

Intuit Facts

FY05 Financial Outlook ^[H], ^[I]

Intuit Inc.

Investor Relations (650) 944-5401

NASDAQ: INTU

Guidance			
(\$ millions)	Guidance Q4 FY05	Guidance FY05	Actual FY04
Revenue:			
<u>Small & Medium Business</u>			
QuickBooks Related			\$653.9
% change YOY		10%-14%	18%
Intuit-Branded Small Bus.			\$206.9
% change YOY		6%-12%	11%
<u>Tax</u>			
Consumer Tax			\$490.0
% change YOY		15%-16%	16%
Professional Tax			\$251.9
% change YOY		4%-5%	3%
<u>Other Businesses</u>			
% change YOY		5-10%	4%
Total Revenue	\$270 - \$285	\$2,005 - \$2,020	\$1,802.2
% change YOY	5% - 10%	11%-12%	13%
Non-GAAP Operating Income ^[A]	(\$45) - (\$35)	\$535 - \$545	\$453.1
Non-GAAP Operating Margin % ^[A]		26% - 28%	25%
GAAP Operating Income	(\$52) - (\$42)	\$508 - \$518	\$419.5
Non-GAAP EPS^[A]	(\$0.12) - (\$0.09)	\$1.96-\$1.99	\$1.59
GAAP EPS ^[A]	(\$0.12) - (\$0.09)	\$2.02-\$2.05	\$1.58
Basic Share Count	180-183	185-190	195.5
Fully Diluted Share Count		189-194	200.1
Non-GAAP Tax Rate ^[A]	34%	34%	34%

Portfolio and Segment Composition	
<u>Small & Medium Business</u>	
QuickBooks Related	
QuickBooks Software	
Financial Supplies	
QuickBooks Standard Payroll	
QuickBooks Enhanced Payroll	
QuickBooks Enhanced Payroll Plus	
Point of Sale	
QuickBooks Support Programs	
Innovative Merchant Solutions	
Intuit-Branded Small Business	
Complete Payroll	
QuickBooks Assisted Payroll	
Premier Payroll	
Intuit Construction Business Solutions	
Intuit Real Estate Solutions (MRI)	
Intuit Distribution Management Solutions (Eclipse)	
<u>Tax</u>	
Consumer Tax	
TurboTax	
Professional Tax	
ProSeries	
Lacerte	
<u>Other</u>	
Other Businesses	
Quicken	
Canada/UK	

^[H] All of the numbers provided in the table entitled "Guidance," other than those under the heading "FY04" are forward-looking statements. Please see "Cautions About Forward-Looking Statements" in the pages accompanying this fact sheet for important information to assess when evaluating these statements.

^[I] Excludes results of Intuit Information Technology Solutions (ITS). The figures in the Actual FY04 column exclude \$52.6 million in ITS revenue, \$24.5 million in ITS non-GAAP operating income, \$21.5 million in ITS GAAP operating income and \$0.08 non-GAAP EPS.

^[A] In accordance with accounting rules, GAAP EPS includes ITS for all periods presented.

