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 OCTOBER 31, 1999 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.

190,365,481 shares of Common Stock, $0.01 par value, as of November 30, 1999

FORM 10-Q
INTUIT INC.
INDEX

PART I FINANCIAL INFORMATION

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INTUIT INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

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(In thousands, except par value)	JULY 31, 1999	OCTOBER 31, 1999 (Unaudited)
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 518,305	$ 286,427
Payroll tax deposits	131,148	128,559
Short-term investments	305,125	380,238
Marketable securities	431,319	575,219
Accounts receivable, net(1)	63,045	86,766
Deferred income taxes	64,925	65,041
Inventories	4,931	7,174
Prepaid expenses and other current assets(2)	66,982	34,819
Total current assets	1,585,780	1,564,243
Property and equipment, net	108,851	128,515
Purchased intangibles, net	98,004	106,370
Goodwill, net	382,888	429,600
Other assets	7,549	7,806
Long-term deferred income taxes	63,675	63,218
Investments	45,473	35,549
Restricted investments	36,028	39,619
Total assets	$ 2,328,248	$ 2,374,920
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 63,003	$ 87,591
Accrued compensation and related liabilities	37,414	39,996
Payroll tax obligations	131,148	128,559
Deferred revenue	65,994	84,541
Income taxes payable	146,847	11,878
Deferred income taxes	136,694	194,993
Other accrued liabilities	200,030	206,570
Total current liabilities	781,130	754,128
Long-term notes payable	36,308	38,588
Stockholders' equity		
Preferred stock, $0.01 par value		
Authorized - 1,345 shares total; 145 shares designated Series A; 250 shares designated Series B Junior Participating		
Issued and outstanding - none; none	--	--
Common stock, $0.01 par value		
Authorized - 750,000 shares		
Issued and outstanding - 187,626 and 189,439 shares, respectively	625	1,895
Additional paid-in capital	1,229,880	1,287,863
Acquisition related deferred compensation	--	(11,094)
Accumulated other comprehensive income	79,144	164,108
Accumulated retained earnings	201,161	139,432
Total stockholders' equity	1,510,810	1,582,204
Total liabilities and stockholders' equity	$ 2,328,248	$ 2,374,920

</TABLE>

(1) Includes $0.1 million and $2.2 million due from Checkfree at July 31, 1999 and October 31, 1999, respectively (see Note 10).

(2) Includes a $6.7 million note receivable from Venture Finance Software Corp. at July 31, 1999 and October 31, 1999 (see Note 10).

See accompanying notes to condensed consolidated financial statements.

INTUIT INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
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(In thousands, except per share amounts; unaudited)	THREE MONTHS ENDED OCTOBER 31, 1998	THREE MONTHS ENDED OCTOBER 31, 1999
<S>	<C>	<C>
Net revenue(1)	$ 111,968	$ 163,058
Costs and expenses:		
Cost of goods sold:		
Product	35,215	54,667
Amortization of purchased software and other	1,804	2,432
Customer service & technical support	29,823	34,275
Selling & marketing	45,092	57,555
Research & development	33,668	41,713
General & administrative	13,467	18,676
Charge for purchased research and development	--	1,312
Amortization of goodwill and purchased intangibles	20,970	36,359
Amortization of acquisition related deferred compensation	--	740
Total costs & expenses	180,039	247,729
Loss from operations	(68,071)	(84,671)
Interest and other income and expense, net	3,348	8,486
Gain (loss) from marketable securities	--	(17,309)
Loss before income taxes	(64,723)	(93,494)
Income tax benefit	(15,533)	(31,765)
Net loss	$ (49,190)	$ (61,729)
Basic and diluted net loss per share	$ (0.28)	$ (0.33)
Shares used in per share amounts	178,236	188,633

</TABLE>

(1) Includes $3.4 million and $5.7 million from Checkfree for the three months ended October 31, 1998 and October 31, 1999 respectively (see Note 10).

See accompanying notes to condensed consolidated financial statements.

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

<TABLE>
<CAPTION>

(In thousands; unaudited)	THREE MONTHS ENDED OCTOBER 31, 1998	THREE MONTHS ENDED OCTOBER 31, 1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (49,190)	$ (61,729)
Adjustments to reconcile net loss to net cash provided (used) in		

operating activities:		
Amortization of goodwill and other purchased intangibles	27,813	38,791
Deferred compensation expense	--	740
Depreciation	9,221	10,780
Charge for purchased research and development	--	1,312
Loss from marketable securities	--	17,309
Changes in assets and liabilities:		
Accounts receivable	(5,308)	(23,621)
Inventories	(40)	(2,243)
Income taxes receivable	(15,208)	--
Prepaid expenses and other current assets	4,245	31,579
Deferred income tax assets and liabilities	892	341
Accounts payable	4,424	24,535
Accrued compensation and related liabilities	(1,388)	2,440
Deferred revenue	9,656	18,547
Accrued acquisition liabilities	(1,559)	(3,472)
Other accrued liabilities	17,044	6,811
Income taxes payable	(1,520)	(121,229)
Net cash used in operating activities	(918)	(59,109)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(13,611)	(30,463)
Increase in other assets	(7,743)	(14,458)
Purchase of short-term investments	(82,874)	(162,291)
Acquisitions and dispositions, net of cash acquired	--	(54,606)
Purchase of long-term investments	(4,474)	(7,326)
Liquidation and maturity of short-term investments	63,318	83,587
Net cash used in investing activities	(45,384)	(185,557)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of common stock	4,444	12,788
Net cash provided by financing activities	4,444	12,788
NET DECREASE IN CASH AND CASH EQUIVALENTS	(41,858)	(231,878)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	138,133	518,305
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 96,275	$ 286,427

</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. develops, sells and supports small business accounting, tax preparation and consumer finance desktop software products, financial supplies (such as computer checks, envelopes and invoices), 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 distribution channels, traditional direct sales to customers and via 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 to give a fair presentation of our operating results for the periods shown. Results for the three months ended October 31, 1999 do not necessarily indicate the results to be expected for the fiscal year ending July 31, 2000 or any other future period. The July 31, 1999 balance sheet was derived from audited financial statements but does not include all disclosures required for audited financial statements 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, 1999 included in Intuit's Form 10K-A, Amendment No. 1, filed with the Securities and

Exchange Commission.

Principles of Consolidation

The condensed consolidated financial statements include all of our accounts and those of our wholly-owned subsidiaries. We have eliminated all significant intercompany accounts and transactions. Investments in which management intends to maintain more than a temporary 20% to 50% interest, or otherwise has the ability to exercise significant influence, are accounted for under the equity method. Investments in which we have less than a 20% interest and/or do not have the ability to exercise significant influence are carried at the lower of cost or estimated realizable value.

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 disclosures made in the accompanying notes. Our most significant estimates are related to reserves for product returns and exchanges, reserves for rebates and the collectability of accounts receivable. We also use estimates to determine the remaining economic lives and carrying value of goodwill, purchased intangibles, and fixed assets. Despite our intention to establish accurate estimates and assumptions, actual results may differ from our estimates.

Net Revenue

Intuit recognizes revenue upon shipment of our shrink-wrapped products based on "FOB shipping" terms. Because, under FOB shipping terms, title and risk of loss are transferred, and we have no continuing obligations, once our products are delivered to the shipper, we recognize revenue upon shipment, net of return reserves based

on historical experience. To recognize revenue, it must also 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 distribution channel when new versions are launched. In some situations, we receive advance payments from our customers. Revenue associated with these advance payments is 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 revenue from Internet products and services when that revenue is "earned" based on the nature of the particular product or service. For Internet products and services that are provided over a period of time, revenue is recognized pro rata based on the passage of the contractual time period during which the product or service is to be provided or in accordance with agreed upon performance criteria. However, where the Internet product or service is to be provided or delivered at one point in time, revenue is recognized immediately upon delivery of the product or completion of the service, rather than over time. For example, we earn advertising revenues from third parties that advertise on certain of our websites and contract to run such advertisements for a particular period of time. In that case, the associated advertising revenue is recognized ratably over the contractual time period during which the advertising is to be placed. By contrast, for on-line transactions for which we receive a payment (such as the sale of insurance through our QuickenInsurance website), revenue is recognized upon completion of the transaction, assuming there are no remaining obligations on our part.

Customer Service and Technical Support

Customer service and technical support costs include the costs associated with performing order processing, answering customer inquiries and providing technical assistance by telephone, fax, email, and the Internet. In connection with the sale of certain products, Intuit provides limited free telephone support service to customers. This free service, also referred to as post-contract customer support, is included in this expense category. We do not defer the recognition of any revenue associated with sales of these products, since the cost of providing this free support is insignificant. The support is provided within one year after the associated revenue is recognized and enhancements are minimal and infrequent. The estimated cost of providing this free support is accrued upon product shipment. Intuit also offers several plans under which customers are charged for technical support assistance. Fees charged for these plans are collected in advance and are recognized as revenue over a period of time (generally one year) at a rate that is based on historical call volumes for support, which approximates when these services are performed. Costs incurred for fee for support plans are included in cost of goods sold.

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. Available-for-sale securities are classified as current assets based upon our intent and ability to use any and all of these securities as necessary to satisfy the significant short-term liquidity requirements that may arise from the highly seasonal and cyclical nature of our business. Based on our significant business seasonality, cash flow requirements within quarters may fluctuate dramatically and could require us to use a significant amount of the cash investments held as available-for-sale securities.

The following schedule summarizes the estimated fair value of our cash, cash equivalents and short-term investments:

(In thousands)	JULY 31, 1999	OCTOBER 31, 1999
Cash and cash equivalents:		
Cash	$ 20,623	$ 36,754
Money market funds	294,190	65,671
Commercial paper	156,037	5,000
Corporate Notes	--	4,000
Municipal bonds	37,455	175,002
U.S. Government securities	10,000	--
	$ 518,305	$ 286,427
Short-term investments:		
Certificates of deposit	$ 9,901	$ --
Commercial Paper	--	145,053
Corporate notes	19,482	2,932
Municipal bonds	284,057	244,156
U.S. Government securities	27,713	27,716
Restricted short-term investments	(36,028)	(39,619)
	$ 305,125	$ 380,238

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

(In thousands)	JULY 31, 1999	OCTOBER 31, 1999
Due within one year	$ 735,349	$ 425,043
Due within two years	101,784	211,014
Due within three years	1,702	33,473
Restricted short-term investments	(36,028)	(39,619)
	$ 802,807	$ 629,911

For information about our restricted investments, see Note 7. Realized gains and losses from sales of each type of security were immaterial for all periods presented.

