

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

FORM 10-Q

- [ X ] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended JANUARY 31, 1998 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)

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

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

48,043,158 shares of Common Stock, \$0.01 par value, as of February 28, 1998

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FORM 10-Q  
INTUIT INC.  
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INTUIT INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>  
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	JULY 31, 1997	JANUARY 31, 1998
	-----	-----
(In thousands, except par value)		(Unaudited)
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents .....	\$ 46,780	\$ 105,532
Short-term investments .....	158,319	143,179
Marketable securities .....	190,800	394,049
Accounts receivable, net .....	42,190	170,277
Inventories .....	3,295	4,811
Prepaid expenses .....	13,393	18,622
	-----	-----
Total current assets .....	454,777	836,470
Property and equipment, net .....	83,404	70,574
Purchased intangibles, net .....	19,836	13,676
Goodwill, net .....	26,935	19,190
Investments .....	41,150	2,000
Restricted investments .....	34,766	32,493
Other assets .....	2,808	2,678
	-----	-----
Total assets .....	\$ 663,676	\$ 977,081
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable .....	\$ 35,688	\$ 59,535
Accrued compensation and related liabilities .....	22,458	20,595
Deferred revenue .....	22,732	38,602
Income taxes payable .....	3,811	16,940
Deferred income taxes .....	27,310	92,147
Other accrued liabilities .....	99,583	156,267
	-----	-----
Total current liabilities .....	211,582	384,086
Long-term deferred income taxes .....	589	300
Long-term notes payable .....	36,444	31,253
Commitments and contingencies.....		
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 - 46,942 and 47,833 shares, respectively .....	469	478
Additional paid-in capital .....	558,391	577,542
Net unrealized gain on marketable securities .....	20,668	117,929
Cumulative translation adjustment and other .....	(1,236)	(361)
Accumulated deficit .....	(163,231)	(134,146)
	-----	-----
Total stockholders' equity .....	415,061	561,442
	-----	-----
Total liabilities and stockholders' equity .....	\$ 663,676	\$ 977,081
	=====	=====

</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

SIX MONTHS ENDED

	JANUARY 31, 1997	JANUARY 31, 1998	JANUARY 31, 1997	JANUARY 31, 1998
	-----	-----	-----	-----
-				
(In thousands, except per share amounts; unaudited)				
<S>	<C>	<C>	<C>	<C>
Net revenue .....	\$265,978	\$237,513	\$368,484	
\$333,471				
Costs and expenses:				
Cost of goods sold:				
Product .....	58,621	45,479	85,666	
67,875				
Amortization of purchased software and other .....	114	650	154	
1,353				
Customer service & technical support .....	40,559	37,511	68,071	
65,432				
Selling & marketing .....	53,235	46,990	90,636	
78,939				
Research & development .....	22,930	26,634	45,391	
52,778				
General & administrative .....	10,718	9,698	22,624	
18,207				
Charge for purchased research and development .....	--	--	4,929	-
-				
Amortization of goodwill and purchased intangibles .....	6,192	4,920	16,494	
8,861				
	-----	-----	-----	-----
-				
Total costs & expenses .....	192,369	171,882	333,965	
293,445				
	-----	-----	-----	-----
-				
Income from operations .....	73,609	65,631	34,519	
40,026				
Interest and other income and expense, net .....	1,758	2,241	3,806	
4,271				
Gain on disposal of business .....	--	--	--	
4,321				
	-----	-----	-----	-----
-				
Income from continuing operations before income tax .....	75,367	67,872	38,325	
48,618				
Income tax provision .....	30,667	26,028	21,929	
19,533				
	-----	-----	-----	-----
-				
Net income from continuing operations after tax .....	44,700	41,844	16,396	
29,085				
Gain on sale of discontinued operations, net of tax .....	71,240	--	71,240	-
-				
	-----	-----	-----	-----
-				
Net income .....	\$115,940	\$ 41,844	\$ 87,636	\$
29,085				
	=====	=====	=====	
=====				
Basic net income per share from continuing operations .....	\$ 0.96	\$ 0.88	\$ 0.36	\$
0.61				
Basic net income per share from sale of discontinued operations ....	1.54	--	1.54	-
-				
	-----	-----	-----	-----
-				
Basic net income per share .....	\$ 2.50	\$ 0.88	\$ 1.90	\$
0.61				
	=====	=====	=====	
=====				
Shares used in per share amounts .....	46,391	47,560	46,220	
47,322				
	=====	=====	=====	
=====				
Diluted net income per share from continuing operations.....	\$ 0.94	\$ 0.85	\$ 0.35	\$
0.59				
Diluted net income per share from sale of discontinued operations...	1.50	--	1.50	-
-				
	-----	-----	-----	-----
-				
Diluted net income per share.....	\$ 2.44	\$ 0.85	\$ 1.85	\$
0.59				
	=====	=====	=====	
=====				
Shares used in per share amounts .....	47,631	49,438	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>

(In thousands; unaudited)	SIX MONTHS ENDED JANUARY 31,	
	1997	1998
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income .....	\$ 87,636	\$ 29,085
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)	--
Gain on disposal of business, net of tax .....	--	(1,621)
Gain on sale of facility .....	--	(1,501)
Charge for purchased research and development .....	4,929	--
Amortization of goodwill and other purchased intangibles	17,732	9,466
Depreciation .....	15,974	14,969
Changes in assets and liabilities:		
Accounts receivable .....	(100,380)	(128,087)
Inventories .....	20	(2,291)
Prepaid expenses .....	(2,101)	(1,262)
Deferred income tax assets and liabilities .....	(2,349)	(290)
Accounts payable .....	29,566	23,847
Accrued compensation and related liabilities .....	4,501	(1,727)
Deferred revenue .....	10,621	15,907
Accrued acquisition liabilities .....	(2,875)	(31,476)
Other accrued liabilities .....	80,590	78,261
Income taxes payable .....	31,360	16,314
	-----	-----
Net cash provided by operating activities .....	94,316	19,594
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of facility .....	--	9,025
Purchase of property and equipment .....	(13,354)	(23,506)
Business acquisitions and disposition, net of cash acquired .....	(982)	--
Proceeds from business sold .....	--	26,350
(Increase) decrease in other assets .....	(2,114)	2,398
Purchase of short-term investments .....	(129,256)	(89,057)
Purchase of long-term investments .....	--	(2,000)
Liquidation and maturity of short-term investments .....	107,813	106,470
	-----	-----
Net cash provided by (used in) investing activities	(37,893)	29,680
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt .....	(503)	(3,797)
Net proceeds from issuance of common stock .....	4,355	13,275
	-----	-----
Net cash provided by financing activities .....	3,852	9,478
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS .....	60,275	58,752
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD .....	44,584	46,780
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD .....	\$ 104,859	\$ 105,532
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## The Company