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

	Three Months Ended		Nine Months Ended	
	April 30, 2005	April 30, 2004	April 30, 2005	April 30, 2004
Net revenue:				
Product	\$ 422,199	\$ 372,081	\$ 1,087,077	\$ 1,037,984
Service	408,566	320,068	640,170	495,037
Other	18,740	17,689	50,887	49,510
Total net revenue	<u>849,505</u>	<u>709,838</u>	<u>1,778,134</u>	<u>1,582,531</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	45,044	46,897	139,193	144,487
Cost of service revenue	50,126	42,057	137,478	118,265
Cost of other revenue	7,951	5,961	20,529	19,507
Amortization of purchased assets [B]	3,354	3,354	10,147	9,833
Selling and marketing	163,064	143,525	474,184	445,209
Research and development	79,422	70,548	232,272	213,826
General and administrative	70,508	43,792	178,722	134,715
Acquisition-related charges [C]	3,970	6,152	12,586	18,444
Total costs and expenses	<u>423,439</u>	<u>362,286</u>	<u>1,205,111</u>	<u>1,104,286</u>
Income from continuing operations	426,066	347,552	573,023	478,245
Interest and other income	5,802	4,767	12,841	19,427
Gains on marketable securities and other investments, net	124	107	342	344
Income from continuing operations before income taxes	431,992	352,426	586,206	498,016
Income tax provision [D]	131,485	88,140	179,326	137,712
Net income from continuing operations	300,507	264,286	406,880	360,304
Net loss from discontinued operations, net of income taxes [E]	-	(253)	(5,257)	(1,170)
Net income	<u>\$ 300,507</u>	<u>\$ 264,033</u>	<u>\$ 401,623</u>	<u>\$ 359,134</u>
Basic net income per share from continuing operations	\$ 1.64	\$ 1.36	\$ 2.19	\$ 1.83
Basic net loss per share from discontinued operations	-	-	(0.03)	(0.01)
Basic net income per share	<u>\$ 1.64</u>	<u>\$ 1.36</u>	<u>\$ 2.16</u>	<u>\$ 1.82</u>
Shares used in basic per share amounts	<u>183,422</u>	<u>194,517</u>	<u>186,062</u>	<u>196,976</u>
Diluted net income per share from continuing operations	\$ 1.61	\$ 1.33	\$ 2.14	\$ 1.78
Diluted net loss per share from discontinued operations	-	-	(0.02)	-
Diluted net income per share	<u>\$ 1.61</u>	<u>\$ 1.33</u>	<u>\$ 2.12</u>	<u>\$ 1.78</u>
Shares used in diluted per share amounts	<u>186,887</u>	<u>198,748</u>	<u>189,808</u>	<u>202,113</u>

See accompanying Notes.

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>April 30,</u> <u>2005</u>	<u>April 30,</u> <u>2004</u>	<u>April 30,</u> <u>2005</u>	<u>April 30,</u> <u>2004</u>
Net revenue:				
Product	\$ 422,199	\$ 372,081	\$ 1,087,077	\$ 1,037,984
Service	408,566	320,068	640,170	495,037
Other	18,740	17,689	50,887	49,510
Total net revenue	<u>849,505</u>	<u>709,838</u>	<u>1,778,134</u>	<u>1,582,531</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	45,044	46,897	139,193	144,487
Cost of service revenue	50,126	42,057	137,478	118,265
Cost of other revenue	7,951	5,961	20,529	19,507
Selling and marketing	163,064	143,525	474,184	445,209
Research and development	79,422	70,548	232,272	213,826
General and administrative	70,508	43,792	178,722	134,715
Total costs and expenses	<u>416,115</u>	<u>352,780</u>	<u>1,182,378</u>	<u>1,076,009</u>
Income from operations	433,390	357,058	595,756	506,522
Interest and other income	5,802	4,767	12,841	19,427
Income before income taxes	439,192	361,825	608,597	525,949
Income tax provision	149,325	123,021	206,923	178,823
Net income	<u>\$ 289,867</u>	<u>\$ 238,804</u>	<u>\$ 401,674</u>	<u>\$ 347,126</u>
Basic net income per share	<u>\$ 1.58</u>	<u>\$ 1.23</u>	<u>\$ 2.16</u>	<u>\$ 1.76</u>
Shares used in basic per share amounts	<u>183,422</u>	<u>194,517</u>	<u>186,062</u>	<u>196,976</u>
Diluted net income per share	<u>\$ 1.55</u>	<u>\$ 1.20</u>	<u>\$ 2.12</u>	<u>\$ 1.72</u>
Shares used in diluted per share amounts	<u>186,887</u>	<u>198,748</u>	<u>189,808</u>	<u>202,113</u>

The non-GAAP financial measures above should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles ("GAAP"). These non-GAAP financial measures are not prepared in accordance with GAAP and likely are different from non-GAAP financial measures used by other companies. Intuit's management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit's core operating results because they exclude amounts that are not necessarily related to Intuit's core operating results. Intuit's management refers 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 management's internal comparisons to Intuit's historical operating results. In addition, Intuit has historically reported similar non-GAAP financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes non-GAAP financial measures using the same consistent method from quarter to quarter and year to year. See Tables B1 and B2 for reconciliations of these non-GAAP financial measures to GAAP.

