

TABLE A

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

	Three Months Ended		Twelve Months Ended	
	July 31, 2010	July 31, 2009	July 31, 2010	July 31, 2009
Net revenue:				
Product	\$ 221	\$ 191	\$ 1,412	\$ 1,376
Service and other	316	266	2,043	1,733
Total net revenue	<u>537</u>	<u>457</u>	<u>3,455</u>	<u>3,109</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	27	34	144	156
Cost of service and other revenue	119	107	460	422
Amortization of acquired technology	6	15	49	59
Selling and marketing	210	182	976	907
Research and development	147	152	573	556
General and administrative	81	76	348	284
Amortization of other acquired intangible assets	11	9	42	42
Total costs and expenses [A]	<u>601</u>	<u>575</u>	<u>2,592</u>	<u>2,426</u>
Operating income (loss) from continuing operations	(64)	(118)	863	683
Interest expense	(15)	(15)	(61)	(51)
Interest and other income, net	1	10	13	21
Income (loss) from continuing operations before income taxes	(78)	(123)	815	653
Income tax provision (benefit) [B]	(30)	(51)	276	206
Net income (loss) from continuing operations	(48)	(72)	539	447
Net income from discontinued operations [C]	-	1	35	-
Net income (loss)	<u>\$ (48)</u>	<u>\$ (71)</u>	<u>\$ 574</u>	<u>\$ 447</u>
Basic net income (loss) per share from continuing operations	\$ (0.15)	\$ (0.22)	\$ 1.71	\$ 1.39
Basic net income per share from discontinued operations	-	-	0.11	-
Basic net income (loss) per share	<u>\$ (0.15)</u>	<u>\$ (0.22)</u>	<u>\$ 1.82</u>	<u>\$ 1.39</u>
Shares used in basic per share calculations	<u>314</u>	<u>323</u>	<u>316</u>	<u>322</u>
Diluted net income (loss) per share from continuing operations	\$ (0.15)	\$ (0.22)	\$ 1.66	\$ 1.35
Diluted net income per share from discontinued operations	-	-	0.11	-
Diluted net income (loss) per share	<u>\$ (0.15)</u>	<u>\$ (0.22)</u>	<u>\$ 1.77</u>	<u>\$ 1.35</u>
Shares used in diluted per share calculations	<u>314</u>	<u>323</u>	<u>325</u>	<u>330</u>

See accompanying Notes.

INTUIT INC.
NOTES TO TABLE A

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

<i>(in millions)</i>	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>July 31,</u>	<u>July 31,</u>	<u>July 31,</u>	<u>July 31,</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cost of product revenue	\$ -	\$ 1	\$ 1	\$ 2
Cost of service and other revenue	1	2	7	7
Selling and marketing	11	13	41	45
Research and development	11	12	41	39
General and administrative	13	11	44	37
Total share-based compensation	<u>\$ 36</u>	<u>\$ 39</u>	<u>\$ 134</u>	<u>\$ 130</u>

[B] Our effective tax benefit rates for the three months ended July 31, 2010 and 2009 were approximately 39% and 41%. The income tax benefit for those periods included the impact of finalizing the annual effective tax rate in connection with the preparation of the annual tax provision for those periods. Excluding this impact, our effective tax benefit rates for the three months ended July 31, 2010 and 2009 did not differ significantly from the federal statutory rate of 35%.

Our effective tax rate for the twelve months ended July 31, 2010 was approximately 34%. In that year we recorded discrete tax benefits that were primarily related to foreign tax credits associated with the distribution of profits from our non-U.S. subsidiaries and our plans to indefinitely reinvest substantially all remaining non-U.S. earnings in support of our international expansion plans. Excluding those discrete tax benefits, our effective tax rate for that period was approximately 36% and did not differ significantly from the federal statutory rate of 35%.

Our effective tax rate for the twelve months ended July 31, 2009 was approximately 31%. Excluding discrete tax benefits primarily related to a favorable agreement we entered into with a tax authority and the retroactive reinstatement of the federal research and experimentation credit, our effective tax rate for that period was approximately 35% and did not differ significantly from the federal statutory rate of 35%.

[C] On January 15, 2010 we sold our Intuit Real Estate Solutions (IRES) business for approximately \$128 million in cash and recorded a net gain on disposal of \$35 million. IRES was part of our Other Businesses segment. We determined that IRES became a discontinued operation in the second quarter of fiscal 2010. We have therefore segregated the net assets and operating results of IRES from continuing operations on our balance sheets and in our statements of operations for all periods prior to the sale. Assets held for sale at July 31, 2009 consisted primarily of goodwill. Revenue from IRES was \$33 million for the twelve months ended July 31, 2010 and \$74 million for the twelve months ended July 31, 2009. Because IRES 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 presented the effect of the net gain on disposal of IRES in net income from discontinued operations on our statements of cash flows for the twelve months ended July 31, 2010.

