

Intuit Facts

Q3/FY08 & FY08 Financial Outlook

Intuit Inc.

Investor Relations (650) 944-6165

NASDAQ: INTU

Financial Summary										Guidance ^[E]	
(\$ millions), except per share data											
	Q1 FY07	Q2 FY07	Q3 FY07	Q4 FY07	FY07	Q1 FY08	Q2 FY08	Q3 FY08	FY08 (YTD)	Q4 FY08	FY08
Revenue:											
Small Business											
QuickBooks	\$135.2	\$166.5	\$156.9	\$139.6	\$598.2	\$146.9	\$175.4	\$165.1	\$487.4		\$628-\$640
% change YOY	29%	-8%	21%	12%	11%	9%	5%	5%	6%		5%-7%
Payroll & Payments	\$125.5	\$138.2	\$124.5	\$128.6	\$516.7	\$131.3	\$138.0	\$142.1	\$411.4		\$543-\$563
% change YOY	21%	15%	7%	5%	12%	5%	0%	14%	6%		5%-9%
Total Small Business^[A]	\$260.8	\$304.6	\$281.3	\$268.2	\$1,114.9	\$278.3	\$313.4	\$307.2	\$898.9		
% change YOY	25%	2%	15%	9%	11%	7%	3%	9%	6%		
Tax											
Consumer Tax	\$11.2	\$223.4	\$565.1	\$13.1	\$812.9	\$13.3	\$248.3	\$656.9	\$918.5		\$925-\$930
% change YOY	43%	18%	14%	12%	15%	18%	11%	16%	15%		14%
Professional Tax	\$9.7	\$130.7	\$138.5	\$12.9	\$291.8	\$11.0	\$105.4	\$165.9	\$282.3		\$289-\$295
% change YOY	9%	-13%	32%	47%	7%	13%	-19%	20%	1%		(1%)-1%
Financial Institutions	\$5.5	\$6.4	\$65.0	\$73.4	\$150.4	\$72.2	\$72.3	\$76.3	\$220.8		\$300-\$311
% change YOY					Fav	Fav	Fav	Fav	Fav		100%-107%
Other Businesses	\$63.3	\$85.5	\$89.1	\$65.1	\$303.0	\$70.2	\$95.5	\$106.7	\$272.5		\$339-\$351
% change YOY	1%	-2%	3%	23%	5%	11%	12%	20%	15%		12%-16%
Total Revenue	\$350.5	\$750.6	\$1,139.1	\$432.7	\$2,672.9	\$444.9	\$834.9	\$1,313.0	\$2,592.8	\$466-\$471	\$3,050-\$3,060
% change YOY	20%	3%	21%	31%	17%	27%	11%	15%	16%	8%-9%	14%
GAAP Operating Income (Loss)	(\$98.5)	\$214.7	\$578.1	(\$56.7)	\$637.6	(\$103.2)	\$173.6	\$674.5	\$744.9		\$655-\$665
Non-GAAP Operating Income (Loss) ^[B]	(\$76.0)	\$237.4	\$620.6	(\$17.3)	\$764.8	(\$55.7)	\$224.5	\$727.9	\$896.8		\$860-\$870
Non-GAAP Operating Margin % ^[B]	NA	32%	54%	NA	29%	NA	27%	55%	35%		28%-29%
Interest and Other Income ^[C]	\$10.3	\$11.0	\$10.6	\$20.8	\$52.7	\$17.2	\$4.9	\$10.4	\$32.5		
Interest Expense	-	-	(\$12.8)	(\$14.3)	(\$27.1)	(\$14.0)	(\$13.5)	(\$12.8)	(\$40.4)		
GAAP Share Based Compensation Expense	\$18.6	\$19.0	\$20.3	\$18.3	\$76.3	\$26.7	\$29.5	\$30.1	\$86.3		
GAAP EPS Share Based Compensation Expense	(\$0.03)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.14)	(\$0.05)	(\$0.05)	(\$0.06)	(\$0.16)		
GAAP Diluted EPS	(\$0.17)	\$0.40	\$1.04	(\$0.04)	\$1.24	(\$0.06)	\$0.34	\$1.33	\$1.58	(\$0.16)-(\$0.14)	\$1.42-\$1.44
Non-GAAP Diluted EPS^{[B],[D]}	(\$0.12)	\$0.44	\$1.13	(\$0.02)	\$1.43	(\$0.10)	\$0.40	\$1.39	\$1.66	(\$0.05)-(\$0.03)	\$1.61-\$1.63
Basic Share Count	346.2	347.2	339.5	337.6	342.6	337.6	331.1	323.4	330.9		328-330
Diluted Share Count	346.2	360.6	351.7	337.6	355.8	337.6	342.8	333.4	341.9		339-341
GAAP Tax Rate	35%	35%	36%	35%	36%	38%	35%	35%	35%		36%
Capital Expenditures					\$153.4M						\$300M
Depreciation					\$92.8M						

Note: All amounts except GAAP EPS exclude amounts related to Intuit Distribution Management Solutions (IDMS), which we sold in the first quarter of fiscal 2008.

