

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

	Three Months Ended	
	October 31,	October 31,
	2004	2003
Net revenue:		
Product	\$ 160,857	\$ 157,869
Service	89,604	66,086
Other	15,529	15,367
Total net revenue	<u>265,990</u>	<u>239,322</u>
Costs and expenses:		
Cost of revenue:		
Cost of product revenue	30,187	31,862
Cost of service revenue	39,756	34,792
Cost of other revenue	6,529	6,710
Amortization of purchased software [B]	3,354	3,222
Selling and marketing	133,135	131,775
Research and development	75,107	70,634
General and administrative	50,843	43,235
Acquisition-related charges [C]	4,444	5,752
Total costs and expenses	<u>343,355</u>	<u>327,982</u>
Loss from continuing operations	(77,365)	(88,660)
Interest and other income	3,951	7,490
Gains on marketable securities and other investments, net	158	147
Loss from continuing operations before income taxes	(73,256)	(81,023)
Income tax benefit [D]	(30,786)	(27,520)
Net loss from continuing operations	(42,470)	(53,503)
Net loss from discontinued operations, net of income taxes [E]	(3,666)	(462)
Net loss	<u>\$ (46,136)</u>	<u>\$ (53,965)</u>
Basic and diluted net loss per share from continuing operations	\$ (0.22)	\$ (0.27)
Basic and diluted net loss per share from discontinued operations	(0.02)	-
Basic and diluted net loss per share	<u>\$ (0.24)</u>	<u>\$ (0.27)</u>
Shares used in per share amounts	<u>188,346</u>	<u>198,747</u>

See accompanying Notes.

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

	Three Months Ended	
	October 31,	October 31,
	2004	2003
Net revenue:		
Product	\$ 160,857	\$ 157,869
Service	89,604	66,086
Other	15,529	15,367
Total net revenue	<u>265,990</u>	<u>239,322</u>
Costs and expenses:		
Cost of revenue:		
Cost of product revenue	30,187	31,862
Cost of service revenue	39,756	34,792
Cost of other revenue	6,529	6,710
Selling and marketing	133,135	131,775
Research and development	75,107	70,634
General and administrative	50,843	43,235
Total costs and expenses	<u>335,557</u>	<u>319,008</u>
Loss from operations	(69,567)	(79,686)
Interest and other income	3,951	7,490
Loss before income taxes	(65,616)	(72,196)
Income tax benefit	(22,309)	(24,547)
Net loss	<u>\$ (43,307)</u>	<u>\$ (47,649)</u>
Basic and diluted net loss per share	<u>\$ (0.23)</u>	<u>\$ (0.24)</u>
Shares used in per share amounts	<u>188,346</u>	<u>198,747</u>

The pro forma, or 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 pro forma financial measures are not prepared in accordance with GAAP and likely are different from pro forma financial measures used by other companies. Intuit's management believes that these pro forma 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 pro forma financial measures in assessing the performance of Intuit's ongoing operations and for planning and forecasting in future periods. These pro forma financial measures also facilitate management's internal comparisons to Intuit's historical operating results. In addition, Intuit has historically reported similar pro forma financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes pro forma financial measures using the same consistent method from quarter to quarter and year to year. See Table B for reconciliations of these pro forma financial measures to GAAP.

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

	Three Months Ended October 31, 2004				Three Months Ended October 31, 2003			
	Pro Forma	Adjmts	[A]	GAAP	Pro Forma	Adjmts	[A]	GAAP
Net revenue:								
Product	\$ 160,857	\$ -		\$ 160,857	\$ 157,869	\$ -		\$ 157,869
Service	89,604	-		89,604	66,086	-		66,086
Other	15,529	-		15,529	15,367	-		15,367
Total net revenue	<u>265,990</u>	<u>-</u>		<u>265,990</u>	<u>239,322</u>	<u>-</u>		<u>239,322</u>
Costs and expenses:								
Cost of revenue:								
Cost of product revenue	30,187	-		30,187	31,862	-		31,862
Cost of service revenue	39,756	-		39,756	34,792	-		34,792
Cost of other revenue	6,529	-		6,529	6,710	-		6,710
Amortization of purchased software	-	3,354	[B]	3,354	-	3,222	[B]	3,222
Selling and marketing	133,135	-		133,135	131,775	-		131,775
Research and development	75,107	-		75,107	70,634	-		70,634
General and administrative	50,843	-		50,843	43,235	-		43,235
Acquisition-related charges	-	4,444	[C]	4,444	-	5,752	[C]	5,752
Total costs and expenses	<u>335,557</u>	<u>7,798</u>		<u>343,355</u>	<u>319,008</u>	<u>8,974</u>		<u>327,982</u>
Loss from continuing operations	(69,567)	(7,798)		(77,365)	(79,686)	(8,974)		(88,660)
Interest and other income	3,951	-		3,951	7,490	-		7,490
Gains on marketable securities and other investments, net	-	158		158	-	147		147
Loss from continuing operations before income taxes	(65,616)	(7,640)		(73,256)	(72,196)	(8,827)		(81,023)
Income tax benefit	(22,309)	(8,477)	[D]	(30,786)	(24,547)	(2,973)	[D]	(27,520)
Net loss from continuing operations	(43,307)	837		(42,470)	(47,649)	(5,854)		(53,503)
Net loss from discontinued operations, net of income taxes	-	(3,666)	[E]	(3,666)	-	(462)	[E]	(462)
Net loss	<u>\$ (43,307)</u>	<u>\$ (2,829)</u>		<u>\$ (46,136)</u>	<u>\$ (47,649)</u>	<u>\$ (6,316)</u>		<u>\$ (53,965)</u>
Basic and diluted net loss per share from continuing operations	\$ (0.23)			\$ (0.22)	\$ (0.24)			\$ (0.27)
Basic and diluted net loss per share from discontinued operations	-			(0.02)	-			-
Basic and diluted net loss per share	<u>\$ (0.23)</u>			<u>\$ (0.24)</u>	<u>\$ (0.24)</u>			<u>\$ (0.27)</u>
Shares used in per share amounts	<u>188,346</u>			<u>188,346</u>	<u>198,747</u>			<u>198,747</u>

