

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended JANUARY 31, 1997 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from to

COMMISSION FILE NUMBER 0-21180

INTUIT INC.

(Exact name of registrant as specified in its charter)

DELAWARE

77-0034661

(State of incorporation)

(IRS employer identification no.)

2535 GARCIA AVENUE, MOUNTAIN VIEW, CA 94043
(Address of principal executive offices, including zip code)

(415) 944-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

46,515,147 shares of Common Stock, \$.01 par value, as of February 28, 1997

FORM 10-Q
INTUIT INC.
INDEX

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CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	JULY 31, 1996	JANUARY 31, 1997
	-----	-----
(In thousands, except par value; unaudited)		
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 44,584	\$ 104,859
Short-term investments	153,434	170,974
Marketable securities	--	179,550
Accounts receivable, net	49,473	146,277
Inventories	4,448	4,428
Prepaid expenses	9,269	11,346
Deferred income taxes	19,205	21,313
	-----	-----
Total current assets	280,413	638,747
Property and equipment, net	95,611	78,924
Purchased intangibles	16,449	12,580
Goodwill	15,194	9,301
Long-term deferred income tax asset	6,892	6,892
Other assets	3,461	5,476
	-----	-----
Total assets	\$ 418,020	\$ 751,920
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 33,972	\$ 63,134
Accrued compensation and related liabilities	15,473	19,663
Deferred revenue	18,974	29,595
Income taxes payable	--	32,518
Deferred income taxes	--	44,990
Other accrued liabilities	42,270	140,690
	-----	-----
Total current liabilities	110,689	330,590
Deferred income taxes	2,513	2,707
Long-term notes payable	5,583	5,080
Stockholders' equity:		
Preferred stock, \$0.01 par value		
Authorized -- 3,000 shares		
Issued and outstanding -- none	--	--
Common stock, \$0.01 par value		
Authorized -- 250,000 shares		
Issued and outstanding -- 45,807 and 46,486 shares, respectively ...	458	465
Additional paid-in capital	530,818	551,022
Unrealized loss on marketable securities	--	(4,032)
Cumulative translation adjustment and other	(502)	(668)
Accumulated deficit	(231,539)	(133,244)
	-----	-----
Total stockholders' equity	299,235	413,543
	-----	-----
Total liabilities and stockholders' equity	\$ 418,020	\$ 751,920
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	THREE MONTHS ENDED JANUARY 31,		SIX MONTHS ENDED JANUARY 31,	
	1996	1997	1996	1997
	-----	-----	-----	-----
1997				--
<S>	<C>	<C>	<C>	
<C>				
(In thousands, except per share amounts; unaudited)				
Net revenue	\$ 218,996	\$265,978	\$ 321,246	
\$368,484				
Costs and expenses:				
Cost of goods sold:				
Product	49,241	58,621	76,657	

85,666				
Amortization of purchased software	241	114	916	
154				
Customer service and technical support	34,631	40,559	59,583	
68,071				
Selling and marketing	42,598	53,235	78,978	
90,636				
Research and development	18,042	22,930	38,193	
45,391				
General and administrative	9,945	10,718	19,998	
22,624				
Charge for purchased research and development	--	--	--	
4,929				
Amortization of goodwill and purchased intangibles	10,572	6,192	20,447	
16,494				

Total costs and expenses	165,270	192,369	294,772	
333,965				

Income from operations	53,726	73,609	26,474	
34,519				
Interest and other income and expense, net	1,307	1,758	3,371	
3,806				

Income from continuing operations before income taxes	55,033	75,367	29,845	
38,325				
Income tax provision	30,966	30,667	24,462	
21,929				

Income from continuing operations	24,067	44,700	5,383	
16,396				
Loss from operations of discontinued operations, net of				
income tax benefits of \$1,267 and \$2,229, respectively ..	(2,157)	--	(3,795)	
--				
Gain on sale of discontinued operations, net of income tax				
provision of \$52,617	--	71,240	--	
71,240				

Net income	\$ 21,910	\$115,940	\$ 1,588	\$
87,636				
=====				
Income per share from continuing operations	\$ 0.50	\$ 0.94	\$ 0.11	\$
0.35				
Loss per share from discontinued operations	(0.04)	--	(0.08)	
--				
Income per share from sale of discontinued operations	--	1.50	--	
1.50				

Net income per share	\$ 0.46	\$ 2.44	\$ 0.03	\$
1.85				
=====				
Shares used in computing net income (loss) per share	47,822	47,631	47,420	
47,484				
=====				

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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INTUIT INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>
<CAPTION>

SIX MONTHS ENDED
JANUARY 31,
1996 1997

<C> <C>

<S>
(In thousands, unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,588	\$ 87,636
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net gain on sale of discontinued operations	--	(71,240)
Loss from discontinued operations offset against gain	--	(9,668)
Charge for purchased research and development	--	4,929
Amortization of goodwill and other purchased intangibles	22,486	17,732
Depreciation	10,207	15,974
Changes in assets and liabilities:		
Accounts receivable	(88,686)	(100,380)
Inventories	(917)	20
Prepaid expenses	(1,184)	(2,101)
Deferred income tax assets and liabilities	497	(2,349)
Accounts payable	33,109	29,566
Accrued compensation and related liabilities	582	4,501
Deferred revenue	6,525	10,621
Accrued acquisition liabilities	(5,369)	(2,875)
Other accrued liabilities	54,576	80,590
Income taxes payable	8,038	31,360
	-----	-----
Net cash provided by operating activities	41,452	94,316
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(46,584)	(13,354)
Cash transferred for acquisitions and disposition, net of cash acquired	--	(982)
Increase in other assets	(1,431)	(2,114)
Purchase of short-term investments	(109,091)	(129,256)
Liquidation and maturity of short-term investments	85,115	107,813
	-----	-----
Net cash used in investing activities	(71,991)	(37,893)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(1,553)	(503)
Net proceeds from issuance of common stock	13,088	4,355
	-----	-----
Net cash provided by financing activities	11,535	3,852
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,004)	60,275
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	76,298	44,584
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 57,294	\$ 104,859
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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INTUIT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Intuit Inc. ("Intuit" or the "Company") is a leading developer of personal finance, small business accounting, and tax preparation software. The Company develops, markets, and supports software products and services that enable individuals, professionals, and small businesses to automate commonly performed financial tasks and better organize, understand, manage, and plan their financial lives. Principal products include personal finance products and small business accounting software, personal and professional tax software, online financial services, and supplies such as invoice forms and checks. The Company markets its products through distributors and retailers and by direct sales to OEMs and individual users. The Company's customers are located primarily in North America, Europe, and Asia.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company for the three and six months ended January 31, 1996 and 1997 have been prepared in accordance with generally accepted accounting principles for interim financial statements and include all adjustments (consisting of normal recurring adjustments) that the Company considers necessary for a fair presentation of the operating results and cash flows for those periods. Results of operations for the three and six months ended January 31, 1997 are not necessarily indicative of the results to be expected for the year ending July 31, 1997 or any future period. These condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements for the fiscal year ended July 31, 1996 included in the Company's Annual Report on Form 10-K dated October 24, 1996.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates are used in determining both the collectibility of accounts receivable and reserves for returns and exchanges, and in assessing the carrying value of goodwill and purchased intangibles. Actual results could differ from those estimates.

Net Revenue

Revenue is generally recognized at the time of shipment, net of allowances for estimated future returns and for excess quantities in distribution channels, provided that no significant vendor obligations exist and collections of accounts receivable are probable. Reserves are provided for quantities of current product versions that are considered excess and for inventories of all previous versions of products at the time new product versions are introduced. Advance payments are recorded as deferred revenue until the products are shipped or services are provided. Rebate costs are provided at the time revenue is recognized. The Company provides warranty reserves for the estimated cost of replacing defective products at the time revenue is recognized.

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Customer Service and Technical Support

Customer service and technical support costs include order processing, customer inquiries and telephone assistance. The costs of post-contract customer support are included in customer service and technical support expenses and are not included in cost of goods sold.

Cash, Cash Equivalents, Short-Term Investments and Marketable Securities

The Company considers all highly liquid investments purchased with a maturity of three months or less at date of acquisition to be cash equivalents. Available-for-sale securities are carried at amortized cost which approximates fair value. Marketable securities are carried at fair value. Unrealized gains and losses on marketable securities are included in stockholders' equity. The following is a summary of cash, cash equivalents, short-term investments and marketable securities at January 31, 1997:

<TABLE>
<CAPTION>

(in thousands, unaudited)	COST	GROSS UNREALIZED		FAIR VALUE
		GAIN	LOSS	
<S>	<C>	<C>	<C>	<C>
Cash and cash equivalents:				
Cash	\$ 18,382	\$ --	\$ --	\$ 18,382
Corporate notes	7,994	--	--	7,994
Money market funds	9,322	--	--	9,322
Municipal bonds	19,480	--	--	19,480
Commercial paper	5,992	--	--	5,992
U.S. Government securities	43,689	--	--	43,689
	-----	-----	-----	-----
	\$104,859	\$ --	\$ --	\$104,859
	=====	=====	=====	=====
Short-term investments:				
Certificates of deposit ..	\$ 8,808	\$ --	\$ --	\$ 8,808
Corporate notes	25,920	--	--	25,920
Municipal bonds	107,672	--	--	107,672
Corporate bonds	5,027	--	--	5,027
U.S. Government securities	23,547	--	--	23,547
	-----	-----	-----	-----
	\$170,974	\$ --	\$ --	\$170,974
	=====	=====	=====	=====
Marketable securities:				
Checkfree common stock	\$185,850	\$ --	\$ (6,300)	\$179,550
	=====	=====	=====	=====

</TABLE>

Cash, cash equivalents, short-term investments and marketable securities totaled \$455.4 million at January 31, 1997. The gross unrealized loss of \$6.3 million on marketable securities at January 31, 1997 is before a tax benefit of \$2.3

million. Marketable securities in Checkfree Corporation ("Checkfree") were obtained as a result of the Company's sale of its online banking and bill payment transaction processing business to Checkfree. See Note 3 of Notes to Condensed Consolidated Financial Statements.

Goodwill and Intangible Assets

The excess cost over the fair value of net assets acquired (goodwill) is generally amortized on a straight-line basis over periods generally not exceeding three years. The cost of identified intangibles is generally amortized on a straight-line basis over periods from 1 to 10 years. The carrying value of goodwill and intangible assets is reviewed on a regular basis for the existence of facts or circumstances, both internal and external, that may suggest impairment. To date no such impairment has been indicated. Should there be an impairment in the future, the Company will measure the amount of the impairment based on undiscounted expected future cash flows from the impaired assets. The cash flow estimates that will be used will reflect management's best estimates, using

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appropriate and customary assumptions and projections at the time. Components of goodwill and intangible assets are as follows:

<TABLE>
<CAPTION>

	LIFE IN YEARS	NET BALANCE AT	
		JULY 31, 1996	JANUARY 31, 1997
	-----	-----	-----
<S>	<C>	<C>	<C>
(dollars in thousands; unaudited)			
Goodwill.....	3	\$15,194	\$9,301
Customer lists.....	3-5	6,952	4,174
Covenants not to compete.....	4-5	4,248	2,950
Purchased technology.....	1-5	857	1,780
Other intangibles.....	1-10	4,392	3,676

</TABLE>

Other intangibles include items such as trade names, logos, and other identified intangible assets. The balances presented above are net of total accumulated amortization of \$125.1 million and \$135.0 million at July 31, 1996 and January 31, 1997, respectively.

Concentration of Credit Risk

The Company's product revenues are concentrated in the personal computer software industry, which is highly competitive and rapidly changing. Significant technological changes in the industry or customer requirements, or the emergence of competitive products with new capabilities or technologies, could adversely affect the Company's operating results.

Financial investments that potentially subject the Company to concentration of credit and/or valuation risk consist principally of short-term investments, marketable securities and trade accounts receivable. The Company holds shares of Checkfree common stock as marketable securities, representing approximately 19.6% of Checkfree's outstanding common stock. The Company's ability to dispose of these securities is restricted by volume trading limitations and other contractual arrangements. Subsequent declines in fair value below cost that are deemed to be other than temporary will be reported in earnings. The Company's remaining investment portfolio is diversified and generally consists of short-term investment grade securities. The credit risk in the Company's accounts receivable is mitigated by the fact that the Company performs ongoing credit evaluations of its customers' financial condition and that accounts receivable are primarily derived from customers in North America. Generally, no collateral is required. The Company maintains reserves for estimated credit losses and such losses have historically been within management's expectations.

New Accounting Standard

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which establishes a fair value method of accounting for stock options and other equity instruments. The Company adopted SFAS No. 123 beginning in fiscal year 1997 and will use the disclosure method as described in the statement. The required disclosure will be included in the Company's Annual Report on Form 10-K for the year ending July 31, 1997.

Reclassifications

Certain previously reported amounts have been reclassified to conform to the current presentation format.

2. ACQUISITIONS

In January 1996, the Company completed its acquisition of Milkyway KK ("Milkyway"), a provider of PC-based financial software in Japan. The acquisition was treated as a pooling of interests for accounting purposes. In

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addition to the issuance of 650,000 shares of Intuit common stock, the Company recorded acquisition related expenses of \$0.6 million. The accompanying condensed consolidated financial statements are presented on a combined basis for all periods.

In June 1996, the Company completed its acquisition of Interactive Insurance Services Corp. ("IIS"), a developer of an Internet based system designed to allow consumers to obtain personalized insurance information from national insurance carriers via the World Wide Web. The acquisition, which was treated as a purchase for accounting purposes, had a purchase price of approximately \$9.0 million. Under the terms of the acquisition agreement, the Company issued 169,181 shares of Intuit common stock and options to purchase 3,255 shares of Intuit common stock to IIS stock and option holders, respectively, at the date of acquisition. Approximately \$8.0 million of in-process research and development was expensed in the quarter ended July 31, 1996. Pro forma information for this acquisition has not been presented due to immateriality.

In September 1996, the Company completed its acquisition of GALT Technologies, Inc. ("GALT"), a provider of mutual fund information on the World Wide Web. The acquisition was treated as a purchase for accounting purposes. Under the terms of the acquisition agreement, the Company issued 212,053 shares of Intuit common stock and options to purchase approximately 33,686 shares of Intuit common stock to GALT stock and option holders, respectively, at the date of acquisition. Of the purchase price of \$14.6 million, approximately \$8.5 million was allocated to identified intangible assets and goodwill, which will be amortized over a period not to exceed three years. Approximately \$4.9 million of in-process research and development was expensed in the quarter ended October 31, 1996.

