

Intuit Facts

Q2/FY07 & FY07 Financial Outlook

Intuit Inc.

Investor Relations (650) 944-6165

NASDAQ: INTU

Financial Summary									Guidance ^(D)		
(\$ millions), except per share data											
	Q1 FY06	Q2 FY06	Q3 FY06	Q4 FY06	FY06	Q1 FY07	Q2 FY07	FY07 (YTD)	Q3 FY07	Q4 FY07	FY07
Revenue:											
Small Business											
QuickBooks	\$104.7	\$178.9	\$127.3	\$123.6	\$534.6	\$133.7	\$164.4	\$298.1			\$577-\$599
% change YOY	14%	9%	-2%	6%	6%	28%	-8%	5%			8%-12%
Payroll & Payments	\$103.6	\$119.9	\$116.5	\$122.0	\$462.0	\$125.5	\$138.2	\$263.7			\$494-\$513
% change YOY	27%	29%	21%	21%	24%	21%	15%	18%			7%-11%
Tax											
Consumer Tax	\$7.9	\$190.3	\$499.3	\$13.0	\$710.5	\$12.8	\$225.5	\$238.3			\$782-\$817
% change YOY	57%	35%	19%	134%	25%	63%	18%	20%			10%-15%
Professional Tax	\$8.9	\$150.5	\$104.7	\$8.7	\$272.9	\$9.7	\$130.7	\$140.4			\$273-\$287
% change YOY	20%	0%	5%	22%	3%	9%	-13%	-12%			0%-5%
Financial Institutions											
	\$4.1	\$5.1	\$6.0	\$9.3	\$24.4	\$5.5	\$6.4	\$11.9			\$146-\$153
% change YOY	37%	30%	16%	30%	27%	35%	26%	30%			Fav
Other Businesses											
	\$74.9	\$98.0	\$98.9	\$66.2	\$337.9	\$74.9	\$98.2	\$173.1			\$338-\$355
% change YOY	18%	2%	17%	3%	10%	0%	0%	0%			0%-5%
Total Revenue	\$304.1	\$742.7	\$952.6	\$342.9	\$2,342.3	\$362.1	\$763.3	\$1,125.4	\$1,102-\$1,132	\$405-\$418	\$2,625-\$2,675
% change YOY	20%	15%	14%	14%	15%	19%	3%	8%	16%-19%	18-22%	12%-14%
GAAP Operating Income (Loss)	(\$102.6)	\$239.0	\$480.1	(\$56.9)	\$559.5	(\$101.5)	\$214.3	\$112.8	\$527-\$554		\$585-\$611
Non-GAAP Operating Income (Loss) ^(A)	(\$75.5)	\$263.0	\$502.9	(\$36.3)	\$654.1	(\$77.5)	\$238.6	\$161.1	\$572-\$599		\$725-\$751
Non-GAAP Operating Margin % ^(A)	NA	35%	53%	NA	28%	NA	31%	14%			27%-28%
Interest and Other Income ^(B)	\$6.3	\$5.6	\$9.1	\$19.7	\$40.7	\$10.3	\$11.0	\$21.3			
GAAP Share Based Compensation Expense	\$20.4	\$17.7	\$17.2	\$16.0	\$71.4	\$18.9	\$19.3	\$38.2			
GAAP EPS Share Based Compensation Expense	(\$0.04)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.12)	(\$0.03)	(\$0.03)	(\$0.07)			
GAAP Diluted EPS^(C)	(\$0.13)	\$0.50	\$0.84	(\$0.06)	\$1.16	(\$0.17)	\$0.40	\$0.24	\$.94-\$0.98	(\$0.12)-(\$0.10)	\$1.10-\$1.14
Non-GAAP Diluted EPS^{(A)(C)}	(\$0.13)	\$0.48	\$0.89	(\$0.03)	\$1.21	(\$0.12)	\$0.45	\$0.33	\$1.05-\$1.09	(\$0.07)-(\$0.05)	\$1.33-\$1.37
Basic Share Count	354.8	350.3	343.7	342.5	347.9	346.2	347.2	346.7			344-346
Diluted Share Count	354.8	363.6	355.9	342.5	360.5	346.2	360.6	360.7	354-356		357-359
GAAP Tax Rate ^(C)	37%	37%	39%	43%	38%	35%	35%	36%	36%		36%
Capital Expenditures					\$82.1M						\$140M
Depreciation					\$94.2M						

Note: All amounts except GAAP EPS exclude amounts related to Intuit Information Technology Solutions (ITS), which we sold in the second quarter of fiscal 2006.

