

Intuit Facts

Q1/FY09

Updated Nov. 20, 2008

Intuit Inc.

Investor Relations (650) 944-6165

NASDAQ: INTU

Financial Summary							Guidance ^(H)	
(\$ millions), except per share data								
	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	FY08	Q1 FY09	Q2 FY09	FY09
Revenue:								
Small Business								
QuickBooks ^(A,B)	\$142.9	\$167.9	\$162.4	\$148.7	\$621.8	\$151.9		\$650-\$675
% change YOY	8%	4%	5%	8%	6%	6%		5%-9%
Payroll & Payments	\$131.3	\$138.0	\$142.1	\$149.4	\$560.8	\$152.1		\$619-\$642
% change YOY	5%	0%	14%	16%	9%	16%		10%-14%
Total Small Business^(C)	\$274.2	\$305.8	\$304.5	\$298.0	\$1,182.6	\$304.0		
% change YOY	6%	2%	9%	12%	7%	11%		
Tax								
Consumer Tax	\$13.3	\$248.3	\$656.9	\$11.0	\$929.4	\$14.3		\$1,004-\$1,041
% change YOY	18%	11%	16%	-16%	14%	7%		8%-12%
Accounting Professionals ^(D)	\$18.4	\$116.7	\$172.6	\$19.0	\$326.7	\$21.4		\$345-\$358
% change YOY	27%	-15%	20%	4%	4%	16%		5%-9%
Financial Institutions								
	\$72.2	\$72.3	\$76.3	\$77.7	\$298.5	\$74.7		\$313-\$325
% change YOY	Fav	Fav	Fav	6%	Fav	3%		5%-9%
Other Businesses^(E)								
	\$66.8	\$91.8	\$102.7	\$72.4	\$333.8	\$67.1		\$320-\$340
% change YOY	10%	10%	19%	17%	14%	0%		(4%)-2%
Total Revenue	\$444.9	\$834.9	\$1,313.0	\$478.2	\$3,071.0	\$481.4	\$860-\$880	\$3,260-\$3,380
% change YOY	27%	11%	15%	11%	15%	8%	3%-5%	6%-10%
GAAP Operating Income (Loss)	(\$103.2)	\$173.6	\$674.5	(\$94.2)	\$650.8	(\$76.0)	\$145-\$159	\$705-\$742
Non-GAAP Operating Income (Loss) ^(F)	(\$55.7)	\$224.5	\$727.9	(\$41.2)	\$855.5	(\$29.5)	\$205-\$219	\$933-\$970
Non-GAAP Operating Margin % ^(G)	NA	27%	55%	NA	28%	NA	24%-25%	29%
Interest and Other Income ^(H)	\$17.2	\$4.9	\$10.4	\$14.0	\$46.5	(\$1.9)		
Interest Expense	(\$14.0)	(\$13.5)	(\$12.8)	(\$11.9)	(\$52.3)	(\$11.7)		
GAAP Share Based Compensation Expense	\$26.7	\$29.5	\$30.1	\$27.0	\$113.3	\$21.8		
GAAP EPS Share Based Compensation Expense	(\$0.05)	(\$0.09)	(\$0.06)	(\$0.06)	(\$0.22)	(\$0.04)		
GAAP Diluted EPS	(\$0.06)	\$0.34	\$1.33	(\$0.19)	\$1.41	(\$0.16)	\$0.30-\$0.32	\$1.38-\$1.45
Non-GAAP Diluted EPS^(I)	(\$0.10)	\$0.40	\$1.39	(\$0.08)	\$1.60	(\$0.09)	\$0.40-\$0.42	\$1.82-\$1.89
Basic Share Count	337.6	331.1	323.4	321.6	328.5	323.3	320-322	317-320
Diluted Share Count	337.6	342.8	333.4	321.6	339.3	323.3	329-331	328-331
GAAP Tax Rate ^(J)	38%	35%	35%	33%	35%	42%		33%
Capital Expenditures					\$306.1M			\$200M
Depreciation					\$116.4M			

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

^(A)Beginning in Q4 FY08 results for the QuickBase product line have been reflected in the QuickBooks segment. Historical results have been reclassified from Other Businesses to QuickBooks for all periods presented.