^[A]The QuickBooks and Payroll & Payments segments have been summed to facilitate the calculation of total Small Business results and growth rates for investors.

^[B]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.

^[C]Interest and other income includes \$7.5 million in variable royalty income from the purchaser of our former Quicken Loans business in Q4 FY07; excludes \$31.7M gain on disposal of outsourced payroll assets in FY07 and \$51.6M gain on the sale of outsourced payroll assets in FY08; Q1 FY08 \$24M, Q2 FY08 \$14M, Q3 FY08 \$13.6M.

^[D]The effective tax rates used to calculate non-GAAP EPS were as follows: 37% for Q1 FY07; 36% for Q2 FY07 to Q4 FY07 and 36% for full year in FY07; 36% for Q1 to Q3 FY08.

^[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.

Business Segments: QuickBooks - QuickBooks Software, Financial Supplies; Payroll & Payments - QuickBooks Payroll, Assisted Payroll, Innovative Merchant Solutions; Consumer Tax - TurboTax Professional Tax - ProSeries, Lacerte; Financial Institutions - Intuit Financial Institutions Group, Digital Insight (starting Q3 FY07); Other Businesses - IRES, Quicken, Canada/UK

Business Metrics													
Units in thousands, except where noted	Q1/FY06	Q2/FY06	Q3/FY06	Q4/FY06	FY06	Q1/FY07	Q2/FY07	Q3/FY07	Q4/FY07	FY07	Q1/FY08	Q2/FY08	Q3/FY08
QuickBooks^[F]													
Simple Start, Basic, and Pro	213	414	370	232	1,229	208	382	439	276	1,304	223	356	419
Premier	36	107	79	55	277	62	118	97	70	346	65	103	83
Enterprise	3	3	3	3	12	3	4	3	4	13	3	4	4
QuickBooks Online Edition	7	8	8	6	29	7	10	14	7	39	7	4	3
Total QuickBooks software units sold	259	532	460	295	1,546	280	513	553	357	1,702	298	467	508
Free Simple Start Activations	0	0	0	0	0	0	0	0	0	0	19	38	48
Total QuickBooks Units	259	532	460	295	1,546	280	513	553	357	1,702	317	505	556
QuickBooks Online Edition subscriptions ^[G]	56	64	72	78	78	85	96	109	117	117	124	128	131
QuickBooks Retail Share^[H]													
Unit share FYTD	85%	90%	90%	89%	89%	86%	87%	89%	89%	89%	89%	89%	91%
Dollar share FYTD	89%	92%	92%	92%	92%	91%	92%	94%	94%	94%	94%	94%	95%
Payroll & Payments													
Standard & Enhanced customers ^[I]	853	881	890	892	892	912	937	953	952	952	970	989	999
Assisted & Complete customers	55	59	61	62	62	64	67	55	55	55	56	57	59
Premier customers	15	14	13	13	13	13	12	0	0	0	0	0	0
Total payroll customers	923	954	964	967	967	989	1016	1008	1008	1008	1025	1046	1058
Merchant Account Services customers ^[J]	139	148	159	167	167	175	185	195	203	203	214	222	233
Consumer Tax													
Federal TurboTax (millions)													
Desktop units	NM	3.5	3.6	NM	7.1	NM	3.7	3.3	NM	7.0	NM	3.8	3.3
Web units	NM	0.9	4.3	0.1	5.3	NM	0.823	5.249	0.1	6.1	NM	1.3	7.0
Free File Alliance	NM	0.2	1.2	NM	1.4	NM	0.3	1.2	NM	1.4	NM	0.3	1.3
Total TurboTax federal units	NM	4.7	9.0	0.1	13.8	NM	4.8	9.7	0.1	14.6	NM	5.5	11.6
Federal TurboTax retail share^[K]													
Unit share FYTD	NM	80%	79%	79%	79%	NM	82%	79%	79%	79%	NM	85%	82%
Dollar share FYTD	NM	86%	85%	85%	85%	NM	87%	85%	85%	85%	NM	87%	84%
Financial Institutions													
Number of Internet Banking End-Users ^[L]	6,164	6,333	6,673	6,918	6,918	7,119	7,508	7,800	7,906	7,906	8,078	8,300	8,499
Number of Bill Pay End-Users ^[L]	1,396	1,506	1,621	1,687	1,687	1,793	1,915	2,040	2,140	2,140	2,212	2,291	2,383
Professional Tax													
Professional Tax units	NM	100	11	1	112	NM	102	10	NM	112	NM	98	11

^[F]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.

These numbers reflect total QuickBooks purchases for the period, including subscription purchases.

^[G]Includes total QuickBooks Online Edition subscriptions. Subscription units sold in any particular period are a subset of total QuickBooks software units sold in that period.

^[H]Sources: NPD Group Monthly Retail Software Report through March 2008 excluding MS Office Suites bundled with Accounting Express.

^[I]Includes Standard Payroll, Enhanced Payroll, Online Payroll, Basic Payroll, and QuickPayroll

^[J]Does not include customers from Electronic Clearing House

^[K]Sources: NPD Group Retail Software Report through March 2008.