Marketable Securities

Our available for sale marketable securities are carried at fair value and include unrealized gains and losses, net of tax, in stockholders' equity. We have designated our investment in At Home Corporation ("At Home") as a trading security and fluctuations in the market value of these shares are reported in net income. We held the following marketable securities at July 31, 1999 and October 31, 1999:

<TABLE>
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	COST	GROSS UNREALIZED GAIN	GROSS UNREALIZED LOSS	NET REALIZED LOSS	FAIR VALUE
JULY 31, 1999 (In thousands)					
Checkfree Corporation common stock...........	$150,081	$152,177	$ --	$ --	$302,258
S1 Corporation common stock..................	49,997	--	16,140	--	33,857
At Home common stock.........................	132,060	--	--	36,856	95,204
	$332,138	$152,177	$16,140	$36,856	$431,319
OCTOBER 31, 1999 (In thousands)					
Checkfree Corporation common stock...........	$150,081	$230,210	$ --	$ --	$380,291
S1 Corporation common stock..................	49,997	--	10,982	--	39,015
Mortgage.com, Inc. common stock..............	6,000	27,301	--	--	33,301
Homestore.com, Inc. common stock.............	3,500	30,725	--	--	34,225
Quotesmith.com, Inc. common stock............	6,000	4,505	--	--	10,505
At Home common stock.........................	132,060	--	--	54,178	77,882
	$347,638	$292,741	$10,982	$54,178	$575,219

</TABLE>

In January 1997, we sold our online banking and bill payment transaction processing business to Checkfree Corporation. We obtained marketable securities in Checkfree as a result of this sale.

We account 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 October 31, 1999 was $37.375 per share. At October 31, 1999, we held 10.2 million shares, or approximately 19.6%, of Checkfree's outstanding common stock.

In May 1999, we purchased 970,813 shares of common stock of Security First Technologies. In November 1999, Security First Technologies changed its name to S1 Corporation ("S1"). We account for the investment in S1 as an available-for-sale-equity security, which accordingly is carried at market value. S1 common stock is quoted on the Nasdaq National Market under the symbol SONE. The closing price of S1 common stock at October 31, 1999 was $40.1875 per share. At October 31, 1999, we held 970,813 shares, or approximately 3.5%, of S1's outstanding common stock.

In August 1999, we acquired approximately 3.7 million shares of common stock of Mortgage.com, Inc. ("Mortgage.com") upon conversion of our preferred shares in connection with Mortgage.com's initial public offering. We account for the investment in Mortgage.com as an available-for-sale-equity security, which accordingly is carried at market value. Mortgage.com common stock is quoted on the Nasdaq National Market under the symbol MDCM. The closing price of Mortgage.com common stock at October 31, 1999 was $9.125 per share. At October 31, 1999, we held 3.7 million shares, or approximately 8.5%, of Mortgage.com's outstanding common stock.

In August 1999, we acquired 729,165 shares of common stock of Homestore.com, Inc. ("Homestore.com") upon conversion of our preferred shares in connection with Homestore.com's initial public offering. We account for the

investment in Homestore.com as an available-for-sale-equity security, which accordingly is carried at market value. Homestore.com common stock is quoted on the Nasdaq National Market under the symbol HOMS. The closing price of Homestore.com common stock at October 31, 1999 was $46.9375 per share. At October 31, 1999, we held 729,165 shares, or approximately 1.1%, of Homestore.com's outstanding common stock.

In February 1999, we purchased approximately 1.0 million shares of common stock of Quotesmith.com, Inc. ("Quotesmith.com") prior to its initial public offering. We purchased an additional 0.3 million shares of Quotesmith.com in August 1999 at the time of its initial public offering. We account for the investment in Quotesmith.com as an available-for-sale-equity security, which accordingly is carried at market value. Quotesmith.com common stock is quoted on the Nasdaq National Market under the symbol QUOT. The closing price of Quotesmith.com common stock at October 31, 1999 was $8.25 per share. At October 31, 1999, we held approximately 1.3 million shares, or approximately 7.9%, of Quotesmith.com's outstanding common stock.

In connection with At Home Corporation's acquisition of Excite in May 1999, our shares of Excite were converted into At Home common stock. We have elected to

report these converted At Home shares as a trading security. As a result, we are reporting both positive and negative fluctuations in the market value of this stock in net income. At October 31, 1999, we owned 2.1 million shares (or approximately 0.6%) of At Home common stock and reported a realized valuation loss of approximately $17.3 million for these securities for the period between August 1, 1999 and October 31, 1999. The closing price of At Home (symbol ATHM) at October 31, 1999, was $37.375 per share. The average price of At Home between August 1, 1999 and October 31, 1999 was $39.00 per share.

Checkfree, At Home, S1, Mortgage.com, Homestore.com and Quotesmith.com are high technology companies whose stocks are subject to substantial volatility. 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 Purchased Intangible Assets

We record goodwill when the cost of net assets we acquire exceeds their fair value. Goodwill is amortized on a straight-line basis over periods ranging from 3 to 5 years. The cost of identified intangibles is generally amortized on a straight-line basis over periods ranging from 1 to 10 years. We regularly perform reviews to determine if the carrying value of assets is impaired. The reviews look for the existence of facts or circumstances, either internal or external, which indicate that the carrying value of the asset cannot be recovered. No such impairment has been indicated to date. If, in the future, management determines the existence of impairment indicators, we would use undiscounted cash flows to initially determine whether impairment should be recognized. If necessary, we would perform a subsequent calculation to measure the amount of the impairment loss based on the excess of the carrying value over the fair value of the impaired assets. If quoted market prices for the assets are not available, the fair value would be calculated using the present value of estimated expected future cash flows. The cash flow calculations would be based on management's best estimates, using appropriate assumptions and projections at the time.

Goodwill and purchased intangible assets consisted of the following:

<TABLE>
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(In thousands)	LIFE IN YEARS	NET BALANCE AT JULY 31,1999	NET BALANCE AT OCTOBER 31, 1999 (Unaudited)
<S>	<C>	<C>	<C>
Goodwill..	3-5	$382,888	$429,600
Customer lists....................................	3-5	66,907	72,135
Covenant not to compete...........................	3-5	2,492	6,482
Purchased technology..............................	1-5	17,751	17,510
Assembled workforce...............................	2-5	3,972	4,111
Trade names and logos.............................	1-10	6,882	6,132

</TABLE>

Balances presented above are net of total accumulated amortization of $210.1 million and $251.0 million at July 31, 1999 and October 31, 1999, respectively.

Concentration of Credit Risk

Intuit operates in an industry which 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 October 31, 1999, we held shares of Checkfree common stock representing approximately 19.6% of Checkfree's outstanding common stock. We also held approximately 0.6% of At Home's common stock, 3.5% of S1's outstanding common stock, 8.5% of Mortgage.com's outstanding common stock, 1.1% of Homestore.com's outstanding common stock and 7.9% of Quotesmith.com's outstanding common stock outstanding as of October 31, 1999. If there is a permanent decline in the value of these securities below cost, we will need to report this decline in our statement of operations. Fluctuations in the market value of our shares in At Home are treated as realized gains and losses in our statement of operations on an ongoing basis, since this investment is treated as a trading security. At October 31, 1999, we held approximately 0.6% of At Home's outstanding common stock. See "Marketable Securities," above in Note 1 for a discussion of risks associated with our marketable securities. 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 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). FAS 133 provides a comprehensive and consistent standard for the recognition and measurement of derivatives and hedging activities. In June 1999, the FASB delayed implementation of FAS 133, so that implementation is now required for fiscal years beginning after June 15, 2000. Upon adoption, transition adjustments will be reported in net income or other comprehensive income, as appropriate, reflecting the effect of a change in accounting principle. We have not yet determined whether adoption of FAS 133 will have a material impact on our consolidated financial position, results of operations, or cash flows.

Reclassifications

Certain previously reported amounts have been reclassified 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. In loss periods, basic and dilutive loss per share is identical since the impact of equivalent shares is anti-dilutive.

On September 8, 1999, our Board of Directors declared a three-for-one stock split, to be effected as a stock dividend of two shares of common stock for each share of Intuit's common stock outstanding. Stockholders of record on September 20, 1999 were issued two additional shares of common stock for each share of Intuit's common stock held on that date. The payment date for the stock dividend was September 30, 1999. We have restated all share and per share amounts referred to in the financial statements and notes to reflect this stock split.

3. COMPREHENSIVE NET INCOME

As of August 1, 1998, Intuit adopted SFAS 130, "Reporting Comprehensive Income." SFAS 130 establishes new rules for the reporting and display of comprehensive net income and its components. However, it has no impact on our net income or stockholders' equity as presented in our financial statements. SFAS 130 requires foreign currency translation adjustments and changes in the fair value of available for sale securities to be included in comprehensive income.

The components of comprehensive net income, net of tax, are as follows:

<TABLE>
<CAPTION>

(In thousands; unaudited)	THREE MONTHS ENDED OCTOBER 31, 1998	1999
<S>	<C>	<C>
Net loss	$ (49,190)	$ (61,729)
Unrealized gain (loss) on marketable securities	(58,950)	87,449
Change in cumulative translation adjustment	(4,409)	(2,485)
Comprehensive net income	$(112,549)	$ 23,235

</TABLE>

4. ACQUISITIONS

On May 3, 1999, we completed our acquisition of Computing Resources, Inc. ("CRI"), a Reno, Nevada-based provider of payroll services for a combination of cash and Intuit stock. CRI is one of the country's largest payroll services companies and a leader in providing payroll services to small businesses. The purchase price for privately-held CRI was approximately $200 million, consisting of approximately $100 million cash and approximately $25 million of Intuit stock that was paid at closing, and $75 million in cash to be paid in three annual installments of $25 million each. We accounted for the acquisition of CRI as a purchase for accounting purposes and allocated approximately $187 million to identified intangible assets and goodwill. These assets are being amortized over a period of three to five years. The following table shows pro forma net revenue, net loss from continuing operations and diluted net loss per share from continuing operations of Intuit and CRI as if we had acquired CRI at the beginning of fiscal 1999:

(In thousands, except per share data; unaudited)	THREE MONTHS ENDED OCTOBER 31, 1998 PRO FORMA	AS REPORTED
Net revenue	$ 119,635	$ 111,968
Net loss	(57,445)	(49,190)
Diluted net loss per share	$ (0.32)	$ (0.28)

On August 2, 1999, we completed a purchase of all of the outstanding common and Series A preferred stock of Boston Light Software Corp. ("Boston Light") for approximately $33.5 million in stock. Boston Light is a developer of software and web based products for small businesses and is based in Boston, MA. In connection with the agreement, Intuit assumed 482,910 of Boston Light's outstanding employee stock options. We accounted for the acquisition of Boston Light as a purchase for accounting purposes and allocated approximately $24.0

million to identified intangible assets and goodwill. These assets are being amortized over a period of three to five years.

On August 9, 1999, we completed a purchase of all of the outstanding common stock of SecureTax.com, for approximately $52 million in cash. SecureTax is a developer of online tax preparation and electronic filing services and is based in Rome, GA. We accounted for the acquisition of SecureTax as a purchase for accounting purposes and allocated approximately $52 million to identified intangible assets and goodwill. These assets are being amortized over a period of three to five years.

