

Intuit Facts

Q4/FY10

Intuit Inc.

Investor Relations (650) 944-2536

NASDAQ: INTU

Financial Summary											Guidance ^[c]	
(\$ millions), except per share data												
	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	FY10	Q1 FY11	FY11
Revenue:												
Small Business Group												
Financial Management Solutions (Quickbooks)	\$144	\$158	\$142	\$135	\$579	\$134	\$154	\$164	\$159	\$611		
% change YOY	7%	(1%)	(9%)	(5%)	(2%)	(7%)	(3%)	16%	18%	6%		
Employee Management Solutions (Payroll)	\$89	\$94	\$91	\$91	\$365	\$97	\$105	\$103	\$113	\$418		
% change YOY	11%	9%	8%	5%	8%	9%	12%	13%	25%	15%		
Payment Solutions (Payments)	\$71	\$70	\$74	\$76	\$291	\$75	\$79	\$79	\$80	\$313		
% change YOY	20%	18%	13%	10%	15%	4%	14%	8%	5%	8%		
Total Small Business	\$304	\$322	\$306	\$302	\$1,235	\$305	\$339	\$346	\$352	\$1,342		\$1,450-\$1,500
% change YOY	11%	5%	1%	1%	4%	0%	5%	13%	16%	9%		8%-12%
Tax												
Consumer Tax ^[a]	\$14	\$187	\$777	\$18	\$996	\$22	\$218	\$880	\$25	\$1,146		\$1,255-\$1,290
% change YOY	7%	(25%)	18%	62%	7%	57%	16%	13%	43%	15%		10%-13%
Accounting Professionals	\$21	\$133	\$179	\$18	\$352	\$22	\$124	\$205	\$22	\$373		\$388-\$400
% change YOY	16%	14%	4%	(3%)	8%	3%	(7%)	15%	19%	6%		4%-7%
Financial Services^[a]	\$75	\$76	\$78	\$82	\$311	\$80	\$82	\$85	\$85	\$332		\$345-\$355
% change YOY	3%	5%	3%	6%	4%	7%	8%	9%	4%	7%		4%-7%
Other Businesses	\$48	\$54	\$76	\$36	\$214	\$44	\$75	\$91	\$53	\$262		\$290-\$305
% change YOY	0%	(26%)	(9%)	(30%)	(16%)	(9%)	38%	20%	46%	22%		11%-16%
Total Revenue	\$462	\$773	\$1,417	\$456	\$3,108	\$474	\$837	\$1,607	\$537	\$3,455	\$515-\$525	\$3,740-\$3,840
% change YOY	9%	(5%)	9%	0%	4%	2%	8%	13%	18%	11%	9%-11%	8%-11%
GAAP Operating Income (Loss)	(\$75)	\$111	\$765	(\$118)	\$683	(\$100)	\$139	\$889	(\$64)	\$863	(\$110-\$100)	\$980-\$1,015
Non-GAAP Operating Income (Loss) ^[b]	(\$30)	\$172	\$837	(\$53)	\$926	(\$41)	\$206	\$938	(\$8)	\$1,095	(\$60-\$50)	\$1,215-\$1,250
Non-GAAP Operating Margin % ^[b]	NA	22%	59%	NA	30%	NA	25%	58%	NA	32%	NA	32.0%-32.5%
Interest and Other Income ^[c]	(\$2)	\$6	\$6	\$11	\$22	\$6	\$2	\$4	\$1	\$13		
Interest Expense	(\$12)	(\$12)	(\$13)	(\$15)	(\$51)	(\$16)	(\$15)	(\$15)	(\$15)	(\$61)		
GAAP Share Based Compensation Expense	\$21	\$34	\$36	\$39	\$130	\$28	\$37	\$34	\$36	\$134		
GAAP EPS Share Based Compensation Expense ^[c]	(\$0.04)	(\$0.07)	(\$0.07)	(\$0.08)	(\$0.26)	(\$0.05)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.26)		
GAAP Diluted EPS	(\$0.16)	\$0.26	\$1.47	(\$0.22)	\$1.35	(\$0.22)	\$0.35	\$1.78	(\$0.15)	\$1.77	(\$0.25-\$0.23)	\$1.88-\$1.95
Non-GAAP Diluted EPS^[b] ^[d]	(\$0.09)	\$0.34	\$1.68	(\$0.10)	\$1.82	(\$0.10)	\$0.38	\$1.89	(\$0.05)	\$2.11	(\$0.13-\$0.11)	\$2.36-\$2.43
Basic Share Count	323	321	322	323	322	320	314	314	314	316	311-313	305-309
Diluted Share Count	323	326	329	323	330	320	323	323	314	325	NA	313-317
GAAP Tax Rate ^[e]	41%	18%	36%	41%	32%	38%	37%	35%	39%	34%	36%	36%
Capital Expenditures					\$183					\$131		\$160