Quarterly QuickBase Reclass: Q1 FY06 \$1.5M, Q2 FY06 \$1.7M, Q3 FY06 \$1.8M, Q4 FY06 \$2.1M, Q1 FY07 \$2.3M, Q2 FY07 \$2.4M, Q3 FY07 \$2.8M, Q4 FY07 \$3.1M, Q1 FY08 3.4M, Q2 FY08 3.7M, Q3 FY08 4.0M, Q4 FY08 4.4M

^(B)Beginning in Q4 FY08 results for the QuickBooks Accountant Edition (QBAE) and Pro Advisor Program (PAP) product lines have been reflected in the Accounting Professionals segment. Historical results have been reclassified from QuickBooks to Accounting Professionals for all periods presented.

Quarterly QBAE/PAP Reclass: Q1 FY06 \$2.6M, Q2 FY06 \$8.2M, Q3 FY06 \$4.7M, Q4 FY06 \$4.6M, Q1 FY07 \$4.8M, Q2 FY07 \$6.7M, Q3 FY07 \$5.7M, Q4 FY07 \$5.5M, Q1 FY08 7.4M, Q2 FY08 11.3M, Q3 FY08 6.8M, Q4 FY08 6.1M

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

^(D)These are non-GAAP financial measures. See tables B1 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.

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

^(F)The effective tax rates used to calculate non-GAAP EPS was 36% for all periods in FY08 and 36% for Q1 FY09.

^(G)Our effective tax rate for the three months ended October 31, 2008 was approximately 42%. Excluding a one-time benefit primarily related to the reinstatement of the research and experimental credit, our effective tax rate for that period was approximately 35%.

^(H)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, website design and hosting; Payroll & Payments - QuickBooks Payroll, Assisted Payroll, Innovative Merchant Solutions; Consumer Tax - TurboTax Accounting Professionals - ProSeries, Lacerte, QuickBooks Accountant Edition; Financial Institutions - Intuit Financial Institutions Group, Digital Insight; Other Businesses - IRES, Quicken, Canada/UK

Business Metrics											
Units in thousands, except where noted	Q1/FY07	Q2/FY07	Q3/FY07	Q4/FY07	FY07	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	FY08	Q1 FY09
QuickBooks^[J]											
Total QuickBooks software units sold	280	513	553	357	1,702	298	467	508	324	1,597	267
Free Simple Start Activations	0	0	0	0	0	19	38	48	37	142	40
Total QuickBooks Units	280	513	553	357	1,702	317	505	556	361	1,739	307
QuickBooks Online subscriptions ^[J]	85	96	109	117	117	124	128	131	133	133	136
Enterprise Solutions Active Customer:	22	24	25	27	27	28	29	30	33	33	34
QuickBooks Retail Share^[K]											
Unit share FYTD	86%	87%	89%	89%	89%	89%	89%	91%	91%	91%	90%
Dollar share FYTD	91%	92%	94%	94%	94%	94%	94%	95%	95%	95%	92%
Payroll & Payments											
Total payroll customers ^[L]	989	1016	1008	1008	1008	1025	1046	1058	1047	1047	1054
Merchant Account Services customers ^[M]	175	185	195	203	203	214	222	233	239	239	253
Consumer Tax											
Federal TurboTax (millions)											
Desktop units	NM	3.7	3.3	NM	7.0	NM	3.8	3.3	NM	7.1	NM
Web units	NM	0.8	5.2	0.1	6.1	NM	1.3	7.0	0.1	8.4	NM
Free File Alliance	NM	0.3	1.2	NM	1.4	NM	0.3	1.3	NM	1.6	NM
Total TurboTax federal units	NM	4.8	9.7	0.1	14.6	NM	5.5	11.6	0.1	17.2	NM
Federal TurboTax retail share^[N]											
Unit share FYTD	NM	82%	79%	79%	79%	NM	85%	82%	82%	82%	NM
Dollar share FYTD	NM	87%	85%	85%	85%	NM	87%	84%	84%	84%	NM
Financial Institutions											
Number of Internet Banking End-User ^[O]	7,119	7,508	7,800	7,906	7,906	8,078	8,300	8,499	8,695	8,695	8,690
Number of Bill Pay End-User ^[O]	1,793	1,915	2,040	2,140	2,140	2,212	2,291	2,383	2,474	2,474	2,613
Accounting Professionals											
Professional Tax units	NM	102	10	NM	112	NM	98	11	NM	109	NM

