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 APRIL 30, 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 [ ]

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

58,761,963 shares of Common Stock, $0.01 par value, as of June 3, 1998

FORM 10-Q
INTUIT INC.
INDEX

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INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

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(In thousands, except par value)	JULY 31, 1997	APRIL 30, 1998 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 46,780	$ 63,191
Short-term investments	158,319	184,067
Marketable securities	190,800	479,227
Accounts receivable, net	42,190	118,676
Note receivable	--	50,000
Inventories	3,295	2,015
Prepaid expenses	13,393	23,310
Total current assets	454,777	920,486
Property and equipment, net	83,404	69,575
Purchased intangibles, net	19,836	11,737
Goodwill, net	26,935	16,166
Other assets	2,808	13,397
Investments	41,150	11,000
Restricted investments	34,766	31,053
Total assets	$ 663,676	$ 1,073,414
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 35,688	$ 48,218
Accrued compensation and related liabilities	22,458	22,761
Deferred revenue	22,732	28,820
Income taxes payable	3,811	6,213
Deferred income taxes	27,310	126,219
Other accrued liabilities	99,583	165,059
Total current liabilities	211,582	397,290
Long-term deferred income taxes	589	117
Long-term obligations	36,444	39,173
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value		
Authorized - 3,000 shares total; 200 shares designated Series B Junior Participating		
Issued and outstanding - none; none	--	--
Common stock, $0.01 par value		
Authorized -- 250,000 shares		
Issued and outstanding - 46,942 and 48,679 shares, respectively	469	487
Additional paid-in capital	558,391	603,425
Net unrealized gain on marketable securities	20,668	169,035
Cumulative translation adjustment and other	(1,236)	239
Accumulated deficit	(163,231)	(136,352)
Total stockholders' equity	415,061	636,834
Total liabilities and stockholders' equity	$ 663,676	$ 1,073,414

</TABLE>

See accompanying notes to condensed consolidated financial statements.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

	THREE MONTHS ENDED APRIL 30,		NINE MONTHS ENDED APRIL 30,	
	1997	1998	1997	1998
<S>	<C>	<C>	<C>	<C>
(In thousands, except per share amounts; unaudited)				
Net revenue	$ 136,326	$ 141,996	$ 504,810	$ 475,467
Costs and expenses:				
Cost of goods sold:				
Product	28,917	29,331	114,583	97,206
Amortization of purchased software and other	526	588	680	1,941
Customer service & technical support	27,040	26,389	95,111	91,821
Selling & marketing	40,196	55,067	130,832	134,006
Research & development	22,393	25,381	67,784	78,159
General & administrative	8,737	9,180	31,361	27,387
Charge for purchased research and development	6,080	--	11,009	--
Amortization of goodwill and purchased intangibles	4,284	3,369	20,778	12,230
Total costs & expenses	138,173	149,305	472,138	442,750
Income (loss) from operations	(1,847)	(7,309)	32,672	32,717
Interest and other income and expense, net	2,806	3,104	6,612	7,375
Gain on disposal of business	--	--	--	4,321
Income (loss) from continuing operations before income taxes	959	(4,205)	39,284	44,413
Income tax provision (benefit)	471	(1,999)	22,400	17,534
Net income (loss) from continuing operations after tax	488	(2,206)	16,884	26,879
Gain on sale of discontinued operations, net of tax	--	--	71,240	--
Net income (loss)	$ 488	$ (2,206)	$ 88,124	$ 26,879
Basic net income (loss) per share from continuing operations	$ 0.01	$ (0.05)	$ 0.36	$ 0.56
Basic net income per share from sale of discontinued operations	--	--	1.54	--
Basic net income (loss) per share	$ 0.01	$ (0.05)	$ 1.90	$ 0.56
Shares used in per share amounts	46,526	48,209	46,322	47,618
Diluted net income (loss) per share from continuing operations	$ 0.01	$ (0.05)	$ 0.36	$ 0.54
Diluted net income per share from sale of discontinued operations	--	--	1.50	

Diluted net income (loss) per share	$ 0.01	$ (0.05)	$ 1.86	$ 0.54
Shares used in per share amounts	47,252	48,209	47,407	49,560

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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

<TABLE>
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(In thousands, unaudited)	NINE MONTHS ENDED APRIL 30, 1997	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 88,124	$ 26,879
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	11,009	--
Amortization of goodwill and other purchased intangibles	22,563	12,793
Depreciation	22,220	22,038
Changes in assets and liabilities:		
Accounts receivable	(18,175)	(76,486)
Inventories	1,984	505
Prepaid expenses	(459)	(5,950)
Deferred income tax assets and liabilities	(178)	(473)
Accounts payable	(2,317)	12,530
Accrued compensation and related liabilities	6,031	439
Deferred revenue	1,782	6,125
Accrued acquisition liabilities	(5,483)	(35,326)
Other accrued liabilities	54,055	100,264
Income taxes payable	19,499	13,801
Net cash provided by operating activities	119,747	74,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of facility	--	9,025
Purchase of property and equipment	(15,895)	(29,576)
Sale of marketable securities	29,500	--
Business acquisitions and disposition, net of cash acquired	(34,224)	26,350
Increase in other assets	(1,202)	(6,685)
Purchase of short-term investments	(197,008)	(186,869)
Purchase of long-term investments	--	(11,000)
Liquidation and maturity of short-term investments	137,354	164,834
Net cash used in investing activities	(81,475)	(33,921)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(1,427)	(4,638)
Net proceeds from issuance of long-term debt	30,277	--
Increase in note receivable	--	(50,000)
Net proceeds from issuance of common stock	4,943	30,953
Net cash provided by (used in) financing activities	33,793	(23,685)
NET INCREASE IN CASH AND CASH EQUIVALENTS	72,065	16,411
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	44,584	46,780
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 116,649	$ 63,191

</TABLE>

See accompanying notes to condensed consolidated financial statements.

INTUIT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Intuit Inc. ("Intuit" or "the Company") develops, sells and supports 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 for individuals and small businesses. Our products and services are designed to automate commonly performed financial tasks and to simplify the way individuals and small businesses manage their finances. We sell our products throughout North America and in many international markets. Sales are made through retail and distribution channels, direct customer sales and the Internet.

Basis of Presentation

Intuit has prepared the accompanying unaudited condensed consolidated financial statements in accordance with generally accepted accounting principles for interim financial statements. We have included all adjustments considered necessary (such as normal recurring adjustments) to give a fair presentation of our operating results for the periods shown. Results for the three and nine months ended April 30, 1998 will not necessarily indicate the results to be expected for the fiscal year ending July 31, 1998 or any other future period. The July 31, 1997 balance sheet was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles. These statements and accompanying notes should be read together with the audited consolidated financial statements for the fiscal year ended July 31, 1997 included in Intuit's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Principles of Consolidation

The consolidated financial statements include all of our accounts and those of our wholly-owned subsidiaries. We have eliminated all significant inter-company accounts and transactions.

Use of Estimates

To comply with generally accepted accounting principles, we make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Our most significant estimates are related to the collectibility of accounts receivable, reserves for product returns and exchanges and reserves for rebates. We also use estimates to determine the carrying value of goodwill and purchased intangibles. Actual results may differ from our estimates.

Net Revenue

Intuit recognizes revenue from sales of desktop software products when products are shipped, less reserves for expected returns from both the retail and direct channels. To recognize revenue, it must be probable that we will collect the accounts receivable from our customers. Reserves are provided for excess quantities of current product versions, as well as previous versions of products still in the channel when new versions are launched. In some situations, we receive advance payments from our customers. Revenue associated with these payments must be deferred until the products are shipped or services are provided. We also reduce revenue by the estimated cost of rebates when products are shipped. Warranty reserves are provided at the time revenue is recognized for the estimated cost of replacing defective products. We recognize Internet revenue (such as subscription revenues, Internet-based advertising and transaction revenue) as such 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. We also include the costs of post-contract customer support in this expense category.

Cash, Cash Equivalents and Short-Term Investments

Intuit considers highly liquid investments with a maturity of three months or

less at the date of purchase 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 schedule summarizes the estimated fair value of our cash, cash equivalents and short-term investments:

<TABLE>
<CAPTION>

(In thousands)	JULY 31, 1997	APRIL 30, 1998 (Unaudited)
<S>	<C>	<C>
Cash and cash equivalents:		
Cash	$ 20,188	$ 28,828
Money market funds	3,369	25,863
Commercial paper	4,292	--
Municipal bonds	--	8,500
U.S. Government securities	18,931	--
	$ 46,780	$ 63,191
Short-term investments:		
Certificates of deposit	$ 5,075	$ 5,048
Corporate notes	37,811	4,501
Municipal bonds	140,245	205,571
U.S. Government securities	9,954	--
Restricted investments	(34,766)	(31,053)
	$ 158,319	$ 184,067

</TABLE>

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

<TABLE>
<CAPTION>

(In thousands)	JULY 31, 1997	APRIL 30, 1998 (Unaudited)
<S>	<C>	<C>
Due within one year	$155,832	$129,355
Due after one year	63,845	120,128
Restricted investments	(34,766)	(31,053)
	$184,911	$218,430

</TABLE>

For information about our restricted investments, see Note 8 of these Notes to Condensed Consolidated Financial Statements. Realized gains and losses from sales of each type of security for the three and nine months ended April 30, 1998 were immaterial.