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

^[a]Consumer Tax segment revenue has been modified to include TurboTax for Online Banking results for FY10

^[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 variable royalty income from the purchaser of our former Quicken Loans, including \$4M in Q2 FY09, and \$4M in Q4 FY09; excludes gains and losses on marketable securities and other investments.

^[d]The annual effective tax rates used to calculate non-GAAP EPS were 36% for Q1 FY09, 34% for Q2 & Q3 FY09, 33% for Q4 FY09, 37% for Q1& Q2 FY10, 34% in Q3 FY10 and 35% in Q4 FY10

^[e]Our effective tax rate for FY09 was materially impacted by one-time tax benefits in Q1 and Q2 FY09. Excluding these one-time benefits related to the reinstatement of the research and experimental credit and other discrete tax benefits, our effective tax rate for that period was approximately 35%.

^[f]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.

^[g]The impact of Share Based Compensation Expense on GAAP EPS in Q1 and Q2 FY09 is based upon our effective tax rate excluding one-time tax benefits in those periods, a tax rate of 35% in Q1 and 36% in Q2.

Financial Management Solutions: QuickBooks - QuickBooks Software, Financial Supplies; Employee Management Solutions: QuickBooks Payroll, Assisted/Outsourced Payroll, PayCycle; Payments Solutions: Innovative Merchant Solutions; Consumer Tax - TurboTax
Accounting Professionals - ProSeries, Lacerte; Financial Services - Intuit Financial Services Group, Digital Insight; Other Businesses - Global and Quicken

All information as of 8/19/2010

Intuit Facts

Business Metrics															
Units in thousands, except where noted	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	FY10
<u>Financial Management Solutions (Quickbooks)^[J]</u>															
Total QuickBooks software units sold	298	467	508	324	1,597	267	481	517	347	1,613	312	411	503	362	1,587
Free Simple Start Activations	19	38	48	37	142	40	48	79	57	224	41	20	14	7	82
Total QuickBooks Units	317	505	556	361	1,739	307	529	596	404	1,837	353	431	516	368	1,669
QuickBooks Online subscriptions ^[J]	124	128	131	133	133	136	139	142	147	147	149	159	188	201	201
Enterprise Solutions Active Customers	28	29	30	33	33	34	35	36	37	37	39	41	43	45	45
QuickBooks Retail Share ^[K]															
Unit share FYTD	89%	89%	91%	91%	91%	90%	93%	94%	94%	94%	93%	93%	94%	94%	94%
Dollar share FYTD	94%	94%	95%	95%	95%	92%	95%	95%	95%	95%	92%	93%	94%	94%	94%
<u>Employee Management Solutions (Payroll)</u>															
Total EMS customers ^[L]	1,025	1,046	1,055	1,045	1,045	1,052	1,056	1,058	1,137	1,137	1,151	1,160	1,162	1,150	1,150
<u>Payment Solutions (Payments)</u>															
Merchant Account Services customers ^[M] ^[P]	198	205	215	222	222	230	235	243	253	253	258	265	282	296	296
Yr/Yr Charge Volume/Merchant increase(decrease) ^[M]	5%	1%	1%	0%	2%	-3%	-9%	-9%	-9%	-8%	-8%	-3%	1%	-3%	-3%
<u>Consumer Tax</u>															
Federal TurboTax (millions)															
Desktop units	NM	3.8	3.3	NM	7.1	NM	3.4	2.9	NM	6.3	NM	3.4	2.8	NM	6.2
Web units	NM	1.3	7.0	0.1	8.4	NM	2.2	9.1	0.2	11.5	NM	3.0	10.4	0.3	13.7
Free File Alliance	NM	0.3	1.3	NM	1.6	NM	0.3	1.0	NM	1.4	NM	0.3	1.0	NM	1.4
Total TurboTax federal units	NM	5.5	11.6	0.1	17.2	NM	5.8	13.0	0.2	19.2	NM	6.7	14.2	0.3	21.3
Federal TurboTax retail share ^[N]															
Unit share FYTD	NM	85%	82%	82%	82%	NM	84%	81%	81%	81%	NM	87%	83%	83%	83%
Dollar share FYTD	NM	87%	84%	84%	84%	NM	89%	86%	86%	86%	NM	90%	87%	87%	87%
<u>Accounting Professionals</u>															
Professional Tax units	NM	98	11	NM	109	NM	97	11	NM	108	NM	95	11	NM	106
<u>Financial Services</u>															
Number of Internet Banking End-Users	8,078	8,300	8,499	8,695	8,695	8,690	8,609	8,889	8,942	8,942	9,044	9,262	9,477	9,756	9,756
Number of Bill Pay End-Users ^[O]	2,212	2,291	2,383	2,474	2,474	2,613	2,749	2,848	2,969	2,969	3,096	3,195	3,300	3,504	3,504

