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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **January 31, 2004** 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 by a check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
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.

Approximately 196,862,515 shares of Common Stock, $0.01 par value, as of February 27, 2004

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PART I

ITEM 1
FINANCIAL STATEMENTS

INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands; unaudited)	July 31, 2003	January 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 170,043	$ 87,831
Short-term investments	1,036,758	891,081
Payroll customer deposits	306,007	281,448
Accounts receivable, net	88,156	283,959
Deferred income taxes	34,824	34,824
Prepaid expenses and other current assets	33,082	61,554
Total current assets	1,668,870	1,640,697
Property and equipment, net	188,253	196,913
Goodwill, net	591,091	690,766
Purchased intangible assets, net	125,445	124,865
Long-term deferred income taxes	183,061	183,061
Loans to executive officers and other employees	19,690	18,206
Other assets	13,857	18,630
Total assets	$2,790,267	$2,873,138
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 56,786	$ 104,448
Accrued compensation and related liabilities	118,678	105,401
Payroll service obligations	306,007	281,448
Deferred revenue	178,840	203,686
Income taxes payable	76,725	103,523
Other current liabilities	59,129	145,653
Total current liabilities	796,165	944,159
Long-term obligations	29,265	18,864
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock and additional paid-in capital	1,921,554	1,944,273
Treasury shares, at cost	(672,326)	(795,505)
Deferred compensation	(25,850)	(21,988)
Accumulated other comprehensive income (loss)	(789)	(2,616)
Retained earnings	742,248	785,951
Total stockholders' equity	1,964,837	1,910,115
Total liabilities and stockholders' equity	$2,790,267	$2,873,138

See accompanying notes.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts; unaudited)	Three Months Ended January 31, 2003	Three Months Ended January 31, 2004	Six Months Ended January 31, 2003	Six Months Ended January 31, 2004
Net revenue:				
Product	$457,240	$509,012	$599,143	$669,197
Service	83,238	109,556	138,842	175,823
Other	17,598	17,721	32,963	33,797
Total net revenue	558,076	636,289	770,948	878,817
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	71,062	65,895	99,774	97,913
Cost of service revenue	39,557	42,472	76,169	78,308
Cost of other revenue	5,164	6,889	9,754	13,673
Amortization of purchased software	3,518	3,324	6,495	6,613
Customer service and technical support	55,591	63,215	95,221	104,206
Selling and marketing	97,796	107,640	172,617	199,589
Research and development	66,080	73,333	130,207	144,664
General and administrative	38,405	48,131	78,021	91,826
Charge for purchased research and development	1,070	—	8,859	—
Acquisition-related charges	9,154	6,780	18,609	12,829
Total costs and expenses	387,397	417,679	695,726	749,621
Income from continuing operations	170,679	218,610	75,222	129,196
Interest and other income	7,770	7,170	16,556	14,660
Gains on marketable securities and other investments, net	2,827	90	3,080	237
Income from continuing operations before income taxes	181,276	225,870	94,858	144,093
Income tax provision	55,905	76,804	29,936	48,992
Net income from continuing operations	125,371	149,066	64,922	95,101
Discontinued operations, net of income taxes:				
Gain on disposal of Quicken Loans discontinued operations	—	—	5,556	—
Net income from Intuit KK discontinued operations	3,059	—	3,267	—
Net income from discontinued operations	3,059	—	8,823	—
Net income	$128,430	$149,066	$ 73,745	$ 95,101
Basic net income per share from continuing operations	$ 0.61	$ 0.75	$ 0.32	$ 0.48
Basic net income per share from discontinued operations	0.01	—	0.04	—
Basic net income per share	$ 0.62	$ 0.75	$ 0.36	$ 0.48
Shares used in basic per share amounts	205,682	197,665	206,823	198,206
Diluted net income per share from continuing operations	$ 0.59	$ 0.73	$ 0.31	$ 0.47
Diluted net income per share from discontinued operations	0.01	—	0.04	—
Diluted net income per share	$ 0.60	$ 0.73	$ 0.35	$ 0.47
Shares used in diluted per share amounts	212,455	203,430	213,445	203,796

See accompanying notes.

