

Intuit Facts

Q4/FY13

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

Financial Summary										
(\$ millions), except per share data										
	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	FY13
Revenue:										
Small Business Group										
Financial Management Solutions	\$149	\$179	\$178	\$184	\$691	\$179	\$209	\$220	\$217	\$825
% change YOY	10%	7%	10%	17%	11%	20%	17%	24%	18%	20%
Employee Management Solutions	\$121	\$127	\$130	\$134	\$513	\$136	\$144	\$144	\$151	\$574
% change YOY	13%	9%	12%	13%	12%	12%	13%	11%	12%	12%
Payment Solutions	\$94	\$99	\$106	\$117	\$417	\$114	\$117	\$120	\$125	\$476
% change YOY	19%	17%	14%	31%	20%	21%	18%	13%	7%	14%
Total Small Business	\$365	\$406	\$414	\$436	\$1,621	\$429	\$470	\$484	\$493	\$1,876
% change YOY	13%	10%	12%	19%	14%	18%	16%	17%	13%	16%
Tax										
Consumer Tax	\$41	\$295	\$1,072	\$33	\$1,441	\$36	\$215	\$1,221	\$30	\$1,502
% change YOY	39%	44%	3%	16%	11%	(11%)	(27%)	14%	(9%)	4%
Accounting Professionals	\$27	\$131	\$236	\$29	\$423	\$32	\$123	\$257	\$37	\$449
% change YOY	6%	8%	5%	8%	6%	19%	(7%)	9%	29%	6%
Other Businesses	\$59	\$79	\$117	\$69	\$324	\$65	\$76	\$128	\$74	\$343
% change YOY	(4%)	(5%)	4%	3%	0%	10%	(4%)	9%	8%	6%
Total Revenue	\$491	\$911	\$1,840	\$567	\$3,808	\$562	\$884	\$2,091	\$634	\$4,171
% change YOY	12%	17%	5%	16%	10%	15%	(3%)	14%	12%	10%
GAAP Operating Income (Loss)	(\$80)	\$193	\$1,102	(\$47)	\$1,168	(\$73)	\$84	\$1,282	(\$60)	\$1,233
Non-GAAP Operating Income (Loss) ^(A)	(\$27)	\$238	\$1,143	\$13	\$1,367	(\$16)	\$140	\$1,337	\$9	\$1,470
Non-GAAP Operating Margin % ^(A)	NA	26%	62%	2%	35.9%	NA	16%	64%	1%	35.2%
Interest Expense	(\$15)	(\$15)	(\$12)	(\$8)	(\$50)	(\$8)	(\$7)	(\$8)	(\$7)	(\$30)
Interest and Other Income	\$11	\$3	\$5	\$1	\$20	\$2	\$1	\$4	(\$0)	\$7
GAAP Share Based Compensation Expense	\$38	\$40	\$35	\$46	\$159	\$46	\$44	\$43	\$51	\$184
GAAP EPS Share Based Compensation Expense	(\$0.08)	(\$0.09)	(\$0.08)	(\$0.09)	(\$0.35)	(\$0.10)	(\$0.12)	(\$0.09)	(\$0.12)	(\$0.41)
GAAP Diluted EPS	(\$0.21)	\$0.39	\$2.42	\$0.01	\$2.60	(\$0.06)	\$0.23	\$2.71	(\$0.05)	\$2.83
Non-GAAP Diluted EPS^{(A) (B)}	(\$0.09)	\$0.49	\$2.49	\$0.01	\$2.89	(\$0.05)	\$0.30	\$2.94	\$0.00	\$3.20
GAAP Diluted EPS (YTD)	(\$0.21)	\$0.18	\$2.58	\$2.60	\$2.60	(\$0.06)	\$0.17	\$2.88	\$2.83	\$2.83
Non-GAAP Diluted EPS (YTD) ^{(B) (C)}	(\$0.09)	\$0.39	\$2.87	\$2.89	\$2.89	(\$0.05)	\$0.25	\$3.20	\$3.20	\$3.20
Basic Share Count	300	297	295	294	296	296	296	297	298	297
Diluted Share Count	300	306	303	302	305	296	303	304	304	303
GAAP Tax Rate ^(C)	35%	34%	33%	41%	33%	33%	17%	33%	31%	32%
Capital Expenditures					\$186					\$195

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

^(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.