Table B1
INTUIT INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
TO GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS [A]-[E]
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended April 30, 2005			Three Months Ended April 30, 2004				
	Non- GAAP	Adjmts	[A]	GAAP	Non- GAAP	Adjmts	[A]	GAAP
Net revenue:								
Product	\$ 422,199	\$ -		\$ 422,199	\$ 372,081	\$ -		\$ 372,081
Service	408,566	-		408,566	320,068	-		320,068
Other	18,740	-		18,740	17,689	-		17,689
Total net revenue	<u>849,505</u>	<u>-</u>		<u>849,505</u>	<u>709,838</u>	<u>-</u>		<u>709,838</u>
Costs and expenses:								
Cost of revenue:								
Cost of product revenue	45,044	-		45,044	46,897	-		46,897
Cost of service revenue	50,126	-		50,126	42,057	-		42,057
Cost of other revenue	7,951	-		7,951	5,961	-		5,961
Amortization of purchased assets	-	3,354	[B]	3,354	-	3,354	[B]	3,354
Selling and marketing	163,064	-		163,064	143,525	-		143,525
Research and development	79,422	-		79,422	70,548	-		70,548
General and administrative	70,508	-		70,508	43,792	-		43,792
Acquisition-related charges	-	3,970	[C]	3,970	-	6,152	[C]	6,152
Total costs and expenses	<u>416,115</u>	<u>7,324</u>		<u>423,439</u>	<u>352,780</u>	<u>9,506</u>		<u>362,286</u>
Income from continuing operations	433,390	(7,324)		426,066	357,058	(9,506)		347,552
Interest and other income	5,802	-		5,802	4,767	-		4,767
Gains on marketable securities and other investments, net	-	124		124	-	107		107
Income from continuing operations before income taxes	439,192	(7,200)		431,992	361,825	(9,399)		352,426
Income tax provision	149,325	(17,840)	[D]	131,485	123,021	(34,881)	[D]	88,140
Net income from continuing operations	<u>289,867</u>	<u>10,640</u>		<u>300,507</u>	<u>238,804</u>	<u>25,482</u>		<u>264,286</u>
Net loss from discontinued operations, net of income taxes	-	-		-	-	(253)	[E]	(253)
Net income	<u>\$ 289,867</u>	<u>\$ 10,640</u>		<u>\$ 300,507</u>	<u>\$ 238,804</u>	<u>\$ 25,229</u>		<u>\$ 264,033</u>
Basic net income per share from continuing operations	\$ 1.58			\$ 1.64	\$ 1.23			\$ 1.36
Basic net loss per share from discontinued operations	-			-	-			-
Basic net income per share	<u>\$ 1.58</u>			<u>\$ 1.64</u>	<u>\$ 1.23</u>			<u>\$ 1.36</u>
Shares used in basic per share amounts	<u>183,422</u>			<u>183,422</u>	<u>194,517</u>			<u>194,517</u>
Diluted net income per share from continuing operations	\$ 1.55			\$ 1.61	\$ 1.20			\$ 1.33
Diluted net loss per share from discontinued operations	-			-	-			-
Diluted net income per share	<u>\$ 1.55</u>			<u>\$ 1.61</u>	<u>\$ 1.20</u>			<u>\$ 1.33</u>
Shares used in diluted per share amounts	<u>186,887</u>			<u>186,887</u>	<u>198,748</u>			<u>198,748</u>

The non-GAAP financial measures above should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are not prepared in accordance with GAAP and likely are different from non-GAAP financial measures used by other companies. Intuit’s management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit’s core operating results because they exclude amounts that are not necessarily related to Intuit’s core operating results. Intuit’s management refers 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 management’s internal comparisons to Intuit’s historical operating results. In addition, Intuit has historically reported similar non-GAAP financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes non-GAAP financial measures using the same consistent method from quarter to quarter and year to year. See Notes [A] through [E] for details.

Table B2
INTUIT INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
TO GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS [A]-[E]
(In thousands, except per share amounts)
(Unaudited)