The following information shows the pro forma net revenue, net income (loss) and net income (loss) per share of Intuit and GALT combined as if the acquisition had taken place as of the beginning of fiscal 1996:

<TABLE>
<CAPTION>

	Three Months Ended January 31, 1996	Six Months Ended January 31, 1996
	-----	-----
<S>	<C>	<C>
(In thousands, except per share amounts; unaudited)		
Net revenue.....	\$ 219,162	\$ 321,520
Net income (loss)	20,470	(6,000)
Net income (loss) per common share.....	\$ 0.43	\$ (0.13)

</TABLE>

The unaudited pro forma results of operations for the six months ended January 31, 1996 reflect a charge for in-process research and development of \$4.9 million. Both periods reflect the amortization of intangible assets related to the GALT acquisition. Pro forma information for the six months ended January 31, 1997 is not being presented due to immateriality.

Consistent with the guidelines established by Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed" ("SFAS No. 86"), for each acquisition accounted for as a purchase, the Company determined the amounts allocated to developed and in-process research and development based on whether technological feasibility had been achieved and whether there was an alternative future use for the technology. Due to the absence of detailed program designs, evidence of technological feasibility was established through the existence of a completed working model at which point functions, features and technical performance requirements can be demonstrated. As of the respective dates of the acquisitions, the Company concluded that the in-process research and development had no alternative future use after taking into consideration the potential for usage of the software in different products, resale of the software and internal usage. Accordingly, no amounts were capitalized on the basis of future alternative use.

3. DISCONTINUED OPERATIONS AND DIVESTITURE

On January 27, 1997, the Company completed the sale of its online banking and bill payment transaction processing subsidiary, Intuit Services Corporation ("ISC"), to Checkfree in exchange for 12.6

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million shares of Checkfree common stock. The closing price of Checkfree common stock was \$14.75 per share on January 24, 1997. As a result of the divestiture,

the Company recorded a gain on sale of discontinued operations of \$71.2 million, net of tax, in the quarter ended January 31, 1997. This gain has been recorded net of certain contingent items relating to the divested business which are anticipated to be resolved by fiscal year end. In addition to this gain, the Company recorded a \$10 million service and license fee in January 1997 received from Checkfree for providing connectivity to Quicken for Checkfree customers. In February 1997, the Company sold two million shares of the acquired Checkfree common stock, bringing its investment in Checkfree to approximately 19.6% of the resulting 54.2 million shares of Checkfree common stock outstanding following consummation of the transaction. The Company will account for its investment in Checkfree using the cost method of accounting. See Notes 1 and 7 of Notes to Condensed Consolidated Financial Statements.

The divested online banking and bill payment business of ISC has been accounted for as a discontinued operation and, accordingly, its operating results have been segregated for fiscal 1996. Revenue and net loss from discontinued operations were \$14.3 million and \$6.3 million, respectively, for the fiscal year ended 1996. Operating results for discontinued operations for the period beginning August 1, 1996 until the close of the sale on January 27, 1997 were deferred. The net loss from discontinued operations for the six month period ended January 31, 1997 was approximately \$5.8 million net of a tax benefit of approximately \$3.9 million. This loss was netted against the gain on sale of discontinued operations.

4. OTHER ACCRUED LIABILITIES

<TABLE>
<CAPTION>

	JULY 31, 1996	JANUARY 31, 1997
	-----	-----
<S>	<C>	<C>
(in thousands; unaudited)		
Reserve for returns and exchanges.....	\$24,229	64,454
Acquisition and disposition related items..	3,677	24,085
Rebates.....	2,787	12,676
Post-customer contract support.....	3,500	10,960
Other accruals.....	8,077	28,515
	-----	-----
	\$42,270	\$140,690
	=====	=====

</TABLE>

5. INCOME TAXES

The provision for income taxes was computed by applying the estimated annual effective tax rate to recurring operations and amortization of intangible assets, exclusive of the write-off of in-process research and development and the amortization of goodwill.

6. LITIGATION

On March 29, 1994, Joann McGovern filed a class action lawsuit against ChipSoft Inc. (which was subsequently merged into the Company) in the Chancery Division, Circuit Court of Cook County, Illinois, on behalf of the plaintiff and other purchasers of the 1993 HeadStart version of the Company's TurboTax tax preparation software (the "Product"). The plaintiff asserts claims for breach of express and implied warranties and violation of the Illinois Consumer Fraud Act and seeks, on behalf of herself and purported class members, refund of the purchase price as well as consequential and punitive damages. On September 19, 1996 the Company filed a motion for summary judgment on the plaintiff's Illinois Consumer Fraud Act claim. The motion was granted on December 12, 1996, and the plaintiff has indicated her intention to appeal this decision. The Company believes that the plaintiff's claims are without merit and will continue to defend the litigation vigorously. Additional details of the lawsuit are contained in Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

On July 31, 1996, Trio Systems L.L.C. ("Trio") filed a lawsuit against the Company in the U.S. District Court, Central District of California (Los Angeles) alleging copyright infringement and violation of a license agreement. The Company answered the complaint on September 3, 1996, denying all material allegations. On October 28,

1996, the court denied Trio's motion for a preliminary injunction seeking to prevent the Company from shipping any Intuit products containing Trio software, including Quicken products. On February 19, 1997, the parties entered into a settlement agreement and mutual release pursuant to which the Company purchased a non-exclusive perpetual worldwide license from Trio to use, develop and distribute Intuit and Intuit-related products containing certain Trio technology. Additional details of the lawsuit are contained in Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

The Company is subject to other legal proceedings and claims that arise in the ordinary course of its business. While management currently believes that the ultimate amount of liability, if any, with respect to any pending actions will not materially affect the financial position, results of operations or liquidity of the Company, the ultimate outcome of any litigation is uncertain. If an unfavorable outcome were to occur, the impact could be material. Furthermore, any litigation, regardless of outcome, can have an adverse impact on the Company as a result of defense costs, diversion of management resources and other factors. See Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

7. SUBSEQUENT EVENTS

In February 1997, the Company completed the planned sale of two million shares of Checkfree common stock at a price of \$14.625 per share. The shares were acquired from Checkfree as a result of the Company's sale of its online banking and bill payment processing subsidiary, ISC. The sale of the two million shares reduced the Company's ownership interest in Checkfree to approximately 19.6% of Checkfree's outstanding common stock. Net proceeds of the sale were \$29.2 million and the realized loss on the sale was approximately \$160,000, net of tax. The Company continues to hold an investment in Checkfree Corporation of 10.6 million shares.

In February 1997, Intuit's Japanese subsidiary, Milkyway KK, signed an agreement to acquire Nihon Micom Co. Ltd., a Japanese small business accounting software company, for cash. The price of the planned acquisition, which is currently expected to close in March 1997, is approximately \$39 million. Under the proposed acquisition agreement, options to purchase up to 200,000 shares of Intuit common stock are to be granted to employees of Nihon Micom on or after consummation of the acquisition. The Company intends to treat the acquisition as a purchase for accounting purposes.

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ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following discussion contains forward-looking statements that include risks and uncertainties. Statements that indicate that the Company "expects," "anticipates" or "believes" are forward-looking, as are all other statements concerning future financial results, product offerings or other events that have not yet occurred. There are several important factors that could cause actual results to differ materially from those anticipated by the statements contained in the following discussion. Such factors include, but are not limited to, the growth rates of certain of the Company's market segments, the positioning of the Company's products in those segments, the retail sell-through of tax preparation products, personal finance and other products, particularly the leveling off or decline of retail sales of the Company's Quicken product, the competitive environment in the consumer and small business software industry, the emergence of the electronic financial services marketplace, the cost of implementing the Company's electronic financial services strategy, the possibility of calculation errors or other "bugs" in the Company's software products, variations in the cost of and demand for customer service and technical support, the Company's ability to establish strategic relationships with financial institutions and processors of financial information, the emergence of competition from these entities as well as from software companies, the acceptance of online offers of financial services by both financial institutions and prospective customers, the Company's ability to manage its businesses in a rapidly changing environment, and the timing and consumer acceptance of new Intuit product releases and services including current users' willingness to upgrade from older versions of the Company's products. Additional risks include the successful transition of the Company's online banking and bill payment operations to Checkfree Corporation, possible fluctuations in the value of the Company's investment in Checkfree Corporation, the Company's ability to consummate planned acquisitions and to integrate acquired operations into its existing business and the Company's ability to penetrate international markets and manage its international operations. Additional information on these and other factors which could affect the Company's financial results are included in the Company's Form 10-K for the fiscal year ended July 31, 1996 and its form 10-Q for the fiscal quarter ended October 31, 1996 on file with the Securities and Exchange Commission.

OVERVIEW

The Company experienced revenue growth of 21% and 15% for the three and six months ended January 31, 1997 over the comparable periods of fiscal year 1996. With respect to quarterly results, it should be noted that the Company's net revenue varies significantly by quarter due to seasonality in consumer buying

patterns as well as the timing of new and upgraded product releases. Seasonality is particularly strong for the Company's personal and professional tax return preparation products, the sales of which are mostly compressed into the November through March time frame. The second fiscal quarter has historically been and continues to be the Company's strongest quarter in terms of both revenue and profitability because of the seasonal shipments of tax return preparation products during this period.

In January 1997, the Company completed the sale of its banking and bill payment processing subsidiary, ISC, to Checkfree, pursuant to an agreement announced in September 1996. As a result of this divestiture, the Company recorded a gain on sale of discontinued operations, net of tax, of \$71.2 million, for the three and six months ended January 31, 1997.

In September 1996, the Company announced Internet-related strategic initiatives designed to accelerate the adoption of electronic financial data exchange and communication by individuals, small businesses and their financial service providers. These initiatives included plans to "open" the architecture of the Company's software products to financial service providers so that such providers can connect directly through the Internet to their customers who

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use Intuit products. In February 1997, the Company made a joint announcement with Microsoft Corporation and Checkfree introducing a communication standard with a single, unified technical specification, called Open Financial Exchange(TM). Open Financial Exchange will enable financial institutions to exchange financial data over the Internet with Web users and users of personal finance, accounting and tax software.

The Company's earnings and stock price have been and may continue to be subject to significant volatility, particularly on a quarterly basis. The Company has previously experienced shortfalls in revenue and earnings from levels expected by securities analysts, which has had an immediate and significant adverse effect on the trading price of the Company's common stock. There can be no assurance that this will not recur in the future. Additionally, the Company participates in a highly dynamic industry which often results in significant volatility of the Company's common stock price. In particular, the impact on the Company's business of the adoption rate and degree of market acceptance of electronic financial services, the introduction of competing electronic financial services and investors' assessment of the Company's position in the electronic financial services market, may result in significant increases in the volatility of the Company's stock price. In addition, the trend towards Internet-based products and services could have a material adverse effect on sales of some of the Company's existing products.

ACQUISITIONS AND DIVESTITURE

In January 1996, the Company completed its acquisition of Milkyway KK ("Milkyway"), a provider of PC-based financial software in Japan. The acquisition was treated as a pooling of interests for accounting purposes. In addition to the issuance of 650,000 shares of Intuit common stock, the Company recorded acquisition related expenses of \$0.6 million. The accompanying condensed consolidated financial statements, and discussion thereof, are presented on a combined basis for all periods.

In June 1996, the Company completed its acquisition of Interactive Insurance Services Corp. ("IIS"), a developer of an Internet based system designed to allow consumers to obtain personalized insurance information from national insurance carriers via the World Wide Web. The acquisition, which was treated as a purchase for accounting purposes, had a purchase price of approximately \$9.0 million. Under the terms of the acquisition agreement, the Company issued 169,181 shares of Intuit common stock and options to purchase 3,255 shares of Intuit common stock to IIS stock and option holders, respectively, at the date of acquisition. Approximately \$8.0 million of in-process research and development was expensed in the quarter ended July 31, 1996.

In September 1996, the Company completed its acquisition of GALT Technologies, Inc. ("GALT"), a provider of mutual fund information on the World Wide Web. The acquisition was treated as a purchase for accounting purposes. Under the terms of the acquisition agreement, the Company issued 212,053 shares of Intuit common stock and options to purchase approximately 33,686 shares of Intuit common stock to GALT stock and option holders, respectively, at the date of acquisition. Of the purchase price of \$14.6 million, approximately \$8.5 million was allocated to identified intangible assets and goodwill which will be amortized over a period not to exceed three years. Approximately \$4.9 million of in-process research and development was expensed in the quarter ended October 31, 1996.

Consistent with the guidelines established by Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed" ("SFAS No. 86"), for each acquisition accounted for as a purchase, the Company determined the amounts allocated to developed and in-process research and development based on whether technological feasibility had been achieved and whether there was an alternative future use for the

technology. Due to the absence of detailed program designs, evidence of technological feasibility was established through the existence of a completed working model at which point functions, features and technical performance requirements can be demonstrated. As of the respective dates of the acquisitions, the Company concluded that the in-process research and development had no alternative future use after taking into consideration the potential for usage of the software in different products, resale of the software and internal usage. Accordingly, no amounts were capitalized on the basis of future alternative use.

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Acquisition-related costs reduced net income by approximately \$6.3 million and \$21.6 million for the three and six month periods ended January 31, 1997, respectively, compared to \$10.8 million and \$21.4 million for the three and six month periods ended January 31, 1996, respectively. Assuming no acquisitions in addition to those discussed above and no impairment of value resulting in an acceleration of amortization, the net income effect of future amortization is anticipated to be approximately \$25.5 million, \$6.0 million, \$3.6 million, and \$0.5 million for the fiscal years ending July 31, 1997 through 2000, respectively. Because of the high levels of non-cash amortization expense arising from the acquisitions discussed above, the Company may report significant operating losses in the fiscal year ending July 31, 1997 and future periods. In addition, if the Company completes additional acquisitions in the future that are accounted for as purchases, operating results could be materially adversely affected by future amortization relating to such acquisitions.

