

Intuit Facts

Q2/FY13

Intuit Inc.
Investor Relations (650) 944-2536
NASDAQ: INTU

Financial Summary									Guidance ^(E)	
(\$ millions), except per share data										
	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	FY12	Q1 FY13	Q2 FY13	YTD FY13	Q3 FY13	FY13
Revenue:										
Small Business Group										
Financial Management Solutions	\$149	\$179	\$178	\$184	\$691	\$179	\$209	\$388		
% change YOY	10%	7%	10%	17%	11%	20%	17%	18%		
Employee Management Solutions	\$121	\$127	\$130	\$134	\$513	\$136	\$144	\$279		
% change YOY	13%	9%	12%	13%	12%	12%	13%	12%		
Payment Solutions	\$94	\$99	\$106	\$117	\$417	\$114	\$117	\$231		
% change YOY	19%	17%	14%	31%	20%	21%	18%	19%		
Total Small Business	\$365	\$406	\$414	\$436	\$1,621	\$429	\$470	\$899		\$1,865-\$1,900
% change YOY	13%	10%	12%	19%	14%	18%	16%	17%		15%-17%
Tax										
Consumer Tax	\$41	\$295	\$1,072	\$33	\$1,441	\$36	\$215	\$252		\$1,550-\$1,585
% change YOY	39%	44%	3%	16%	11%	(11%)	(27%)	(25%)		8%-10%
Accounting Professionals	\$27	\$131	\$236	\$29	\$423	\$32	\$123	\$154		\$445-\$455
% change YOY	6%	8%	5%	8%	6%	19%	(7%)	(2%)		5%-8%
Financial Services ^(A)	\$89	\$92	\$91	\$90	\$362	\$93	\$93	\$186		\$385-\$395
% change YOY	9%	9%	2%	(2%)	5%	4%	1%	3%		6%-9%
Other Businesses ^(B)	\$54	\$75	\$113	\$63	\$304	\$57	\$67	\$124		\$305-\$315
% change YOY	(3%)	(5%)	6%	5%	1%	5%	(10%)	(4%)		0%-4%
Total Revenue	\$575	\$999	\$1,926	\$651	\$4,151	\$647	\$968	\$1,615	\$2,215-\$2,275	\$4,550-\$4,650
% change YOY	12%	17%	5%	14%	10%	12%	(3%)	3%	15%-18%	10%-12%
GAAP Operating Income (Loss)	(\$84)	\$195	\$1,110	(\$45)	\$1,177	(\$69)	\$93	\$24	\$1,290-\$1,315	\$1,315-\$1,345
Non-GAAP Operating Income (Loss) ^(C)	(\$20)	\$252	\$1,154	\$19	\$1,404	(\$8)	\$153	\$144	\$1,350-\$1,375	\$1,570-\$1,600
Non-GAAP Operating Margin % ^(C)	NA	25%	60%	3%	33.8%	NA	16%	8.9%		
Interest Expense	(\$15)	(\$15)	(\$12)	(\$8)	(\$50)	(\$8)	(\$7)	(\$15)		
Interest and Other Income	\$11	\$3	\$9	\$1	\$23	\$2	\$1	\$3		
GAAP Share Based Compensation Expense	\$40	\$44	\$37	\$48	\$169	\$49	\$47	\$96		
GAAP EPS Share Based Compensation Expense	(\$0.09)	(\$0.09)	(\$0.08)	(\$0.10)	(\$0.37)	(\$0.11)	(\$0.13)	(\$0.24)		
GAAP Diluted EPS	(\$0.21)	\$0.39	\$2.42	\$0.01	\$2.60	(\$0.06)	\$0.23	\$0.17	\$2.83-\$2.88	\$2.96-\$3.02
Non-GAAP Diluted EPS^{(C),(D)}	(\$0.08)	\$0.52	\$2.52	\$0.03	\$2.97	(\$0.03)	\$0.33	\$0.30	\$2.99-\$3.04	\$3.40-\$3.46
GAAP Diluted EPS (YTD)	(\$0.21)	\$0.18	\$2.58	\$2.60	\$2.60	(\$0.06)	\$0.17	\$0.17		
Non-GAAP Diluted EPS (YTD) ^{(C),(D)}	(\$0.08)	\$0.44	\$2.93	\$2.97	\$2.97	(\$0.03)	\$0.30	\$0.30		
Basic Share Count	300	297	295	294	296	296	296	296		295-299
Diluted Share Count	300	306	303	302	305	296	303	302		303-307
GAAP Tax Rate ^(F)	35%	34%	34%	39%	33%	32%	18%	N/A		33%
Capital Expenditures					\$186					\$165-\$185

Numbers may not agree with the sum of the components, nor with SEC filing(s), due to immaterial rounding adjustments.

^(A)The corporate banking solution contributed revenue of \$8.7 million in Q1 FY12, \$8.7 million in Q2 FY12, and \$3.6 million in Q3 FY12.