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

^[J]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.

^[L]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.

^[K]Sources: NPD Group Monthly Retail Software Report through March 2010.

^[L]Includes Standard Payroll, Enhanced Payroll, Assisted Payroll, Complete Payroll, Premier Payroll, Online Payroll, Basic Payroll, QuickPayroll, and PayCycle.

Q3 FY08 to Q3 FY09 EMS Customer counts have been adjusted from prior reports to exclude Online Payroll trial customers

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

^[N]Sources: NPD Group Retail Software Report through March 2010.

^[O]Number of Bill Pay end-users are those of Digital Insight and exclude Quicken Bill Pay customers.

^[P]Includes processing customers only

Intuit Facts

Intuit Inc.

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Segment Operating Income

(\$ millions)

	Q4				Full-Year			
	<u>FY10</u>	<u>% Related Revenue</u>	<u>FY09</u>	<u>% Related Revenue</u>	<u>FY10</u>	<u>% Related Revenue</u>	<u>FY09</u>	<u>% Related Revenue</u>
Financial Management Solutions	\$47	29%	\$24	18%	\$152	25%	\$113	20%
Employee Management Solutions	\$73	64%	\$46	51%	\$253	60%	\$208	57%
Payment Solutions	\$17	21%	\$9	12%	\$67	21%	\$31	11%
Consumer Tax ^[A]	(\$25)	-97%	(\$31)	-174%	\$746	65%	\$629	63%
Accounting Professionals	(\$19)	-86%	(\$20)	-107%	\$210	56%	\$186	53%
Financial Services ^[A]	\$13	16%	\$20	25%	\$71	21%	\$69	22%
Other Businesses	\$2	3%	\$1	3%	\$65	25%	\$61	29%
Total Segment Op Income	\$108	20%	\$50	11%	\$1,563	45%	\$1,298	42%

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

1. Operating income for the company and segments may be impacted by shifts in revenue from one quarter to another. Therefore, these measures are most relevant when viewed on a full-year basis.

^[A] Consumer Tax segment operating income has been modified to include TurboTax for Online Banking results for FY10.