^(A)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.

^(B)Interest and other income includes \$7.5 million in variable royalty income from the purchaser of our former Quicken Loans business in Q4 FY06.

^(C)In accordance with GAAP, EPS includes ITS results for all periods presented. The effective tax rates used to calculate non-GAAP EPS were as follows:

35% for Q1 FY06 and Q2 FY06; 38% for Q3 FY06; 37% for Q4 FY06 and for full FY06 and 37% for Q1 FY07; 36% for Q2 FY07 (35% YTD in FY07).

^(D)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 - DIY Payroll, Assisted/Outsourced Payroll, Innovative Merchant Solutions; Consumer Tax - Turboc Professional Tax - ProSeries, Lacerte; Financial Institutions - Intuit Financial Institution Group, Digital Insight (starting Q3 FY07); Other Businesses - IDMS, IRES, Quicken, Canada/UK

Business Metrics												
Units in thousands, except where noted	Q1/FY05	Q2/FY05	Q3/FY05	Q4/FY05	FY05	Q1/FY06	Q2/FY06	Q3/FY06	Q4/FY06	FY06	Q1/FY07	Q2/FY07
QuickBooks^[E]												
Simple Start, Basic, and Pro	152	351	353	241	1,097	213	414	370	232	1,229	208	382
Premier	32	80	63	46	221	36	107	79	55	277	62	118
Enterprise	2	3	3	2	10	3	3	3	3	12	3	4
QuickBooks Online Edition	5	8	7	8	28	7	8	8	6	29	7	10
Total QuickBooks software units sold	191	442	426	297	1,356	259	532	460	295	1,546	280	513
QuickBooks Desktop subscriptions	0	46	84	109	109	124	142	151	155	155	160	161
QuickBooks Online Edition subscriptions	26	34	41	49	49	56	64	72	78	78	85	96
Total QuickBooks software subscriptions ^[F]	26	80	125	158	158	180	206	223	233	233	245	256
QuickBooks Retail Share^[G]												
Unit share FYTD	83%	86%	88%	88%	88%	85%	90%	90%	89%	89%	86%	87%
Dollar share FYTD	89%	90%	92%	91%	91%	89%	92%	92%	92%	92%	91%	92%
Payroll & Payments												
Standard & Enhanced customers ^[H]	816	837	844	837	837	853	881	890	892	892	912	937
Assisted & Complete customers	51	53	54	54	54	55	59	61	62	62	64	67
Premier customers	20	19	17	15	15	15	14	13	13	13	13	12
Total payroll customers	887	909	915	906	906	923	954	964	967	967	989	1016
Merchant Account Services customers	114	120	123	127	127	139	148	159	167	167	175	185
Consumer Tax												
Federal TurboTax (millions)												
Desktop units retail	NM	2.6	2.7	NM	5.3	NM	2.5	3.0	NM	5.5	NM	2.6
Desktop units direct	NM	1.1	0.6	NM	1.7	NM	1.0	0.6	NM	1.6	NM	1.1
Web units	NM	0.6	2.7	NM	3.4	NM	0.9	4.3	0.1	5.3	NM	0.8
Free File Alliance	NM	0.4	1.8	NM	2.2	NM	0.2	1.2	NM	1.4	NM	0.3
Total TurboTax federal units	NM	4.7	7.8	NM	12.6	NM	4.7	9.0	0.1	13.8	NM	4.8
Federal TurboTax retail share ^[I]												
Unit share FYTD	NM	80%	79%	79%	79%	NM	80%	79%	79%	79%	NM	82%
Dollar share FYTC	NM	85%	85%	85%	85%	NM	86%	85%	85%	85%	NM	87%
Professional Tax												
Professional Tax units	NM	94	12	NM	106	NM	100	11	1	112	NM	102

^[E]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.

^[F]Includes QuickBooks Online Edition, QuickBooks Pro and QuickBooks Premier from Enhanced Payroll Plus subscription units. This represents the cumulative base of QuickBooks subscribers. Subscription units sold in a particular period are a subset of total QuickBooks software units sold in that period.

^[G]Sources: NPD Group Monthly Retail Software Report through December 2006. Note: NPD began reporting Avanquest Bookkeeper starting April 2006. FYTD unit share excluding Avanquest is 90%.