^(B)Mint generated \$5.7 million in Other Businesses revenue in Q2 FY12. Mint revenue is reported in Financial Services beginning in Q1 FY13; Mint generated \$4.8 million in revenue in Q2 FY13.

^(C)These are non-GAAP financial measures. See tables B1, B2, E1 and E2 of the accompanying sections for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures and the reasons management uses each measure.

^(D)The annual effective tax rates used to calculate non-GAAP EPS were 34% for Q1 FY12, 34% for Q2 FY12, 33% for Q3 FY12, 33% for Q4 FY12, 35% for Q1 FY13, and 33% for Q2 FY13.

^(E)All of the numbers provided in the table entitled "Guidance," are forward-looking statements. Please see the accompanying section entitled "Cautions About Forward-Looking Statements" for important information

to assess when evaluating these statements. Actual future results may differ materially due to a number of risks and uncertainties.

^(F)Our GAAP effective tax rate for the second quarter of fiscal year 2013 was affected by one-time tax benefits related to the retroactive reinstatement of the research and experimentation credit. Excluding those discrete benefits, our GAAP effective tax rate for that period was approximately 33%.

Financial Management Solutions - QuickBooks Software, Financial Supplies, Demandforce; Employee Management Solutions - QuickBooks Payroll, Intuit Online Payroll, Intuit Full Service Payroll; Payment Solutions - Merchant Services; Consumer Tax - TurboTax; Accounting Professionals - ProSeries, Lacerte, Intuit Tax Online; Financial Services - Intuit Financial Services Group, Mint (FY13); Other Businesses - Global, Quicken, Mint (through FY12), Intuit Health

Intuit Facts

Worldwide Business Metrics ^[G]												
Units in thousands, except where noted	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	FY11	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	FY12	Q1 FY13	Q2 FY13
Small Business												
Total Small Business Customers (millions) ^[H]	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.1	5.2
Financial Management Solutions ^[I]												
QuickBooks Online Subscribers	217	241	267	285	285	309	336	363	380	380	399	430
Enterprise Solutions Subscribers	49	52	55	59	59	61	64	66	73	73	76	80
QuickBooks Desktop Subscribers	115	114	123	125	125	133	140	149	150	150	166	175
Total Subscriber Base (Net)	381	407	446	469	469	503	540	578	602	602	640	684
QuickBooks Desktop Units Sales ^[J]	243	382	435	323	1,382	216	372	420	319	1,327	202	307
Employee Management Solutions												
Total EMS Customers ^[K]	1,219	1,238	1,249	1,241	1,241	1,258	1,269	1,276	1,267	1,267	1,275	1,295
EMS Online Subscribers	171	177	189	197	197	205	216	224	234	234	246	256
Payment Solutions												
Merchant Account Services customers ^{[L],[M]}	297	303	317	323	323	331	336	359	364	364	385	382
Merchant Account Services Card Volume YOY % ^[L]	14%	15%	13%	13%	14%	13%	11%	12%	12%	12%	11%	10%
Consumer Tax												
Federal U.S. TurboTax Units (millions)												
Desktop units	NM	3.4	2.7	NM	6.1	NM	3.3	2.5	NM	5.9	NM	3.1
Web units	NM	3.3	12.5	0.7	16.5	NM	4.6	13.0	0.5	18.1	NM	3.7
Free File Alliance	NM	0.3	1.0	NM	1.3	NM	0.3	0.9	NM	1.2	NM	0.1
Total U.S. TurboTax Federal units	NM	7.0	16.3	0.7	23.9	NM	8.3	16.4	0.5	25.2	NM	6.9
Canada TurboTax Units (millions)	NM	0.2	1.3	0.1	1.6	NM	0.3	1.3	0.1	1.7	NM	0.3
Federal TurboTax U.S. Retail share ^[N]												
Unit share FYTD	NM	88%	85%	85%	85%	NM	87%	85%	85%	85%	NM	90%
Dollar share FYTD	NM	91%	89%	89%	89%	NM	91%	89%	90%	90%	NM	93%
Accounting Professionals												
Professional Tax Customers	NM	102	15	NM	117	NM	102	17	NM	119	NM	102
Financial Services												
Number of Internet Banking End-Users	9,994	10,186	10,348	10,340	10,340	10,524	10,521	10,887	10,896	10,896	10,869	11,001
Number of Bill Pay End-Users ^[O]	3,673	3,916	4,054	3,961	3,961	4,207	4,274	4,316	4,445	4,445	4,404	4,420

Numbers may not agree with the sum of the components, nor with SEC filing(s), due to immaterial rounding adjustments.

^[G]All applicable metrics include worldwide customers.

^[H]If Small Business Customers are using more than one offering, we count them only once.

