

INTUIT INC.  
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying press release dated September 20, 2006 contains non-GAAP financial measures. Table 1 reconciles 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) and related operating margin as a percentage of revenue, 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 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 assessing the performance of the organization, our operating segments or our senior management. Segment managers are not held accountable for share-based compensation expenses, acquisition-related costs, or the other excluded items that may impact their business units' operating income (loss) and, accordingly, we exclude these amounts from our measures of segment performance. We also exclude these amounts from our budget and planning process. We believe that our non-GAAP financial measures also facilitate the comparison of results for current periods and guidance for future periods with results for past periods. We exclude the following items from our non-GAAP financial measures:

- *Share-based compensation expenses.* Our non-GAAP financial measures exclude share-based compensation expenses, which consist of expenses for stock options and purchases of common stock under our Employee Stock Purchase Plan, which we began recording under SFAS 123(R) in the first quarter of fiscal 2006, and expenses for restricted stock and restricted stock units, which we recorded under GAAP accounting rules for all periods presented. Segment managers are not held accountable for share-based compensation expenses impacting their business units' operating income (loss) and, accordingly, we exclude share-based compensation expenses from our measures of segment performance. While share-based compensation is a significant expense affecting our results of operations, management excludes share-based compensation from our budget and planning process. We exclude share-based compensation expenses from our non-GAAP financial measures for these reasons and the other reasons stated above. We compute weighted average dilutive shares using the method required by SFAS 123(R) for both GAAP and non-GAAP diluted net income per share.
- *Amortization of purchased intangible assets and acquisition-related charges.* In accordance with GAAP, amortization of purchased intangible assets in cost of revenue includes amortization of software and other technology assets related to acquisitions and acquisition-related charges in operating expenses includes amortization of other purchased intangible assets such as customer lists and covenants not to compete. Acquisition activities are managed on a corporate-wide basis and segment managers are not held accountable for the acquisition-related costs impacting their business units' operating income (loss). We exclude these amounts from our measures of segment performance and from our budget and planning process. We exclude these items from our non-GAAP financial measures for these reasons, the other reasons stated above and because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.
- *Income taxes.* Our historical non-GAAP effective tax rates differ from our GAAP effective tax rates for those periods because non-GAAP income tax expense or benefit excludes certain GAAP discrete tax items, including the reversal of reserves related to potential income tax exposures that have been resolved. We exclude the impact of these discrete tax items from our non-GAAP income tax provision or benefit for the reasons stated above and because management believes that they are not indicative of our ongoing business operations.

The following describes each non-GAAP financial measure, the items excluded from the most directly comparable GAAP measure in arriving at each non-GAAP financial measure, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

- (A) Operating income (loss) and related operating margin as a percentage of revenue. We exclude share based compensation expenses, amortization of purchased intangible assets and acquisition-related charges from our GAAP operating income (loss) from continuing operations and related operating margin in arriving at our non-GAAP operating income (loss) and related operating margin primarily because we do not consider them part of ongoing operating results when assessing the performance of the organization, our operating

segments and senior management or when undertaking our budget and planning process. We believe that the exclusion of these expenses from our non-GAAP financial measures also facilitates the comparison of guidance for future periods with results for prior periods. In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from non-GAAP operating income (loss) and operating margin because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories.

- (B) Net income (loss) and net income (loss) per share (or earnings per share). We exclude share based compensation expenses, amortization of purchased intangible assets, acquisition-related charges, and certain discrete tax items from our GAAP net income (loss) and net income (loss) per share in arriving at our non-GAAP net income (loss) and net income (loss) per share. We exclude all of these items from our non-GAAP net income (loss) and net income (loss) per share primarily because we do not consider them part of ongoing operating results when assessing the performance of the organization, our operating segments and senior management or when undertaking our budget and planning process. We believe that the exclusion of these items from our non-GAAP financial measures also facilitates the comparison of guidance for future periods with results for prior periods.

In addition, we exclude amortization of purchased intangible assets and acquisition-related charges from our non-GAAP net income (loss) and net income (loss) per share because we believe that excluding these items facilitates comparisons to the results of other companies in our industry, which have their own unique acquisition histories. Our historical non-GAAP effective tax rates differ from our GAAP effective tax rates for those periods because our non-GAAP income tax expense or benefit excludes certain GAAP discrete tax items, including the reversal of reserves related to potential income tax exposures that have been resolved. We exclude the impact of these discrete tax items from our non-GAAP income tax provision or benefit because management believes that they are not indicative of our ongoing business operations. The effective tax rate used to calculate non-GAAP net income and net income per share for fiscal 2007 guidance was 37%.