Intuit Inc. ("Intuit" or the "Company") is a leading developer of small business accounting, tax preparation and consumer finance software. Intuit 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 small business accounting software, personal and professional tax preparation software, consumer finance and Internet-based products and services. In addition, the Company provides services and financial supplies, such as invoice forms and checks. Intuit markets its products through distributors and retailers, by direct sales to OEMs and individual users and through the Internet. Intuit's customers are located primarily in North America, Europe and Asia.

## Basis of Presentation

The accompanying unaudited condensed consolidated financial statements 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 for the periods shown. Results of operations for the three and six months ended January 31, 1998 are not necessarily indicative of the results to be expected for the fiscal year ending July 31, 1998 or any other 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, 1997 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

## Principles of Consolidation

The consolidated financial statements include the accounts of Intuit 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

Desktop software product revenue is generally recognized at the time products are shipped, 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. Intuit provides warranty reserves for the estimated cost of replacing defective products at the time revenue is recognized.

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For other types of revenue (such as subscription revenues, Internet-based advertising and transaction revenue and fees for services such as electronic filing), Intuit recognizes revenue as fees are earned or services are provided.

## 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 and Short-Term Investments

Intuit considers all highly liquid investments purchased with a maturity of three months or less at the date of acquisition to be cash equivalents. Both cash equivalents and short-term investments are considered available-for-sale securities and are carried at amortized cost, which approximates fair value. The

following is a summary of the estimated fair value of cash, cash equivalents and short-term investments:

<TABLE>  
<CAPTION>

	JULY 31, 1997	JANUARY 31, 1998
	-----	-----
(In thousands)		(Unaudited)
<S>	<C>	<C>
Cash and cash equivalents:		
Cash .....	\$ 20,188	\$ 18,862
Money market funds .....	3,369	15,312
Commercial paper .....	4,292	--
Municipal bonds .....	--	42,533
U.S. Government securities.....	18,931	26,825
Corporate notes .....	--	2,000
	-----	-----
	\$ 46,780	\$ 105,532
	=====	=====
Short-term investments:		
Certificates of deposit .....	\$ 5,075	\$ 68
Corporate notes .....	37,811	9,014
Municipal bonds .....	140,245	166,590
U.S. Government securities.....	9,954	--
Restricted investments .....	(34,766)	(32,493)
	-----	-----
	\$ 158,319	\$ 143,179
	=====	=====

</TABLE>

The estimated fair value of cash equivalents and short-term investments by contractual maturity is as follows:

<TABLE>  
<CAPTION>

	JULY 31, 1997	JANUARY 31, 1998
	-----	-----
(In thousands)		(Unaudited)
<S>	<C>	<C>
Due within one year.....	\$ 155,832	\$ 178,590
Due after one year .....	63,845	83,752
Restricted investments .....	(34,766)	(32,493)
	-----	-----
	\$ 184,911	\$ 229,849
	=====	=====

</TABLE>

For information about restricted investments, see Note 5 of Notes to Condensed Consolidated Financial Statements. Realized gains and losses from sales of each type of security for the three and six months ended January 31, 1998 were immaterial.

#### Marketable Securities

Marketable securities are carried at fair value and unrealized gains and losses, net of tax, are included in stockholders' equity. Following is a summary of marketable securities held at January 31, 1998:

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<TABLE>  
<CAPTION>

	COST	GROSS UNREALIZED		FAIR VALUE
		GAIN	LOSS	
	-----	-----	-----	-----
(In thousands; unaudited)				
<S>	<C>	<C>	<C>	<C>
Checkfree Corporation common stock .....	\$156,350	\$106,000	\$ --	\$262,350
Excite, Inc. common stock .....	39,150	84,825	--	123,975
Verisign, Inc. common stock .....	2,000	4,375	--	6,375
Concentric Network Corporation common stock.....	--	1,349	--	1,349
	-----	-----	-----	-----
	\$197,500	\$196,549	\$ --	\$394,049
	=====	=====	=====	=====

</TABLE>

Marketable securities in Checkfree Corporation ("Checkfree") were obtained as a result of Intuit's sale of its on-line banking and bill payment transaction processing business to Checkfree in January 1997. For more information on this sale, see Note 3 of Notes to Condensed Consolidated Financial Statements.

The Company accounts for its investment in Checkfree as an available-for-sale equity security, which accordingly is carried at market value. Checkfree common stock is quoted on the Nasdaq Stock Market under the symbol CKFR. The closing price of Checkfree common stock at January 31, 1998 was \$24.75 per share. At January 31, 1998, the Company held 10.6 million shares, or approximately 19%, of Checkfree's outstanding common stock. The \$106.0 million unrealized gain at January 31, 1998 and the \$34.4 million unrealized gain at July 31, 1997, on these available-for-sale securities has been reported as a separate component of stockholders' equity (net of tax).

The Company acquired 2.9 million shares of common stock of Excite, Inc. ("Excite") in June 1997 in connection with entering into an agreement with Excite to jointly develop, promote and distribute a new on-line financial channel. Prior to January 1998, these shares were valued at cost, or \$39.2 million, due to restrictions that prevented the sale of any of the shares. At January 31, 1998, remaining restrictions on these shares will now expire within 12 months. As a result, the Company now carries its investment in Excite as an available-for-sale equity security at market value, or \$124.0 million, reflecting an unrealized gain of \$84.8 million, which has been included as a separate component of stockholders' equity (net of tax).