^[I]Sales to end users (sell-through) by Intuit and via retailers and distributors for which Intuit relies on reports from these merchants. These numbers include estimates, including estimates of sales by merchants who do not report sales to Intuit.

^[J]Total QuickBooks Desktop Units are paid only, and include only QB Desktop.

^[K]Includes Standard Payroll, Enhanced Payroll, Assisted Payroll, Online Payroll, Basic Payroll, QuickPayroll, PayCycle, and Intuit Full Service Payroll.

^[L]Does not include customers from Electronic Clearing House.

^[M]Includes processing customers only.

^[N]Source: NPD Group Retail Software Report through January 2013.

^[O]Number of Bill Pay end-users are those of Intuit Financial Services and exclude Quicken Bill Pay customers, and exclude end-users moved to Bottomline Technologies beginning in period Q3 FY12.

Segment Revenue (YTD)

(\$ millions)	Q2 YTD FY13				Q2 YTD FY12			
	Product	Services ^[P]	Total	Svcs as	Product	Services ^[P]	Total	Svcs as
				% of Total				% of Total
QB Desktop	\$93	\$2	\$95	2%	\$102	\$1	\$103	1%
QB Online, Enterprise, & Desktop Subscriptions	\$19	\$100	\$119	84%	\$21	\$76	\$97	78%
Demandforce, Supplies, & Other Conn. Svcs	\$89	\$86	\$175	49%	\$82	\$46	\$129	36%
Financial Management Solutions	\$201	\$187	\$388	48%	\$205	\$123	\$328	37%
Employee Management Solutions	\$145	\$134	\$279	48%	\$136	\$112	\$249	45%
Payment Solutions	\$13	\$218	\$231	94%	\$12	\$182	\$194	94%
Total Small Business	\$359	\$540	\$899	60%	\$354	\$417	\$771	54%
Consumer Tax	\$61	\$190	\$252	76%	\$74	\$263	\$336	78%
Accounting Professionals	\$148	\$6	\$154	4%	\$149	\$9	\$158	5%
Financial Services	\$0	\$186	\$186	100%	\$0	\$181	\$181	100%
Other Businesses	\$61	\$63	\$124	51%	\$64	\$64	\$129	50%
Total Segment Revenue	\$629	\$985	\$1,615	61%	\$641	\$933	\$1,574	59%

Segment Operating Income

	Q2		YTD		YTD		Full Year			
	FY13	% Related	FY12	% Related	FY13	% Related	FY12	% Related		
		Revenue		Revenue		Revenue		Revenue		
Financial Management Solutions	\$74	36%	\$70	39%	\$132	34%	\$121	37%	\$265	38%
Employee Management Solutions	\$85	59%	\$72	57%	\$170	61%	\$147	59%	\$314	61%
Payment Solutions	\$24	21%	\$23	23%	\$46	20%	\$46	24%	\$107	26%
Total Small Business	\$184	39%	\$165	41%	\$348	39%	\$314	41%	\$686	42%
Consumer Tax	\$24	11%	\$113	38%	(\$2)	-1%	\$85	25%	\$886	61%
Accounting Professionals	\$72	59%	\$81	61%	\$62	40%	\$67	42%	\$249	59%
Financial Services	\$20	22%	\$25	28%	\$35	19%	\$44	24%	\$86	24%
Other Businesses	\$10	15%	\$12	16%	\$16	13%	\$9	7%	\$68	22%
Total Segment Op Income	\$310	32%	\$397	40%	\$459	28%	\$520	33%	\$1,975	48%

Numbers may not agree with the sum of the components, nor with SEC filing(s), due to immaterial rounding adjustments.

^[P]Services revenue includes service and other revenue as reported in SEC filing(s).

