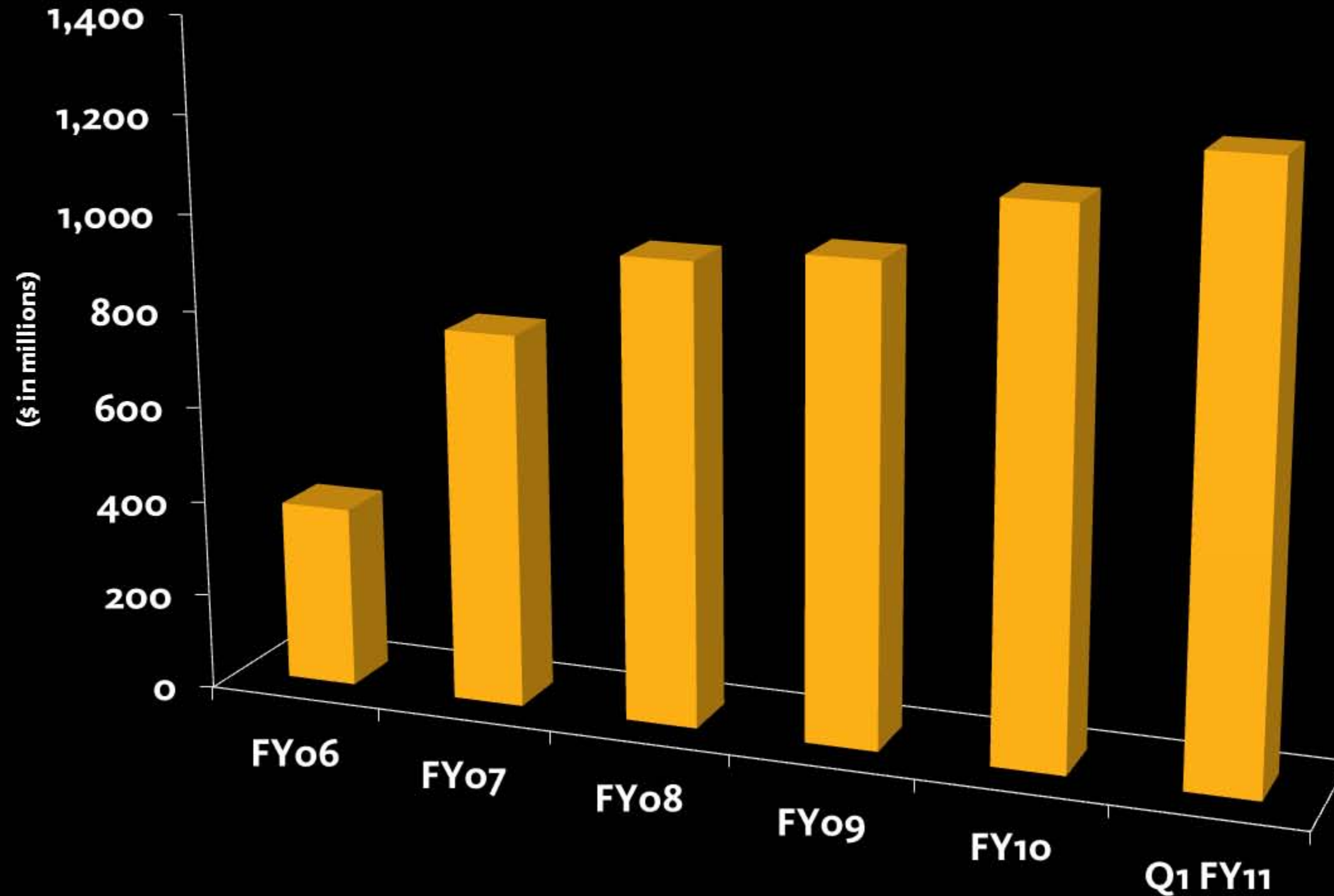




# Cash Generation Rebounding

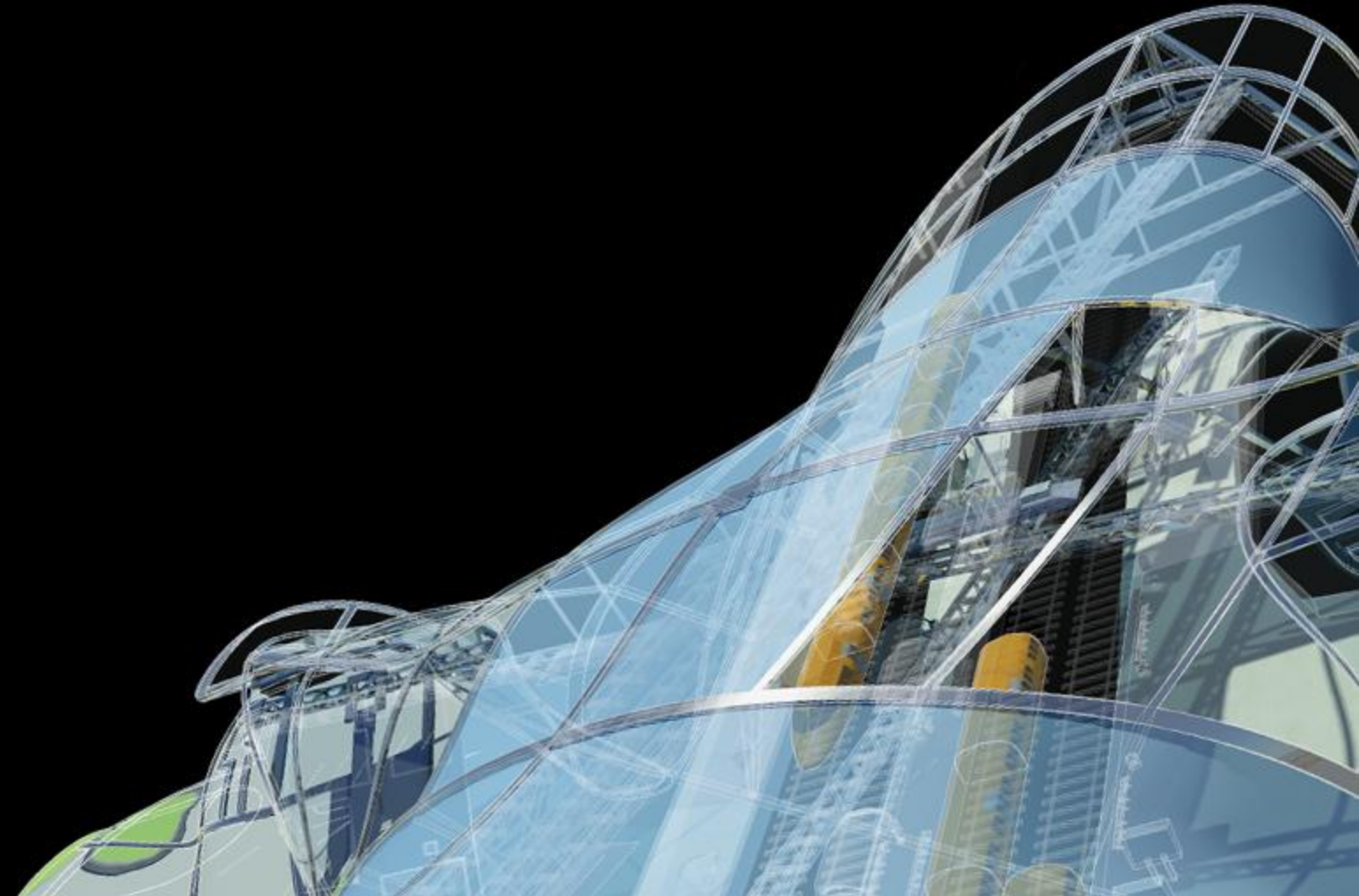