The pro forma, or 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 pro forma financial measures are not prepared in accordance with GAAP and likely are different from pro forma financial measures used by other companies. Intuit's management believes that these pro forma 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 pro forma financial measures in assessing the performance of Intuit's ongoing operations and for planning and forecasting in future periods. These pro forma financial measures also facilitate management's internal comparisons to Intuit's historical operating results. In addition, Intuit has historically reported similar pro forma financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes pro forma 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 and B

- [A] Table B reconciles the differences between the pro forma or 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 months ended October 31, 2004 and 2003. Pro forma 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 pro forma column in calculating pro forma operating income or loss. Eliminating cost or expense items improves pro forma results compared to GAAP results. Pro forma net income (loss) starts with pro forma 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 pro forma column in calculating pro forma net income or loss. Eliminating loss line items improves pro forma results compared to GAAP results. Eliminating gain line items decreases pro forma results compared to GAAP results.
- [B] We amortize the value of software and other technology assets that we receive in connection with certain 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 October 31, 2004 and 2003, amortization of purchased intangible assets and deferred compensation was \$4.4 million and \$5.8 million and there were no impairment charges.
- [D] Our GAAP expected effective tax rate of 34% 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 development credits, tax exempt interest income and various state tax credits offset by state taxes. This 34% expected effective tax rate was used in our calculation of pro forma results for the three months ended October 31, 2004.

Our GAAP effective tax rate of 42% for the three months ended October 31, 2004 differed from our GAAP expected full year effective tax rate primarily due to the benefits received from tax attributes identified during the quarter and a change in tax law during the quarter and to the impact of recognizing these benefits during a quarter in which we had a net loss. These adjustments are included in our estimate of the GAAP full year effective tax rate of 34%.

Our GAAP effective tax rate of 34% for the three months ended October 31, 2003 differed from the federal statutory rate of 35% primarily due to the net effect of the benefit received from federal research and development credits, tax exempt interest income and various state tax credits offset by state taxes. This 34% effective tax rate was used in our calculation of pro forma results for the three months ended October 31, 2003.

- [E] In August 2004 management formally approved a plan to sell our Intuit Public Sector Solutions business. 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 and statements of operations for all periods presented. Also in accordance with SFAS 144, we discontinued the amortization of IPSS purchased intangible assets and the depreciation of IPSS property and equipment in the first quarter of fiscal 2005. Revenue for IPSS was \$2.8 million and \$3.2 million for the three months ended October 31, 2004 and 2003. Loss before income taxes for IPSS was \$0.5 million and \$0.8 million for the same periods. The net loss from discontinued operations for the three months ended October 31, 2004 included a \$3.4 million income tax provision for the estimated tax payable in connection with the expected tax gain on the sale of IPSS. We do not expect a gain on the sale of IPSS for financial reporting purposes.