TABLE A1
INTUIT INC.
GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	January 31, 2013	January 31, 2012	January 31, 2013	January 31, 2012
Net revenue:				
Product	\$ 402	\$ 419	\$ 629	\$ 641
Service and other	566	580	986	933
Total net revenue	<u>968</u>	<u>999</u>	<u>1,615</u>	<u>1,574</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	40	52	72	84
Cost of service and other revenue	162	150	307	282
Amortization of acquired technology	6	3	11	6
Selling and marketing	372	330	623	546
Research and development	179	164	357	327
General and administrative	109	95	207	187
Amortization of other acquired intangible assets	7	10	14	31
Total costs and expenses [A]	<u>875</u>	<u>804</u>	<u>1,591</u>	<u>1,463</u>
Operating income from continuing operations	93	195	24	111
Interest expense	(7)	(15)	(15)	(30)
Interest and other income, net	1	3	3	14
Income before income taxes	87	183	12	95
Income tax provision (benefit) [B]	16	62	(8)	32
Net income from continuing operations	71	121	\$ 20	\$ 63
Net income (loss) from discontinued operations [C]	—	(3)	32	(9)
Net income	<u>\$ 71</u>	<u>\$ 118</u>	<u>\$ 52</u>	<u>\$ 54</u>
Basic net income per share from continuing operations	\$ 0.24	\$ 0.41	\$ 0.07	\$ 0.21
Basic net income (loss) per share from discontinued operations	—	(0.01)	0.11	(0.03)
Basic net income per share	<u>\$ 0.24</u>	<u>\$ 0.40</u>	<u>\$ 0.18</u>	<u>\$ 0.18</u>
Shares used in basic per share calculations	<u>296</u>	<u>297</u>	<u>296</u>	<u>298</u>
Diluted net income per share from continuing operations	\$ 0.23	\$ 0.40	\$ 0.07	\$ 0.21
Diluted net income (loss) per share from discontinued operations	—	(0.01)	0.10	(0.03)
Diluted net income per share	<u>\$ 0.23</u>	<u>\$ 0.39</u>	<u>\$ 0.17</u>	<u>\$ 0.18</u>
Shares used in diluted per share calculations	<u>303</u>	<u>306</u>	<u>302</u>	<u>307</u>
Dividends declared per common share	<u>\$ 0.17</u>	<u>\$ 0.15</u>	<u>\$ 0.34</u>	<u>\$ 0.30</u>

See accompanying Notes.

INTUIT INC.
NOTES TO TABLE A1

[A] The following table summarizes the total share-based compensation expense that we recorded for the periods shown.

<i>(in millions)</i>	Three Months Ended		Six Months Ended	
	January 31, 2013	January 31, 2012	January 31, 2013	January 31, 2012
Cost of revenue	\$ 2	\$ 2	\$ 4	\$ 3
Selling and marketing	17	15	35	29
Research and development	14	14	28	26
General and administrative	14	12	29	25
Total share-based compensation expense	\$ 47	\$ 43	\$ 96	\$ 83

[B] We compute our provision for or benefit from income taxes by applying the estimated annual effective tax rate to income or loss from recurring operations and adding the effects of any discrete income tax items specific to the period. Our effective tax rate for the three months ended January 31, 2013 was approximately 18%. Excluding discrete tax benefits primarily related to the retroactive reinstatement of the federal research and experimentation credit as described below, our effective tax rate for the three months ended January 31, 2013 was approximately 33% and did not differ significantly from the federal statutory rate of 35%. Our effective tax rate for the three months ended January 31, 2012 was approximately 34% and did not differ significantly from the federal statutory rate of 35%.

We recorded an \$8 million tax benefit on pretax income of \$12 million for the six months ended January 31, 2013. Excluding discrete tax benefits primarily related to the retroactive reinstatement of the federal research and experimentation credit as described below, our effective tax rate for that period was approximately 33% and did not differ significantly from the federal statutory rate of 35%. Our effective tax rate for the six months ended January 31, 2012 was approximately 33% and did not differ significantly from the federal statutory rate of 35%.

In January 2013 the American Taxpayer Relief Act of 2012 was signed into law. The Act includes a reinstatement of the federal research and experimentation credit through December 31, 2013 that was retroactive to January 1, 2012. We recorded a discrete tax benefit for the retroactive effect during the three and six months ended January 31, 2013.

[C] On September 17, 2012 we sold our Intuit Websites business, which was a component of our Financial Management Solutions reporting segment, for approximately \$60 million in cash and recorded a gain on disposal of approximately \$32 million, net of income taxes.

We determined that Intuit Websites became discontinued operations in the fourth quarter of fiscal 2012. We have therefore segregated the operating results of Intuit Websites from continuing operations in our statements of operations for all periods prior to the sale. Net revenue from Intuit Websites was \$9 million for the six months ended January 31, 2013. Net revenue from Intuit Websites was \$19 million for the three months ended January 31, 2012 and \$38 million for the six months ended January 31, 2012.

Net assets held for sale at July 31, 2012 consisted primarily of operating assets and liabilities that were not material, so we have not segregated them on our balance sheets. Because operating cash flows from the Intuit Websites business were also not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows.

TABLE A2
INTUIT INC.
NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	January 31, 2013	January 31, 2012	January 31, 2013	January 31, 2012
Net revenue:				
Product	\$ 402	\$ 419	\$ 629	\$ 641
Service and other	566	580	986	933
Total net revenue	<u>968</u>	<u>999</u>	<u>1,615</u>	<u>1,574</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	40	52	72	84
Cost of service and other revenue	160	148	303	279
Selling and marketing	355	315	588	517
Research and development	165	150	329	301
General and administrative	95	83	178	162
Total costs and expenses	<u>815</u>	<u>748</u>	<u>1,470</u>	<u>1,343</u>
Operating income	<u>153</u>	<u>251</u>	<u>145</u>	<u>231</u>
Interest expense	(7)	(15)	(15)	(30)
Interest and other income, net	3	3	5	3
Income before income taxes	<u>149</u>	<u>239</u>	<u>135</u>	<u>204</u>
Income tax provision	49	81	44	69
Net income	<u>\$ 100</u>	<u>\$ 158</u>	<u>\$ 91</u>	<u>\$ 135</u>
Basic net income per share	<u>\$ 0.34</u>	<u>\$ 0.53</u>	<u>\$ 0.31</u>	<u>\$ 0.45</u>
Shares used in basic per share calculations	<u>296</u>	<u>297</u>	<u>296</u>	<u>298</u>
Diluted net income per share	<u>\$ 0.33</u>	<u>\$ 0.52</u>	<u>\$ 0.30</u>	<u>\$ 0.44</u>
Shares used in diluted per share calculations	<u>303</u>	<u>306</u>	<u>302</u>	<u>307</u>