Marketable Securities

Intuit carries marketable securities at fair value and includes unrealized gains and losses, net of tax, in stockholders' equity. We held the following marketable securities at April 30, 1998:

<TABLE>
<CAPTION>

		GROSS UNREALIZED		
(In thousands; unaudited)	COST	GAIN	LOSS	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Checkfree Corporation common stock	$156,350	$116,600	--	$272,950
Excite, Inc. common stock	39,150	154,787	--	193,937
Verisign, Inc. common stock	2,000	7,594	--	9,594
Concentric Network Corporation common stock	--	2,746	--	2,746
	$197,500	$281,727	--	$479,227

</TABLE>

In January 1997, we sold our on-line banking and bill payment transaction

processing business to Checkfree Corporation ("Checkfree"). We obtained marketable securities in Checkfree as a result of this sale. Note 4 of these Notes to Condensed Consolidated Financial Statements provides more information on this sale.

Intuit accounts for the 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 April 30, 1998 was $25.75 per share. At April 30, 1998, we held 10.6 million shares, or approximately 19%, of Checkfree's outstanding common stock. We have reported the $116.6 million unrealized gain at April 30, 1998 and the $34.4 million unrealized gain at July 31, 1997, on these securities as a separate component of stockholders' equity (net of tax).

In June 1997, we purchased 2.9 million shares of common stock of Excite, Inc. ("Excite") as part of an agreement we entered into with Excite. The agreement provides for the joint development, promotion and distribution of an on-line financial channel. Since we are restricted from selling the shares until December 1998, we initially valued the shares at cost, or $39.2 million. Beginning in January 1998, these shares were adjusted to market value, as remaining restrictions on the shares expire within 12 months. We consider the shares to be available-for-sale securities and have included the unrealized gain of $154.8 million 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 April 30, 1998, was $66.875 per share. At April 30, 1998, Intuit held approximately 12% of Excite's outstanding common stock.

Checkfree, Excite, Verisign, Inc. and Concentric Network Corporation are high technology companies whose stock is subject to substantial volatility and large market price fluctuations. Accordingly, it is possible that the market price of one or more of these companies' stocks could decline substantially and quickly, which could result in a material reduction in the carrying value of these assets.

Goodwill and Intangible Assets

Components of intangible assets are as follows:

<TABLE>
<CAPTION>

(In thousands)	LIFE IN YEARS	NET BALANCE AT JULY 31, 1997	NET BALANCE AT APRIL 30, 1998 (Unaudited)
<S>	<C>	<C>	<C>
Goodwill......................................	3	$ 26,935	$16,166
Customer lists................................	3-5	3,144	1,207
Covenant not to compete.......................	4-5	2,125	367
Purchased technology..........................	1-5	7,517	5,205
Other intangibles.............................	1-10	7,050	4,958

</TABLE>

Included in the other intangible category are items such as trade names, logos and other identified intangible assets. Balances presented above are net of total accumulated amortization of $147.1 million and $92.1 million at July 31, 1997 and April 30, 1998, respectively. The accumulated amortization balance at July 31, 1997 included $67.8 million relating to our acquisition of Parsons Technology, Inc. ("Parsons") in September 1994. We subsequently sold Parsons in August 1997. See Note 4 of these Notes to Condensed Consolidated Financial Statements.

Concentration of Credit and Valuation Risk

The personal computer software industry is highly competitive and rapidly changing. Many circumstances could have an unfavorable impact on Intuit's operating results. Examples include significant technological changes in the industry, changes in customer requirements or the emergence of competitive products or services with new capabilities.

We are also subject to risks related to our significant balances of short-term investments, marketable securities and trade accounts receivable. At April 30, 1998, we held shares of Checkfree common stock representing approximately 19% of Checkfree's outstanding common stock. We also held approximately 12% of Excite's outstanding common stock as of April 30, 1998. Our ability to dispose of both the Checkfree and Excite stock is restricted by volume trading limitations and other terms in the agreements under which we acquired the shares. The Excite shares cannot be sold until December 1998. If there is a permanent decline in the value of these securities below cost, we will need to report this decline in

earnings. Our remaining portfolio is diversified and consists primarily of short-term investment-grade securities.

To reduce the credit risk associated with accounts receivable, Intuit performs ongoing evaluations of customer credit. Generally, no collateral is required. We maintain reserves for estimated credit losses and these losses have historically been within our 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 sets standards for reporting comprehensive income in financial statements. Comprehensive income items include changes in equity (net assets) that are not included in net income. Examples are foreign currency translation adjustments and unrealized gains/losses on available-for-sale securities. We are required to report the disclosures set forth in SFAS 130 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 sets standards for related disclosures about products and services, geographic areas and major customers. The disclosures prescribed by SFAS 131 will be required beginning 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 Intuit beginning in the first quarter of fiscal 1999. We do not believe the adoption of SOP 97-2 will have a significant impact on our revenue recognition policy.

Reclassifications

We have reclassified certain amounts reported in previous financial statements to conform to the current presentation format.

2. PER SHARE DATA

Basic income per share is computed using the weighted average number of common shares outstanding during the period. Diluted income per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period. Common equivalent shares consist of the shares issuable upon the exercise of stock options under the treasury stock method. The following table shows the computation of basic and diluted income per share for the three and nine months ended April 30, 1997 and 1998:

<TABLE>
<CAPTION>

(In thousands, except per share amounts; unaudited)	THREE MONTHS ENDED APRIL 30,		NINE MONTHS ENDED APRIL 30,	
	1997	1998	1997	1998
<S>	<C>	<C>	<C>	<C>
BASIC:				
Weighted average common shares outstanding ...	46,526	48,209	46,322	47,618
Net income (loss)	$ 488	$(2,206)	$88,124	$26,879
Per share amount	$ 0.01	$ (0.05)	$ 1.90	$ 0.56
DILUTED:				
Weighted average common shares outstanding ...	46,526	48,209	46,322	47,618
Equivalent shares issuable upon exercise of options	726	--	1,085	1,942
Shares used in per share amounts	47,252	48,209	47,407	49,560
Net income (loss)	$ 488	$(2,206)	$88,124	$26,879

Per share amount	$ 0.01	$ (0.05)	$ 1.86	$ 0.54

3. ACQUISITIONS

In September 1996, Intuit acquired GALT Technologies, Inc. for $14.6 million. GALT was a provider of mutual fund information on the World Wide Web. The acquisition was treated as a purchase for accounting purposes. We allocated approximately $8.5 million of the purchase price to identified intangible assets and goodwill. These assets are being amortized over a period of three years or less. We also expensed approximately $4.9 million of in-process research and development in the quarter ended October 31, 1996. Under terms of the 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. Pro forma information for GALT has not been presented because it is not material.

In March 1997, Intuit KK, a wholly owned subsidiary of Intuit, acquired Nihon Micom Co. Ltd. ("Nihon Micom"), a Japanese small business accounting software company, for cash. The purchase price was approximately $39.9 million. In addition, we assumed liabilities of approximately $9.6 million. The acquisition was treated as a purchase for accounting purposes. We allocated approximately $32.8 million of the purchase price to identified intangible assets and goodwill. These assets are being amortized over a period not to exceed three years. We also expensed $6.1 million of in-process research and development in the quarter ended April 30, 1997. Under 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 and has agreed to issue options to purchase up to an additional 89,170 shares on or before the second anniversary of the date of the acquisition. Pro forma information for Nihon Micom has not been presented because it is not material.

4. DISCONTINUED OPERATIONS AND DIVESTITURES

On January 27, 1997, we sold Intuit Services Corporation ("ISC"), our on-line banking and bill payment transaction-processing subsidiary, to Checkfree. In exchange, we received 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 transaction, we recorded a gain on sale of discontinued operations

of $71.2 million, net of tax, in the quarter ended January 31, 1997. We recorded the gain net of certain conditional items relating to the business sold. In February 1997, Intuit sold two million shares of the Checkfree common stock.

