

Table A
INTUIT INC.
GAAP CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	April 30,		April 30,	
	2001	2002	2001	2002
Net revenue:				
Products	\$ 244,709	\$ 332,497	\$ 736,784	\$ 869,907
Services	161,846	198,355	273,839	381,772
Other	18,655	14,374	59,669	49,558
Total net revenue	425,210	545,226	1,070,292	1,301,237
Costs and expenses:				
Cost of revenue:				
Products, services and other	77,513	80,513	248,226	273,929
Amortization of purchased software and other	4,375	1,565	11,220	10,442
Customer service and technical support	37,538	45,807	116,068	137,899
Selling and marketing	68,479	89,830	215,146	256,656
Research and development	52,697	52,908	155,174	156,111
General and administrative	23,917	29,339	77,614	90,055
Charge for purchased research and development	238	-	238	-
Charge for vacant facilities	-	13,237	-	13,237
Acquisition-related charges	122,575	37,562	205,328	140,748
Loss on impairment of long-lived asset	-	-	-	27,000
Total costs and expenses	387,332	350,761	1,029,014	1,106,077
Income from operations	37,878	194,465	41,278	195,160
Interest and other income and expense, net	15,070	8,308	47,736	28,631
Gains (losses) on marketable securities and other investments, net	(11,504)	1,356	(87,307)	(9,266)
Gain on divestiture	-	8,308	1,639	8,308
Income before income taxes, minority interest and cumulative effect of accounting change	41,444	212,437	3,346	222,833
Provision for income taxes (i)	55,294	67,938	38,566	50,893
Minority interest	451	18	598	18
Income (loss) before cumulative effect of accounting change	(14,301)	144,481	(35,818)	171,922
Cumulative effect of accounting change, net of taxes of \$9,543	-	-	14,314	-
Net income (loss)	\$ (14,301)	\$ 144,481	\$ (21,504)	\$ 171,922
Basic net income (loss) per share before cumulative effect of accounting change	\$ (0.07)	\$ 0.68	\$ (0.17)	\$ 0.81
Cumulative effect of accounting change	-	-	0.07	-
Basic net income (loss) per share	\$ (0.07)	\$ 0.68	\$ (0.10)	\$ 0.81
Shares used in per share amounts	208,715	211,614	207,345	211,724
Diluted net income (loss) per share before cumulative effect of accounting change	\$ (0.07)	\$ 0.67	\$ (0.17)	\$ 0.79
Cumulative effect of accounting change	-	-	0.07	-
Diluted net income (loss) per share	\$ (0.07)	\$ 0.67	\$ (0.10)	\$ 0.79
Shares used in per share amounts	208,715	217,173	207,345	217,667

- (i) There is a difference in the effective tax rate for each of these periods, primarily due to the tax benefit related to divestitures that became available in the second quarter ending January 31, 2002.

Table B1
INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (ii)-(v)
(In thousands, except per share data)
(unaudited)

	Three Months Ended			Three Months Ended		
	April 30, 2001			April 30, 2002		
	GAAP	Pro Forma		GAAP	Pro Forma	
	As Reported	Adjmts	Pro Forma	As Reported	Adjmts	Pro Forma
Net revenue:						
Products	\$ 244,709	\$ -	\$ 244,709	\$ 332,497	\$ -	\$ 332,497
Services	161,846	-	161,846	198,355	-	198,355
Other	18,655	-	18,655	14,374	-	14,374
Total net revenue	425,210	-	425,210	545,226	-	545,226
Costs and expenses:						
Cost of revenue:						
Products, services and other	77,513	-	77,513	80,513	-	80,513
Amortization of purchased software and other	4,375	(4,375)	-	1,565	(1,565)	-
Customer service and technical support	37,538	-	37,538	45,807	-	45,807
Selling and marketing	68,479	-	68,479	89,830	-	89,830
Research and development	52,697	-	52,697	52,908	-	52,908
General and administrative	23,917	-	23,917	29,339	-	29,339
Charge for purchased research and development	238	(238)	-	-	-	-
Charge for vacant facilities	-	-	-	13,237	-	13,237
Acquisition-related charges	122,575	(122,575)	-	37,562	(37,562)	-
Loss on impairment of long-lived asset	-	-	-	-	-	-
Total costs and expenses	387,332	(127,188)	260,144	350,761	(39,127)	311,634
Income from operations	37,878	127,188	165,066	194,465	39,127	233,592
Interest and other income and expense, net	15,070	-	15,070	8,308	-	8,308
Gains (losses) on marketable securities and other investments, net	(11,504)	11,504	-	1,356	(1,356)	-
Gain on divestiture	-	-	-	8,308	(8,308)	-
Income before income taxes, minority interest and cumulative effect of accounting change	41,444	138,692	180,136	212,437	29,463	241,900
Provision for income taxes (i)	55,294	5,952	61,246	67,938	11,889	79,827
Minority interest	451	-	451	18	-	18
Income (loss) before cumulative effect of accounting change	(14,301)	132,740	118,439	144,481	17,574	162,055
Cumulative effect of accounting change, net of taxes	-	-	-	-	-	-
Net income (loss)	\$ (14,301)	\$ 132,740	\$ 118,439	\$ 144,481	\$ 17,574	\$ 162,055
Basic net income (loss) per share before cumulative effect of accounting change	\$ (0.07)		\$ 0.57	\$ 0.68		\$ 0.77
Cumulative effect of accounting change	-		-	-		-
Basic net income (loss) per share	\$ (0.07)		\$ 0.57	\$ 0.68		\$ 0.77
Shares used in per share amounts	208,715		208,715	211,614		211,614
Diluted net income (loss) per share before cumulative effect of accounting change	\$ (0.07)		\$ 0.55	\$ 0.67		\$ 0.75
Cumulative effect of accounting change	-		-	-		-
Diluted net income (loss) per share	\$ (0.07)		\$ 0.55	\$ 0.67		\$ 0.75
Shares used in per share amounts	208,715		214,479	217,173		217,173