See "About Non-GAAP Financial Measures" immediately following Table E2 for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

TABLE B1
INTUIT INC.
RECONCILIATION OF NON-GAAP STATEMENTS OF OPERATIONS DATA
TO GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended January 31, 2013			Three Months Ended January 31, 2012		
	GAAP	Adjmts	Non- GAAP	GAAP	Adjmts	Non- GAAP
Net revenue:						
Product	\$ 402	\$ —	\$ 402	\$ 419	\$ —	\$ 419
Service and other	566	—	566	580	—	580
Total net revenue	<u>968</u>	<u>—</u>	<u>968</u>	<u>999</u>	<u>—</u>	<u>999</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	40	—	40	52	—	52
Cost of service and other revenue	162	(2) [a]	160	150	(2) [a]	148
Amortization of acquired technology	6	(6) [b]	—	3	(3) [b]	—
Selling and marketing	372	(17) [a]	355	330	(15) [a]	315
Research and development	179	(14) [a]	165	164	(14) [a]	150
General and administrative	109	(14) [a]	95	95	(12) [a]	83
Amortization of other acquired intangible assets	7	(7) [b]	—	10	(10) [b]	—
Total costs and expenses	<u>875</u>	<u>(60)</u>	<u>815</u>	<u>804</u>	<u>(56)</u>	<u>748</u>
Operating income from continuing operations	93	60	153	195	56	251
Interest expense	(7)	—	(7)	(15)	—	(15)
Interest and other income, net	1	2 [c]	3	3	—	3
Income before income taxes	87	62	149	183	56	239
Income tax provision	16	33 [d]	49	62	19 [d]	81
Net income from continuing operations	71	29	100	121	37	158
Net income (loss) from discontinued operations	—	—	—	(3)	3 [e]	—
Net income (loss)	<u>\$ 71</u>	<u>\$ 29</u>	<u>\$ 100</u>	<u>\$ 118</u>	<u>\$ 40</u>	<u>\$ 158</u>
Basic net income per share from continuing operations	\$ 0.24		\$ 0.34	\$ 0.41		\$ 0.53
Basic net loss per share from discontinued operations	—		—	(0.01)		—
Basic net income per share	<u>\$ 0.24</u>		<u>\$ 0.34</u>	<u>\$ 0.40</u>		<u>\$ 0.53</u>
Shares used in basic per share calculations	<u>296</u>		<u>296</u>	<u>297</u>		<u>297</u>
Diluted net income per share from continuing operations	\$ 0.23		\$ 0.33	\$ 0.40		\$ 0.52
Diluted net loss per share from discontinued operations	—		—	(0.01)		—
Diluted net income per share	<u>\$ 0.23</u>		<u>\$ 0.33</u>	<u>\$ 0.39</u>		<u>\$ 0.52</u>
Shares used in diluted per share calculations	<u>303</u>		<u>303</u>	<u>306</u>		<u>306</u>

See “About Non-GAAP Financial Measures” immediately following Table E2 for more information on these non-GAAP adjustments.

- [a] Adjustments to exclude share-based compensation expense from non-GAAP financial measures. See footnote A to Table A1.
[b] Adjustments to exclude amortization of acquired technology and amortization of other acquired intangible assets from non-GAAP financial measures.
[c] Adjustment to exclude net gains on debt securities and other investments from non-GAAP financial measures.
[d] Adjustments to reflect the tax effects of items [a] through [c].
[e] Adjustments to exclude net income (loss) from discontinued operations from non-GAAP financial measures.

