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## Intuit Inc. F3Q09 (Qtr End 04/30/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) The first question comes from the line of Sarah Friar – Goldman Sachs.

#### Sarah Friar – Goldman Sachs

Just quickly on the cost side, clearly you have a great focus here and the quarter came in quite strong. As we look at the guidance it seems that you are getting a little bit more for the fourth quarter. Is there something incremental from a cost perspective that gets spent in Q4 we should be thinking about as to why the margins will kind of contract again?

#### R. Neil Williams

For the fourth quarter there are a couple of things going on. We are not expecting revenue to really change in momentum in the fourth quarter so our revenue forecast is a little more conservative. Secondly, the fourth quarter is when we begin to invest and really build for next year. So we have some expected investments in the fourth quarter that really position us well for 2010 and beyond. Those are the two big issues really affecting the fourth quarter performance.

#### Sarah Friar – Goldman Sachs

Are those more discretionary type investments like marketing and so on or is it true infrastructure build? I'm just wondering how much flexibility you have in terms of spending it or not as you see the quarter progress.

#### R. Neil Williams

I would say they are more discretionary in nature. They are things that we look at the pay back and the return we expect for those. They are still part of our plans that we are putting together for next year.

#### Sarah Friar – Goldman Sachs

On the linearity for the quarter since you are one of the best companies for us to look to as we think about SMB's what did you see as you went through the quarter? Any signs that the purse strings were starting to loosen up as you saw it month by month or not much change right now?

#### Brad Smith

I think first and foremost entrepreneurs tend to be optimistic and resilient. They find ways to innovate and fight through a tough downturn but to be frank with you there is nothing we have seen that is sustainable that would indicate we are on the ride up. In fact, we plan no improvement for the balance of this year or even into 2010. We see some lift up and then some blips down. Some would argue that would suggest you may be at the bottom but until we can actually see sustained trajectory improvements we are not going to bank on an improvement.

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