Intuit Facts

Q4/FY10

TurboTax for Online Banking (TTOB) Bridge
(\$M's)

Consumer Tax

		FY09					FY10					Growth Rates				
		<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YEAR</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YEAR</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YEAR</u>
TTOB in Financial Services	Revenue	\$14	\$187	\$777	\$18	\$996	\$22	\$216	\$871	\$25	\$1,135	57%	15%	12%	43%	14%
TTOB in Consumer Tax	Revenue	\$14	\$187	\$777	\$18	\$996	\$22	\$218	\$880	\$25	\$1,146	57%	16%	13%	43%	15%

Financial Services

		FY09					FY10					Growth Rates				
		<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YEAR</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YEAR</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YEAR</u>
TTOB in Financial Services	Revenue	\$75	\$76	\$78	\$82	\$311	\$80	\$83	\$94	\$85	\$343	7%	10%	21%	4%	10%
TTOB in Consumer Tax	Revenue	\$75	\$76	\$78	\$82	\$311	\$80	\$82	\$85	\$85	\$332	7%	8%	9%	4%	7%

TABLE A1

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

	Three Months Ended		Twelve Months Ended	
	July 31, 2010	July 31, 2009	July 31, 2010	July 31, 2009
Net revenue:				
Product	\$ 221	\$ 191	\$ 1,412	\$ 1,376
Service and other	316	266	2,043	1,733
Total net revenue	<u>537</u>	<u>457</u>	<u>3,455</u>	<u>3,109</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	27	34	144	156
Cost of service and other revenue	119	107	460	422
Amortization of acquired technology	6	15	49	59
Selling and marketing	210	182	976	907
Research and development	147	152	573	556
General and administrative	81	76	348	284
Amortization of other acquired intangible assets	11	9	42	42
Total costs and expenses [A]	<u>601</u>	<u>575</u>	<u>2,592</u>	<u>2,426</u>
Operating income (loss) from continuing operations	(64)	(118)	863	683
Interest expense	(15)	(15)	(61)	(51)
Interest and other income, net	1	10	13	21
Income (loss) from continuing operations before income taxes	(78)	(123)	815	653
Income tax provision (benefit) [B]	(30)	(51)	276	206
Net income (loss) from continuing operations	(48)	(72)	539	447
Net income from discontinued operations [C]	-	1	35	-
Net income (loss)	<u>\$ (48)</u>	<u>\$ (71)</u>	<u>\$ 574</u>	<u>\$ 447</u>
Basic net income (loss) per share from continuing operations	\$ (0.15)	\$ (0.22)	\$ 1.71	\$ 1.39
Basic net income per share from discontinued operations	-	-	0.11	-
Basic net income (loss) per share	<u>\$ (0.15)</u>	<u>\$ (0.22)</u>	<u>\$ 1.82</u>	<u>\$ 1.39</u>
Shares used in basic per share calculations	<u>314</u>	<u>323</u>	<u>316</u>	<u>322</u>
Diluted net income (loss) per share from continuing operations	\$ (0.15)	\$ (0.22)	\$ 1.66	\$ 1.35
Diluted net income per share from discontinued operations	-	-	0.11	-
Diluted net income (loss) per share	<u>\$ (0.15)</u>	<u>\$ (0.22)</u>	<u>\$ 1.77</u>	<u>\$ 1.35</u>
Shares used in diluted per share calculations	<u>314</u>	<u>323</u>	<u>325</u>	<u>330</u>

See accompanying Notes.

INTUIT INC.
NOTES TO TABLE A1

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

	Three Months Ended		Twelve Months Ended	
	July 31, 2010	July 31, 2009	July 31, 2010	July 31, 2009
<i>(in millions)</i>				
Cost of product revenue	\$ -	\$ 1	\$ 1	\$ 2
Cost of service and other revenue	1	2	7	7
Selling and marketing	11	13	41	45
Research and development	11	12	41	39
General and administrative	13	11	44	37
Total share-based compensation	<u>\$ 36</u>	<u>\$ 39</u>	<u>\$ 134</u>	<u>\$ 130</u>

- [B] Our effective tax benefit rates for the three months ended July 31, 2010 and 2009 were approximately 39% and 41%. The income tax benefit for those periods included the impact of finalizing the annual effective tax rate in connection with the preparation of the annual tax provision for those periods. Excluding this impact, our effective tax benefit rates for the three months ended July 31, 2010 and 2009 did not differ significantly from the federal statutory rate of 35%.