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INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands; unaudited)	Six Months Ended January 31, 2003	2004
Cash flows from operating activities:		
Net income from continuing operations	$ 64,922	$ 95,101
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Acquisition-related charges	18,609	12,829
Amortization of purchased software	6,495	6,613
Amortization of other purchased intangible assets	—	2,921
Charge for purchased research and development	8,859	—
Amortization of deferred compensation not related to acquisitions	1,267	3,118
Depreciation	36,119	38,588
Loss on disposal of property and equipment	2,321	2,008
Gain on foreign exchange transactions	(2,060)	(4,107)
Net gains from marketable securities and other investments	(3,080)	(237)
Deferred income taxes	2,633	—
Tax benefit from employee stock options	30,379	22,964
Subtotal	166,464	179,798
Changes in operating assets and liabilities:		
Payroll customer deposits	40,451	24,559
Accounts receivable	(187,982)	(193,273)
Income taxes receivable	2,187	—
Prepaid expenses and other current assets	10,745	(24,948)
Accounts payable	35,557	45,449
Accrued compensation and related liabilities	4,172	(13,467)
Payroll service obligations	(40,423)	(24,559)
Deferred revenue	16,686	24,581
Income taxes payable	23,096	26,706
Other current liabilities	94,131	83,761
Total changes in operating assets and liabilities	(1,380)	(51,191)
Net cash provided by operating activities	165,084	128,607
Cash flows from investing activities:		
Purchases of short-term investments	(653,284)	(1,080,002)
Liquidation and maturity of short-term investments	748,743	1,225,543
Proceeds from the sale of marketable securities	16,371	—
Purchases of property and equipment	(54,970)	(47,662)
Change in other assets	(2,324)	(3,015)
Acquisitions of businesses, net of cash acquired	(185,227)	(120,810)
Net cash used in investing activities	(130,691)	(25,946)
Cash flows from financing activities:		
Change in long-term obligations	(1,944)	(10,557)
Net proceeds from issuance of common stock	90,593	86,556
Purchase of treasury stock	(423,210)	(261,127)
Net cash used in financing activities	(334,561)	(185,128)
Net cash provided by discontinued operations	264,539	—
Effect of exchange rates on cash and cash equivalents	796	255
Net decrease in cash and cash equivalents	(34,833)	(82,212)
Cash and cash equivalents at beginning of period	408,948	170,043
Cash and cash equivalents at end of period	$ 374,115	$ 87,831

See accompanying notes.

INTUIT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements include the financial statements of Intuit and its wholly owned subsidiaries. We have eliminated all significant intercompany balances and transactions in consolidation. We have reclassified certain other amounts previously reported in our financial statements to conform to the current presentation. We sold our Quicken Loans mortgage business in July 2002 and our Japanese subsidiary, Intuit KK, in February 2003 and accounted for the sales of these businesses as discontinued operations. Accordingly, we have reclassified our financial statements for all periods presented to reflect Quicken Loans and Intuit KK as discontinued operations. Unless noted otherwise, discussions in these notes pertain to our continuing operations.

We have included all normal recurring adjustments and the adjustments for discontinued operations that we considered necessary to give a fair presentation of our operating results for the periods presented. These condensed consolidated financial statements and accompanying notes should be read together with the audited consolidated financial statements for the fiscal year ended July 31, 2003 included in Intuit's Form 10-K, filed with the Securities and Exchange Commission on September 19, 2003. Results for the three and six months ended January 31, 2004 do not necessarily indicate the results we expect for the fiscal year ending July 31, 2004 or any other future period. Our tax businesses are highly seasonal, with sales of tax preparation products and services heavily concentrated in the period from November through April. These seasonal patterns mean that our quarterly total net revenue is usually highest during our second and third fiscal quarters.

Use of Estimates

We make estimates and assumptions that affect the amounts reported in the financial statements and the disclosures made in the accompanying notes. For example, we use estimates in determining the appropriate levels of reserves for product returns and rebates, the collectibility of accounts receivable, the realizability of deferred tax assets, the appropriate levels of various accruals and the remaining economic lives and carrying values of purchased intangible assets, property and equipment and other long-lived assets. We also use assumptions when employing the Black-Scholes valuation model to estimate the fair value of stock options granted for pro forma disclosures. See Note 1, *"Stock-Based Incentive Programs."* Despite our intention to establish accurate estimates and use reasonable assumptions, actual results may differ from our estimates.