On August 7, 1997, we sold Parsons, our consumer software and direct marketing subsidiary, to Broderbund Software, Inc. for approximately $31 million. As a result of the sale, Broderbund acquired net assets of approximately $17 million and Intuit incurred direct costs of approximately $9.5 million. We also 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 we had sold Parsons at the beginning of fiscal 1997:

	THREE MONTHS ENDED APRIL 30, 1997		NINE MONTHS ENDED APRIL 30, 1997	
	EXCLUDING PARSONS	AS REPORTED	EXCLUDING PARSONS	AS REPORTED
(In thousands, except per share amounts; unaudited)				
Net revenue	$117,826	$136,326	$446,358	$504,810
Net income from continuing operations	135	488	16,423	16,884
Diluted net income per share from continuing operations	$0.00	$0.01	$0.35	$0.36

5. NOTE RECEIVABLE

On April 30 1998, Intuit provided a short-term unsecured loan in the amount of $50 million to Excite. The loan is on a parity with all other indebtedness of Excite but is subordinated to Excite's current $6 million bank credit facility. The loan bears interest at 5.9% per year and is due no later than October 30, 1998.

6. AGREEMENT WITH AMERICA ONLINE, INC.

On February 17, 1998, we announced a three-year agreement with America Online, Inc. ("AOL"). Under terms of the agreement, subject to certain limited exceptions, Intuit is to 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 is to be the primary source of financial content for the Personal Finance Web Channel. We have guaranteed payments to AOL totaling $30 million over three years, of which approximately $16 million was paid upon signing. The remainder of the guaranteed payments will be expensed over the expected term of the agreement. AOL will also be eligible for additional revenue sharing payments once Intuit has recouped certain advances and other amounts.

Intuit recorded a charge to selling and marketing expense of $16.2 million in the third quarter of fiscal 1998 in connection with the agreement. This expense represents the excess of guaranteed payments over the expected future net revenues from the agreement during the agreement term. Future net revenues were calculated using estimated gross revenues less the estimated future costs related to the agreement. The remaining capitalized amount of $13.8 million will be amortized ratably over the remainder of the term.

7. OTHER ACCRUED LIABILITIES

<TABLE>
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(In thousands)	JULY 31, 1997	APRIL 30, 1998 (Unaudited)
Reserve for returns and exchanges	$ 36,310	$ 86,005
Acquisition and disposition related items...	38,866	13,040
Rebates	2,876	30,337
Post-contract customer support	4,233	4,537
Other accruals	17,298	31,140
	$ 99,583	$165,059

</TABLE>

8. NOTES PAYABLE AND COMMITMENTS

In March 1997, our 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 inter-bank offered rate or the short-term prime rate offered in Japan. At April 30, 1998, the rate was approximately 1.1%. 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 $31.1 million, or 110% of the loan balance, of short-term investments to be restricted as security for the borrowings at April 30, 1998. Intuit is obligated to pay interest only until March 2000.

9. INCOME TAXES

Intuit computes the provision (benefit) for income taxes by applying the estimated annual effective tax rate to recurring operations and other taxable items. The write-off of in-process research and development and the amortization of goodwill are not tax deductible and therefore not included in the tax provision.

10. SHAREHOLDER RIGHTS PLAN

On April 29, 1998, the Board of Directors adopted a shareholder rights plan designed to protect the long-term value of the Company for its shareholders during any future unsolicited acquisition attempt. In connection with the plan, the Board declared a dividend of one preferred share purchase right for each share of Intuit's common stock outstanding on May 11, 1998 (the "Record Date") and further directed the issuance of one such right with respect to each share of Intuit's common stock that is issued after the Record Date, except in certain circumstances. If a person or a group (an "Acquiring Person") acquires 20 percent or more of Intuit's common stock, or announces an intention to make a

tender offer for Intuit's common stock, the consummation of which would result in a person or group becoming an Acquiring Person, then the rights will be distributed (the "Distribution Date"). After the Distribution Date, each right may be exercised for 1/1000th of a share of a newly designated Series B Junior Participating Preferred stock at an exercise price of $250. The preferred stock has been structured so that the value of 1/1000th of a share of such preferred stock will approximate the value of one share of common stock. The rights will expire on May 1, 2008.

11. LITIGATION

The following class action lawsuits have been filed against Intuit alleging Year 2000 issues with the on-line banking functionality in certain versions of the Company's Quicken product: Issokson v. Intuit Inc., filed in the Santa Clara County Superior Court, State of California, on April 29, 1998; Rocco Chilelli v. Intuit Inc., filed in the New York Supreme Court, State of New York, on May 14, 1998; Rubin v. Intuit Inc., filed in the Santa Clara County Superior Court, State of California, on May 27, 1998; and Faegenburg v. Intuit Inc., filed in the New York Supreme Court, State of New York, on May 27, 1998. Intuit does not believe the lawsuits have merit and intends to defend them vigorously.

Intuit is subject to other 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.

12. SUBSEQUENT EVENTS

On May 12, 1998, Intuit announced that its Board of Directors plans to elect William V. Campbell as Chairman of the Board and William H. Harris, Jr. as President and Chief Executive Officer at the next regular Board meeting scheduled for July 28, 1998. Intuit founder Scott D. Cook will become Chairman of the Executive Committee of the Board and continue to work full-time with the Company. Mr. Cook currently serves as Chairman of the Board, Mr. Campbell currently serves as President and Chief Executive Officer and Mr. Harris currently serves as Executive Vice President. These changes will be effective August 1, 1998. In addition, the Board elected Mr. Harris as a director of Intuit, effective May 12, 1998.

On May 18, 1998, Intuit entered into an Asset Purchase Agreement with Lacerte Software Corporation and Lacerte Educational Services Corporation (together, "Lacerte") under which it agreed to purchase substantially all of Lacerte's assets in exchange for $400 million in cash and also agreed to assume substantially all of Lacerte's liabilities. Lacerte is a leading developer and marketer of tax preparation software and services for tax professionals. The consummation of the pending acquisition is subject to certain conditions, including regulatory approvals. The pending acquisition, which is expected to close by the end of our first fiscal quarter of 1999, will be funded by a public offering of 9.0 million shares of common stock, which was completed on May 28, 1998. The pending acquisition, which we plan to treat as a purchase for accounting purposes, is expected to result in a write-off of approximately $20 million (representing in-process research and development) in the quarter in which the acquisition is completed. In addition, we expect to capitalize certain intangible assets in the amount of approximately $390 million, which we expect to amortize over periods of three to five years.

On May 28, 1998, Intuit sold 9.0 million shares of its Common Stock in a registered underwritten public offering at a price to the public of $47.375 per share, providing us with net proceeds of approximately $411 million after underwriting commissions and estimated expenses. As noted above, $400 million of these net proceeds are expected to be used to fund the purchase price of the pending acquisition of Lacerte. On June 3, 1998, the underwriters of the public offering exercised their over-allotment option to purchase an additional 1 million shares of Intuit common stock at a price of $47.375 per share, providing us with additional net proceeds of $45.7 million, net of underwriting commissions.

In May 1998, we participated in the formation of a company, Venture Finance Software Corp. ("VFSC") to focus on the development of certain Web-oriented finance products. VFSC has received $23 million through the sale of equity interests to private investors and obtained conditional commitments to receive up to an additional $23 million in capital contributions from these investors. Of the $46 million potential funding for VFSC, venture capital funds managed by Kleiner Perkins Caufield & Byers, of which L. John Doerr, a director of Intuit, is a general partner, have agreed to invest up to $1 million. In exchange for its equity interest in VFSC, Intuit has granted VFSC licenses to certain technology and intellectual property rights related to certain Web-oriented finance products and has agreed not to compete with VFSC in certain areas of server-based personal finance for a period of ten years. Intuit will manage the

development of the new products and the commercialization efforts of VFSC and has been granted the option to purchase the equity interests of the other investors in VFSC during a period of time beginning two years after the formation of VFSC at a price to be determined by a formula. The cost of exercising the option would be substantial and would result in Intuit's acquisition of certain intangible assets that would be amortized over the expected useful life of VFSC's technology. The development of Web-oriented finance products is subject to significant technological risks, and there can be no assurance that the development will be successful or that Intuit's purchase option will be exercised.

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

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 expected benefits and effects of our proposed acquisition of Lacerte Software Corporation and Lacerte Educational Services Corporation (collectively, "Lacerte"), including statements regarding strategic benefits of the proposed acquisition, Lacerte's potential contribution to Intuit's revenues and profitability, the effect of the proposed acquisition on our competitiveness in the market for professional tax software, and the timing and amount of expenses we may incur as a result of the proposed acquisition; our strategy and growth expectations with respect to the Internet and our Internet-based businesses; the expected launch dates for future products and services, including QuickBooks 6.0 and the services being developed in connection with the proposed development venture with Bank of America NT&A ("Bank of America"), Tele-Communications, Inc. ("TCI") and At Home Corporation ("@Home"); prospects for our QuickBooks, TurboTax and Quicken '98 products; 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, completion of the proposed acquisition of Lacerte; intense competition and pricing pressures; uncertain growth of the markets for the Company's offerings; rapidly changing technology and customer demands; the timing and consumer acceptance of new products and services; 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; the Company's dependence on its distribution channels; risks related to the Company's recent acquisitions; the Company's ability to adapt and expand its product, service and content offerings for the Internet environment; 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; risks associated with regulated businesses such as our Internet-based insurance and mortgage marketspaces; 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 Forms 10-Q for the quarters ended October 31, 1997 and January 31, 1998, 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 to individuals and small businesses. 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 in all of our business divisions. Our primary sources of Internet-based revenue are 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. Although substantially all Internet-based revenues to date have been generated by our tax and consumer finance divisions, we continue to devote significant financial resources to developing Internet-related products and services in these and other areas. For example, during fiscal 1998, we launched our QuickenMortgage on-line mortgage service, our TurboTax on-line product and our Quicken.com Small Business website.