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

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

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

Intuit Facts

FY14 Financial Outlook

Guidance^[D]				
(\$ millions), except per share data	Q1 FY14	FY14	Historical FY13	Historical FY12
Revenue:				
<u>Small Business</u>		\$2,270-\$2,310	\$2,058	\$1,779
% change YOY		10%-12%	16%	
<u>Small Business Financial Solutions</u>			\$1,285	\$1,159
% change YOY			11%	
<u>Small Business Management Solutions</u>			\$701	\$560
% change YOY			25%	
<u>Accounting and Advisory Group</u>			\$71	\$59
% change YOY			19%	
<u>Consumer</u>		\$1,765-\$1,795	\$1,708	\$1,640
% change YOY		3%-5%	4%	
<u>Consumer Tax</u>		\$1,610-\$1,635	\$1,552	\$1,488
% change YOY		4%-5%	4%	
<u>Consumer Ecosystem</u>			\$156	\$153
% change YOY			2%	
<u>Pro Tax</u>		\$405-\$420	\$405	\$388
% change YOY		0%-4%	5%	
Total Revenue	\$595-\$605	\$4,440-\$4,525	\$4,171	\$3,808
% change YOY	6%-8%	6%-8%	10%	
GAAP Operating Income (Loss)	(\$93)-(\$88)	\$1,347-\$1,377	\$1,233	\$1,168
Non-GAAP Operating Income (Loss) ^[E]	(\$35)-(\$30)	\$1,580-\$1,610	\$1,470	\$1,367
Non-GAAP Operating Margin % ^[E]			35%	36%
GAAP Diluted EPS	(\$0.11)-(\$0.10)	\$3.11-\$3.19	\$2.83	\$2.60
Non-GAAP Diluted EPS^[E,F]	(\$0.11)-(\$0.10)	\$3.52-\$3.60	\$3.20	\$2.89
Basic Share Count		280-285	297	296
Diluted Share Count		285-290	303	305
GAAP Tax Rate	35%	35%	32%	33%
Capital Expenditures		\$145-\$165	\$195	\$186

^[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.

^[E]These are non-GAAP financial measures. See table E1 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.

^[F]The effective tax rates used to calculate non-GAAP EPS were as follows: 33% full year FY12 and 33% full year FY13.

Small Business Financial Solutions - QuickBooks Software, Financial Supplies, Merchant Services; Small Business Management Solutions - Demandforce, QuickBooks Payroll, Intuit Online Payroll, Intuit Full Service Payroll; Accounting and Advisory Group - QuickBooks Software for Accountants, Practice Management/Virtual Office, ProAdvisor Program; Consumer Tax - TurboTax; Consumer Ecosystem - Quicken, Mint; Pro Tax - ProSeries, Lacerte, Intuit Tax Online

Intuit Facts

Worldwide Business Metrics ^[G]															
Units in thousands, except where noted	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	FY11	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	FY13
Small Business															
Total Small Business Customers (millions) ^[H]	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.1	5.2	5.2	5.2	5.2
Financial Management Solutions ^[I]															
QuickBooks Online Subscribers	217	241	267	285	285	309	336	363	380	380	399	430	459	487	487
Enterprise Solutions Subscribers	49	52	55	59	59	61	64	66	73	73	76	80	85	92	92
QuickBooks Desktop Subscribers	115	114	123	125	125	133	140	149	150	150	166	175	179	185	185
Total Subscriber Base (Net)	381	407	446	469	469	503	540	578	602	602	640	684	723	763	763
QuickBooks Desktop Units Sales ^[J]	243	382	435	323	1,382	216	372	420	319	1,327	202	307	422	315	1,246
Employee Management Solutions															
Total EMS Customers ^[K]	1,219	1,238	1,249	1,241	1,241	1,258	1,269	1,276	1,267	1,267	1,275	1,295	1,310	1,298	1,298
EMS Online Subscribers	171	177	189	197	197	205	216	224	234	234	246	256	268	276	276
Payment Solutions															
Merchant Account Services customers ^{[L] [M]}	297	303	317	323	323	331	336	359	364	364	385	382	403	410	410
Merchant Account Services Card Volume YOY % ^[L]	14%	15%	13%	13%	14%	14%	13%	13%	12%	13%	11%	10%	7%	7%	9%
Consumer Tax															
Federal U.S. TurboTax Units (millions)															
Desktop units	NM	3.4	2.7	NM	6.1	NM	3.3	2.5	NM	5.9	NM	3.1	2.7	NM	5.8
Web units	NM	3.3	12.5	0.7	16.5	NM	4.6	13.0	0.5	18.1	NM	3.7	14.9	0.7	19.3
Free File Alliance	NM	0.3	1.0	NM	1.3	NM	0.3	0.9	NM	1.2	NM	0.1	1.0	NM	1.1
Total U.S. TurboTax Federal units	NM	7.0	16.3	0.7	23.9	NM	8.3	16.4	0.5	25.2	NM	6.9	18.6	0.7	26.2
Canada TurboTax Units (millions)	NM	0.2	1.3	0.1	1.6	NM	0.3	1.3	0.1	1.7	NM	0.3	1.5	0.1	1.9
Federal TurboTax U.S. Retail share ^[N]															
Unit share FYTD	NM	88%	85%	85%	85%	NM	87%	85%	85%	85%	NM	90%	87%	87%	87%
Dollar share FYTD	NM	91%	89%	89%	89%	NM	91%	89%	90%	90%	NM	93%	91%	91%	91%
Accounting Professionals															
Professional Tax Customers	NM	102	15	NM	117	NM	102	17	NM	119	NM	102	19	NM	121

