

INTUIT INC

FORM 8-K (Current report filing)

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Telephone	650-944-6000
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Sector	Technology
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934**

August 1, 2013

Date of Report (Date of earliest event reported):

INTUIT INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
**(State or other Jurisdiction
of Incorporation)**

000-21180
**(Commission
File Number)**

77-0034661
**(I.R.S. Employer
Identification No.)**

2700 Coast Avenue
Mountain View, CA 94043
(Address of Principal Executive Offices)
(Zip Code)

Registrant's telephone number, including area code: (650) 944-6000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On August 1, 2013 Intuit Inc. (the "Company") completed the sale of its Financial Services business to the private equity firm Thoma Bravo. The cash transaction is valued at approximately \$1.025 billion.

ITEM 7.01 REGULATION FD DISCLOSURE

On August 1, 2013, the Company issued a press release announcing the closing of the Financial Services transaction. A copy of the press release is filed as Exhibit 99.01 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro Forma Financial Information

An unaudited pro forma condensed consolidated balance sheet for the Company as of April 30, 2013 and unaudited pro forma condensed consolidated statements of operations for the nine months ended April 30, 2013 and April 30, 2012 and for the fiscal years ended July 31, 2012, 2011 and 2010, each of which give effect to the disposition described in Item 2.01, are attached hereto as Exhibit 99.02 and are incorporated by reference in this Item 9.01. The unaudited pro forma results do not purport to be indicative of the results that would have been obtained if the sale of the business described in Item 2.01 had been completed as of such dates.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.01	Press release dated August 1, 2013 and titled "Intuit Closes Financial Services Transaction; Updates Fourth-Quarter and Full-Year Guidance"*
99.02	Unaudited Pro Forma Condensed Consolidated Financial Information of Intuit Inc. as of April 30, 2013, for the nine months ended April 30, 2013 and April 30, 2012, and for the fiscal years ended July 31, 2012, 2011 and 2010*

* This exhibit is intended to be furnished and shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTUIT INC.

Date: August 2, 2013

By: /s/ R. Neil Williams
R. Neil Williams
Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.01	Press release dated August 1, 2013 and titled "Intuit Closes Financial Services Transaction; Updates Fourth-Quarter and Full-Year Guidance"*
99.02	Unaudited Pro Forma Condensed Consolidated Financial Information of Intuit Inc. as of April 30, 2013, for the nine months ended April 30, 2013 and April 30, 2012, and for the fiscal years ended July 31, 2012, 2011 and 2010*

* This exhibit is intended to be furnished and shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended.

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Intuit Closes Financial Services Transaction; Updates Fourth-quarter and Full-year Guidance

MOUNTAIN VIEW, Calif. - Aug. 1, 2013 -- [Intuit Inc.](#) (Nasdaq: INTU) today announced the close of the divestiture of its Financial Services business as the company shifts to focus on directly serving small businesses, consumers and the accountants who serve them. With the transaction completed, the company updated fourth-quarter and full-year guidance.

Intuit announced on July 1 that a private equity firm, Thoma Bravo, would purchase the Intuit Financial Services division, or IFS. The cash transaction is valued at approximately \$1.025 billion. Intuit plans to use existing cash and the proceeds of this transaction to accelerate repurchase of its shares.

“Divesting the Financial Services business provides Intuit with the opportunity to focus more directly on being the operating system behind small business success and doing the nations' taxes,” said Brad Smith, Intuit president and chief executive officer. “For the newly formed Digital Insight team, this is an exciting new beginning as they set out on their own in the growing digital banking space.”

Adjusting for events and charges subsequent to the guidance provided on May 21, Intuit expects revenue, operating income and earnings per share in line with previous fourth-quarter and fiscal 2013 guidance.

With Intuit Financial Services and Intuit Health Group, which the company also plans to divest, classified as discontinued operations, Intuit has revised its fourth-quarter and full-year guidance. Intuit Financial Services and Intuit Health Group are expected to contribute revenue of approximately \$90 million in the fourth quarter of fiscal 2013 and

\$340 million for the full fiscal year. The following figures include approximately \$20 million of restructuring-related severance expense and other nonrecurring costs.