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

	Three Months Ended		Nine Months Ended	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Net revenue:				
Product	\$ 517,670	\$ 484,052	\$ 1,277,080	\$ 1,240,232
Service and other	795,338	655,093	1,315,740	1,000,043
Total net revenue	<u>1,313,008</u>	<u>1,139,145</u>	<u>2,592,820</u>	<u>2,240,275</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	34,637	40,605	125,264	142,075
Cost of service and other revenue	105,311	90,377	305,603	218,568
Amortization of purchased intangible assets	14,075	13,538	40,188	17,871
Selling and marketing	246,095	214,655	679,459	587,703
Research and development	149,985	116,200	449,088	346,614
General and administrative	79,150	76,995	222,937	221,224
Acquisition-related charges	9,254	8,695	25,349	11,942
Total costs and expenses [A]	<u>638,507</u>	<u>561,065</u>	<u>1,847,888</u>	<u>1,545,997</u>
Operating income from continuing operations	674,501	578,080	744,932	694,278
Interest expense	(12,830)	(12,823)	(40,389)	(12,823)
Interest and other income	10,361	10,552	32,477	31,867
Gains on marketable equity securities and other investments, net	477	347	1,190	1,568
Gain on sale of outsourced payroll assets [B]	13,616	406	51,571	406
Income from continuing operations before income taxes	686,125	576,562	789,781	715,296
Income tax provision [C]	241,612	208,344	275,839	258,148
Minority interest expense, net of tax	334	271	1,332	821
Net income from continuing operations	444,179	367,947	512,610	456,327
Net income (loss) from discontinued operations [D]	-	(736)	26,012	(2,684)
Net income	<u>\$ 444,179</u>	<u>\$ 367,211</u>	<u>\$ 538,622</u>	<u>\$ 453,643</u>
Basic net income per share from continuing operations	\$ 1.37	\$ 1.08	\$ 1.55	\$ 1.33
Basic net income (loss) per share from discontinued operations	-	-	0.08	(0.01)
Basic net income per share	<u>\$ 1.37</u>	<u>\$ 1.08</u>	<u>\$ 1.63</u>	<u>\$ 1.32</u>
Shares used in basic per share calculations	<u>323,408</u>	<u>339,495</u>	<u>330,862</u>	<u>344,351</u>
Diluted net income per share from continuing operations	\$ 1.33	\$ 1.04	\$ 1.50	\$ 1.28
Diluted net income (loss) per share from discontinued operations	-	-	0.08	(0.01)
Diluted net income per share	<u>\$ 1.33</u>	<u>\$ 1.04</u>	<u>\$ 1.58</u>	<u>\$ 1.27</u>
Shares used in diluted per share calculations	<u>333,436</u>	<u>351,686</u>	<u>341,869</u>	<u>357,767</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 continuing operations for the periods shown. The share-based compensation expense that we recorded for discontinued operations for these periods was nominal.

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>April 30,</u> <u>2008</u>	<u>April 30,</u> <u>2007</u>	<u>April 30,</u> <u>2008</u>	<u>April 30,</u> <u>2007</u>
Cost of product revenue	\$ 288	\$ 134	\$ 847	\$ 614
Cost of service and other revenue	1,483	1,010	4,894	2,083
Selling and marketing	10,684	6,929	28,110	18,313
Research and development	8,378	5,531	24,377	16,206
General and administrative	9,260	6,728	28,054	20,769
Total share-based compensation	<u>\$ 30,093</u>	<u>\$ 20,332</u>	<u>\$ 86,282</u>	<u>\$ 57,985</u>

- [B] In March 2007 we sold certain assets related to our Complete Payroll and Premier Payroll Service businesses to Automatic Data Processing, Inc. (ADP) for a price of up to approximately \$135 million in cash. The final purchase price was contingent upon the number of customers that transitioned to ADP pursuant to the purchase agreement over a period of approximately one year from the date of sale. In the three and nine months ended April 30, 2008 we recorded pre-tax net gains of \$13.6 million and \$51.6 million on our statement of operations for customers who transitioned to ADP during those periods. We received a total price of \$93.6 million and recorded a total pre-tax gain of \$83.2 million from the inception of this transaction through its completion in the third quarter of fiscal 2008.

In accordance with the provisions of SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," we did not account for this transaction as a discontinued operation because the operations and cash flows of the assets could not be clearly distinguished, operationally or for financial reporting purposes, from the rest of our outsourced payroll business. The assets were part of our Payroll and Payments segment.

- [C] Our effective tax rate for the three months ended April 30, 2008 was approximately 35% and did not differ significantly from the federal statutory rate. State income taxes were offset primarily by the benefit we received from tax exempt interest income, the domestic production activities deduction, and federal and state research and experimental credits. Our effective tax rate for the three months ended April 30, 2007 was approximately 36%. This differed from the federal statutory rate of 35% primarily due to state income taxes, which were partially offset by the benefit we received from federal and state research and experimental credits and tax exempt interest income.