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

^[G]All applicable metrics include worldwide customers.

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

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

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

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

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

^[M]Includes processing customers only.

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

Segment Revenue (YTD)

(\$ millions)	FY13				FY12			
	<u>Product</u>	<u>Services^[0]</u>	<u>Total</u>	<u>Svcs as</u>	<u>Product</u>	<u>Services^[0]</u>	<u>Total</u>	<u>Svcs as</u>
				<u>% of Total</u>				<u>% of Total</u>
QB Desktop	\$216	\$3	\$219	1%	\$218	\$2	\$220	1%
QB Online, Enterprise, & Desktop Subscriptions	\$37	\$216	\$253	85%	\$42	\$164	\$206	80%
Demandforce, Supplies, & Other Conn. Svcs	\$171	\$182	\$353	52%	\$158	\$107	\$264	40%
Financial Management Solutions	\$424	\$401	\$825	49%	\$417	\$273	\$691	40%
Employee Management Solutions	\$299	\$276	\$574	48%	\$280	\$232	\$513	45%
Payment Solutions	\$28	\$449	\$476	94%	\$27	\$391	\$417	94%
Total Small Business	\$750	\$1,126	\$1,876	60%	\$724	\$896	\$1,621	55%
Consumer Tax	\$205	\$1,298	\$1,502	86%	\$218	\$1,223	\$1,441	85%
Accounting Professionals	\$385	\$64	\$449	14%	\$369	\$54	\$423	13%
Other Businesses	\$176	\$167	\$343	49%	\$167	\$157	\$324	48%
Total Segment Revenue	\$1,516	\$2,655	\$4,171	64%	\$1,479	\$2,330	\$3,808	61%

Segment Operating Income

	Q4				Full Year			
	<u>% Related</u>		<u>% Related</u>		<u>% Related</u>		<u>% Related</u>	
	<u>FY13</u>	<u>Revenue</u>	<u>FY12</u>	<u>Revenue</u>	<u>FY13</u>	<u>Revenue</u>	<u>FY12</u>	<u>Revenue</u>
Financial Management Solutions	\$79	36%	\$70	38%	\$305	37%	\$265	38%
Employee Management Solutions	\$93	62%	\$86	64%	\$353	61%	\$314	61%
Payment Solutions	\$46	36%	\$35	30%	\$129	27%	\$107	26%
Total Small Business	\$218	44%	\$191	44%	\$787	42%	\$686	42%
Consumer Tax	(\$32)	NA	(\$45)	NA	\$943	63%	\$886	61%
Accounting Professionals	(\$7)	NA	(\$12)	NA	\$266	59%	\$249	59%
Other Businesses	\$18	24%	\$23	33%	\$113	33%	\$117	36%
Total Segment Op Income	\$197	31%	\$157	28%	\$2,108	51%	\$1,938	51%

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

^[0]Services revenue includes service and other revenue as reported in SEC filing(s).