Excite's common stock is quoted on the Nasdaq Stock Market under the symbol XCIT. The closing price of Excite common stock at January 31, 1998, was \$42.75 per share. At January 31, 1998, the Company held approximately 15% of the outstanding common stock of Excite.

Goodwill and Intangible Assets

Components of intangible assets are as follows:

<TABLE>  
<CAPTION>

	LIFE IN YEARS	NET BALANCE AT	
		JULY 31, 1997	JANUARY 31, 1998
(In thousands)	-----	-----	-----
<S>	<C>	<C>	(Unaudited) <C>
Goodwill .....	3	\$26,935	\$19,190
Customer lists .....	3-5	3,144	1,594
Covenant not to compete .....	4-5	2,125	467
Purchased technology .....	1-5	7,517	6,055
Other intangibles.....	1-10	7,050	5,560

</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 \$147.1 million and \$88.7 million at July 31, 1997 and January 31, 1998, respectively. The accumulated amortization balance at July 31, 1997 included \$67.8 million relating to the acquisition of Parsons Technology, Inc. ("Parsons") in September 1994.

Concentration of Credit and Valuation Risk

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

Intuit is subject to concentration of credit and/or valuation risk because it holds short-term investments, marketable securities and trade accounts receivable. Intuit holds shares of Checkfree common stock as marketable securities, representing approximately 19% of Checkfree's outstanding common stock at January 31, 1998. Intuit also holds approximately 15% of Excite's outstanding common stock as of January 31, 1998. The Company's ability to dispose of both the Checkfree and Excite stock is restricted by volume trading limitations and other contractual arrangements. No Excite shares may be sold prior to December 1998. If marketable securities experience a permanent decline in value below cost, the Company will report the decline in earnings. Intuit's remaining investment portfolio is diversified and generally consists of short-term investment-grade securities. The Company performs ongoing customer credit evaluations to decrease the credit risk associated with accounts receivable. Generally, no collateral is required. Intuit maintains reserves for estimated credit losses and such losses have historically been within management's expectations.

Recent Pronouncements

In June 1997, the Financial Accounting Standards Board ("FASB") issued Statement

of Financial Accounting Standards No. 130 ("SFAS 130"), "Reporting Comprehensive Income." SFAS 130 establishes standards for reporting comprehensive income in a financial statement. Comprehensive income items include changes in equity (net assets) not included in net income. Examples are foreign currency translation adjustments and unrealized gains/losses on available for sale securities. The disclosure prescribed by SFAS 130 is required beginning with the quarter ending October 31, 1998.

In June 1997, FASB issued SFAS 131, "Disclosures About Segments of an Enterprise and Related Information." This statement establishes standards for the way companies report information about operating segments in financial statements. It also establishes standards for related disclosures about products and services, geographic areas and major customers. The Company has not yet determined the impact, if any, of adopting this standard. The disclosures prescribed by SFAS 131 are required in fiscal year 1999.

In October 1997, FASB approved the new American Institute of Certified Public Accountants Statement of Position, "Software Revenue Recognition" ("SOP 97-2"). SOP 97-2 will be effective for the Company beginning in the first quarter of fiscal 1999. The Company does not believe the adoption of SOP 97-2 will have a significant impact on its revenue recognition policy.

#### Reclassifications

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

## 2. ACQUISITIONS

In September 1996, Intuit completed its acquisition of GALT Technologies, Inc., 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, Intuit issued 212,053 shares of Intuit common stock and options to purchase approximately 33,686 shares of Intuit common stock to GALT stockholders 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 is being 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 January 31, 1997. Pro forma information for GALT has not been presented because it is not material.

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In March 1997, Intuit KK, a wholly owned subsidiary of Intuit, completed its acquisition of Nihon Micom Co. Ltd. ("Nihon Micom"), a Japanese small business accounting software company, for cash. The acquisition was treated as a purchase for accounting purposes. The purchase price of the acquisition was approximately \$39.9 million. In addition, liabilities of approximately \$9.6 million were assumed. Approximately \$32.8 million was allocated to identified intangible assets and goodwill, which is being amortized over a period not to exceed three years. An in-process research and development charge of \$6.1 million was expensed in the quarter ended April 30, 1997. Under the terms of the agreement, Intuit issued options to purchase 89,170 shares of Intuit common stock to employees of Nihon Micom on the date of acquisition. Pro forma information for Nihon Micom has not been presented because it is not material.

## 3. DISCONTINUED OPERATIONS AND DIVESTITURES

On January 27, 1997, Intuit completed the sale of its on-line banking and bill payment transaction-processing subsidiary, Intuit Services Corporation ("ISC"), to 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, the last business day prior to closing. As a result of the divestiture, Intuit recorded a gain on sale of discontinued operations of \$71.2 million, net of tax, in the quarter ended January 31, 1997. This gain was recorded net of certain contingent items relating to the divested business. In February 1997, Intuit sold two million shares of the acquired Checkfree common stock.

On August 7, 1997, the Company completed the sale of Parsons, its consumer software and direct marketing subsidiary, to Broderbund Software, Inc. for approximately \$31 million. Net assets acquired by Broderbund as a result of the sale were approximately \$17 million and direct costs incurred by Intuit relating to the sale were approximately \$9.5 million. As a result of the divestiture, the Company recorded a pre-tax gain of \$4.3 million and a related tax provision of \$2.7 million in the quarter ended October 31, 1997.