On August 10, 1999, we completed a purchase of all of the outstanding common stock of Hutchison Avenue Software Corporation ("Hutchison"), for approximately $7.5 million in cash. Hutchison is a developer of software and web based products and is based in Ontario, Canada. In connection with the agreement, Intuit assumed 395,058 of Hutchison's outstanding employee stock options. We accounted for the acquisition of Hutchison as a purchase for accounting purposes and allocated approximately $6.8 million to identified intangible assets and goodwill. These assets are being amortized over periods of three to five years. The total purchase price, including the cost associated with the assumption of Hutchison's stock options, was approximately $18.5 million.

On October 7, 1999, we announced the proposed acquisition of all of the outstanding common stock of Rock Financial Corporation ("Rock"). Rock is a provider of consumer mortgages and is based in Michigan. We expect to account for the acquisition as a pooling of interests. The acquisition was completed on December 8, 1999. See Note 11.

5. OTHER ACCRUED LIABILITIES

(In thousands)	JULY 31, 1999	OCTOBER 31, 1999 (Unaudited)
Reserve for returns and exchanges	$ 73,955	$ 74,946
Future payments due for CRI acquisition	66,314	67,295
Other acquisition and disposition related items	10,824	13,402
Rebates	18,002	16,223
Post-contract customer support	3,418	3,604
Other accruals	27,517	31,100
	$200,030	$206,570

6. SEGMENTED INFORMATION

Intuit has adopted Statement of Financial Accounting No. 131, "Disclosures about Segments of an Enterprise and Related Information," ("SFAS 131"). SFAS 131 establishes standards for the way in which public companies disclose certain information about operating segments in the Company's financial reports. Consistent with SFAS 131, we have determined our operating segments based on factors such as how our operations are managed and how results are viewed by

management. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intuit does not track assets by operating segments. Consequently, we do not disclose assets by operating segments. The following unaudited results are broken out by our operating segments for the periods ending October 31, 1998 and 1999:

<TABLE>
<CAPTION>

1998 (IN THOUSANDS)	SMALL BUSINESS DIVISION	CONSUMER FINANCE DIVISION	TAX DIVISION	INTERNATIONAL DIVISION	OTHER(1)	CONSOLIDATED
Net revenue	$ 48,121	$ 42,497	$ 8,477	$ 12,873	$ --	$ 111,968
Segment operating income/(loss)	8,638	7,331	(27,229)	(4,965)	--	(16,225)
Common expenses	--	--	--	--	(29,072)	(29,072)
Sub-total operating income (loss)	8,638	7,331	(27,229)	(4,965)	(29,072)	(45,297)
Gains/(losses) on marketable securities	--	--	--	--	--	--
Acquisition costs	--	--	--	--	(22,774)	(22,774)
Interest income/expense and other items	--	--	--	--	3,348	3,348
Net income (loss) before tax	$ 8,638	$ 7,331	$ (27,229)	$ (4,965)	$(48,498)	$ (64,723)
1999						
Net revenue	$ 80,119	$ 54,178	$ 11,120	$ 17,641	$ --	$ 163,058
Segment operating income/(loss)	17,516	8,763	(34,400)	(2,165)	--	(10,286)
Common expenses	--	--	--	--	(33,542)	(33,542)
Sub-total operating income (loss)	17,516	8,763	(34,400)	(2,165)	(33,542)	(43,828)
Gains/(losses) on marketable securities	--	--	--	--	(17,309)	(17,309)
Acquisition costs	--	--	--	--	(40,843)	(40,843)
Interest income/expense and other items	--	--	--	--	8,486	8,486
Net income (loss) before tax	$ 17,516	$ 8,763	$ (34,400)	$ (2,165)	$(83,208)	$ (93,494)

</TABLE>

(1) Reconciling items include acquisition and other common costs not allocated to specific segments.

7. 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 loan is denominated in Japanese yen and is therefore subject to foreign currency fluctuations when translated to U.S. dollars for reporting purposes. The interest rate is variable based on the Tokyo inter-bank offered rate or the short-term prime rate offered in Japan. At October 31, 1999, the rate was approximately 0.4%. The fair value of the loan approximates cost as the interest rate on the borrowings is adjusted periodically to reflect market rates (which are currently significantly lower in Japan than in the United States). We have guaranteed the loan and pledged approximately $39.6 million, or 110% of the loan balance, of short-term investments to be restricted as security for the borrowings at October 31, 1999. We are obligated to pay interest only until March 2000.

8. 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. Our effective tax rate differs from the federal statutory rate primarily because of tax credits, tax exempt interest income, state taxes and certain foreign losses.

9. LITIGATION

Intuit was a defendant in the following two consolidated class action lawsuits which alleged that certain of its Quicken products have on-line banking functions that are not Year 2000 compliant: (1) In re Intuit Inc. Year 2000 California Litigation (consolidated in Santa Clara County, California Superior Court from Alan Issokson v. Intuit Inc. (filed April 29, 1998 in the Santa Clara County, California Superior Court); Joseph Rubin v. Intuit Inc. (filed May 27, 1998 in the Santa Clara County, California Superior Court); Donald Colbourn v. Intuit Inc. (filed June 4, 1998 in the San Mateo County, California Superior Court)); and (2) In re Intuit Inc. Year 2000 Litigation (consolidated in the New York Supreme Court, New York County from Rocco Chilelli v. Intuit Inc. (filed May 13, 1998 in the New York Supreme Court, Nassau County); Glenn Faegenburg v. Intuit Inc. (filed May 27, 1998 in the New York Supreme Court, New York County); and Jerald M. Stein v. Intuit Inc. (filed June 23, 1998 in the New York Supreme Court, New York County)). The lawsuits were substantively similar. The lawsuits asserted breach of implied warranty claims, violations of federal and/or state consumer protection laws, and violations of various state business practices laws. The plaintiffs sought compensatory damages, disgorgement of profits, and (in some cases) attorneys' fees.

Intuit successfully had the original complaint and subsequent consolidated amended complaint dismissed with leave to amend. The plaintiffs then filed a third amended complaint and Intuit filed a demurrer in response to it, seeking dismissal of the complaint. On October 13, 1999 the court sustained Intuit's demurrer and dismissed the case without leave to amend. The only remaining issue relates to a potential award of attorneys' fees.

We also filed motions to dismiss in the New York actions and, on December 1, 1998, the court granted our motion to dismiss all the New York actions with prejudice. Although plaintiffs filed a Notice of Appeal, Intuit understands that plaintiffs failed to perfect the appeal. Accordingly, Intuit understands that this case is also now over.

In addition, a suit was filed in the Contra Costa County, California Superior Court by an individual consumer against various retailers, including Circuit City Stores, CompUSA, Fry's Electronics, Office Depot, The Good Guys and others, alleging that these retailers have sold software and hardware products which are not Year 2000 compliant, including at least one product published by Intuit. One of the defendants in this action, Fry's Electronics, filed a cross-complaint against various software publishers and hardware manufacturers, including Intuit, asserting a claim for indemnity in the main action. In September 1999, Fry's Electronics reached a settlement with the plaintiffs. All the cross defendants, including Intuit, then filed a demurrer to the cross-complaint. On Tuesday, December 7, 1999 the court granted the demurrer and dismissed the case without leave to amend. Unless Fry's Electronics appeals this ruling, this lawsuit against Intuit is also now over.

We are subject to other legal proceedings and claims that arise in the normal course of our business. We currently believe that the ultimate amount of liability, if any, for any pending actions (either alone or combined) will not materially affect our financial position, results of operations or liquidity. However, the ultimate outcome of any litigation is uncertain, and either unfavorable or favorable outcomes could have a material negative impact.

Regardless of outcome, litigation can have an adverse impact on Intuit because of defense costs, diversion of management resources and other factors.

10. RELATED PARTY TRANSACTIONS

As of October 31, 1999, we held approximately 19.6% of Checkfree's outstanding common stock. In exchange for providing connectivity between Checkfree's bill payment processing service and our Quicken products, we reported

revenues of $3.4 million and $5.7 million from Checkfree for the three months ended October 31, 1998 and 1999, respectively. We held a receivable due from Checkfree for $0.1 million and $2.2 million at July 31, 1999 and October 31, 1999, respectively.

As of October 31, 1999, we held a 49% non-voting equity interest in Venture Finance Software Corporation (VFSC). We have entered into agreements with VFSC to provide them with services related to on-going development of Web-oriented finance products. At October 31, 1999, we held a receivable due from VFSC for $6.7 million.

11. SUBSEQUENT EVENTS

On November 30, 1999, we completed a purchase of all of the outstanding common stock of Turning Mill Software, Inc. ("Turning Mill") for approximately $14.7 million in stock. Turning Mill is a developer of software and web based products based in Acton, MA. The acquisition will be treated as a purchase for accounting purposes and will be recorded in the second quarter of fiscal 2000.

On December 8, 1999, we completed the acquisition of Rock Financial Corporation, which was originally announced on October 7, 1999. Rock is a provider of online consumer mortgages. We acquired all of the outstanding stock of Rock for approximately 8.6 million shares of Intuit common stock as of the date of the closing. As part of the transaction, we also assumed all of Rock's outstanding options. We expect to incur expenses of between $7.0 and $10.0 million as a result of this merger. The acquisition will be accounted for as a pooling of interests. Intuit's historical financial statements will be restated to reflect the combination of Intuit and Rock for all periods.

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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 events and circumstances that have not yet occurred. For example, statements with words like "expect," "anticipate," or "believe" and statements in the future tense, are forward-looking statements. Investors should be aware that actual results may differ materially from our expectations because of risks and uncertainties about the future. We will not necessarily update information in this form 10-Q if any forward-looking statement later turns out to be inaccurate. Risks and uncertainties that may affect future results and performance include, but are not limited to the following: Our revenue and earnings are highly seasonal and our quarterly and annual financial results fluctuate significantly. We face intense competition from many companies in all of our business areas. We expect Microsoft to enter the personal tax preparation market in the 1999 tax year. In our online mortgage and insurance businesses, we face competition from newly public companies with additional financial resources. We must continue to establish and maintain important distribution relationships for our Internet-based products and services and successfully market and promote these products and services. We must maintain high reliability for our server-based Web services. Our Internet businesses face risks relating to customer privacy and security and increasing regulation. Our Internet businesses require significant research and development and marketing expenditures. Page views and reach statistics for our Quicken.com site can vary significantly from month to month due to seasonal trends, site performance, the timing of launches, competitors' activities and other factors. In order to succeed in the payroll business, we must continue to improve the integration of the operations of our payroll processing service provider and increase customer activations for our online payroll processing service. The technology and services of certain alliances for our QuickBooks Internet Gateway initiative still need to be completed and integrated with QuickBooks, and are subject to risks and uncertainties involved in the product development and sales and marketing implementation processes, including technological difficulties, possible delays, failure to establish necessary supplier and customer relationships, and availability of financial resources. The anticipated benefits of certain proposed small business services to Intuit will depend on the rate at which customers upgrade to the next version of QuickBooks, and we cannot predict the

upgrade rate. The success of the small business alliances will depend on establishing and maintaining a number of important business relationships, and there can be no assurance that key relationships will continue. Our tax products must follow a demanding and rigid annual development and release cycle. Our web-based tax preparation and electronic filing services must handle extremely heavy customer demand during the peak tax season. We face increasing competition for access to retail distribution channels. The integration of acquired companies poses ongoing operational challenges and risks. Our recent acquisitions have resulted in significant acquisition-related expenses. The QuickenMortgage business is subject to interest rate fluctuations, and the impact of interest rates on Intuit's operating results will become more significant as a result of the acquisition of Rock Financial. The acquisition of Rock Financial could have a negative impact on Intuit's relationships with other lenders that participate in the QuickenMortgage service. If we fail to provide responsive customer service and technical support, we could lose customers. We depend on a single manufacturer for all outsourced aspects of our primary retail product launches for fiscal 2000. Problems related to the Year 2000 could have a significant adverse effect on our operations. We hold investments that have been very volatile. Additional information about factors that could affect future results and events is included in the our fiscal 1999 Form10-K/A and other reports filed with the Securities and Exchange Commission.