TABLE B2
INTUIT INC.
RECONCILIATION OF NON-GAAP STATEMENTS OF OPERATIONS DATA
TO GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Six Months Ended January 31, 2013			Six Months Ended January 31, 2012		
	GAAP	Adjmts	Non- GAAP	GAAP	Adjmts	Non- GAAP
Net revenue:						
Product	\$ 629	\$ —	\$ 629	\$ 641	\$ —	\$ 641
Service and other	986	—	986	933	—	933
Total net revenue	<u>1,615</u>	<u>—</u>	<u>1,615</u>	<u>1,574</u>	<u>—</u>	<u>1,574</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	72	—	72	84	—	84
Cost of service and other revenue	307	(4) [a]	303	282	(3) [a]	279
Amortization of acquired technology	11	(11) [b]	—	6	(6) [b]	—
Selling and marketing	623	(35) [a]	588	546	(29) [a]	517
Research and development	357	(28) [a]	329	327	(26) [a]	301
General and administrative	207	(29) [a]	178	187	(25) [a]	162
Amortization of other acquired intangible assets	14	(14) [b]	—	31	(31) [b]	—
Total costs and expenses	<u>1,591</u>	<u>(121)</u>	<u>1,470</u>	<u>1,463</u>	<u>(120)</u>	<u>1,343</u>
Operating income from continuing operations	24	121	145	111	120	231
Interest expense	(15)	—	(15)	(30)	—	(30)
Interest and other income, net	3	2 [c]	5	14	(11) [c]	3
Income before income taxes	12	123	135	95	109	204
Income tax provision (benefit)	(8)	52 [d]	44	32	37 [d]	69
Net income from continuing operations	20	71	91	63	72	135
Net income (loss) from discontinued operations	32	(32) [e]	—	(9)	9 [e]	—
Net income	<u>\$ 52</u>	<u>\$ 39</u>	<u>\$ 91</u>	<u>\$ 54</u>	<u>\$ 81</u>	<u>\$ 135</u>
Basic net income per share from continuing operations	\$ 0.07		\$ 0.31	\$ 0.21		\$ 0.45
Basic net income (loss) per share from discontinued operations	0.11		—	(0.03)		—
Basic net income per share	<u>\$ 0.18</u>		<u>\$ 0.31</u>	<u>\$ 0.18</u>		<u>\$ 0.45</u>
Shares used in basic per share calculations	<u>296</u>		<u>296</u>	<u>298</u>		<u>298</u>
Diluted net income per share from continuing operations	\$ 0.07		\$ 0.30	\$ 0.21		\$ 0.44
Diluted net income (loss) per share from discontinued operations	0.10		—	(0.03)		—
Diluted net income per share	<u>\$ 0.17</u>		<u>\$ 0.30</u>	<u>\$ 0.18</u>		<u>\$ 0.44</u>
Shares used in diluted per share calculations	<u>302</u>		<u>302</u>	<u>307</u>		<u>307</u>

See “About Non-GAAP Financial Measures” immediately following Table E2 for more information on these non-GAAP adjustments.

- [a] Adjustments to exclude share-based compensation expense from non-GAAP financial measures. See footnote A to Table A1.
[b] Adjustments to exclude amortization of acquired technology and amortization of other acquired intangible assets from non-GAAP financial measures.
[c] Adjustment to exclude net gains on debt securities and other investments from non-GAAP financial measures.
[d] Adjustments to reflect the tax effects of items [a] through [c].
[e] Adjustments to exclude net income (loss) from discontinued operations from non-GAAP financial measures.

TABLE E1
INTUIT INC.
RECONCILIATION OF FORWARD-LOOKING GUIDANCE FOR NON-GAAP FINANCIAL MEASURES
TO PROJECTED GAAP REVENUE, OPERATING INCOME (LOSS), AND EPS
(In millions, except per share amounts)
(Unaudited)

	Forward-Looking Guidance				
	GAAP Range of Estimate		Adjmts	Non-GAAP Range of Estimate	
	From	To		From	To
Three Months Ending April 30, 2013					
Revenue	\$ 2,215	\$ 2,275	\$ —		\$ 2,215 \$ 2,275
Operating income	\$ 1,290	\$ 1,315	\$ 60	[a]	\$ 1,350 \$ 1,375
Diluted earnings per share	\$ 2.83	\$ 2.88	\$ 0.16	[b]	\$ 2.99 \$ 3.04
Twelve Months Ending July 31, 2013					
Revenue	\$ 4,550	\$ 4,650	\$ —		\$ 4,550 \$ 4,650
Operating income	\$ 1,315	\$ 1,345	\$ 255	[c]	\$ 1,570 \$ 1,600
Diluted earnings per share	\$ 2.96	\$ 3.02	\$ 0.44	[d]	\$ 3.40 \$ 3.46

See “About Non-GAAP Financial Measures” immediately following Table E2 for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

- [a] Reflects estimated adjustments for share-based compensation expense of approximately \$48 million; amortization of acquired technology of approximately \$5 million; and amortization of other acquired intangible assets of approximately \$7 million.
- [b] Reflects the estimated adjustments in item [a] and income taxes related to these adjustments.
- [c] Reflects estimated adjustments for share-based compensation expense of approximately \$208 million; amortization of acquired technology of approximately \$20 million; and amortization of other acquired intangible assets of approximately \$27 million.
- [d] Reflects the estimated adjustments in item [c] and income taxes related to these adjustments.