Our effective tax rate for the nine months ended April 30, 2008 was approximately 35% and did not differ significantly from the federal statutory rate. State income taxes were offset primarily by the benefit we received from tax exempt interest income, the domestic production activities deduction, and federal and state research and experimental credits. Our effective tax rate for the nine months ended April 30, 2007 was approximately 36%. This differed from the federal statutory rate of 35% primarily due to state income taxes, which were partially offset by the benefit we received from federal and state research and experimental credits and tax exempt interest income. In addition, we benefited from the retroactive extension of the federal research and experimental credit in the fiscal 2007 period.

- [D] In August 2007 we sold our Intuit Distribution Management Solutions (IDMS) business for approximately \$100 million in cash and recorded a net gain on disposal of \$27.5 million. IDMS was part of our Other Businesses segment. In accordance with the provisions of SFAS 144, "Accounting for the Impairment or Disposal of Long-lived Assets," we determined that IDMS became a discontinued operation in the fourth quarter of fiscal 2007. We have therefore segregated the net assets and operating results of IDMS from continuing operations on our balance sheets and in our statements of

operations for all periods prior to the sale. Assets held for sale at July 31, 2007 consisted primarily of goodwill and purchased intangible assets. Because IDMS operating cash flows were not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows. We have segregated the cash impact of the gain on disposal of IDMS on our statement of cash flows for the nine months ended April 30, 2008.

Revenue and net loss from IDMS discontinued operations were \$1.9 million and \$0.7 million for the nine months ended April 30, 2008. Revenue and net income from IDMS discontinued operations were \$15.3 million and \$0.4 million for the three months ended April 30, 2007 and revenue and net loss were \$39.5 million and \$1.5 million for the nine months then ended.

In the second quarter of fiscal 2008 we recorded a net loss of \$0.8 million for certain contingent liabilities that became payable to the purchaser of Intuit Information Technology Solutions, which we sold in December 2005.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying financial information contains non-GAAP financial measures. Tables B1, B2, E1 and 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) and related operating margin as a percentage of revenue, 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 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 assessing the performance of the organization, our operating segments or our senior management. Segment managers are not held accountable for share-based compensation expenses, acquisition-related costs, or the other excluded items that may impact their business units' operating income (loss) and, accordingly, we exclude these amounts from our measures of segment performance. We also exclude these amounts from our budget and planning process. We believe that our non-GAAP financial measures also facilitate the comparison of results for current periods and guidance for future periods with results for past periods. We exclude the following items from our non-GAAP financial measures:

- *Share-based compensation expenses.* Our non-GAAP financial measures exclude share-based compensation expenses, which consist of expenses for stock options, restricted stock, restricted stock units and purchases of common stock under our Employee Stock Purchase Plan. Segment managers are not held accountable for share-based compensation expenses impacting their business units' operating income (loss) and, accordingly, we exclude share-based compensation expenses from our measures of segment performance. While share-based compensation is a significant expense affecting our results of operations, management excludes share-based compensation from our budget and planning process. We exclude share-based compensation expenses from our non-GAAP financial measures for these reasons and the other reasons stated above. We compute weighted average dilutive shares using the method required by SFAS 123(R) for both GAAP and non-GAAP diluted net income per share.
- *Amortization of purchased intangible assets and acquisition-related charges.* In accordance with GAAP, amortization of purchased intangible assets in cost of revenue includes amortization of software and other technology assets related to acquisitions and acquisition-related charges in operating expenses includes amortization of other purchased intangible assets such as customer lists, covenants not to compete and trade names. Acquisition activities are managed on a corporate-wide basis and segment managers are not held accountable for the acquisition-related costs impacting their business units' operating income (loss). We exclude these amounts from our measures of segment performance and from our budget and planning process. We exclude these items from our non-GAAP financial measures for these reasons, the other reasons stated above and because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.
- *Gains and losses on disposals of businesses and assets.* We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- *Gains and losses on marketable equity securities and other investments.* We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- *Income tax effects of excluded items.* Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items for the reasons stated above and because management believes that they are not indicative of our ongoing business operations.
- *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 for the reasons stated above and because they are unrelated to our ongoing business operations.

The following describes each non-GAAP financial measure, the items excluded from the most directly comparable GAAP measure in arriving at each non-GAAP financial measure, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

- (A) Operating income (loss) and related operating margin as a percentage of revenue. We exclude share-based compensation expenses, amortization of purchased intangible assets and acquisition-related charges from our GAAP operating income (loss) from continuing operations and related operating margin in arriving at our non-GAAP operating income (loss) and related operating margin primarily because we do not consider them part of ongoing operating results when assessing the performance of the organization, our operating segments and senior management or when undertaking our budget and planning process. We believe that the exclusion of these expenses from our non-GAAP financial measures also facilitates the comparison of results for current periods and guidance for future periods with results for prior periods. In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from non-GAAP operating income (loss) and operating margin because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.
- (B) Net income (loss) and net income (loss) per share (or earnings per share). We exclude share-based compensation expenses, amortization of purchased intangible assets, acquisition-related charges, net gains on marketable equity securities and other investments, gains and losses on disposals of businesses and assets, certain tax items as described above, and amounts related to discontinued operations from our GAAP net income (loss) and net income (loss) per share in arriving at our non-GAAP net income (loss) and net income (loss) per share. We exclude all of these items from our non-GAAP net income (loss) and net income (loss) per share primarily because we do not consider them part of ongoing operating results when assessing the performance of the organization, our operating segments and senior management or when undertaking our budget and planning process. We believe that the exclusion of these items from our non-GAAP financial measures also facilitates the comparison of results for current periods and guidance for future periods with results for prior periods.