On January 27, 1997, the Company completed the sale of its online banking and bill payment transaction processing subsidiary, Intuit Services Corporation ("ISC"), to Checkfree Corporation ("Checkfree") in exchange for 12.6 million shares of Checkfree common stock. The closing price of Checkfree common stock was \$14.75 per share on January 24, 1997. As a result of the divestiture, the Company recorded a gain on sale of discontinued operations of \$71.2 million, net of tax, in the quarter ended January 31, 1997. This gain has been recorded net of certain contingent items relating to the divested business which are anticipated to be resolved by fiscal year end. In February 1997, the Company sold two million shares of the acquired Checkfree common stock, bringing its investment in Checkfree to approximately 19.6% of the resulting 54.2 million shares of Checkfree common stock outstanding following consummation of the transaction. The Company will account for its investment in Checkfree using the cost method of accounting. See Notes 1, 3 and 7 of Notes to Condensed Consolidated Financial Statements.

Although the Company believes the transactions discussed above were in the best interests of the Company and its stockholders, there are significant risks associated with these transactions. The acquisitions have expanded the Company's size, product lines, personnel and geographic locations. The Company's ability to integrate and organize these new businesses and successfully manage its growth will necessitate improvements in its operational, financial and management information systems. The Company is continually taking steps to improve its internal processes, but there can be no assurance that problems in these processes will not occur in the future. The divestiture of ISC has resulted in the elimination of the Company's direct participation in the online banking and bill payment processing business. The Company's investment in the shares of Checkfree common stock could decrease in value due to market fluctuations and the success or failure of Checkfree. If such decline was determined to be other than temporary, charges to earnings would result. There is also a risk that the Company will be unable to divest the Checkfree common stock shares quickly because of contractual and legal restrictions on the sale of such shares and the relatively large percentage of ownership of Checkfree common stock by the Company.

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RESULTS OF OPERATIONS

Set forth below are certain condensed consolidated statement of operations data as well as such data as a percentage of net revenue for the three and six month periods ended January 31, 1996 and 1997.

<TABLE>
<CAPTION>

	THREE MONTHS ENDED JANUARY 31,			
	1996		1997	
(dollars in thousands; unaudited)	Dollars	% of Revenue	Dollars	% of Revenue
<S>	<C>	<C>	<C>	<C>
Net revenue:				
Software.....	\$ 197,734	90.3%	\$ 240,921	90.6%
Supplies.....	21,262	9.7	25,057	9.4
	-----	-----	-----	-----
	218,996	100.0	265,978	100.0

Costs and expenses:				
Cost of goods sold:				
Product.....	49,241	22.5	58,621	22.0
Amortization of purchased software.....	241	0.1	114	0.1
Customer service and technical support.....	34,631	15.8	40,559	15.3
Selling and marketing.....	42,598	19.5	53,235	20.0
Research and development.....	18,042	8.2	22,930	8.6
General and administrative.....	9,945	4.6	10,718	4.0
Charge for purchased research and development....	--	--	--	--
Amortization of goodwill and purchased intangibles.....	10,572	4.8	6,192	2.3
Total costs and expenses.....	165,270	75.5	192,369	72.3
Income from operations.....	53,726	24.5	73,609	27.7
Interest and other income and expense, net.....	1,307	0.6	1,758	0.7
Income from continuing operations before income taxes.....	55,033	25.1	75,367	28.4
Income tax provision.....	30,966	14.1	30,667	11.6
Income from continuing operations.....	24,067	11.0	44,700	16.8
Loss from operations of discontinued operations, net of income tax benefit of \$1,267.....	(2,157)	(1.0)	--	--
Gain on sale of discontinued operations, net of income tax provision of \$52,617.....	--	--	71,240	26.8
Net income.....	\$ 21,910	10.0%	\$ 115,940	43.6%

</TABLE>

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<TABLE>
<CAPTION>

	SIX MONTHS ENDED JANUARY 31,			
	1996		1997	
(dollars in thousands; unaudited)	Dollars	% of Revenue	Dollars	% of Revenue
<S>	<C>	<C>	<C>	<C>
Net revenue:				
Software	\$ 286,485	89.2%	\$325,416	88.3%
Supplies	34,761	10.8	43,068	11.7
	321,246	100.0	368,484	100.0
Costs and expenses:				
Cost of goods sold:				
Product	76,657	23.9	85,666	23.3
Amortization of purchased software	916	0.3	154	--
Customer service and technical support	59,583	18.5	68,071	18.5
Selling and marketing	78,978	24.6	90,636	24.6
Research and development	38,193	11.9	45,391	12.3
General and administrative	19,998	6.2	22,624	6.1
Charge for purchased research and development	--	--	4,929	1.3
Amortization of goodwill and purchased intangibles	20,447	6.4	16,494	4.5
Total costs and expenses	294,772	91.8	333,965	90.6
Income from operations	26,474	8.2	34,519	9.4
Interest and other income and expense, net	3,371	1.1	3,806	1.0
Income from continuing operations before income taxes	29,845	9.3	38,325	10.4
Income tax provision	24,462	7.6	21,929	5.9
Income from continuing operations	5,383	1.7	16,396	4.5
Loss from operations of discontinued operations, net of income tax benefit of \$2,229	(3,795)	(1.2)	--	--
Gain on sale of discontinued operations, net of income tax provision of \$52,617	--	--	71,240	19.3
Net income	\$ 1,588	0.5%	\$ 87,636	23.8%

</TABLE>

NET REVENUE for the three and six month periods ended January 31, 1997 increased over the comparable periods of fiscal 1996 by 21% and 15%, respectively. This increase resulted primarily from higher sales of both personal and professional versions of the Company's tax preparation products, and the release of new and upgraded versions of small business finance products including QuickBooks version 5.0 and QuickBooks Pro version 5.0 (including CD-ROM versions), which resulted in increased unit sales. Also contributing to revenue growth were increased financial supplies revenue over comparable periods in fiscal 1996 resulting primarily from an increasing QuickBooks user base. Due to the seasonality of the Company's software sales, the proportion of net revenue represented by supplies, which is a less seasonal business, will vary considerably throughout the year. Overall net revenue increases were offset in part by a decrease in Quicken net revenue resulting from a decrease in average selling prices, a decrease in units shipped into the retail channel and increasing OEM unit sales, which generate minimal revenue, during the three and six month periods ended January 31, 1997, as compared with the three and six month periods of the prior year. Net revenue for the three and six month periods ended January 31, 1997 includes a \$10 million service and license fee from Checkfree for providing connectivity to Quicken for Checkfree customers.

While the initial sell-through of personal tax products for the first six months of fiscal 1997 is encouraging, the Company cautions that it will be several months before the financial results for the current tax season can be

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determined. As in previous years, to assure wide availability of the tax return preparation products at retail as tax filing deadlines approach, the Company ships more tax product into the retail channel than is expected to sell through. Consistent with prior years, a significant reserve is established at the time of initial shipment for estimated product returns. However, there can be no assurance that these reserves will be adequate to cover actual product returns.

Revenue is generally recognized at the time of product shipment or delivery of electronic or other services, net of allowances for estimated future returns and for excess quantities in distribution channels, provided that no significant vendor obligations exist and collections of accounts receivable are probable. Reserves are provided for quantities of current product versions that are considered excess and for inventories of all previous versions of products at the time new product versions are introduced. Advance payments are recorded as deferred revenue until the products are shipped or services are provided. Rebate costs are incurred at the time revenue is recognized. The Company provides warranty reserves at the time revenue is recognized for the estimated cost of replacing defective products. There can be no assurance that the reserves established by the Company will be sufficient to cover future obligations.

The software industry, including the Company, is selling increasingly through alternative channels, such as OEM, or "bundling" products for a single low price. While this strategy introduces new customers to products, it also significantly reduces average selling prices. The consumer software industry, including the Company, has experienced significant platform shifts in the past, such as from DOS to Windows and Windows 95. There is increased competition on the Windows and Windows 95 platforms, including lower priced products and, at times, free promotional products that compete with the Company's software. In order to respond to these competitive pressures, the Company may use price reductions and/or other promotional offers which could negatively impact net revenue and income from operations. Alternatively, the Company could maintain prices and risk losing market share. As platform shifts continue to occur, there are risks that competitors could introduce new products before the Company's products are available on a particular platform or that customers may not accept a platform that the Company has chosen or will choose to pursue. Further consolidation of the software industry or changes in the personal computer industry could lead to increased competition in innovation and pricing strategies. The Company cannot quantify the degree to which these factors have affected or will affect its business and results of operations. In addition, a number of the Company's competitors have greater financial resources than the Company, potentially giving them a competitive advantage.

There can be no assurance that the Company's new or upgraded products will be accepted, will not be delayed or canceled, or will not contain errors or "bugs" that could affect the performance of the products or cause damage to a user's data. If any of these events occurs, the Company may experience reduced net revenue, loss of market share, increased maintenance release costs and higher technical support costs. The Company derives significant portions of its revenues from certain distributors and resellers. Bankruptcy or insolvency of a distributor or retailer could materially adversely affect the Company's future revenue streams for a period of time.

COST OF GOODS SOLD decreased to 22.1% and 23.3% of net revenue for the three and six month periods ended January 31, 1997, respectively, from 22.6% and 24.2% of net revenue for the three and six month periods ended January 31, 1996,

respectively. The Company anticipates that cost of goods sold will be affected by approximately \$0.6 million of acquisition-related amortization costs for the full fiscal year 1997. Excluding acquisition related amortization costs, cost of goods sold would have been 22.0% and 23.3% of net revenue for the three and six month periods ended January 31, 1997, respectively, and 22.5% and 23.9% of net revenue for the three and six month periods ended January 31, 1996, respectively.

Software and services cost of goods sold, excluding acquisition-related amortization costs, was 20.1% and 20.8% of software and services net revenue for the three and six month periods ended January 31, 1997, compared to 20.4% and 21.6% in the three and six month periods ended January 31, 1996. This decrease resulted primarily from a shift in the mix of product sales to higher margin deluxe CD-ROM versions, reductions in the cost of materials and improved inventory management. Supplies cost of goods sold decreased to 41.1% and 41.9% of supplies net revenue for the three and six month periods ended January 31, 1997, compared to 41.5% and 42.6% in the three and six month periods ended January 31, 1996, respectively. This decrease is primarily due to increased efficiency in

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the order taking process resulting in lower costs and fewer re-orders. The Company plans to continue to take actions to improve efficiency and reduce the materials costs of all its products. However, there can be no assurance that margin improvements will be achieved or that current margins will be sustained.

During the three months ended January 31, 1996, a few minor calculation errors were identified in the consumer versions of the TurboTax and MacInTax products, and actions were taken during the quarter to notify users and provide fixes. There can be no assurance that additional errors will not be discovered in the future. Such errors could have a material adverse effect on the Company's results of operations. The Company has guaranteed the calculations of its tax products and will pay any penalties and interest due the IRS from its customers as a result of calculation errors. As of January 31, 1997, claims made for such errors have been insignificant, although significant claims may be received in the future.

CUSTOMER SERVICE AND TECHNICAL SUPPORT expenses were 15.3% and 18.5% of net revenue for the three and six month periods ended January 31, 1997, respectively, compared to 15.8% and 18.5% of net revenue for the three and six month periods ended January 31, 1996. The Company incurs a fixed base of support costs, which is increased by seasonal staffing and third-party services during periods of seasonally higher sales. Customer service and technical support costs were slightly lower as a percentage of net revenue in the three month period ended January 31, 1997 as compared to the same period a year ago, due in part to decreased outsourcing and improved management of existing facilities and resources. Customer service and technical support costs represented the same percentage of net revenue for the six month periods ended January 31, 1997 and 1996. Post-contract customer support costs are accrued at the time revenue is recognized, are included in customer service and technical support expenses and are not included in cost of goods sold.

SELLING AND MARKETING expenses were 20.0% and 24.6% of net revenue for the three and six month periods ended January 31, 1997, respectively, compared to 19.5% and 24.6% of net revenue for the three and six month periods ended January 31, 1996, respectively. Selling and marketing expenses for the quarter increased as a percentage of net revenue compared to the same period of the prior fiscal year primarily as a result of increased marketing of key products and support of international product launches in the quarter ended January 31, 1997. Year to date selling and marketing expenses remained flat as a percentage of net revenue compared to the same period in the prior year.

RESEARCH AND DEVELOPMENT expenses were 8.6% and 12.3% of net revenue for the three and six month periods ended January 31, 1997, respectively and 8.2% and 11.9% of net revenue for the three and six month periods ended January 31, 1996, respectively. The increases are due primarily to continued development of new versions and upgrades of software products and development of electronic commerce services in the insurance and investments areas. The Company has experienced, and expects to continue to experience, significant growth in research and development expenses, both in absolute dollars and as a percentage of net revenue, for development efforts on new and existing products, including foreign versions of its products.

GENERAL AND ADMINISTRATIVE expenses were 4.0% and 6.1% of net revenue for the three and six month periods ended January 31, 1997, respectively, and 4.6% and 6.2% of net revenue for the three and six month periods ended January 31, 1996, respectively.

INTEREST AND OTHER INCOME AND EXPENSE, NET, was \$1.8 million and \$3.8 million for the three and six month periods ended January 31, 1997, respectively. This compares to \$1.3 million and \$3.4 million, respectively, for the corresponding periods in the prior year. This increase is primarily the result of increased interest income due to higher average cash and short-term investment balances in the current year.

INCOME TAXES. For the three months ended January 31, 1997, the Company recorded an income tax provision of \$30.7 million on pretax income of \$75.4 million. The tax rate differs from the statutory rate primarily because of the nondeductible status of goodwill amortization. There was no valuation allowance for deferred tax assets of \$28.2 million at January 31, 1997 based on management's assessment that current anticipated levels of taxable income will be sufficient to realize the net deferred tax assets.