OVERVIEW

Intuit's mission is to revolutionize the way individuals and small businesses manage their finances. As we execute our mission, we have embarked on a strategy to greatly expand the world of electronic finance. "Electronic finance" encompasses three types of products and services: (1) desktop software products, such as Quicken(R),

QuickBooks(R) and TurboTax(R), that operate on customers' personal computers to automate financial tasks; (2) products and services, such as Quicken.com(SM), QuickenMortgage(SM), QuickenInsurance(SM) and WebTurboTax(SM), that are delivered via the Internet; and (3) products and services, such as QuickBooks Online Payroll(SM) service, that connect Internet-based services with desktop software to enable customers to integrate their financial activities. Our revenues come primarily from the United States, Japan, Canada and the United Kingdom, through retail distribution channels, direct customer sales and via the Internet.

While desktop software and related products and services now provide most of our revenue, our Internet-based revenue is growing rapidly. For the three months ended October 31, 1999, Internet-based revenues grew by 119% compared to the same period last year and accounted for 19% of total revenue in the quarter ended October 31, 1999, compared to 13% in the prior year quarter. We use the term Internet-based revenue to include revenue from both Internet-enabled products and services as well as revenue from electronic distribution. Internet products and services include activities where the customer realizes the value of the goods or services directly on the Internet or an Intuit server. Internet product revenues include, for example, advertising revenues generated on our Quicken.com website, online tax preparation and electronic filing revenues, online payroll service revenue and transaction and processing fees from our online insurance and online mortgage services. Electronic distribution includes revenues generated by electronic ordering and/or delivery of traditional desktop software products and financial supplies. We also use the Internet to host our technical support website where we can quickly and cost-effectively provide patches for product bugs and provide customers with answers to frequently asked questions.

While we believe the Internet provides an opportunity to increase revenue in fiscal 2000, we also anticipate increased spending in an effort to capitalize on new business opportunities. In particular, we expect increased research and development expenses due to investments in Internet-based initiatives. We also anticipate increased selling and marketing expenses related to these initiatives and because of more intense competition in the personal tax market during fiscal 2000. While we have made significant progress in our Internet-based businesses, investors should be aware many of these businesses are in their initial stages, and are not yet generating significant revenue or profit. Since Internet-based revenues and expenses cut across all of our business divisions, we do not report results of our Internet-based businesses as a separate business segment in our financial statements. Instead, each of our business divisions reports Internet-based revenues and expenses that are specific to its operations and are included in its results.

Our business is highly seasonal. Sales of tax products are heavily concentrated from November through March. Sales of consumer finance and small business products are typically strongest during the year-end holiday buying season, and therefore our major product launches usually occur in the fall to take advantage of this customer buying pattern. These seasonal patterns mean that revenue is usually strongest during the quarters ending January 31 and April 30. We experience lower revenues for the quarters ending July 31 and October 31, while our operating expenses to develop and manage products and services continue to be incurred during these periods. These seasonal trends can result in significant operating losses, particularly in the July 31 and October 31

quarters when our revenues are lower. Operating results can also fluctuate for other reasons, such as changes in product release dates, non-recurring events such as acquisitions and dispositions, and product price cuts in quarters that have relatively high fixed expenses. Acquisitions and dispositions in particular can have a significant impact on the comparability of both our quarterly and yearly results, and acquisition-related expenses have had a negative impact on earnings.

RESULTS OF OPERATIONS

Set forth below are certain consolidated statements of operations data for the three-month periods ended October 31, 1998 and 1999. Investors should note that results for the three month periods ended October 31, 1999 include activity for our CRI subsidiary, which was acquired in May 1999. The corresponding year ago period did not include results for CRI (see Note 4).

Since the business of selling software and related services is considerably different from our supplies business, we break them out separately for financial reporting purposes.

NET REVENUE

<TABLE>
<CAPTION>

(Dollars in millions; unaudited)	THREE MONTHS ENDED OCTOBER 31, 1998	CHANGE	1999
<S>	<C>	<C>	<C>
Software and other	$ 88.4	53%	$135.2
% of revenue	79%		83%
Supplies	$ 23.6	18%	$ 27.9
% of revenue	21%		17%
Total	$112.0	46%	$163.1

</TABLE>

The following revenue discussion is categorized by our business divisions, which is how we examine results internally. Our domestic supplies business is considered a part of our small business division while the international supplies business is considered part of our international division (see Note 6).

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

- QuickBooks product line
- Supplies products (including checks, envelopes and invoices)
- Payroll related transaction and subscription fees
- Support fees for the QuickBooks Support Network

Overall, revenue for the division was up 67% for the three-month period ended October 31, 1999 compared to the same period a year ago. The increase was primarily a result of overall strength exhibited in QuickBooks products. The increased revenues from our QuickBooks product line were attributable to increased unit shipments in the three month period ended October 31, 1999 compared to the same quarter of the prior year, and a moderate increase in the average selling prices of the QuickBooks product driven by consumer preferences toward higher priced, greater functionality products. In addition, the acquisition of CRI in May 1999 and the launch of our QuickBooks Online Payroll Service in October 1998 provided additional revenue streams which were not a significant part of our overall business in the three month period ended October 31, 1998.

Domestic supplies revenues, which are part of the small business division, grew by 22% for the three month period ended October 31, 1999 as a result of our increasing base of small business customers who use QuickBooks and Quicken. In addition, we began charging for shipping and handling for domestic supplies shipments which also contributed to our domestic supplies revenue stream. Though they are a smaller component of small business division revenues, tax tables service revenue and revenue from our QuickBooks Support Network also grew substantially in the three months ended October 31, 1999 compared to the same period a year ago.

Our QuickBooks Online Payroll service is offered through our QuickBooks products (version 6.0 and QuickBooks 99) and handles all aspects of payroll processing, including calculation and electronic depositing of federal and state payroll tax withholdings, electronic direct deposit of paychecks, preparation and filing of quarterly and annual payroll tax returns and creation of employee W-2 forms. Our

CRI subsidiary provides the processing for QuickBooks Online Payroll and also continues to provide traditional payroll processing services for its customer base. While the payroll processing business provides us with a significant opportunity to generate revenue, there are business risks associated with the payroll processing business and the continued integration of CRI into our existing business model. For example, if we are unable to provide accurate and timely payroll information, cash deposits or tax return filings, that failure could be costly to correct and may have a significant negative impact on our ability to attract and retain customers, who we believe will have a low tolerance for payroll processing errors.

Our ability to successfully operate CRI will depend in part on retaining their existing customers and maintaining relationships with certain banks and other third parties who we will rely on to retain existing customers and attract new customers outside of our QuickBooks customer base. If we are unable to do so, it could result in a negative impact on our consolidated results.

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

- TurboTax and MacInTax personal tax preparation products
- Professional tax preparation products (ProSeries and Lacerte product lines)
- Electronic tax return preparation and filing fees

Due to the seasonal nature of the tax business, the first quarter normally generates very little revenue from tax products. The majority of tax division revenues generally occur in our second and third fiscal quarters.

The development and launch of our personal tax products for the 1999 tax year was completed on schedule, and products reached retail shelves in early December. However, there are still ongoing risks associated with our tax business including the risk of increased competition from Microsoft's expected entrance into the personal tax preparation market. If Microsoft enters the market, its superior financial resources and historically strong presence in retail distribution channels could result in an increasingly competitive environment this tax season and beyond. We also face continued competition from H&R Block's aggressively priced TaxCut product and the challenge of developing and launching high-quality products that accurately reflect new tax legislation. If the average selling price of our tax products were to decrease or if we were to lose significant market share as a result of increased future competition, our operating results would suffer. While we have undertaken product development and marketing efforts intended to address competitive pressures, revenues and operating results for this tax season will be unknown until late in the fiscal year.

In connection with our electronic filing services, we also face the challenge of maintaining service during peak volume service times. We experienced a brief interruption in our electronic filing services in February 1999 and on April 11-12, 1999, routine server maintenance procedures took longer than expected, resulting in a 14-hour outage for the electronic filing service. We do not believe this service outage had a material financial impact, prevented customers from completing and filing their returns in a timely manner, or posed a risk that customer data would be lost or corrupted. However, we did experience negative publicity. The exact level of demand for Web TurboTax and electronic filing for the 1999 tax year is very difficult to predict, and we could experience adverse financial and public relations consequences if these services are unavailable due to technical difficulties or other reasons.

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

- Quicken product line
- Advertising and sponsorship fees from the consumer areas of our Quicken.com website
- Implementation, marketing and transaction fees from financial institutions (including marketspace participants) providing services through Quicken and Quicken.com

Overall, consumer finance division revenues were up 27% for the three-month period ended October 31, 1999 compared to the same period a year ago. Quicken revenue increased compared to the same period of the prior year primarily due to strong consumer demand and the four week earlier launch of Quicken 2000 compared to the product release date in the prior year, and lower than expected product rebate redemptions related to Quicken 99. It is too early to determine whether Quicken 2000 will continue its strong revenue growth for the rest of the year.

Our Quicken product line faces many challenges in the desktop personal financial software market. For example, we continue to face competition from Microsoft's Money product. In addition, personal financial software functionality is

increasingly becoming available on the Internet at no cost, which has a negative impact on desktop

product sales. There is also an increasing emphasis on packaging desktop software with original equipment manufacturers' personal computers, which results in lower revenues per unit shipped.