The following information shows pro forma net revenue, net income from continuing operations and diluted net income per share from continuing operations of Intuit as if the disposition of Parsons had taken place as of the beginning of fiscal 1997:

<TABLE>  
<CAPTION>



	THREE MONTHS ENDED JANUARY 31, 1997		SIX MONTHS ENDED JANUARY 31, 1997	
	EXCLUDING PARSONS	AS REPORTED	EXCLUDING PARSONS	AS REPORTED
(In thousands, except per share amounts; unaudited)				
<S>	<C>	<C>	<C>	<C>
Net revenue .....	\$243,751	\$265,978	\$328,532	\$368,484
Net income from continuing operations .....	44,130	44,700	16,288	16,396
Diluted net income per share from continuing operations..	\$ 0.93	\$ 0.94	\$ 0.34	\$ 0.35

4. OTHER ACCRUED LIABILITIES

<TABLE>  
<CAPTION>

	JULY 31, 1997	JANUARY 31, 1998
	-----	-----
(In thousands)		(Unaudited)
<S>	<C>	<C>
Reserve for returns and exchanges .....	\$ 36,310	\$ 76,372
Acquisition and disposition related items.....	38,866	16,890
Rebates .....	2,876	21,003
Post-contract customer support .....	4,233	10,651
Other accruals .....	17,298	31,351
	-----	-----
	\$ 99,583	\$156,267
	=====	=====

</TABLE>

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5. NOTES PAYABLE AND COMMITMENTS

In March 1997, Intuit's Japanese subsidiary, Intuit KK, entered into a three-year loan agreement with Japanese banks for approximately \$30.3 million used to fund its acquisition of Nihon Micom. The interest rate is variable based on the Tokyo interbank offered rate or the short-term prime rate offered in Japan. At January 31, 1998, the interest rate was approximately 1.4%. The fair value of the loan approximates cost as the interest rate on the borrowings is adjusted periodically to reflect market rates (which are currently significantly lower in Japan than in the United States). Intuit has guaranteed the loan and has pledged approximately \$32.5 million, or 110% of the loan balance, of short-term investments to be restricted as security for the borrowings at January 31, 1998.

6. INCOME TAXES

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

7. LITIGATION

Intuit is subject to legal proceedings and claims that arise in the course of its business. Intuit believes that the ultimate amount of liability, if any, for any pending actions (either alone or combined) will not materially affect its financial position, results of operations or liquidity. However, the ultimate outcome of any litigation is uncertain. An unfavorable outcome could have a material negative impact. In addition, any litigation, regardless of outcome, can have an adverse impact on Intuit because of defense costs, diversion of management resources and other factors.

8. SUBSEQUENT EVENTS

On February 17, 1998, the Company announced a three-year agreement with America Online, Inc. ("AOL"). Under the terms of the agreement, Intuit will be the exclusive provider of tax preparation and filing, multi-carrier life and auto insurance, and multi-lender mortgage services on both the AOL service and AOL.com, which is AOL's default site for Internet access by AOL members. In addition, on AOL.com, Intuit will be the primary source of financial content for the Personal Finance Web Channel. Under terms of the agreement, Intuit guarantees payments to AOL totaling \$30 million over three years, of which approximately \$16 million was paid upon signing. This initial payment will be expensed in the third quarter of fiscal 1998. The remainder of the guaranteed payments will be expensed over the expected term of the agreement. AOL will also be eligible for revenue sharing once certain revenue thresholds in the agreement have been met.

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ITEM 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
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CAUTIONS ABOUT FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements about future financial results and other events that have not yet occurred. Forward-looking statements include, but are not limited to, statements regarding prospects for our QuickBooks, TurboTax and Quicken '98 products (including the expected launch of a new QuickBooks product) and our Internet-based businesses, and expected trends in certain expenses. Actual results may differ significantly from our current expectations because of risks and uncertainties about the future. Such risks include, but are not limited to, intense competition and pricing pressures; uncertain growth of the markets for the Company's offerings; possible delays in product launch dates; possible product errors or other events that lead to greater demand for customer service and technical support (and therefore greater cost to the Company); the adequacy of our product return reserves; risks associated with regulated businesses such as insurance and mortgage lending; the Company's ability to adapt and expand its product, service and content offerings for the Internet environment; rapidly changing technology and customer demands; the timing and consumer acceptance of new products and services; the cost of implementing the Company's Internet strategy; the success of relationships between the Company and third parties that are significant to the Company's Internet strategy; and uncertainty as to the timing and amount of potential Internet-related revenue and profit. In addition, the Company will not necessarily update the information in this Form 10-Q if any forward-looking statements later turn out to be inaccurate. Additional information on factors that could affect future results and events is included in our report on Form 10-K for the fiscal year ended July 31, 1997 and our Form 10-Q for the quarter ended October 31, 1997, filed with the Securities and Exchange Commission.

OVERVIEW

Intuit's mission is to revolutionize the way individuals and small businesses manage their finances. To achieve this goal, we create, sell and support small business accounting, tax preparation and consumer finance software products, financial supplies (such as computer checks, invoices and envelopes), and Internet-based products and services. Our revenues come primarily from the United States, Japan, Germany, Canada and the United Kingdom through both retail distribution channels and direct customer sales. While software and related products and services now provide most of our revenue, Internet-based revenue is growing and has become an important part of our business strategy. We continue to devote significant financial resources to developing Internet-related products and services.

Our business is very seasonal. Our tax products sell from December through April due to the tax return filing season. Consumer finance software products (primarily Quicken) sell best in our second and third fiscal quarters. Consequently, our financial results are usually strongest during the quarters ending January 31 and April 30 and we have historically experienced operating losses for the quarters ending July 31 and October 31. Operating results can also fluctuate for other reasons such as changes in product release dates, non-recurring events such as acquisitions and product price cuts in quarters with relatively high fixed expenses. Because of these factors, we believe that quarter to quarter comparisons can be less reliable and that annual comparisons are generally more meaningful when measuring how we've performed.

We recognize revenue for our desktop software products when products are shipped, less reserves for expected returns from both the retail and direct distribution channels. These reserves are difficult to estimate, especially for seasonal products. If actual returns are significantly higher than our estimated reserves, this could have a material negative impact on our revenue and operating results. See Note 1 of the Notes to Condensed Consolidated Financial Statements regarding net revenue.

