

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

	Three Months Ended		Six Months Ended	
	January 31, 2010	January 31, 2009	January 31, 2010	January 31, 2009
Net revenue:				
Product	\$ 422	\$ 433	\$ 627	\$ 651
Service and other	415	340	684	584
Total net revenue	<u>837</u>	<u>773</u>	<u>1,311</u>	<u>1,235</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	48	56	83	88
Cost of service and other revenue	114	98	223	200
Amortization of purchased intangible assets	16	14	38	29
Selling and marketing	277	271	457	451
Research and development	144	140	285	274
General and administrative	88	70	165	134
Acquisition-related charges	11	13	21	23
Total costs and expenses [A]	<u>698</u>	<u>662</u>	<u>1,272</u>	<u>1,199</u>
Operating income from continuing operations	139	111	39	36
Interest expense	(15)	(12)	(31)	(24)
Interest and other income	2	6	7	5
Income from continuing operations before income taxes	126	105	15	17
Income tax provision (benefit) [B]	46	19	4	(17)
Net income from continuing operations	80	86	11	34
Net income (loss) from discontinued operations [C]	34	(1)	35	(1)
Net income	<u>\$ 114</u>	<u>\$ 85</u>	<u>\$ 46</u>	<u>\$ 33</u>
Basic net income per share from continuing operations	\$ 0.25	\$ 0.27	\$ 0.04	\$ 0.10
Basic net income (loss) per share from discontinued operations	0.11	-	0.11	-
Basic net income per share	<u>\$ 0.36</u>	<u>\$ 0.27</u>	<u>\$ 0.15</u>	<u>\$ 0.10</u>
Shares used in basic per share calculations	<u>314</u>	<u>321</u>	<u>317</u>	<u>322</u>
Diluted net income per share from continuing operations	\$ 0.25	\$ 0.26	\$ 0.03	\$ 0.10
Diluted net income (loss) per share from discontinued operations	0.10	-	0.11	-
Diluted net income per share	<u>\$ 0.35</u>	<u>\$ 0.26</u>	<u>\$ 0.14</u>	<u>\$ 0.10</u>
Shares used in diluted per share calculations	<u>323</u>	<u>326</u>	<u>326</u>	<u>329</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>	Three Months Ended		Six Months Ended	
	January 31,	January 31,	January 31,	January 31,
	2010	2009	2010	2009
Cost of product revenue	\$ 1	\$ 1	\$ 1	\$ 1
Cost of service and other revenue	2	2	4	3
Selling and marketing	12	12	19	20
Research and development	11	10	20	16
General and administrative	11	9	20	15
Total share-based compensation	<u>\$ 37</u>	<u>\$ 34</u>	<u>\$ 64</u>	<u>\$ 55</u>

- [B] Our effective tax rate for the three months ended January 31, 2010 was approximately 37%. 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 the domestic production activities deduction and the federal and state research and experimentation credits. Our effective tax rate for the three months ended January 31, 2009 was approximately 18%. Excluding discrete tax benefits primarily related to a favorable agreement we entered into with a tax authority with respect to tax years ended prior to fiscal 2009, 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 six months ended January 31, 2010 was approximately 27%. Excluding discrete tax benefits primarily related to routine stock option deduction benefits, our effective tax rate for that period was approximately 37%. 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 the domestic production activities deduction and the federal and state research and experimentation credits. We recorded a tax benefit of \$17 million on pre-tax income of \$17 million for the six months ended January 31, 2009. Excluding discrete tax benefits primarily related to a favorable agreement we entered into with a tax authority as described above and the retroactive reinstatement of the federal research and experimentation credit, our effective tax rate for that period was approximately 36% and did not differ significantly from the federal statutory rate of 35%.

- [C] In January 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. Revenue and net income from IRES discontinued operations were as shown in the following table for the periods indicated. 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 segregated the cash impact of the gain on disposal of IRES on our statements of cash flows for the three and six months ended January 31, 2010.