In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from our non-GAAP net income (loss) and net income (loss) per share because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories. We exclude net gains on marketable equity securities and other investments from our non-GAAP net income (loss) and net income (loss) per share because they are unrelated to our ongoing business operating results. Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items because management believes that they are not indicative of our ongoing business operations. The effective tax rates used to calculate non-GAAP net income (loss) and net income (loss) per share were as follows: 37% for the first quarter of fiscal 2007; 36% for the second, third, and fourth quarters of fiscal 2007; 36% for the first, second, and third quarters of fiscal 2008; and 36% for fiscal 2008 guidance. Finally, we exclude amounts related to discontinued operations from our non-GAAP net income (loss) and net income (loss) per share because they are unrelated to our ongoing business operations.

We refer to these non-GAAP financial measures in assessing the performance of Intuit's ongoing operations and for planning and forecasting in future periods. These non-GAAP financial measures also facilitate our internal comparisons to Intuit's historical operating results. We have historically reported similar non-GAAP financial measures and believe that the inclusion of comparative numbers provides consistency in our financial reporting. We compute non-GAAP financial measures using the same consistent method from quarter to quarter and year to year.

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 May 20, 2008. 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 marketable equity securities and other investments.

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

	Three Months Ended		Nine Months Ended	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Net revenue:				
Product	\$ 517,670	\$ 484,052	\$ 1,277,080	\$ 1,240,232
Service and other	795,338	655,093	1,315,740	1,000,043
Total net revenue	<u>1,313,008</u>	<u>1,139,145</u>	<u>2,592,820</u>	<u>2,240,275</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	34,349	40,471	124,417	141,461
Cost of service and other revenue	103,828	89,367	300,709	216,485
Selling and marketing	235,411	207,726	651,349	569,390
Research and development	141,607	110,669	424,711	330,408
General and administrative	69,890	70,267	194,883	200,455
Total costs and expenses	<u>585,085</u>	<u>518,500</u>	<u>1,696,069</u>	<u>1,458,199</u>
Income from operations	727,923	620,645	896,751	782,076
Interest expense	(12,830)	(12,823)	(40,389)	(12,823)
Interest and other income	10,361	10,552	32,477	31,867
Income before income taxes	725,454	618,374	888,839	801,120
Income tax provision	261,163	220,436	319,982	284,398
Minority interest expense, net of tax	334	271	1,332	821
Net income	<u>\$ 463,957</u>	<u>\$ 397,667</u>	<u>\$ 567,525</u>	<u>\$ 515,901</u>
Basic net income per share	<u>\$ 1.43</u>	<u>\$ 1.17</u>	<u>\$ 1.72</u>	<u>\$ 1.50</u>
Shares used in basic per share calculations	<u>323,408</u>	<u>339,495</u>	<u>330,862</u>	<u>344,351</u>
Diluted net income per share	<u>\$ 1.39</u>	<u>\$ 1.13</u>	<u>\$ 1.66</u>	<u>\$ 1.44</u>
Shares used in diluted per share calculations	<u>333,436</u>	<u>351,686</u>	<u>341,869</u>	<u>357,767</u>

See "About Non-GAAP Financial Measures" immediately preceding this Table A2 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 thousands, except per share amounts)
(Unaudited)