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

	Three Months Ended		Twelve Months Ended	
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2012
Net revenue:				
Product	\$ 248	\$ 240	\$ 1,515	\$ 1,479
Service and other	386	327	2,656	2,329
Total net revenue	<u>634</u>	<u>567</u>	<u>4,171</u>	<u>3,808</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	28	29	130	146
Cost of service and other revenue	95	113	429	429
Amortization of acquired technology	4	4	18	10
Selling and marketing	256	198	1,219	1,033
Research and development	182	166	685	618
General and administrative	115	98	422	381
Amortization of other acquired intangible assets	14	6	35	23
Total costs and expenses [A]	<u>694</u>	<u>614</u>	<u>2,938</u>	<u>2,640</u>
Operating income (loss) from continuing operations	(60)	(47)	1,233	1,168
Interest expense	(7)	(8)	(30)	(50)
Interest and other income, net	—	1	7	20
Income (loss) from continuing operations before income taxes	(67)	(54)	1,210	1,138
Income tax provision (benefit) [B]	(21)	(22)	387	374
Net income (loss) from continuing operations	(46)	(32)	823	764
Net income from discontinued operations [C]	30	36	35	28
Net income (loss)	<u>\$ (16)</u>	<u>\$ 4</u>	<u>\$ 858</u>	<u>\$ 792</u>
Basic net income (loss) per share from continuing operations	\$ (0.15)	\$ (0.11)	\$ 2.78	\$ 2.58
Basic net income per share from discontinued operations	0.10	0.12	0.11	0.09
Basic net income (loss) per share	<u>\$ (0.05)</u>	<u>\$ 0.01</u>	<u>\$ 2.89</u>	<u>\$ 2.67</u>
Shares used in basic per share calculations	<u>298</u>	<u>294</u>	<u>297</u>	<u>296</u>
Diluted net income (loss) per share from continuing operations	\$ (0.15)	\$ (0.11)	\$ 2.72	\$ 2.51
Diluted net income per share from discontinued operations	0.10	0.12	0.11	0.09
Diluted net income (loss) per share	<u>\$ (0.05)</u>	<u>\$ 0.01</u>	<u>\$ 2.83</u>	<u>\$ 2.60</u>
Shares used in diluted per share calculations	<u>298</u>	<u>294</u>	<u>303</u>	<u>305</u>
Dividends declared per common share	<u>\$ 0.17</u>	<u>\$ 0.15</u>	<u>\$ 0.68</u>	<u>\$ 0.60</u>

See accompanying Notes.

INTUIT INC.
NOTES TO TABLE A1

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

<i>(in millions)</i>	Three Months Ended		Twelve Months Ended	
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2012
Cost of revenue	\$ 2	\$ 2	\$ 6	\$ 4
Selling and marketing	17	16	64	56
Research and development	16	14	55	49
General and administrative	16	14	59	50
Total share-based compensation expense from continuing operations	51	46	184	159
Discontinued operations	2	3	11	10
Total share-based compensation expense	\$ 53	\$ 49	\$ 195	\$ 169

[B] We compute our annual provision for income taxes by applying the annual effective tax rate to income from recurring operations and adding the effects of any discrete income tax items specific to the period. Our effective tax rate for the twelve months ended July 31, 2013 was approximately 32%. Excluding a discrete tax benefit related to the retroactive reinstatement of the federal research and experimentation credit, our effective tax rate for that period was approximately 33% and did not differ significantly from the statutory rate of 35%. Our effective tax rate for the twelve months ended July 31, 2012 was approximately 33% and did not differ significantly from the statutory rate of 35%.

[C] *Intuit Financial Services.* On July 1, 2013 we signed a definitive agreement to sell our Intuit Financial Services business and on August 1, 2013 we completed the sale for approximately \$1.025 billion in cash. The IFS business comprised substantially all of our former Financial Services reporting segment. We classified our IFS business as discontinued operations in the fourth quarter of fiscal 2013 and have therefore segregated its operating results and net assets from continuing operations in our statements of operations and on our balance sheets for all periods presented. Revenue for IFS was approximately \$325 million for fiscal 2013 and approximately \$326 million for fiscal 2012. Net assets held for sale at July 31, 2013 and July 31, 2012 consisted primarily of goodwill. Because operating cash flows from the IFS business were not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows.