Net Revenue

We derive revenues from the sale of packaged software products and supplies, product support, professional services, outsourced payroll services and multiple element arrangements that may include any combination of these items. We recognize revenue for software products and related services in accordance with Statement of Position 97-2, "*Software Revenue Recognition*," as modified by SOP 98-9. For other offerings, we follow Staff Accounting Bulletin No. 104, "*Revenue Recognition.*" We recognize revenue when persuasive evidence of an arrangement exists, we have delivered the product or performed the service, the fee is fixed or determinable and collectibility is probable.

In some situations, we receive advance payments from our customers. We also offer multiple element arrangements to our customers. We defer revenue associated with these advance payments and the fair value of undelivered elements until we ship the products or perform the services. Deferred revenue consisted of the following at the dates indicated:

(In thousands)	July 31, 2003	January 31, 2004
Product and product-related services	$146,609	$166,017
Customer support	32,231	37,669
	$178,840	$203,686

Product-related services include deferred revenue primarily for consumer electronic filing services and QuickBooks Do-It-Yourself Payroll.

In accordance with Financial Accounting Standards Board Emerging Issues Task Force Issue No. 01-9, "*Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Product*," we generally account for cash consideration (such as sales incentives) that we give to our customers or resellers as a reduction of revenue rather than as an operating expense unless we receive a benefit that we can identify and for which we can reasonably estimate the fair value.

Product Revenue

We typically recognize revenue from the sale of our packaged software products and supplies when we ship the products or, in the case of certain agreements, when products are delivered to retailers. We sell some of our QuickBooks and Consumer Tax products on consignment to a limited number of resellers. We recognize revenue for these consignment transactions only when the end-user sale has occurred.

We reduce product revenue from distributors and retailers for estimated returns that are based on historical returns experience and other factors, such as the volume and price mix of products in the retail channel, return rates for prior releases of the product, trends in retailer inventory and economic trends that might impact customer demand for our products (including the competitive environment and the timing of new releases of our product). We also reduce product revenue for the estimated redemption of rebates on certain current product sales. Our estimated reserves for distributor and retailer sales incentive rebates are based on distributors' and retailers' actual performance against the terms and conditions of rebate programs, which we typically establish annually. End user rebate reserves are estimated based on the terms and conditions of the specific promotional rebate program, actual sales during the promotion, the amount of redemptions received and historical redemption trends by product and by type of promotional program.

Service Revenue

We recognize revenue from outsourced payroll processing and payroll tax filing services as the services are performed, provided we have no other remaining obligations to these customers. We generally require customers to remit payroll and payroll tax funds to us in advance of the applicable payroll due date via electronic funds transfer. We include in total net revenue the interest earned on invested balances resulting from timing differences between when we collect these funds from customers and when we remit the funds to outside parties.

We offer several technical support plans and recognize support revenue over the life of the plans. Service revenue also includes revenue from consulting, training and Web services such as TurboTax for the Web and electronic tax filing services. We generally recognize revenue as these services are performed, provided that we have no other remaining obligations to these customers and that the services performed are not essential to the functionality of delivered products and services.

Other Revenue

Other revenue consists primarily of revenue from revenue-sharing arrangements with third-party service providers and from online advertising agreements. We recognize transaction fees from revenue sharing arrangements as end-user sales are reported to us by these partners. We typically recognize revenue from online advertising agreements as the lesser of when the advertisements are served or pro rata based on the contractual time period.

Multiple Element Arrangements

We enter into certain revenue arrangements for which we are obligated to deliver multiple products and/or services (multiple elements). For these arrangements, which generally include software products, we allocate and defer revenue for the undelivered elements based on their vendor-specific objective evidence, or VSOE, of fair value. VSOE is generally the price charged when that element is sold separately.