	Three Months Ended April 30, 2008			Three Months Ended April 30, 2007		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 517,670	\$ -	\$ 517,670	\$ 484,052	\$ -	\$ 484,052
Service and other	795,338	-	795,338	655,093	-	655,093
Total net revenue	<u>1,313,008</u>	<u>-</u>	<u>1,313,008</u>	<u>1,139,145</u>	<u>-</u>	<u>1,139,145</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	34,349	288 [a]	34,637	40,471	134 [a]	40,605
Cost of service and other revenue	103,828	1,483 [a]	105,311	89,367	1,010 [a]	90,377
Amortization of purchased intangible assets	-	14,075 [b]	14,075	-	13,538 [b]	13,538
Selling and marketing	235,411	10,684 [a]	246,095	207,726	6,929 [a]	214,655
Research and development	141,607	8,378 [a]	149,985	110,669	5,531 [a]	116,200
General and administrative	69,890	9,260 [a]	79,150	70,267	6,728 [a]	76,995
Acquisition-related charges	-	9,254 [c]	9,254	-	8,695 [c]	8,695
Total costs and expenses	<u>585,085</u>	<u>53,422</u>	<u>638,507</u>	<u>518,500</u>	<u>42,565</u>	<u>561,065</u>
Operating income from continuing operations	727,923	(53,422)	674,501	620,645	(42,565)	578,080
Interest expense	(12,830)	-	(12,830)	(12,823)	-	(12,823)
Interest and other income	10,361	-	10,361	10,552	-	10,552
Gains on marketable equity securities and other investments, net	-	477 [d]	477	-	347 [d]	347
Gain on sale of outsourced payroll assets	-	13,616 [e]	13,616	-	406 [e]	406
Income from continuing operations before income taxes	725,454	(39,329)	686,125	618,374	(41,812)	576,562
Income tax provision	261,163	(19,551) [f]	241,612	220,436	(12,092) [f]	208,344
Minority interest expense, net of tax	334	-	334	271	-	271
Net income from continuing operations	463,957	(19,778)	444,179	397,667	(29,720)	367,947
Net income (loss) from discontinued operations	-	-	-	-	(736) [g]	(736)
Net income	<u>\$ 463,957</u>	<u>\$ (19,778)</u>	<u>\$ 444,179</u>	<u>\$ 397,667</u>	<u>\$ (30,456)</u>	<u>\$ 367,211</u>
Basic net income per share from continuing operations	\$ 1.43		\$ 1.37	\$ 1.17		\$ 1.08
Basic net income (loss) per share from discontinued operations	-		-	-		-
Basic net income per share	<u>\$ 1.43</u>		<u>\$ 1.37</u>	<u>\$ 1.17</u>		<u>\$ 1.08</u>
Shares used in basic per share calculations	<u>323,408</u>		<u>323,408</u>	<u>339,495</u>		<u>339,495</u>
Diluted net income per share from continuing operations	\$ 1.39		\$ 1.33	\$ 1.13		\$ 1.04
Diluted net income (loss) per share from discontinued operations	-		-	-		-
Diluted net income per share	<u>\$ 1.39</u>		<u>\$ 1.33</u>	<u>\$ 1.13</u>		<u>\$ 1.04</u>
Shares used in diluted per share calculations	<u>333,436</u>		<u>333,436</u>	<u>351,686</u>		<u>351,686</u>

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more information on these non-GAAP adjustments.

- [a] Adjustment to exclude share-based compensation expense from non-GAAP financial measures.
[b] Adjustment to exclude amortization of purchased intangible assets from non-GAAP financial measures.
[c] Adjustment to exclude acquisition-related charges from non-GAAP financial measures.
[d] Adjustment to exclude net gains on marketable equity securities and other investments from non-GAAP financial measures.
[e] Adjustment to exclude pre-tax gain on sale of outsourced payroll assets from non-GAAP financial measures.
[f] Adjustment to reflect the tax effects of items [a] through [e] and to exclude certain GAAP discrete tax items from non-GAAP financial measures.
[g] Adjustment 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 thousands, except per share amounts)
(Unaudited)

	Nine Months Ended April 30, 2008			Nine Months Ended April 30, 2007		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 1,277,080	\$ -	\$ 1,277,080	\$ 1,240,232	\$ -	\$ 1,240,232
Service and other	1,315,740	-	1,315,740	1,000,043	-	1,000,043
Total net revenue	<u>2,592,820</u>	<u>-</u>	<u>2,592,820</u>	<u>2,240,275</u>	<u>-</u>	<u>2,240,275</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	124,417	847 [a]	125,264	141,461	614 [a]	142,075
Cost of service and other revenue	300,709	4,894 [a]	305,603	216,485	2,083 [a]	218,568
Amortization of purchased intangible assets	-	40,188 [b]	40,188	-	17,871 [b]	17,871
Selling and marketing	651,349	28,110 [a]	679,459	569,390	18,313 [a]	587,703
Research and development	424,711	24,377 [a]	449,088	330,408	16,206 [a]	346,614
General and administrative	194,883	28,054 [a]	222,937	200,455	20,769 [a]	221,224
Acquisition-related charges	-	25,349 [c]	25,349	-	11,942 [c]	11,942
Total costs and expenses	<u>1,696,069</u>	<u>151,819</u>	<u>1,847,888</u>	<u>1,458,199</u>	<u>87,798</u>	<u>1,545,997</u>
Operating income from continuing operations	896,751	(151,819)	744,932	782,076	(87,798)	694,278
Interest expense	(40,389)	-	(40,389)	(12,823)	-	(12,823)
Interest and other income	32,477	-	32,477	31,867	-	31,867
Gains on marketable equity securities and other investments, net	-	1,190 [d]	1,190	-	1,568 [d]	1,568
Gain on sale of outsourced payroll assets	-	51,571 [e]	51,571	-	406 [e]	406
Income from continuing operations before income taxes	888,839	(99,058)	789,781	801,120	(85,824)	715,296
Income tax provision	319,982	(44,143) [f]	275,839	284,398	(26,250) [f]	258,148
Minority interest expense, net of tax	1,332	-	1,332	821	-	821
Net income from continuing operations	<u>567,525</u>	<u>(54,915)</u>	<u>512,610</u>	<u>515,901</u>	<u>(59,574)</u>	<u>456,327</u>
Net income (loss) from discontinued operations	-	26,012 [g]	26,012	-	(2,684) [g]	(2,684)
Net income	<u>\$ 567,525</u>	<u>\$ (28,903)</u>	<u>\$ 538,622</u>	<u>\$ 515,901</u>	<u>\$ (62,258)</u>	<u>\$ 453,643</u>
Basic net income per share from continuing operations	\$ 1.72		\$ 1.55	\$ 1.50		\$ 1.33
Basic net income (loss) per share from discontinued operations	-		0.08	-		(0.01)
Basic net income per share	<u>\$ 1.72</u>		<u>\$ 1.63</u>	<u>\$ 1.50</u>		<u>\$ 1.32</u>
Shares used in basic per share calculations	<u>330,862</u>		<u>330,862</u>	<u>344,351</u>		<u>344,351</u>
Diluted net income per share from continuing operations	\$ 1.66		\$ 1.50	\$ 1.44		\$ 1.28
Diluted net income (loss) per share from discontinued operations	-		0.08	-		(0.01)
Diluted net income per share	<u>\$ 1.66</u>		<u>\$ 1.58</u>	<u>\$ 1.44</u>		<u>\$ 1.27</u>
Shares used in diluted per share calculations	<u>341,869</u>		<u>341,869</u>	<u>357,767</u>		<u>357,767</u>