Intuit Health. In July 2013 management having the authority to do so formally approved a plan to sell our Intuit Health business and on August 19, 2013 we completed the sale for cash consideration that was not significant. Intuit Health was part of our Other Businesses reporting segment. We classified our Intuit Health business as discontinued operations in the fourth quarter of fiscal 2013 and have segregated its operating results in our statements of operations for all periods presented. Revenue for Intuit Health was approximately \$16 million for fiscal 2013 and approximately \$18 million for fiscal 2012. Net assets held for sale at July 31, 2013 and July 31, 2012 consisted primarily of operating assets and liabilities that were not material, so we have not segregated them on our balance sheets. Because operating cash flows from the Intuit Health business were also not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows.

Intuit Websites. In July 2012 management having the authority to do so formally approved a plan to sell our Intuit Websites business and on September 17, 2012 we completed the sale for approximately \$60 million in cash. The Intuit Websites business was a component of our Financial Management Solutions reporting segment. We recorded a gain on disposal of approximately \$32 million, net of income taxes, in the first quarter of fiscal 2012. We classified our Intuit Websites business as discontinued operations in the fourth quarter of fiscal 2012 and have segregated its operating results in our statements of operations for all periods presented. Revenue from Intuit Websites was approximately \$19 million for fiscal 2013 and approximately \$76 million for fiscal 2012. Net assets held for sale at July 31, 2012 consisted primarily of operating assets and liabilities that were not material, so we have not segregated them on our balance sheets. Because operating cash flows from the Intuit Websites business were also not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows.

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

	Three Months Ended		Twelve Months Ended	
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2012
Net revenue:				
Product	\$ 248	\$ 240	\$ 1,515	\$ 1,479
Service and other	386	327	2,656	2,329
Total net revenue	<u>634</u>	<u>567</u>	<u>4,171</u>	<u>3,808</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	28	29	130	146
Cost of service and other revenue	93	111	423	425
Selling and marketing	239	182	1,155	977
Research and development	166	152	630	569
General and administrative	99	80	363	324
Total costs and expenses	<u>625</u>	<u>554</u>	<u>2,701</u>	<u>2,441</u>
Operating income	<u>9</u>	<u>13</u>	<u>1,470</u>	<u>1,367</u>
Interest expense	(7)	(8)	(30)	(50)
Interest and other income, net	—	1	8	8
Income before income taxes	<u>2</u>	<u>6</u>	<u>1,448</u>	<u>1,325</u>
Income tax provision	1	2	478	444
Net income	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 970</u>	<u>\$ 881</u>
Basic net income per share	<u>\$ —</u>	<u>\$ 0.01</u>	<u>\$ 3.27</u>	<u>\$ 2.97</u>
Shares used in basic per share calculations	<u>298</u>	<u>294</u>	<u>297</u>	<u>296</u>
Diluted net income per share	<u>\$ —</u>	<u>\$ 0.01</u>	<u>\$ 3.20</u>	<u>\$ 2.89</u>
Shares used in diluted per share calculations	<u>304</u>	<u>302</u>	<u>303</u>	<u>305</u>

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

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

	Three Months Ended July 31, 2013			Three Months Ended July 31, 2012		
	GAAP	Adjmts	Non-GAAP	GAAP	Adjmts	Non-GAAP
Net revenue:						
Product	\$ 248	\$ —	\$ 248	\$ 240	\$ —	\$ 240
Service and other	386	—	386	327	—	327
Total net revenue	<u>634</u>	<u>—</u>	<u>634</u>	<u>567</u>	<u>—</u>	<u>567</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	28	—	28	29	—	29
Cost of service and other revenue	95	(2) [a]	93	113	(2) [a]	111
Amortization of acquired technology	4	(4) [b]	—	4	(4) [b]	—
Selling and marketing	256	(17) [a]	239	198	(16) [a]	182
Research and development	182	(16) [a]	166	166	(14) [a]	152
General and administrative	115	(16) [a]	99	98	(18) [a] [c]	80
Amortization of other acquired intangible assets	14	(14) [b]	—	6	(6) [b]	—
Total costs and expenses	<u>694</u>	<u>(69)</u>	<u>625</u>	<u>614</u>	<u>(60)</u>	<u>554</u>
Operating income (loss) from continuing operations	(60)	69	9	(47)	60	13
Interest expense	(7)	—	(7)	(8)	—	(8)
Interest and other income, net	—	—	—	1	—	1
Income (loss) before income taxes	(67)	69	2	(54)	60	6
Income tax provision (benefit)	(21)	22 [d]	1	(22)	24 [d]	2
Net income (loss) from continuing operations	(46)	47	1	(32)	36	4
Net income from discontinued operations	30	(30) [e]	—	36	(36) [e]	—
Net income (loss)	<u>\$ (16)</u>	<u>\$ 17</u>	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 4</u>
Basic net income (loss) per share from continuing operations	\$ (0.15)		\$ —	\$ (0.11)		\$ 0.01
Basic net income per share from discontinued operations	0.10		—	0.12		—
Basic net income (loss) per share	<u>\$ (0.05)</u>		<u>\$ —</u>	<u>\$ 0.01</u>		<u>\$ 0.01</u>
Shares used in basic per share calculations	<u>298</u>		<u>298</u>	<u>294</u>		<u>294</u>
Diluted net income (loss) per share from continuing operations	\$ (0.15)		\$ —	\$ (0.11)		\$ 0.01
Diluted net income per share from discontinued operations	0.10		—	0.12		—
Diluted net income (loss) per share	<u>\$ (0.05)</u>		<u>\$ —</u>	<u>\$ 0.01</u>		<u>\$ 0.01</u>
Shares used in diluted per share calculations	<u>298</u>		<u>304</u>	<u>294</u>		<u>302</u>