We refer 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 our internal comparisons to Intuit's historical operating results. We have historically reported similar non-GAAP financial measures and believe that the inclusion of comparative numbers provides consistency in our financial reporting. We compute 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 the most directly comparable GAAP financial measures in Table 1 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.

**Table 1**  
**INTUIT INC.**  
**RECONCILIATION OF FORWARD-LOOKING GUIDANCE FOR NON-GAAP FINANCIAL MEASURES**  
**TO PROJECTED GAAP REVENUE, OPERATING INCOME (LOSS), AND EPS**  
(In thousands, except per share amounts)  
(Unaudited)

	<b>Forward-Looking Guidance</b>				
	<b>GAAP</b>		<b>Adjustments</b>	<b>Non-GAAP</b>	
	<b>Range of Estimate</b>			<b>Range of Estimate</b>	
	<b>From</b>	<b>To</b>		<b>From</b>	<b>To</b>
<b>Three Months Ending</b>					
<b>October 31, 2006</b>					
Revenue	\$ 335,000	\$ 350,000	\$ -	\$ 335,000	\$ 350,000
Operating loss	\$ (114,000)	\$ (99,000)	\$ 24,000 [a]	\$ (90,000)	\$ (75,000)
Diluted loss per share	\$ (0.18)	\$ (0.16)	\$ 0.04 [b]	\$ (0.14)	\$ (0.12)
Shares	346,000	348,000		346,000	348,000
<b>Three Months Ending</b>					
<b>January 31, 2007</b>					
Revenue	\$ 743,000	\$ 760,000	\$ -	\$ 743,000	\$ 760,000
Diluted earnings per share	\$ 0.34	\$ 0.37	\$ 0.05 [c]	\$ 0.39	\$ 0.42
<b>Three Months Ending</b>					
<b>April 30, 2007</b>					
Revenue	\$ 1,075,000	\$ 1,105,000	\$ -	\$ 1,075,000	\$ 1,105,000
Diluted earnings per share	\$ 1.04	\$ 1.08	\$ 0.04 [d]	\$ 1.08	\$ 1.12
<b>Three Months Ending</b>					
<b>July 31, 2007</b>					
Revenue	\$ 355,000	\$ 370,000	\$ -	\$ 355,000	\$ 370,000
Diluted loss per share	\$ (0.09)	\$ (0.07)	\$ 0.05 [e]	\$ (0.04)	\$ (0.02)
<b>Twelve Months Ending</b>					
<b>July 31, 2007</b>					
Revenue	\$ 2,525,000	\$ 2,575,000	\$ -	\$ 2,525,000	\$ 2,575,000
Operating income	\$ 620,000	\$ 646,000	\$ 100,000 [f]	\$ 720,000	\$ 746,000
Operating margin	24%	25%	4% [f]	28%	29%
Diluted earnings per share	\$ 1.18	\$ 1.22	\$ 0.18 [g]	\$ 1.36	\$ 1.40
Shares	354,000	356,000		354,000	356,000

See "About Non-GAAP Financial Measures" immediately preceding this Table 1 for more 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 \$19 million; amortization of purchased intangible assets of approximately \$2 million; and acquisition-related charges of approximately \$3 million.
- [b] Reflects the estimated adjustments in item [a] and income taxes related to these adjustments.
- [c] Reflects estimated adjustments for share-based compensation expense of approximately \$22 million; amortization of purchased intangible assets of approximately \$2 million; acquisition-related charges of approximately \$2 million; and income taxes related to these adjustments.

- [d] Reflects adjustments for share-based compensation expense of approximately \$21 million; amortization of purchased intangible assets of approximately \$2 million; acquisition-related charges of approximately \$2 million; and income taxes related to these adjustments.
- [e] Reflects adjustments for share-based compensation expense of approximately \$22 million; amortization of purchased intangible assets of approximately \$2 million; acquisition-related charges of approximately \$1 million; and income taxes related to these adjustments.
- [f] Reflects estimated adjustments for share-based compensation expense of approximately \$84 million; amortization of purchased intangible assets of approximately \$8 million; and acquisition-related charges of approximately \$8 million.
- [g] Reflects the estimated adjustments in item [f] and income taxes related to these adjustments.