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

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

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

^[M]Includes Standard Payroll, Enhanced Payroll, Assisted Payroll, Complete Payroll, Premier Payroll, Online Payroll, Basic Payroll, and QuickPayroll

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

^[O]Sources: NPD Group Retail Software Report through June 2008.

^[P]Number of Internet Banking end-users and Bill Pay end-users prior to Q3 FY07 are those of pre-acquisition Digital Insight. All figures exclude Quicken Bill Pay customers.

Intuit Facts

Updated Nov. 20, 2008

Intuit Inc.

Investor Relations (650) 944-6165
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Effect of Acquisition on Revenue for FY08 and FY09

(\$ millions)

	Q1			YTD		
	<u>FY09</u>	<u>FY08</u>	<u>Growth</u>	<u>FY09</u>	<u>FY08</u>	<u>Growth</u>
Reported Revenue	\$481.4	\$444.9	8%	\$481.4	\$444.9	8%
Homestead Acquisition	(\$7.5)			(\$7.5)		
ECHO Acquisition	(\$9.1)			(\$9.1)		
Revenue Adjusted for M&A	\$464.7	\$444.9	4%	\$464.7	\$444.9	4%

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

	Three Months Ended	
	October 31, 2008	October 31, 2007
Net revenue:		
Product	\$ 220,553	\$ 218,620
Service and other	260,826	226,318
Total net revenue	<u>481,379</u>	<u>444,938</u>
Costs and expenses:		
Cost of revenue:		
Cost of product revenue	33,400	33,747
Cost of service and other revenue	111,708	97,454
Amortization of purchased intangible assets	15,213	12,814
Selling and marketing	186,186	169,659
Research and development	136,217	149,336
General and administrative	65,097	77,115
Acquisition-related charges	9,588	8,012
Total costs and expenses [A]	<u>557,409</u>	<u>548,137</u>
Operating loss from continuing operations	(76,030)	(103,199)
Interest expense	(11,731)	(14,049)
Interest and other income (expense)	(1,868)	17,191
Gains on marketable equity securities and other investments, net	577	713
Gain on sale of outsourced payroll assets [B]	-	23,951
Loss from continuing operations before income taxes	(89,052)	(75,393)
Income tax benefit [C]	(37,117)	(28,328)
Minority interest expense, net of tax	209	506
Net loss from continuing operations	(52,144)	(47,571)
Net income from discontinued operations [D]	-	26,767
Net loss	<u>\$ (52,144)</u>	<u>\$ (20,804)</u>
Basic and diluted net loss per share from continuing operations	\$ (0.16)	\$ (0.14)
Basic and diluted net income per share from discontinued operations	-	0.08
Basic and diluted net loss per share	<u>\$ (0.16)</u>	<u>\$ (0.06)</u>
Shares used in basic and diluted per share calculations	<u>323,269</u>	<u>337,584</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.