Although Internet revenues are growing rapidly, they represent a small percentage of our total year-to-date revenue. The Internet is a relatively new source of revenue for us. We expect Internet revenues to remain insignificant at least through the remainder of the current 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 continue to occur.

Our business is highly seasonal. Sales of tax products are heavily concentrated from November through March. Sales of consumer finance products are typically strongest during the year-end holiday buying season, and therefore major consumer finance product launches usually occur in the fall to take advantage of this consumer-buying pattern. These seasonal patterns mean that revenue is usually strongest during the quarter ending January 31. Intuit experiences lower revenues for the quarters ending April 30, July 31, and October 31 while operating expenses to develop and manage its products and services continue during these periods, which can result in significant operating losses. The seasonality of our revenue patterns is likely to be exacerbated by our proposed acquisition of Lacerte. 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. In particular, there is no seasonal pattern for our QuickBooks product launches. For example, the third quarter of fiscal 1997 benefited from the launch of QuickBooks 5.0 in the second quarter of fiscal 1997, but the third quarter of fiscal 1998 did not receive such a benefit. Because of these factors, we believe that consecutive quarter comparisons, as well as year-over-year quarterly comparisons, may not be meaningful and don't necessarily indicate future performance. Annual comparisons are generally more meaningful when measuring how we've performed.

We recognize revenue from sales of 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.

On May 18, 1998, Intuit entered into an Asset Purchase Agreement with Lacerte under which we agreed to purchase substantially all of Lacerte's assets in exchange for $400 million in cash and to assume substantially all of Lacerte's liabilities. The consummation of the pending acquisition is subject to certain conditions, including receipt of regulatory approvals. While we expect to consummate the pending acquisition in the summer of 1998, no assurances can be given as to when, or whether, the pending acquisition will be completed. Lacerte is a leading developer and marketer of tax preparation software and services for tax professionals. Its products are used primarily by tax professionals to prepare federal and state income tax returns for individuals and small businesses, as well as estate, trust and gift tax returns. In its fiscal years ended March 31, 1997 and 1998, Lacerte had revenue of $68.1 million and $75.6 million, respectively, and income from operations of $23.4 million and $28.9 million, respectively. We believe that the pending acquisition has the potential to provide Intuit with a number of strategic benefits. We expect that the pending acquisition will contribute to our recurring revenue base since users of Lacerte's product offerings, like users of Intuit's tax products, must purchase annual updates that reflect tax law and tax form changes. If consummated, the acquisition of Lacerte could also enable us to compete more effectively with other large providers of tax preparation software. We expect the pending acquisition to strengthen our presence in the professional tax preparation software and service offerings, as the Intuit ProSeries product line and Lacerte's product line can provide complementary solutions for different practitioner preferences. See Note 12 of the Notes to Condensed Consolidated Financial Statements for more information about the pending acquisition.

On March 24, 1998, Intuit announced an agreement in principle with Bank of America, TCI and @Home to form a venture to develop a system designed to deliver financial services to consumers over their television sets. The venture is expected to provide financial services from a variety of financial institutions and other content providers utilizing Intuit technology. The establishment of this venture is subject to the negotiation and execution of definitive agreements and all appropriate regulatory approvals, and therefore there can be no assurance that the venture will be established until such agreements and approvals are in place.

On March 30, 1998, Intuit announced an exclusive agreement with MECA under which MECA will develop and market customized versions of our Quicken personal

financial management software with unique branding and other features for individual financial institutions for distribution to their customers in the U.S. and Canada.

In May 1998, we participated in the formation of a joint venture company, Venture Finance Software Corp. ("VFSC") to focus on the development of certain Web-oriented finance products. VFSC has received $23 million through the sale of equity interests to private investors and obtained conditional commitments to receive up to an additional $23 million in capital contributions from these investors. In exchange for its equity interest in VFSC, Intuit has granted VFSC licenses to certain technology and intellectual property rights related to certain Web-oriented finance products and has agreed with VFSC not to compete in certain areas of server-based personal finance for a period of ten years. Intuit will manage the development of the new products and the commercialization efforts of the joint venture. Intuit has been granted the option to purchase the equity interests of the other investors in VFSC during a period of time beginning two years after the formation of VFSC at a price to be determined by a formula. The cost of exercising the option would be substantial and would result in Intuit's acquisition of certain intangible assets that would be amortized over the expected useful life of VFSC's technology. The development of Web-oriented finance products is subject to significant technological risks, and there can be no assurance that the development will be successful or that Intuit's purchase option will be exercised. See Note 12 of the Notes to Condensed Consolidated Financial Statements for more information about the joint venture.

RESULTS OF OPERATIONS

The following is selected consolidated statement of operations information for the three and nine-month periods ended April 30, 1997 and 1998. Investors should be aware that the following operating results for the three and nine-month periods ended April 30, 1997 are presented on a pro forma basis that excludes results for our Parsons subsidiary that was sold on August 7, 1997 (except for results of the Parsons tax business, which we retained after the sale). 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 4 of the Notes to Condensed Consolidated Financial Statements.

NET REVENUE

<TABLE>
<CAPTION>

(Dollars in millions; unaudited)	Three Months Ended April 30, 1997 (Pro forma)	Change	Three Months Ended April 30, 1998	Nine Months Ended April 30, 1997 (Pro forma)	Change	Nine Months Ended April 30, 1998
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Software & other..................	$95.2	25%	$118.8	$380.7	6%	$404.1
% of revenue......................	81%		84%	85%		85%
Supplies..........................	$22.6	3%	$23.2	$65.7	9%	$71.4
% of revenue......................	19%		16%	15%		15%
Total	$117.8	21%	$142.0	$446.4	7%	$475.5

</TABLE>

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

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

Overall, revenue for the division was down 8% for the three months ended April 30, 1998 and roughly flat for the nine months ended April 30, 1998, compared to the respective periods a year ago. These results were largely due to

lower QuickBooks product sales, which were down 30% and 14% for the respective periods, offset in part by revenue increases for other small business products and services. This decrease was expected since we had a QuickBooks product release in the second quarter of fiscal 1997, which benefited third quarter revenue, whereas there has been no new QuickBooks release to date in fiscal 1998. We expect that our QuickBooks multi-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 3% and 10% for the three and nine-month periods ended April 30, 1998, respectively, due primarily to our increasing base of small business owners (the table above includes both domestic and international supplies revenue). This growth was achieved despite the absence of a new QuickBooks product launch to generate new sales. Unlike software sales, our supplies business 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 grew by 40% and 32% for the three and nine-month periods ended April 30, 1998, respectively. Fees charged for providing telephone support to QuickBooks customers increased by approximately 75% for the same three and nine-month periods. While these are high growth businesses for the division, they remain a relatively small component of overall division revenues.

During the third quarter of fiscal 1998, we launched our new small business website, Quicken.com Small Business. This site extends Quicken.com's coverage by addressing the specific needs of small businesses. Although we expect that this site will provide an additional source of Internet-based revenue for Intuit in the future, we can't predict the amount or timing of such revenue.

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

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

Overall, tax division revenues for the three and nine months ended April 30, 1998 were up 53% and 6% respectively, compared to last year. Growth was unusually high for the three-month period primarily because the recognition of certain revenues was delayed from the second quarter into the third quarter this year. For example, certain revenue allocated to our free electronic filing service that was offered to TurboTax deluxe customers was deferred from the second quarter into the third quarter. There was no such deferral last year since we didn't have the free offer. The quarterly revenue increase 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. Year to date revenues increased 6% over the prior year reflecting improved retail sales of our TurboTax products. Despite aggressive pricing from competitive products such as H&R Block's TaxCut product, we achieved this growth through expanded retail distribution channel and rebate programs intended to maintain our competitive position.

While our TurboTax product line sold well through retail channels this tax season, it's too early to predict results for the entire year. There is a risk that retailers will return more unsold tax products than we expect during the next quarter. Though we believe our reserves for returned products will be adequate, higher than expected returns could have a negative impact on sales for the season.