In situations where VSOE exists for all elements (delivered and undelivered), we allocate the total revenue to be earned under the arrangement among the various elements, based on their relative fair value. For transactions where VSOE exists only for the undelivered elements, we defer the full fair value of the undelivered elements and recognize the difference between the total arrangement fee and the amount deferred for the undelivered items as revenue. If VSOE does not exist for undelivered items that are services, then we recognize the entire arrangement fee ratably over the remaining service period. If VSOE does not exist for undelivered elements that are specified products or features, we defer revenue until the earlier of the delivery of all elements or the point at which we determine VSOE for these undelivered elements.

We recognize revenue related to the delivered products or services only if: (1) the above revenue recognition criteria are met; (2) any undelivered products or services are not essential to the functionality of the delivered products and services; (3) payment for the delivered products or services is not contingent upon delivery of the remaining products or services; and (4) we have an enforceable claim to receive the amount due in the event that we do not deliver the undelivered products or services.

For arrangements where undelivered services are essential to the functionality of delivered software, we recognize both the product license revenues and service revenues under the percentage of completion contract method in accordance with the provisions of SOP 81-1, *"Accounting for Performance of Construction Type and Certain Production Type Contracts."* To date, product license and service revenues recognized pursuant to SOP 81-1 have not been significant.

Shipping and Handling

We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of product revenue on our statement of operations. Product revenue from shipping and handling is not significant.

Per Share Computations

We compute basic income or loss per share using the weighted average number of common shares outstanding during the period. We compute diluted income or loss per share 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 and vested restricted stock awards. In loss periods, basic and diluted loss per share are identical since the effect of common equivalent shares is anti-dilutive and therefore excluded.

Our diluted net income per share computations for the second quarter of fiscal 2003 and 2004 included 6.8 million and 5.8 million common equivalent shares but the periods did not include the effect of options to purchase 4.1 million shares of common stock because the option exercise prices were greater than the average market price of our common stock. Our diluted net income per share computations for the first six months of fiscal 2003 and 2004 included 6.6 million and 5.6 million common equivalent shares but the periods did not include the effect of options to purchase 4.8 million shares of common stock because the option exercise prices were greater than the average market price of our common stock.

Cash Equivalents and Short-Term Investments

We consider highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. Cash equivalents consist primarily of money market funds in all periods presented. Short-term investments consist of available-for-sale debt securities that we carry at fair value. We include unrealized gains and losses on short-term investments, net of tax, in stockholders' equity. Available-for-sale debt 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 businesses. Because of our significant business seasonality, cash flow requirements may fluctuate dramatically from quarter to quarter and require us to use a significant amount of the short-term investments held as available-for-sale securities. See Note 2.

Payroll Customer Deposits and Payroll Service Obligations

Payroll customer deposits represent cash held on behalf of our payroll customers. Payroll service obligations consist primarily of payroll taxes we owe on behalf of our payroll customers.

Goodwill, Purchased Intangible Assets and Other Long-lived Assets

We record goodwill when the purchase price of net tangible and intangible assets we acquire exceeds their fair value. We amortize the cost of identified intangible assets on a straight-line basis over periods ranging from two to seven years.

We regularly perform reviews to determine if the carrying values of our long-lived assets are impaired. In accordance with Statement of Financial Accounting Standards No. 142, *"Goodwill and Other Intangible Assets,"* we review goodwill and other intangible assets that have indefinite useful lives for impairment at least annually in our fourth fiscal quarter, or more frequently if an event occurs indicating the potential for impairment. In accordance with SFAS 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets,"* we review intangible assets that have finite useful lives and other long-lived assets when an event occurs indicating the potential for impairment. In our reviews, we look for facts or circumstances, either internal or external, indicating that we may not recover the carrying value of the asset. We measure impairment losses related to long-lived assets based on the amount by which the carrying amounts of these assets exceed their fair values. Our measurement of fair value is generally based on an analysis of the present value of estimated future discounted cash flows. Our analysis is based on available information and reasonable and supportable assumptions and projections. The discounted cash flow analysis considers the likelihood of possible outcomes and is based on our best estimate of projected future cash flows. If necessary, we perform subsequent calculations to measure the amount of the impairment loss based on the excess of the carrying value over the fair value of the impaired assets.