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CERTAIN FACTORS THAT MAY AFFECT FUTURE RESULTS

The Company's business has experienced and is expected to continue to experience substantial seasonality, due principally to the timing of the tax return preparation season, timing of launches for new or updated versions of products and, to a lesser extent, consumer software buying patterns. Sales of the Company's tax products are concentrated in the period from November, when certain professional tax products are released, through March, when consumers purchase tax preparation products in advance of the April 15 filing deadline. In addition, sales of the Company's Quicken products are typically strongest during the year-end holiday buying season. As a result of these seasonal patterns, the Company typically generates more than 100% of its income from operations before acquisition-related charges during its fiscal quarters ending January 31 and April 30. Because of these seasonal factors and a significantly increased level of operating expenses to support the Company's expanded infrastructure and development efforts, the Company incurred significant losses from operations before acquisition-related charges during its fiscal quarters ended July 31, 1996 and October 31, 1996. The Company expects to continue to report seasonal losses before acquisition-related costs and amortization in the July and October quarters of future fiscal years. In addition, the Company expects to incur significant amortization expenses relating to historical and future acquisitions which may be accounted for as purchases. Such amortization charges will adversely affect operating income and net income in future quarters.

The Company's quarterly operating results have varied significantly in the past, and are likely to vary significantly in the future, based upon a number of factors. In addition to seasonal factors, the Company's quarterly operating results can be affected significantly by the number and timing of new product or version releases by the Company as well as the timing of product announcements or introductions by the Company's competitors, discretionary marketing and promotional expenditures, research and development expenditures and a variety of non-recurring events such as acquisitions or claims relating to calculation errors in the Company's tax products. Products are generally shipped as orders are received and, consequently, quarterly sales and operating results depend primarily on the volume and timing of orders received during the quarter, which are difficult to forecast. A significant portion of the Company's operating expenses are relatively fixed and planned expenditures are based on sales forecasts. Thus, if net revenue levels are below expectations, operating results are likely to be materially adversely affected. In particular, net income, if any, may be disproportionately affected because only a small portion of the Company's expenses varies with revenue in the short term. In response to competition, the Company may also choose to reduce prices or increase spending, which may adversely affect the Company's operating results and financial condition. There can be no assurance that the Company will sustain revenue growth in the future or be profitable in any future period. Due to the foregoing factors, the Company believes that period-to-period comparisons of its results of operations are not necessarily meaningful and should not be relied upon as indications of future performance.

The markets in which the Company competes are characterized by ongoing technological developments, frequent new product announcements and introductions, evolving industry standards, changing customer requirements and new competitors. The introduction of products and services embodying new technologies and the emergence of new industry standards and practices, including changes in tax laws, regulations or procedures, can render existing products obsolete and unmarketable. The Company's future success depends upon its ability to enhance its existing products and services, develop new products and services that address the changing requirements of its customers, develop additional products and services for new or other platforms and environments (such as the Internet) and anticipate or respond to technological advances, emerging industry standards and practices and changes in tax and other laws, regulations and procedures in a timely, cost-effective manner. In response to major industry changes reflected by the increasing popularity of the Internet among consumers and financial service providers, the Company has expanded its Internet strategy. There can be no assurance that such initiatives can be successfully implemented or that they will result in increased revenue or profits for the Company. Conversely, there can be no assurance that consumers' use of the Internet, particularly for commercial transactions, will continue to increase as rapidly as it has during the past few years.

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LIQUIDITY AND CAPITAL RESOURCES

At January 31, 1997, the Company had \$275.8 million in cash and short-term investments excluding \$179.6 million in marketable securities of Checkfree common stock (see Notes 3 and 7 of Notes to Condensed Consolidated Financial Statements), a \$77.8 million increase from July 31, 1996. The increase was primarily due to the seasonality of the Company's business which generally results in the majority of net revenues and cash receipts occurring in the January and April quarters. During the six months ended January 31, 1997, operating activities provided \$94.3 million in cash, compared with \$41.5 million in the six months ended January 31, 1996. The Company's investing activities used \$37.9 million in cash in the six months ended January 31, 1997 compared to \$72.0 million in the comparable period of the prior year. Investing activities consisted primarily of net purchases of short-term investments and purchases of property and equipment in both six month periods. The decrease in cash used for investing activities in the six month period of the current year compared to the six month period of the prior year is due primarily to higher fixed asset expenditures in the prior year resulting from moving company headquarters to Mountain View, California and relocating its San Diego, California operations to a new facility. The Company's financing activities provided \$3.9 million and \$11.5 million of cash in the six months ended January 31, 1997 and 1996, respectively, due primarily to proceeds from the exercise of stock options.

The Company enters into leases for new or expanded facilities in the normal course of its business. During fiscal 1996, the Company began moving its headquarters from Menlo Park, California to larger facilities in Mountain View, California. The move is expected to be completed in calendar year 1999. The Company also relocated its operations in San Diego, California to a new office facility in June 1996. The Company leases various other properties throughout the world. Aside from the proposed Nihon Micom acquisition (see Note 7 of Notes to Condensed Consolidated Financial Statements), the Company has no other significant capital expenditure commitments, although additional cash may be used for strategic acquisitions in the future.

The Company believes cash and short-term investments will be sufficient to meet the Company's anticipated seasonal working capital and capital expenditure requirements for at least the next twelve months.

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PART II: OTHER INFORMATION

ITEM 1

LEGAL PROCEEDINGS

On March 29, 1994, Joann McGovern filed a class action lawsuit against ChipSoft (which was subsequently merged into the Company) in the Chancery Division, Circuit Court of Cook County, Illinois, on behalf of the plaintiff and other purchasers of the 1993 HeadStart version of the Company's TurboTax tax preparation software (the "Product"). The plaintiff asserts claims for breach of express and implied warranties and violation of the Illinois Consumer Fraud Act and seeks, on behalf of herself and purported class members, refund of the purchase price as well as consequential and punitive damages. On September 19, 1996 the Company filed a motion for summary judgment on the plaintiff's Illinois Consumer Fraud Act claim. The motion was granted on December 12, 1996, and the plaintiff has indicated her intention to appeal this decision. The Company believes that the plaintiff's claims are without merit and will continue to defend the litigation vigorously. Additional details of the lawsuit are contained in Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

On July 31, 1996, Trio Systems L.L.C. ("Trio") filed a lawsuit against the Company in the U.S. District Court, Central District of California (Los Angeles) alleging copyright infringement and violation of a license agreement. The Company answered the complaint on September 3, 1996, denying all material allegations. On October 28, 1996, the court denied Trio's motion for a preliminary injunction seeking to prevent the Company from shipping any Intuit products containing Trio software, including Quicken products. On February 19, 1997, the parties entered into a settlement agreement and mutual release pursuant to which the Company purchased a non-exclusive perpetual worldwide license from Trio to use, develop and distribute Intuit and Intuit-related products containing certain Trio technology. Additional details of the lawsuit are contained in Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

The Company is subject to other legal proceedings and claims that arise in the ordinary course of its business. While management currently believes that the ultimate amount of liability, if any, with respect to any pending actions will not materially affect the financial position, results of operations or liquidity of the Company, the ultimate outcome of any litigation is uncertain. If an unfavorable outcome were to occur, the impact could be material. Furthermore, any litigation, regardless of outcome, can have an adverse impact on the Company as a result of defense costs, diversion of management resources and other factors. See Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

ITEM 4
SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On November 25, 1996, at the Company's Annual Meeting of Stockholders, Intuit's stockholders approved the following proposals. Proxies were solicited by the Company pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. As of October 15, 1996, the record date for the Annual Meeting, there were approximately 46,251,414 shares of Intuit Common Stock outstanding and entitled to vote, of which 41,138,931 shares were present in person or by proxy and voted at the meeting.

- 1. Proposal to elect six directors of the Company, each to serve until the next Annual Meeting of Stockholders and until his successor is duly elected and qualified or until his earlier resignation or removal.

<TABLE>
<CAPTION>

	FOR	AGAINST
<S>	<C>	<C>
Christopher W. Brody	40,978,162	160,769
William V. Campbell	40,996,586	142,345
Scott D. Cook	40,996,767	142,164
L. John Doerr	40,996,697	142,234
Michael R. Hallman	40,996,247	142,684
Burton J. McMurtry	40,997,157	141,774

</TABLE>

- 2. Proposal to amend the Company's 1993 Equity Incentive Plan to increase the number of shares of common stock available for issuance pursuant to awards thereunder by 3,000,000 shares.

<TABLE>

<S>	<C>
For	26,903,611
Against	5,753,426
Abstain	76,386
Broker Non-votes	8,405,508

</TABLE>

- 3. Proposal to approve the adoption of the 1996 Employee Stock Purchase Plan and authorization of the issuance of 300,000 shares of common stock thereunder.

<TABLE>

<S>	<C>
For	33,294,147
Against	376,819
Abstain	66,956
Broker Non-votes	7,401,009

</TABLE>

- 4. Proposal to approve the adoption of the 1996 Directors Stock Option Plan and authorization of the issuance of 120,000 shares of common stock pursuant to stock options granted thereunder.

<TABLE>

<S>	<C>
For	28,319,700
Against	5,331,868
Abstain	86,254
Broker Non-votes	7,401,109

</TABLE>

- 5. Proposal to ratify the selection of Ernst & Young LLP as independent auditors for the Company for the current fiscal year ending July 31, 1997.

<TABLE>

<S>	<C>
For	40,988,132
Against	98,285
Abstain	52,514

</TABLE>

ITEM 6
EXHIBITS AND REPORTS ON FORM 8-K

(A) THE FOLLOWING DOCUMENTS ARE FILED AS PART OF THIS REPORT:

<TABLE>

<S>

Exhibit 2.01	<C> Agreement and Plan of Merger dated as of September 15, 1996 by and among Intuit Inc., Intuit Services Corporation, Checkfree Corporation and Checkfree Acquisition Corporation. Pursuant to Item 601 (b) (2) of Regulation S-K, certain schedules have been omitted but will be furnished supplementally to the Commission upon request. (1)
Exhibit 2.02	Amendment No. 1 to Agreement and Plan of Merger dated as of September 15, 1996 by and among Intuit Inc., Intuit Services Corporation, Checkfree Corporation and Checkfree Acquisition Corporation II. (1)
Exhibit 4.01	Amended and Restated Registration Rights Agreement dated as of September 15, 1996 between Intuit Inc. and Checkfree Corporation. (1)
Exhibit 4.02	Amended and Restated Checkfree Corporation Stock Restriction Agreement dated September 15, 1996 between Intuit Inc. and Checkfree Corporation. (1)
Exhibit 10.01	Intuit Inc. 1993 Equity Incentive Plan, as amended through November 25, 1996.
Exhibit 10.02	Intuit Inc. 1996 Employee Stock Purchase Plan, as adopted on October 7, 1996.
Exhibit 10.03	Intuit Inc. 1996 Directors Stock Option Plan, as adopted on October 7, 1996.
Exhibit 11.01	Computation of net income per share.
Exhibit 27.01	Financial Data Schedule (filed only in electronic format)

</TABLE>

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(1) Incorporated by reference to the Company's report on Schedule 13D with respect to its beneficial ownership of shares of Checkfree Corporation filed on February 6, 1997.

(B) REPORTS ON FORM 8-K:

- (i) On October 17, 1996, the Company filed a Form 8-K to report under Item 5 its proposed sale of Intuit Services Corporation subsidiary to Checkfree Corporation. No financial statements were filed.
- (ii) On November 15, 1996, the Company filed a Form 8-K/A (amending a Form 8-K filed on September 18, 1996) relating to its acquisition of GALT Technologies, Inc. ("GALT"). This amendment was filed in order to include under Item 7 (a) the audited financial statements of GALT for the year ended December 31, 1995 and the period from September 1, 1993 through December 31, 1994, and (b) unaudited pro forma condensed combining financial information to give effect to the acquisition of GALT by the Company as if the merger had taken place at July 31, 1996 (for balance sheet purposes) and July 31, 1995 (for statement of operations purposes).

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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 thereunto duly authorized.

INTUIT INC.
(REGISTRANT)

Date: March 14, 1997

By: /s/ JAMES J. HEEGER

James J. Heeger
Senior Vice President and Chief
Financial Officer

Date: March 14, 1997

By: /s/ GREG J. SANTORA

Greg J. Santora
Vice President of Finance

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Exhibit 2.01	<C> Agreement and Plan of Merger dated as of September 15, 1996 by and among Intuit Inc., Intuit Services Corporation, Checkfree Corporation and Checkfree Acquisition Corporation. Pursuant to Item 601 (b) (2) of Regulation S-K, certain schedules have been omitted but will be furnished supplementally to the Commission upon request. (1)
Exhibit 2.02	Amendment No. 1 to Agreement and Plan of Merger dated as of September 15, 1996 by and among Intuit Inc., Intuit Services Corporation, Checkfree Corporation and Checkfree Acquisition Corporation II. (1)
Exhibit 4.01	Amended and Restated Registration Rights Agreement dated as of September 15, 1996 between Intuit Inc. and Checkfree Corporation. (1)
Exhibit 4.02	Amended and Restated Checkfree Corporation Stock Restriction Agreement dated September 15, 1996 between Intuit Inc. and Checkfree Corporation. (1)
Exhibit 10.01	Intuit Inc. 1993 Equity Incentive Plan, as amended through November 25, 1996.
Exhibit 10.02	Intuit Inc. 1996 Employee Stock Purchase Plan, as adopted on October 7, 1996.
Exhibit 10.03	Intuit Inc. 1996 Directors Stock Option Plan, as adopted on October 7, 1996.
Exhibit 11.01	Computation of net income per share.
Exhibit 27.01	Financial Data Schedule (filed only in electronic format)

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- (1) Incorporated by reference to the Company's report on Schedule 13D with respect to its beneficial ownership of shares of Checkfree Corporation filed on February 6, 1997.

INTUIT INC.

1993 EQUITY INCENTIVE PLAN

As Adopted February 1, 1993
and Amended and Restated through November 25, 1996

1. PURPOSE. The purpose of the Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent, Subsidiaries and Affiliates, by offering them an opportunity to participate in the Company's future performance through awards of Options, Restricted Stock, Stock Bonuses and Performance Awards. Capitalized terms not defined in the text are defined in Section 24.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available. Subject to Sections 2.2 and 19, the total number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan shall be 11,000,000* Shares. Subject to Sections 2.2 and 19, Shares shall again be available for grant and issuance in connection with future Awards under the Plan that: (a) are subject to issuance upon exercise of an Option but cease to be subject to such Option for any reason other than exercise of such Option or (b) are subject to an Award that otherwise terminates without Shares being issued and for which the participant did not receive any benefits of ownership (other than voting rights).