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more information on these non-GAAP adjustments.

- [a] Adjustment to exclude share-based compensation expense from non-GAAP financial measures.
[b] Adjustment to exclude amortization of purchased intangible assets from non-GAAP financial measures.
[c] Adjustment to exclude acquisition-related charges from non-GAAP financial measures.
[d] Adjustment to exclude net gains on marketable equity securities and other investments from non-GAAP financial measures.
[e] Adjustment to exclude pre-tax gain on sale of outsourced payroll assets from non-GAAP financial measures.
[f] Adjustment to reflect the tax effects of items [a] through [e] and to exclude certain GAAP discrete tax items from non-GAAP financial measures.
[g] Adjustment to exclude net income (loss) from discontinued operations from non-GAAP financial measures.

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

	Forward-Looking Guidance				
	GAAP		Adjustments	Non-GAAP	
	Range of Estimate			Range of Estimate	
	From	To		From	To
Three Months Ending					
July 31, 2008					
Revenue	\$ 466,000	\$ 471,000	\$ -	\$ 466,000	\$ 471,000
Diluted loss per share	\$ (0.16)	\$ (0.14)	\$ 0.11 [a]	\$ (0.05)	\$ (0.03)
Twelve Months Ending					
July 31, 2008					
Revenue	\$ 3,050,000	\$ 3,060,000	\$ -	\$ 3,050,000	\$ 3,060,000
Operating income	\$ 655,000	\$ 665,000	\$ 205,000 [b]	\$ 860,000	\$ 870,000
Operating margin	21%	22%	7% [b]	28%	29%
Diluted earnings per share	\$ 1.42	\$ 1.44	\$ 0.19 [c]	\$ 1.61	\$ 1.63
Shares	339,000	341,000	-	339,000	341,000

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more 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 \$30 million; amortization of purchased intangible assets of approximately \$14 million; acquisition-related charges of approximately \$10 million; and income taxes related to these adjustments.
- [b] Reflects estimated adjustments for share-based compensation expense of approximately \$116 million; amortization of purchased intangible assets of approximately \$54 million; and acquisition-related charges of approximately \$35 million.
- [c] Reflects the estimated adjustments in item [b]; an adjustment for an expected pre-tax gain on the sale of certain outsourced payroll assets of approximately \$52 million; income taxes related to these adjustments; and an adjustment for net income from discontinued operations of approximately \$26 million.

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

	<u>GAAP</u>	<u>Adjustments</u>	<u>Non- GAAP</u>
Three months ended October 31, 2006			
Operating loss	\$ (98,519)	\$ 22,526 [a]	\$ (75,993)
Diluted loss per share	\$ (0.17)	\$ 0.05 [b]	\$ (0.12)
Three months ended January 31, 2007			
Operating income	\$ 214,717	\$ 22,707 [c]	\$ 237,424
Operating margin	29%	3% [c]	32%
Diluted income per share	\$ 0.40	\$ 0.04 [d]	\$ 0.44
Three months ended April 30, 2007			
Operating income	\$ 578,080	\$ 42,565 [e]	\$ 620,645
Operating margin	51%	3% [e]	54%
Diluted income per share	\$ 1.04	\$ 0.09 [f]	\$ 1.13
Three months ended July 31, 2007			
Operating loss	\$ (56,708)	\$ 39,405 [g]	\$ (17,303)
Diluted loss per share	\$ (0.04)	\$ 0.02 [h]	\$ (0.02)
Twelve months ended July 31, 2007			
Operating income	\$ 637,570	\$ 127,203 [i]	\$ 764,773
Operating margin	24%	5% [i]	29%
Diluted income per share	\$ 1.24	\$ 0.19 [j]	\$ 1.43
Three months ended October 31, 2007			
Operating loss	\$ (52,576)	\$ (22,817) [k]	\$ (75,393)
Diluted loss per share	\$ (0.10)	\$ 0.04 [l]	\$ (0.06)
Three months ended January 31, 2008			
Operating income	\$ 173,630	\$ 50,916 [m]	\$ 224,546
Operating margin	21%	6% [m]	27%
Diluted income per share	\$ 0.34	\$ 0.06 [n]	\$ 0.40
Three months ended April 30, 2008			
Operating income	\$ 674,501	\$ 53,422 [o]	\$ 727,923
Operating margin	51%	4% [o]	55%
Diluted income per share	\$ 1.33	\$ 0.06 [p]	\$ 1.39
Nine months ended April 30, 2008			
Operating income	\$ 744,932	\$ 151,819 [q]	\$ 896,751
Operating margin	29%	6% [q]	35%
Diluted income per share	\$ 1.58	\$ 0.08 [r]	\$ 1.66