	Nine Months Ended April 30, 2005			Nine Months Ended April 30, 2004		
	Non- GAAP	Adjmts [A]	GAAP	Non- GAAP	Adjmts [A]	GAAP
Net revenue:						
Product	\$ 1,087,077	\$ -	\$ 1,087,077	\$ 1,037,984	\$ -	\$ 1,037,984
Service	640,170	-	640,170	495,037	-	495,037
Other	50,887	-	50,887	49,510	-	49,510
Total net revenue	<u>1,778,134</u>	<u>-</u>	<u>1,778,134</u>	<u>1,582,531</u>	<u>-</u>	<u>1,582,531</u>
Costs and expenses:						
Cost of revenue:						
Cost of product revenue	139,193	-	139,193	144,487	-	144,487
Cost of service revenue	137,478	-	137,478	118,265	-	118,265
Cost of other revenue	20,529	-	20,529	19,507	-	19,507
Amortization of purchased assets	-	10,147 [B]	10,147	-	9,833 [B]	9,833
Selling and marketing	474,184	-	474,184	445,209	-	445,209
Research and development	232,272	-	232,272	213,826	-	213,826
General and administrative	178,722	-	178,722	134,715	-	134,715
Acquisition-related charges	-	12,586 [C]	12,586	-	18,444 [C]	18,444
Total costs and expenses	<u>1,182,378</u>	<u>22,733</u>	<u>1,205,111</u>	<u>1,076,009</u>	<u>28,277</u>	<u>1,104,286</u>
Income from continuing operations	595,756	(22,733)	573,023	506,522	(28,277)	478,245
Interest and other income	12,841	-	12,841	19,427	-	19,427
Gains on marketable securities and other investments, net	-	342	342	-	344	344
Income from continuing operations before income taxes	608,597	(22,391)	586,206	525,949	(27,933)	498,016
Income tax provision	206,923	(27,597) [D]	179,326	178,823	(41,111) [D]	137,712
Net income from continuing operations	401,674	5,206	406,880	347,126	13,178	360,304
Net loss from discontinued operations, net of income taxes	-	(5,257) [E]	(5,257)	-	(1,170) [E]	(1,170)
Net income	<u>\$ 401,674</u>	<u>\$ (51)</u>	<u>\$ 401,623</u>	<u>\$ 347,126</u>	<u>\$ 12,008</u>	<u>\$ 359,134</u>
Basic net income per share from continuing operations	\$ 2.16		\$ 2.19	\$ 1.76		\$ 1.83
Basic net loss per share from discontinued operations	-		(0.03)	-		(0.01)
Basic net income per share	<u>\$ 2.16</u>		<u>\$ 2.16</u>	<u>\$ 1.76</u>		<u>\$ 1.82</u>
Shares used in basic per share amounts	<u>186,062</u>		<u>186,062</u>	<u>196,976</u>		<u>196,976</u>
Diluted net income per share from continuing operations	\$ 2.12		\$ 2.14	\$ 1.72		\$ 1.78
Diluted net loss per share from discontinued operations	-		(0.02)	-		-
Diluted net income per share	<u>\$ 2.12</u>		<u>\$ 2.12</u>	<u>\$ 1.72</u>		<u>\$ 1.78</u>
Shares used in diluted per share amounts	<u>189,808</u>		<u>189,808</u>	<u>202,113</u>		<u>202,113</u>

The non-GAAP financial measures above should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles ("GAAP"). These non-GAAP financial measures are not prepared in accordance with GAAP and likely are different from non-GAAP financial measures used by other companies. Intuit's management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit's core operating results because they exclude amounts that are not necessarily related to Intuit's core operating results. Intuit's management refers 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 management's internal comparisons to Intuit's historical operating results. In addition, Intuit has historically reported similar non-GAAP financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes non-GAAP financial measures using the same consistent method from quarter to quarter and year to year. See Notes [A] through [E] for details.

