

September 27, 2007



# Intuit Reaffirms Quarterly and Fiscal 2008 Guidance

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--

Intuit Inc. (Nasdaq:INTU) today reaffirmed its financial guidance for each quarter and the full fiscal year 2008, which it first provided on Aug. 22. The announcement was made in conjunction with the company's annual Investor Day, which is being held today at Intuit's headquarters in Mountain View, Calif.

For fiscal 2008, Intuit reaffirmed the following guidance:

Forward-Looking Guidance for Fiscal 2008 (\$ millions except EPS)

	Q1 08	Q2 08	Q3 08	Q4 08	FY 08
Revenue% change YOY	22%-26%	11%-13%	11%-14%	8%-9%	12%-14%
GAAP Operating Income (Loss)	(\$116)- (\$105)				\$660- \$675
Non-GAAP Operating Income (Loss)	(\$67)- (\$56)				\$855- \$870
Non-GAAP Operating Margin	NA				28%-29%
GAAP Diluted EPS	(\$0.09)- (\$0.07)	\$0.28- \$0.30	\$1.25- \$1.28	(\$0.13)- (\$0.11)	\$1.41- \$1.43
Non-GAAP Diluted EPS	(\$0.14)- (\$0.12)	\$0.34- \$0.36	\$1.33- \$1.36	(\$0.04)- (\$0.02)	\$1.59- \$1.61

Fiscal 2008 Business Segment Revenue Growth Guidance

Segment	YOY Revenue Growth
QuickBooks	8%-12%
Payroll and Payments	5%-9%
Consumer Tax	8%-12%
Professional Tax	(1%)-1%
Financial Institutions	100%-107%
Other Businesses	12%-16%

Webcast Information

Intuit's Investor Day presentations will be broadcast live on Intuit's Web site at [http://www.intuit.com/about\\_intuit/investors/webcast.jhtml](http://www.intuit.com/about_intuit/investors/webcast.jhtml) beginning at 9 a.m. PDT today. Those viewing the webcast should go to the Web site before the meeting to install any necessary audio software. A replay of the webcast will be available on Intuit's Web site approximately four hours after the event ends.

## About Intuit

Intuit Inc. is a leading provider of business and financial management solutions for small and mid-sized businesses; financial institutions, including banks and credit unions; consumers and accounting professionals. Its flagship products and services, including QuickBooks(R), Quicken(R) and TurboTax(R) software, simplify small business management and payroll processing, personal finance, and tax preparation and filing. ProSeries(R) and Lacerte(R) are Intuit's leading tax preparation software suites for professional accountants. The company's financial institutions division, anchored by Digital Insight, provides on-demand banking services to help banks and credit unions serve businesses and consumers with innovative solutions.

Founded in 1983, Intuit had annual revenue of \$2.67 billion in its fiscal year 2007. The company has approximately 8,000 employees with major offices in the United States, Canada, the United Kingdom and other locations. More information can be found at [www.intuit.com](http://www.intuit.com).

## About Non-GAAP Financial Measures

This press release includes non-GAAP financial measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP), please see the accompanying text titled "About Non-GAAP Financial Measures" as well as the related Table 1 which follows it.

## Cautions About Forward-Looking Statements

This press release contains forward-looking statements, including forecasts of Intuit's expected financial results in fiscal 2008 and all of the statements under the headings "Forward-Looking Guidance for Fiscal 2008" and "Fiscal 2008 Business Segment Revenue Growth Guidance."

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 2007 and in our other SEC filings. You can locate these reports through our website at [http://www.intuit.com/about\\_intuit/investors](http://www.intuit.com/about_intuit/investors). Forward-looking statements are based on information as of September 27, 2007, and we do not undertake any duty to update any forward-looking statement or other information in this release.

INTUIT INC.  
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying press release dated September 27, 2007 contains non-GAAP financial measures. Table 1 reconciles the non-GAAP financial measures in that press release 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 123R for both GAAP and non-GAAP diluted net income per share.
- Amortization of purchased intangible assets and acquisition-related charges. In accordance with GAAP, amortization of purchased intangible assets in cost of revenue includes amortization of software and other technology assets related to acquisitions and acquisition-related charges in operating expenses includes amortization of other purchased intangible assets such as customer lists, covenants not to compete and trade names. Acquisition activities are managed on a corporate-wide basis and segment managers are not held accountable for the acquisition-related costs impacting their business units' operating income (loss). We exclude these amounts from our measures of segment performance and from our budget and planning process. We exclude these items from our non-GAAP financial measures for these reasons, the other reasons stated above and because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.
- Gains and losses on disposals of businesses and assets. We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- Gains and losses on marketable equity securities and other investments. We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- Income tax effects of excluded items. Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items for the reasons stated above and because management believes that they are not indicative of our ongoing business operations.
- Operating results and gains and losses on the sale of discontinued operations. From time to time, we sell or otherwise dispose of selected operations as we adjust our portfolio of businesses to meet our strategic goals. In accordance with GAAP, we segregate the operating results of

discontinued operations as well as gains and losses on the sale of these discontinued operations from continuing operations on our GAAP statements of operations but continue to include them in GAAP net income or loss and net income or loss per share. We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operations.