For the **fourth quarter of fiscal 2013** which ended July 31 , Intuit now expects:

- Revenue of \$615 million to \$625 million, versus previous guidance of \$702 million to \$727 million.
- GAAP operating loss of \$52 to \$62 million, versus previous guidance of \$31 million to \$51 million.
- Non-GAAP operating income (loss) of (\$5 million) to \$5 million, versus previous guidance of \$14 million to \$34 million.
- GAAP diluted loss per share of \$0.13 to \$0.15, versus previous guidance of \$0.07 to \$0.11.
- Non-GAAP diluted earnings (loss) per share of (\$0.02) to \$0.00, versus previous guidance of \$0.03 to \$0.07.

Intuit also revised revenue, operating income, and earnings per share guidance for the total company for fiscal 2013:

- Revenue of \$4.153 billion to \$4.163 billion, versus previous guidance of \$4.495 billion to \$4.520 billion.
- GAAP operating income of \$1.230 billion to \$1.240 billion, versus previous guidance of \$1.230 billion to \$1.250 billion.
- Non-GAAP operating income of \$1.459 billion to \$1.469 billion, versus previous guidance of \$1.510 billion to \$1.530 billion. Intuit now expects non-GAAP operating income margin of approximately 35 percent for fiscal 2013.
- GAAP diluted EPS of \$2.71 to \$2.73, versus previous guidance of \$2.77 to \$2.81.
- Non-GAAP diluted EPS of \$3.16 to \$3.18, versus previous guidance of \$3.31 to \$3.35.

Intuit will announce its fourth-quarter results for fiscal year 2013 on Aug. 20 following the close of market.

About Intuit Inc.

[Intuit Inc.](#) creates business and financial management solutions that simplify the business of life for small and mid-sized businesses, consumers and accounting professionals.

Its flagship products and services include [QuickBooks®](#), [Quicken®](#) and [TurboTax®](#), which make it easier to manage [small businesses](#) and [payroll processing](#), [personal finance](#), and [tax preparation and filing](#). [Mint.com](#) provides a fresh, easy and intelligent way for people to manage their money, while

[Demandforce](#)® offers marketing and communication tools for small businesses. [ProSeries](#)® and [Lacerte](#)® are Intuit's leading tax preparation offerings for professional accountants.

Founded in 1983, Intuit had revenue of \$4.15 billion in its fiscal year 2012. The company has approximately 8,200 employees with major offices in the [United States](#), [Canada](#), the [United Kingdom](#), [India](#) and other locations. More information can be found at www.intuit.com.

About Non-GAAP Financial Measures

This press release includes non-GAAP financial measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles, please see the section of the accompanying Table 1 titled "About Non-GAAP Financial Measures."

