

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

	Three Months Ended		Nine Months Ended	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Net revenue:				
Product	\$ 517,670	\$ 484,052	\$ 1,277,080	\$ 1,240,232
Service and other	795,338	655,093	1,315,740	1,000,043
Total net revenue	<u>1,313,008</u>	<u>1,139,145</u>	<u>2,592,820</u>	<u>2,240,275</u>
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	34,637	40,605	125,264	142,075
Cost of service and other revenue	105,311	90,377	305,603	218,568
Amortization of purchased intangible assets	14,075	13,538	40,188	17,871
Selling and marketing	246,095	214,655	679,459	587,703
Research and development	149,985	116,200	449,088	346,614
General and administrative	79,150	76,995	222,937	221,224
Acquisition-related charges	9,254	8,695	25,349	11,942
Total costs and expenses [A]	<u>638,507</u>	<u>561,065</u>	<u>1,847,888</u>	<u>1,545,997</u>
Operating income from continuing operations	674,501	578,080	744,932	694,278
Interest expense	(12,830)	(12,823)	(40,389)	(12,823)
Interest and other income	10,361	10,552	32,477	31,867
Gains on marketable equity securities and other investments, net	477	347	1,190	1,568
Gain on sale of outsourced payroll assets [B]	13,616	406	51,571	406
Income from continuing operations before income taxes	686,125	576,562	789,781	715,296
Income tax provision [C]	241,612	208,344	275,839	258,148
Minority interest expense, net of tax	334	271	1,332	821
Net income from continuing operations	444,179	367,947	512,610	456,327
Net income (loss) from discontinued operations [D]	-	(736)	26,012	(2,684)
Net income	<u>\$ 444,179</u>	<u>\$ 367,211</u>	<u>\$ 538,622</u>	<u>\$ 453,643</u>
Basic net income per share from continuing operations	\$ 1.37	\$ 1.08	\$ 1.55	\$ 1.33
Basic net income (loss) per share from discontinued operations	-	-	0.08	(0.01)
Basic net income per share	<u>\$ 1.37</u>	<u>\$ 1.08</u>	<u>\$ 1.63</u>	<u>\$ 1.32</u>
Shares used in basic per share calculations	<u>323,408</u>	<u>339,495</u>	<u>330,862</u>	<u>344,351</u>
Diluted net income per share from continuing operations	\$ 1.33	\$ 1.04	\$ 1.50	\$ 1.28
Diluted net income (loss) per share from discontinued operations	-	-	0.08	(0.01)
Diluted net income per share	<u>\$ 1.33</u>	<u>\$ 1.04</u>	<u>\$ 1.58</u>	<u>\$ 1.27</u>
Shares used in diluted per share calculations	<u>333,436</u>	<u>351,686</u>	<u>341,869</u>	<u>357,767</u>

See accompanying Notes.

INTUIT INC.
NOTES TO TABLE A

- [A] The following table summarizes the total share-based compensation expense that we recorded for continuing operations for the periods shown. The share-based compensation expense that we recorded for discontinued operations for these periods was nominal.

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>April 30,</u> <u>2008</u>	<u>April 30,</u> <u>2007</u>	<u>April 30,</u> <u>2008</u>	<u>April 30,</u> <u>2007</u>
Cost of product revenue	\$ 288	\$ 134	\$ 847	\$ 614
Cost of service and other revenue	1,483	1,010	4,894	2,083
Selling and marketing	10,684	6,929	28,110	18,313
Research and development	8,378	5,531	24,377	16,206
General and administrative	9,260	6,728	28,054	20,769
Total share-based compensation	<u>\$ 30,093</u>	<u>\$ 20,332</u>	<u>\$ 86,282</u>	<u>\$ 57,985</u>

- [B] In March 2007 we sold certain assets related to our Complete Payroll and Premier Payroll Service businesses to Automatic Data Processing, Inc. (ADP) for a price of up to approximately \$135 million in cash. The final purchase price was contingent upon the number of customers that transitioned to ADP pursuant to the purchase agreement over a period of approximately one year from the date of sale. In the three and nine months ended April 30, 2008 we recorded pre-tax net gains of \$13.6 million and \$51.6 million on our statement of operations for customers who transitioned to ADP during those periods. We received a total price of \$93.6 million and recorded a total pre-tax gain of \$83.2 million from the inception of this transaction through its completion in the third quarter of fiscal 2008.