2.2 Adjustment of Shares. In the event that the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration, then (a) the number of Shares reserved for issuance under the Plan, (b) the Exercise Prices of and number of Shares subject to outstanding Options, and (c) the number of Shares subject to other outstanding Awards shall be proportionately adjusted, subject to any required action by the Board or the shareholders of the Company and compliance with applicable securities laws; provided, however, that fractions of a Share shall not be issued but shall either be paid in cash at Fair Market Value or shall be rounded up to the nearest Share, as determined by the Committee; and provided, further, that the Exercise Price of any Option may not be decreased to below the par value of the Shares.

3. ELIGIBILITY. ISOs (as defined in Section 5 below) may be granted only to employees (including officers and directors who are also employees) of the Company or of a

* Reflects 8/4/95 stock split

Parent or Subsidiary of the Company. All other Awards may be granted to employees, officers, directors, consultants, independent contractors and advisors of the Company or any Parent, Subsidiary or Affiliate of the Company; provided such consultants, contractors and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. A person may be granted more than one Award under the Plan. Each person is eligible to receive up to an aggregate maximum of 1,000,000 Shares over the term of the Plan.

4. ADMINISTRATION.

4.1 Committee Authority. The Plan shall be administered by the Committee. Subject to the general purposes, terms and conditions of the Plan, the Committee shall have full power to implement and carry out the Plan. The Committee shall have the authority to:

- (a) construe and interpret the Plan, any Award Agreement and any other agreement or document executed pursuant to the Plan;
- (b) prescribe, amend and rescind rules and regulations relating to the Plan;
- (c) select persons to receive Awards;
- (d) determine the form and terms of Awards;
- (e) determine the number of Shares or other consideration subject to Awards;

- (f) determine whether Awards will be granted singly, in combination, or in tandem with, in replacement of, or as alternatives to, other Awards under the Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate of the Company;
- (g) grant waivers of Plan or Award conditions;
- (h) determine the vesting, exercisability and payment of Awards;
- (i) correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Award or any Award Agreement;
- (j) determine whether an Award has been earned; and
- (k) make all other determinations necessary or advisable for the administration of the Plan.

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4.2 Committee Discretion. Any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. The Committee may delegate to one or more officers of the Company the authority to grant an Award under the Plan to Participants who are not Insiders of the Company.

4.3 Exchange Act Requirements. If two or more members of the Board are Outside Directors, the Committee shall be comprised of at least two members of the Board, all of whom are Outside Directors and Disinterested Persons. The Company will take appropriate steps to comply with the disinterested director requirements of Section 16(b) of the Exchange Act, including but not limited to, the appointment by the Board of a Committee consisting of not less than two persons (who are members of the Board), each of whom is a Disinterested Person. It is the intent of the Company that the Plan and Awards hereunder satisfy and be interpreted in a manner, that, in the case of Participants who are or may be Insiders, satisfies the applicable requirements of Rule 16b-3 (or its successor) of the Exchange Act. If any provision of the Plan or of any Award would otherwise conflict with the intent expressed in this Section 4.3, that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict.

5. OPTIONS. The Committee may grant Options to eligible persons and shall determine whether such Options shall be Incentive Stock Options within the meaning of the Code ("ISOs") or Nonqualified Stock Options ("NQSOs"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Form of Option Grant. Each Option granted under the Plan shall be evidenced by an Award Agreement which shall expressly identify the Option as an ISO or NQSO ("Stock Option Agreement"), and be in such form and contain such provisions (which need not be the same for each Participant) as the Committee shall from time to time approve, and which shall comply with and be subject to the terms and conditions of the Plan.

5.2 Date of Grant. The date of grant of an Option shall be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Agreement and a copy of the Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3 Exercise Period. Options shall be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement; provided, however, that no Option shall be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company ("Ten Percent Shareholder") shall be exercisable after the expiration of five (5) years from the date the Option

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is granted. The Committee also may provide for the exercise of Options to become exercisable at one time or from time to time, periodically or otherwise, in such number or percentage as the Committee determines.

5.4 Exercise Price. The Exercise Price shall be determined by the Committee when the Option is granted and may be at less than Fair Market Value (but not less than the par value of the Shares) if permitted

by the Exchange Act; provided, that (i) the Exercise Price of an ISO shall be not less than 100% of the Fair Market Value of the Shares on the date of grant and (ii) the Exercise Price of any ISO granted to a Ten Percent Shareholder shall not be less than 110% of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 8 of the Plan.

5.5 Method of Exercise. Options may be exercised only by delivery to the Company of a written exercise agreement (the "Exercise Agreement") in a form approved by the Committee (which need not be the same for each Participant), stating the number of Shares being purchased, the restrictions imposed on the Shares, if any, and such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price for the number of Shares being purchased.

5.6 Termination. Notwithstanding the exercise periods set forth in the Stock Option Agreement, exercise of an Option shall always be subject to the following:

- (a) If the Participant is Terminated for any reason except death or Disability, then Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable upon the Termination Date no later than three (3) months after the Termination Date (or such longer time period not exceeding five years as may be determined by the Committee), but in any event, no later than the expiration date of the Options.
- (b) If the Participant is terminated because of death or Disability (or the Participant dies within three months of such termination), then Participant's Options may be exercised only to the extent that such Options would have been exercisable by Participant on the Termination Date and must be exercised by Participant (or Participant's legal representative or authorized assignee) no later than (i) twelve (12) months after the Termination Date in the case of disability or (ii) eighteen (18) months after the Termination Date in the case of death (or such longer time period not exceeding five years as may be determined by the Committee), but in any event no later than the expiration date of the Options.

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5.7 Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option; provided that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 Limitations on ISOs. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under the Plan or under any other incentive stock option plan of the Company or any Affiliate, Parent or Subsidiary of the Company) shall not exceed \$100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds \$100,000, the Options for the first \$100,000 worth of Shares to become exercisable in such calendar year shall be ISOs and the Options for the amount in excess of \$100,000 that become exercisable in that calendar year shall be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date of the Plan to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit shall be automatically incorporated herein and shall apply to any Options granted after the effective date of such amendment.

5.9 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor; provided that any such action may not, without the written consent of Participant, impair any of Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered shall be treated in accordance with Section 424(h) of the Code. The Committee may reduce the Exercise Price of outstanding Options without the consent of Participants affected by a written notice to them; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 of the Plan for Options granted on the date the action is taken to reduce the Exercise Price; and provided, further, that the Exercise Price shall not be reduced below the par value of the Shares, if any.

5.10 No Disqualification. Notwithstanding any other

provision in the Plan, no term of the Plan relating to ISOs shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. RESTRICTED STOCK. A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to restrictions. The Committee shall determine to whom an offer will be made, the number of Shares the person may purchase, the price to be paid (the "Purchase Price"), the restrictions to which the Shares shall be subject, and all other terms and conditions of the Restricted Stock Award, subject to the following:

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6.1 Restricted Stock Awards. All purchases under a Restricted Stock Award made pursuant to the Plan shall be evidenced by an Award Agreement ("Restricted Stock Purchase Agreement") that shall be in such form (which need not be the same for each Participant) as the Committee shall from time to time approve, and shall comply with and be subject to the terms and conditions of the Plan. The offer of Restricted Stock shall be accepted by the Participant's execution and delivery of the Restricted Stock Purchase Agreement and full payment for the Shares to the Company within thirty (30) days from the date the Restricted Stock Purchase Agreement is delivered to the person. If such person does not execute and deliver the Restricted Stock Purchase Agreement along with full payment for the Shares to the Company within thirty (30) days, then the offer shall terminate, unless otherwise determined by the Committee.

6.2 Purchase Price. The Purchase Price of Shares sold pursuant to a Restricted Stock Award shall be determined by the Committee and may be at less than Fair Market Value (but not less than the par value of the Shares) on the date the Restricted Stock Award is granted. Payment of the Purchase Price may be made in accordance with Section 9 of the Plan.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards shall be subject to such restrictions as the Committee may impose. These restrictions may be based upon completion of a specified number of years of service with the Company or upon completion of the performance goals as set out in advance in the Participant's individual Award Agreement (the "Restricted Stock Award Agreement") that shall be in such form (which need not be the same for each Participant) as the Committee shall from time to time approve, and shall comply with and be subject to the terms and conditions of the Plan. Restricted Stock Awards may vary from Participant to Participant and between groups of Participants. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the payment of any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria; provided, however that the maximum Restricted Stock Award for each Participant with respect to any Performance Period shall be thirty percent (30%) of the Shares reserved for issuance under this Plan.

7. STOCK BONUSES.

7.1 Awards of Stock Bonuses. A Stock Bonus is an award of Shares for services rendered to the Company or any Parent, Subsidiary or Affiliate of the Company. No payment for the Shares shall be required. A Stock Bonus may be awarded for past services already rendered to the Company, or any Parent, Subsidiary or Affiliate of the Company pursuant to an Award Agreement (the "Stock Bonus Agreement") that shall be in such form (which need not be the same for each Participant) as the Committee shall from time to time approve, and shall

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comply with and be subject to the terms and conditions of the Plan. No payment for the Shares shall be required.

7.2 Terms of Stock Bonuses. Stock Bonus Awards shall be subject to such restrictions as the Committee shall impose. These restrictions may be based upon completion of a specified number of years of service with the Company or upon completion of the performance goals as set out in advance in the Participant's individual Award Agreement (the "Stock Bonus Agreement") that shall be in such form (which need not be the same for each Participant) as the Committee shall from time to time approve, and shall comply with and be subject to the terms and conditions of the Plan. Stock Bonuses may vary from Participant to Participant and between groups of Participants. Prior to the grant of a Stock Bonus, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine

the number of Shares that may be awarded to the Participant. Prior to the payment of any Stock Bonus, the Committee shall determine the extent to which such Stock Bonus has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Stock Bonuses that are subject to different Performance Periods and having different performance goals and other criteria; provided, however that the maximum Stock Bonus for each Participant with respect to any Performance Period shall be be thirty percent (30%) of the Shares reserved for issuance under this Plan.

7.3 Form of Payment. A Stock Bonus may be paid in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value on the date of payment, either in a lump sum payment or in installments, all as the Committee shall determine, and to the extent applicable, shall be subject to such conditions or restrictions as may be required to qualify for the maximum exemption from Section 16 of the Exchange Act.

7.4 Termination During Performance Period. If a Participant is Terminated during a Performance Period for any reason, then such Participant shall be entitled to payment (whether in Shares, cash or otherwise) with respect to the Stock Bonuses only to the extent earned as of the date of Termination in accordance with the Stock Bonus Award Agreement, unless the Committee shall determine otherwise.

8. PERFORMANCE AWARDS

8.1 Performance Awards. A Performance Award shall consist of the grant to the Participant of a specified number of Performance Units (the "Performance Unit"). The grant of a Performance Unit to a Participant will entitle the Participant to receive a specified dollar value, variable under conditions specified in the Performance Award, if the performance goals specified in the Performance Award are achieved and the other terms and conditions of the Performance Award are satisfied.

8.2 Terms of Performance Awards. Performance Awards shall be evidenced by an Award Agreement (the "Performance Award Agreement") that shall be in such form

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(which need not be the same for each Participant) as the Committee shall from time to time approve, and shall comply with and be subject to the terms and conditions of the Plan. Performance Awards shall be subject to such conditions as the Committee may impose. Prior to the grant of a Performance Award, the Committee shall: (a) specify the number of Performance Units granted to the Participant; (b) specify the threshold and maximum dollar values of Performance Units and the corresponding performance goals; (c) determine the nature, length and starting date of any Performance Period for the Performance Award; and (d) select from among the Performance Factors to be used to measure performance goals. Prior to the payment of any Performance Award, the Committee shall determine the extent to which such Performance Units have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Awards that are subject to different Performance Periods and having different performance goals and other criteria; provided, however, that the maximum amount of any Performance Award for each Participant with respect to any Performance Period shall be the lesser of two hundred and fifty percent (250%) of the Participant's base salary at the time of the Performance Award or one million dollars.

8.3 Form of Payment. Performance Awards may be paid currently or on a deferred basis with such reasonable interest or dividend equivalent, if any, as the Committee may determine. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value on the date of payment, either in a lump sum payment or in installments, all as the Committee shall determine.

8.4 Termination During Performance Period. If a Participant is Terminated during a Performance Period for any reason, then such Participant shall be entitled to payment with respect to the Performance Awards only to the extent earned as of the date of Termination in accordance with the Performance Award Agreement, unless the Committee shall determine otherwise.

9. PAYMENT FOR SHARE PURCHASES.

9.1 Payment. Payment for Shares purchased pursuant to the Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee and where permitted by law:

- (a) by cancellation of indebtedness of the Company to the Participant;
- (b) by surrender of Shares that either: (1) have been owned by Participant for more than six (6) months and have been paid for within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use

of a promissory note, such note has been fully paid with respect to such Shares); or (2) were obtained by Participant in the public market;

- (c) by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid imputation of income under Sections 483 and 1274 of the Code; provided,

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however, that Participants who are not employees of the Company shall not be entitled to purchase Shares with a promissory note unless the note is adequately secured by collateral other than the Shares; provided, further, that the portion of the Purchase Price equal to the par value of the Shares, if any, must be paid in cash.

- (d) by waiver of compensation due or accrued to Participant for services rendered;
- (e) by tender of property;
- (f) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's stock exists:

- (1) through a "same day sale" commitment from Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased in order to pay for the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or

- (2) through a "margin" commitment from Participant and an NASD Dealer whereby Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the exercise price directly to the Company;

or

- (g) by any combination of the foregoing.

9.2 Loan Guarantees. The Committee may help the Participant pay for Shares purchased under the Plan by authorizing a guarantee by the Company of a third-party loan to the Participant.