Our professional tax product sales increased by 25% and 11% for the three and nine-month periods ended April 30, 1998, respectively, 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 have upgraded them to higher-priced products. We have also been successful in increasing our pay-per-return revenues.

Our Tax division has also experienced growth in Internet-based revenues during fiscal 1998. Electronic filing revenues have increased significantly, and during the third quarter we launched TurboTax Online, which allows users to prepare and file federal 1040 and California state tax returns on-line.

On May 18, 1998, Intuit entered into an Asset Purchase Agreement with Lacerte under which we agreed to purchase substantially all of Lacerte's assets in exchange for $400 million in cash and to assume substantially all of Lacerte's liabilities. The consummation of the pending acquisition is subject to certain conditions, including receipt of regulatory approvals. Lacerte is a leading developer and marketer of tax preparation software and services for tax professionals. Its products are used primarily by tax professionals to prepare federal and state income tax returns for individuals and small businesses, as well as estate, trust and gift tax returns. See "Overview," above for more

information about the pending acquisition.

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

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

Total revenue for the consumer finance division was up 31% and 15% for the three and nine-month periods ended April 30, 1998 respectively, compared to the same periods a year ago.

Our Quicken product line sales increased 12% and 5% for the three and nine-month periods ended April 30, 1998 respectively, compared to the same periods a year ago. This reflects a more favorable sales mix toward our higher-priced deluxe products, partially offset by lower overall unit sales.

Growth for the division was driven in part by Internet-based revenues, which grew over 90% for the three and nine-month periods ended April 30, 1998, respectively, compared to the same periods a year ago. This growth has been generated in part 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, subject to certain exceptions, Intuit is to 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 is to be the primary source of financial content for the Personal Finance Web Channel. As of our fiscal third quarter, we have not yet recognized any revenue from the AOL agreement. We expect to begin recognizing revenue in our fiscal fourth quarter. See "Operating Expenses," below, for a discussion of expenses we are incurring in connection with this agreement.

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

- Japanese small business products
- German Quicken, QuickBooks and Tax products
- Canadian Quicken, QuickBooks and Tax products
- 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 15% and 11% for the three and nine-month periods ended April 30, 1998, respectively, compared to the same periods last year. Revenue growth for the quarter was primarily due to the launch of Quickbooks in Germany and the release of a new version of Quicken in Europe. We also experienced a strong tax season in Canada. In Japan, revenues were slightly down for the quarter and up on a year-over-year basis primarily due to our acquisition of Nihon Micom. Despite a recent economic slowdown in Japan, unit sales of our small business products have increased this year. This unit growth was partially offset by the negative impact of a weak Japanese currency, which translates into fewer U.S. dollars than it did last year. We expect the international revenue growth of the current quarter to slow since customers tend to upgrade products quickly.

We have continued to focus our product development in Europe towards small business products in selected larger markets. As a result, we expect to devote fewer resources to consumer finance and tax products, and to smaller geographic markets. There is a risk that this shift in strategy may negatively impact our international revenue for the remainder of the fiscal year and next fiscal year.

COST OF GOODS SOLD

<TABLE>
<CAPTION>

Three Months Ended April 30,	Nine Months Ended April 30,

(Dollars in millions; unaudited)	1997	Change	1998	1997	Change	1998
	(Pro forma)			(Pro forma)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Product............................	$24.5	20%	$29.3	$100.7	(3%)	$97.2
% of revenue.......................	21%		21%	23%		20%
Amortization of purchased software & other................	$0.5	20%	$0.6	$0.7	171%	$1.9
% of revenue.......................	0%		0%	0%		0%

</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 was 21% and 20% of revenue for the three and nine months ended April 30, 1998 respectively. This compares to 21% and 23% for the same periods of the prior year. The improvement in cost of goods sold for the nine-month period 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. We believe these improvements are beginning to level off, as evidenced by the fact that cost of goods sold was essentially the same percentage of revenues in the quarters ended April 30, 1997 and 1998. While we will continue our efforts to decrease cost of goods sold as a percentage of net revenue, there can also be no assurance that they will improve or 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 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 April 30, 1997	Change	1998	Nine Months Ended April 30, 1997	Change	1998
	(Pro forma)			(Pro forma)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Customer service & technical support.............	$24.5	8%	$26.4	$89.2	3%	$ 91.8
% of revenue.......................	21%		19%	20%		19%
Selling & marketing................	$33.1	66%	$55.1	$104.5	28%	$134.0
% of revenue.......................	28%		39%	23%		28%
Research & development.............	$20.3	25%	$25.4	$62.0	26%	$ 78.2
% of revenue.......................	17%		18%	14%		16%
General & administrative...........	$8.2	12%	$9.2	$29.4	(7%)	$ 27.4
% of revenue.......................	7%		6%	7%		6%
Charge for purchased R&D...........	$6.1	(100%)	$0.0	$11.0	(100%)	$ 0.0
% of revenue.......................	5%		0%	2%		0%
Amortization of goodwill and purchased intangibles.......	$3.0	13%	$3.4	$17.0	(28%)	$ 12.2
% of revenue......................	3%		2%	4%		3%

</TABLE>

Customer Service and Technical Support. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, customer service and technical support decreased to 19% of revenue for the three and nine months ended April 30, 1998. This compares to 21% and 20% for 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. While we anticipate that service and support expenses will stay relatively flat or decrease as a percentage of revenue because of the 1997 restructuring and increased fees charged for telephone support, 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 were 39% and 28% of revenue for the three and nine months ended April 30, 1998, respectively,

compared to 28% and 23% for the same periods of the prior year. The significant increase was due to a charge of $16.2 million related to the AOL agreement in the third quarter of fiscal 1998. Excluding this charge, selling and marketing expenses would have been 27% and 25% for the three and nine months ended April 30, 1998, respectively. For the fiscal year to date, we have experienced increased selling and marketing costs in support of our TurboTax product launch and international product launches compared to last year.

Research and Development. Excluding the operating results of our divested Parsons subsidiary for fiscal 1997, research and development expenses increased to 18% and 16% of revenue for the three and nine months ended April 30, 1998 respectively. This compares to 17% and 14% for the same periods of the prior year. The development of the multi-user version of QuickBooks contributed to increasing costs since it has been more expensive to develop than our less complex single-user products. These increases were also a result of our increased spending to improve and expand our Internet-based products and services in an effort to attract more customer traffic to Quicken.com. 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.

There is a risk that this could have an adverse effect on our operating results, particularly if revenue from these 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 6% of revenue for the three and nine months ended April 30, 1998. This compares to 7% 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. and another charge of $6.1 million in the third quarter of fiscal 1997 when we acquired Nihon Micom. There were no such charges for the three and nine-month periods ended April 30, 1998. In the quarter in which our proposed acquisition of Lacerte is completed, we expect to incur an additional charge of approximately $20 million for purchased research and development. See "Overview," above.

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 increased to $3.4 million in the third quarter of fiscal 1998 compared to $3.0 million in the third quarter of fiscal 1997. For the nine months ended April 30, 1998, these costs were $12.2 million compared to $17.0 million for the same period of the prior year. This year-to-date decrease was due to the fact that a majority of the intangibles related to our December 1993 acquisition of Chipsoft Inc. became fully amortized during fiscal 1997. For future periods, acquisition costs will continue to have an impact on our results. Based on acquisitions completed as of April 30, 1998, future amortization will reduce net income by approximately $13.4 million, $11.0 million, $5.3 million and $0.5 million for the years ending July 31, 1998 through 2001, respectively. If our proposed acquisition of Lacerte is completed, we expect to capitalize certain intangible assets in the amount of approximately $390 million, which we expect to amortize over periods of three to five years. Also, if we complete additional acquisitions in the future, there could be additional amortization charges.

OTHER INCOME

For the three and nine months ended April 30, 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 disposal of business in the nine months ended April 30, 1998 resulted from the sale of Parsons, our direct marketing subsidiary, in August 1997.

INCOME TAXES

For the three and nine months ended April 30, 1998, we recorded a tax benefit of $2.0 million and a tax provision of $17.5 million respectively, on a pretax loss of $4.2 million and pretax income of $44.4 million, respectively. As of April 30, 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 April 30, 1998, our unrestricted cash, cash equivalents and short-term investments totaled $247.3 million, a $42.2 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.

Our operations provided $74.0 million in cash during the nine months ended April 30, 1998. Primary contributors to cash provided were net income from continuing operations and an increase in accrued liabilities, including reserves for rebates, returns and exchanges. Increases were offset by cash used for 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 resulting from the concentration of product releases in our second fiscal quarter.

Investing activities used $33.9 million in cash for the nine months ended April 30, 1998. 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. Uses of cash were driven by net purchases of both short-term and long-term investments, in addition to purchases of property and equipment. Capital expenditures are primarily for equipment and facilities to support our ongoing and expanding operations and information systems.