In accordance with the provisions of SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," we did not account for this transaction as a discontinued operation because the operations and cash flows of the assets could not be clearly distinguished, operationally or for financial reporting purposes, from the rest of our outsourced payroll business. The assets were part of our Payroll and Payments segment.

- [C] Our effective tax rate for the three months ended April 30, 2008 was approximately 35% and did not differ significantly from the federal statutory rate. State income taxes were offset primarily by the benefit we received from tax exempt interest income, the domestic production activities deduction, and federal and state research and experimental credits. Our effective tax rate for the three months ended April 30, 2007 was approximately 36%. This differed from the federal statutory rate of 35% primarily due to state income taxes, which were partially offset by the benefit we received from federal and state research and experimental credits and tax exempt interest income.

Our effective tax rate for the nine months ended April 30, 2008 was approximately 35% and did not differ significantly from the federal statutory rate. State income taxes were offset primarily by the benefit we received from tax exempt interest income, the domestic production activities deduction, and federal and state research and experimental credits. Our effective tax rate for the nine months ended April 30, 2007 was approximately 36%. This differed from the federal statutory rate of 35% primarily due to state income taxes, which were partially offset by the benefit we received from federal and state research and experimental credits and tax exempt interest income. In addition, we benefited from the retroactive extension of the federal research and experimental credit in the fiscal 2007 period.

- [D] In August 2007 we sold our Intuit Distribution Management Solutions (IDMS) business for approximately \$100 million in cash and recorded a net gain on disposal of \$27.5 million. IDMS was part of our Other Businesses segment. In accordance with the provisions of SFAS 144, "Accounting for the Impairment or Disposal of Long-lived Assets," we determined that IDMS became a discontinued operation in the fourth quarter of fiscal 2007. We have therefore segregated the net assets and operating results of IDMS from continuing operations on our balance sheets and in our statements of

operations for all periods prior to the sale. Assets held for sale at July 31, 2007 consisted primarily of goodwill and purchased intangible assets. Because IDMS operating cash flows were not material for any period presented, we have not segregated them from continuing operations on our statements of cash flows. We have segregated the cash impact of the gain on disposal of IDMS on our statement of cash flows for the nine months ended April 30, 2008.

Revenue and net loss from IDMS discontinued operations were \$1.9 million and \$0.7 million for the nine months ended April 30, 2008. Revenue and net income from IDMS discontinued operations were \$15.3 million and \$0.4 million for the three months ended April 30, 2007 and revenue and net loss were \$39.5 million and \$1.5 million for the nine months then ended.

In the second quarter of fiscal 2008 we recorded a net loss of \$0.8 million for certain contingent liabilities that became payable to the purchaser of Intuit Information Technology Solutions, which we sold in December 2005.

