

AUTODESK INC  
Form 10-Q  
August 28, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 31, 2009

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**  
(State or other jurisdiction of  
incorporation or organization)

**94-2819853**  
(I.R.S. Employer  
Identification No.)

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

**(415) 507-5000**

**94903**  
(Zip Code)

(Registrant's telephone number, including area code)

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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 ( Exchange Act ) 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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 21, 2009, there were 229,732,680 shares of the registrant's Common Stock outstanding.

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**AUTODESK, INC.**

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**Table of Contents****PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****AUTODESK, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except per share data)

(Unaudited)

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>July 31,</b>		<b>July 31,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Net revenue:				
License and other	\$ 231.0	\$ 440.2	\$ 474.6	\$ 872.4
Maintenance	183.9	179.3	366.1	345.9
Total net revenue	414.9	619.5	840.7	1,218.3
Costs of revenue:				
Cost of license and other revenue	47.1	57.6	96.6	113.6
Cost of maintenance revenue	3.0	2.1	5.8	4.1
Total cost of revenue	50.1	59.7	102.4	117.7
Gross profit	364.8	559.8	738.3	1,100.6
Operating expenses:				
Marketing and sales	176.4	230.2	360.3	455.7
Research and development	109.8	154.8	231.4	300.4
General and administrative	49.5	56.0	99.5	105.8
Restructuring charges	26.4		42.9	
Impairment of goodwill			21.0	
Total operating expenses	362.1	441.0	755.1	861.9
Income (loss) from operations	2.7	118.8	(16.8)	238.7
Interest and other income, net	10.7	6.3	10.7	13.2
Income (loss) before income taxes	13.4	125.1	(6.1)	251.9
Provision for income taxes	(2.9)	(35.3)	(15.6)	(67.5)
Net income (loss)	\$ 10.5	\$ 89.8	\$ (21.7)	\$ 184.4
Basic net income (loss) per share	\$ 0.05	\$ 0.40	\$ (0.09)	\$ 0.82
Diluted net income (loss) per share	\$ 0.05	\$ 0.39	\$ (0.09)	\$ 0.80
Shares used in computing basic net income (loss) per share	228.9	224.2	228.0	225.2

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Shares used in computing diluted net income (loss) per share	232.3	231.1	228.0	232.1
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See accompanying Notes to Condensed Consolidated Financial Statements.

**Table of Contents****AUTODESK, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(In millions)

	July 31, 2009 (Unaudited)	January 31, 2009
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 668.5	\$ 917.6
Marketable securities	267.9	63.5
Accounts receivable, net	223.9	316.5
Deferred income taxes	48.3	31.1
Prepaid expenses and other current assets	58.7	59.3
<b>Total current assets</b>	<b>1,267.3</b>	<b>1,388.0</b>
Marketable securities	92.3	7.6
Computer equipment, software, furniture and leasehold improvements, net	118.3	120.6
Purchased technologies, net	96.7	113.3
Goodwill	525.5	542.5
Long term deferred income taxes, net	92.7	125.7
Other assets	118.3	123.0
	<b>\$ 2,311.1</b>	<b>\$ 2,420.7</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 56.7	\$ 62.4
Accrued compensation	88.4	124.3
Accrued income taxes	17.9	16.7
Deferred revenue	424.4	438.8
Borrowings under line of credit		52.1
Other accrued liabilities	74.3	105.8
<b>Total current liabilities</b>	<b>661.7</b>	<b>800.1</b>
Deferred revenue	77.5	113.3
Long term income taxes payable	122.5	116.9
Long term deferred income taxes		22.7
Other liabilities	64.3	57.0
Commitments and contingencies		
Stockholders' equity:		
Preferred stock		
Common stock and additional paid-in capital	1,166.6	1,080.4
Accumulated other comprehensive loss	(1.4)	(11.2)
Retained earnings	219.9	241.5
<b>Total stockholders' equity</b>	<b>1,385.1</b>	<b>1,310.7</b>
	<b>\$ 2,311.1</b>	<b>\$ 2,420.7</b>

See accompanying Notes to Condensed Consolidated Financial Statements.



**Table of Contents****AUTODESK, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)

(Unaudited)

	<b>Six months ended July 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>Operating Activities</b>		
Net income (loss)	\$ (21.7)	\$ 184.4
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	55.5	39.1
Stock-based compensation expense	44.4	48.4
Restructuring related charges, net	42.9	
Impairment of goodwill	21.0	
Gain on disposition of assets	(2.3)	
Charge for acquired in-process research and development		16.8
Changes in operating assets and liabilities, net of business combinations	(65.3)	111.6
<b>Net cash provided by operating activities</b>	<b>74.5</b>	<b>400.3</b>
<b>Investing Activities</b>		
Purchases of marketable securities	(298.2)	(5.6)
Sales of marketable securities	1.4	4.7
Maturities of marketable securities	14.3	
Capital expenditures	(24.3)	(39.9)
Purchase of equity investment	(10.0)	
Business combinations, net of cash acquired		(263.9)
<b>Net cash used in investing activities</b>	<b>(316.8)</b>	<b>(304.7)</b>
<b>Financing Activities</b>		
Draws on line of credit	2.2	690.0
Repayments of line of credit	(54.3)	(570.0)
Proceeds from issuance of common stock, net of issuance costs	44.1	50.1
Repurchases of common stock		(256.6)
<b>Net cash used in financing activities</b>	<b>(8.0)</b>	<b>(86.5)</b>
Effect of exchange rate changes on cash and cash equivalents	1.2	2.6
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(249.1)</b>	<b>11.7</b>
Cash and cash equivalents at beginning of fiscal year	917.6	917.9
<b>Cash and cash equivalents at end of period</b>	<b>\$ 668.5</b>	<b>\$ 929.6</b>

See accompanying Notes to Condensed Consolidated Financial Statements.





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**AUTODESK, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Tables in millions, except share and per share data, or as otherwise noted)

**1. *Basis of Presentation***

The accompanying unaudited Condensed Consolidated Financial Statements of Autodesk, Inc. ( Autodesk or the Company ) as of July 31, 2009, and for the three and six months ended July 31, 2009, have been prepared in accordance with accounting principles generally accepted in the U.S. for interim financial information along with the instructions to Form 10-Q and Article 10 of Securities and Exchange Commission ( SEC ) Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles ( GAAP ) for annual financial statements. In management s opinion, Autodesk has made all adjustments (consisting of normal, recurring and non-recurring adjustments) during the quarter that were considered necessary for fair presentation of the financial position and operating results of the Company. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts in the financial statements and accompanying notes. These estimates are based on information available as of the date of the unaudited Condensed Consolidated Financial Statements. Actual results could differ from those est