TABLE E2
INTUIT INC.
RECONCILIATION OF HISTORICAL NON-GAAP FINANCIAL MEASURES TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES
(In millions, except per share amounts)
(Unaudited)

	Fiscal 2012					Fiscal 2013				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
GAAP operating income (loss)	\$ (84)	\$ 195	\$ 1,111	\$ (45)	\$ 1,177	\$ (69)	\$ 93			\$ 24
Amortization of acquired technology	3	3	3	5	14	5	6			11
Amortization of other acquired intangible assets	21	10	2	6	39	7	7			14
Professional fees for business combinations	—	—	1	4	5	—	—			—
Share-based compensation expense	40	43	37	49	169	49	47			96
Non-GAAP operating income (loss)	<u>\$ (20)</u>	<u>\$ 251</u>	<u>\$ 1,154</u>	<u>\$ 19</u>	<u>\$ 1,404</u>	<u>\$ (8)</u>	<u>\$ 153</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 145</u>
GAAP net income (loss)	\$ (64)	\$ 118	\$ 734	\$ 4	\$ 792	\$ (19)	\$ 71			\$ 52
Amortization of acquired technology	3	3	3	5	14	5	6			11
Amortization of other acquired intangible assets	21	10	2	6	39	7	7			14
Professional fees for business combinations	—	—	1	4	5	—	—			—
Share-based compensation expense	40	43	37	49	169	49	47			96
Net gains on debt securities and other investments	(11)	—	(5)	—	(16)	—	2			2
Income tax effect of non-GAAP adjustments	(18)	(19)	(11)	(24)	(72)	(19)	(24)			(43)
Discrete income tax benefit of the retroactive reinstatement of the federal research and experimentation credit	—	—	—	—	—	—	(9)			(9)
Discontinued operations	6	3	2	(36)	(25)	(32)	—			(32)
Non-GAAP net income (loss)	<u>\$ (23)</u>	<u>\$ 158</u>	<u>\$ 763</u>	<u>\$ 8</u>	<u>\$ 906</u>	<u>\$ (9)</u>	<u>\$ 100</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 91</u>
GAAP diluted net income (loss) per share	<u>\$ (0.21)</u>	<u>\$ 0.39</u>	<u>\$ 2.42</u>	<u>\$ 0.01</u>	<u>\$ 2.60</u>	<u>\$ (0.06)</u>	<u>\$ 0.23</u>			<u>\$ 0.17</u>
Non-GAAP diluted net income (loss) per share	<u>\$ (0.08)</u>	<u>\$ 0.52</u>	<u>\$ 2.52</u>	<u>\$ 0.03</u>	<u>\$ 2.97</u>	<u>\$ (0.03)</u>	<u>\$ 0.33</u>			<u>\$ 0.30</u>
Shares used in diluted per share calculation	<u>300</u>	<u>306</u>	<u>303</u>	<u>302</u>	<u>305</u>	<u>296</u>	<u>303</u>			<u>302</u>
Non-GAAP tax rate	<u>34.0%</u>	<u>34.0%</u>	<u>33.4%</u>	<u>33.5%</u>	<u>33.5%</u>	<u>34.5%</u>	<u>32.7%</u>			<u>32.5%</u>

See “About Non-GAAP Financial Measures” immediately following this Table E2 for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying financial information dated February 21, 2013 contains non-GAAP financial measures. Table B1, Table B2, Table E1 and Table E2 reconcile the non-GAAP financial measures in that financial information to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include non-GAAP operating income (loss), non-GAAP net income (loss) and non-GAAP net income (loss) per share.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same names and may differ from non-GAAP financial measures with the same or similar names that are used by other companies.

We compute non-GAAP financial measures using the same consistent method from quarter to quarter and year to year. We may consider whether other significant items that arise in the future should be excluded from our non-GAAP financial measures.

We exclude the following items from all of our non-GAAP financial measures:

- Share-based compensation expense
- Amortization of acquired technology
- Amortization of other acquired intangible assets
- Goodwill and intangible asset impairment charges
- Professional fees for business combinations

We also exclude the following items from non-GAAP net income (loss) and diluted net income (loss) per share:

- Gains and losses on debt securities and other investments
- Income tax effects of excluded items and discrete tax items
- Discontinued operations

We believe that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit's operating results primarily because they exclude amounts that we do not consider part of ongoing operating results when planning and forecasting and when assessing the performance of the organization, our individual operating segments or our senior management. Segment managers are not held accountable for share-based compensation expenses, acquisition-related charges, or the other excluded items and, accordingly, we exclude these amounts from our measures of segment performance. We believe that our non-GAAP financial measures also facilitate the comparison by management and investors of results for current periods and guidance for future periods with results for past periods.

The following are descriptions of the items we exclude from our non-GAAP financial measures.