RESULTS OF OPERATIONS

The following is selected consolidated statement of operations information for the three and six-month periods ended January 31, 1997 and 1998. Investors should be aware that the following pro forma operating results for the three and six-month periods ended January 31, 1997 exclude results for our Parsons subsidiary (except for results of the tax business, which we retained after the sale) that was sold on August 7, 1997. These pro forma tables are being presented for comparative purposes to allow investors to analyze results on a

more consistent basis and are not prepared in accordance with generally accepted accounting principles (GAAP). For results that include Parsons activity for fiscal 1997, investors should refer to our Condensed Consolidated Statements of Operations on page four. For additional pro forma information about 1997 results without Parsons, see Note 3 of the Notes to Condensed Consolidated Financial Statements.

NET REVENUE

<TABLE>

<CAPTION>

(Dollars in millions; unaudited)	Three Months Ended January 31,			Six Months Ended January 31,		
	1997	Change	1998	1997	Change	1998
	-----			-----		
	(Pro forma)			(Pro forma)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Software .....	\$218.7	(3)%	\$211.2	\$285.4	0%	\$285.3
% of revenue .....	90%		89%	87%		86%
Supplies .....	\$ 25.1	5%	\$ 26.3	\$ 43.1	12%	\$ 48.2
% of revenue .....	10%		11%	13%		14%
Total .....	\$243.8	(3)%	\$237.5	\$328.5	2%	\$333.5

</TABLE>

Small Business Division. Small business division revenues come primarily from the following sources:

- o QuickBooks product line
- o Supplies products (including checks, invoices and envelopes)
- o Tax table services
- o Support fees charged to customers for telephone assistance

Overall, revenue for the division was down 8% and up 5% for the three and six-month periods ended January 31, 1998, respectively, compared to the same periods a year ago. These results were driven by QuickBooks product sales, which were down 25% and 7% for the same periods. This decline in QuickBooks revenue from last year was expected because we had a QuickBooks product release in the second quarter of fiscal 1997 but no release so far in fiscal 1998. We expect that our QuickBooks multiple-user product will be released in the fourth quarter of fiscal 1998.

With the QuickBooks multi-user product, we will be targeting the multi-user market for the first time. While this is an opportunity for future sales growth, there are also risks. For example, the multi-user version of QuickBooks is currently expected to have a higher sale price than single-user versions. This may impact the distribution channels we use for the product. There is also a risk that the multi-user release date could be delayed. In addition, customer service and technical support costs may be higher due to the complexity of the product. If these or other risks occur, our operating results could suffer.

Domestic supplies revenues, which are part of the small business division, grew by 14% and 13% for the three and six-month periods ended January 31, 1998, respectively, due primarily to our increasing base of small business owners. The supplies business is unlike our software business. It is a more consistent source of revenue that comes from our existing base of customers who use QuickBooks and Quicken to run their small businesses. While customers may go long periods of time without buying a new version of software, they will often buy supplies in-between software purchases. This relatively steady revenue stream has grown as our customer base of small business owners has increased.

Tax table service revenue and fees charged for providing telephone support to QuickBooks customers also increased for the three and six-month periods ended January 31, 1998. Together with supplies growth, this helped to offset the decrease in QuickBooks sales.

Tax Division. Tax division revenues come primarily from the following sources:

- o TurboTax and MacInTax personal tax preparation product line
- o Professional tax preparation products
- o Electronic tax return filing fees

Overall, tax division revenues for the three and six months ended January 31, 1998 were down 6% and 8% respectively, compared to last year. This was driven in part by a delay in recognizing a portion of revenue associated with a free electronic filing service we offered to customers who bought our deluxe Federal TurboTax products. Most customers will receive this free service from us in our third fiscal quarter and we have to wait until then to recognize the portion of tax product revenue that we've allocated to electronic filing. Last year we didn't have this free offer so there was no deferral of revenue. The

year-over-year revenue decrease was also due to the fact that most of our TurboTax state tax products were released in January (second quarter) in fiscal 1997, but in February (third quarter) this year. In addition, despite one-time discount offers, not all of the tax customers from our divested Parsons subsidiary have been converted to our TurboTax products.

To date, our new TurboTax product line is selling well through retail channels. However, it's too early to predict results for the entire tax season. We expect to face intense competition during the remainder of the tax season (particularly from H&R Block's TaxCut product, which has been aggressively priced in the past), and this could impact sales. In addition, though we believe our reserves for returned products will be adequate to cover retailers' returns of unsold products during the next two quarters, higher than expected returns could have a negative impact on sales for the season.

Our professional tax product sales increased by 8% for the three and six months ended January 31, 1998 compared to the same periods last year. We experienced this growth primarily because we have been successful in retaining our customers from last year and in many cases upgrading them to higher priced products. We have also been successful in converting many professional tax customers who formerly purchased products from our divested Parsons subsidiary.

Consumer Finance Division. Consumer finance division revenues come primarily from the following sources:

- o Quicken product line
- o Advertising and sponsorship fees from our Quicken.com website
- o Fees earned for connecting insurance brokers with insurance customers through our Quicken InsureMarket service offered through Quicken.com
- o Fees earned for connecting mortgage lenders with mortgage customers through our QuickenMortgage service offered through Quicken.com
- o Fees earned for connecting Quicken customers with Checkfree's bill payment services

Total revenue for the consumer finance division was up 11% for the three and six-month periods ended January 31, 1998 compared to the same periods a year ago. Results include \$10 million in royalty revenue from Checkfree in the second quarter of fiscal 1997 and in the first quarter of fiscal 1998.

Our Quicken product line sales were up 51% and down 1% for the three and six-month periods ended January 31, 1998 respectively, compared to the same periods last year. In the first quarter of this year, the quantity of Quicken we shipped to retailers was lower compared to last year because we thought the 20% revenue decline we experienced in the prior year might continue. In the second quarter, we responded to stronger than expected demand by increasing our shipments to retailers. This resulted in the high growth rate we experienced this quarter. For the six-month period, sales are roughly flat reflecting lower overall unit sales offset by a more favorable sales mix toward our higher-priced deluxe

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products. However, it is too early to predict results for the rest of the fiscal year.