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying press release dated May 20, 2008 contains non-GAAP financial measures. Table B and Table E reconcile 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, restricted stock, restricted stock units and purchases of common stock under our Employee Stock Purchase Plan. 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, covenants not to compete and trade names. 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.
- *Gains and losses on disposals of businesses and assets.* We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- *Gains and losses on marketable equity securities and other investments.* We exclude these amounts from our non-GAAP financial measures for the reasons stated above and because they are unrelated to our ongoing business operating results.
- *Income tax effects of excluded items.* Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items for the reasons stated above and because management believes that they are not indicative of our ongoing business operations.
- *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 for the reasons stated above and because they are unrelated to 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 results for current periods and 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, net gains on marketable equity securities and other investments, gains and losses on disposals of businesses and assets, certain tax items as described above, and amounts related to discontinued operations 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 results for current periods and 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. We exclude net gains on marketable equity securities and other investments from our non-GAAP net income (loss) and net income (loss) per share because they are unrelated to our ongoing business operating results. Our non-GAAP financial measures exclude the income tax effects of the adjustments described above that relate to the current period as well as adjustments for similar items that relate to prior periods. We exclude the impact of these tax items because management believes that they are not indicative of our ongoing business operations. The effective tax rates used to calculate non-GAAP net income (loss) and net income (loss) per share were as follows: 37% for the first quarter of fiscal 2007; 36% for the second and third quarters of fiscal 2007; 36% for the first, second, and third quarters of fiscal 2008; and 36% for fiscal 2008 guidance. Finally, we exclude amounts related to discontinued operations from our non-GAAP net income (loss) and net income (loss) per share because they are unrelated to our ongoing business operations.

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>April 30,</u> <u>2008</u>	<u>April 30,</u> <u>2007</u>	<u>April 30,</u> <u>2008</u>	<u>April 30,</u> <u>2007</u>
GAAP operating income from continuing operations	\$ 674,501	\$ 578,080	\$ 744,932	\$ 694,278
Amortization of purchased intangible assets	14,075	13,538	40,188	17,871
Acquisition-related charges	9,254	8,695	25,349	11,942
Share-based compensation expense	30,093	20,332	86,282	57,985
Non-GAAP operating income	<u>\$ 727,923</u>	<u>\$ 620,645</u>	<u>\$ 896,751</u>	<u>\$ 782,076</u>
GAAP net income	\$ 444,179	\$ 367,211	\$ 538,622	\$ 453,643
Amortization of purchased intangible assets	14,075	13,538	40,188	17,871
Acquisition-related charges	9,254	8,695	25,349	11,942
Share-based compensation expense	30,093	20,332	86,282	57,985
Net gains on marketable equity securities and other investments	(477)	(347)	(1,190)	(1,568)
Pre-tax gain on sale of outsourced payroll assets	(13,616)	(406)	(51,571)	(406)
Income tax effect of non-GAAP adjustments	(18,143)	(15,213)	(39,563)	(31,029)
Exclusion of discrete tax items	(1,408)	3,121	(4,580)	4,779
Discontinued operations	-	736	(26,012)	2,684
Non-GAAP net income	<u>\$ 463,957</u>	<u>\$ 397,667</u>	<u>\$ 567,525</u>	<u>\$ 515,901</u>
GAAP diluted net income per share	\$ 1.33	\$ 1.04	\$ 1.58	\$ 1.27
Amortization of purchased intangible assets	0.04	0.04	0.12	0.05
Acquisition-related charges	0.03	0.02	0.07	0.03
Share-based compensation expense	0.09	0.06	0.25	0.16
Net gains on marketable equity securities and other investments	-	-	-	-
Pre-tax gain on sale of outsourced payroll assets	(0.04)	-	(0.15)	-
Income tax effect of non-GAAP adjustments	(0.06)	(0.04)	(0.12)	(0.09)
Exclusion of discrete tax items	-	0.01	(0.01)	0.01
Discontinued operations	-	-	(0.08)	0.01
Non-GAAP diluted net income per share	<u>\$ 1.39</u>	<u>\$ 1.13</u>	<u>\$ 1.66</u>	<u>\$ 1.44</u>
Shares used in diluted per share calculations	<u>333,436</u>	<u>351,686</u>	<u>341,869</u>	<u>357,767</u>

See “About Non-GAAP Financial Measures” immediately preceding this Table B 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.