The $23.7 million in cash used by financing activities is primarily due to the $50.0 million we loaned to Excite, offset by proceeds from the exercise of employee stock options. The Excite loan is unsecured, subordinated to Excite's current bank credit facility and is scheduled to be repaid no later than October 1998. 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 $31.1 million of short-term investments (110% of the loan balance) to be restricted as security for the borrowings at April 30, 1998.

Our agreement with AOL obligates us to pay a minimum of $30 million over the term of the three-year agreement. Of this amount, approximately $16.2 million was paid to AOL in our third fiscal quarter. In May 1998, we announced plans to acquire Lacerte, a professional tax-preparation software company for $400 million in cash. To fund the proposed acquisition, we completed a public offering of 9.0 million shares of common stock on May 28, 1998, and an additional 1 million shares on June 3, 1998. The net proceeds from the offering (approximately $456.7 million) are expected to be used primarily for the acquisition of Lacerte and for general corporate purposes. We currently do not have any other significant capital expenditure commitments, though we may require additional cash for strategic projects in the future.

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 believe that our unrestricted 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.

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, Intuit believes 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 its continuing evaluations. In addition, the products and services of certain other companies with whom Intuit has strategic relationships may not be Year 2000 compliant, which could create issues with respect to the use of Intuit's products and services through these strategic partners.

Four class action lawsuits have recently been filed against Intuit in California and New York, alleging Year 2000 issues with the on-line banking functionality in Quicken for Windows versions 5 and 6 and for Quicken for Macintosh versions 6 and 7. Intuit does not believe the lawsuits have merit and intends to defend them vigorously. Intuit has been working with financial institutions to provide solutions to its current on-line banking customers and is planning to make such solutions available before the customers experience any Year 2000 problems. See Part II, Item 1, "Legal Proceedings," below.

PART II
ITEM 1
LEGAL PROCEEDINGS

The following class action lawsuits have been filed against Intuit alleging Year 2000 issues with the on-line banking functionality in certain versions of the Company's Quicken product: Issokson v. Intuit Inc., filed in the Santa Clara County Superior Court, State of California, on April 29, 1998; Rocco Chilelli v. Intuit Inc., filed in the New York Supreme Court, State of New York, on May 14, 1998; Rubin v. Intuit Inc., filed in the Santa Clara County Superior Court, State of California, on May 27, 1998; and Faegenburg v. Intuit Inc., filed in the New York Supreme Court, State of New York, on May 27, 1998. Intuit does not believe the lawsuits have merit and intends to defend them vigorously.

Intuit is subject to other 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.

ITEM 2
CHANGES IN SECURITIES

On April 29, 1998, the Board of Directors adopted a shareholder rights plan designed to protect the long-term value of the Company for its shareholders during any future unsolicited acquisition attempt. In connection with the plan, the Board declared a dividend of one preferred share purchase right for each share of Intuit's common stock outstanding on May 11, 1998 (the "Record Date") and further directed the issuance of one such right with respect to each share of the Company's common stock that is issued after the Record Date, except in certain circumstances. The rights will expire on May 1, 2008.

The rights are initially attached to the Company's common stock and will not trade separately. If a person or a group (an "Acquiring Person") acquires beneficial ownership of 20 percent or more of Intuit's common stock, or announces an intention to make a tender offer for Intuit's common stock, the consummation of which would result in a person or group becoming an Acquiring Person, then the rights will be distributed (the "Distribution date") and will thereafter trade separately from the common stock.

After the Distribution date, each right may be exercised for 1/1000th of a share of a newly designated Series B Junior Participating Preferred stock at an exercise price of $250. The preferred stock has been structured so that the value of 1/1000th of a share of such preferred stock will approximate the value of one share of common stock.

In connection with the adoption of the plan, the Board of Directors also amended two provisions of Intuit's Bylaws. Special meetings of Intuit shareholders may now only be called by the Chairman of the Board, the Chief Executive Officer, the President or by a majority of the Board of Directors. Additionally, vacancies on the Board of Directors may now be filled until the next annual meeting of shareholders only by majority vote of the Directors then in office.

The Company filed a Form 8-K on May 5, 1998 to report the adoption of the shareholder rights plan and the amendments to its bylaws. Further information regarding our shareholder rights plan can be found in our Form 8-A filed with the Securities and Exchange Commission on May 5, 1998.

ITEM 6
EXHIBITS AND REPORTS ON FORM 8-K

(a) THE FOLLOWING EXHIBITS ARE FILED AS PART OF THIS REPORT:

3.1 Bylaws of Intuit, as amended and restated effective April 29, 1998. (Incorporated by reference to Intuit's Report on Form 8-K filed with the Securities and Exchange Commission on May 5, 1998.)

3.2 Intuit's Certificate of Designations of Series B Junior Participating Preferred Stock, as filed with the Delaware Secretary of State on May 5, 1998. (Incorporated by reference to Intuit's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 5, 1998.)

4.1 Rights Agreement dated May 1, 1998, between the Company and American Stock Transfer and Trust Company, as Rights Agent, which includes as Exhibit A the form of Certificate of Designations of Series B Junior Participating Preferred Stock, as Exhibit B the Form of Right Certificate and as Exhibit C the Summary of Rights to Purchase Preferred Shares. (Incorporated by reference to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 5, 1998.)

10.01 1993 Equity Incentive Plan, as amended through April 29, 1998.

27.01 Financial Data Schedule (filed in electronic version only)

27.02 Amended Restated Financial Data Schedules (Fiscal 1996 and 1997 Quarters)

27.03 Amended Restated Financial Data Schedules (Fiscal 1998 Quarters)

(b) REPORTS ON FORM 8-K:

(i) On May 5, 1998, Intuit filed a Form 8-K to report under Item 5 its adoption of a shareholder rights plan and amendment of its Bylaws. No financial statements were filed.

(ii) On May 18, 1998, Intuit filed a Form 8-K to report under Item 5 the following items: (a) certain management changes; (b) announcement of results for the third quarter of fiscal 1998; (c) Intuit's proposed purchase of Lacerte Software Corporation and Lacerte Educational Services Corporation (collectively, "Lacerte"); (d) the formation of a new company to focus on the development of certain Web-oriented finance products; and (e) basic and diluted earnings per share information for prior periods since the year ended September 30, 1993, as required by SFAS 128. The Form 8-K included the following financial statements under Item 7: (a) audited combined financial statements of Lacerte as of March 31, 1997 and 1998 and for the three years ended March 31, 1996, 1997 and 1998; (b) unaudited condensed combined income statement information of Lacerte for the six-month period ended March 31, 1998; (c) unaudited pro forma condensed combining financial information of Intuit and Lacerte to give effect to the net proceeds to Intuit from the sale of 8.4 million shares of Common Stock at a price of $45.875 per share and to the acquisition of Lacerte by Intuit as if the merger had taken place at January 31, 1998 (for balance sheet purposes) and July 31, 1996 for Intuit and August 31, 1996 for Lacerte (for statement of operations purposes). Also included are unaudited financial information of Intuit as of April 30, 1998 and for the three-month and nine-month periods ended April 30, 1997 and 1998.

(iii) On May 19, 1998, Intuit filed a Form 8-K/A, Amendment No. 1, amending the Form 8-K referred to in paragraph (ii) above, in order to file the Asset Purchase Agreement between Intuit and Lacerte as Exhibit 2.01.

(iv) On May 22, 1998, Intuit filed a Form 8-K/A, Amendment No. 2, amending the Form 8-K referred to in paragraph (ii) above, in order to file under Item 7 revised unaudited pro forma condensed combining financial information of Intuit and Lacerte to reflect an increase in the size of the proposed Common Stock offering by Intuit from 8.4 million shares to 9 million shares.

(v) On May 22, 1998, Intuit filed a Form 8-K to report under Item 5 that on May 21, 1998 it had entered into an Underwriting Agreement with Deutsche Morgan Grenfell Inc. and the other underwriters named therein, providing for a public offering of 9 million shares of Intuit Common Stock at a price to the public of $47.375 per share ($45.675 per share to Intuit after underwriting commissions), and granting the underwriters an option to purchase up to an additional 1.35 million shares to cover over-allotments, if any. No financial statements were filed.