# Growing Cash and Investments



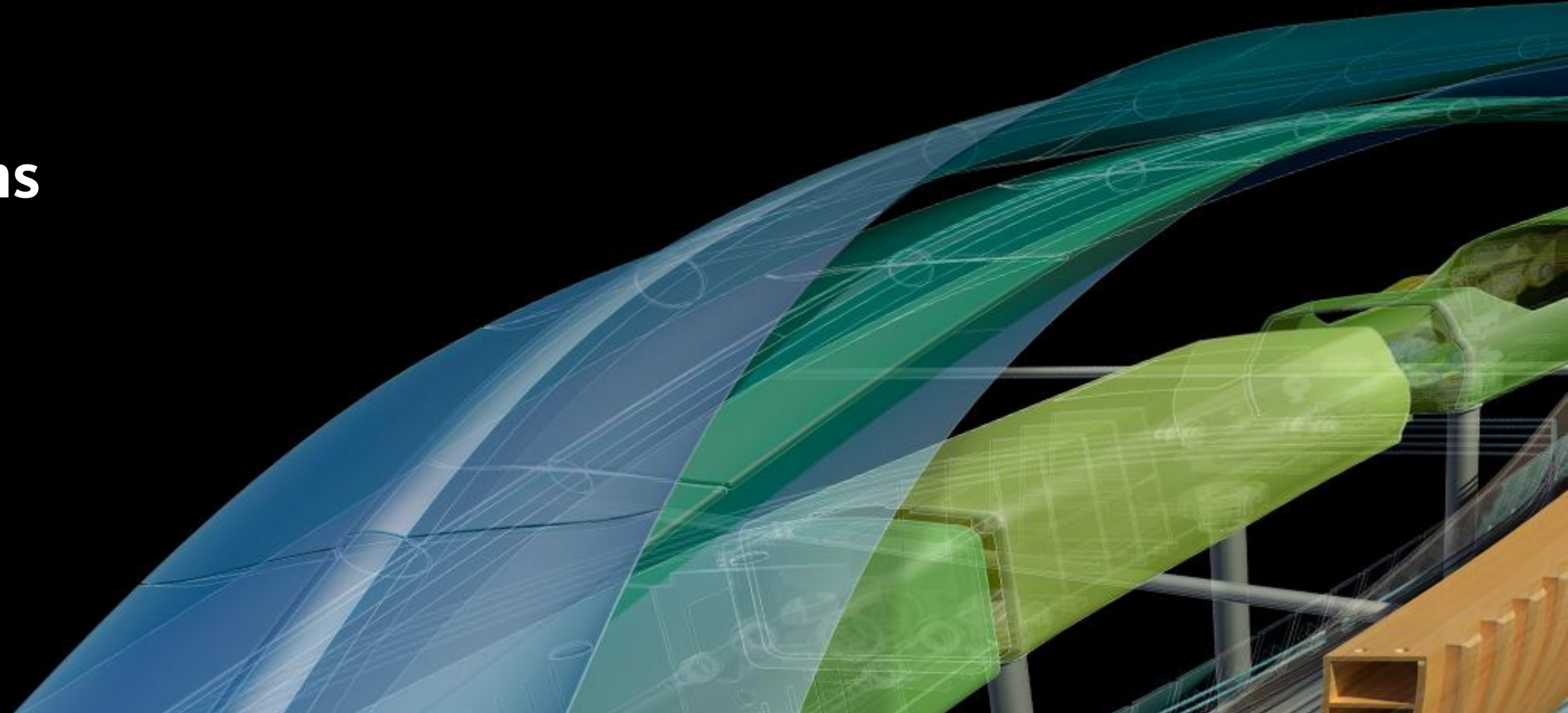
# Top Priority: Drive Shareholder Value

- **Grow revenue and operating margin**
- **Maximize cash flow**
- **Optimize capital allocation**