INTUIT INC.
NOTES TO TABLES A1, B1 and B2

- [A] Tables B1 and B2 reconcile the differences between the non-GAAP financial measures, which are not prepared in accordance with generally accepted accounting principles (GAAP), and the GAAP condensed consolidated statements of operations for the three and nine months ended April 30, 2005 and 2004. Non-GAAP operating income (loss) excludes certain cost and expense line items that are in the GAAP statement of operations. For example, for the line item “acquisition-related charges,” the number in the GAAP column is subtracted out of the non-GAAP column in calculating non-GAAP operating income or loss. Eliminating cost or expense items improves non-GAAP results compared with GAAP results. Non-GAAP net income (loss) starts with non-GAAP operating income or loss and then excludes certain non-operating gains and losses that are in the GAAP statement of operations. For example, for the line item “gains on marketable securities and other investments, net” the number in the GAAP column is taken out of the non-GAAP column in calculating non-GAAP net income or loss. Eliminating loss line items improves non-GAAP results compared with GAAP results. Eliminating gain line items decreases non-GAAP results compared with GAAP results.
- [B] We amortize the value of software and other technology assets that we receive in connection with acquisitions over their estimated useful lives.
- [C] Acquisition-related charges include amortization of purchased intangible assets and deferred compensation related to acquisitions as well as impairment charges. For the three months ended April 30, 2005 and 2004, amortization of purchased intangible assets and deferred compensation was \$4.0 million and \$6.2 million. For the nine months ended April 30, 2005 and 2004, amortization of purchased intangible assets and deferred compensation was \$12.6 million and \$18.4 million. There were no impairment charges in any of those periods.
- [D] Our GAAP expected effective tax rate of 30.5% for the twelve months ending July 31, 2005 differs from the federal statutory tax rate of 35% due primarily to the net effect of the benefit received from federal research and experimental credits, tax exempt interest income, reversals of reserves related to potential income tax exposures that have been resolved, and various state tax credits offset by state taxes. Our non-GAAP expected tax rate of 34% differs from our GAAP expected tax rate because the reserve reversals did not impact our non-GAAP rate.
- Our GAAP effective tax rates of 25% for the three months ended April 30, 2004 and 28% for the nine months ended April 30, 2004 differed from the federal statutory rate of 35% primarily due to the net effect of the benefit received from federal research and experimental credits, tax exempt interest income, reversals of reserves related to potential income tax exposures that have been resolved, and various state tax credits offset by state taxes. Our non-GAAP expected tax rate of 34% differs from our GAAP expected tax rate because the reserve reversals did not impact our non-GAAP rate.
- [E] On December 3, 2004 we sold our Intuit Public Sector Solutions (IPSS) business to Kintera, a California software company, for approximately \$11 million. In accordance with SFAS 144, “*Accounting for the Impairment or Disposal of Long-lived Assets*,” we determined that IPSS became a long-lived asset held for sale and a discontinued operation in the first quarter of fiscal 2005. Consequently, we have segregated the net assets and operating results of IPSS from continuing operations on our balance sheets, statements of operations and statements of cash flows for all periods presented. Also in accordance with SFAS 144, we discontinued the amortization of IPSS purchased intangible assets in the first quarter of fiscal 2005.

Revenue and loss before income taxes for IPSS was \$3.1 million and \$0.4 million for the three months ended April 30, 2004. Revenue for IPSS was \$3.8 million and \$9.2 million for the nine months ended April 30, 2005 and 2004. Loss before income taxes for IPSS was \$0.8 million and \$1.9 million for the same periods. The net loss from discontinued operations for the nine months ended April 30, 2005 included a \$0.5 million loss on disposal of IPSS and an income tax provision of \$4.3 million for the estimated tax payable in connection with the tax gain on the sale of IPSS.

Table C
INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>April 30,</u> <u>2005</u>	<u>July 31,</u> <u>2004</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 122,353	\$ 27,298
Investments	1,138,043	991,971
Accounts receivable, net	141,728	90,795
Deferred income taxes	67,871	31,353
Prepaid expenses and other current assets	59,813	50,478
Current assets of discontinued operations	-	1,605
Current assets before funds held for payroll customers	<u>1,529,808</u>	<u>1,193,500</u>
Funds held for payroll customers	<u>361,232</u>	<u>323,041</u>
Total current assets	<u>1,891,040</u>	<u>1,516,541</u>
Property and equipment, net	217,801	232,654
Goodwill, net	659,589	659,137
Purchased intangible assets, net	80,345	104,966
Long-term deferred income taxes	141,903	135,711
Loans to executive officers and other employees	10,239	15,809
Other assets	27,867	17,669
Long-term assets of discontinued operations	-	13,691
Total assets	<u><u>\$ 3,028,784</u></u>	<u><u>\$ 2,696,178</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 96,174	\$ 70,124
Accrued compensation and related liabilities	119,781	133,733
Deferred revenue	210,096	219,482
Income taxes payable	227,292	22,159
Other current liabilities	155,339	83,251
Current liabilities of discontinued operations	-	5,575
Current liabilities before payroll customer fund deposits	<u>808,682</u>	<u>534,324</u>
Payroll customer fund deposits	<u>361,232</u>	<u>323,041</u>
Total current liabilities	<u>1,169,914</u>	<u>857,365</u>
Long-term obligations	17,705	16,394
Stockholders' equity	<u>1,841,165</u>	<u>1,822,419</u>
Total liabilities and stockholders' equity	<u><u>\$ 3,028,784</u></u>	<u><u>\$ 2,696,178</u></u>