^[H]Includes Standard Payroll, Enhanced Payroll, Online Payroll, and QuickPayroll

^[I]Sources: NPD Group Monthly Retail Software Report through December 2006.

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

	Three Months Ended		Six Months Ended	
	January 31, 2007	January 31, 2006	January 31, 2007	January 31, 2006
Net revenue:				
Product	\$ 549,539	\$ 557,079	\$ 761,959	\$ 739,533
Service and other	213,768	185,625	363,419	307,242
Total net revenue	<u>763,307</u>	<u>742,704</u>	<u>1,125,378</u>	<u>1,046,775</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	68,253	71,739	105,596	104,170
Cost of service and other revenue	70,293	63,393	138,665	122,641
Amortization of purchased intangible assets	2,583	2,763	4,891	5,712
Selling and marketing	221,440	196,903	376,538	344,333
Research and development	115,474	100,084	235,688	197,364
General and administrative	68,606	65,297	145,994	128,892
Acquisition-related charges	2,334	3,553	5,176	7,312
Total costs and expenses	<u>548,983</u>	<u>503,732</u>	<u>1,012,548</u>	<u>910,424</u>
Operating income from continuing operations	214,324	238,972	112,830	136,351
Interest and other income	11,046	5,566	21,336	11,870
Gains on marketable equity securities and other investments, net	-	3,027	1,221	7,294
Income from continuing operations before income taxes	225,370	247,565	135,387	155,515
Income tax provision [A]	79,673	92,074	48,405	57,635
Minority interest	335	244	550	244
Net income from continuing operations	145,362	155,247	86,432	97,636
Net income from discontinued operations [B]	-	27,726	-	39,533
Net income	<u>\$ 145,362</u>	<u>\$ 182,973</u>	<u>\$ 86,432</u>	<u>\$ 137,169</u>
Basic net income per share from continuing operations	\$ 0.42	\$ 0.44	\$ 0.25	\$ 0.28
Basic net income per share from discontinued operations	-	0.08	-	0.11
Basic net income per share [C]	<u>\$ 0.42</u>	<u>\$ 0.52</u>	<u>\$ 0.25</u>	<u>\$ 0.39</u>
Shares used in basic per share amounts [C]	<u>347,185</u>	<u>350,292</u>	<u>346,700</u>	<u>352,552</u>
Diluted net income per share from continuing operations	\$ 0.40	\$ 0.43	\$ 0.24	\$ 0.27
Diluted net income per share from discontinued operations	-	0.07	-	0.11
Diluted net income per share [C]	<u>\$ 0.40</u>	<u>\$ 0.50</u>	<u>\$ 0.24</u>	<u>\$ 0.38</u>
Shares used in diluted per share amounts [C]	<u>360,573</u>	<u>363,582</u>	<u>360,654</u>	<u>365,200</u>
Total share-based compensation expense in continuing operations:				
Cost of product revenue	\$ 262	\$ 245	\$ 480	\$ 533
Cost of service and other revenue	644	496	1,261	1,133
Selling and marketing	5,759	5,250	11,497	11,557
Research and development	5,560	4,684	10,862	10,294
General and administrative	7,087	7,074	14,071	14,656
Total	<u>\$ 19,312</u>	<u>\$ 17,749</u>	<u>\$ 38,171</u>	<u>\$ 38,173</u>

See accompanying Notes.

INTUIT INC.
NOTES TO TABLE A1

- [A] Our effective tax rate for the three months ended January 31, 2007 was approximately 35% and did not differ significantly from the federal statutory rate. Our effective tax rate for the six months ended January 31, 2007 was approximately 36% and differed from the federal statutory rate 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. Our effective tax rates for the three and six months ended January 31, 2006 were approximately 37% and differed from the federal statutory rate 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.
- [B] In December 2005 we sold our Intuit Information Technology Solutions (ITS) business for approximately \$200 million in cash. In accordance with the provisions of Statement of Financial Accounting Standards No. 144, "*Accounting for the Impairment or Disposal of Long-lived Assets*," we accounted for the sale of ITS as discontinued operations. Consequently, we have segregated the operating results and cash flows of ITS from continuing operations in our financial statements for all periods prior to the sale. Revenue for ITS was \$5.8 million and \$20.2 million for the three and six months ended January 31, 2006. Net income from ITS operations was \$1.9 million and \$5.2 million for the same periods. We recorded a net gain on the disposal of ITS of \$34.3 million in the six months ended January 31, 2006.
- [C] Our Board of Directors authorized a two-for-one stock split which was effected in the form of a 100% stock dividend on July 6, 2006. All share and per share figures in these tables retroactively reflect this stock split.

