

September 18, 2012



# Intuit Evolves Strategy as Connected Services Vision Becomes Reality

## CEO Defines Growth Plans to Capitalize on Global Social, Mobile and Data Trends

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Just four years ago, about 17 million people used products hosted on Intuit Inc. (Nasdaq: INTU) servers, contributing about half of the company's revenue. Today, 45 million customers rely on Intuit's connected services offerings, generating almost two-thirds of the company's revenue – strong evidence of its rapid and successful transformation to a leading provider of cloud-based services.

Validating this strong position, Brad Smith, Intuit president and chief executive officer, outlined an evolving connected services strategy that builds on the company's position in cloud-based services, and provides mobile and data services for consumers and small businesses. Smith shared details of the strategy at Intuit's annual Investor Day, which also included presentations from Chief Financial Officer Neil Williams and several business segment leaders.

The company also reaffirmed its full year and first quarter [guidance](#) for fiscal 2013.

“Over the last four years, we've met the challenge to innovate in a social, mobile and global world. Most important, our strategy put Intuit in position to win big in a connected services economy,” Smith said. “Building on this momentum, and capitalizing on the ubiquity of mobile, the richness of our data sets and the power of community, we are ready to usher in the next phase of great at Intuit.”

## Accelerating Connected Services: A Three-point Plan

Intuit's assets, ecosystem and innovation engine uniquely position the company to take advantage of emerging market trends – an increasingly borderless world, the prevalence of mobile devices and the scalability of the cloud – to continue solving the unmet needs of small businesses and consumers.

Its evolving growth strategy includes three key elements: awesome product experiences, enabling the contribution of others and using data to delight.

### Awesome Product Experiences

Intuit remains committed to its heritage of customer-driven innovation and creating an entrepreneurial environment where small teams innovate to delight customers, Smith said. Intuit estimates that more than \$100 million in fiscal 2012 revenue came from products that didn't exist three years ago, a 10-fold increase from two years ago. Awesome product experiences drive active use and positive word of mouth – the company's No. 1 source of new customers. As part of this effort, Intuit plans to create more stand-alone mobile applications. Two current mobile innovations include:

- [Snap Payroll](#), the latest innovation from Intuit's Employee Management Solutions group, which allows small businesses to quickly calculate taxes and withholdings so they can pay their employees with confidence.
- [Intuit Fasal](#), offered in India, which helps more than 1 million farmers get the best prices on their crops by delivering text messages that provide prices at local markets.

## Enabling the Contributions of Others

The second strategic element includes tapping into the innovations and contributions of customers, partners and third-party developers. Harnessing the power of many, the company can address new customer problems and personalize and localize customer experiences better and faster. Current and new examples include:

- Live communities, where customers can get questions answered by other customers about everything from special tax circumstances to competitive pay for employees. These online communities have been part of products including TurboTax, QuickBooks and Mint for several years. Today, they reach more than 10 million users, and have answered more than 25 million questions.
- The [Intuit Partner Platform](#), which allows third-party developers to integrate their services with QuickBooks data. There are 130,000 third-party developers in the Intuit ecosystem serving more than 2.9 million registered users. In addition, Intuit is opening the application programming interfaces to its [financial data service](#) in the U.S. and Canada, creating a unique opportunity for third-party developers to build new and innovative financial solutions.
- [QuickBooks Online](#), which is now available to small businesses around the world. Built on the existing platform, the global product taps into the power of community by inviting customers and third parties to further localize the product in numerous ways, from language translation to tax analysis.

“We have come to appreciate that we are operating in a world where we alone cannot solve all of our customers’ problems,” said Smith. “We are finding new ways to open our products and platforms so that our customers and third-party software developers can help us add value to our products, even while we sleep.”

## Using Data to Create Delight

The value of connected services is increasingly found in the data and connections it creates to deliver breakthrough benefits for customers. The third strategic element includes harnessing the collective data that flows through Intuit's ecosystem. Building on this, Intuit aims to deliver data-driven insights that empower individuals and small businesses to save time and money and make meaningful changes in their financial lives. Existing examples include:

- [Mint's Ways to Save](#), which analyzes customers' unique data and helps them save money. It searches the marketplace and delivers customized offers for credit cards and other financial products with lower rates and relevant benefits. The service has identified more than \$2.4 billion in savings for Mint's 10 million users.
- [QuickBooks Online's Trends feature](#), which anonymously aggregates customer data,

allows small businesses to see how their income and expenses stack up against similar businesses. For example, a roofer in Philadelphia grossing \$250,000 a year can compare results with other roofers in the area or across the country.

- [Intuit Financial Services' Mobile Purchase Rewards](#) feature, which lets customers turn their smartphone into a savings tool. The service allows consumers to receive and activate customized merchant-funded discounts or rewards, based on personal buying habits.

All of Intuit's data-driven innovations are built on a strong foundation of privacy, security and customer choice. Intuit has been implementing the safest and most secure ways to work with consumers' intimate financial information for nearly 30 years.

"There is great power in data to improve the quality of life for individuals and the success of businesses," said Smith. "We have vast opportunities to deliver targeted recommendations based on an individual's financial behavior and big data can become the great equalizer for the little guy.

"The current economic climate is challenging but it gives Intuit great opportunities to help our customers when they need us most," said Smith. "Our strength, combined with the contributions of tens of millions of customers and third-party developers, will allow us to improve the financial lives of millions of people."

### **Suggested Links:**

Visit the following links for more information:

- Intuit's Investor Day [webcast replay](#)
- [Brad Smith discusses the refreshed strategy](#)
- [Selected slides from Smith's presentation](#)

### **About Intuit Inc.**

[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®](#), [Quicken®](#) and [TurboTax®](#), simplify small business management and [payroll processing](#), personal finance, and tax preparation and filing. [ProSeries®](#) and [Lacerte®](#) are Intuit's leading tax preparation offerings for professional accountants. Intuit Financial Services helps banks and credit unions grow by offering innovative online and mobile banking solutions that make it easier for consumers and businesses to manage their money.

Founded in 1983, Intuit had annual revenue of \$4.15 billion in its fiscal year 2012. The company has approximately 8,000 employees with major offices in the United States, Canada, the United Kingdom, India and other locations. More information can be found at [www.intuit.com](http://www.intuit.com).

### **Cautions About Forward-Looking Statements**

This press release contains forward-looking statements, including the reaffirmation of its full

year and first quarter guidance for fiscal 2013 and all of the statements under its strategic plan for accelerating customer adoption of connected services.

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 September 18, 2012, and we do not undertake any duty to update any forward-looking statement or other information in

these materials.

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Source: Intuit Inc.