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

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>July 31,</u> <u>2010</u>	<u>July 31,</u> <u>2009</u>	<u>July 31,</u> <u>2010</u>	<u>July 31,</u> <u>2009</u>
GAAP operating income (loss)	\$ (64)	\$ (118)	\$ 863	\$ 683
Amortization of acquired technology	6	15	49	59
Amortization of other acquired intangible assets	11	9	42	42
Charge for historical use of technology licensing rights	-	2	-	13
Professional fees for business combinations	2	-	7	-
Share-based compensation expense	36	39	134	130
Non-GAAP operating income (loss)	<u>\$ (9)</u>	<u>\$ (53)</u>	<u>\$ 1,095</u>	<u>\$ 927</u>
GAAP net income (loss)	\$ (48)	\$ (71)	\$ 574	\$ 447
Amortization of acquired technology	6	15	49	59
Amortization of other acquired intangible assets	11	9	42	42
Charge for historical use of technology licensing rights	-	2	-	13
Professional fees for business combinations	2	-	7	-
Share-based compensation expense	36	39	134	130
Net gains on marketable equity securities and other investments	-	-	(1)	(1)
Income tax effect of non-GAAP adjustments	(22)	(27)	(83)	(88)
Exclusion of discrete tax items	-	-	(2)	(2)
Discontinued operations	-	(1)	(35)	-
Non-GAAP net income (loss)	<u>\$ (15)</u>	<u>\$ (34)</u>	<u>\$ 685</u>	<u>\$ 600</u>
GAAP diluted net income (loss) per share	\$ (0.15)	\$ (0.22)	\$ 1.77	\$ 1.35
Amortization of acquired technology	0.02	0.05	0.15	0.18
Amortization of other acquired intangible assets	0.04	0.03	0.14	0.14
Charge for historical use of technology licensing rights	-	0.01	-	0.04
Professional fees for business combinations	0.01	-	0.02	-
Share-based compensation expense	0.11	0.12	0.41	0.39
Net gains on marketable equity securities and other investments	-	-	-	-
Income tax effect of non-GAAP adjustments	(0.08)	(0.09)	(0.26)	(0.27)
Exclusion of discrete tax items	-	-	(0.01)	(0.01)
Discontinued operations	-	-	(0.11)	-
Non-GAAP diluted net income (loss) per share	<u>\$ (0.05)</u>	<u>\$ (0.10)</u>	<u>\$ 2.11</u>	<u>\$ 1.82</u>
Shares used in diluted per share calculations	<u>314</u>	<u>323</u>	<u>325</u>	<u>330</u>

See "About Non-GAAP Financial Measures" immediately following Table E 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 C**INTUIT INC.**
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	July 31,	July 31,
	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 214	\$ 679
Investments	1,408	668
Accounts receivable, net	135	135
Income taxes receivable	27	67
Deferred income taxes	117	92
Prepaid expenses and other current assets	57	43
Current assets of discontinued operations	-	12
Current assets before funds held for customers	1,958	1,696
Funds held for customers	337	272
Total current assets	2,295	1,968
Long-term investments	91	97
Property and equipment, net	510	527
Goodwill	1,914	1,754
Acquired intangible assets, net	256	291
Long-term deferred income taxes	41	36
Other assets	91	77
Long-term assets of discontinued operations	-	76
Total assets	<u>\$ 5,198</u>	<u>\$ 4,826</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 143	\$ 103
Accrued compensation and related liabilities	206	171
Deferred revenue	387	360
Income taxes payable	14	-
Other current liabilities	134	153
Current liabilities of discontinued operations	-	25
Current liabilities before customer fund deposits	884	812
Customer fund deposits	337	272
Total current liabilities	1,221	1,084
Long-term debt	998	998
Other long-term obligations	158	187
Total liabilities	<u>2,377</u>	<u>2,269</u>
Stockholders' equity	2,821	2,557
Total liabilities and stockholders' equity	<u>\$ 5,198</u>	<u>\$ 4,826</u>