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 and covenants not to compete. 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.* 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 fiscal 2006 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, 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 fiscal 2006 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 gains on marketable equity securities and other investments, net 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: 35% for the first and second quarters of fiscal 2006; 38% for the third quarter of fiscal 2006; 37% for the fourth quarter of fiscal 2006 and full fiscal 2006; 37% for the first quarter of fiscal 2007; 36% for the second quarter of fiscal 2007; and 35% for the first half of fiscal 2007 and for fiscal 2007 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 the date of this press release. 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		Six Months Ended	
	January 31, 2007	January 31, 2006	January 31, 2007	January 31, 2006
Net revenue:				
Product	\$ 549,539	\$ 557,079	\$ 761,959	\$ 739,533
Service and other	213,768	185,625	363,419	307,242
Total net revenue	<u>763,307</u>	<u>742,704</u>	<u>1,125,378</u>	<u>1,046,775</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	67,991	71,494	105,116	103,637
Cost of service and other revenue	69,649	62,897	137,404	121,508
Selling and marketing	215,681	191,653	365,041	332,776
Research and development	109,914	95,400	224,826	187,070
General and administrative	61,519	58,223	131,923	114,236
Total costs and expenses	<u>524,754</u>	<u>479,667</u>	<u>964,310</u>	<u>859,227</u>
Income from operations	238,553	263,037	161,068	187,548
Interest and other income	11,046	5,566	21,336	11,870
Income before income taxes	<u>249,599</u>	<u>268,603</u>	<u>182,404</u>	<u>199,418</u>
Income tax provision	88,704	93,926	63,842	69,711
Minority interest	335	244	550	244
Net income	<u>\$ 160,560</u>	<u>\$ 174,433</u>	<u>\$ 118,012</u>	<u>\$ 129,463</u>
Basic net income per share	<u>\$ 0.46</u>	<u>\$ 0.50</u>	<u>\$ 0.34</u>	<u>\$ 0.37</u>
Shares used in basic per share amounts	<u>347,185</u>	<u>350,292</u>	<u>346,700</u>	<u>352,552</u>
Diluted net income per share	<u>\$ 0.45</u>	<u>\$ 0.48</u>	<u>\$ 0.33</u>	<u>\$ 0.35</u>
Shares used in diluted per share amounts	<u>360,573</u>	<u>363,582</u>	<u>360,654</u>	<u>365,200</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. All share and per share figures in this Table A2 retroactively reflect our July 2006 two-for-one common stock split.

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 January 31, 2007			Three Months Ended January 31, 2006		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 549,539	\$ -	\$ 549,539	\$ 557,079	\$ -	\$ 557,079
Service and other	213,768	-	213,768	185,625	-	185,625
Total net revenue	<u>763,307</u>	<u>-</u>	<u>763,307</u>	<u>742,704</u>	<u>-</u>	<u>742,704</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	67,991	262 [a]	68,253	71,494	245 [a]	71,739
Cost of service and other revenue	69,649	644 [a]	70,293	62,897	496 [a]	63,393
Amortization of purchased intangible assets	-	2,583 [b]	2,583	-	2,763 [b]	2,763
Selling and marketing	215,681	5,759 [a]	221,440	191,653	5,250 [a]	196,903
Research and development	109,914	5,560 [a]	115,474	95,400	4,684 [a]	100,084
General and administrative	61,519	7,087 [a]	68,606	58,223	7,074 [a]	65,297
Acquisition-related charges	-	2,334 [c]	2,334	-	3,553 [c]	3,553
Total costs and expenses	<u>524,754</u>	<u>24,229</u>	<u>548,983</u>	<u>479,667</u>	<u>24,065</u>	<u>503,732</u>
Operating income from continuing operations	238,553	(24,229)	214,324	263,037	(24,065)	238,972
Interest and other income	11,046	-	11,046	5,566	-	5,566
Gains on marketable equity securities and other investments, net	-	-	-	-	3,027 [d]	3,027
Income from continuing operations before income taxes	249,599	(24,229)	225,370	268,603	(21,038)	247,565
Income tax provision	88,704	(9,031) [e]	79,673	93,926	(1,852) [e]	92,074
Minority interest	335	-	335	244	-	244
Net income from continuing operations	160,560	(15,198)	145,362	174,433	(19,186)	155,247
Net income from discontinued operations	-	-	-	-	27,726 [f]	27,726
Net income	<u>\$ 160,560</u>	<u>\$ (15,198)</u>	<u>\$ 145,362</u>	<u>\$ 174,433</u>	<u>\$ 8,540</u>	<u>\$ 182,973</u>
Basic net income per share from continuing operations	\$ 0.46		\$ 0.42	\$ 0.50		\$ 0.44
Basic net income per share from discontinued operations	-		-	-		0.08
Basic net income per share	<u>\$ 0.46</u>		<u>\$ 0.42</u>	<u>\$ 0.50</u>		<u>\$ 0.52</u>
Shares used in basic per share amounts	<u>347,185</u>		<u>347,185</u>	<u>350,292</u>		<u>350,292</u>
Diluted net income per share from continuing operations	\$ 0.45		\$ 0.40	\$ 0.48		\$ 0.43
Diluted net income per share from discontinued operations	-		-	-		0.07
Diluted net income per share	<u>\$ 0.45</u>		<u>\$ 0.40</u>	<u>\$ 0.48</u>		<u>\$ 0.50</u>
Shares used in diluted per share amounts	<u>360,573</u>		<u>360,573</u>	<u>363,582</u>		<u>363,582</u>