Our effective tax rate for the twelve months ended July 31, 2010 was approximately 34%. In that year we recorded discrete tax benefits that were primarily related to foreign tax credits associated with the distribution of profits from our non-U.S. subsidiaries and our plans to indefinitely reinvest substantially all remaining non-U.S. earnings in support of our international expansion plans. Excluding those discrete tax benefits, our effective tax rate for that period was approximately 36% and did not differ significantly from the federal statutory rate of 35%.

Our effective tax rate for the twelve months ended July 31, 2009 was approximately 31%. Excluding discrete tax benefits primarily related to a favorable agreement we entered into with a tax authority and the retroactive reinstatement of the federal research and experimentation credit, our effective tax rate for that period was approximately 35% and did not differ significantly from the federal statutory rate of 35%.

- [C] On January 15, 2010 we sold our Intuit Real Estate Solutions (IRES) business for approximately \$128 million in cash and recorded a net gain on disposal of \$35 million. IRES was part of our Other Businesses segment. We determined that IRES became a discontinued operation in the second quarter of fiscal 2010. We have therefore segregated the net assets and operating results of IRES 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, 2009 consisted primarily of goodwill. Revenue from IRES was \$33 million for the twelve months ended July 31, 2010 and \$74 million for the twelve months ended July 31, 2009. Because IRES 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 presented the effect of the net gain on disposal of IRES in net income from discontinued operations on our statements of cash flows for the twelve months ended July 31, 2010.

TABLE A2

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

	Three Months Ended		Twelve Months Ended	
	July 31,	July 31,	July 31,	July 31,
	2010	2009	2010	2009
Net revenue:				
Product	\$ 221	\$ 191	\$ 1,412	\$ 1,376
Service and other	316	266	2,043	1,733
Total net revenue	537	457	3,455	3,109
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	27	33	143	154
Cost of service and other revenue	118	103	453	402
Selling and marketing	199	169	935	862
Research and development	136	140	532	517
General and administrative	66	65	297	247
Total costs and expenses	546	510	2,360	2,182
Operating income	(9)	(53)	1,095	927
Interest expense	(15)	(15)	(61)	(51)
Interest and other income, net	1	10	12	20
Income before income taxes	(23)	(58)	1,046	896
Income tax provision	(8)	(24)	361	296
Net income	<u>\$ (15)</u>	<u>\$ (34)</u>	<u>\$ 685</u>	<u>\$ 600</u>
Basic net income per share	<u>\$ (0.05)</u>	<u>\$ (0.10)</u>	<u>\$ 2.17</u>	<u>\$ 1.86</u>
Shares used in basic per share calculations	<u>314</u>	<u>323</u>	<u>316</u>	<u>322</u>
Diluted net income per share	<u>\$ (0.05)</u>	<u>\$ (0.10)</u>	<u>\$ 2.11</u>	<u>\$ 1.82</u>
Shares used in diluted per share calculations	<u>314</u>	<u>323</u>	<u>325</u>	<u>330</u>