SIGNATURES

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

INTUIT INC.
(REGISTRANT)

Date: June 12, 1998

By: /s/ GREG J. SANTORA

Greg J. Santora
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

3.1	Bylaws of Intuit, as amended and restated effective April 29, 1998. (Incorporated by reference to Intuit's Report on Form 8-K filed with the Securities and Exchange Commission on May 5, 1998.)
3.2	Intuit's Certificate of Designations of Series B Junior Participating Preferred Stock, as filed with the Delaware Secretary of State on May 5, 1998. (Incorporated by reference to Intuit's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 5, 1998.)
4.1	Rights Agreement dated May 1, 1998, between the Company and American Stock Transfer and Trust Company, as Rights Agent, which includes as Exhibit A the form of Certificate of Designations of Series B Junior Participating Preferred Stock, as Exhibit B the Form of Right Certificate and as Exhibit C the Summary of Rights to Purchase Preferred Shares. (Incorporated by reference to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 5, 1998.)
10.01	1993 Equity Incentive Plan, as amended through April 29, 1998.
27.01	Financial Data Schedule (filed in electronic version only)
27.02	Amended Restated Financial Data Schedules (Fiscal 1996 and 1997 Quarters)
27.03	Amended Restated Financial Data Schedules (Fiscal 1998 Quarters)

EXHIBIT 10.01

INTUIT INC.

1993 EQUITY INCENTIVE PLAN

As Adopted February 1, 1993
and Amended and Restated through April 29, 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 (or any Parent, Subsidiary or Affiliate of the Company), by offering those persons an opportunity to participate in the Company's future performance through awards of Options, Restricted Stock, Stock Bonuses and Performance Awards. Capitalized terms are defined in Section 24 if they are not otherwise defined in other sections of the Plan.

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 will again be available for grant and issuance in connection with future Awards under the Plan if the Shares: (a) are subject to issuance upon exercise of an Option but cease to be subject to the Option for any reason other than exercise of the Option; (b) are subject to an Award that otherwise terminates without Shares being issued; or (c) are subject to an Award that is forfeited or are repurchased by the Company at the original issue price. At all times the Company will reserve and keep available a sufficient number of Shares to satisfy the requirements of all outstanding Awards granted under the Plan.

2.2 Adjustment of Shares. If 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, will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; provided that fractions of a Share will not be issued but will either be paid in cash at Fair Market Value, or will 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 may be granted only to employees (including officers and directors who are also employees) of the Company or of a 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 that 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 Awards with respect 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 terms and conditions of the Plan, the Committee will have full power to implement and carry out the Plan. Without limiting the previous sentence, the Committee will 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, including determining the forms and agreements used in connection with the Plan; provided that the Committee may delegate to the President, the Chief Financial Officer or the officer in charge of Human Resources,

in consultation with the General Counsel, the authority to approve revisions to the forms and agreements used in connection with the Plan that are designed to facilitate Plan

administration, and that are not inconsistent with the Plan or with any resolutions of the Committee relating to the Plan;

(c) select persons to receive Awards; provided that the Committee may delegate to one or more executive officers of the Company the authority to grant an Award under the Plan to Participants who are not Insiders of the Company;

(d) determine the 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;

(k) amend the Plan, except for amendments that increase the number of Shares available for issuance under the Plan or change the eligibility criteria for participation in the Plan; or any other amendments that require approval of the stockholders of the Company; or

(l) make all other determinations necessary or advisable for the administration of the Plan.

4.2 Committee Interpretation and 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. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by Participant or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Participant.

5. OPTIONS. The Committee may grant Options to eligible persons and will determine (i) whether the Options will be ISOs or NQSOs; (ii) the number of Shares subject to the Option, (iii) the Exercise Price of the Option, (iv) the period during which the Option may be exercised, and (v) all other terms and conditions of the Option, subject to the following:

5.1 Form of Option Grant. Each Option granted under the Plan will be evidenced by a Stock Option Agreement that will expressly identify the Option as an ISO or NQSO. The Stock Option Agreement will be substantially in a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will 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 will be the date on which the Committee makes the determination to grant the Option, unless a later date is otherwise specified by the Committee. The Stock Option Agreement, and a copy of the Plan and the current Prospectus for the Plan (plus any additional documents required to be delivered under applicable laws), will be delivered to the Participant within a reasonable time after

the Option is granted. The Plan, the Prospectus and other documents may delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.3 Exercise Period and Expiration Date. Options will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Stock Option Agreement, subject to the provisions of Section 5.6, and subject to Company policies established by the Committee (or by individuals to whom the Committee has delegated responsibility) from time to time with respect to vesting during leaves of absences. The Stock Option Agreement shall set forth the last date that the option may be exercised (the "Expiration Date"); provided that no Option will be exercisable after the

expiration of ten years from the date the Option is granted; and provided further that no ISO granted to a Ten Percent Stockholder will be exercisable after the expiration of five years from the date the Option is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares subject to the Option as the Committee determines.

5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted and may be less than Fair Market Value (but not less than the par value of the Shares); provided that (i) the Exercise Price of an ISO will not be less than 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 Stockholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased must be made in accordance with Section 8 of the Plan and the Stock Option Agreement.

5.5 Procedures for Exercise. A Participant may exercise Options by following the procedures established by the Company's Stock Administration Department, as communicated and made available to Participants through the stock pages on the Intuit Legal Department intranet web site, and/or through the Company's electronic mail system.

5.6 Termination. Any Option granted to a Participant will cease to vest on the Participant's Termination. Following a Participant's termination, the Participant's Option may be exercised (to the extent such Option was exercisable immediately prior to the Termination Date):

(a) no later than 90 days after the Termination Date if a Participant is Terminated for any reason except death or Disability, unless a longer time period, not exceeding five years, is specifically set forth in the Participant's Stock Option Agreement; provided that no Option may be exercised after the Expiration Date of the Option; or

(b) no later than (i) twelve months after the Termination Date in the case of Termination due to Disability or (ii) eighteen months after the Termination Date in the case of Termination due to death or if a Participant dies within three months of the Termination Date, unless a longer time period, not exceeding five years, is specifically set forth in the Participant's Stock Option Agreement; provided that no Option may be exercised after the Expiration Date of the Option.

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 the minimum number will not prevent a Participant from exercising an 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 that calendar year will be ISOs, and the Options for the Shares with a Fair Market Value in excess of $100,000 that become exercisable in that calendar year will be NQSOs. If the Code is 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 into the Plan and will apply to any Options granted after the effective date of the amendment.

5.9 Notice of Disqualifying Dispositions of Shares Acquired on Exercise of an ISO. If a Participant sells or otherwise disposes of any Shares acquired pursuant to the exercise of an ISO on or before the later of (1) the date two years after the Date of Grant, and (2) the date one year after the exercise of the ISO (in either case, a "Disqualifying Disposition"), the Participant must immediately notify the Company in writing of such disposition. The Participant may be subject to income tax withholding by the Company on the compensation income recognized by the Participant from the Disqualifying Disposition.

5.10 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.

5.11 No Disqualification. Notwithstanding any other provision in the Plan, no term of the Plan relating to ISOs will be interpreted, amended or altered, and no discretion or authority granted under the Plan will 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 AWARDS. The Committee may award Restricted Stock Awards under the Plan to any eligible person. The Committee will determine the number of Shares subject to the Restricted Stock Award, the Purchase Price, the restrictions on the Shares and all other terms and conditions of the Restricted Stock Award, subject to the following:

6.1 Restricted Stock Purchase Agreement. All purchases under a Restricted Stock Award will be evidenced by Restricted Stock Purchase Agreement, which will be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. A Participant can accept a Restricted Stock Award only by signing and delivering to the Company a Restricted Stock Purchase Agreement, and full payment of the Purchase Price, within thirty days from the date the Restricted Stock Purchase Agreement was delivered to the Participant. If the Participant does not accept the Restricted Stock Award in this manner within thirty days, then the offer of the Restricted Stock Award will terminate, unless the Committee determines otherwise.

6.2 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Committee, and may be 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 must be made in accordance with Section 9 of the Plan and the Restricted Stock Purchase Agreement, and in accordance with any procedures established by the Company's Stock Administration Department, as communicated and made available to Participants through the stock pages on the Intuit Legal Department intranet web site, and/or through the Company's electronic mail system.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to all restrictions, if any, that the Committee may impose. These restrictions may be based on 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 Restricted Stock Purchase Agreement, which shall be in substantially in a form (which need not be the same for each Participant) as the Committee or an officer of the Company (pursuant to Section 4.1(b)) shall from time to time approve, and shall comply with and be subject to the terms and conditions of the Plan and the Restricted Stock Purchase Agreement. 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 for Shares to be purchased under any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has

been earned. Performance Periods may overlap and a Participant 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 of the Shares reserved for issuance under the Plan.

7. STOCK BONUSES.

7.1 Awards of Stock Bonuses. The Committee may award Stock Bonuses to any eligible person. No payment will be required for Shares awarded pursuant to a Stock Bonus. 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 a Stock Bonus Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

7.2 Terms of Stock Bonuses. Stock Bonuses will be subject to all restrictions, if any, that the Committee imposes. 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 Stock Bonus Agreement. The terms of 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 issuance of any Shares or other payment to a Participant pursuant to a Stock Bonus, the Committee will determine the extent to which the Stock Bonus has been earned. Performance Periods may overlap and a Participant 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 of the Shares reserved for issuance under the Plan.