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more information on these non-GAAP adjustments. All share and per share figures in this Table B1 retroactively reflect our July 2006 two-for-one common stock split.

- [a] Adjustment to exclude share-based compensation expense for stock options, restricted stock, restricted stock units and purchases under our Employee Stock Purchase Plan 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 reflect the tax effects of items [a] through [d] and to exclude certain GAAP discrete tax items from non-GAAP financial measures.
- [f] 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 thousands, except per share amounts)
(Unaudited)

	Six Months Ended January 31, 2007			Six Months Ended January 31, 2006		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 761,959	\$ -	\$ 761,959	\$ 739,533	\$ -	\$ 739,533
Service and other	363,419	-	363,419	307,242	-	307,242
Total net revenue	<u>1,125,378</u>	<u>-</u>	<u>1,125,378</u>	<u>1,046,775</u>	<u>-</u>	<u>1,046,775</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	105,116	480 [a]	105,596	103,637	533 [a]	104,170
Cost of service and other revenue	137,404	1,261 [a]	138,665	121,508	1,133 [a]	122,641
Amortization of purchased intangible assets	-	4,891 [b]	4,891	-	5,712 [b]	5,712
Selling and marketing	365,041	11,497 [a]	376,538	332,776	11,557 [a]	344,333
Research and development	224,826	10,862 [a]	235,688	187,070	10,294 [a]	197,364
General and administrative	131,923	14,071 [a]	145,994	114,236	14,656 [a]	128,892
Acquisition-related charges	-	5,176 [c]	5,176	-	7,312 [c]	7,312
Total costs and expenses	<u>964,310</u>	<u>48,238</u>	<u>1,012,548</u>	<u>859,227</u>	<u>51,197</u>	<u>910,424</u>
Operating income from continuing operations	161,068	(48,238)	112,830	187,548	(51,197)	136,351
Interest and other income	21,336	-	21,336	11,870	-	11,870
Gains on marketable equity securities and other investments, net	-	1,221 [d]	1,221	-	7,294 [d]	7,294
Income from continuing operations before income taxes	182,404	(47,017)	135,387	199,418	(43,903)	155,515
Income tax provision	63,842	(15,437) [e]	48,405	69,711	(12,076) [e]	57,635
Minority interest	550	-	550	244	-	244
Net income from continuing operations	118,012	(31,580)	86,432	129,463	(31,827)	97,636
Net income from discontinued operations	-	-	-	-	39,533 [f]	39,533
Net income	<u>\$ 118,012</u>	<u>\$ (31,580)</u>	<u>\$ 86,432</u>	<u>\$ 129,463</u>	<u>\$ 7,706</u>	<u>\$ 137,169</u>
Basic net income per share from continuing operations	\$ 0.34		\$ 0.25	\$ 0.37		\$ 0.28
Basic net income per share from discontinued operations	-		-	-		0.11
Basic net income per share	<u>\$ 0.34</u>		<u>\$ 0.25</u>	<u>\$ 0.37</u>		<u>\$ 0.39</u>
Shares used in basic per share amounts	<u>346,700</u>		<u>346,700</u>	<u>352,552</u>		<u>352,552</u>
Diluted net income per share from continuing operations	\$ 0.33		\$ 0.24	\$ 0.35		\$ 0.27
Diluted net income per share from discontinued operations	-		-	-		0.11
Diluted net income per share	<u>\$ 0.33</u>		<u>\$ 0.24</u>	<u>\$ 0.35</u>		<u>\$ 0.38</u>
Shares used in diluted per share amounts	<u>360,654</u>		<u>360,654</u>	<u>365,200</u>		<u>365,200</u>