See “About Non-GAAP Financial Measures” immediately following Table F 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 July 31, 2010			Three Months Ended July 31, 2009		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 221	\$ -	\$ 221	\$ 191	\$ -	\$ 191
Service and other	316	-	316	266	-	266
Total net revenue	537	-	537	457	-	457
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	27	- [a]	27	33	1 [a]	34
Cost of service and other revenue	118	1 [a]	119	103	4 [a] [b]	107
Amortization of acquired technology	-	6 [c]	6	-	15 [c]	15
Selling and marketing	199	11 [a]	210	169	13 [a]	182
Research and development	136	11 [a]	147	140	12 [a]	152
General and administrative	66	15 [a] [d]	81	65	11 [a]	76
Amortization of other acquired intangible assets	-	11 [e]	11	-	9 [e]	9
Total costs and expenses	546	55	601	510	65	575
Operating loss from continuing operations	(9)	(55)	(64)	(53)	(65)	(118)
Interest expense	(15)	-	(15)	(15)	-	(15)
Interest and other income, net	1	-	1	10	-	10
Loss from continuing operations before income taxes	(23)	(55)	(78)	(58)	(65)	(123)
Income tax benefit	(8)	(22) [g]	(30)	(24)	(27) [g]	(51)
Net loss from continuing operations	(15)	(33)	(48)	(34)	(38)	(72)
Net income from discontinued operations	-	-	-	-	1 [h]	1
Net loss	<u>\$ (15)</u>	<u>\$ (33)</u>	<u>\$ (48)</u>	<u>\$ (34)</u>	<u>\$ (37)</u>	<u>\$ (71)</u>
Basic net loss per share from continuing operations	\$ (0.05)		\$ (0.15)	\$ (0.10)		\$ (0.22)
Basic net income per share from discontinued operations	-		-	-		-
Basic net loss per share	<u>\$ (0.05)</u>		<u>\$ (0.15)</u>	<u>\$ (0.10)</u>		<u>\$ (0.22)</u>
Shares used in basic per share calculations	<u>314</u>		<u>314</u>	<u>323</u>		<u>323</u>
Diluted net loss per share from continuing operations	\$ (0.05)		\$ (0.15)	\$ (0.10)		\$ (0.22)
Diluted net income per share from discontinued operations	-		-	-		-
Diluted net loss per share	<u>\$ (0.05)</u>		<u>\$ (0.15)</u>	<u>\$ (0.10)</u>		<u>\$ (0.22)</u>
Shares used in diluted per share calculations	<u>314</u>		<u>314</u>	<u>323</u>		<u>323</u>

See “About Non-GAAP Financial Measures” immediately following Table F 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 a charge for historical use of technology licensing rights of approximately \$2 million from non-GAAP financial measures.
- [c] Adjustment to exclude amortization of acquired technology from non-GAAP financial measures.
- [d] Adjustment to exclude professional fees for business combinations of approximately \$2 million from non-GAAP financial measures.
- [e] Adjustment to exclude amortization of other acquired intangible assets from non-GAAP financial measures.
- [f] Adjustment to exclude net gains on marketable equity securities and other investments from non-GAAP financial measures.
- [g] Adjustment to reflect the tax effects of items [a] through [f] and to exclude certain GAAP discrete tax items from non-GAAP financial measures.
- [h] Adjustment to exclude net income 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)

	Twelve Months Ended July 31, 2010			Twelve Months Ended July 31, 2009		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 1,412	\$ -	\$ 1,412	\$ 1,376	\$ -	\$ 1,376
Service and other	2,043	-	2,043	1,733	-	1,733
Total net revenue	3,455	-	3,455	3,109	-	3,109
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	143	1 [a]	144	154	2 [a]	156
Cost of service and other revenue	453	7 [a]	460	402	20 [a] [b]	422
Amortization of acquired technology	-	49 [c]	49	-	59 [c]	59
Selling and marketing	935	41 [a]	976	862	45 [a]	907
Research and development	532	41 [a]	573	517	39 [a]	556
General and administrative	297	51 [a] [d]	348	247	37 [a]	284
Amortization of other acquired intangible assets	-	42 [e]	42	-	42 [e]	42
Total costs and expenses	2,360	232	2,592	2,182	244	2,426
Operating income from continuing operations	1,095	(232)	863	927	(244)	683
Interest expense	(61)	-	(61)	(51)	-	(51)
Interest and other income, net	12	1 [f]	13	20	1 [f]	21
Income from continuing operations before income taxes	1,046	(231)	815	896	(243)	653
Income tax provision	361	(85) [g]	276	296	(90) [g]	206
Net income from continuing operations	685	(146)	539	600	(153)	447
Net income from discontinued operations	-	35 [h]	35	-	-	-
Net income	\$ 685	\$ (111)	\$ 574	\$ 600	\$ (153)	\$ 447
Basic net income per share from continuing operations	\$ 2.17		\$ 1.71	\$ 1.86		\$ 1.39
Basic net income per share from discontinued operations	-		0.11	-		-
Basic net income per share	\$ 2.17		\$ 1.82	\$ 1.86		\$ 1.39
Shares used in basic per share calculations	316		316	322		322
Diluted net income per share from continuing operations	\$ 2.11		\$ 1.66	\$ 1.82		\$ 1.35
Diluted net income per share from discontinued operations	-		0.11	-		-
Diluted net income per share	\$ 2.11		\$ 1.77	\$ 1.82		\$ 1.35
Shares used in diluted per share calculations	325		325	330		330