TABLE D

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	July 31, 2010	July 31, 2009	July 31, 2010	July 31, 2009
Cash flows from operating activities:				
Net income (loss)	\$ (48)	\$ (71)	\$ 574	\$ 447
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation	37	44	148	149
Amortization of intangible assets	21	42	108	126
Share-based compensation	36	39	135	133
Pre-tax gain on sale of IRES	-	-	(58)	-
Deferred income taxes	(8)	(23)	(69)	22
Tax benefit from share-based compensation plans	13	10	36	18
Excess tax benefit from share-based compensation plans	(7)	(2)	(18)	(9)
Other	8	3	23	13
Total adjustments	100	113	305	452
Changes in operating assets and liabilities:				
Accounts receivable	69	128	2	(18)
Prepaid expenses, income taxes receivable and other assets	(23)	(52)	20	(12)
Accounts payable	(23)	(47)	40	(7)
Accrued compensation and related liabilities	20	21	33	(55)
Deferred revenue	77	78	32	26
Income taxes payable	(268)	(155)	14	(18)
Other liabilities	(55)	(81)	(22)	(3)
Total changes in operating assets and liabilities	(203)	(108)	119	(87)
Net cash provided by (used in) operating activities	(151)	(66)	998	812
Cash flows from investing activities:				
Purchases of available-for-sale debt securities	(1,310)	(412)	(3,029)	(550)
Sales of available-for-sale debt securities	1,037	134	1,660	426
Maturities of available-for-sale debt securities	362	30	474	57
Net change in funds held for customers' money market funds and other cash equivalents	(64)	99	82	366
Purchases of property and equipment	(30)	(34)	(130)	(182)
Net change in customer fund deposits	62	(99)	65	(366)
Acquisitions of businesses, net of cash acquired	(77)	(175)	(218)	(183)
Proceeds from divestiture of business	-	-	122	-
Other	(11)	-	(23)	-
Net cash used in investing activities	(31)	(457)	(997)	(432)
Cash flows from financing activities:				
Net proceeds from issuance of common stock under stock plans	114	72	440	198
Tax payments related to restricted stock issuance	(4)	-	(24)	(15)
Purchase of treasury stock	(150)	(100)	(900)	(300)
Excess tax benefit from share-based compensation plans	7	2	18	9
Other	1	-	(1)	(2)
Net cash used in financing activities	(32)	(26)	(467)	(110)
Effect of exchange rates on cash and cash equivalents	(2)	6	1	(4)
Net increase (decrease) in cash and cash equivalents	(216)	(543)	(465)	266
Cash and cash equivalents at beginning of period	430	1,222	679	413
Cash and cash equivalents at end of period	\$ 214	\$ 679	\$ 214	\$ 679

TABLE E

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		Adjustments	Non-GAAP	
	Range of Estimate			Range of Estimate	
	From	To		From	To
Three Months Ending					
October 31, 2010					
Revenue	\$ 515	\$ 525	\$ -	\$ 515	\$ 525
Operating loss	\$ (110)	\$ (100)	\$ 50 [a]	\$ (60)	\$ (50)
Net loss per share	\$ (0.25)	\$ (0.23)	\$ 0.12 [b]	\$ (0.13)	\$ (0.11)
Twelve Months Ending					
July 31, 2011					
Revenue	\$ 3,740	\$ 3,840	\$ -	\$ 3,740	\$ 3,840
Operating income	\$ 980	\$ 1,015	\$ 235 [c]	\$ 1,215	\$ 1,250
Diluted earnings per share	\$ 1.88	\$ 1.95	\$ 0.48 [d]	\$ 2.36	\$ 2.43

See “About Non-GAAP Financial Measures” immediately following this Table E 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 \$34 million; amortization of acquired technology of approximately \$5 million; and amortization of other acquired intangible assets of approximately \$11 million.
- [b] Reflects the estimated adjustments in item [a], income taxes related to these adjustments, and adjustments for certain discrete GAAP tax items.
- [c] Reflects estimated adjustments for share-based compensation expense of approximately \$174 million; amortization of acquired technology of approximately \$18 million; and amortization of other acquired intangible assets of approximately \$43 million.
- [d] Reflects the estimated adjustments in item [c], income taxes related to these adjustments, and adjustments for certain discrete GAAP tax items.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying press release dated August 19, 2010 contains non-GAAP financial measures. Table B and Table E reconcile 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), 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
- Charges for historical use of technology licensing rights
- 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 marketable equity securities and other investments
- Income tax effects of excluded 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 expense, amortization, 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 purchases of common stock under 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.

Charges for historical use of technology licensing rights. We exclude from our non-GAAP financial measures the portion of technology licensing fees that relates to historical use of that technology.

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 marketable equity securities and other investments. We exclude from our non-GAAP financial measures gains and losses that we record when we sell or impair marketable equity securities and other investments.

Income tax effects of excluded items. We exclude from our non-GAAP financial measures 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. 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 E include all information reasonably available to Intuit at the date of this press release. These tables include adjustments that we can reasonably predict. Events that could cause the reconciliation to change include acquisitions and divestitures of businesses, goodwill and other asset impairments, and sales of marketable equity securities and other investments.