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

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

In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from our non-GAAP net income (loss) and net income (loss) per share because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories. We exclude 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: 36% for fiscal 2008 guidance. Finally, we exclude amounts related to discontinued operations from our non-GAAP net income (loss) and net income (loss) per share because they are unrelated to our ongoing business operations.

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

The reconciliations of the forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures in Table 1 include all information reasonably available to Intuit at the date of this press release. This table includes 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 1  
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 Range of Estimate			Adjust- ments	Non-GAAP Range of Estimate	
	From	To	From		To	
Three Months Ending October 31, 2007						
Revenue	\$ 426,000	\$ 441,000	\$ -	\$ 426,000	\$ 441,000	
Operating loss	\$ (116,000)	\$ (105,000)	\$ 49,000 (a)	\$ (67,000)	\$ (56,000)	
Diluted loss per share	\$ (0.09)	\$ (0.07)	\$ (0.05) (b)	\$ (0.14)	\$ (0.12)	
Shares	338,000	340,000		338,000	340,000	

Three Months Ending January 31, 2008						
Revenue	\$ 833,000	\$ 848,000	\$ -	\$ 833,000	\$ 848,000	
Diluted earnings per share	\$ 0.28	\$ 0.30	\$ 0.06 (c)	\$ 0.34	\$ 0.36	

Three Months Ending April 30, 2008						
Revenue	\$1,268,000	\$1,293,000	\$ -	\$1,268,000	\$1,293,000	
Diluted earnings per share	\$ 1.25	\$ 1.28	\$ 0.08 (d)	\$ 1.33	\$ 1.36	

Three Months Ending July 31, 2008						
Revenue	\$ 466,000	\$ 471,000	\$ -	\$ 466,000	\$ 471,000	
Diluted loss per share	\$ (0.13)	\$ (0.11)	\$ 0.09 (e)	\$ (0.04)	\$ (0.02)	

Twelve Months Ending July 31, 2008						
Revenue	\$3,000,000	\$3,050,000	\$ -	\$3,000,000	\$3,050,000	
Operating income	\$ 660,000	\$ 675,000	\$195,000 (f)	\$ 855,000	\$ 870,000	
Operating margin	21%	22%	7% (f)	28%	29%	
Diluted earnings per share	\$ 1.41	\$ 1.43	\$ 0.18 (g)	\$ 1.59	\$ 1.61	
Shares	345,000	348,000		345,000	348,000	

See "About Non-GAAP Financial Measures" immediately preceding Table 1 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 \$28 million; amortization of purchased intangible assets of approximately \$11 million; and acquisition-related charges of approximately \$10 million.

(b) Reflects the estimated adjustments in item (a); an adjustment for an expected pre-tax

gain on the sale of certain assets related to our Complete Payroll and Premier Payroll Service businesses of approximately \$35 million; income taxes related to these adjustments; and an adjustment for an estimated net gain from discontinued operations of approximately \$26 million.

(c) Reflects estimated adjustments for share-based compensation expense of approximately \$28 million; amortization of purchased intangible assets of approximately \$11 million; acquisition-related charges of approximately \$10 million; an adjustment for an expected pre-tax gain on the sale of certain assets related to our Complete Payroll and Premier Payroll Service businesses of approximately \$18 million; and income taxes related to these adjustments.

(d) Reflects adjustments for share-based compensation expense of approximately \$27 million; amortization of purchased intangible assets of approximately \$11 million; acquisition-related charges of approximately \$10 million; an adjustment for an expected pre-tax gain on the sale of certain assets related to our Complete Payroll and Premier Payroll Service businesses of approximately \$8 million; and income taxes related to these adjustments.

(e) Reflects adjustments for share-based compensation expense of approximately \$28 million; amortization of purchased intangible assets of approximately \$11 million; acquisition-related charges of approximately \$10 million; and income taxes related to these adjustments.

(f) Reflects estimated adjustments for share-based compensation expense of approximately \$111 million; amortization of purchased intangible assets of approximately \$44 million; and acquisition-related charges of approximately \$40 million.

(g) Reflects the estimated adjustments in item (f); an adjustment for an expected pre-tax gain on the sale of certain assets related to our Complete Payroll and Premier Payroll Service businesses of approximately \$61 million; income taxes related to these adjustments; and an adjustment for an estimated net gain from discontinued operations of approximately \$26 million.

Source: Intuit Inc.