Internet-based revenues are up over 200% for the three and six-month periods ended January 31, 1998 compared to the same periods a year ago. While Internet revenues are growing rapidly, they represent less than 5% of our total year-to-date revenue. The Internet is a relatively new source of revenue for us. We earn fees from companies who advertise on Quicken.com and from certain financial service providers, such as mortgage lenders and insurance brokers, who obtain customers through Quicken.com. Our goal is to generate increasing traffic to Quicken.com so that our advertising rates and other fees will increase. One way we attract more customers is to expand and improve the content on Quicken.com. For example, during fiscal 1998, we launched our QuickenMortgage on-line mortgage service and our TurboTax on-line product. Another way we generate traffic is by collaborating with third party on-line service and content providers to deliver financial content to their customers through co-branded content or links to the Quicken.com site. For example, we have an agreement with Excite under which all Internet users who enter the Excite Business and Investing channel are sent to a Quicken.com website that is co-branded (with Excite). This has significantly increased traffic to Quicken.com. In exchange, we share profits generated from Quicken.com with Excite.

In October 1997, we entered into an exclusive relationship with CNN to provide Quicken.com on FN, a co-branded personal finance area on CNNfn.com. In February 1998, we entered into an agreement with AOL under which Intuit will be the exclusive U.S. provider of tax preparation and filing, and multi-carrier life and auto insurance, and multi-lender mortgage services on both the AOL service and AOL.com, which is AOL's default site for Internet access by AOL members. In addition, on AOL.com, we will be the primary source of financial content for the

We expect Internet revenues to remain insignificant at least through the remainder of the fiscal year. Like other companies establishing Internet-based businesses, we face several significant risks. We are operating in an environment where the technology, customer demands and other factors are rapidly changing. We face intense competition from a wide range of companies. The barriers to entry are low. Consumers may be slow to accept the Internet as a way to buy goods and services. While we believe that Internet revenues will continue to grow, the rate of growth cannot be reasonably estimated and there can be no assurance that growth will occur.

International Division. International division revenues come primarily from the following sources:

- o Japanese small business products (Obanto, Kobanto)
- o German Quicken, QuickBooks and Tax products
- o Canadian Quicken, QuickBooks and Tax products
- o United Kingdom Quicken, QuickBooks, and Tax products

We also operate in smaller European, Asian and Latin American markets. For our international division, revenues were up by 12% and 9% for the three and six-month periods ended January 31, 1998, respectively, compared to the same periods last year. Excluding the impact of our Nihon Micom acquisition, revenues would have been roughly flat for the three and six-month periods ended January 31, 1998. Despite a recent economic slowdown in Japan, unit sales of our small business products have increased this year. This growth was partially offset by the negative impact of a weak Japanese currency. In Europe, we experienced a delay in releasing our German Quicken product, which contributed to lower sales compared to last year. In Canada, sales have been roughly flat year-over-year.

In Europe, we are in the process of focusing our product development efforts toward small business products in selected larger markets. As a result, we will be devoting fewer resources to consumer finance and tax products, and to smaller geographic markets. This shift in strategy may negatively impact our international revenue for the remainder of the fiscal year.

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COST OF GOODS SOLD

<TABLE>  
<CAPTION>

(Dollars in millions; unaudited)	Three Months Ended January 31,			Six Months Ended January 31,		
	1997	Change	1998	1997	Change	1998
	-----			-----		
	(Pro forma)			(Pro forma)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Product.....	\$ 53.2	(14)%	\$ 45.5	\$ 76.2	(11)%	\$ 67.9
% of revenue .....	22%		19%	23%		20%
Amortization of purchased software & other .....	\$ 0.1	100 %	\$ 0.7	\$ 0.1	100 %	\$ 1.4
% of revenue .....	0%		0%	0%		0%
Total .....	\$ 53.3	(13)%	\$ 46.2	\$ 76.3	(9)%	\$ 69.3
% of revenue .....	22%		19%	23%		21%

</TABLE>

There are two components of cost of goods sold. The largest is the direct cost of manufacturing and shipping products. The second component is the amortization of purchased software, which is the cost of products obtained through business acquisitions. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, total cost of goods sold decreased to 19% and 21% of revenue for the three and six months ended January 31, 1998 respectively. This compares to 22% and 23% for the same periods of the prior year. The improvement in cost of goods sold resulted from customers buying more of our CD ROM products, which cost less to manufacture and ship than disk-based products. We have also improved the efficiency of our order-taking process in the financial supplies business, which has reduced costly re-orders. While we will continue our efforts to decrease cost of goods sold as a percentage of net revenue, we believe it is unlikely that these costs will continue to decrease at current rates. There can also be no assurance that margins will continue at their current rates. If there are errors in current or future products, we could experience increases in cost of goods sold and an adverse effect on operating results. Specifically, the impact of the August 1997 tax law changes on our tax preparation products and the release of our multi-user version of QuickBooks may increase the risk of product errors for the remainder of fiscal 1998.

OPERATING EXPENSES

<TABLE>  
<CAPTION>

(Dollars in millions; unaudited)	Three Months Ended January 31,			Six Months Ended January 31,		
	1997	Change	1998	1997	Change	1998

<S>	(Pro forma)			(Pro forma)		
	<C>	<C>	<C>	<C>	<C>	<C>
Customer service & technical support.....	\$ 38.7	(3)%	\$ 37.5	\$ 64.7	1 %	\$ 65.4
% of revenue.....	16%		16%	20%		20%
Selling & marketing.....	\$ 43.5	8 %	\$ 47.0	\$ 71.4	11 %	\$ 78.9
% of revenue.....	18%		20%	22%		24%
Research & development.....	\$ 20.6	29 %	\$ 26.6	\$ 41.7	27 %	\$ 52.8
% of revenue.....	8%		11%	13%		16%
General and administrative.....	\$ 10.0	(3)%	\$ 9.7	\$ 21.2	(14)%	\$ 18.2
% of revenue.....	4%		4%	6%		5%
Charge for purchased R&D.....	\$ 0.0	0 %	\$ 0.0	\$ 4.9	(100)%	\$ 0.0
% of revenue.....	0%		0%	1%		0%
Amortization of goodwill and purchased intangibles.....	\$ 5.0	(2)%	\$ 4.9	\$ 13.9	(36)%	\$ 8.9
% of revenue.....	2%		2%	4%		3%

</TABLE>

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Customer Service and Technical Support. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, customer service and technical support stayed flat at 16% and 20% of revenue for the three and six months ended January 31, 1998 and 1997 respectively, compared to the same periods of the prior year. In the current year, we have benefited from cost reductions due to the restructuring and consolidation of our technical support facilities in the United States and Europe in the fourth quarter of fiscal 1997. These savings have been offset by an increase in expenses for supporting international product launches in the current fiscal year. While we anticipate that service and support expenses will stay relatively flat or decrease as a percentage of sales because of the 1997 restructuring and other cost-saving initiatives, there is a risk that these expenses could increase. For example, our new multi-user QuickBooks product may result in higher customer service and technical support expenses since customers are likely to need considerably more assistance with this more complex product.