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

	April 30, 2008	July 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 471,504	\$ 255,201
Investments	425,396	1,048,470
Accounts receivable, net	225,047	131,691
Income taxes receivable	457	54,178
Deferred income taxes	86,786	84,682
Prepaid expenses and other current assets	61,301	54,854
Current assets of discontinued operations	-	8,515
Current assets before funds held for customers	1,270,491	1,637,591
Funds held for customers	358,001	314,341
Total current assets	1,628,492	1,951,932
Property and equipment, net	469,675	298,396
Long term investments	295,459	-
Goodwill	1,698,436	1,517,036
Purchased intangible assets, net	290,125	292,884
Long-term deferred income taxes	95,319	72,066
Loans to related parties	8,225	8,865
Other assets	62,702	58,636
Long-term assets of discontinued operations	-	52,211
Total assets	\$ 4,548,433	\$ 4,252,026
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 156,531	\$ 119,799
Accrued compensation and related liabilities	179,423	192,286
Deferred revenue	280,244	313,753
Income taxes payable	214,523	33,278
Other current liabilities	200,873	171,650
Current liabilities of discontinued operations	-	15,002
Current liabilities before customer fund deposits	1,031,594	845,768
Customer fund deposits	358,001	314,341
Total current liabilities	1,389,595	1,160,109
Long-term debt	997,951	997,819
Other long-term obligations	104,283	57,756
Total liabilities	2,491,829	2,215,684
Minority interest	6,180	1,329
Stockholders' equity	2,050,424	2,035,013
Total liabilities and stockholders' equity	\$ 4,548,433	\$ 4,252,026

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

	Three Months Ended		Nine Months Ended	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Cash flows from operating activities:				
Net income	\$ 444,179	\$ 367,211	\$ 538,622	\$ 453,643
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	31,420	25,230	85,542	68,566
Acquisition-related charges	9,254	9,660	25,349	14,836
Amortization of purchased intangible assets	14,075	13,817	40,188	18,708
Amortization of purchased intangible assets to cost of service and other revenue	2,189	1,449	6,089	6,754
Share-based compensation	30,093	20,585	86,328	58,756
Amortization of premiums and discounts on available-for-sale debt securities	946	939	2,556	2,900
Net gains on marketable equity securities and other investments	(477)	(347)	(1,190)	(1,568)
Pre-tax gain on sale of outsourced payroll assets	(13,616)	-	(51,571)	-
Pre-tax gain on sale of IDMS	-	-	(45,667)	-
Deferred income taxes	4,582	(2,376)	19,142	(11,775)
Tax benefit from share-based compensation plans	3,059	2,679	28,091	32,109
Excess tax benefit from share-based compensation plans	(2,024)	(1,511)	(17,785)	(18,231)
Other	4,959	1,159	6,998	1,902
Subtotal	<u>528,639</u>	<u>438,495</u>	<u>722,692</u>	<u>626,600</u>
Changes in operating assets and liabilities:				
Accounts receivable	150,540	155,895	(86,398)	(56,989)
Prepaid expenses, taxes and other assets	19,470	35,956	40,563	44,683
Accounts payable	333	(23,509)	10,708	25,461
Accrued compensation and related liabilities	28,231	(6,310)	(21,574)	(40,036)
Deferred revenue	(56,746)	(56,159)	(32,946)	(53,886)
Income taxes payable	196,883	155,045	182,545	157,747
Other liabilities	(35,401)	8,821	53,903	111,085
Total changes in operating assets and liabilities	<u>303,310</u>	<u>269,739</u>	<u>146,801</u>	<u>188,065</u>
Net cash provided by operating activities	<u>831,949</u>	<u>708,234</u>	<u>869,493</u>	<u>814,665</u>
Cash flows from investing activities:				
Purchases of available-for-sale debt securities	(290,300)	(1,097,727)	(738,991)	(1,978,305)
Liquidation of available-for-sale debt securities	151,142	454,408	868,759	1,440,155
Maturity of available-for-sale debt securities	26,760	391,148	201,095	452,762
Proceeds from the sale of marketable equity securities	-	-	-	858
Net change in funds held for payroll customers' money market funds and other cash equivalents	181,124	152,688	(37,715)	98,213
Purchases of property and equipment	(95,335)	(36,402)	(217,254)	(89,308)
Change in other assets	4,384	(1,556)	(2,086)	(8,238)
Net change in payroll customer fund deposits	(181,124)	(152,688)	37,715	(98,213)
Acquisitions of businesses and intangible assets, net of cash acquired	(128,768)	(1,207,283)	(262,839)	(1,269,276)
Cash received from acquirer of outsourced payroll assets	7,576	44,312	34,879	44,312
Cash received from acquirer of IDMS	-	-	97,147	-
Net cash used in investing activities of continuing operations	<u>(324,541)</u>	<u>(1,453,100)</u>	<u>(19,290)</u>	<u>(1,407,040)</u>
Net cash provided by investing activities of discontinued operations	-	-	-	20,989
Net cash used in investing activities	<u>(324,541)</u>	<u>(1,453,100)</u>	<u>(19,290)</u>	<u>(1,386,051)</u>
Cash flows from financing activities:				
Proceeds from bridge credit facility	-	1,000,000	-	1,000,000
Retirement of bridge credit facility	-	(1,000,000)	-	(1,000,000)
Issuance of long-term debt, net of discounts	-	997,755	-	997,755
Net proceeds from issuance of common stock under stock plans	31,602	26,731	146,946	150,928
Purchase of treasury stock	(300,000)	(301,378)	(799,998)	(506,751)
Excess tax benefit from share-based compensation plans	2,024	1,511	17,785	18,231
Issuance of restricted stock units pursuant to Management Stock Purchase Plan	-	-	2,284	-
Other	523	(6,307)	(3,072)	(7,622)
Net cash provided by (used in) financing activities	<u>(265,851)</u>	<u>718,312</u>	<u>(636,055)</u>	<u>652,541</u>
Effect of exchange rates on cash and cash equivalents	(201)	4,799	2,155	3,817
Net increase (decrease) in cash and cash equivalents	<u>241,356</u>	<u>(21,755)</u>	<u>216,303</u>	<u>84,972</u>
Cash and cash equivalents at beginning of period	230,148	286,328	255,201	179,601
Cash and cash equivalents at end of period	<u>\$ 471,504</u>	<u>\$ 264,573</u>	<u>\$ 471,504</u>	<u>\$ 264,573</u>