<i>(In millions)</i>	Three Months Ended		Six Months Ended	
	January 31,	January 31,	January 31,	January 31,
	2010	2009	2010	2009
Net revenue	<u>\$ 14</u>	<u>\$ 18</u>	<u>\$ 33</u>	<u>\$ 37</u>
Net loss	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>

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

	Three Months Ended		Six Months Ended	
	January 31, 2010	January 31, 2009	January 31, 2010	January 31, 2009
GAAP operating income	\$ 139	\$ 111	\$ 39	\$ 36
Amortization of purchased intangible assets	16	14	38	29
Acquisition-related charges	11	13	21	23
Professional fees for business combinations	3	-	4	-
Share-based compensation expense	37	34	64	55
Non-GAAP operating income	\$ 206	\$ 172	\$ 166	\$ 143
GAAP net income	\$ 114	\$ 85	\$ 46	\$ 33
Amortization of purchased intangible assets	16	14	38	29
Acquisition-related charges	11	13	21	23
Professional fees for business combinations	3	-	4	-
Share-based compensation expense	37	34	64	55
Net gains on marketable equity securities and other investments	-	-	-	(1)
Income tax effect of non-GAAP adjustments	(25)	(21)	(47)	(36)
Exclusion of discrete tax items	-	(16)	(1)	(22)
Discontinued operations	(34)	1	(35)	1
Non-GAAP net income	\$ 122	\$ 110	\$ 90	\$ 82
GAAP diluted net income per share	\$ 0.35	\$ 0.26	\$ 0.14	\$ 0.10
Amortization of purchased intangible assets	0.05	0.04	0.12	0.09
Acquisition-related charges	0.03	0.04	0.06	0.07
Professional fees for business combinations	0.01	-	0.01	-
Share-based compensation expense	0.12	0.11	0.20	0.17
Net gains on marketable equity securities and other investments	-	-	-	-
Income tax effect of non-GAAP adjustments	(0.08)	(0.06)	(0.14)	(0.11)
Exclusion of discrete tax items	-	(0.05)	-	(0.07)
Discontinued operations	(0.10)	-	(0.11)	-
Non-GAAP diluted net income per share	\$ 0.38	\$ 0.34	\$ 0.28	\$ 0.25
Shares used in diluted per share calculations	323	326	326	329

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)

	January 31, 2010	July 31, 2009
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 337	\$ 679
Investments	609	668
Accounts receivable, net	468	135
Income taxes receivable	23	67
Deferred income taxes	80	92
Prepaid expenses and other current assets	86	43
Current assets of discontinued operations	-	12
Current assets before funds held for customers	<u>1,603</u>	<u>1,696</u>
Funds held for customers	313	272
Total current assets	<u>1,916</u>	<u>1,968</u>
Long-term investments	92	97
Property and equipment, net	518	527
Goodwill	1,853	1,754
Purchased intangible assets, net	269	291
Long-term deferred income taxes	43	36
Other assets	87	77
Long-term assets of discontinued operations	-	76
Total assets	<u>\$ 4,778</u>	<u>\$ 4,826</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 159	\$ 103
Accrued compensation and related liabilities	135	171
Deferred revenue	511	360
Income taxes payable	2	-
Other current liabilities	234	153
Current liabilities of discontinued operations	-	25
Current liabilities before customer fund deposits	<u>1,041</u>	<u>812</u>
Customer fund deposits	313	272
Total current liabilities	<u>1,354</u>	<u>1,084</u>
Long-term debt	998	998
Other long-term obligations	170	187
Total liabilities	<u>2,522</u>	<u>2,269</u>
Stockholders' equity	<u>2,256</u>	<u>2,557</u>
Total liabilities and stockholders' equity	<u>\$ 4,778</u>	<u>\$ 4,826</u>