10. WITHHOLDING TAXES.

10.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under the Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such Shares. Whenever,

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under the Plan, payments in satisfaction of Awards are to be made in cash, such payment shall be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

10.2 Stock Withholding. When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined (the "Tax Date"). All elections by a Participant to have Shares withheld for this purpose shall be made in writing in a form acceptable to the Committee and shall be subject to the following restrictions:

- (a) the election must be made on or prior to the applicable Tax Date;

- (b) once made, then except as provided below, the election shall be irrevocable as to the particular Shares as to which the election is made;
- (c) all elections shall be subject to the consent or disapproval of the Committee;
- (d) if the Participant is an Insider and if the Company is subject to Section 16(b) of the Exchange Act: (1) the election may not be made within six (6) months of the date of grant of the Award, except as otherwise permitted by SEC Rule 16b-3(e) under the Exchange Act, and (2) either (A) the election to use stock withholding must be irrevocably made at least six (6) months prior to the Tax Date (although such election may be revoked at any time at least six (6) months prior to the Tax Date) or (B) the exercise of the Option or election to use stock withholding must be made in the ten (10) day period beginning on the third day following the release of the Company's quarterly or annual summary statement of sales or earnings; and
- (e) in the event that the Tax Date is deferred until six (6) months after the delivery of Shares under Section 83(b) of the Code, the Participant shall receive the full number of Shares with respect to which the exercise occurs, but such Participant shall be unconditionally obligated to tender back to the Company the proper number of Shares on the Tax Date.

11. PRIVILEGES OF STOCK OWNERSHIP.

11.1 Voting and Dividends. No Participant shall have any of the rights of a shareholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant shall be a shareholder and have all the rights of a shareholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are

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Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company shall be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant shall have no right to retain such dividends or distributions with respect to Shares that are repurchased at the Participant's original Purchase Price pursuant to Section 13.

11.2 Financial Statements. The Company shall provide financial statements to each Participant prior to such Participant's purchase of Shares under the Plan, and to each Participant annually during the period such Participant has Awards outstanding; provided, however, the Company shall not be required to provide such financial statements to Participants whose services in connection with the Company assure them access to equivalent information.

12. TRANSFERABILITY. Awards granted under the Plan, and any interest therein, shall not be transferable or assignable by Participant, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the laws of descent and distribution or as consistent with the specific Plan and Award Agreement provisions relating thereto. During the lifetime of the Participant an Award shall be exercisable only by the Participant, and any elections with respect to an Award, may be made only by the Participant.

13. RESTRICTIONS ON SHARES. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase a portion of or all Shares held by a Participant following such Participant's Termination at any time within ninety (90) days after the later of Participant's Termination Date and the date Participant purchases Shares under the Plan, for cash or cancellation of purchase money indebtedness with respect to Shares that are not "Vested" (as defined in the Award Agreement), at the Participant's original Purchase Price; provided, that the right to repurchase at the original Purchase Price lapses at the rate of at least 20% per year over 5 years from the date the Shares were purchased, and if the right to repurchase is assignable, the assignee must pay the Company, upon assignment of the right to repurchase, cash equal to the excess of the Fair Market Value of the Shares over the original Purchase Price.

14. CERTIFICATES. All certificates for Shares or other securities delivered under the Plan shall be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign

securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed.

15. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any

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Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under the Plan shall be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company shall have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant shall be required to execute and deliver a written pledge agreement in such form as the Committee shall from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a prorata basis as the promissory note is paid.

16. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award shall not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in the Plan, the Company shall have no obligation to issue or deliver certificates for Shares under the Plan prior to (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (b) completion of any registration or other qualification of such shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company shall be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company shall have no liability for any inability or failure to do so.

17. NO OBLIGATION TO EMPLOY. Nothing in the Plan or any Award granted under the Plan shall confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent, Subsidiary or Affiliate of the Company or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

18. EXCHANGE AND BUYOUT OF AWARDS. The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Committee may at any time buy from a Participant an Option previously granted with payment in cash, Shares or other consideration, based on such terms and conditions as the Committee and the Participant shall agree.

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19. CORPORATE TRANSACTIONS.

19.1 Assumption or Replacement of Awards by Successor. In the event of (a) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the shareholders of the Company and the Awards granted under the Plan are assumed or replaced by the successor corporation, which assumption shall be binding on all Participants), (b) a dissolution or liquidation of the Company, (c) the sale of substantially all of the assets of the Company, or (d) any other transaction which qualifies as a "corporate transaction" under Section 424(a) of the Code wherein the shareholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company), any or all outstanding Awards may be assumed or replaced by the successor corporation, which assumption or replacement shall be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to shareholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in

place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor corporation, if any, refuses to assume or substitute the Options, as provided above, pursuant to a transaction described in this Subsection 19.1, such Options shall expire on such transaction at such time and on such conditions as the Board shall determine.

19.2 Other Treatment of Awards. Subject to any greater rights granted to Participants under the foregoing provisions of this Section 19, in the event of the occurrence of any transaction described in Section 19.1, any outstanding Awards shall be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, sale of assets or other "corporate transaction."

19.3 Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (a) granting an Award under the Plan in substitution of such other company's award, or (b) assuming such award as if it had been granted under the Plan if the terms of such assumed award could be applied to an Award granted under the Plan. Such substitution or assumption shall be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under the Plan if the other company had applied the rules of the Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award shall remain unchanged (except that the exercise price and the number and nature of Shares issuable upon exercise of any such option will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

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20. ADOPTION AND SHAREHOLDER APPROVAL. The Plan shall become effective on the date that it is adopted by the Board (the "Effective Date"). The Plan shall be approved by the shareholders of the Company (excluding Shares issued pursuant to this Plan), consistent with applicable laws, within twelve months before or after the Effective Date. Upon the Effective Date, the Board may grant Awards pursuant to the Plan; provided, however, that: (a) no Option may be exercised prior to initial shareholder approval of the Plan; (b) no Option granted pursuant to an increase in the number of Shares approved by the Board shall be exercised prior to the time such increase has been approved by the shareholders of the Company; and (c) in the event that shareholder approval is not obtained within the time period provided herein, all Awards granted hereunder shall be canceled, any Shares issued pursuant to any Award shall be canceled and any purchase of Shares hereunder shall be rescinded. After the Company becomes subject to Section 16(b) of the Exchange Act, the Company will comply with the requirements of Rule 16b-3 (or its successor), as amended, with respect to shareholder approval.

21. TERM OF PLAN. The Plan will terminate ten (10) years from the Effective Date or, if earlier, the date of shareholder approval.

22. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend the Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to the Plan; provided, however, that the Board shall not, without the approval of the shareholders of the Company, amend the Plan in any manner that requires such shareholder approval pursuant to the Code or the regulations promulgated thereunder as such provisions apply to ISO plans or pursuant to the Exchange Act or Rule 16b-3 (or its successor), as amended, thereunder; provided, further, that no amendment may be made to outstanding Awards without the consent of the Participant.

23. NONEXCLUSIVITY OF THE PLAN; UNFUNDED PLAN. Neither the adoption of the Plan by the Board, the submission of the Plan to the shareholders of the Company for approval, nor any provision of the Plan shall be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and bonuses otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases. The Plan shall be unfunded. Neither the Company nor the Board shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Company, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan.

24. DEFINITIONS. As used in the Plan, the following terms shall have the following meanings:

"Affiliate" means any corporation that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another corporation, where "control" (including the terms "controlled by" and "under common control with") means the possession,

direct or indirect, of the power to cause the direction of the

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management and policies of the corporation, whether through the ownership of voting securities, by contract or otherwise.

"Award" means any award under the Plan, including any Option, Restricted Stock or Stock Bonus.

"Award Agreement" means, with respect to each Award, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Award.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the committee appointed by the Board to administer the Plan, or if no committee is appointed, the Board.

"Company" means Intuit, a corporation organized under the laws of the State of Delaware, or any successor corporation.

"Disability" means a disability, whether temporary or permanent, partial or total, within the meaning of Section 22(e)(3) of the Code, as determined by the Committee.

"Disinterested Person" means a director who has not, during the period that person is a member of the Committee and for one year prior to service as a member of the Committee, been granted or awarded equity securities pursuant to the Plan or any other plan of the Company or any Parent, Subsidiary or Affiliate of the Company, except in accordance with the requirements set forth in Rules as promulgated by the SEC under Section 16(b) of the Exchange Act, as such Rules are amended from time to time and as interpreted by the SEC.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Price" means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option.

"Fair Market Value" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

- (a) if such Common Stock is then quoted on the NASDAQ National Market System, its last reported sale price on the NASDAQ National Market System or, if no such reported sale takes place on such date, the average of the closing bid and asked prices;
- (b) if such Common Stock is publicly traded and is then listed on a national securities exchange, the last reported sale price or, if no such reported sale

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takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;

- (c) if such Common Stock is publicly traded but is not quoted on the NASDAQ National Market System nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such date, as reported by The Wall Street Journal, for the over-the-counter market; or
- (d) if none of the foregoing is applicable, by the Board of Directors of the Company in good faith.

"Insider" means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 15 of the Exchange Act.

"Option" means an award of an option to purchase Shares pursuant to Section 5.

"Outside Director" means any outside director as defined in Section 162(m) of the Code and the regulations issued thereunder.

"Parent" means any corporation (other than the Company)

in an unbroken chain of corporations ending with the Company, if at the time of the granting of an Award under the Plan, each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Participant" means a person who receives an Award under the Plan.

"Performance Award" means an award of Shares, or cash in lieu of Shares, pursuant to Section 8.

"Performance Factors" means the factors selected by the Committee from among the following measures to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied:

- (a) Net revenue and/or net revenue growth;
- (b) Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;
- (c) Operating income and/or operating income growth;
- (d) Net income and/or net income growth;
- (e) Earnings per share and/or earnings per share growth;
- (f) Total shareholder return and/or total shareholder return growth;
- (g) Return on equity;
- (h) Operating cash flow return on income;
- (i) Adjusted operating cash flow return on income;
- (j) Economic value added; and
- (k) Individual confidential business objectives.

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"Performance Period" means the period of service determined by the Committee, not to exceed five years, during which years of service or performance is to be measured for Restricted Stock Awards, Stock Bonuses or Performance Awards.

"Plan" means this Intuit 1993 Equity Incentive Plan, as amended from time-to-time.

"Restricted Stock Award" means an award of Shares pursuant to Section 6.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means shares of the Company's Common Stock \$0.01 par value, reserved for issuance under the Plan, as adjusted pursuant to Sections 2 and 17, and any successor security.

"Stock Bonus" means an award of Shares, or cash in lieu of Shares, pursuant to Section 7.

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of granting of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Termination" or "Terminated" means, for purposes of the Plan with respect to a Participant, that the Participant has ceased to provide services as an employee, director, consultant, independent contractor or adviser, to the Company or a Parent, Subsidiary or Affiliate

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of the Company, except in the case of sick leave, military leave, or any other leave of absence approved by the Committee; provided, that such leave is for a period of not more than ninety (90) days, or reinstatement upon the expiration of such leave is guaranteed by contract or statute. The Committee shall have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the "Termination Date").

INTUIT INC.

1996 EMPLOYEE STOCK PURCHASE PLAN

As Adopted on October 7, 1996

1. ESTABLISHMENT OF PLAN. Intuit Inc., a Delaware corporation (the "Company"), proposes to grant options for purchase of the Company's Common Stock, \$0.01 par value, to eligible employees of the Company and its Subsidiaries (as hereinafter defined) pursuant to this Employee Stock Purchase Plan (this "Plan"). For purposes of this Plan, "Parent Corporation" and "Subsidiary" (collectively, "Subsidiaries") shall have the same meanings as "parent corporation" and "subsidiary corporation" in Sections 424(e) and 424(f), respectively, of the Internal Revenue Code of 1986, as amended (the "Code"). The Company intends this Plan to qualify as an "employee stock purchase plan" under Section 423 of the Code (including any amendments to or replacements of such Section), and this Plan shall be so construed. Any term not expressly defined in this Plan but defined for purposes of Section 423 of the Code shall have the same definition herein. A total of 300,000 shares of the Company's Common Stock is reserved for issuance under this Plan. Such number shall be subject to adjustments effected in accordance with Section 14 of this Plan.

2. PURPOSE. The purpose of this Plan is to provide employees of the Company, or of any Subsidiary designated by the Board of Directors of the Company (the "Board") as eligible to participate in this Plan, with a convenient means of acquiring an equity interest in the Company through payroll deductions, to enhance such employees' sense of participation in the affairs of the Company and Subsidiaries, and to provide an incentive for continued employment.

3. ADMINISTRATION. This Plan shall be administered by a committee appointed by the Board (the "Committee"). If two or more members of the Board are "Outside Directors" within the meaning of Code Section 162(m), the Committee will be comprised of at least two (2) members of the Board, all of whom are Outside Directors. As used in this Plan, references to the "Committee" shall mean either such committee or the Board if no committee has been established. Subject to the provisions of this Plan and the limitations of Section 423 of the Code or any successor provision in the Code, all questions of interpretation or application of this Plan shall be determined by the Committee and its decisions shall be final and binding upon all participants. Members of the Committee shall receive no compensation for their services in connection with the administration of this Plan, other than standard fees as established from time to time by the Committee for services rendered by Committee members serving on Board committees. All expenses incurred in connection with the administration of this Plan shall be paid by the Company.

4. ELIGIBILITY. Any employee of the Company, or of any Subsidiary designated by the Board as eligible to participate in this Plan) is eligible to participate in an Offering Period (as hereinafter defined) under this Plan except the following:

(a) employees who are not employed by the Company or Subsidiaries fifteen (15) days before the beginning of such Offering Period;

(b) employees who are customarily employed for less than twenty (20) hours per week;

(c) employees who are customarily employed for less than five (5) months in a calendar year;

(d) employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Subsidiaries or who, as a result of being granted an option under this Plan with respect to such Offering Period, would own stock or

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hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Subsidiaries.

5. OFFERING DATES. The offering periods of this Plan (each, an "Offering Period") shall be of six (6) months duration commencing on January 1 and July 1 of each year and ending on June 30 and December 31 of each year. Within such guidelines, the Board shall determine the first day of the initial Offering Period. The first business day of each Offering Period is referred to as the "Offering Date". The last business day of each Offering Period is referred to as the "Purchase Date". The Board shall have the power to change the

duration of Offering Periods with respect to future offerings without stockholder approval if such change is announced at least fifteen (15) days prior to the scheduled beginning of the first Offering Period to be affected.