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more information on these non-GAAP adjustments. All share and per share figures in this Table B2 retroactively reflect our July 2006 two-for-one common stock split.

- [a] Adjustment to exclude share-based compensation expense for stock options, restricted stock, restricted stock units and purchases under our Employee Stock Purchase Plan 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 reflect the tax effects of items [a] through [d] and to exclude certain GAAP discrete tax items from non-GAAP financial measures.
- [f] Adjustment to exclude net income 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 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					
April 30, 2007					
Revenue	\$ 1,102,000	\$ 1,132,000	\$ -	\$ 1,102,000	\$ 1,132,000
Operating income	\$ 527,000	\$ 554,000	\$ 45,000 [a]	\$ 572,000	\$ 599,000
Operating margin	48%	49%	4% [a]	52%	53%
Diluted earnings per share	\$ 0.94	\$ 0.98	\$ 0.11 [b]	\$ 1.05	\$ 1.09
Shares	354,000	356,000		354,000	356,000
Three Months Ending					
July 31, 2007					
Revenue	\$ 405,000	\$ 418,000	\$ -	\$ 405,000	\$ 418,000
Diluted loss per share	\$ (0.12)	\$ (0.10)	\$ 0.05 [c]	\$ (0.07)	\$ (0.05)
Twelve Months Ending					
July 31, 2007					
Revenue	\$ 2,625,000	\$ 2,675,000	\$ -	\$ 2,625,000	\$ 2,675,000
Operating income	\$ 585,000	\$ 611,000	\$ 140,000 [d]	\$ 725,000	\$ 751,000
Operating margin	23%	23%	5% [d]	28%	28%
Diluted earnings per share	\$ 1.10	\$ 1.14	\$ 0.23 [e]	\$ 1.33	\$ 1.37
Shares	357,000	359,000		357,000	359,000

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 \$21 million; amortization of purchased intangible assets of approximately \$14 million; and acquisition-related charges of approximately \$10 million.
- [b] Reflects the estimated adjustments in item [a] and income taxes related to these adjustments.
- [c] Reflects adjustments for share-based compensation expense of approximately \$22 million; amortization of purchased intangible assets of approximately \$14 million; acquisition-related charges of approximately \$10 million; an adjustment for an expected net gain on the sale of certain assets related to our Complete Payroll and Premier Payroll Service businesses of approximately \$14 million; and income taxes related to these adjustments.
- [d] Reflects estimated adjustments for share-based compensation expense of approximately \$82 million; amortization of purchased intangible assets of approximately \$33 million; and acquisition-related charges of approximately \$25 million.
- [e] Reflects the estimated adjustments in item [d]; an adjustment for net gains on marketable equity securities and other investments of approximately \$1 million; an adjustment for an expected net gain on the sale of certain assets related to our Complete Payroll and Premier Payroll Service businesses of approximately \$14 million; 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 thousands, except per share amounts)
(Unaudited)