Consumer division revenue growth also benefited from an increase in Internet-based revenue compared to the same period last year. This increase was largely due to higher advertising, sponsorship and transaction-related revenue through Quicken.com, QuickenMortgage, QuickenInsurance and Quicken. However, revenue growth was not uniform across all Internet product and service offerings in the Consumer division. For example, revenue from our QuickenMortgage marketspace has grown relatively rapidly while revenue from our QuickenInsurance marketspace has grown at a slower pace.

On December 8, 1999, we completed the proposed acquisition of Rock Financial Corporation, a provider of on-line consumer mortgages. We expect that this acquisition will allow us to manage the entire loan process, from application and approval through closing, which we believe will enable us to generate significantly more revenue per loan. We anticipate that Rock will perform loan processing functions similar to those provided by Mortgage.com under a Distribution, Marketing, Facilities and Services Agreement with Intuit. That agreement was terminated on October 7, 1999 and the services will be phased out over the next twelve months. Growth in mortgage transaction fees may be adversely impacted if interest rates continue to rise. The negative impact of interest rate increases could be exacerbated by the acquisition of Rock because of our increased fixed cost infrastructure. In addition, the acquisition of Rock will result in new business risks and integration challenges common in all acquisitions. For example, our ability to successfully facilitate the application, approval, and closing process in loan applications on a timely basis will have a significant impact on our ability to attract customers to the service. Our ability to successfully operate Rock will depend in part on maintaining relationships with certain banks and other third parties who we will rely on to provide access to capital, and later, service the loans. If we are unable to do so, it could have a negative impact on our consolidated results.

The rapid growth we've experienced in our Internet products and services has been generated in part by collaborating with third party online service and content providers such as At Home Corporation (doing business as "Excite@Home") and AOL, which have helped to increase traffic to our Quicken.com website. The Excite@Home agreement calls for us to share revenue generated from our Quicken.com site and the AOL agreement calls for us to make significant guaranteed payments to AOL over the term of the agreement. While the Internet provides a significant opportunity for revenue growth, our financial commitments to these and other third party providers are significant and we must continue to increase traffic and revenue in order for our Internet businesses to become profitable. Our ability to maintain important relationships with distributors and content providers will also have an impact on traffic and revenues. If our website traffic and revenue expectations aren't met, there could be a significant negative impact on our operating results.

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 and QuickBooks products

In addition to the above, we also operate in smaller European, Asian and Latin American markets. Overall, international division revenues increased 36% for the three-month period ended October 31, 1999 compared to the same period last year. This increase is a result of stronger sales of Quicken and QuickBooks in both Canada and the U.K., and favorable currency fluctuations in Japan.

COST OF GOODS SOLD

<TABLE>
<CAPTION>

(Dollars in millions; unaudited)	THREE MONTHS ENDED OCTOBER 31, 1998	CHANGE	1999
<S>	<C>	<C>	<C>
Product	$35.2	55%	$54.7
% of revenue	31%		34%

Amortization of purchased software & other ..	$ 1.8	33%	$ 2.4
% of revenue	2%		1%
Total	$37.0	54%	$57.1
% of revenue	33%		35%

</TABLE>

There are two components of cost of goods sold. The largest is the direct cost of manufacturing and shipping products and offering services. The second component is the amortization of purchased software, which is the cost of products obtained through acquisitions. Total cost of goods sold increased to 35% of revenue for the three months ended October 31, 1999 compared to 33% for the same period of the prior year. This increase is primarily attributable to two factors. First, consistent with our growing Internet-based business, we are experiencing a significant increase in related hardware and infrastructure costs as we purchase equipment to increase our Internet capability. These costs are classified as cost of goods sold and, as a percentage of revenue, are significantly higher than the costs of goods sold for our traditional desktop software business. Second, our service businesses, such as payroll processing and QuickBooks Support Network, generally have higher cost of goods sold than packaged software. As these businesses grow to a higher proportion of total revenue, we anticipate that our cost of goods sold will increase. If we experience errors in current or future products, there could be incremental increases in cost of goods sold that could adversely affect our operating results.

OPERATING EXPENSES

<TABLE>
<CAPTION>

	THREE MONTHS ENDED OCTOBER 31,		
(Dollars in millions; unaudited)	1998	CHANGE	1999
<S>	<C>	<C>	<C>
Customer service & technical support	$29.8	15%	$34.3
% of revenue	27%		21%
Selling & marketing	$45.1	28%	$57.6
% of revenue	40%		35%
Research & development	$33.7	24%	$41.7
% of revenue	30%		26%
General and administrative	$13.5	39%	$18.7
% of revenue	12%		11%
Charge for purchased research and development	$ --	N/A	$ 1.3
% of revenue	N/A		1%
Other acquisition costs, including amortization of goodwill and purchased intangibles	$21.0	73%	$36.4
% of revenue	19%		22%
Other acquisition related costs - amortization of deferred compensation	$ --	N/A	$ 0.7
% of revenue	N/A		0%

</TABLE>

While all operating expenses experienced increases for the three months ended October 31, 1999, compared to the same period of the prior year, our percentage growth in revenues was greater than the percentage growth in our operating expenses across all areas except acquisition related costs. As a result, operating expenses as a percentage of revenues experienced significant declines. It is too early to determine whether growth in revenues will continue to exceed the growth in operating expenses for the rest of the year.

Customer Service and Technical Support. Customer service and technical support expenses decreased to 21% of revenue for the three months ended October 31, 1999 compared to 27% for the same period of the prior year. In addition to the less rapid growth of all operating expenses compared to revenues, this improvement reflects the acquisition of CRI which experiences comparatively lower customer service and technical support expenses as a percentage of revenue. We have also benefited from our efforts to provide customer service and technical support less expensively through websites and other electronic means. During the second and third quarters of fiscal 1999, many customers experienced unusually long hold times for customer service calls. We may need to increase customer service and technical support expenses as a percentage of revenue in the remainder of fiscal 2000, in order to improve customer service levels and also to handle customer questions relating to Year 2000 compliance issues. To date, call

volumes related to Year 2000 issues have been lower than we expected. It's possible that we will receive a large volume of Y2K calls later in the second quarter. See "Year 2000," below. We also expect a significant increase in call volumes during the second quarter related to major product launches by our tax and small business divisions. If these potential increases in call volume overlap to any significant extent, or if we experience product errors, poor service levels or service outages for our web-base products, we could face significant capacity problems and increased customer service and technical support expenses, as well as customer dissatisfaction.

Selling and Marketing. Selling and marketing expenses were 35% of revenue for the three months ended October 31, 1999 compared to 40% for the same period of the prior year. In addition to the less rapid growth of all operating expenses compared to revenues, this decrease is also the result of our acquisition of CRI, which experiences comparatively lower selling and marketing expenses as a percentage of revenue. Despite the decrease in selling and marketing expenses as a percentage of revenue in the first quarter of fiscal 2000, compared to the first quarter of fiscal 1999, we expect selling and marketing costs as a percentage of revenue to increase slightly in fiscal 2000 compared to fiscal 1999. We anticipate increased selling and marketing expenses related to our Internet-based businesses, and as a result of more intense competition in the personal tax market during fiscal 2000.

Research and Development. Research and development expenses decreased to 26% of revenue for the three months ended October 31, 1999 compared to 30% for the same period of the prior year. In addition to the less rapid growth of all operating expenses compared to revenues, this decrease is due in part to our acquisition of CRI which experiences comparatively lower research and development expenses as a percentage of revenue. We expect our Internet-based businesses will continue to result in significant development expenses in fiscal 2000, despite lower expenses as a percentage of revenue for the three months ended October 31, 1999. If such expenses exceed our current expectations, they may have an adverse effect on operating results. This could occur, for example, if we were to undertake a costly product development venture in response to competitive pressures or other market conditions.

General and Administrative. General and administrative expenses decreased to 11% of revenue for the three months ended October 31, 1999 compared to 12% for the same period of the prior year. For fiscal 2000, we expect general and administrative expenses to remain roughly flat as a percentage of revenue compared to fiscal 1999.

Charge for Purchased Research and Development. For the three months ended October 31, 1999, we recorded a charge for purchased research and development as a result of our Boston Light and Hutchison acquisitions. In connection with these acquisitions, we used third party appraisers' estimates to determine the value of in-process projects under development for which technological feasibility had not been established. The total value of these projects at the time of the acquisitions was determined to be approximately $1.3 million and has been expensed in the three months ended October 31, 1999. The value of the projects was determined by estimating the costs to develop the in-process technology into commercially feasible products, estimating the net cash flows we believed would result from the products and discounting these net cash flows back to their present value. We believe the products related to these charges will be completed during our fiscal year 2000, and that the risk of these products not being successfully completed is low. However, if they are not successfully completed, there could be a negative impact on our results.

Other Acquisition Costs. Other acquisition costs include the amortization of goodwill and purchased intangibles and deferred compensation costs that are recorded as part of an acquisition. These costs increased to $37.0 million for the three months ended October 31, 1999 compared to $21.0 million for the same period of the prior year. This

increase was primarily attributable to the amortization of intangibles associated with our acquisition of CRI in May 1999, and our acquisitions of Secure Tax, Boston Light and Hutchison in August 1999.

The high levels of non-cash amortization expense related to completed acquisitions will continue to have a negative impact on operating results in future periods. Assuming no additional acquisitions and no impairment of value resulting in an acceleration of amortization, future amortization will reduce net income by approximately $97.9 million, $88.8 million, $85.7 million and $56.2 million for the years ending July 31, 2000 through 2003, respectively. If we complete additional acquisitions or accelerate amortization in the future, there could be an incremental negative impact on operating results.

OTHER INCOME

For the three months ended October 31, 1999, interest and other income and expense, net, increased to $8.5 million compared to $3.3 million for the same period a year ago, reflecting increased cash and short-term investment balances. We have elected to report our Excite@Home common stock as a trading security and

are required to mark to market the fluctuations in the stock price and report the fluctuations in our earnings. For the three months ended October 31, 1999, we reported a loss arising from fluctuations in the share price of Excite@Home of $17.3 million. In the same period a year ago, we did not report a gain or a loss for changes in the market value of Excite, Inc. ("Excite"), one of the predecessor companies of Excite@Home in our earnings, since that security was not classified as a trading security.

INCOME TAXES

For the three months ended October 31, 1999, we recorded an income tax benefit of $31.8 million on a pretax loss of $93.5 million. This compares to an income tax benefit of $15.5 million on a pretax loss of $64.7 million for the same period of the prior year. At October 31, 1999, there was a valuation allowance of $11.6 million for tax assets of our international subsidiaries based on management's assessment that we may not receive the benefit of certain loss carryforwards.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 1999, our unrestricted cash and cash equivalents totaled $286.4 million, a $231.9 million decrease from July 31, 1999. The decrease was a result of net cash used by operations and investing activities, partially offset by cash provided by financing activities. It was driven by the seasonality of our business, which typically results in the majority of net revenues and cash receipts occurring in the January and April quarters, though operating expenses are incurred throughout the year.