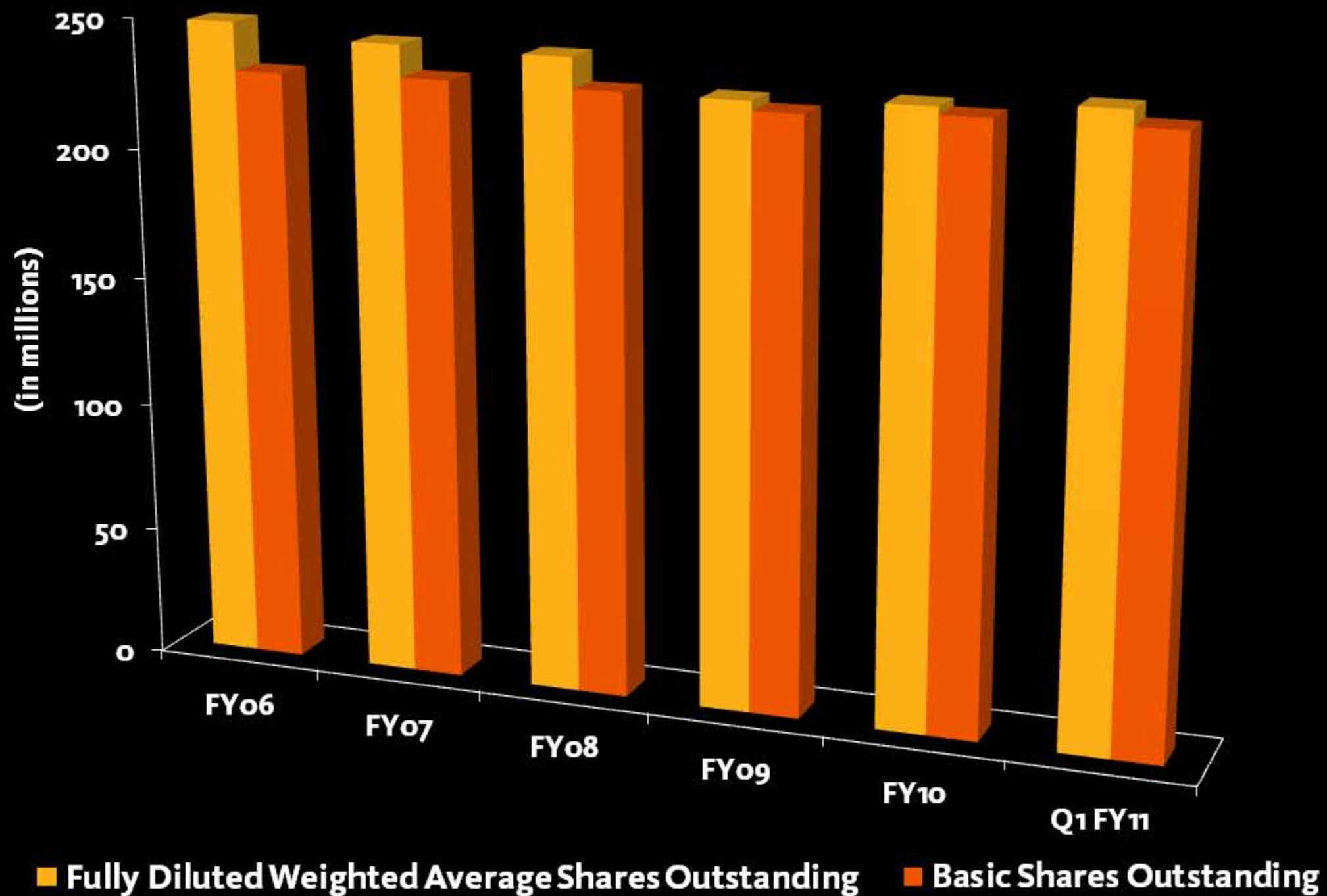


# Optimize Capital Allocation

- Invest in organic growth
- Fund M&A
- Repurchase stock
  - Offset employee stock plans