See "About Non-GAAP Financial Measures" immediately following Table F 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 a charge for historical use of technology licensing rights of approximately \$13 million from non-GAAP financial measures.
- [c] Adjustment to exclude amortization of acquired technology from non-GAAP financial measures.
- [d] Adjustment to exclude professional fees for business combinations of approximately \$7 million from non-GAAP financial measures.
- [e] Adjustment to exclude amortization of other acquired intangible assets from non-GAAP financial measures.
- [f] Adjustment to exclude net gains on marketable equity securities and other investments from non-GAAP financial measures.
- [g] Adjustment to reflect the tax effects of items [a] through [f] and to exclude certain GAAP discrete tax items from non-GAAP financial measures.
- [h] Adjustment to exclude gain on disposal of 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		Adjustments	Non-GAAP		
	Range of Estimate			Range of Estimate		
	From	To		From	To	
Three Months Ending						
October 31, 2010						
Revenue	\$ 515	\$ 525	\$ -		\$ 515	\$ 525
Operating loss	\$ (110)	\$ (100)	\$ 50	[a]	\$ (60)	\$ (50)
Net loss per share	\$ (0.25)	\$ (0.23)	\$ 0.12	[b]	\$ (0.13)	\$ (0.11)
Twelve Months Ending						
July 31, 2011						
Revenue	\$ 3,740	\$ 3,840	\$ -		\$ 3,740	\$ 3,840
Operating income	\$ 980	\$ 1,015	\$ 235	[c]	\$ 1,215	\$ 1,250
Diluted earnings per share	\$ 1.88	\$ 1.95	\$ 0.48	[d]	\$ 2.36	\$ 2.43

See “About Non-GAAP Financial Measures” immediately following Table F 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 \$34 million; amortization of acquired technology of approximately \$5 million; and amortization of other acquired intangible assets of approximately \$11 million.
- [b] Reflects the estimated adjustments in item [a], income taxes related to these adjustments, and adjustments for certain discrete GAAP tax items.
- [c] Reflects estimated adjustments for share-based compensation expense of approximately \$174 million; amortization of acquired technology of approximately \$18 million; and amortization of other acquired intangible assets of approximately \$43 million.
- [d] Reflects the estimated adjustments in item [c], income taxes related to these adjustments, and adjustments for certain discrete GAAP tax items.

TABLE E2

INTUIT INC.

RECONCILIATION OF HISTORICAL NON-GAAP FINANCIAL MEASURES TO MOST DIRECTLY COMPARABLE FINANCIAL MEASURES

(In millions, except per share amounts)

(Unaudited)