Cautions About Forward-Looking Statements

This press release contains forward-looking statements, including statements about Intuit's plans to accelerate the repurchase of its shares and the planned divestiture of Intuit Health Group and forecasts of Intuit's future expected financial results for the fourth fiscal quarter of 2013 and the 2013 fiscal year.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, without limitation, the following: inherent difficulty in predicting consumer behavior; difficulties in receiving, processing, or filing customer tax submissions; consumers may not respond as we expected to our advertising and promotional activities; product introductions and price competition from our competitors can have unpredictable negative effects on our revenue, profitability and market position; governmental encroachment in our tax businesses or other governmental activities or public policy affecting the preparation and filing of tax returns could negatively affect our operating results and market position; we may not be able to successfully innovate and introduce new offerings and business models to meet our growth and profitability objectives, and current and future offerings may not adequately address customer needs and may not achieve broad market acceptance, which could harm our operating results and financial condition; business interruption or failure of our information technology and communication systems may impair the availability of our products and services, which may damage our reputation and harm our future financial results; as we upgrade and consolidate our customer facing applications and supporting information technology infrastructure, any problems with these implementations could interfere with our ability to deliver our offerings; any failure to properly use and protect personal customer information and data could harm our revenue, earnings and reputation; if we are unable to develop, manage and maintain critical third party business relationships, our business may be adversely affected; increased government regulation of our businesses may harm our operating results; if we fail to process transactions effectively or fail to adequately protect against potential fraudulent activities, our revenue and earnings may be harmed; any significant offering quality problems or delays in our offerings could harm our revenue, earnings and reputation; our participation in the Free File Alliance may result in lost revenue opportunities and cannibalization of our traditional paid franchise; the continuing global economic downturn may continue to impact consumer and small business spending, financial institutions and tax filings, which could negatively affect our revenue and profitability; year-over-year changes in the total number of tax filings that are submitted to government agencies due to economic conditions or otherwise may result in lost revenue opportunities; 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; our financial position may not make repurchasing shares advisable or we may issue additional shares in an acquisition causing our number of outstanding shares to grow; our inability to adequately protect our intellectual property rights may weaken our competitive position and reduce our revenue and earnings; our acquisition and divestiture activities may disrupt our ongoing business, may involve increased expenses and may present risks not contemplated at the time of the transactions; our use of significant amounts of debt to finance acquisitions or other activities could harm our financial condition and results of operation; and litigation involving intellectual property, antitrust, shareholder and other matters may increase our costs. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2012 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. Forward-looking statements are based on information as of August 1, 2013, and we do not undertake any duty to update any forward-looking statement or other information in these materials.

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TABLE 1
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 Range of Estimate		Adjmts	Non-GAAP Range of Estimate		
	From	To		From	To	
Three Months Ending July 31, 2013						
Revenue	\$ 615	\$ 625			\$ 615	\$ 625
Operating income (loss)	\$ (62)	\$ (52)	\$ 57	[a]	\$ (5)	\$ 5
Earnings (loss) per share	\$ (0.15)	\$ (0.13)	\$ 0.13	[b]	\$ (0.02)	\$ —
Twelve Months Ending July 31, 2013						
Revenue	\$ 4,153	\$ 4,163			\$ 4,153	\$ 4,163
Operating income	\$ 1,230	\$ 1,240	\$ 229	[c]	\$ 1,459	\$ 1,469
Diluted earnings per share	\$ 2.71	\$ 2.73	\$ 0.45	[d]	\$ 3.16	\$ 3.18

See “About Non-GAAP Financial Measures” immediately following this Table 1 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 \$48 million; amortization of acquired technology of approximately \$4 million; and amortization of other acquired intangible assets of approximately \$5 million.

[b] Reflects the estimated adjustments in item [a], income taxes related to these adjustments, and an adjustment to exclude net income from discontinued operations from non-GAAP net income.

[c] Reflects estimated adjustments for share-based compensation expense of approximately \$182 million; amortization of acquired technology of approximately \$19 million; and amortization of other acquired intangible assets of approximately \$28 million.

[d] Reflects the estimated adjustments in item [c], income taxes related to these adjustments, and an adjustment to exclude net income from discontinued operations from non-GAAP net income.

**INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES**

The accompanying press release dated August 1, 2013 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), 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 acquired technology
- Amortization of other acquired intangible assets
- Goodwill and intangible asset impairment 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 debt securities and other investments
- Income tax effects of excluded items and related discrete tax 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 expense, amortization, 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 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 acquired technology and amortization of other acquired intangible assets . 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 acquired technology in cost of revenue includes amortization of software and other technology assets of acquired entities. Amortization of other acquired intangible assets in operating expenses includes amortization of assets such as customer lists, covenants not to compete and trade names.

Goodwill and intangible asset impairment charges . We exclude from our non-GAAP financial measures non-cash charges to adjust the carrying values of goodwill and other acquired intangible assets to their estimated fair values.

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 debt securities and other investments . We exclude from our non-GAAP financial measures gains and losses that we record when we sell or impair available-for-sale debt securities and other investments.