Stock-Based Incentive Programs

We provide equity incentives to our employees and to our Board members. We apply the intrinsic value recognition and measurement principles of Accounting Principles Board Opinion No. 25, "*Accounting for Stock Issued to Employees*," in accounting for stock-based incentives. Accordingly, we are not required to record compensation expense when stock options are granted to eligible participants as long as the exercise price is not less than the fair market value of the stock when the option is granted. We are also not required to record compensation expense in connection with our Employee Stock Purchase Plan as long as the purchase price of the stock is not less than 85% of the lower of the fair market value at the beginning of each offering period or at the end of each purchase period.

In October 1995 the FASB issued SFAS 123, "*Accounting for Stock Based Compensation*," and in December 2002 the FASB issued SFAS 148, *"Accounting for Stock-Based Compensation – Transition and Disclosure."* Although these pronouncements allow us to continue to follow the APB 25 guidelines and not record compensation expense for most stock-based compensation, we are required to disclose our pro forma net income or loss and net income or loss per share as if we had adopted SFAS 123 and SFAS 148. The pro forma impact of applying SFAS 123 and SFAS 148 in the second quarter and first six months of fiscal 2003 and 2004 does not necessarily represent the pro forma impact in future quarters or years.

To determine the pro forma impact, we estimate the fair value of our options using the Black-Scholes option valuation model. This model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. This model also requires the input of highly subjective assumptions including the expected stock price volatility. Our stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimates.

Inputs used for the valuation model are set forth in the tables below. We base the volatility factor for stock options on the historical volatility of our stock over the most recent five-year period, which is approximately equal to the maximum expected life of our options.

	Options			
	Three Months Ended		Six Months Ended	
	January 31, 2003	January 31, 2004	January 31, 2003	January 31, 2004
Expected life (years)	1.92 - 4.92	1.99 - 4.99	1.91 - 4.92	1.95 - 4.99
Expected volatility factor	77%	72%	77-78%	72-74%
Risk-free interest rate	1.03 - 3.10%	0.85 - 3.29%	1.03 - 3.10%	0.85 - 3.29%
Expected dividend yield	—	—	—	—

	Employee Stock Purchase Plan			
	Three Months Ended		Six Months Ended	
	January 31, 2003	January 31, 2004	January 31, 2003	January 31, 2004
Expected life (years)	1.00	1.00	1.00	1.00
Expected volatility factor	78%	74%	78%	74-76%
Risk-free interest rate	1.23%	0.94%	1.23%	0.94 - 0.97%
Expected dividend yield	—	—	—	—

The following table illustrates the effect on our net income or loss and net income or loss per share if we had applied the fair value recognition provisions of SFAS 123 to stock-based incentives using the Black Scholes valuation model. For purposes of this reconciliation, we add back to previously reported net income or loss all stock-based incentive expense we have recorded that relates to acquisitions. We then deduct the pro forma stock-based incentive expense determined under the fair value method for all awards including those that relate to acquisitions. The pro forma stock-based incentive expense has no impact on our cash flow. In the future, we may elect or be required to use a different valuation model, which could result in a significantly different impact on our pro forma net income or loss.

	Three Months Ended		Six Months Ended	
(In thousands, except per share amounts)	January 31, 2003	January 31, 2004	January 31, 2003	January 31, 2004
Net income				
Net income, as reported	$128,430	$149,066	$ 73,745	$ 95,101
Add: Stock-based employee compensation expense included in reported net income, net of income taxes	263	132	1,200	295
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards, net of income taxes	(23,997)	(17,934)	(46,871)	(39,320)
Pro forma net income	$104,696	$131,264	$ 28,074	$ 56,076
Net income per share				
Basic - as reported	$ 0.62	$ 0.75	$ 0.36	$ 0.48
Basic - pro forma	$ 0.51	$ 0.66	$ 0.14	$ 0.28
Diluted - as reported	$ 0.60	$ 0.73	$ 0.35	$ 0.47
Diluted - pro forma	$ 0.49	$ 0.65	$ 0.13	$ 0.28

Concentration of Credit Risk and Significant Customers and Suppliers

We operate in markets that are highly competitive and rapidly changing. Significant technological changes, changes in customer requirements, the emergence of competitive products or services with new capabilities and other factors could negatively impact our operating results.