	Q1 Fiscal 2009	Q2 Fiscal 2009	Q3 Fiscal 2009	Q4 Fiscal 2009	Full Year Fiscal 2009	Q1 Fiscal 2010	Q2 Fiscal 2010	Q3 Fiscal 2010	Q4 Fiscal 2010	Full Year Fiscal 2010
GAAP operating income (loss)	\$ (75)	\$ 111	\$ 765	\$ (118)	\$ 683	\$ (100)	\$ 139	\$ 888	\$ (64)	\$ 863
Amortization of acquired technology	15	14	15	15	59	22	16	5	6	49
Amortization of other acquired intangible assets	10	13	10	9	42	10	11	10	11	42
Charge for historical use of technology licensing rights	-	-	11	2	13	-	-	-	-	-
Professional fees for business combinations	-	-	-	-	-	1	3	1	2	7
Share-based compensation expense	21	34	36	39	130	27	37	34	36	134
Non-GAAP operating income (loss)	\$ (29)	\$ 172	\$ 837	\$ (53)	\$ 927	\$ (40)	\$ 206	\$ 938	\$ (9)	\$ 1,095
GAAP net income (loss)	\$ (52)	\$ 85	\$ 485	\$ (71)	\$ 447	\$ (68)	\$ 114	\$ 576	\$ (48)	\$ 574
Amortization of acquired technology	15	14	15	15	59	22	16	5	6	49
Amortization of other acquired intangible assets	10	13	10	9	42	10	11	10	11	42
Charge for historical use of technology licensing rights	-	-	11	2	13	-	-	-	-	-
Professional fees for business combinations	-	-	-	-	-	1	3	1	2	7
Share-based compensation expense	21	34	36	39	130	27	37	34	36	134
Net gains on marketable equity securities and other investments	(1)	-	-	-	(1)	-	-	(1)	-	(1)
Income tax effects of non-GAAP adjustments	(15)	(21)	(25)	(27)	(88)	(22)	(25)	(14)	(22)	(83)
Exclusion of discrete GAAP tax items and other	(6)	(16)	20	-	(2)	(1)	-	(1)	-	(2)
Discontinued operations	-	1	-	(1)	-	(1)	(34)	-	-	(35)
Non-GAAP net income (loss)	\$ (28)	\$ 110	\$ 552	\$ (34)	\$ 600	\$ (32)	\$ 122	\$ 610	\$ (15)	\$ 685
GAAP diluted net income (loss) per share	\$ (0.16)	\$ 0.26	\$ 1.47	\$ (0.22)	\$ 1.35	\$ (0.21)	\$ 0.35	\$ 1.78	\$ (0.15)	\$ 1.77
Non-GAAP diluted net income (loss) per share	\$ (0.09)	\$ 0.34	\$ 1.68	\$ (0.10)	\$ 1.82	\$ (0.10)	\$ 0.38	\$ 1.89	\$ (0.05)	\$ 2.11
Shares used in diluted per share amounts	323	326	329	323	330	320	323	323	314	325
Non-GAAP tax rate	35.5%	34.0%	33.5%	42.0%	33.0%	36.5%	36.5%	34.2%	34.5%	34.5%

See “About Non-GAAP Financial Measures” immediately following Table F 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 F

INTUIT INC.
CALCULATION OF FREE CASH FLOW
(In millions, except per share amounts)
(Unaudited)

	<u>Twelve Months Ended</u>		<u>Increase (Decrease)</u>
	<u>July 31, 2010</u>	<u>July 31, 2009</u>	
Net cash provided by operating activities	\$ 998	\$ 812	
Less capital expenditures	<u>(130)</u>	<u>(182)</u>	
Free cash flow	<u>\$ 868</u>	<u>\$ 630</u>	<u>38%</u>

To supplement our statements of cash flows prepared in accordance with GAAP, we use free cash flow to analyze cash flow generated from operations. We define free cash flow as net cash provided by operating activities less total capital expenditures. This non-GAAP financial measure should not be considered as a substitute for, or superior to, GAAP net income as an indicator of our operating performance or GAAP cash flows from operating activities as a measure of our liquidity.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying financial information dated August 19, 2010 contains non-GAAP financial measures. Table B1, Table B2, Table E1, Table E2 and Table F 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
- Charges for historical use of technology licensing rights
- 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 marketable equity securities and other investments
- Income tax effects of excluded 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 purchases of common stock under 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.

Charges for historical use of technology licensing rights. We exclude from our non-GAAP financial measures the portion of technology licensing fees that relates to historical use of that technology.

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 marketable equity securities and other investments. We exclude from our non-GAAP financial measures gains and losses that we record when we sell or impair marketable equity securities and other investments.

Income tax effects of excluded items. We exclude from our non-GAAP financial measures 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. 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 marketable equity 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: 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; if economic and market conditions in the U.S. and worldwide continue to decline, our customers may delay or reduce technology purchases which may harm our business, results of operations and financial condition; 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 and consolidate, technology systems and platforms 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 2009 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 August 19, 2010, and we do not undertake any duty to update any forward-looking statement or other information in these materials.