# Shares Outstanding Flat/Down

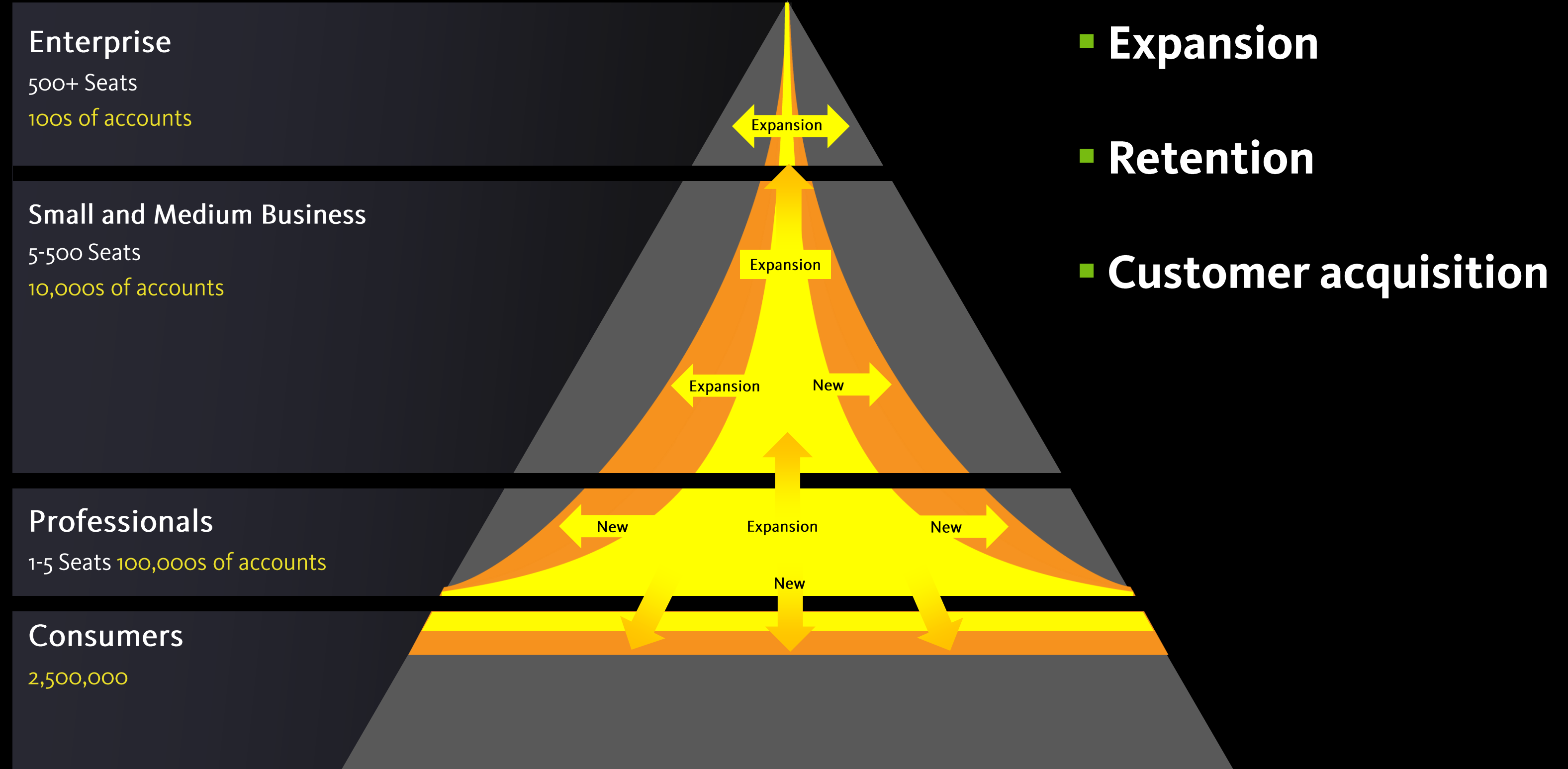


# Guidance Update—2Q FY11

<b>Revenue</b>	<b>\$445M - \$460M</b>
<b>GAAP EPS</b>	<b>\$0.14 – \$0.17</b>
<b>Non-GAAP EPS</b>	<b>\$0.25 - \$0.28</b>

Reconciliation of GAAP to non-GAAP is found at the end of the presentation.

# Autodesk Customers



# Business Model Optimization Drives Shareholder Value

## Target Long-Term Business Model\*

**Revenue CAGR**      **12-14%**

**Non-GAAP Operating Margin**      **At least 30%**

\* Targeted attainment of the business model is approximately five years.