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

- [a] Adjustments to exclude share-based compensation expense from non-GAAP financial measures. See footnote A to Table A1 for more information.
- [b] Adjustments to exclude amortization of acquired technology and amortization of other acquired intangible assets from non-GAAP financial measures.
- [c] Adjustment to exclude professional fees for business combinations of approximately \$4 million from non-GAAP financial measures.
- [d] Adjustments to reflect the tax effects of items [a] through [c].
- [e] Adjustment to exclude discontinued operations from non-GAAP financial measures. See footnote C to Table A1 for more information.

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			Twelve Months Ended		
	July 31, 2013			July 31, 2012		
	GAAP	Adjmts	Non-GAAP	GAAP	Adjmts	Non-GAAP
Net revenue:						
Product	\$ 1,515	\$ —	\$ 1,515	\$ 1,479	\$ —	\$ 1,479
Service and other	2,656	—	2,656	2,329	—	2,329
Total net revenue	<u>4,171</u>	<u>—</u>	<u>4,171</u>	<u>3,808</u>	<u>—</u>	<u>3,808</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	130	—	130	146	—	146
Cost of service and other revenue	429	(6) [a]	423	429	(4) [a]	425
Amortization of acquired technology	18	(18) [b]	—	10	(10) [b]	—
Selling and marketing	1,219	(64) [a]	1,155	1,033	(56) [a]	977
Research and development	685	(55) [a]	630	618	(49) [a]	569
General and administrative	422	(59) [a]	363	381	(57) [a] [c]	324
Amortization of other acquired intangible assets	35	(35) [b]	—	23	(23) [b]	—
Total costs and expenses	<u>2,938</u>	<u>(237)</u>	<u>2,701</u>	<u>2,640</u>	<u>(199)</u>	<u>2,441</u>
Operating income from continuing operations	1,233	237	1,470	1,168	199	1,367
Interest expense	(30)	—	(30)	(50)	—	(50)
Interest and other income, net	7	1 [d]	8	20	(12) [d]	8
Income before income taxes	1,210	238	1,448	1,138	187	1,325
Income tax provision	387	91 [e]	478	374	70 [e]	444
Net income from continuing operations	823	147	970	764	117	881
Net income from discontinued operations	35	(35) [f]	—	28	(28) [f]	—
Net income	<u>\$ 858</u>	<u>\$ 112</u>	<u>\$ 970</u>	<u>\$ 792</u>	<u>\$ 89</u>	<u>\$ 881</u>
Basic net income per share from continuing operations	\$ 2.78		\$ 3.27	\$ 2.58		\$ 2.97
Basic net income per share from discontinued operations	0.11		—	0.09		—
Basic net income per share	<u>\$ 2.89</u>		<u>\$ 3.27</u>	<u>\$ 2.67</u>		<u>\$ 2.97</u>
Shares used in basic per share calculations	<u>297</u>		<u>297</u>	<u>296</u>		<u>296</u>
Diluted net income per share from continuing operations	\$ 2.72		\$ 3.20	\$ 2.51		\$ 2.89
Diluted net income per share from discontinued operations	0.11		—	0.09		—
Diluted net income per share	<u>\$ 2.83</u>		<u>\$ 3.20</u>	<u>\$ 2.60</u>		<u>\$ 2.89</u>
Shares used in diluted per share calculations	<u>303</u>		<u>303</u>	<u>305</u>		<u>305</u>