	Three Months Ended	
	October 31, 2008	October 31, 2007
Cost of product revenue	\$ 246	\$ 276
Cost of service and other revenue	1,022	1,458
Selling and marketing	8,080	7,698
Research and development	6,381	7,881
General and administrative	6,024	9,342
Total share-based compensation	\$ 21,753	\$ 26,655

[B] In March 2007 we sold certain assets related to our Complete Payroll and Premier Payroll Service businesses to Automatic Data Processing, Inc. (ADP) for a price of up to approximately \$135 million in cash. The final purchase price was contingent upon the number of customers that transitioned to ADP pursuant to the purchase agreement over a period of approximately one year from the date of sale. In the three months ended October 31, 2007 we recorded a pre-tax gain of \$24.0 million on our statement of operations for customers who transitioned to ADP during that period. We received a total price of \$93.6 million and recorded a total pre-tax gain of \$83.2 million from the inception of this transaction through its completion in the third quarter of fiscal 2008.

[C] Our effective tax rate for the three months ended October 31, 2008 was approximately 42%. Excluding net one-time benefits primarily related to the reinstatement of the research and experimental credit, our effective tax rate for that period was approximately 35% and did not differ significantly from the federal statutory rate. State income taxes were offset primarily by the benefit we received from federal and state research and experimental credits, the domestic production activities deduction, and tax exempt interest income. Our effective tax rate for the three months ended October 31, 2007 was approximately 38%. Excluding net one-time benefits primarily related to executive stock compensation, our effective tax rate for that period was approximately 36%. This differed from the federal statutory rate of 35% primarily due to state income taxes, which were partially offset by the benefit we received from tax exempt interest income, federal and state research and experimental credits, and the domestic production activities deduction.

[D] In August 2007 we sold our Intuit Distribution Management Solutions (IDMS) business for approximately \$100 million in cash and recorded a net gain on disposal of \$27.5 million. IDMS was part of our Other Businesses segment. In accordance with the provisions of SFAS 144, "Accounting for the Impairment or Disposal of Long-lived Assets," we determined that IDMS became a discontinued operation in the fourth quarter of fiscal 2007. We have therefore segregated the net assets and operating results of IDMS from continuing operations on our balance sheets and in our statements of operations for all periods prior to the sale. Because IDMS operating cash flows were not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows. We have segregated the cash impact of the gain on disposal of IDMS on our statement of cash flows for the three months ended October 31, 2007.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying financial information contains non-GAAP financial measures. Tables B1, 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. Acquisition-related charges in operating expenses include amortization of other purchased intangible assets such as customer lists, covenants not to compete and trade names. Acquisition activities are managed on a corporate-wide basis and segment managers are not held accountable for the acquisition-related costs impacting their business units' operating income (loss). We exclude these amounts from our measures of segment performance and from our budget and planning process. We exclude these items from our non-GAAP financial measures for these reasons, the other reasons stated above and because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.
- *Gains and losses on disposals of businesses and assets.* We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- *Gains and losses on marketable equity securities and other investments.* We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- *Income tax effects of excluded items.* Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items for the reasons stated above and because management believes that they are not indicative of our ongoing business operations.
- *Operating results and gains and losses on the sale of discontinued operations.* From time to time, we sell or otherwise dispose of selected operations as we adjust our portfolio of businesses to meet our strategic goals. In accordance with GAAP, we segregate the operating results of discontinued operations as well as gains and losses on the sale of these discontinued operations from continuing operations on our GAAP statements of operations but continue to include them in GAAP net income or loss and net income or loss per share. We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operations.

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

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

In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from our non-GAAP net income (loss) and net income (loss) per share because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories. We exclude net gains on marketable equity securities and other investments from our non-GAAP net income (loss) and net income (loss) per share because they are unrelated to our ongoing business operating results. Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items because management believes that they are not indicative of our ongoing business operations. The effective tax rates used to calculate non-GAAP net income (loss) and net income (loss) per share were as follows: 36% for the first through fourth quarters of fiscal 2008; 36% for the first quarter of fiscal 2009; and 34% for full year fiscal 2009 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 November 19, 2008. These tables include adjustments that we can reasonably predict. Events that could cause the reconciliation to change include acquisitions and divestitures of businesses, goodwill and other asset impairments and sales of marketable equity securities and other investments.