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

	October 31, 2004	July 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 52,008	\$ 27,298
Short-term investments	707,645	991,971
Accounts receivable, net	69,122	90,795
Income taxes receivable	17,536	-
Deferred income taxes	20,134	31,353
Prepaid expenses and other current assets	71,600	50,478
Current assets of discontinued operations	977	1,605
Current assets before funds held for payroll customers	939,022	1,193,500
Funds held for payroll customers	333,098	323,041
Total current assets	<u>1,272,120</u>	<u>1,516,541</u>
Property and equipment, net	236,999	232,654
Goodwill, net	659,781	659,137
Purchased intangible assets, net	95,439	104,966
Long-term deferred income taxes	138,967	135,711
Loans to executive officers and other employees	15,739	15,809
Other assets	22,783	17,669
Long-term assets of discontinued operations	13,691	13,691
Total assets	<u><u>\$ 2,455,519</u></u>	<u><u>\$ 2,696,178</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 83,526	\$ 70,124
Accrued compensation and related liabilities	72,800	133,733
Deferred revenue	217,992	219,482
Income taxes payable	-	22,159
Other current liabilities	80,501	83,251
Current liabilities of discontinued operations	4,976	5,575
Current liabilities before payroll customer fund deposits	459,795	534,324
Payroll customer fund deposits	333,098	323,041
Total current liabilities	<u>792,893</u>	<u>857,365</u>
Long-term obligations	16,997	16,394
Stockholders' equity	1,645,629	1,822,419
Total liabilities and stockholders' equity	<u><u>\$ 2,455,519</u></u>	<u><u>\$ 2,696,178</u></u>

Table D1
INTUIT INC.
RECONCILIATION OF GUIDANCE FOR PRO FORMA FINANCIAL MEASURES
TO PROJECTED GAAP REVENUE, OPERATING INCOME, AND EPS
(In thousands, except per share amounts)
(Unaudited)

Three Months Ending January 31, 2005						
	Pro Forma		Adjustments	GAAP		
	Range of Estimate			Range of Estimate		
	From	To		From	To	
Revenue	\$ 625,000	\$ 645,000	\$ -	\$ 625,000	\$ 645,000	
Operating income	200,000	215,000	(8,200) [a]	191,800	206,800	
Interest and other income	4,000	5,000	-	4,000	5,000	
Diluted earnings per share	\$ 0.72	\$ 0.77	\$ (0.03) [b]	\$ 0.69	\$ 0.74	
Shares	189,000	192,000	-	189,000	192,000	

Three Months Ending April 30, 2005						
	Pro Forma		Adjustments	GAAP		
	Range of Estimate			Range of Estimate		
	From	To		From	To	
Revenue	\$ 780,000	\$ 810,000	\$ -	\$ 780,000	\$ 810,000	
Diluted earnings per share	\$ 1.46	\$ 1.51	\$ (0.03) [c]	\$ 1.43	\$ 1.48	

Three Months Ending July 31, 2005						
	Pro Forma		Adjustments	GAAP		
	Range of Estimate			Range of Estimate		
	From	To		From	To	
Revenue	\$ 285,000	\$ 305,000	\$ -	\$ 285,000	\$ 305,000	
Diluted loss per share	\$ (0.08)	\$ (0.04)	\$ (0.03) [d]	\$ (0.11)	\$ (0.07)	

Twelve Months Ending July 31, 2005						
	Pro Forma		Adjustments	GAAP		
	Range of Estimate			Range of Estimate		
	From	To		From	To	
Revenue	\$ 1,966,000	\$ 2,022,000	\$ -	\$ 1,966,000	\$ 2,022,000	
Operating income	535,000	559,000	(32,400) [e]	502,600	526,600	
Interest and other income	17,000	20,000	-	17,000	20,000	
Diluted earnings per share	\$ 1.93	\$ 2.01	\$ (0.11) [f]	\$ 1.82	\$ 1.90	
Shares	189,000	194,000	-	189,000	194,000	

- [a] Reflects estimated adjustments for amortization of purchased software of approximately \$3.4 million and amortization of purchased intangible assets of approximately \$4.8 million for the three months ending January 31, 2005.
- [b] Net of related income tax expense, the pro forma adjustments in item [a] result in a \$0.03 per diluted share adjustment for the three months ending January 31, 2005.
- [c] Reflects estimated adjustments for amortization of purchased software of approximately \$3.3 million and amortization of purchased intangible assets of approximately \$4.4 million for the three months ending April 30, 2005. Net of related income tax expense, these pro forma adjustments result in a \$0.03 per diluted share adjustment for the three months ending April 30, 2005.
- [d] Reflects estimated adjustments for amortization of purchased software of approximately \$3.3 million and amortization of purchased intangible assets of approximately \$4.3 million for the three months ending July 31, 2005. Net of related income tax expense, these pro forma adjustments result in a \$0.03 per diluted share adjustment for the three months ending July 31, 2005.
- [e] Reflects estimated adjustments for amortization of purchased software of approximately \$13.6 million and amortization of purchased intangible assets of approximately \$18.8 million for the twelve months ending July 31, 2005.
- [f] Net of related income tax expense, the pro forma adjustments in item [E] result in a \$0.11 per diluted share adjustment for the twelve months ending July 31, 2005.