We are also subject to risks related to changes in the values of our significant balance of short-term investments. Our portfolio of short-term investments consists primarily of investment-grade securities. Except for direct obligations of the United States government, securities issued by agencies of the United States government, and money market or cash management funds, we diversify our short-term investments by limiting our holdings with any individual issuer to a maximum of $5.0 million in each of our three managed portfolios.

We sell a significant portion of our products through third-party retailers and distributors. As a result, we face risks related to the collectibility of our accounts receivable. To appropriately manage this risk, we perform ongoing evaluations of customer credit and limit the amount of credit extended as we deem appropriate but generally do not require collateral. We maintain reserves for estimated credit losses and these losses have historically been within our expectations. However, since we cannot necessarily predict future changes in the financial stability of our customers, we cannot guarantee that our reserves will continue to be adequate.

Due to changes in our distribution arrangements during fiscal 2002, we are selling an increasing proportion of our software products directly to many retailers rather than through a few major distributors. No distributor or individual retailer accounted for 10% or more of total net revenue in the second quarter or first six months of fiscal 2003 or 2004. Amounts due from Rock Acquisition Corporation under certain licensing and distribution agreements comprised 10.8% of accounts receivable at July 31, 2003. One customer accounted for 12.6% of accounts receivable at January 31, 2004.

We rely on three third-party vendors to perform substantially all outsourced aspects of manufacturing and distribution for our primary retail desktop software products. We also have a key single-source vendor for our financial supplies business that prints and fulfills orders for all of our checks and most other products for our financial supplies business. While we believe that relying heavily on key vendors improves the efficiency and reliability of our business operations, relying on any one vendor for a significant aspect of our business can have a significant negative impact on our revenue and profitability if that vendor fails to perform at acceptable service levels for any reason, including financial difficulties of the vendor.

Recent Accounting Pronouncements

In November 2002, the EITF reached a consensus on Issue No. 00-21, *"Revenue Arrangements with Multiple Deliverables."* Issue 00-21 provides guidance on accounting for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of Issue 00-21 apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. We adopted Issue 00-21 effective August 1, 2003 and the adoption of this standard did not have a material effect on our financial position, results of operations or cash flows.

In January 2003, the FASB issued FIN 46, *"Consolidation of Variable Interest Entities."* FIN 46 requires us to consolidate a variable interest entity if we are subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. A variable interest entity is a corporation, partnership, trust or any other legal structure used for business purposes that either does not have equity investors with voting rights or has equity investors that do not provide sufficient financial resources for the entity to support its activities. A variable interest entity often holds financial assets, including loans or receivables, real estate or other property. A variable interest entity may be essentially passive or it may engage in research and development or other activities on behalf of another company. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after December 15, 2003. We anticipate that the adoption of FIN 46 will not have a material impact on our financial position, results of operations or cash flows.

2. Short-Term Investments

As discussed in Note 1, *"Concentration of Credit Risk and Significant Customers and Suppliers,"* our portfolio of short-term investments consists primarily of investment-grade securities. Except for direct obligations of the United States government, securities issued by agencies of the United States government, and money market or cash management funds, we diversify our short-term investments by limiting our holdings with any individual issuer to a maximum of $5.0 million in each of our three managed portfolios.

The following schedule summarizes the estimated fair value of our short-term investments at the dates indicated.

(In thousands)	July 31, 2003	January 31, 2004
Corporate notes	$ 50,471	$ 15,558
Municipal bonds	931,374	856,550
U.S. government securities	54,913	18,973
	$1,036,758	$891,081

The following table summarizes the estimated fair value of our available-for-sale debt securities held in short-term investments classified by the stated maturity date of the security:

(In thousands)	July 31, 2003	January 31, 2004
Due within one year	$ 241,110	$211,127
Due within two years	270,900	217,483
Due within three years	3,088	8,881
Due after three years	521,660	453,590
	$1,036,758	$891,081

Unrealized gains and losses on short-term investments at July 31, 2003 and January 31, 2004 were not material. Realized gains and losses from the sale of short-term investments were not material in the second quarter or first six months of fiscal 2003 or 2004.