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

	Three Months Ended	
	October 31, 2008	October 31, 2007
Net revenue:		
Product	\$ 220,553	\$ 218,620
Service and other	260,826	226,318
Total net revenue	<u>481,379</u>	<u>444,938</u>
Costs and expenses:		
Cost of revenue:		
Cost of product revenue	33,154	33,471
Cost of service and other revenue	110,686	95,996
Selling and marketing	178,106	161,961
Research and development	129,836	141,455
General and administrative	59,073	67,773
Total costs and expenses	<u>510,855</u>	<u>500,656</u>
Loss from operations	(29,476)	(55,718)
Interest expense	(11,731)	(14,049)
Interest and other income (expense)	(1,868)	17,191
Loss before income taxes	(43,075)	(52,576)
Income tax benefit	(15,292)	(18,927)
Minority interest expense, net of tax	209	506
Net loss	<u>\$ (27,992)</u>	<u>\$ (34,155)</u>
Basic and diluted net loss per share	<u>\$ (0.09)</u>	<u>\$ (0.10)</u>
Shares used in basic and diluted per share calculations	<u>323,269</u>	<u>337,584</u>

See "About Non-GAAP Financial Measures" immediately preceding this Table A2 for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

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

	Three Months Ended October 31, 2008			Three Months Ended October 31, 2007		
	Non- GAAP	Adjmts	GAAP	Non- GAAP	Adjmts	GAAP
Net revenue:						
Product	\$ 220,553	\$ -	\$ 220,553	\$ 218,620	\$ -	\$ 218,620
Service and other	260,826	-	260,826	226,318	-	226,318
Total net revenue	<u>481,379</u>	<u>-</u>	<u>481,379</u>	<u>444,938</u>	<u>-</u>	<u>444,938</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	33,154	246 [a]	33,400	33,471	276 [a]	33,747
Cost of service and other revenue	110,686	1,022 [a]	111,708	95,996	1,458 [a]	97,454
Amortization of purchased intangible assets	-	15,213 [b]	15,213	-	12,814 [b]	12,814
Selling and marketing	178,106	8,080 [a]	186,186	161,961	7,698 [a]	169,659
Research and development	129,836	6,381 [a]	136,217	141,455	7,881 [a]	149,336
General and administrative	59,073	6,024 [a]	65,097	67,773	9,342 [a]	77,115
Acquisition-related charges	-	9,588 [c]	9,588	-	8,012 [c]	8,012
Total costs and expenses	<u>510,855</u>	<u>46,554</u>	<u>557,409</u>	<u>500,656</u>	<u>47,481</u>	<u>548,137</u>
Operating loss from continuing operations	(29,476)	(46,554)	(76,030)	(55,718)	(47,481)	(103,199)
Interest expense	(11,731)	-	(11,731)	(14,049)	-	(14,049)
Interest and other income (expense)	(1,868)	-	(1,868)	17,191	-	17,191
Gains on marketable equity securities and other investments, net	-	577 [d]	577	-	713 [d]	713
Gain on sale of outsourced payroll assets	-	-	-	-	23,951 [e]	23,951
Loss from continuing operations before income taxes	(43,075)	(45,977)	(89,052)	(52,576)	(22,817)	(75,393)
Income tax benefit	(15,292)	(21,825) [f]	(37,117)	(18,927)	(9,401) [f]	(28,328)
Minority interest expense, net of tax	209	-	209	506	-	506
Net loss from continuing operations	<u>(27,992)</u>	<u>(24,152)</u>	<u>(52,144)</u>	<u>(34,155)</u>	<u>(13,416)</u>	<u>(47,571)</u>
Net income (loss) from discontinued operations	-	-	-	-	26,767 [g]	26,767
Net loss	<u>\$ (27,992)</u>	<u>\$ (24,152)</u>	<u>\$ (52,144)</u>	<u>\$ (34,155)</u>	<u>\$ 13,351</u>	<u>\$ (20,804)</u>
Basic and diluted net loss per share from continuing operations	\$ (0.09)		\$ (0.16)	\$ (0.10)		\$ (0.14)
Basic and diluted net income per share from discontinued operations	-		-	-		0.08
Basic and diluted net loss per share	<u>\$ (0.09)</u>		<u>\$ (0.16)</u>	<u>\$ (0.10)</u>		<u>\$ (0.06)</u>
Shares used in basic and diluted per share calculations	<u>323,269</u>		<u>323,269</u>	<u>337,584</u>		<u>337,584</u>