Selling and Marketing. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, selling and marketing expenses increased to 20% and 24% of revenue for the three and six months ended January 31, 1998, respectively. This compares to 18% and 22% for the same periods of the prior year. In the current fiscal year, we incurred additional expenses for international product launches compared to last year. We also experienced increased spending in support of our TurboTax product launch.

Research and Development. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, research and development expenses increased to 11% and 16% of revenue for the three and six months ended January 31, 1998 respectively. This compares to 8% and 13% for the same periods of the prior year. These increases reflect our continuing investment in Internet-related initiatives, significant expenses related to the development of our QuickBooks multi-user product and higher development costs for our Japanese small business products. We are spending more to improve and expand our Internet-based products and services to attract more customer traffic to Quicken.com. The development of QuickBooks multi-user also contributed to increasing costs since it has been more expensive to develop than our less complex single-user products. We believe that research and development expenses related to Internet-based products and services will continue to increase as a percentage of net revenue for the remainder of the fiscal year. This could have an adverse effect on our operating results, particularly if revenue from these products and services does not meet expectations.

General and Administrative. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, general and administrative expenses were 4% and 5% of revenue for the three and six months ended January 31, 1998 respectively. This compares to 4% and 6% for the same periods of the prior year.

Charge for Purchased Research and Development. When acquiring a company, we often have to record a one-time charge for purchased research and development. This charge represents the value of products we acquire that aren't yet complete enough to be considered technologically feasible. We recorded such a charge of \$4.9 million in the first quarter of fiscal 1997 when we acquired GALT Technologies Inc. There were no such charges for the three and six months ended January 31, 1998.

Other Acquisition Costs. Other acquisition costs include the amortization of goodwill and purchased intangibles that are recorded as part of an acquisition. Excluding the operating results of our Parsons subsidiary for fiscal 1997, these

costs decreased to \$4.9 million in the second quarter of fiscal 1998 compared to \$5.0 million in the second quarter of fiscal 1997. For the six months ended January 31, 1998, these costs were \$8.9 million compared to \$13.9 million for the same period of the prior year. This decrease was due to the fact that a majority of the intangibles related to the December 1993 Chipsoft acquisition became fully amortized during fiscal 1997. For future periods, acquisition costs will continue to have an impact on our results. If there are no additional acquisitions, future amortization will reduce net income by approximately \$13.0 million, \$11.0 million, \$5.3 million and \$0.5 million for the years ending July 31, 1998 through 2001, respectively. If we complete additional acquisitions in the future, additional amortization could result.

#### OTHER INCOME

For the three and six months ended January 31, 1998, interest and other income and expense, net, remained essentially flat as a percentage of revenue compared to the same periods of the prior year. The \$4.3 million gain on

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disposal of business in the six months ended January 31, 1998 resulted from the sale of Parsons, our direct marketing subsidiary, in August 1997.

#### INCOME TAXES

For the three and six months ended January 31, 1998, we recorded tax expense of \$26.0 and \$19.5 million respectively, on pretax income of \$67.9 and \$48.6 million, respectively. As of January 31, 1998, we have reserved \$4.2 million for certain tax assets of our international subsidiaries. This was based on our belief that we may not receive the tax benefit of certain loss carryforwards in these foreign countries.

#### DISCONTINUED OPERATIONS

We sold our ISC subsidiary to Checkfree Corporation in the second quarter of fiscal 1997. This resulted in a \$71.2 million gain, net of tax.

#### LIQUIDITY AND CAPITAL RESOURCES

At January 31, 1998, our cash, cash equivalents and short-term investments were \$248.7 million, a \$43.6 million increase from July 31, 1997. Because of the seasonality of our business, liquidity generally improves in our second and third fiscal quarters. This is because cash receipts are generated from the sale of our tax products and other product releases that typically occur during the first two quarters of our fiscal year.

During the six months ended January 31, 1998, our operations provided \$19.6 million in cash compared to \$94.3 million for the six months ended January 31, 1997. This year was lower than last year because of substantial cash payments we made for expenses related to the ISC and Parsons sales, as well as restructuring charges. We also experienced a significant increase in accounts receivable balances due to the seasonal nature of our business and the concentration of product releases in our fiscal second quarter.

Investing activities provided \$29.7 million in cash for the six months ended January 31, 1998, compared to cash used of \$37.9 million for the same period a year ago. During the current year, we received \$26.4 million in cash proceeds from the sale of our Parsons subsidiary and \$9.0 million from the sale of our technical support site in New Mexico. In addition, we liquidated \$17.4 million net short-term investments. This was offset by purchases of property and equipment of \$23.5 million. Last year's use of cash was driven by \$21.4 million in net purchases of short-term investments.

The \$9.5 million in cash provided from financing activities is primarily due to proceeds from the exercise of employee stock options. This was offset in part by repayment of the loan for our technical support site in New Mexico, which we sold in November 1997.

In the normal course of business, we enter into leases for new or expanded facilities in both domestic and international locations. During 1996, we began the move of our headquarters from Menlo Park, California to larger facilities in Mountain View, California. We expect the move to be complete by the end of calendar year 2000. We borrowed \$30.3 million from Japanese banks in March 1997 in connection with our acquisition of Nihon Micom. We have guaranteed the loan and pledged approximately \$32.5 million, or 110% of the loan balance, of short-term investments to be restricted as security for the borrowings at January 31, 1998. In February 1998, we entered into an agreement with America Online (AOL) that obligates us to pay AOL a minimum of \$30 million over the three-year term of the agreement. Of this amount, \$16 million was paid to AOL in February 1998. We currently do not have any other significant capital expenditure commitments, though we may require additional cash for strategic projects in the future.