# Autodesk®

Autodesk, AutoCAD, Alias, Autodesk Inventor, Inventor, Maya, Mudbox, Revit, Showcase, and 3ds Max are registered trademarks or trademarks of Autodesk, Inc., and/or its subsidiaries and/or affiliates in the USA and/or other countries. Academy Award and Oscar are registered trademarks of the Academy of Motion Picture Arts and Sciences. mental ray is a registered trademark of mental images GmbH licensed for use by Autodesk, Inc. All other brand names, product names, or trademarks belong to their respective holders. Autodesk reserves the right to alter product and services offerings, and specifications and pricing at any time without notice, and is not responsible for typographical or graphical errors that may appear in this document.

© 2010 Autodesk, Inc. All rights reserved.

# GAAP to Non-GAAP Operating Margin Reconciliation

	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11
<b>GAAP Operating Margin</b>	<b>-5%</b>	<b>1%</b>	<b>6%</b>	<b>12%</b>	<b>11%</b>
<b>Stock-based compensation expense</b>	<b>5%</b>	<b>5%</b>	<b>7%</b>	<b>4%</b>	<b>5%</b>
<b>Amortization of purchased intangibles</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>
<b>Restructuring</b>	<b>4%</b>	<b>6%</b>	<b>1%</b>	<b>-</b>	<b>1%</b>
<b>Impairment of goodwill and intangibles</b>	<b>5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IPR&amp;D</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-GAAP Operating Margin</b>	<b>13%</b>	<b>16%</b>	<b>18%</b>	<b>20%</b>	<b>20%</b>

# GAAP to Non-GAAP Spend Reduction Reconciliation

	FY10	FY09	Savings
<b>GAAP total spend (operating expenses plus cost of revenue)</b>	<b>\$ 1,648</b>	<b>\$ 2,071</b>	<b>\$ 423</b>
<b>Stock-based compensation expense</b>	<b>(94)</b>	<b>(90)</b>	<b>4</b>
<b>Amortization of developed technology</b>	<b>(33)</b>	<b>(23)</b>	<b>10</b>
<b>Amortization of customer relationships and trademarks</b>	<b>(25)</b>	<b>(23)</b>	<b>2</b>
<b>In-process research and development</b>	<b>-</b>	<b>(27)</b>	<b>(27)</b>
<b>Impairment of goodwill and intangibles</b>	<b>(21)</b>	<b>(129)</b>	<b>(108)</b>
<b>Restructuring charges</b>	<b>(48)</b>	<b>(40)</b>	<b>8</b>
<b>Non-GAAP total spend (operating expenses plus cost of revenue)</b>	<b>\$ 1,427</b>	<b>\$ 1,739</b>	<b>\$ 312</b>

# GAAP to Non-GAAP Reconciliation of Operating Expenses Reconciliation

	FY 06	FY 07	FY 08	FY09	FY10
<b>GAAP Operating Expense</b>	<b>987</b>	<b>1,272</b>	<b>1,519</b>	<b>1,852</b>	<b>1,456</b>
Stock-based compensation expense	(5)	(88)	(94)	(86)	(91)
Amortization of purchased intangibles	-	(8)	(9)	(24)	(25)
Impairment of goodwill and intangibles	-	-	-	(129)	(21)
Restructuring	-	-	-	(40)	(48)
IPR&D	(8)	-	(6)	(27)	-
Empl. tax reimb. related to stock option review	-	-	(13)	-	-
Litigation accrual	-	(5)	-	-	-
<b>Non-GAAP Operating Expense</b>	<b>974</b>	<b>1,171</b>	<b>1,397</b>	<b>1,546</b>	<b>1,271</b>

# Guidance Summary

## GAAP to Non-GAAP Reconciliation

			<b>Diluted Net Income per Share</b>
		<b>GAAP</b>	<b>\$0.14 - \$0.17</b>
		<b>Stock-based compensation expense</b>	<b>0.06</b>
		<b>Amortization of acquisition related intangibles</b>	<b>0.04</b>
		<b>Restructuring</b>	<b>0.01</b>
		<b>Non-GAAP</b>	<b>\$0.25 - \$0.28</b>

# GAAP to Non-GAAP Long-Term Model

Autodesk is not able to provide targets for GAAP operating margins at this time because of the difficulty of estimating certain items that are excluded from non-GAAP that affect operating margin, such as charges related to stock-based compensation expense and amortization of acquisition related intangibles.