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

	Three Months Ended		Nine Months Ended	
	April 30, 2005	April 30, 2004	April 30, 2005	April 30, 2004
<i>(In thousands; unaudited)</i>				
Cash flows from operating activities:				
Net income	\$ 300,507	\$ 264,033	\$ 401,623	\$ 359,134
Net loss from discontinued operations	-	253	5,257	1,170
Net income from continuing operations	300,507	264,286	406,880	360,304
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:				
Depreciation	32,600	18,718	77,387	57,278
Acquisition-related charges	3,970	6,152	12,586	18,444
Amortization of purchased software	3,354	3,354	10,147	9,833
Amortization of other purchased intangible assets	2,220	1,460	5,986	4,381
Amortization of deferred compensation not related to acquisitions	1,119	1,556	4,370	4,674
(Gain) loss on disposal of property and equipment	(546)	383	(646)	2,391
Amortization of premiums and discounts on available-for-sale debt securities	2,569	3,398	8,315	9,158
Net realized (gain) loss on sales of available-for-sale debt securities	99	(60)	1,619	(385)
Net gains from marketable securities and other investments	(124)	(107)	(342)	(344)
Deferred income taxes	(43,333)	-	(43,063)	-
Tax benefit from employee stock options	5,154	2,999	14,203	25,963
Gain on foreign exchange transactions	(112)	539	(665)	(3,568)
Subtotal	307,477	302,678	496,777	488,129
Changes in operating assets and liabilities:				
Accounts receivable	165,950	144,691	(51,122)	(49,007)
Prepaid expenses and other current assets	12,362	9,393	(7,046)	(15,530)
Accounts payable	(6,139)	(26,240)	25,858	19,319
Accrued compensation and related liabilities	10,275	8,285	(14,171)	(4,990)
Deferred revenue	(42,716)	(50,766)	(9,501)	(25,675)
Income taxes payable	168,682	84,994	200,023	111,700
Other current liabilities	(38,700)	180	68,821	83,941
Total changes in operating assets and liabilities	269,714	170,537	212,862	119,758
Net cash provided by operating activities of continuing operations	577,191	473,215	709,639	607,887
Net cash used in operating activities of discontinued operations	-	(192)	(878)	(973)
Net cash provided by operating activities	577,191	473,023	708,761	606,914
Cash flows from investing activities:				
Purchases of available-for-sale debt securities	(685,709)	(1,945,047)	(2,028,769)	(3,025,049)
Liquidation and maturity of available-for-sale debt securities	392,351	1,576,839	1,872,883	2,796,947
Net change in funds held for payroll customers' money market funds and other cash equivalents	(30,346)	52,626	(38,191)	77,185
Purchases of property and equipment	(18,765)	(38,506)	(56,330)	(85,708)
Proceeds from sale of property	3,151	-	3,151	-
Change in other assets	165	2,890	(4,286)	(109)
Net change in payroll customer funds deposits	30,346	41,574	38,191	17,015
Acquisitions of businesses and intangible assets, net of cash acquired	-	73	(4,156)	(120,737)
Net cash used in investing activities of continuing operations	(308,807)	(309,551)	(217,507)	(340,456)
Proceeds from the sale of discontinued operations, net of closing costs	-	-	9,619	-
Net cash used in investing activities	(308,807)	(309,551)	(207,888)	(340,456)
Cash flows from financing activities:				
Change in long-term obligations	(2,805)	(587)	(3,049)	(11,144)
Net proceeds from issuance of common stock under stock plans	37,035	18,334	97,405	104,890
Purchase of treasury stock	(216,456)	(250,374)	(500,667)	(511,501)
Net cash used in financing activities	(182,226)	(232,627)	(406,311)	(417,755)
Effect of exchange rates on cash and cash equivalents	(371)	(198)	493	57
Net increase (decrease) in cash and cash equivalents	85,787	(69,353)	95,055	(151,240)
Cash and cash equivalents at beginning of period	36,566	87,955	27,298	169,842
Cash and cash equivalents at end of period	\$ 122,353	\$ 18,602	\$ 122,353	\$ 18,602

Table E1
INTUIT INC.
RECONCILIATION OF GUIDANCE FOR NON-GAAP FINANCIAL MEASURES
TO PROJECTED GAAP REVENUE, OPERATING INCOME, AND EPS
(All Figures Except GAAP EPS Exclude Intuit Information Technology Solutions)
(In thousands, except per share amounts)
(Unaudited)