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more 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 adjustments for share-based compensation expense of \$18.6 million; amortization of purchased intangible assets of \$2.0 million; and acquisition-related charges of \$1.9 million.
- [b] Reflects the adjustments in item [a]; an adjustment for net gains on marketable equity securities and other investments of \$1.2 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net loss from discontinued operations of \$1.7 million.
- [c] Reflects adjustments for share-based compensation expense of \$19.0 million; amortization of purchased intangible assets of \$2.3 million; and acquisition-related charges of \$1.4 million.
- [d] Reflects the adjustments in item [c] and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net loss from discontinued operations of \$0.2 million.
- [e] Reflects adjustments for share-based compensation expense of \$20.3 million; amortization of purchased intangible assets of \$13.5 million; and acquisition-related charges of \$8.7 million.
- [f] Reflects the adjustments in item [e]; an adjustment for net gains on marketable equity securities and other investments of \$0.3 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$0.4 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for a net loss from discontinued operations of \$0.7 million.
- [g] Reflects adjustments for share-based compensation expense of \$18.3 million; amortization of purchased intangible assets of \$13.1 million; and acquisition-related charges of \$8.0 million.
- [h] Reflects the adjustments in item [g]; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$31.3 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for a net loss from discontinued operations of \$0.8 million.
- [i] Reflects adjustments for share-based compensation expense of \$76.3 million; amortization of purchased intangible assets of \$30.9 million; and acquisition-related charges of \$20.0 million.
- [j] Reflects the adjustments in item [i]; an adjustment for net gains on marketable equity securities and other investments of \$1.6 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$31.7 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for a net loss from discontinued operations of \$3.5 million.
- [k] Reflects adjustments for share-based compensation expense of \$26.7 million; amortization of purchased intangible assets of \$12.8 million; and acquisition-related charges of \$8.0 million.
- [l] Reflects the adjustments in item [k]; an adjustment for net gains on marketable equity securities and other investments of \$0.7 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$24.0 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net income from discontinued operations of \$26.8 million.
- [m] Reflects adjustments for share-based compensation expense of \$29.5 million; amortization of purchased intangible assets of \$13.3 million; and acquisition-related charges of \$8.1 million.
- [n] Reflects the adjustments in item [m]; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$14.0 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net loss from discontinued operations of \$0.8 million.
- [o] Reflects adjustments for share-based compensation expense of \$30.1 million; amortization of purchased intangible assets of \$14.1 million; and acquisition-related charges of \$9.3 million.
- [p] Reflects the adjustments in item [o]; an adjustment for net gains on marketable equity securities and other investments of \$0.5 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$13.6 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items.
- [q] Reflects adjustments for share-based compensation expense of \$86.3 million; amortization of purchased intangible assets of \$40.2 million; and acquisition-related charges of \$25.3 million.
- [r] Reflects the adjustments in item [q]; an adjustment for net gains on marketable equity securities and other investments of \$1.2 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$51.6 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net income from discontinued operations of \$26 million.

INTUIT INC.
CAUTIONS ABOUT FORWARD-LOOKING STATEMENTS

The accompanying financial information contains forward-looking statements, including forecasts of Intuit's expected financial results and its prospects for the business in fiscal 2008 and beyond.

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: 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 regulating the filing of tax returns could negatively affect our operating results and market position; we may not be able to successfully introduce new products and services to meet our growth and profitability objectives, and current and future products and services may not adequately address customer needs and may not achieve broad market acceptance, which could harm our operating results and financial condition; any failure to maintain reliable and responsive service levels for our offerings could cause us to lose customers and negatively impact our revenues and profitability; any significant product quality problems or delays in our products 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; any failure to properly use and protect personal customer information could harm our revenue, earnings and reputation; our acquisition activities may be disruptive to Intuit and may not result in expected benefits; our use of significant amounts of debt to finance acquisitions or other activities could harm our financial condition and results of operations; 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; predicting tax-related revenues is challenging due to the heavy concentration of activity in a short time period; we have implemented, and are continuing to upgrade, new information systems and any problems with these new systems could interfere with our ability to deliver products and services and gather information to effectively manage our business; 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; 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 2007 and in our other SEC filings. You can locate these reports through our website at http://www.intuit.com/about_intuit/investors. Forward-looking statements are based on information as of May 20, 2008, and we do not undertake any duty to update any forward-looking statement or other information in these remarks.