	<u>GAAP</u>	<u>Adjustments</u>	<u>Non- GAAP</u>
Three months ended October 31, 2005			
Operating loss	\$ (102,621)	\$ 27,132 [a]	\$ (75,489)
Diluted loss per share	\$ (0.13)	\$ - [b]	\$ (0.13)
Three months ended January 31, 2006			
Operating income	\$ 238,972	\$ 24,065 [c]	\$ 263,037
Operating margin	32.2%	3.2% [c]	35.4%
Diluted earnings per share	\$ 0.50	\$ (0.02) [d]	\$ 0.48
Three months ended April 30, 2006			
Operating income	\$ 480,107	\$ 22,758 [e]	\$ 502,865
Operating margin	50.4%	2.4% [e]	52.8%
Diluted earnings per share	\$ 0.84	\$ 0.05 [f]	\$ 0.89
Three months ended July 31, 2006			
Operating loss	\$ (56,914)	\$ 20,645 [g]	\$ (36,269)
Diluted loss per share	\$ (0.06)	\$ 0.03 [h]	\$ (0.03)
Twelve months ended July 31, 2006			
Operating income	\$ 559,544	\$ 94,600 [i]	\$ 654,144
Operating margin	23.9%	4.0% [i]	27.9%
Diluted earnings per share	\$ 1.16	\$ 0.05 [j]	\$ 1.21
Three months ended October 31, 2006			
Operating loss	\$ (101,494)	\$ 24,009 [k]	\$ (77,485)
Diluted loss per share	\$ (0.17)	\$ 0.05 [l]	\$ (0.12)
Three months ended January 31, 2007			
Operating income	\$ 214,324	\$ 24,229 [m]	\$ 238,553
Operating margin	28%	3% [m]	31%
Diluted income per share	\$ 0.40	\$ 0.05 [n]	\$ 0.45
Six months ended January 31, 2007			
Operating income	\$ 112,830	\$ 48,238 [o]	\$ 161,068
Operating margin	10%	4% [o]	14%
Diluted income per share	\$ 0.24	\$ 0.09 [p]	\$ 0.33

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. All per share figures in this Table E2 retroactively reflect our July 2006 two-for-one common stock split.

[a] Reflects adjustments for share-based compensation expense of \$20.4 million; amortization of purchased intangible assets of \$2.9 million; and acquisition-related charges of \$3.8 million.

- [b] Reflects the adjustments in item [a]; an adjustment for net gains on marketable equity securities and other investments of \$4.3 million; and income taxes related to these adjustments. Also reflects adjustments for certain GAAP tax benefits and for net income from discontinued operations of \$11.8 million.
- [c] Reflects adjustments for share-based compensation expense of \$17.7 million; amortization of purchased intangible assets of \$2.8 million; and acquisition-related charges of \$3.6 million.
- [d] Reflects the adjustments in item [d]; an adjustment for net gains on marketable equity securities and other investments of \$3.0 million; and income taxes related to these adjustments. Also reflects adjustments for certain GAAP tax benefits and for net income from discontinued operations of \$27.7 million.
- [e] Reflects adjustments for share-based compensation expense of \$17.2 million; amortization of purchased intangible assets of \$2.3 million; and acquisition-related charges of \$3.3 million.
- [f] Reflects the adjustments in item [e]; an adjustment for net gains on marketable equity securities and other investments of \$0.1 million; and income taxes related to these adjustments. Also reflects adjustments for certain GAAP tax benefits.
- [g] Reflects adjustments for share-based compensation expense of \$16.0 million; amortization of purchased intangible assets of \$1.9 million; and acquisition-related charges of \$2.7 million.
- [h] Reflects the adjustments in item [g]; an adjustment for net gains on marketable equity securities and other investments of \$0.3 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items, including the tax on the gain on the sale of our Master Builder business.
- [i] Reflects adjustments for share-based compensation expense of \$71.4 million; amortization of purchased intangible assets of \$9.9 million; and acquisition-related charges of \$13.3 million.
- [j] Reflects the adjustments in item [i]; an adjustment for net gains on marketable equity securities and other investments of \$7.6 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items, including the tax on the gain on the sale of our Master Builder business, and for net income from discontinued operations of \$39.5 million.
- [k] Reflects adjustments for share-based compensation expense of \$18.9 million; amortization of purchased intangible assets of \$2.3 million; and acquisition-related charges of \$2.8 million.
- [l] Reflects the adjustments in item [k]; 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.
- [m] Reflects adjustments for share-based compensation expense of \$19.3 million; amortization of purchased intangible assets of \$2.6 million; and acquisition-related charges of \$2.3 million.
- [n] Reflects the adjustments in item [m] and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items.
- [o] Reflects adjustments for share-based compensation expense of \$38.2 million; amortization of purchased intangible assets of \$4.9 million; and acquisition-related charges of \$5.2 million.
- [p] Reflects the adjustments in item [o]; 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.

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 2007 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 ship and deliver products 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 2006 and in our other SEC filings. You can locate these reports through our Web site at http://www.intuit.com/about_intuit/investors. Forward-looking statements are based on information as of February 22, 2007, and we do not undertake any duty to update any forward-looking statement or other information.