Three Months Ending July 31, 2005					
	Non-GAAP		Adjustments	GAAP	
	Range of Estimate			Range of Estimate	
	From	To		From	To
Revenue	\$ 270,000	\$ 285,000	\$ -	\$ 270,000	\$ 285,000
Operating loss	(45,000)	(35,000)	(6,500) [a]	(51,500)	(41,500)
Diluted loss per share	\$ (0.12)	\$ (0.09)	\$ - [b]	\$ (0.12)	\$ (0.09)
Shares	180,000	183,000	-	180,000	183,000
Twelve Months Ending July 31, 2005					
	Non-GAAP		Adjustments	GAAP	
	Range of Estimate			Range of Estimate	
	From	To		From	To
Revenue	\$ 2,005,000	\$ 2,020,000	\$ -	\$ 2,005,000	\$ 2,020,000
Operating income	535,000	545,000	(26,800) [c]	508,200	518,200
Diluted earnings per share	\$ 1.96	\$ 1.99	\$ 0.06 [d]	\$ 2.02	\$ 2.05
Shares	189,000	194,000	-	189,000	194,000

- [a] Reflects estimated adjustments for amortization of purchased software of approximately \$2.5 million and amortization of purchased intangible assets of approximately \$4.0 million.
- [b] Reflects the adjustments in item [a], income tax expense related to these adjustments and estimated net income from discontinued operations of \$4.0 million.
- [c] Reflects estimated adjustments for amortization of purchased software of approximately \$10.3 million and amortization of purchased intangible assets of approximately \$16.5 million.
- [d] Reflects the adjustments in item [c], income tax expense related to these adjustments and estimated net income from discontinued operations of \$8.0 million.

The non-GAAP financial measures above should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are not prepared in accordance with GAAP and likely are different from non-GAAP financial measures used by other companies. Intuit’s management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit’s core operating results because they exclude amounts that are not necessarily related to Intuit’s core operating results. Intuit’s management refers 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 management’s internal comparisons to Intuit’s historical operating results. In addition, Intuit has historically reported similar non-GAAP financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes 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 GAAP in this Table E1 include all information reasonably available to Intuit at the date of this press release. The adjustments in this table are those that management can predict. Intuit’s non-GAAP financial measures exclude acquisition-related charges, discontinued operations and gains and losses on marketable securities. Events that could cause the reconciliation to change include acquisitions and divestitures of businesses, goodwill and other asset impairments and sales of marketable securities.

TABLE E2
INTUIT INC.
RECONCILIATION OF SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES
TO MOST DIRECTLY COMPARABLE GAAP MEASURES
(In thousands, except per share amounts)
(Unaudited)

Three Months Ended October 31, 2003			
	Non- GAAP	Adjustments	GAAP
Operating loss	\$ (79,686)	\$ (8,974) [a]	\$ (88,660)
Diluted loss per share	\$ (0.24)	\$ (0.03) [b]	\$ (0.27)
Three Months Ended January 31, 2004			
	Non- GAAP	Adjustments	GAAP
Operating income	\$ 229,150	\$ (9,797) [c]	\$ 219,353
Diluted earnings per share	\$ 0.77	\$ (0.04) [d]	\$ 0.73
Three Months Ended April 30, 2004			
	Non- GAAP	Adjustments	GAAP
Operating income	\$ 357,058	\$ (9,506) [e]	\$ 347,552
Diluted earnings per share	\$ 1.20	\$ 0.13 [f]	\$ 1.33
Three Months Ended July 31, 2004			
	Non- GAAP	Adjustments	GAAP
Operating loss	\$ (28,958)	\$ (8,353) [g]	\$ (37,311)
Diluted loss per share	\$ (0.06)	\$ (0.16) [h]	\$ (0.22)
Twelve Months Ended July 31, 2004			
	Non- GAAP	Adjustments	GAAP
Operating income	\$ 477,564	\$ (36,630) [i]	\$ 440,934
Diluted earnings per share	\$ 1.68	\$ (0.10) [j]	\$ 1.58
Three Months Ended October 31, 2004			
	Non- GAAP	Adjustments	GAAP
Operating loss	\$ (69,567)	\$ (7,798) [k]	\$ (77,365)
Diluted loss per share	\$ (0.23)	\$ (0.01) [l]	\$ (0.24)
Three Months Ended January 31, 2005			
	Non- GAAP	Adjustments	GAAP
Operating income	\$ 231,933	\$ (7,611) [m]	\$ 224,322
Diluted earnings per share	\$ 0.82	\$ (0.05) [n]	\$ 0.77

[a] Reflects adjustments for amortization of purchased software of \$3.2 million and amortization of purchased intangible assets of \$5.8 million.