The pro forma information above is not prepared in accordance with generally accepted accounting principles (“GAAP”). It is presented for informational purposes only, to give investors an alternative method of assessing the results of the company’s core operating businesses. See Notes ii through v for details. This pro forma information should not be considered a substitute for the GAAP financial information. The company’s pro forma information is presented using the same consistent standards from quarter to quarter and year to year. Because there are no industry standards for presenting pro forma results, the method Intuit uses may differ from the methods used by other companies.

Table B2
INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (ii)-(v)
(In thousands, except per share data)
(unaudited)

	Nine Months Ended			Nine Months Ended		
	April 30, 2001			April 30, 2002		
	GAAP As Reported	Pro Forma Adjmts	Pro Forma	GAAP As Reported	Pro Forma Adjmts	Pro Forma
Net revenue:						
Products	\$ 736,784	\$ -	\$ 736,784	\$ 869,907	\$ -	\$ 869,907
Services	273,839	-	273,839	381,772	-	381,772
Other	59,669	-	59,669	49,558	-	49,558
Total net revenue	1,070,292	-	1,070,292	1,301,237	-	1,301,237
Costs and expenses:						
Cost of revenue:						
Products, services and other	248,226	-	248,226	273,929	-	273,929
Amortization of purchased software and other	11,220	(11,220)	-	10,442	(10,442)	-
Customer service and technical support	116,068	-	116,068	137,899	-	137,899
Selling and marketing	215,146	-	215,146	256,656	-	256,656
Research and development	155,174	-	155,174	156,111	-	156,111
General and administrative	77,614	-	77,614	90,055	-	90,055
Charge for purchased research and development	238	(238)	-	-	-	-
Charge for vacant facilities	-	-	-	13,237	-	13,237
Acquisition-related charges	205,328	(205,328)	-	140,748	(140,748)	-
Loss on impairment of long-lived asset	-	-	-	27,000	(27,000)	-
Total costs and expenses	1,029,014	(216,786)	812,228	1,106,077	(178,190)	927,887
Income from operations	41,278	216,786	258,064	195,160	178,190	373,350
Interest and other income and expense, net	47,736	-	47,736	28,631	-	28,631
Gains (losses) on marketable securities and other investments, net	(87,307)	87,307	-	(9,266)	9,266	-
Gain on divestiture	1,639	(1,639)	-	8,308	(8,308)	-
Income before income taxes, minority interest and cumulative effect of accounting change	3,346	302,454	305,800	222,833	179,148	401,981
Provision for income taxes (i)	38,566	65,406	103,972	50,893	81,761	132,654
Minority interest	598	-	598	18	-	18
Income (loss) before cumulative effect of accounting change	(35,818)	237,048	201,230	171,922	97,387	269,309
Cumulative effect of accounting change, net of taxes of \$9,543	14,314	(14,314)	-	-	-	-
Net income (loss)	\$ (21,504)	\$ 222,734	\$ 201,230	\$ 171,922	\$ 97,387	\$ 269,309
Basic net income (loss) per share before cumulative effect of accounting change	\$ (0.17)		\$ 0.97	\$ 0.81		\$ 1.27
Cumulative effect of accounting change	0.07		-	-		-
Basic net income (loss) per share	\$ (0.10)		\$ 0.97	\$ 0.81		\$ 1.27
Shares used in per share amounts	207,345		207,345	211,724		211,724
Diluted net income (loss) per share before cumulative effect of accounting change	\$ (0.17)		\$ 0.93	\$ 0.79		\$ 1.24
Cumulative effect of accounting change	0.07		-	-		-
Diluted net income (loss) per share	\$ (0.10)		\$ 0.93	\$ 0.79		\$ 1.24
Shares used in per share amounts	207,345		215,297	217,667		217,667