6. PARTICIPATION IN THIS PLAN. Eligible employees may become participants in an Offering Period under this Plan on the first Offering Date after satisfying the eligibility requirements by delivering a subscription agreement to the Company not later than fifteen (15) days before such Offering Date unless a later time for filing the subscription agreement authorizing payroll deductions is set by the Committee for all eligible employees with respect to a given Offering Period. An eligible employee who does not deliver a subscription agreement to the Company by such date after becoming eligible to participate in such Offering Period shall not participate in that Offering Period or any subsequent Offering Period unless such employee enrolls in this Plan by filing a subscription agreement with the Company not later than fifteen (15) days preceding a subsequent Offering Date. Once an employee becomes a participant in an Offering Period, such employee will automatically participate in the Offering Period commencing immediately following the last day of the prior Offering Period unless the employee withdraws or is deemed to withdraw from this Plan or terminates further participation in the Offering Period as set forth in Section 11 below. Such participant is not required to file any additional subscription agreement in order to continue participation in this Plan.

7. GRANT OF OPTION ON ENROLLMENT. Enrollment by an eligible employee in this Plan with respect to an Offering Period will constitute the grant (as of the Offering Date) by the Company to such employee of an option to purchase on the Purchase Date up to that number of shares of Common Stock of the Company determined by dividing (a) the amount accumulated in such employee's payroll deduction account during such Offering Period by (b) the lower of (i) eighty-five percent (85%) of the fair market value of a share of the Company's Common Stock on the Offering Date (but in no event less than the par value of a share of the Company's Common Stock), or (ii) eighty-five percent (85%) of the fair market value of a share of the Company's Common Stock on the Purchase Date (but in no event less than the par value of a share of the Company's Common Stock); provided, however, that the number of shares of the Company's Common Stock subject to any option granted pursuant to this Plan shall not exceed the maximum number of shares which may be purchased pursuant to Section 10(b) or 10(c) below with respect to the applicable Offering Period. The fair market value of a share of the Company's Common Stock shall be determined as provided in Section 8 hereof.

8. PURCHASE PRICE. The purchase price per share at which a share of Common Stock will be sold in any Offering Period shall be eighty-five percent (85%) of the lesser of:

- (a) The fair market value on the Offering Date; or
- (b) The fair market value on the Purchase Date;

provided, however, that in no event may the purchase price per share of the Company's Common Stock be below the par value per share of the Company's Common Stock.

For purposes of this Plan, the term "Fair Market Value" means as of any date, the value OF a share of the Company's Common Stock determined as follows:

- (a) if such Common Stock is then quoted on the Nasdaq National Market, its last reported sale price on the Nasdaq National Market or, if no such reported sale takes place on such date, the average of the closing bid and asked prices;

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- (b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its last reported sale price or, if no such reported sale takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;
- (c) if such Common Stock is publicly traded but is not quoted on the Nasdaq National Market or listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such

date, as reported in The Wall Street Journal, for the over-the-counter market; or

- (d) if none of the foregoing is applicable, by the Board in good faith.

9. PAYMENT OF PURCHASE PRICE; CHANGES IN PAYROLL DEDUCTIONS; ISSUANCE OF SHARES.

(a) The purchase price of the shares is accumulated by regular payroll deductions made during each Offering Period. The deductions are made as a percentage of the participant's compensation in one percent (1%) increments not less than two percent (2%), nor greater than ten percent (10%) or such lower limit set by the Committee. Compensation shall mean base salary. Payroll deductions shall commence on the first payday following the Offering Date and shall continue to the end of the Offering Period unless sooner altered or terminated as provided in this Plan.

(b) A participant may lower (but not increase) the rate of payroll deductions during an Offering Period by filing with the Company a new authorization for payroll deductions, in which case the new rate shall become effective for the next payroll period commencing more than fifteen (15) days after the Company's receipt of the authorization and shall continue for the remainder of the Offering Period unless changed as described below. Such change in the rate of payroll deductions may be made at any time during an Offering Period, but not more than one (1) change may be made effective during any Offering Period. A participant may increase or decrease the rate of payroll deductions for any subsequent Offering Period by filing with the Company a new authorization for payroll deductions not later than fifteen (15) days before the beginning of such Offering Period.

(c) All payroll deductions made for a participant are credited to his or her account under this Plan and are deposited with the general funds of the Company. No interest accrues on the payroll deductions. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

(d) On each Purchase Date, so long as this Plan remains in effect and provided that the participant has not submitted a signed and completed withdrawal form before that date which notifies the Company that the participant wishes to withdraw from that Offering Period under this Plan and have all payroll deductions accumulated in the account maintained on behalf of the participant as of that date returned to the participant, the Company shall apply the funds then in the participant's account to the purchase of whole shares of Common Stock reserved under the option granted to such participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. The purchase price per share shall be as specified in Section 8 of this Plan. Any cash remaining in a participant's account after such purchase of shares shall be carried forward, without interest, into the next Offering Period; provided, however, that in the event that this Plan has been oversubscribed, all funds not used to purchase shares on the Purchase Date shall be returned to the participant, without interest. No Common Stock shall be purchased on a Purchase Date on behalf of any employee whose participation in this Plan has terminated prior to such Purchase Date.

(e) As promptly as practicable after the Purchase Date, the Company shall issue shares for the participant's benefit representing the shares purchased upon exercise of his or her option.

(f) During a participant's lifetime, such participant's option to purchase shares hereunder is exercisable only by him or her. The participant will have no interest or voting right in shares covered by his or her option until

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such option has been exercised. Shares issued for the benefit of a participant under this Plan will be issued in the name of the participant or in the name of the participant and his or her spouse.

10. LIMITATIONS ON SHARES TO BE PURCHASED.

(a) No participant shall be entitled to purchase stock under this Plan at a rate which, when aggregated with his or her rights to purchase stock under all other employee stock purchase plans of the Company or any Subsidiary, exceeds \$25,000 in fair market value, determined as of the Offering Date (or such other limit as may be imposed by the Code) for each calendar year in which the employee participates in this Plan.

(b) No more than two hundred percent (200%) of the number of shares determined by using eighty-five percent (85%) of the fair market value of

a share of the Company's Common Stock on the Offering Date as the denominator may be purchased by a participant on any single Purchase Date.

(c) No participant shall be entitled to purchase more than the Maximum Share Amount (as defined below) on any single Purchase Date. Not less than thirty (30) days prior to the commencement of any Offering Period, the Committee may, in its sole discretion, set a maximum number of shares which may be purchased by any employee at any single Purchase Date (hereinafter the "Maximum Share Amount"). In no event shall the Maximum Share Amount exceed the amounts permitted under Section 10(b) above. If a new Maximum Share Amount is set, then all participants must be notified of such Maximum Share Amount not less than fifteen (15) days prior to the commencement of the next Offering Period. Once the Maximum Share Amount is set, it shall continue to apply with respect to all succeeding Offering Periods unless revised by the Committee as set forth above.

(d) If the number of shares to be purchased on a Purchase Date by all employees participating in this Plan exceeds the number of shares then available for issuance under this Plan, then the Company will make a pro rata allocation of the remaining shares in as uniform a manner as shall be reasonably practicable and as the Committee shall determine to be equitable. In such event, the Company shall give written notice of such reduction of the number of shares to be purchased under a participant's option to each participant affected thereby.

(e) Any payroll deductions accumulated in a participant's account which are not used to purchase stock due to the limitations in this Section 10 shall be returned to the participant as soon as practicable after the end of the applicable Offering Period, without interest.

11. WITHDRAWAL.

(a) Each participant may withdraw from an Offering Period under this Plan by signing and delivering to the Company a written notice to that effect on a form provided for such purpose. Such withdrawal may be elected at any time at least fifteen (15) days prior to the end of an Offering Period.

(b) Upon withdrawal from this Plan, the accumulated payroll deductions shall be returned to the withdrawn participant, without interest, and his or her interest in this Plan shall terminate. In the event a participant voluntarily elects to withdraw from this Plan, he or she may not resume his or her participation in this Plan during the same Offering Period, but he or she may participate in any Offering Period under this Plan which commences on a date subsequent to such withdrawal by filing a new authorization for payroll deductions in the same manner as set forth above for initial participation in this Plan.

12. TERMINATION OF EMPLOYMENT. Termination of a participant's employment for any reason, including retirement, death or the failure of a participant to remain an eligible employee, immediately terminates his or her participation in this Plan. In such event, the payroll deductions credited to the participant's account will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest. For purposes of this Section 12, an employee will not be deemed to have terminated employment or failed to remain in the continuous employ of the Company in the case of sick leave, military leave, or any other leave of absence approved

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by the Committee; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute.

13. RETURN OF PAYROLL DEDUCTIONS. In the event a participant's interest in this Plan is terminated by withdrawal, termination of employment or otherwise, or in the event this Plan is terminated by the Board, the Company shall promptly deliver to the participant all payroll deductions credited to such participant's account. No interest shall accrue on the payroll deductions of a participant in this Plan.

14. CAPITAL CHANGES. Subject to any required action by the stockholders of the Company, the number of shares of Common Stock covered by each option under this Plan which has not yet been exercised and the number of shares of Common Stock which have been authorized for issuance under this Plan but have not yet been placed under option (collectively, the "Reserves"), as well as the price per share of Common Stock covered by each option under this Plan which has not yet been exercised, shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Common Stock of the Company resulting from a stock split or the payment of a stock dividend (but only on the Common Stock) or any other increase or decrease in the number of

issued and outstanding shares of Common Stock effected without receipt of any consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration"; and provided further, that the price per share of Common Stock shall not be reduced below its par value per share. Such adjustment shall be made by the Board, whose determination shall be final, binding and conclusive. Except as expressly provided herein, no issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an option.

In the event of the proposed dissolution or liquidation of the Company, the Offering Period will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board. The Board may, in the exercise of its sole discretion in such instances, declare that the options under this Plan shall terminate as of a date fixed by the Board and give each participant the right to exercise his or her option as to all of the optioned stock, including shares which would not otherwise be exercisable. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger or consolidation of the Company with or into another corporation, each option under this Plan shall be assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation, unless the Board determines, in the exercise of its sole discretion and in lieu of such assumption or substitution, that the participant shall have the right to exercise the option as to all of the optioned stock. If the Board makes an option exercisable in lieu of assumption or substitution in the event of a merger, consolidation or sale of assets, the Board shall notify the participant that the option shall be fully exercisable for a period of twenty (20) days from the date of such notice, and the option will terminate upon the expiration of such period.

The Board may, if it so determines in the exercise of its sole discretion, also make provision for adjusting the Reserves, as well as the price per share of Common Stock covered by each outstanding option, in the event that the Company effects one or more reorganizations, recapitalizations, rights offerings or other increases or reductions of shares of its outstanding Common Stock, or in the event of the Company being consolidated with or merged into any other corporation; provided, that the price per share of Common Stock shall not be reduced below its par value per share.

15. NONASSIGNABILITY. Neither payroll deductions credited to a participant's account nor any rights with regard to the exercise of an option or to receive shares under this Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 22 hereof) by the participant. Any such attempt at assignment, transfer, pledge or other disposition shall be void and without effect.

16. REPORTS. Individual accounts will be maintained for each participant in this Plan. Each participant shall receive promptly after the end of each Offering Period a report of his or her account setting forth the total payroll deductions accumulated, the number of shares purchased, the per share price thereof and the remaining cash balance, if any, carried forward to the next Offering Period.

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17. NOTICE OF DISPOSITION. Each participant shall notify the Company if the participant disposes of any of the shares purchased in any Offering Period pursuant to this Plan if such disposition occurs within two (2) years from the Offering Date or within one (1) year from the Purchase Date on which such shares were purchased (the "Notice Period"). Unless such participant is disposing of any of such shares during the Notice Period, such participant shall keep the certificates issued to him or her that represent shares purchased hereunder in his or her name (and not in the name of a nominee) during the Notice Period. The Company may, at any time during the Notice Period, place a legend or legends on any certificate representing shares acquired pursuant to this Plan requesting the Company's transfer agent to notify the Company of any transfer of the shares. The obligation of the participant to provide such notice shall continue notwithstanding the placement of any such legend on the certificates.

18. NO RIGHTS TO CONTINUED EMPLOYMENT. Neither this Plan nor the grant of any option hereunder shall confer any right on any employee to remain in the employ of the Company or any Subsidiary, or restrict the right of the Company or any Subsidiary to terminate such employee's employment.

19. EQUAL RIGHTS AND PRIVILEGES. All eligible employees shall have equal rights and privileges with respect to this Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423

or any successor provision of the Code and the related regulations. Any provision of this Plan which is inconsistent with Section 423 or any successor provision of the Code shall, without further act or amendment by the Company or the Board, be reformed to comply with the requirements of Section 423. This Section 19 shall take precedence over all other provisions in this Plan.

20. NOTICES. All notices or other communications by a participant to the Company under or in connection with this Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. TERM; STOCKHOLDER APPROVAL. This Plan shall become effective on the date that it is adopted by the Board. This Plan shall be approved by the stockholders of the Company, in any manner permitted by applicable corporate law, within twelve (12) months before or after the date this Plan is adopted by the Board. No purchase of shares pursuant to this Plan shall occur prior to such stockholder approval. This Plan shall continue until the earlier to occur of (a) termination of this Plan by the Board (which termination may be effected by the Board at any time), (b) issuance of all of the shares of Common Stock reserved for issuance under this Plan, or (c) ten (10) years from the adoption of this Plan by the Board.

22. DESIGNATION OF BENEFICIARY.

(a) A participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the participant's account under this Plan in the event of such participant's death subsequent to the end of an Offering Period but prior to delivery to him of such shares and cash. In addition, a participant may file a written designation of a beneficiary who is to receive any cash from the participant's account under this Plan in the event of such participant's death prior to a Purchase Date.

(b) Such designation of beneficiary may be changed by the participant at any time by written notice. In the event of the death of a participant and in the absence of a beneficiary validly designated under this Plan who is living at the time of such participant's death, the Company shall deliver such shares or cash to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares or cash to the spouse or to any one or more dependents or relatives of the participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

23. CONDITIONS UPON ISSUANCE OF SHARES; LIMITATION ON SALE OF SHARES. Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities

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Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, and the requirements of any stock exchange or automated quotation system upon which the shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

24. APPLICABLE LAW. The Plan shall be governed by the substantive laws (excluding the conflict of laws rules) of the State of California.