Our operations used $59.1 million in cash during the three months ended October 31, 1999. Primary uses of cash included the net loss of $61.7 million, an increase in accounts receivable of $23.6 million as well as a significant decrease in income taxes payable as a result of the payment of taxes for our fiscal year ended July 31, 1999. The increase in accounts receivable was attributable to revenue growth for the three months ended October 31, 1999. Uses of cash were offset by adjustments made for non-cash expenses such as acquisition charges and depreciation, the loss from our trading security Excite@Home. We also experienced significant decreases in prepaid expenses,

accrued liabilities and deferred revenue. Decreases in prepaid expenses resulted from the completion of acquisitions in the first quarter, while the increase in accrued liabilities was driven by increased product returns reserves for the September 1999 launch of Quicken 2000. The increase in deferred revenues was due primarily to the increase in professional tax product orders which will ship at a later date.

Investing activities used $185.6 million in cash for the three months ended October 31, 1999. Uses of cash included net purchases of short-term investments, in addition to purchases of property and equipment. Property and equipment purchases during the quarter were made to support our ongoing operations, information system upgrades and our growing Internet-based businesses. We also used $54.6 million in cash for our acquisitions of Boston Light, SecureTax and Hutchison.

We currently hold investments in a number of publicly traded companies (see Note 1). The volatility of the stock market and the potential risk of fluctuating stock prices may have an impact on our future liquidity. Due to our reporting of the Excite@Home shares as a trading security, future fluctuations in the carrying value of Excite@Home will impact our earnings (see Note 1). If future declines in our other marketable securities are deemed to be permanent, they will also impact our earnings.

Financing activities provided $12.8 million in the first quarter, primarily attributable to proceeds from the exercise of employee stock options.

In connection with our acquisition of CRI (see Note 4), we are required to pay three annual installments of $25 million in each of the next three fiscal years. In the normal course of business, we enter into leases for new or expanded facilities in both domestic and international locations. We also evaluate the merits of acquiring technology or businesses, or establishing strategic relationships with and investing in other companies. Accordingly, it is possible that we may decide to use cash and cash equivalents to fund such activities in the future. For example, if we exercise our option to purchase VFSC (see Note 10) and elect to pay all or a significant portion of the exercise price in cash, this would have a negative impact on our liquidity.

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

The following is a Year 2000 readiness disclosure under the Year 2000 Information and Readiness Disclosure Act.

Intuit has established a Year 2000 Project Office to address the impact of the year 2000 date transition on its operations, products and services globally. In 1998, we established this office to coordinate a number of existing projects and put in place a formal, structured year 2000 process moving forward. The Project Office has a dedicated Program Manager who reports directly to Intuit's senior management, and status is reported regularly to the Audit Committee of Intuit's Board of Directors.

We have adopted a five-phase approach that we believe follows standard industry practices for reviewing and preparing the significant elements of operations, products and services for the Year 2000 date transition. Phase One (initiation) involves increasing company awareness by educating and involving all appropriate levels of management regarding the need to address Year 2000 issues. Phase Two (inventory) consists of identifying all of our systems, products and relationships that may be impacted by Year 2000. Phase Three (assessment) involves determining our current state of Year 2000 readiness for those areas identified in the inventory phase and prioritizing areas that need to be fixed. Phase Four (action) consists of developing Year 2000 solutions where required, and completing a comprehensive test cycle for all appropriate inventoried items. Phase Five (implementation) consists of rolling out Year 2000 solutions for affected products, services and technologies and implementing maintenance and support processes to maintain ongoing compliance.

As a software developer, we have three key areas of focus: (1) our products and services; (2) our internal systems (including information technology systems such as financial and order entry systems and non-information technology systems such as phones and facilities); and (3) the readiness of third parties with whom we have significant business relationships. Substantially all of our efforts in the product area have now completed the implementation phase and our efforts are primarily focused on providing our customer base with confirmation of product compliance and remediation options, where required. Remaining efforts in the product area are expected to be completed by December 31, 1999. Customers can find Intuit's Year 2000 Readiness Disclosure about our products, and order free solutions, where required, on our Corporate Year 2000 Resource Center at www.intuit.com/y2k. Substantially all of the action and implementation efforts for the majority of our internal systems have been completed and remaining efforts in the internal systems area are expected to be completed by December 31, 1999. As most companies are experiencing, there is an extensive on-going maintenance effort required to continually review the compliance statements of our software and hardware vendors and to verify that our technology remains compliant. We will continue to work with our third party vendors to review the status of their efforts and have dedicated considerable time and effort on testing activities with our key vendors. We are not currently aware of any material Y2K issues with key third parties that are likely to affect us. However, this understanding is based on information they have provided to us, and it is difficult to get a definitive understanding of the Y2K status of any third parties.

Costs directly attributed to our Year 2000 project were approximately $6.5 million in fiscal 1999. This figure is comprised primarily of hardware, software, internal resources and consulting fees necessary for our Year 2000 testing activities during fiscal 1999. We currently anticipate direct costs in the range of $10 to $16 million for fiscal year 2000, resulting from the completion of the project phases and the transition into an ongoing maintenance and support activity in fiscal year 2000. We believe that the nature of our products and the size and profile of our customer base is likely to lead to a significant increase in the calls to our customer support centers throughout the remainder of calendar 1999 and early 2000. These support operations may experience call volumes not experienced to date and we have developed plans that should allow us to handle the increases in calls that we have internally forecasted. If call levels and the timing of calls are consistent with our forecasts, we do not expect to incur material incremental costs related to Y2K call volume. To date, call volumes have been lower than our forecast. We are unable to determine what portion of the additional forecasted calls may come later in the year (in which case we could face significant capacity problems because of resource constraints), and what portion of the calls will not come at all (for customers who do not experience any Y2K problems). In parallel, we have initiated a number of proactive communications to our customer base and the media in an attempt to increase Y2K awareness concerning our products and services and reduce the likelihood of unanticipated end of year demand for Y2K solutions and/or technical support. Our ability to handle significant volumes of Y2K-related calls may also be impacted by additional resources required to support major product launches by our tax and small business divisions, which are taking place during our second fiscal quarter. Additionally, there will be costs associated with the manufacture and distribution of free solutions for products that are not Year 2000 compliant or in certain cases that will not be tested for Year 2000 compliance. We believe the provision of free solutions may result in lost revenue for new product upgrades to within a range of $10 to $17 million, although the exact amount will depend on customer response to the Year 2000 issue.

In an effort to reduce the risks associated with the Year 2000, we have incorporated contingency planning as part of our five-phase plan, building upon disaster recovery and contingency planning that we already have in place. This includes identifying areas where we are most vulnerable to Year 2000 risk and putting contingency plans in place before we experience potential failures. Despite our establishment of contingency plans throughout the company, we may not anticipate or adequately provide for all contingencies.

Although we are dedicating substantial resources toward attaining Year 2000 readiness, there is no assurance that we will be successful in our efforts to address Year 2000 issues. If we are not successful, there could be significant adverse effects on our operations. For example, failure to achieve Year 2000 readiness for our internal systems could delay our ability to manufacture and ship products, disrupt our customer service and technical support facilities, or interrupt customer access to our online products and services. If our products are not Year 2000 ready, we could suffer lost sales or other negative consequences resulting from customer dissatisfaction, including additional litigation (see discussion below). We also rely heavily on third parties such as manufacturing suppliers, service providers, financial institutions and a large retail distribution channel. If these or other third parties experience Year 2000 failures or malfunctions, there could be a material negative impact on our ability to conduct ongoing operations. Many of our products are significantly interconnected with heavily regulated financial institutions. Our relationships with financial institutions could be adversely impacted if we do not achieve Year 2000 readiness in a manner and on a time schedule that permits them to comply with regulatory requirements. We may also incur additional costs if we are required to accelerate our Year 2000 readiness to meet financial institution requirements. As with all companies, we also rely on other more widely used entities such as government agencies, public utilities and other external forces common to business and industry. Consequently, if such entities were to experience Year 2000 failures, this could disrupt our ability to conduct ongoing operations.

Several class action lawsuits were filed against Intuit in California and New York, alleging Year 2000 issues with the online banking functionality in certain versions of our Quicken products but these lawsuits were dismissed by the courts. It is possible that we will face additional lawsuits. We continue to work with financial institutions to provide solutions to their current online banking customers and have made such solutions available before customers experience any Year 2000 problems. See "Legal Proceedings" for more information.

The above discussion regarding costs, risks and estimated completion dates for the Year 2000 is based on our best estimates given information that is currently available, and is subject to change. As we continue to progress with this initiative, we may discover that actual results will differ materially from these estimates.

ITEM 3
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

SHORT-TERM INVESTMENT PORTFOLIO

We do not hold derivative financial instruments in our short-term investment portfolio. Our short-term investments consist of instruments that meet high quality standards consistent with our investment policy. This policy dictates that we diversify our holdings and limit our short-term investments to a maximum of $5 million to any one issuer. Our policy also dictates that all short-term investments mature in 30 months or less.

MARKETABLE SECURITIES

We also carry significant balances in marketable equity securities as of October 31, 1999. These securities are subject to considerable market risk due to their volatility. See Note 1 of the financial statement notes for more information regarding risks related to our investments in marketable securities.

IMPACT OF FOREIGN CURRENCY RATE CHANGES

During fiscal 1999, the currency of our Japanese subsidiary strengthened while the currencies of our other subsidiaries remained essentially stable. As of October 31, 1999, the currency of our Japanese subsidiary has continued to strengthen and the currencies of our other subsidiaries have remained essentially stable since the end of our 1999 fiscal year. Because we translate foreign currencies into U.S. dollars for reporting purposes, currency fluctuations can have an impact, though generally immaterial, on our results. We believe that our exposure to currency exchange fluctuation risk is

insignificant, primarily because our international subsidiaries invoice customers and satisfy their financial obligations almost exclusively in their local currencies. For the quarter ended October 31, 1999, there was an immaterial currency exchange impact from our intercompany transactions. Currency exchange risk is also minimized since foreign debt is due almost exclusively in local foreign currencies. As of October 31, 1999, we did not engage in foreign currency hedging activities.

PART II
ITEM 1
LEGAL PROCEEDINGS

Intuit was a defendant in the following two consolidated class action lawsuits which alleged that certain of its Quicken products have on-line banking functions that are not Year 2000 compliant: (1) In re Intuit Inc. Year 2000 California Litigation (consolidated in Santa Clara County, California Superior Court from Alan Issokson v. Intuit Inc. (filed April 29, 1998 in the Santa Clara County, California Superior Court); Joseph Rubin v. Intuit Inc. (filed May 27, 1998 in the Santa Clara County, California Superior Court); Donald Colbourn v. Intuit Inc. (filed June 4, 1998 in the San Mateo County, California Superior Court)); and (2) In re Intuit Inc. Year 2000 Litigation (consolidated in the New York Supreme Court, New York County from Rocco Chilelli v. Intuit Inc. (filed May 13, 1998 in the New York Supreme Court, Nassau County); Glenn Faegenburg v. Intuit Inc. (filed May 27, 1998 in the New York Supreme Court, New York County); and Jerald M. Stein v. Intuit Inc. (filed June 23, 1998 in the New York Supreme Court, New York County)). The lawsuits were substantively similar. The lawsuits asserted breach of implied warranty claims, violations of federal and/or state consumer protection laws, and violations of various state business practices laws. The plaintiffs sought compensatory damages, disgorgement of profits, and (in some cases) attorneys' fees.