We believe that our cash, cash equivalents and short-term investments will be sufficient to meet anticipated seasonal working capital and capital expenditure requirements for at least the next twelve months.

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YEAR 2000

Intuit is in the process of evaluating its internal computer systems, as well as the software products it sells, to determine whether modifications will be required to prevent problems related to the Year 2000. Based on preliminary assessments, we believe that costs required to achieve Year 2000 compliance (including costs incurred to date) will not be material. However, actual costs may increase depending on the outcome of our continuing evaluations.

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 PART II: OTHER INFORMATION  
 ITEM 4  
 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS  
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At the Company's Annual Meeting of Stockholders on January 16, 1998, Intuit's stockholders approved the following proposals:

1. Proposal to re-elect the Company's six incumbent directors:

<TABLE>  
 <CAPTION>

	For	Withheld
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<S>	<C>	<C>
Christopher W. Brody	43,092,870	436,219
William V. Campbell	43,095,420	433,669
Scott D. Cook	43,095,420	433,669
L. John Doerr	43,095,420	433,669
Michael R. Hallman	43,095,220	433,869
Burton J. McMurtry	43,095,420	433,669

</TABLE>

2. Proposal to amend the Company's 1993 Equity Incentive Plan to increase the number of shares of common stock available for issuance thereunder by 2,105,000 shares:

<TABLE>

<S>		<C>
	For	28,035,137
	Against	15,400,786
	Abstain	93,166

</TABLE>

3. Proposal to amend the Company's 1996 Employee Stock Purchase Plan to increase the number of shares of common stock available for issuance thereunder by 200,000 shares:

<TABLE>

<S>		<C>
	For	42,466,605
	Against	989,607
	Abstain	72,877

</TABLE>

4. Proposal to amend the Company's 1996 Directors Stock Option Plan to increase the number of shares of common stock available for issuance thereunder by 45,000 shares:

<TABLE>

<S>		<C>
	For	35,374,987
	Against	8,041,885
	Abstain	112,217

</TABLE>

5. Proposal to ratify the selection of Ernst & Young LLP as the Company's independent auditors for fiscal 1998.

<TABLE>

<S>		<C>
	For	43,414,765



</TABLE>

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ITEM 6  
EXHIBITS AND REPORTS ON FORM 8-K  
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(A) THE FOLLOWING EXHIBITS ARE FILED AS PART OF THIS REPORT:

- 10.01 Intuit Inc. 1993 Equity Incentive Plan, as amended through January 16, 1998
- 10.02 Intuit Inc. 1996 Employee Stock Purchase Plan, as amended through January 16, 1998
- 10.03 Intuit Inc. 1996 Directors Stock Option Plan, as amended through January 16, 1998
- 11.01 Computation of Net Income Per Share
- 27.01 Financial Data Schedule (filed in electronic version only)

(B) REPORTS ON FORM 8-K:

The Company has not filed any reports on Form 8-K since the beginning of the fiscal quarter ended January 31, 1998.

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SIGNATURES  
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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 13, 1998

By: \_\_\_\_\_  
Greg J. Santora  
Vice President and Chief Financial  
Officer (Principal Financial and  
Accounting Officer)

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Exhibit Index

<TABLE>  
<CAPTION>

Exhibit <S>	Description <C>
10.01	1993 Equity Incentive Plan, as amended through January 16, 1998
10.02	1996 Employee Stock Purchase Plan, as amended through January 16, 1998
10.03	1996 Directors Stock Option Plan, as amended through January 16, 1998
11.01	Computation of Net Income Per Share

</TABLE>

## INTUIT INC.

## 1993 EQUITY INCENTIVE PLAN

As Adopted February 1, 1993  
and Amended and Restated through January 16, 1998

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 13,105,000 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 2,000,000 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 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

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

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  
As Amended Through January 16, 1998

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 500,000 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 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.

An individual who provides services to the Company, or any designated Subsidiary, as an independent contractor shall not be considered an "employee" for purposes of this Section 4 or this Plan, and shall not be eligible to participate in the Plan, except during such periods as the Company or the designated Subsidiary, as applicable, is required to withhold U.S. federal employment taxes for the individual. This exclusion from participation shall apply even if the individual is reclassified as an employee, rather than an independent contractor, for any purpose other than U.S. federal employment tax withholding.

5. OFFERING DATES. The offering periods of this Plan (each, an "Offering Period") shall be of six (6) months duration commencing on December 16 and June 16 of each year and ending on June 15 and December 15 of each year; provided, however, that the first Offering Period shall commence on January 1, 1997 and end on June 30, 1997, and the Second Offering Period shall commence on July 1, 1997 and end on December 15, 1997. 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;

- (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

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.

## INTUIT INC.

## 1996 DIRECTORS STOCK OPTION PLAN

As Adopted October 7, 1996  
As Amended through January 16, 1998

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 165,000 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

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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.  
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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.  
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- (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.

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EXHIBIT 11.01

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

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	THREE MONTHS ENDED JANUARY 31,		SIX MONTHS ENDED JANUARY 31,	
	1997	1998	1997	1998
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-----				
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BASIC:				
47,322	46,391	47,560	46,220	
-----				
29,085	\$115,940	\$ 41,844	\$ 87,636	\$
-----				
0.61	\$ 2.50	\$ 0.88	\$ 1.90	\$
-----				
DILUTED:				
47,322	46,391	47,560	46,220	
1,607	1,240	1,878	1,264	
-----				
48,929	47,631	49,438	47,484	
-----				
29,085	\$115,940	\$ 41,844	\$ 87,636	\$
-----				
0.59	\$ 2.44	\$ 0.85	\$ 1.85	\$
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<FN>  
<F1>For Purposes of This Exhibit, Primary means Basic.  
</FN>

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