25. AMENDMENT OR TERMINATION OF THIS PLAN. The Board may at any time amend, terminate or extend the term of this Plan, except that any such termination cannot affect options previously granted under this Plan, nor may any amendment make any change in an option previously granted which would adversely affect the right of any participant, nor may any amendment be made without approval of the stockholders of the Company obtained in accordance with Section 21 hereof within twelve (12) months of the adoption of such amendment (or earlier if required by Section 21) if such amendment would:

(a) increase the number of shares that may be issued under this Plan;

(b) change the designation of the employees (or class of employees) eligible for participation in this Plan; or

(c) constitute an amendment for which stockholder approval is required by any stock exchange or automated quotation system upon which the shares may then be listed.

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INTUIT INC.

1996 DIRECTORS STOCK OPTION PLAN

As Adopted October 7, 1996

1. PURPOSE. This 1996 Directors Stock Option Plan (this "Plan") is established to provide equity incentives for non-employee members of the Board of Directors of Intuit Inc. (the "Company"), who are described in Section 6.1 below, by granting such persons options to purchase shares of stock of the Company.

2. ADOPTION AND STOCKHOLDER APPROVAL. This Plan will become effective on the date (the "Effective Date") on which it is adopted by the Board of Directors of the Company (the "Board"). This Plan shall be approved by the stockholders of the Company, consistent with applicable laws, within twelve (12) months after the date this Plan is adopted by the Board. Options ("Options") may be granted under this Plan after the Effective Date provided that, in the event that stockholder approval is not obtained within the time period provided herein, this Plan, and all Options granted hereunder, shall terminate. No Option that is issued as a result of any increase in the number of shares authorized to be issued under this Plan shall be exercised prior to the time such increase has been approved by the stockholders of the Company and all such Options granted pursuant to such increase shall similarly terminate if such stockholder approval is not obtained.

3. TYPES OF OPTIONS AND SHARES. Options granted under this Plan shall be non-qualified stock options ("NQSOs"). The shares of stock that may be purchased upon exercise of Options granted under this Plan (the "Shares") are shares of the Common Stock of the Company.

4. NUMBER OF SHARES. The maximum number of Shares that may be issued pursuant to Options granted under this Plan (the "Maximum Number") is 120,000 Shares, subject to adjustment as provided in this Plan. If any Option is terminated for any reason without being exercised in whole or in part, the Shares thereby released from such Option shall be available for purchase under other Options subsequently granted under this Plan. At all times during the term of this Plan, the Company shall reserve and keep available such number of Shares as shall be required to satisfy the requirements of outstanding Options granted under this Plan; provided, however, that if the aggregate number of Shares subject to outstanding Options granted under this Plan plus the aggregate number of Shares previously issued by the Company pursuant to the exercise of Options granted under this Plan equals or exceeds the Maximum Number, then notwithstanding anything herein to the contrary, no further Options may be granted under this Plan until the Maximum Number is increased or the aggregate number of Shares subject to outstanding Options granted under this Plan plus the aggregate number of Shares previously issued by the Company pursuant to the exercise of Options granted under this Plan is less than the Maximum Number.

5. ADMINISTRATION. This Plan shall be administered by the Board or by a committee of not less than two members of the Board appointed to administer this Plan (the "Committee"). As used in this Plan, references to the Committee shall mean either such Committee or the Board if no Committee has been established. The interpretation by the Committee of any of the provisions of this Plan or any Option granted under this Plan shall be final and binding upon the Company and all persons having an interest in any Option or any Shares purchased pursuant to an Option.

6. ELIGIBILITY AND AWARD FORMULA.

6.1 Eligibility. Options shall be granted only to directors of the Company who are not employees of the Company or any Parent, Subsidiary or Affiliate of the Company, as those terms are defined in Section 17 below (each such person referred to as an "Optionee").

6.2 Initial Grant. Each Optionee who on or after the Effective Date is or becomes a member of the Board will automatically be granted an Option for 15,000 Shares (the "Initial Grant") on the later of the date that

Intuit Inc.
1996 Directors Stock Option Plan

the Plan is approved by the stockholders of the Company or the date such Optionee first becomes a member of the Board.

6.3 Succeeding Grants. On each anniversary of an Initial Grant, if the Optionee then is still a member of the Board and has served continuously as a member of the Board since the date of the Optionee's Initial Grant, the Optionee will automatically be granted an Option for 7,500 Shares (a "Succeeding Grant").

7. TERMS AND CONDITIONS OF OPTIONS. Subject to the following and to Section 6 above:

7.1 Form of Option Grant. Each Option granted under this Plan shall be evidenced by a written Stock Option Grant ("Grant") in such form (which need not be the same for each Optionee) as the Committee shall from time to time approve, which Grant shall comply with and be subject to the terms and conditions of this Plan.

7.2 Vesting. Options granted under this Plan shall be exercisable as they vest. The date an Optionee receives an Initial Grant or a Succeeding Grant is referred to in this Plan as the "Start Date" for such Option. Each Initial Grant and Succeeding Grant will vest as to twenty-five percent (25%) of the Shares upon the first anniversary of the Start Date for such Grant and an additional 2.0833% of the Shares each month thereafter, so long as the Optionee continuously remains a director or a consultant of the Company, until the Option is exercisable with respect to 100% of the Shares.

7.3 Exercise Price. The exercise price of an Option shall be the Fair Market Value (as defined in Section 17.4) of the Shares at the time that the Option is granted.

7.4 Termination of Option. Except as provided below in this Section, each Option shall expire ten (10) years after its Start Date (the "Expiration Date"). The Option shall cease to vest and unvested Options shall expire when the Optionee ceases to be a member of the Board or a consultant of the Company. The date on which the Optionee ceases to be a member of the Board or a consultant of the Company shall be referred to as the "Termination Date." An Option may be exercised after the Termination Date only as set forth below:

(a) Termination Generally. If the Optionee ceases to be a member of the Board or consultant of the Company for any reason except death or disability, then each vested Option (as defined in Section 7.2 of this Plan) then held by such Optionee may be exercised by the Optionee within seven (7) months after the Termination Date, but in no event later than the Expiration Date.

(b) Death or Disability. If the Optionee ceases to be a member of the Board or consultant of the Company because of the death of the Optionee or the disability of the Optionee within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), then each vested Option (as defined in Section 7.2 of this Plan) then held by such Optionee may be exercised by the Optionee (or the Optionee's legal representative) within twelve (12) months after the Termination Date, but in no event later than the Expiration Date.

8. EXERCISE OF OPTIONS.

8.1 Exercise Period. Subject to the provisions of Section 8.5 below, Options shall be exercisable as they vest.

8.2 Notice. Options may be exercised only by delivery to the Company of an exercise agreement in a form approved by the Committee stating the number of Shares being purchased, the restrictions imposed on the Shares and such representations and agreements regarding the Optionee's investment intent and access to information as may be required by the Company to comply with applicable securities laws, together with payment in full of the exercise price for the number of Shares being purchased.

8.3 Payment. Payment for the Shares purchased upon exercise of an Option may be made (a) in cash or by check; (b) by surrender of shares of Common Stock of the Company that have been owned by the Optionee for more than six (6) months (and which have been paid for within the meaning of Securities and

Exchange Commission ("SEC") Rule 144 and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares) or were obtained by the Optionee in the open public market, having a Fair Market Value equal to the exercise price of the Option; (c) by waiver of compensation due or accrued to the Optionee for services rendered; (d) provided that a public market for the Company's stock exists, through a "same day sale" commitment from the Optionee and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Optionee irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay for the exercise price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the

exercise price directly to the Company; (e) provided that a public market for the Company's stock exists, through a "margin" commitment from the Optionee and an NASD Dealer whereby the Optionee irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the exercise price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the exercise price directly to the Company; or (f) by any combination of the foregoing.

8.4 Withholding Taxes. Prior to issuance of the Shares upon exercise of an Option, the Optionee shall pay or make adequate provision for any federal or state withholding obligations of the Company, if applicable.

8.5 Limitations on Exercise. Notwithstanding the exercise periods set forth in the Grant, exercise of an Option shall always be subject to the following limitations:

(a) An Option shall not be exercisable until such time as this Plan (or, in the case of Options granted pursuant to an amendment increasing the number of shares that may be issued pursuant to this Plan, such amendment) has been approved by the stockholders of the Company in accordance with Section 15 below.

(b) An Option shall not be exercisable unless such exercise is in compliance with the Securities Act of 1933, as amended (the "Securities Act") and all applicable state securities laws, as they are in effect on the date of exercise.

(c) The Committee may specify a reasonable minimum number of Shares that may be purchased upon any exercise of an Option, provided that such minimum number will not prevent the Optionee from exercising the full number of Shares as to which the Option is then exercisable.

9. NONTRANSFERABILITY OF OPTIONS. During the lifetime of the Optionee, an Option shall be exercisable only by the Optionee or by the Optionee's guardian or legal representative, unless otherwise permitted by the Committee. No Option may be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution.

10. PRIVILEGES OF STOCK OWNERSHIP. No Optionee shall have any of the rights of a stockholder with respect to any Shares subject to an Option until the Option has been validly exercised. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date of exercise, except as provided in this Plan. The Company shall provide to each Optionee a copy of the annual financial statements of the Company, at such time after the close of each fiscal year of the Company as they are released by the Company to its stockholders.

11. ADJUSTMENT OF OPTION SHARES. In the event that the number of outstanding shares of Common Stock of the Company is changed by a stock dividend, stock split, reverse stock split, combination, reclassification or similar change in the capital structure of the Company without consideration, the number of Shares available under this Plan and the number of Shares subject to outstanding Options and the exercise price per share of such outstanding Options shall be proportionately adjusted, subject to any required action by the Board or stockholders of the Company and compliance with applicable securities laws; provided, however, that no fractional shares shall be issued upon exercise of any Option and any resulting fractions of a Share shall be rounded up to the nearest whole Share.

12. NO OBLIGATION TO CONTINUE AS DIRECTOR. Nothing in this Plan or any Option granted under this Plan shall confer on any Optionee any right to continue as a director of the Company.

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Intuit Inc.
1996 Directors Stock Option Plan

13. COMPLIANCE WITH LAWS. The grant of Options and the issuance of Shares upon exercise of any Options shall be subject to and conditioned upon compliance with all applicable requirements of law, including without limitation compliance with the Securities Act, compliance with all other applicable state securities laws and compliance with the requirements of any stock exchange or national market system on which the Shares may be listed. The Company shall be under no obligation to register the Shares with the SEC or to effect compliance with the registration or qualification requirement of any state securities laws, stock exchange or national market system.

14. ACCELERATION OF OPTIONS UPON CERTAIN CORPORATE TRANSACTIONS. In the event of (a) a dissolution or liquidation of the Company, (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock

holdings and the Options granted under this Plan are assumed or replaced by the successor corporation, which assumption will be binding on all Optionees), (c) a merger in which the Company is the surviving corporation but after which the stockholders of the Company (other than any stockholder which merges (or which owns or controls another corporation which merges) with the Company in such merger) own less than 50% of the shares or other equity interests in the Company, (d) the sale of substantially all of the assets of the Company, or (e) the acquisition, sale or transfer of a majority of the outstanding shares of the Company by tender offer or similar transaction, the vesting of all options granted pursuant to this Plan will accelerate and the options will become exercisable in full prior to the consummation of such event at such times and on such conditions as the Committee determines, and if such options are not exercised prior to the consummation of the corporate transaction, they shall terminate in accordance with the provisions of this Plan.

15. AMENDMENT OR TERMINATION OF PLAN. The Committee may at any time terminate or amend this Plan (but may not terminate or amend the terms of any outstanding option without the consent of the Optionee); provided, however, that the Committee shall not, without the approval of the stockholders of the Company, increase the total number of Shares available under this Plan (except by operation of the provisions of Sections 4 and 11 above) or change the class of persons eligible to receive Options. In any case, no amendment of this Plan may adversely affect any then outstanding Options or any unexercised portions thereof without the written consent of the Optionee.

16. TERM OF PLAN. Options may be granted pursuant to this Plan from time to time within a period of ten (10) years from the Effective Date.

17. CERTAIN DEFINITIONS. As used in this Plan, the following terms shall have the following meanings:

17.1 "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

17.2 "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

17.3 "Affiliate" means any corporation that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another corporation, where "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to cause the direction of the management and policies of the corporation, whether through the ownership of voting securities, by contract or otherwise.

17.4 "Fair Market Value" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

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Intuit Inc.
1996 Directors Stock Option Plan

- (a) if such Common Stock is then quoted on the Nasdaq National Market, its last reported sale price on the Nasdaq National Market or, if no such reported sale takes place on such date, the average of the closing bid and asked prices;
- (b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its last reported sale price or, if no such reported sale takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;
- (c) if such Common Stock is publicly traded but is not quoted on the Nasdaq National Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such date, as reported in The Wall Street Journal, for the over-the-counter market; or
- (d) if none of the foregoing is applicable, by the Committee in good faith.

INTUIT INC.
 COMPUTATION OF NET INCOME PER SHARE
 (in thousands, except per share amounts; unaudited)

EXHIBIT 11.01

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ENDED	THREE MONTHS ENDED		SIX MONTHS	
	JANUARY 31,		JANUARY	
31,	1996	1997	1996	
1997				
-----	-----	-----	-----	---
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PRIMARY				
Computation of common and common equivalent shares outstanding:				
Weighted average common shares outstanding	45,023	46,391	44,850	
46,220				
Equivalent shares issuable upon exercise of options	2,799	1,240	2,570	
1,264				
-----	-----	-----	-----	---
Shares used in computing per share amounts	47,822	47,631	47,420	
47,484				
-----	-----	-----	-----	---
Net income	\$ 21,910	\$115,940	\$ 1,588	\$
87,636				
-----	-----	-----	-----	---
Per share amount	\$ 0.46	\$ 2.44	\$ 0.03	\$
1.85				
-----	-----	-----	-----	---
FULLY-DILUTED				
Computation of common and common equivalent shares outstanding:				
Weighted average common shares outstanding	45,023	46,391	44,850	
46,391				
Equivalent shares issuable upon exercise of options	2,799	1,240	2,852	
1,093				
-----	-----	-----	-----	---
Shares used in computing per share amounts	47,822	47,631	47,702	
47,484				
-----	-----	-----	-----	---
Net income	\$ 21,910	\$115,940	\$ 1,588	\$
87,636				
-----	-----	-----	-----	---
Per share amount	\$ 0.46	\$ 2.44	\$ 0.03	\$
1.85				
-----	-----	-----	-----	---

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