[b] Reflects the adjustments in item [a], an adjustment for net gains on marketable securities of \$0.1 million and income tax expense related to these adjustments as well as net loss from discontinued operations of \$0.5 million.

[c] Reflects adjustments for amortization of purchased software of \$3.3 million and amortization of purchased intangible assets of \$6.5 million.

[d] Reflects the adjustments in item [c], an adjustment for net gains on marketable securities of \$0.1 million and income tax expense related to these adjustments as well as net loss from discontinued operations of \$0.5 million.

[e] Reflects adjustments for amortization of purchased software of \$3.3 million and amortization of purchased intangible assets of \$6.2 million.

- [f] Reflects the adjustments in item [e], an adjustment for net gains on marketable securities of \$0.1 million and income tax expense related to these adjustments. Also reflects an adjustment to exclude the GAAP release of certain tax reserves as well as net loss from discontinued operations of \$0.3 million.
- [g] Reflects adjustments for amortization of purchased software of \$3.4 million and amortization of purchased intangible assets of \$5.0 million.
- [h] Reflects the adjustments in item [g], an adjustment for net gains on marketable securities of \$1.4 million and income tax expense related to these adjustments as well as net loss from discontinued operations of \$18.7 million.
- [i] Reflects adjustments for amortization of purchased software of \$13.2 million and amortization of purchased intangible assets of \$23.4 million.
- [j] Reflects the adjustments in item [i], an adjustment for net gains on marketable securities of \$1.7 million and income tax expense related to these adjustments as well as net loss from discontinued operations of \$19.9 million.
- [k] Reflects adjustments for amortization of purchased software of \$3.4 million and amortization of purchased intangible assets of \$4.4 million.
- [l] Reflects the adjustments in item [k], an adjustment for net gains on marketable securities of \$0.2 million and income tax expense related to these adjustments. Also reflects an adjustment to exclude certain GAAP tax benefits as well as net loss from discontinued operations of \$3.7 million.
- [m] Reflects adjustments for amortization of purchased software of \$3.4 million and amortization of purchased intangible assets of \$4.2 million.
- [n] Reflects the adjustments in item [m], an adjustment for net gains on marketable securities of \$0.1 million and income tax expense related to these adjustments as well as net loss from discontinued operations of \$1.6 million.

The non-GAAP financial measures above should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are not prepared in accordance with GAAP and likely are different from non-GAAP financial measures used by other companies. Intuit’s management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit’s core operating results because they exclude amounts that are not necessarily related to Intuit’s core operating results. Intuit’s management refers 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 management’s internal comparisons to Intuit’s historical operating results. In addition, Intuit has historically reported similar non-GAAP financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes non-GAAP financial measures using the same consistent method from quarter to quarter and year to year.

Cautions About Forward-Looking Statements

This Fact Sheet contains forward-looking statements, including forecasts of our expected financial results. All of the numbers provided in the table entitled “Guidance” other than under the heading “Actual FY04” are forward-looking statements. A number of risks and uncertainties may cause our actual results to differ materially from our expressed expectations. Some of the important factors that could cause our results to differ include the following: our revenue, profitability and market position can be negatively impacted in an unpredictable manner due to product introductions and price competition from our competitors, including competition from Microsoft, which recently announced its intention to target small business customers with accounting software and associated services, and governmental encroachment in our tax businesses; our participation in the Free File Alliance may result in lost revenue due to potential customers filing free federal returns and electing not to pay for state filing or other services and cannibalization of our traditional paid franchise; 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; revenue growth for some of our products is slowing and we must successfully introduce new products and services to meet our growth and profitability objectives; our new product offerings may not succeed or they may negatively impact our profitability if customers elect to purchase lower-priced simplified offerings instead of our higher priced offerings; we have implemented 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; litigation involving intellectual property, antitrust, shareholder and other matters may increase our costs; and our failure to maintain reliable and responsive service levels for our offerings could cause us to lose customers and negatively impact our revenues and profitability. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2004 and in subsequent Form 10-Q, and other SEC filings. You can locate these reports through our website at http://www.intuit.com/about_intuit/investors. We do not undertake any duty to update the information in this Fact Sheet except as otherwise required by law.