The pro forma, or 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 pro forma financial measures are not prepared in accordance with GAAP and likely are different from pro forma financial measures used by other companies. Intuit's management believes that these pro forma 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 pro forma financial measures in assessing the performance of Intuit's ongoing operations and for planning and forecasting in future periods. These pro forma financial measures also facilitate management's internal comparisons to Intuit's historical operating results. In addition, Intuit has historically reported similar pro forma financial measures and believes that

the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes pro forma financial measures using the same consistent method from quarter to quarter and year to year.

The reconciliations of the forward-looking pro forma financial measures to GAAP in this Table D1 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 pro forma 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 D2
INTUIT INC.
RECONCILIATION OF SUPPLEMENTAL PRO FORMA FINANCIAL MEASURES
TO MOST DIRECTLY COMPARABLE GAAP MEASURES
(In thousands, except per share amounts)
(Unaudited)

Three Months Ended January 31, 2004			
	Pro		
	Forma	Adjustments	GAAP
Revenue	\$ 633,371	\$ -	\$ 633,371
Operating income	229,150	(9,797) [a]	219,353
Interest and other income	7,170	-	7,170
Diluted earnings per share	\$ 0.77	\$ (0.04) [b]	\$ 0.73
Shares	203,430	-	203,430
Three Months Ended April 30, 2004			
	Pro		
	Forma	Adjustments	GAAP
Revenue	\$ 709,838	\$ -	\$ 709,838
Operating income	357,058	(9,506) [c]	347,552
Interest and other income	4,767	-	4,767
Diluted earnings per share	\$ 1.20	\$ 0.13 [d]	\$ 1.33
Shares	198,748	-	198,748
Three Months Ended July 31, 2004			
	Pro		
	Forma	Adjustments	GAAP
Revenue	\$ 272,329	\$ -	\$ 272,329
Operating loss	(28,958)	(8,353) [e]	(37,311)
Interest and other income	11,417	-	11,417
Diluted loss per share	\$ (0.06)	\$ (0.16) [f]	\$ (0.22)
Shares	190,893	-	190,893
Twelve Months Ended July 31, 2004			
	Pro		
	Forma	Adjustments	GAAP
Revenue	\$ 1,854,560	\$ -	\$ 1,854,560
Operating income	477,564	(36,630) [g]	440,934
Interest and other income	30,844	-	30,844
Diluted earnings per share	\$ 1.68	\$ (0.10) [h]	\$ 1.58
Shares	200,081	-	200,081

- [a] Reflects adjustments for amortization of purchased software of \$3.3 million and amortization of purchased intangible assets of \$6.5 million for the three months ended January 31, 2004.
- [b] Reflects the adjustments in item [a] and adjustments for net gains on marketable securities of \$0.1 million and loss from discontinued operations of \$0.5 million. Net of related income tax expense, these pro forma adjustments resulted in a \$0.04 per diluted share adjustment for the three months ended January 31, 2004.
- [c] Reflects adjustments for amortization of purchased software of \$3.3 million and amortization of purchased intangible assets of \$6.2 million for the three months ended April 30, 2004.
- [d] Reflects the adjustments in item [c] and adjustments for net gains on marketable securities of \$0.1 million and loss from discontinued operations of \$0.3 million. Net of related income tax expense, these pro forma adjustments resulted in a \$0.13 per diluted share adjustment for the three months ended April 30, 2004.
- [e] Reflects adjustments for amortization of purchased software of \$3.4 million and amortization of purchased intangible assets of \$5.0 million for the three months ended July 31, 2004.
- [f] Reflects the adjustments in item [e] and adjustments for net gains on marketable securities of \$1.4 million and loss from discontinued operations of \$18.7 million. Net of related income tax expense, these pro forma adjustments resulted in a \$0.16 per diluted share adjustment for the three months ended July 31, 2004.
- [g] Reflects adjustments for amortization of purchased software of \$13.2 million and amortization of purchased intangible assets of \$23.4 million for the twelve months ended July 31, 2004.
- [h] Reflects the adjustments in item [g] and adjustments for net gains on marketable securities of \$1.7 million and loss from discontinued operations of \$19.9 million. Net of related income tax expense, these pro forma adjustments resulted in a \$0.10 per diluted share adjustment for the twelve months ended July 31, 2004.

The pro forma, or 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 pro forma financial measures are not prepared in accordance with GAAP and likely are different from pro forma financial measures used by other companies. Intuit’s management believes that these pro forma 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 pro forma financial measures in assessing the performance of Intuit’s ongoing operations and for planning and forecasting in future periods. These pro forma financial measures also facilitate management’s internal comparisons to Intuit’s historical operating results. In addition, Intuit has historically reported similar pro forma financial measures and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Intuit computes pro forma financial measures using the same consistent method from quarter to quarter and year to year.