Intuit successfully had the original complaint and subsequent consolidated amended complaint dismissed with leave to amend. The plaintiffs then filed a third amended complaint and Intuit filed a demurrer in response to it, seeking dismissal of the complaint. On October 13, 1999 the court sustained Intuit's demurrer and dismissed the case without leave to amend. The only remaining issue relates to a potential award of attorneys' fees.

We also filed motions to dismiss in the New York actions and, on December 1, 1998, the court granted our motion to dismiss all the New York actions with prejudice. Although plaintiffs filed a Notice of Appeal, Intuit understands that plaintiffs failed to perfect the appeal. Accordingly, Intuit understands that this case is also now over.

In addition, a suit was filed in the Contra Costa County, California Superior Court by an individual consumer against various retailers, including Circuit City Stores, CompUSA, Fry's Electronics, Office Depot, The Good Guys and others, alleging that these retailers have sold software and hardware products which are not Year 2000 compliant, including at least one product published by Intuit. One of the defendants in this action, Fry's Electronics, filed a cross-complaint against various software publishers and hardware manufacturers, including Intuit, asserting a claim for indemnity in the main action. In September 1999, Fry's Electronics reached a settlement with the plaintiffs. All the cross defendants, including Intuit, then filed a demurrer to the cross-complaint. On Tuesday, December 7, 1999 the court granted the demurrer and dismissed the case without leave to amend. Unless Fry's Electronics appeals this ruling, this lawsuit against Intuit is also now over.

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

ITEM 2
CHANGES IN SECURITIES AND USE OF PROCEEDS

(a) On September 8, 1999, our Board of Directors declared a three-for-one stock split, to be effected as a stock dividend of two shares of common stock for each share of Intuit's common stock outstanding. Stockholders of record on September 20, 1999 were issued two additional shares of common stock for each share of Intuit's common stock held on that date. The payment date for the stock dividend was September 30, 1999.

(b) On December 1, 1999, we amended our Certificate of Incorporation to increase the authorized shares of common stock to 750,000,000 shares. This amendment was approved by stockholders on November 30, 1999 (see Item 4 below). The Board has the right to determine when and on what terms shares of the newly authorized common stock will be issued. Existing stockholders will not have any rights to purchase any newly issued shares in order to maintain their proportionate ownership interests. If Intuit issues additional shares of common stock or securities convertible into common stock in the future, it would dilute the voting rights of existing stockholders and could also dilute earnings per share and book value per share of existing stockholders. The increase in authorized common stock could discourage or hinder efforts by other parties to obtain control of Intuit.

(c) On August 2, 1999 we issued 299,940 shares of our common stock as partial consideration for our acquisition of Boston Light Software Corporation, a Massachusetts corporation that provides electronic commerce tools for small businesses. Intuit issued these shares to five principal stockholders in connection with the merger transaction in which Boston Light became a wholly-owned subsidiary of Intuit. The shares issued in this transaction were issued without registration under the 1993 Act in reliance on an exemption under Section 3(a)(10) of the 1933 Act, after a hearing on the fairness of the transaction. The California Department of Corporations issued a Permit for Qualification of the Securities under Section 25121 of the California Corporate Securities Law of 1968.

ITEM 4
SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At Intuit's Annual Meeting of Stockholders on November 30, 1999, our stockholders voted on the following proposals:

1. Proposal to elect directors:

	For	Withheld	Unvoted
Christopher W. Brody	172,997,600	102,820	0
William V. Campbell	172,997,750	102,670	0
Scott D. Cook	172,997,750	102,670	0
L. John Doerr	172,997,600	102,820	0
Donna L. Dubinsky	172,997,474	109,946	0
Michael R. Hallman	172,997,000	103,420	0
William H. Harris, Jr.	172,968,597	131,823	0
Burton J. McMurtry	172,944,403	106,017	0

2. Proposal to amend Intuit's Certificate of Incorporation to increase the number of shares of authorized common stock by 500,000,000 shares:

For	161,413,642
Against	11,534,561
Abstain	152,217
Unvoted	0

3. Proposal to amend Intuit's Certificate of Incorporation to (i) increase the number of shares of authorized preferred stock by 3,655,082 shares; and (ii) eliminate all authorized Series A Preferred Stock:

For	70,995,629
Against	78,438,619
Abstain	166,111
Unvoted	23,500,061

4. Proposal to amend Intuit's 1993 Equity Incentive Plan to increase the number of shares of common stock available for issuance thereunder by 8,900,000 shares:

For	96,326,401
Against	76,585,036
Abstain	188,983
Unvoted	0

5 Proposal to amend Intuit's 1996 Employee Stock Purchase Plan to increase the number of shares of common stock available for issuance thereunder by 400,000 shares:

For	171,262,828
Against	1,685,669
Abstain	151,923
Unvoted	0

6. Proposal to amend Intuit's 1996 Directors Stock Option Plan to (i) increase the number of shares of common stock available for issuance thereunder by 100,000 shares; (ii) increase the size of future option grants to reflect our recent 3-for-1 stock split; and (iii) lengthen the vesting period for future option grants:

For	129,538,463
Against	43,360,663
Abstain	201,294
Unvoted	0

7. Proposal to ratify the selection of Ernst & Young LLP as Intuit's independent auditors for fiscal 2000:

For	172,921,061
Against	80,192
Abstain	99,167
Unvoted	0

ITEM 6
EXHIBITS AND REPORTS ON FORM 8-K

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

2.01(1) Agreement and Plan of Merger among Intuit, Merger Sub 1, Inc., Merger Sub 2, Inc., Rock Financial Corporation and Title Source, Inc., dated October 6, 1999 (schedules and similar attachments will be furnished to the Commission upon request)

2.02* Non-Competition Agreement by and among Intuit, Rock Financial Corporation and Daniel Gilbert, dated October 6, 1999

3.01(2) Certificate of Increase of Series B Junior Participating Preferred Stock dated November 9, 1999

3.02(2) Certificate of Amendment to Intuit's Certificate of Incorporation dated November 30, 1999

3.03(2) Second Amended and Restated Rights Agreement, dated October 15, 1999

10.01(2) Rock Financial Corporation Amended and Restated 1996 Stock Option Plan and related documents

10.02(3)	Intuit Inc. 1993 Equity Incentive Plan and related documents, as amended through November 30, 1999
10.03(4)	Intuit Inc. 1996 Employee Stock Purchase Plan, as amended through November 30, 1999
10.04(5)	Intuit Inc. 1996 Directors Stock Option Plan, and related documents, as amended through November 30, 1999
10.05(6)	Boston Light Software Corp. 1999 Amended and Restated Stock Option/Stock Issuance Plan and related documents
10.06(7)	The Hutchison Avenue Software Corporation Stock Option Plan and related documents
27.01*	Financial Data Schedule (filed only in electronic format)

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* Filed with this Form 10-Q

(1) Filed as an exhibit to Intuit's Form S-4 registration statement (file no. 333-90393), filed with the Commission on November 5, 1999 and incorporated by reference

(2) Filed as an exhibit to Intuit's Form S-8 registration statement (file no. 333-92503), filed with the Commission on December 10, 1999 and incorporated by reference

(3) Filed as an exhibit to Intuit's Form S-8 registration statement (file no. 333-92517), filed with the Commission on December 10, 1999 and incorporated by reference

(4) Filed as an exhibit to Intuit's Form S-8 registration statement (file no. 333-92513), filed with the Commission on December 10, 1999 and incorporated by reference

(5) Filed as an exhibit to Intuit's Form S-8 registration statement (file no. 333-92515), filed with the Commission on December 10, 1999 and incorporated by reference

(6) Filed as an exhibit to Intuit's Form S-8 registration statement (file no. 333-84385), filed with the Commission on August 2, 1999 and incorporated by reference

(7) Filed as an exhibit to Intuit's Form S-8 registration statement (file no. 333-85349), filed with the Commission on August 17, 1999 and incorporated by reference

(b) REPORTS ON FORM 8-K:

(1) On September 14, 1999, Intuit filed a report on Form 8-K to report under Item 5 that on September 9, 1999, its Board of Directors had declared a three-for-one stock split, to be effected as a stock dividend.

(2) On September 24, 1999, Intuit filed a report on Form 8-K to report under Item 5 that its President and Chief Executive Officer had resigned, and that its current Chairman had been named as Acting Chief Executive Officer pending selection of a new Chief Executive Officer.

(3) On November 24, 1999, Intuit filed a report on Form 8-K to report under Item 5 its financial results for the quarter ended October 31, 1999. Intuit's balance sheet and statement of operations as of and for the three months ended October 31, 1998 and 1999 were included in the Form 8-K.

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: December 14, 1999 By: /s/ Greg J. Santora

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

EXHIBIT INDEX

Exhibit Number	Description	Page
2.02	Non-Competition Agreement by and among Intuit, Rock Financial Corporation and Daniel Gilbert, dated October 6, 1999..	
27.01	Financial Data Schedule (filed only in electronic format)..............................	

EXHIBIT 2.02

NON-COMPETITION AGREEMENT

This Non-Competition Agreement (this "AGREEMENT") is made and entered into as of October 6, 1999 (the "EXECUTION DATE") by and among Intuit Inc., a Delaware corporation ("INTUIT") and Rock Financial Corporation, a Michigan corporation ("ROCK"), on the one hand, and Daniel Gilbert ("EMPLOYEE"), on the other hand.

R E C I T A L S

A. Concurrently with the execution of this Agreement, Intuit, Merger Sub 1, Inc., a Michigan corporation that is a wholly-owned subsidiary of Intuit ("MERGER SUB 1") and Rock have entered into an Agreement and Plan of Merger dated as of October 6, 1999 (the "PLAN"), which provides, among other things, for the merger (the "MERGER") of Merger Sub 1 with and into Rock, with Rock to be the surviving corporation of the Merger. Upon the effectiveness of the Merger, the outstanding capital stock of Rock will be converted into shares of Intuit Common Stock and the outstanding Rock stock options will be converted into options to purchase shares of Intuit Common Stock, in the manner and on the basis set forth in the Plan. Capitalized terms that are used in this Agreement and that are not defined herein shall have the same respective meanings that are given to such terms in the Plan.

B. Employee owns Common Stock of Rock and is an officer, director and key employee of Rock, and upon the effectiveness of the Merger, will receive shares of Intuit Common Stock having substantial value by virtue of the conversion of Employee's Rock Common Stock in the Merger. Employee's talents and abilities are critical to Rock's ability to continue to successfully to carry on its business.