Share-based compensation expenses. These consist of non-cash expenses for stock options, restricted stock units and our Employee Stock Purchase Plan. When considering the impact of equity awards, we place greater emphasis on overall shareholder dilution rather than the accounting charges associated with those awards.

Amortization of acquired technology and amortization of other acquired intangible assets. When we acquire an entity, we are required by GAAP to record the fair values of the intangible assets of the entity and amortize them over their useful lives. Amortization of acquired technology in cost of revenue includes amortization of software and other technology assets of acquired entities. Amortization of other acquired intangible assets in operating expenses includes amortization of assets such as customer lists, covenants not to compete and trade names.

Goodwill and intangible asset impairment charges. We exclude from our non-GAAP financial measures non-cash charges to adjust the carrying values of goodwill and other acquired intangible assets to their estimated fair values.

Professional fees for business combinations. We exclude from our non-GAAP financial measures the professional fees we incur to complete business combinations. These include investment banking, legal and accounting fees.

Gains and losses on debt securities and other investments. We exclude from our non-GAAP financial measures gains and losses that we record when we sell or impair available-for-sale debt securities and other investments.

Income tax effects of excluded items and certain discrete tax items. We exclude from our non-GAAP financial measures the income tax effects of the items described above, as well as income tax effects related to business combinations. In addition, the effects of one-time income tax adjustments recorded in a specific quarter for GAAP purposes are reflected on a forecasted basis in our non-GAAP financial measures. This is consistent with how we plan, forecast and evaluate our operating results.

Operating results and gains and losses on the sale of discontinued operations. From time to time, we sell or otherwise dispose of selected operations as we adjust our portfolio of businesses to meet our strategic goals. In accordance with GAAP, we segregate the operating results of discontinued operations as well as gains and losses on the sale of these discontinued operations from continuing operations on our GAAP statements of operations but continue to include them in GAAP net income or loss and net income or loss per share. We exclude these amounts from our non-GAAP financial measures.

The reconciliations of the forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures in Table E1 include all information reasonably available to Intuit at the date of this financial information. These tables include adjustments that we can reasonably predict. Events that could cause the reconciliation to change include acquisitions and divestitures of businesses, goodwill and other asset impairments, and sales of available-for-sale debt securities and other investments.

INTUIT INC.
CAUTIONS ABOUT FORWARD-LOOKING STATEMENTS

This financial information contains forward-looking statements, including forecasts of Intuit's future expected financial results. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, without limitation, the following: inherent difficulty in predicting consumer behavior; difficulties in receiving, processing, or filing customer tax submissions; consumers may not respond as we expected to our advertising and promotional activities; product introductions and price competition from our competitors can have unpredictable negative effects on our revenue, profitability and market position; governmental encroachment in our tax businesses or other governmental activities or public policy affecting the preparation and filing of tax returns could negatively affect our operating results and market position; we may not be able to successfully innovate and introduce new offerings and business models to meet our growth and profitability objectives, and current and future offerings may not adequately address customer needs and may not achieve broad market acceptance, which could harm our operating results and financial condition; business interruption or failure of our information technology and communication systems may impair the availability of our products and services, which may damage our reputation and harm our future financial results; as we upgrade and consolidate our customer facing applications and supporting information technology infrastructure, any problems with these implementations could interfere with our ability to deliver our offerings; any failure to properly use and protect personal customer information and data could harm our revenue, earnings and reputation; if we are unable to develop, manage and maintain critical third party business relationships, our business may be adversely affected; increased government regulation of our businesses may harm our operating results; if we fail to process transactions effectively or fail to adequately protect against potential fraudulent activities, our revenue and earnings may be harmed; any significant offering quality problems or delays in our offerings could harm our revenue, earnings and reputation; our participation in the Free File Alliance may result in lost revenue opportunities and cannibalization of our traditional paid franchise; the continuing global economic downturn may continue to impact consumer and small business spending, financial institutions and tax filings, which could negatively affect our revenue and profitability; year-over-year changes in the total number of tax filings that are submitted to government agencies due to economic conditions or otherwise may result in lost revenue opportunities; our revenue and earnings are highly seasonal and the timing of our revenue between quarters is difficult to predict, which may cause significant quarterly fluctuations in our financial results; our financial position may not make repurchasing shares advisable or we may issue additional shares in an acquisition causing our number of outstanding shares to grow; our inability to adequately protect our intellectual property rights may weaken our competitive position and reduce our revenue and earnings; our acquisition and divestiture activities may disrupt our ongoing business, may involve increased expenses and may present risks not contemplated at the time of the transactions; our use of significant amounts of debt to finance acquisitions or other activities could harm our financial condition and results of operation; and litigation involving intellectual property, antitrust, shareholder and other matters may increase our costs. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2012 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. Forward-looking statements are based on information as of February 21, 2013, and we do not undertake any duty to update any forward-looking statement or other information in these materials.