The pro forma information above is not prepared in accordance with generally accepted accounting principles ("GAAP"). It is presented for informational purposes only, to give investors an alternative method of assessing the results of the company's core operating businesses. See Notes ii through v for details. This pro forma information should not be considered a substitute for the GAAP financial information. The company's pro forma information is presented using the same consistent standards from quarter to quarter and year to year. Because there are no industry standards for presenting pro forma results, the method Intuit uses may differ from the methods used by other companies.

- (ii) Tables B1 and B2 reconcile the differences between the GAAP statements of operations and the pro forma statements of operations for the three and nine months ended April 30, 2002 and April 30, 2001. Pro forma operating income 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 pro forma column in calculating pro forma operating income. Eliminating cost or expense items increases pro forma results compared to GAAP results. Pro forma net income starts with pro forma operating income and then excludes certain non-operating gains and losses that are in the GAAP statement of operations. For example, for the line item “gains (losses) on marketable securities and other investments, net,” the number in the GAAP column is taken out of the pro forma column in calculating pro forma net income. Eliminating loss line items increases pro forma net income compared to GAAP net income. Eliminating gain line items decreases pro forma net income compared to GAAP net income.
- (iii) Acquisition-related charges include amortization of goodwill and intangibles as well as impairment charges. For the three and nine months ended April 30, 2002, goodwill and intangibles amortization were \$37.6 million and \$118.7 million. The company also recorded impairment charges of \$17.4 million for its Internet-based advertising revenue business and \$4.6 million for its Boston Light subsidiary for the nine months ended April 30, 2002. For the three and nine months ended April 30, 2001, amortization was \$45.6 million and \$128.3 million. The company also recorded impairment charges of \$51.0 million and \$26.0 million for its VFSC and SecureTax acquisitions for the three and nine months ended April 30, 2001. Amortization relating to the Lacerte Software Corporation and Computing Resources, Inc. acquisitions constituted approximately 40% and 20% of amortization costs for all periods presented.
- (iv) Loss on impairment of long-lived asset reflects the write off of an asset the company received when it divested its Quicken Bill Manager business.
- (v) Gains and losses on marketable securities and other investments, net, include realized and unrealized gains and losses, as well as losses recognized for other-than-temporary declines in the value of these assets. For the nine months ended April 30, 2002, the company recorded losses of \$3.3 million for other-than-temporary declines in the value of other investments. For the nine months ended April 30, 2001 the company recorded losses for other-than-temporary declines of \$15.0 million for other investments and \$40.2 million for its S-1 securities.

Table C
INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(In thousands)
(unaudited)

	July 31, 2001	April 30, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 450,104	\$ 454,791
Short-term investments	1,119,305	1,297,133
Marketable securities	85,307	48,469
Customer deposits	230,410	283,748
Accounts receivable, net	27,990	69,216
Mortgage loans	123,241	279,506
Deferred income taxes	77,948	87,816
Prepaid expenses and other current assets	33,617	35,091
Total current assets	<u>2,147,922</u>	<u>2,555,770</u>
Property and equipment, net	185,969	181,442
Goodwill and intangibles, net	415,334	310,949
Long-term deferred income taxes	145,905	146,020
Investments	24,107	13,149
Other assets	42,499	16,168
Total assets	<u>\$ 2,961,736</u>	<u>\$ 3,223,498</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 66,400	\$ 77,310
Payroll service obligations	205,067	256,369
Escrow liabilities	23,373	27,335
Drafts payable	63,518	67,005
Deferred revenue	137,305	97,509
Income tax payable	82,661	104,293
Short-term note payable	38,672	17,451
Other current liabilities	170,966	255,001
Total current liabilities	<u>787,962</u>	<u>902,273</u>
Long-term obligations	12,413	11,209
Minority interest	35	-
Stockholders' equity	2,161,326	2,310,016
Total liabilities and stockholders' equity	<u>\$ 2,961,736</u>	<u>\$ 3,223,498</u>