C. One of the material conditions precedent to the obligation of Intuit to consummate the Merger under the Plan is that Employee has executed, entered into and is bound by this Agreement with Intuit and Rock. Employee is therefore entering into this Agreement as a material inducement and consideration to Intuit to enter into the Plan, to issue the consideration payable to Employee and the other Rock shareholders in the Merger and to consummate the Merger, and to ensure that Intuit effectively acquires the goodwill of Rock through the Merger.

NOW, THEREFORE, in consideration of the facts stated in the foregoing recitals and the promises made herein, Intuit, Rock and Employee hereby agree as follows:

1. EFFECTIVENESS OF OBLIGATIONS. This Agreement shall become effective if and only if the Merger is consummated, and shall become effective upon the date and time that the Merger is consummated and becomes legally effective (such date and time being hereinafter referred to as the "EFFECTIVE TIME").

2. CERTAIN DEFINITIONS.

(a) Affiliate. As used herein, the term "AFFILIATE" will have the meaning given to such term in Rule 405 of Regulation C promulgated under the Securities Act of 1933, as amended, and refers both to a present and future Affiliate.

(b) Competing Business. As used herein, the term "COMPETING BUSINESS" means any business that is competitive with (i) any material element of Rock's business as conducted at the Effective Time and (ii) any financial service or product offered, in whole or in part, over the Internet or any other electronic network, including without limitation any cable-based network or private network, or offered through call centers, that is marketed or developed by Intuit (or any of its Affiliates) any time during Employee's employment by Intuit (or any of its Affiliates) and such marketing or development, as applicable, has not been discontinued at the applicable time and which was, at any time during the time that Employee was employed by Intuit (or any of its Affiliates), either (a) in whole or in part within the scope of Employee's material employment duties at the time with Intuit (or any of its Affiliates) or (b) was at any time during the time of such employment, a matter with respect to which Employee gained substantial knowledge in connection with his employment with Intuit (or any of its Affiliates) (the businesses described in clause (ii) hereof being hereafter referred to as "INTUIT BUSINESSES").

(c) Covenant Period. As used herein, the term "COVENANT PERIOD" means that period of time commencing on the Effective Time and ending on the

fourth (4th) anniversary of the Effective Time.

(d) Engaging in Business. As used in Section 3 of this Agreement and in this Section 2(d), each of the following activities shall be deemed to constitute "ENGAGING IN A BUSINESS (INCLUDING THE COMPETING BUSINESS)": to engage in, carry on, work with, be employed by, consult for, invest in, solicit customers for, own stock or any other equity or ownership interest in, advise, lend money to, guarantee the debts or obligations of, contribute, sell or license intellectual property to, or permit one's name or any part thereof to be used in connection with, any enterprise or endeavor, either individually, in partnership or in conjunction with any person, firm, association, partnership, joint venture, limited liability company, corporation or other business, whether as principal, agent, stockholder, lender, partner, joint venturer, member, director, officer, employee or consultant. However, nothing contained in this Agreement shall prohibit Employee from: (i) being employed by or serving as a consultant to Intuit (or any other Affiliate of Intuit); (ii) acquiring or holding at any one time less than two percent (2%) of the outstanding securities of any publicly traded company (other than any publicly traded company with respect to which Employee otherwise engaged in any business (as defined in this Section) in violation of Employee's covenants in Section 3 hereof); (iii) holding stock of Intuit; or (iv) acquiring or holding an interest in a mutual fund, limited partnership, venture capital fund or similar investment entity of which Employee is not an employee, officer or general partner and has no power to make, participate in or directly influence the investment decisions of such mutual fund, limited partnership, venture capital fund or investment entity.

(e) Surviving Corporation. As used herein, the term "SURVIVING Corporation" means Rock, the surviving corporation of the Merger.

3. NON-COMPETITION AND NON-SOLICITATION COVENANTS.

(a) Non-Competition. Employee hereby covenants and agrees with Intuit and Rock that, at all times during the Covenant Period, Employee shall not, either directly or indirectly, engage in any Competing Business (i) in any state of the United States of America, (ii) in any foreign country in which Rock has conducted business on or before the Effective Time or thereafter during the time that Employee is employed by Intuit (or any Affiliate of Intuit) (including, without limitation, any county, state, territory, possession or country in which any customer of Rock who utilizes Rock's products or services is located or in which Rock has solicited business as of the Effective Time); or (iii) in any country in which Intuit (or any of its Affiliates) conducts any Intuit Businesses during the time that Employee is employed by Intuit (or any Affiliate of Intuit).

(b) Non-Solicitation of Customers. In addition to, and not in limitation of, the non-competition covenants of Employee in Section 3(a) above, Employee agrees with Intuit and Rock that, at all times during the Covenant Period, Employee will not, either for Employee or for any other person or entity, directly or indirectly (other than for Intuit and any of its Affiliates), solicit business relating to the Competing Business from any customer of Intuit (or any of its Affiliates).

(c) Non-Solicitation of Employees or Consultants. In addition to, and not in limitation of, the non-competition covenants of Employee in Section 3(a) above, Employee agrees with Intuit and Rock that, at all times during the Covenant Period, Employee will not, either for Employee or for any other person or entity, directly or indirectly, solicit, induce or attempt to induce any director, employee, consultant or contractor of Intuit, the Surviving Corporation or any of their Affiliates to terminate his or her employment or his, her or its services with, Intuit, the Surviving Corporation or any of their respective Affiliates or to take employment with any other party.

4. SEVERABILITY. Should a court or other body of competent jurisdiction determine that any term or provision of this Agreement is excessive in scope or duration or is unenforceable, then the parties agree that such term or provision shall not be voided or made unenforceable, but rather shall be modified to the extent necessary to be enforceable, in accordance with the purposes stated in this Agreement and with applicable law, and all other terms and provisions of this Agreement shall remain valid and fully enforceable.

5. REMEDIES. Employee acknowledges and agrees with Intuit and Rock that, in light of Employee's unique skills, experience and capabilities, money damages would not adequately compensate Intuit or Rock if Employee were to breach any of covenants of Employee contained in this Agreement. Consequently, Employee agrees that in the event of any such breach, Intuit and/or Rock shall each be entitled, in addition to all other remedies, to enforce this Agreement by means of an injunction, specific performance or other equitable relief.

6. GOVERNING LAW. The internal laws of the State of Michigan (irrespective of its choice of law principles) will govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereto.

7. SUCCESSORS AND ASSIGNS. This Agreement and the rights and obligations of Employee hereunder are personal to Employee and shall not be assignable, delegable or transferable by Employee in any respect. This Agreement shall inure to the benefit of the permitted successors and assigns of Intuit and Rock, including any successor to or assignee of all or substantially all of the business and assets of Intuit or Rock or any other part of the business or assets of Intuit and/or Rock.

8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, bear the signatures of all parties reflected hereon as signatories.

9. AMENDMENT; WAIVER. This Agreement may be amended only by the written agreement of Intuit and Employee. No waiver by any party hereto of any condition or of any breach of any provision of this Agreement will be effective unless such waiver is set forth in a writing signed by such party. No waiver by any party of any such condition or breach, in any one instance, will be deemed to be a further or continuing waiver of any such condition or breach or a waiver of any other condition or breach of any other provision contained herein.

10. NOTICES. All notices and other communications required or permitted under this Agreement will be in writing and will be deemed given (1) when personally delivered, (2) on the date delivery is made if sent by commercial delivery service, (3) five business days after being mailed if mailed by registered or certified mail (postage prepaid, return receipt requested), or (4) on the date sent if by facsimile, telegraph or telex (receipt confirmed) to the following addresses or facsimile numbers (or such other addresses or facsimile numbers as any party may notify the other parties in accordance with this Section):

If to Intuit or Rock:

If sent by registered or certified mail, to:

Intuit Inc.
Attn: General Counsel
Legal Dept.
P.O. Box 7850
Mountain View, CA 94039-7850
Fax No. (650) 944-6622

If personally delivered or delivered by commercial delivery service, to:

Intuit Inc.
Attn.: General Counsel
Legal Dept.
2550 Garcia Avenue
Mountain View, CA 94043
Fax No. (650) 944-6622

With a copy to:

Fenwick & West LLP
Two Palo Alto Square, Suite 800
Palo Alto, CA 94306
Attention: Gordon K. Davidson, Esq.
Michael J. Patrick, Esq.
Fax No. (650) 494-1417

If to Employee:

Daniel Gilbert c/o

Rock Financial Corporation
30600 Telegraph Road, Fourth Floor
Bingham Farms, MI 48025
Fax No. (248) 723-7220

With a copy to:

Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226-3583
Attention: Alan S. Schwartz and
Robert J. Krueger
Fax No. (313) 465-7575

11. COSTS OF ENFORCEMENT. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings or otherwise, the non-prevailing party shall pay all costs and expenses incurred by the prevailing party, including, without limitation, all reasonable attorneys' and experts' fees.

12. ENTIRE AGREEMENT. This Agreement contains all of the terms and conditions agreed upon by the parties relating to the subject matter of this Agreement and, effective upon the Effective Time of the Merger, shall supersede any and all prior and contemporaneous agreements, negotiations, correspondence, understandings and communications of the parties, whether oral or written, with respect to such subject matter including without limitation, Section 2 of the letter agreement, dated as of April 10, 1998, between Rock and Employee which is

terminated effective upon the Effective Time; provided, however, that notwithstanding the foregoing, any non-competition, non-solicitation or other covenants of the type set forth in Section 3 of this Agreement that are contained in any employment agreement or in any employee invention assignment and/or confidentiality agreement executed by Employee with Intuit or the Surviving Corporation at any time during the Covenant Period, shall each be construed to be a separate, independent and concurrent covenant and obligation of Employee that is cumulative and in addition to, and not in lieu of or in conflict with, any of the covenants in Section 3 of this Agreement, and the existence of any such separate, independent and concurrent covenant or covenants shall have no effect on the covenants contained in Section 3 of this Agreement).

13. RULES OF CONSTRUCTION. This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof will not be construed for or against either party. Unless otherwise indicated herein, all references in this Agreement to "Sections" refer to sections of this Agreement. The titles and headings herein are for reference purposes only and will not in any manner limit the construction of this Agreement which will be considered as a whole.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, Employee, Intuit and Rock have executed and entered into this Agreement effective as of the Execution Date.

INTUIT INC.	EMPLOYEE
By: /s/ Mark R. Goines	/s/ Daniel Gilbert
	Daniel Gilbert
Name: Mark Goines	
Title: Senior Vice President	

ROCK FINANCIAL CORPORATION

By: /s/ Michael D. Hollerbach

Name: Michael D. Hollerbach

Title: President

[SIGNATURE PAGE TO NON-COMPETITION AGREEMENT]

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