Table E
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)

	Forward-Looking Guidance				
	GAAP		Adjustments	Non-GAAP	
	Range of Estimate			Range of Estimate	
	From	To		From	To
Three Months Ending					
July 31, 2008					
Revenue	\$ 466,000	\$ 471,000	\$ -	\$ 466,000	\$ 471,000
Diluted loss per share	\$ (0.16)	\$ (0.14)	\$ 0.11 [a]	\$ (0.05)	\$ (0.03)
Twelve Months Ending					
July 31, 2008					
Revenue	\$ 3,050,000	\$ 3,060,000	\$ -	\$ 3,050,000	\$ 3,060,000
Operating income	\$ 655,000	\$ 665,000	\$ 205,000 [b]	\$ 860,000	\$ 870,000
Operating margin	21%	22%	7% [b]	28%	29%
Diluted earnings per share	\$ 1.42	\$ 1.44	\$ 0.19 [c]	\$ 1.61	\$ 1.63
Shares	339,000	341,000	-	339,000	341,000

[a] Reflects estimated adjustments for share-based compensation expense of approximately \$30 million; amortization of purchased intangible assets of approximately \$14 million; acquisition-related charges of approximately \$10 million; and income taxes related to these adjustments.

[b] Reflects estimated adjustments for share-based compensation expense of approximately \$116 million; amortization of purchased intangible assets of approximately \$54 million; and acquisition-related charges of approximately \$35 million.

[c] Reflects the estimated adjustments in item [b]; an adjustment for an expected pre-tax gain on the sale of certain outsourced payroll assets of approximately \$52 million; income taxes related to these adjustments; and an adjustment for net income from discontinued operations of approximately \$26 million.