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

- [a] Adjustments to exclude share-based compensation expense from non-GAAP financial measures. See footnote A to Table A1 for more information.
- [b] Adjustments to exclude amortization of acquired technology and amortization of other acquired intangible assets from non-GAAP financial measures.
- [c] Adjustment to exclude professional fees for business combinations of approximately \$7 million from non-GAAP financial measures.
- [d] Adjustment to exclude net gains on debt securities and other investments from non-GAAP financial measures.
- [e] Adjustments to reflect the tax effects of items [a] through [d].
- [f] Adjustment to exclude discontinued operations from non-GAAP financial measures. See footnote C to Table A1 for more information.

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

	Forward-Looking Guidance				
	GAAP Range of Estimate		Adjmts	Non-GAAP Range of Estimate	
	From	To		From	To
Three Months Ending October 31, 2013					
Revenue	\$ 595	\$ 605	\$ —		\$ 595 \$ 605
Operating loss	\$ (93)	\$ (88)	\$ 58	[a]	\$ (35) \$ (30)
Diluted loss per share	\$ (0.11)	\$ (0.10)	\$ —	[b]	\$ (0.11) \$ (0.10)
Twelve Months Ending July 31, 2014					
Revenue	\$ 4,440	\$ 4,525	\$ —		\$ 4,440 \$ 4,525
Operating income	\$ 1,347	\$ 1,377	\$ 233	[c]	\$ 1,580 \$ 1,610
Diluted earnings per share	\$ 3.11	\$ 3.19	\$ 0.41	[d]	\$ 3.52 \$ 3.60

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

- [a] Reflects estimated adjustments for share-based compensation expense of approximately \$48 million; amortization of acquired technology of approximately \$5 million; and amortization of other acquired intangible assets of approximately \$5 million.
- [b] Reflects the estimated adjustments in item [a], income taxes related to these adjustments, and the estimated net gain on the disposal of Intuit Financial Services.
- [c] Reflects estimated adjustments for share-based compensation expense of approximately \$198 million; amortization of acquired technology of approximately \$18 million; and amortization of other acquired intangible assets of approximately \$17 million.
- [d] Reflects the estimated adjustments in item [c], income taxes related to these adjustments, and the estimated net gain on the disposal of Intuit Financial Services.

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

	Fiscal 2012					Fiscal 2013				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
GAAP operating income (loss)	\$ (80)	\$ 193	\$1,102	\$ (47)	\$1,168	\$ (73)	\$ 84	\$1,282	\$ (60)	\$1,233
Amortization of acquired technology	2	2	2	4	10	4	5	5	4	18
Amortization of other acquired intangible assets	13	2	2	6	23	7	7	7	14	35
Professional fees for business combinations	—	1	2	4	7	—	—	—	—	—
Share-based compensation expense	38	40	35	46	159	46	44	43	51	184
Non-GAAP operating income (loss)	<u>\$ (27)</u>	<u>\$ 238</u>	<u>\$1,143</u>	<u>\$ 13</u>	<u>\$1,367</u>	<u>\$ (16)</u>	<u>\$ 140</u>	<u>\$1,337</u>	<u>\$ 9</u>	<u>\$1,470</u>
GAAP net income (loss)	\$ (64)	\$ 118	\$ 734	\$ 4	\$ 792	\$ (19)	\$ 71	\$ 822	\$ (16)	\$ 858
Amortization of acquired technology	2	2	2	4	10	4	5	5	4	18
Amortization of other acquired intangible assets	13	2	2	6	23	7	7	7	14	35
Professional fees for business combinations	—	1	2	4	7	—	—	—	—	—
Share-based compensation expense	38	40	35	46	159	46	44	43	51	184
Net gains on debt securities and other investments	(11)	—	(1)	—	(12)	(1)	2	—	—	1
Income tax effect of non-GAAP adjustments	(15)	(15)	(16)	(24)	(70)	(17)	(32)	(20)	(22)	(91)
Discontinued operations	9	1	(2)	(36)	(28)	(35)	(6)	36	(30)	(35)
Non-GAAP net income (loss)	<u>\$ (28)</u>	<u>\$ 149</u>	<u>\$ 756</u>	<u>\$ 4</u>	<u>\$ 881</u>	<u>\$ (15)</u>	<u>\$ 91</u>	<u>\$ 893</u>	<u>\$ 1</u>	<u>\$ 970</u>
GAAP diluted net income (loss) per share	<u>\$ (0.21)</u>	<u>\$ 0.39</u>	<u>\$ 2.42</u>	<u>\$ 0.01</u>	<u>\$ 2.60</u>	<u>\$ (0.06)</u>	<u>\$ 0.23</u>	<u>\$ 2.71</u>	<u>\$ (0.05)</u>	<u>\$ 2.83</u>
Non-GAAP diluted net income (loss) per share	<u>\$ (0.09)</u>	<u>\$ 0.49</u>	<u>\$ 2.49</u>	<u>\$ 0.01</u>	<u>\$ 2.89</u>	<u>\$ (0.05)</u>	<u>\$ 0.30</u>	<u>\$ 2.94</u>	<u>\$ —</u>	<u>\$ 3.20</u>
Shares used in diluted per share calculation	<u>300</u>	<u>306</u>	<u>303</u>	<u>302</u>	<u>305</u>	<u>296</u>	<u>303</u>	<u>304</u>	<u>304</u>	<u>303</u>
Non-GAAP tax rate	<u>34.0%</u>	<u>34.0%</u>	<u>33.4%</u>	<u>33.5%</u>	<u>33.5%</u>	<u>34.5%</u>	<u>32.8%</u>	<u>33.0%</u>	<u>33.0%</u>	<u>33.0%</u>