Income tax effects of excluded items and certain discrete tax items . We exclude from our non-GAAP financial measures the income tax effects of the items described above, as well as income tax effects related to business combinations. In addition, the effects of one-time income tax adjustments recorded in a specific quarter for GAAP purposes are reflected on a forecasted basis in our non-GAAP financial measures. 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 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 available-for-sale debt securities and other investments.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On August 1, 2013 Intuit Inc. ("Intuit" or the "Company") completed the sale of its Financial Services business to the private equity firm Thoma Bravo. The cash transaction is valued at approximately \$1.025 billion. The following unaudited pro forma condensed consolidated balance sheet and statements of operations are derived from the historical consolidated financial statements of the Company. The pro forma condensed consolidated balance sheet of Intuit as of April 30, 2013 gives effect to the disposition as if it had occurred on that date. The pro forma condensed consolidated statements of operations of Intuit for the nine months ended April 30, 2013 and April 30, 2012 and the fiscal years ended July 31, 2012, 2011 and 2010 assume that the sale had been completed as of August 1, 2009. The unaudited pro forma condensed consolidated balance sheet and statements of operations should be read in conjunction with the notes thereto and the historical financial statements, including the notes thereto, of the Company included in its Annual Report on Form 10-K for the year ended July 31, 2012.

The preparation of the unaudited pro forma consolidated financial information is based on financial statements prepared in accordance with accounting principles generally accepted in the United States of America. These principles require the use of estimates that affect the reported amounts of revenues and expenses. Actual results could differ from those estimates.

The unaudited pro forma consolidated financial information is provided for illustrative purposes only and does not purport to represent what the actual results of operations would have been had the transaction occurred on the respective dates assumed, nor is it necessarily indicative of the Company's future operating results. However, the pro forma adjustments reflected in the accompanying unaudited pro forma consolidated financial information reflect estimates and assumptions that the Company's management believes to be reasonable.

INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
APRIL 30, 2013
(Unaudited)

<i>(In millions)</i>		Pro Forma Adjustments		
	Historical	IFS (1)	Other (2)	Pro Forma
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,412	\$ —	\$ 1,025	\$ 2,437
Investments	583	—	—	583
Accounts receivable, net	312	(42)	—	270
Deferred income taxes	136	—	—	136
Prepaid expenses and other current assets	73	(4)	—	69
Current assets before funds held for customers	2,516	(46)	1,025	3,495
Funds held for customers	184	—	—	184
Total current assets	2,700	(46)	1,025	3,679
Long-term investments	88	—	—	88
Property and equipment, net	588	(28)	—	560
Goodwill	2,159	(914)	—	1,245
Acquired intangible assets, net	165	(5)	—	160
Other assets	110	(8)	—	102
Total assets	\$ 5,810	\$ (1,001)	\$ 1,025	\$ 5,834
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$ 231	\$ (12)	\$ 15	\$ 234
Accrued compensation and related liabilities	211	(16)	—	195
Deferred revenue	423	(3)	—	420
Income taxes payable	274	—	—	274
Other current liabilities	223	—	—	223
Current liabilities before customer fund deposits	1,362	(31)	15	1,346
Customer fund deposits	184	—	—	184
Total current liabilities	1,546	(31)	15	1,530
Long-term debt	499	—	—	499
Other long-term obligations	195	(9)	—	186
Total liabilities	2,240	(40)	15	2,215
Stockholders' equity	3,570	(961)	1,010	3,619
Total liabilities and stockholders' equity	\$ 5,810	\$ (1,001)	\$ 1,025	\$ 5,834

See accompanying Notes.

INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED APRIL 30, 2013
(Unaudited)

(In millions, except per share amounts)