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

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

Table 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					
January 31, 2009					
Revenue	\$ 860,000	\$ 880,000	\$ -	\$ 860,000	\$ 880,000
Operating income	\$ 145,000	\$ 159,000	\$ 60,000 [a]	\$ 205,000	\$ 219,000
Operating margin	17%	18%	7% [a]	24%	25%
Diluted earnings per share	\$ 0.30	\$ 0.32	\$ 0.10 [b]	\$ 0.40	\$ 0.42
Shares	329,000	331,000	-	329,000	331,000
Twelve Months Ending					
July 31, 2009					
Revenue	\$ 3,260,000	\$ 3,380,000	\$ -	\$ 3,260,000	\$ 3,380,000
Operating income	\$ 705,000	\$ 742,000	\$ 228,000 [c]	\$ 933,000	\$ 970,000
Operating margin	22%	22%	7% [c]	29%	29%
Diluted earnings per share	\$ 1.38	\$ 1.45	\$ 0.44 [d]	\$ 1.82	\$ 1.89
Shares	328,000	331,000	-	328,000	331,000

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 \$36 million; amortization of purchased intangible assets of approximately \$15 million; and acquisition-related charges of approximately \$9 million.
- [b] Reflects the estimated adjustments in item [a] and income taxes related to these adjustments.
- [c] Reflects estimated adjustments for share-based compensation expense of approximately \$130 million; amortization of purchased intangible assets of approximately \$60 million; and acquisition-related charges of approximately \$38 million.
- [d] Reflects the estimated adjustments in item [c] 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, 2007			
Operating loss	\$ (103,199)	\$ 47,481 [a]	\$ (55,718)
Diluted net loss per share	\$ (0.06)	\$ (0.04) [b]	\$ (0.10)
Three months ended January 31, 2008			
Operating income	\$ 173,630	\$ 50,916 [c]	\$ 224,546
Operating margin	21%	6% [c]	27%
Diluted net income per share	\$ 0.34	\$ 0.06 [d]	\$ 0.40
Three months ended April 30, 2008			
Operating income	\$ 674,501	\$ 53,422 [e]	\$ 727,923
Operating margin	51%	4% [e]	55%
Diluted net income per share	\$ 1.33	\$ 0.06 [f]	\$ 1.39
Three months ended July 31, 2008			
Operating loss	\$ (94,165)	\$ 52,947 [g]	\$ (41,218)
Diluted net loss per share	\$ (0.19)	\$ 0.11 [h]	\$ (0.08)
Twelve months ended July 31, 2008			
Operating income	\$ 650,767	\$ 204,766 [i]	\$ 855,533
Operating margin	21%	7% [i]	28%
Diluted net income per share	\$ 1.41	\$ 0.19 [j]	\$ 1.60
Three months ended October 31, 2008			
Operating loss	\$ (76,030)	\$ 46,554 [k]	\$ (29,476)
Diluted net loss per share	\$ (0.16)	\$ 0.07 [l]	\$ (0.09)

See "About Non-GAAP Financial Measures" immediately preceding Table A2 for more information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