7.3 Form of Payment to Participant. The Committee will determine whether a Stock Bonus will be paid to the Participant in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value on the date of payment, and in either a lump sum payment or in installments.

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

8. PERFORMANCE AWARDS.

8.1 Performance Awards. A Performance Award consists of the grant to a Participant of a specified number of Performance Units. 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. Each Performance Award shall be evidenced by a Performance Award Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. Performance Awards will be subject to all conditions, if any, that the Committee may impose. Prior to the grant of a Performance Award, the Committee will: (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) specify the Performance Factors to be used to measure performance goals. Prior to the payment of any Performance Award, the Committee will determine the extent to which the Performance Units have been earned. Performance Periods may overlap and a Participant 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 250% of Participant's base salary at the time of the Performance Award or $1,000,000.

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

8.4 Termination During Performance Period. If a Participant is Terminated during a Performance Period for any reason, then the Participant will 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 determines otherwise.

9. PAYMENT FOR SHARE PURCHASES.

9.1 Payment. Payment for Shares purchased pursuant to the Plan may be made by any of the following methods (or any combination of such methods) that are described in the applicable Stock Option Agreement or other Award Agreement and that are permitted by law:

(a) in cash (by check);

(b) by cancellation of indebtedness of the Company to the Participant;

(c) by surrender of Shares that either: (1) were obtained by the Participant in the public market; or (2) if the Shares were not obtained in the public market, they have been owned by the Participant for more than six months and have been paid for within the meaning of SEC Rule 144 (and, if the Shares were purchased from the Company by use of a promissory note, the note has been fully paid with respect to the Shares);

(d) 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, however, that a Participant who is not an employee of the Company may not purchase Shares with a promissory note unless the note is adequately secured by collateral other than the Shares; and provided, further, that the portion of the Purchase Price or Exercise Price equal to the par value of the Shares must be paid in cash.

(e) by waiver of compensation due or accrued to Participant for services rendered;

(f) by tender of property; or

(g) 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 an NASD Dealer whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares purchased in order to pay the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of the 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 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 the Shares to forward the Exercise Price directly to the Company.

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

9.3 Issuance of Shares. Upon payment of the applicable Purchase Price or Exercise Price (or a commitment for payment from the NASD Dealer designated by the Participant in the case of an exercise by means of a "same-day sale" or "margin" commitment), and compliance with other conditions and procedures established by the Company for the purchase of shares, the Company shall issue the Shares registered in the name of Participant (or in the name of the NASD Dealer designated by the Participant in the case of an exercise by means of a "same-day sale" or "margin" commitment) and shall deliver certificates representing the Shares (in physical or electronic form, as appropriate). The Shares may be subject to legends or other restrictions as described in Section 14 of the Plan.

10. WITHHOLDING TAXES.

10.1 Withholding Generally. Whenever Shares are to be issued under Awards granted under the Plan, the Company may require the Participant to pay to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate(s) for the Shares. If a payment in satisfaction of an Award is to be made in cash, the payment will 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, in its sole discretion, 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. All elections by a Participant to have Shares withheld for this purpose shall be made in writing in a form acceptable to the Committee.

11. PRIVILEGES OF STOCK OWNERSHIP. No Participant will have any rights as a stockholder of the Company with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to the Shares; provided, however, that if the Shares are Restricted Stock, any new, additional or different securities the Participant may become entitled to receive with respect to the Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided further, that the Participant will have no right to retain such dividends or distributions with respect to Shares that are repurchased at the Participant's original Exercise Price or Purchase Price pursuant to Section 13.

12. TRANSFERABILITY. Awards granted under the Plan, and any interest therein, shall not be transferable or assignable by the 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 Plan and specific 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 all or a portion of a Participant's Shares that are not "Vested" (as defined in the Award Agreement), following the Participant's Termination, at any time within ninety days after the later of (i) the Participant's Termination Date or (ii) the date the Participant purchases Shares under the Plan, for cash or cancellation of purchase money indebtedness with respect to Shares, at the Participant's original Exercise Price or Purchase Price; provided that upon assignment of the right to repurchase, 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 (whether in physical or electronic form, as appropriate) will be subject to stock transfer orders, legends and other restrictions that the Committee deems necessary or advisable, including without limitation 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 on 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 transfer instruments 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 Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under the Plan will be required to pledge and deposit with the Company all or part of the Shares purchased as collateral to secure the payment of the 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 will 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, the Participant will be required to execute and deliver a written pledge agreement in a form that the Committee has from time to time approved. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

16. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award shall not be effective unless the Award is in compliance with all applicable state, federal and foreign securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system on 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, federal or foreign 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, federal or foreign 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.

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 stockholders 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

stockholders 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 stockholders (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 replace the Awards, as provided above, pursuant to a transaction described in this Section 19.1, such Awards shall expire in connection the 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 Section 19.1, 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.

20. ADOPTION AND STOCKHOLDER APPROVAL. The Plan became effective on February 1, 1993, which was the date that it was adopted by the Board (the "Effective Date") and was approved by the stockholders on February 3, 1993.

21. TERM OF PLAN. The Plan will terminate ten years from the

Effective Date.

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. In addition, pursuant to Section 4.1(k), the Board has delegated to the Committee the authority to make certain amendments to the Plan. Notwithstanding the foregoing, neither the Board nor the Committee shall, without the approval of the stockholders of the Company, amend the Plan in any manner that requires such stockholder approval pursuant to the Code or the regulations promulgated thereunder as such provisions apply to ISO plans, or pursuant to the Exchange Act or any rule promulgated thereunder. In addition, no amendment that is detrimental to a Participant may be made to any outstanding Award 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 stockholders 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:

(a) "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.

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

(c) "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.

(d) "Board" means the Board of Directors of the Company.

(e) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(f) "Committee" means the committee appointed by the Board to administer the Plan, or if no committee is appointed, the Board. Each member of the Committee shall be (i) a "non-employee director" for purposes of Section 16 and Rule 16b-3 of the Exchange Act, and (ii) an "outside director" for purposes of Section 162(m) of the Code, unless the Board has fewer than two such outside directors.

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

(h) "Disability" means a disability within the meaning of Section 22(e)(3) of the Code, as determined by the Committee.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder.

(j) "Exercise Price" means the price at which a Participant who holds an Option may purchase the Shares issuable upon exercise of the Option.

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

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

(2) if such Common Stock is publicly traded and is then listed on a national securities exchange, the last reported sale price on such date 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;

(3) 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 by The Wall Street Journal, for the over-the-counter market; or

(4) if none of the foregoing is applicable, by the Board of Directors of the Company in good faith.

(l) "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 16 of the Exchange Act.

(m) "ISO" means an Incentive Stock Option within the meaning of the Code.

(n) "NASD Dealer" means broker-dealer that is a member of the National Association of Securities Dealers, Inc.

(o) "NQSO" means a nonqualified stock option that does not qualify as an Incentive Stock Option within the meaning of the Code.

(p) "Option" means an award of an option to purchase Shares pursuant to Section 5 of the Plan.

(q) "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.

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

(s) "Performance Award" means an award of Shares, or cash in lieu of Shares, pursuant to Section 8 of the Plan.

(t) "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:

(1) Net revenue and/or net revenue growth;

(2) Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;

(3) Operating income and/or operating income growth;

(4) Net income and/or net income growth;

(5) Earnings per share and/or earnings per share growth;

(6) Total stockholder return and/or total stockholder return growth;

(7) Return on equity;

(8) Operating cash flow return on income;

(9) Adjusted operating cash flow return on income;

(10) Economic value added; and

(11) Individual business objectives.

(u) "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.

(v) "Plan" means this Intuit 1993 Equity Incentive Plan, as amended from time to time.

(w) "Prospectus" means the prospectus relating to the Plan, as amended from time to time, that is prepared by the Company and delivered or made available to Participants pursuant to the requirements of the Securities Act.

(x) "Purchase Price" means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

(y) "Restricted Stock Award" means an award of Shares pursuant to Section 6 of the Plan.

(z) "SEC" means the Securities and Exchange Commission.

(aa) "Securities Act" means the Securities Act of 1933, as amended, and the regulations promulgated thereunder.

(bb) "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 19, and any successor security.

(cc) "Stock Bonus" means an award of Shares, or cash in lieu of Shares, pursuant to Section 7 of the Plan.

(dd) "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.

(ee) "Ten Percent Stockholder" means any person who directly or by attribution owns more than ten percent of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company.

(ff) "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 of the Company; provided that a Participant shall not be deemed to be Terminated if the Participant is on a leave of absence approved by the Committee or by an officer of the Company designated by the Committee; and provided further, that during any approved leave of absence, vesting of Awards shall be suspended or continue in accordance with guidelines established from time to time by the Committee. Subject to the foregoing, 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").

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