	<u>Historical</u>	<u>Adjustments (3)</u>	<u>Pro Forma</u>
Net revenue:			
Product	\$ 1,267	\$ —	\$ 1,267
Service and other	2,526	(243)	2,283
Total net revenue	<u>3,793</u>	<u>(243)</u>	<u>3,550</u>
Costs and expenses:			
Cost of revenue:			
Cost of product revenue	102	—	102
Cost of service and other revenue	459	(121)	338
Amortization of acquired technology	16	(1)	15
Selling and marketing	1,029	(51)	978
Research and development	534	(21)	513
General and administrative	315	(6)	309
Amortization of other acquired intangible assets	21	—	21
Goodwill and intangible asset impairment charge	46	—	46
Total costs and expenses	<u>2,522</u>	<u>(200)</u>	<u>2,322</u>
Operating income from continuing operations	1,271	(43)	1,228
Interest expense	(23)	—	(23)
Interest and other income, net	6	1	7
Income from continuing operations before income taxes	1,254	(42)	1,212
Income tax provision	412	(14)	398
Net income from continuing operations	<u>\$ 842</u>	<u>\$ (28)</u>	<u>\$ 814</u>
Basic net income per share from continuing operations	<u>\$ 2.84</u>		<u>\$ 2.75</u>
Shares used in basic per share calculations	<u>296</u>		<u>296</u>
Diluted net income per share from continuing operations	<u>\$ 2.78</u>		<u>\$ 2.69</u>
Shares used in diluted per share calculations	<u>303</u>		<u>303</u>

See accompanying Notes.

INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED APRIL 30, 2012
(Unaudited)

(In millions, except per share amounts)

	<u>Historical</u>	<u>Adjustments (3)</u>	<u>Pro Forma</u>
Net revenue:			
Product	\$ 1,239	\$ —	\$ 1,239
Service and other	2,261	(246)	2,015
Total net revenue	<u>3,500</u>	<u>(246)</u>	<u>3,254</u>
Costs and expenses:			
Cost of revenue:			
Cost of product revenue	116	—	116
Cost of service and other revenue	444	(124)	320
Amortization of acquired technology	9	(1)	8
Selling and marketing	898	(48)	850
Research and development	490	(27)	463
General and administrative	288	(4)	284
Amortization of other acquired intangible assets	33	(15)	18
Total costs and expenses	<u>2,278</u>	<u>(219)</u>	<u>2,059</u>
Operating income from continuing operations	1,222	(27)	1,195
Interest expense	(42)	—	(42)
Interest and other income, net	23	—	23
Income from continuing operations before income taxes	1,203	(27)	1,176
Income tax provision	404	(9)	395
Net income from continuing operations	<u>\$ 799</u>	<u>\$ (18)</u>	<u>\$ 781</u>
Basic net income per share from continuing operations	<u>\$ 2.69</u>		<u>\$ 2.63</u>
Shares used in basic per share calculations	<u>297</u>		<u>297</u>
Diluted net income per share from continuing operations	<u>\$ 2.61</u>		<u>\$ 2.55</u>
Shares used in diluted per share calculations	<u>306</u>		<u>306</u>

See accompanying Notes.

INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JULY 31, 2012
(Unaudited)

(In millions, except per share amounts)

	<u>Historical</u>	<u>Adjustments (3)</u>	<u>Pro Forma</u>
Net revenue:			
Product	\$ 1,479	\$ —	\$ 1,479
Service and other	2,672	(326)	2,346
Total net revenue	<u>4,151</u>	<u>(326)</u>	<u>3,825</u>
Costs and expenses:			
Cost of revenue:			
Cost of product revenue	145	—	145
Cost of service and other revenue	601	(166)	435
Amortization of acquired technology	14	(1)	13
Selling and marketing	1,118	(65)	1,053
Research and development	669	(36)	633
General and administrative	388	(6)	382
Amortization of other acquired intangible assets	39	(15)	24
Total costs and expenses	<u>2,974</u>	<u>(289)</u>	<u>2,685</u>
Operating income from continuing operations	1,177	(37)	1,140
Interest expense	(50)	—	(50)
Interest and other income, net	24	—	24
Income from continuing operations before income taxes	1,151	(37)	1,114
Income tax provision	384	(12)	372
Net income from continuing operations	<u>\$ 767</u>	<u>\$ (25)</u>	<u>\$ 742</u>
Basic net income per share from continuing operations	<u>\$ 2.59</u>		<u>\$ 2.51</u>
Shares used in basic per share calculations	<u>296</u>		<u>296</u>
Diluted net income per share from continuing operations	<u>\$ 2.52</u>		<u>\$ 2.43</u>
Shares used in diluted per share calculations	<u>305</u>		<u>305</u>

See accompanying Notes.

INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JULY 31, 2011
(Unaudited)

(In millions, except per share amounts)

	<u>Historical</u>	<u>Adjustments (3)</u>	<u>Pro Forma</u>
Net revenue:			
Product	\$ 1,480	\$ —	\$ 1,480
Service and other	2,292	(311)	1,981
Total net revenue	<u>3,772</u>	<u>(311)</u>	<u>3,461</u>
Costs and expenses:			
Cost of revenue:			
Cost of product revenue	143	—	143
Cost of service and other revenue	495	(154)	341
Amortization of acquired technology	12	—	12
Selling and marketing	1,040	(61)	979
Research and development	620	(36)	584
General and administrative	352	(9)	343
Amortization of other acquired intangible assets	43	(30)	13
Goodwill and intangible asset impairment charge	30	—	30
Total costs and expenses	<u>2,735</u>	<u>(290)</u>	<u>2,445</u>
Operating income from continuing operations	1,037	(21)	1,016
Interest expense	(60)	—	(60)
Interest and other income, net	19	1	20
Income from continuing operations before income taxes	996	(20)	976
Income tax provision	344	(6)	338
Net income from continuing operations	<u>\$ 652</u>	<u>\$ (14)</u>	<u>\$ 638</u>
Basic net income per share from continuing operations	<u>\$ 2.12</u>		<u>\$ 2.08</u>
Shares used in basic per share calculations	<u>307</u>		<u>307</u>
Diluted net income per share from continuing operations	<u>\$ 2.06</u>		<u>\$ 2.01</u>
Shares used in diluted per share calculations	<u>317</u>		<u>317</u>

See accompanying Notes.

INTUIT INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JULY 31, 2010
(Unaudited)

(In millions, except per share amounts)

	<u>Historical</u>	<u>Adjustments (3)</u>	<u>Pro Forma</u>
Net revenue:			
Product	\$ 1,412	\$ —	\$ 1,412
Service and other	1,991	(310)	1,681
Total net revenue	<u>3,403</u>	<u>(310)</u>	<u>3,093</u>
Costs and expenses:			
Cost of revenue:			
Cost of product revenue	144	—	144
Cost of service and other revenue	447	(153)	294
Amortization of acquired technology	43	(22)	21
Selling and marketing	913	(62)	851
Research and development	564	(29)	535
General and administrative	346	(10)	336
Amortization of other acquired intangible assets	42	(31)	11
Total costs and expenses	<u>2,499</u>	<u>(307)</u>	<u>2,192</u>
Operating income from continuing operations	904	(3)	901
Interest expense	(61)	—	(61)
Interest and other income, net	13	1	14
Income from continuing operations before income taxes	856	(2)	854
Income tax provision	292	—	292
Net income from continuing operations	<u>\$ 564</u>	<u>\$ (2)</u>	<u>\$ 562</u>
Basic net income per share from continuing operations	<u>\$ 1.79</u>		<u>\$ 1.78</u>
Shares used in basic per share calculations	<u>316</u>		<u>316</u>
Diluted net income per share from continuing operations	<u>\$ 1.74</u>		<u>\$ 1.73</u>
Shares used in diluted per share calculations	<u>325</u>		<u>325</u>

See accompanying Notes.

INTUIT INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Adjustments to eliminate the Financial Services business assets and liabilities from Intuit's historical net assets as a result of the disposition of that business. Intercompany balances are excluded.

(2) Adjustments to reflect the other effects of the disposition, including: (i) the cash proceeds of \$1.025 billion received at closing, (ii) estimated transaction costs, and (iii) estimated tax adjustments related to the disposition. The estimated after-tax gain on the sale of the Financial Services business assuming the disposition had closed on April 30, 2013 is approximately \$49 million and is included on the stockholders' equity line of the pro forma condensed consolidated balance sheet. The actual gain will be determined as of August 1, 2013, the closing date, and could be materially different from this estimate.

(3) Adjustments to eliminate the Financial Services business revenues and direct expenses from Intuit's historical financial results as a result of the disposition.