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

	Three Months Ended		Six Months Ended	
	January 31, 2010	January 31, 2009	January 31, 2010	January 31, 2009
Cash flows from operating activities:				
Net income	\$ 114	\$ 85	\$ 46	\$ 33
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation	36	36	75	69
Amortization of intangible assets	32	30	68	57
Share-based compensation	38	35	65	57
Pre-tax gain on sale of IRES	(58)	-	(58)	-
Deferred income taxes	2	(1)	(22)	44
Tax benefit from share-based compensation plans	4	(4)	10	7
Excess tax benefit from share-based compensation plans	(2)	-	(5)	(6)
Other	6	2	10	7
Total adjustments	<u>58</u>	<u>98</u>	<u>143</u>	<u>235</u>
Changes in operating assets and liabilities:				
Accounts receivable	(318)	(300)	(331)	(317)
Prepaid expenses, taxes and other current assets	51	7	(5)	(114)
Accounts payable	47	(7)	56	15
Accrued compensation and related liabilities	19	16	(38)	(97)
Deferred revenue	180	140	156	122
Income taxes payable	2	1	2	(13)
Other liabilities	92	103	76	79
Total changes in operating assets and liabilities	<u>73</u>	<u>(40)</u>	<u>(84)</u>	<u>(325)</u>
Net cash provided by (used in) operating activities	<u>245</u>	<u>143</u>	<u>105</u>	<u>(57)</u>
Cash flows from investing activities:				
Purchases of available-for-sale debt securities	(162)	(31)	(550)	(67)
Sales of available-for-sale debt securities	96	117	418	264
Maturities of available-for-sale debt securities	7	13	43	24
Net change in funds held for customers' money market funds and other cash equivalents	41	34	107	317
Purchases of property and equipment	(34)	(50)	(66)	(117)
Net change in customer fund deposits	20	(34)	41	(317)
Acquisitions of businesses, net of cash acquired	(141)	-	(141)	-
Proceeds from divestiture of business	122	-	122	-
Other	(3)	1	(6)	4
Net cash provided by (used in) investing activities	<u>(54)</u>	<u>50</u>	<u>(32)</u>	<u>108</u>
Cash flows from financing activities:				
Net proceeds from issuance of common stock under stock plans	85	18	150	95
Tax payments related to restricted stock issuance	(5)	(2)	(20)	(14)
Purchase of treasury stock	(250)	(35)	(550)	(200)
Excess tax benefit from share-based compensation plans	2	-	5	6
Other	-	(2)	(1)	(2)
Net cash used in financing activities	<u>(168)</u>	<u>(21)</u>	<u>(416)</u>	<u>(115)</u>
Effect of exchange rates on cash and cash equivalents	1	(2)	1	(10)
Net increase (decrease) in cash and cash equivalents	<u>24</u>	<u>170</u>	<u>(342)</u>	<u>(74)</u>
Cash and cash equivalents at beginning of period	313	169	679	413
Cash and cash equivalents at end of period	<u>\$ 337</u>	<u>\$ 339</u>	<u>\$ 337</u>	<u>\$ 339</u>

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						
April 30, 2010						
Revenue	\$ 1,510	\$ 1,590	\$ -		\$ 1,510	\$ 1,590
Operating income	\$ 811	\$ 861	\$ 49	[a]	\$ 860	\$ 910
Diluted earnings per share	\$ 1.64	\$ 1.74	\$ 0.11	[b]	\$ 1.75	\$ 1.85
Shares	320	324	-		320	324
Twelve Months Ending						
July 31, 2010						
Revenue	\$ 3,300	\$ 3,400	\$ -		\$ 3,300	\$ 3,400
Operating income	\$ 785	\$ 825	\$ 225	[c]	\$ 1,010	\$ 1,050
Diluted earnings per share	\$ 1.63	\$ 1.70	\$ 0.34	[d]	\$ 1.97	\$ 2.04
Shares	319	323	-		319	323

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 purchased intangible assets of approximately \$4 million; and acquisition-related charges 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 \$133 million; amortization of purchased intangible assets of approximately \$46 million; acquisition-related charges of approximately \$42 million; and professional fees for business combinations of approximately \$4 million.
- [d] Reflects the estimated adjustments in item [c], income taxes related to these adjustments, adjustments for certain discrete GAAP tax items, and an adjustment for a net gain from discontinued operations of approximately \$35 million.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying press release dated February 18, 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 purchased intangible assets
- Acquisition-related charges
- Professional fees for business combinations

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

- Gains and losses on 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 expenses, acquisition-related charges, or the other excluded items and, accordingly, we exclude these amounts from our measures of segment performance. We believe that our non-GAAP financial measures also facilitate the comparison by management and investors of results for current periods and guidance for future periods with results for past periods.

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

Share-based compensation expenses. These consist of non-cash expenses for stock options, restricted stock units and 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 purchased intangible assets and acquisition-related charges. 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 purchased intangible assets in cost of revenue includes amortization of software and other technology assets of acquired entities. Acquisition-related charges in operating expenses include amortization of other purchased intangible assets such as customer lists, covenants not to compete and trade names.

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.