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

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying financial information dated August 20, 2013 contains non-GAAP financial measures. Table B1, Table B2, Table E1 and Table E2 reconcile the non-GAAP financial measures in that financial information to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include non-GAAP operating income (loss), non-GAAP net income (loss) and non-GAAP net income (loss) per share.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTUIT INC.
CAUTIONS ABOUT FORWARD-LOOKING STATEMENTS

This financial information contains forward-looking statements, including forecasts of Intuit's future expected financial results. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, without limitation, the following: inherent difficulty in predicting consumer behavior; difficulties in receiving, processing, or filing customer tax submissions; consumers may not respond as we expected to our advertising and promotional activities; product introductions and price competition from our competitors can have unpredictable negative effects on our revenue, profitability and market position; governmental encroachment in our tax businesses or other governmental activities or public policy affecting the preparation and filing of tax returns could negatively affect our operating results and market position; we may not be able to successfully innovate and introduce new offerings and business models to meet our growth and profitability objectives, and current and future offerings may not adequately address customer needs and may not achieve broad market acceptance, which could harm our operating results and financial condition; business interruption or failure of our information technology and communication systems may impair the availability of our products and services, which may damage our reputation and harm our future financial results; as we upgrade and consolidate our customer facing applications and supporting information technology infrastructure, any problems with these implementations could interfere with our ability to deliver our offerings; any failure to properly use and protect personal customer information and data could harm our revenue, earnings and reputation; if we are unable to develop, manage and maintain critical third party business relationships, our business may be adversely affected; increased government regulation of our businesses may harm our operating results; if we fail to process transactions effectively or fail to adequately protect against potential fraudulent activities, our revenue and earnings may be harmed; any significant offering quality problems or delays in our offerings could harm our revenue, earnings and reputation; our participation in the Free File Alliance may result in lost revenue opportunities and cannibalization of our traditional paid franchise; the continuing global economic downturn may continue to impact consumer and small business spending, financial institutions and tax filings, which could negatively affect our revenue and profitability; year-over-year changes in the total number of tax filings that are submitted to government agencies due to economic conditions or otherwise may result in lost revenue opportunities; our revenue and earnings are highly seasonal and the timing of our revenue between quarters is difficult to predict, which may cause significant quarterly fluctuations in our financial results; our financial position may not make repurchasing shares advisable or we may issue additional shares in an acquisition causing our number of outstanding shares to grow; our inability to adequately protect our intellectual property rights may weaken our competitive position and reduce our revenue and earnings; our acquisition and divestiture activities may disrupt our ongoing business, may involve increased expenses and may present risks not contemplated at the time of the transactions; our use of significant amounts of debt to finance acquisitions or other activities could harm our financial condition and results of operation; and litigation involving intellectual property, antitrust, shareholder and other matters may increase our costs. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2012 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. Forward-looking statements are based on information as of August 20, 2013, and we do not undertake any duty to update any forward-looking statement or other information in these materials.