- [a] Reflects adjustments for share-based compensation expense of \$26.7 million; amortization of purchased intangible assets of \$12.8 million; and acquisition-related charges of \$8.0 million.
- [b] Reflects the adjustments in item [a]; an adjustment for net gains on marketable equity securities and other investments of \$0.7 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$24.0 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net income from discontinued operations of \$26.8 million.
- [c] Reflects adjustments for share-based compensation expense of \$29.5 million; amortization of purchased intangible assets of \$13.3 million; and acquisition-related charges of \$8.1 million.
- [d] Reflects the adjustments in item [c]; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$14.0 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net loss from discontinued operations of \$0.8 million.
- [e] Reflects adjustments for share-based compensation expense of \$30.1 million; amortization of purchased intangible assets of \$14.1 million; and acquisition-related charges of \$9.3 million.
- [f] Reflects the adjustments in item [e]; an adjustment for net gains on marketable equity securities and other investments of \$0.5 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$13.6 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items.
- [g] Reflects adjustments for share-based compensation expense of \$27.0 million; amortization of purchased intangible assets of \$15.8 million; and acquisition-related charges of \$10.2 million.
- [h] Reflects the adjustments in item [g]; an adjustment for net gains on marketable equity securities and other investments of \$0.2 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items.

- [i] Reflects adjustments for share-based compensation expense of \$113.2 million; amortization of purchased intangible assets of \$56.0 million; and acquisition-related charges of \$35.5 million.
- [j] Reflects the adjustments in item [i]; an adjustment for net gains on marketable equity securities and other investments of \$1.4 million; an adjustment for a pre-tax gain on sale of outsourced payroll assets of \$51.6 million; and income taxes related to these adjustments. Also reflects adjustments for certain discrete GAAP tax items and for net income from discontinued operations of \$26.0 million.
- [k] Reflects adjustments for share-based compensation expense of \$21.8 million; amortization of purchased intangible assets of \$15.2 million; and acquisition-related charges of \$9.6 million.
- [l] Reflects the adjustments in item [k]; an adjustment for net gains on marketable equity securities and other investments of \$0.6 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 2009 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 or public policy affecting the preparation and filing of tax returns could negatively affect our operating results and market position; if economic and market conditions in the U.S. and worldwide continue to decline, our customers may delay or reduce technology purchases which may harm our business, results of operations and financial condition; we may not be able to successfully introduce new products and services to meet our growth and profitability objectives, and current and future products and services may not adequately address customer needs and may not achieve broad market acceptance, which could harm our operating results and financial condition; any failure to maintain reliable and responsive service levels for our offerings could cause us to lose customers and negatively impact our revenues and profitability; any significant product quality problems or delays in our products could harm our revenue, earnings and reputation; our participation in the Free File Alliance may result in lost revenue opportunities and cannibalization of our traditional paid franchise; any failure to properly use and protect personal customer information could harm our revenue, earnings and reputation; our acquisition activities may be disruptive to Intuit and may not result in expected benefits; our use of significant amounts of debt to finance acquisitions or other activities could harm our financial condition and results of operations; our revenue and earnings are highly seasonal and the timing of our revenue between quarters is difficult to predict, which may cause significant quarterly fluctuations in our financial results; predicting tax-related revenues is challenging due to the heavy concentration of activity in a short time period; we have implemented, and are continuing to upgrade, new information systems and any problems with these new systems could interfere with our ability to deliver products and services and gather information to effectively manage our business; our financial position may not make repurchasing shares advisable or we may issue additional shares in an acquisition causing our number of outstanding shares to grow; and litigation involving intellectual property, antitrust, shareholder and other matters may increase our costs. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2008 and in our other SEC filings. You can locate these reports through our website at http://www.intuit.com/about_intuit/investors. Forward-looking statements are based on information as of November 19, 2008, and we do not undertake any duty to update any forward-looking statement or other information in these remarks.