3. Goodwill and Intangible Assets

Changes in the carrying value of goodwill by reportable segment during the first six months of fiscal 2004 were as follows. Our reportable segments are described in Note 6.

(In thousands)	Balance July 31, 2003	Increase (Decrease) in Goodwill	Effect of Exchange Rates	Balance January 31, 2004
Small Business Products and Services	$308,785	$98,716	$ —	$407,501
Consumer Tax	11,204	113	—	11,317
Professional Accounting Solutions	90,507	—	—	90,507
Vertical Business Management Solutions	170,522	170	—	170,692
Other Businesses	10,073	—	676	10,749
	$591,091	$98,999	$ 676	$690,766

The net increase in goodwill was related primarily to our acquisition of Innovative Merchant Solutions LLC in the first quarter of fiscal 2004. See Note 5.

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Purchased intangible assets consisted of the following at the dates indicated:

(Dollars in thousands)	Life in Years	July 31, 2003	January 31, 2004
Customer lists	3-7	$ 171,237	$ 187,622
Less accumulated amortization		(105,771)	(118,999)
		65,466	68,623
Purchased technology	2-7	143,605	147,247
Less accumulated amortization		(93,694)	(100,348)
		49,911	46,899
Trade names and logos	3-7	17,199	17,302
Less accumulated amortization		(10,293)	(11,708)
		6,906	5,594
Covenants not to compete	2-5	9,410	11,382
Less accumulated amortization		(6,248)	(7,633)
		3,162	3,749
Total purchased intangible assets		341,451	363,553
Total accumulated amortization		(216,006)	(238,688)
Total net purchased intangible assets		$ 125,445	$ 124,865

The increases in customer lists and covenants not to compete during the first six months of fiscal 2004 were due primarily to our acquisition of Innovative Merchant Solutions LLC. See Note 5.

We summarize the following expenses on the acquisition-related charges line of our statement of operations:

(In thousands)	Three Months Ended		Six Months Ended	
	January 31, 2003	January 31, 2004	January 31, 2003	January 31, 2004
Amortization of purchased intangible assets	$ 8,716	$ 6,560	$16,609	$12,336
Amortization of acquisition-related deferred compensation	438	220	2,000	493
Total acquisition-related charges	$ 9,154	$ 6,780	$18,609	$12,829

We expect annual amortization of our purchased intangible assets by fiscal year to be as shown in the following table. Amortization of purchased intangible assets is charged primarily to amortization of purchased software in cost of revenue and to acquisition-related charges in operating expenses on our statement of operations. Amounts include amortization of intangible assets purchased in fiscal 2004. Future acquisitions could cause these amounts to increase. In addition, if impairment events occur they could accelerate the timing of charges.

(Dollars in thousands) Fiscal year ending July 31,	Expected Amortization Expense
2004	$ 42,823
2005	36,578
2006	30,429
2007	20,194
2008	9,966
Thereafter	6,709
Total expected future amortization expense	$146,699

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4. Comprehensive Net Income (Loss)

SFAS 130, "*Reporting Comprehensive Income,*" establishes standards for reporting and displaying comprehensive net income (loss) and its components in stockholders' equity. SFAS 130 requires the components of other comprehensive income (loss), such as changes in the fair value of available-for-sale securities and foreign translation adjustments, to be added to our net income (loss) to arrive at comprehensive net income (loss). Other comprehensive income (loss) items have no impact on our net income (loss) as presented on our statement of operations.

The components of accumulated other comprehensive income (loss), net of income taxes, were as follows:

(In thousands)	Marketable Securities	Short-term Investments	Foreign Currency Translation	Total
Six months ended January 31, 2003				
Beginning balance, net of income taxes	$ (4,845)	$ 2,058	$ (888)	$ (3,675)
Unrealized gain, net of income tax provision of $7,285	10,927	—	—	10,927
Unrealized loss, net of income tax benefit of $578	—	(867)	—	(867)
Reclassification adjustment for realized gain included in net income, net of income tax benefit of $1,549	(2,323)	—	—	(2,323)
Translation adjustment	—	—	(459)	(459)
Other comprehensive income (loss)	8,604	(867)	(459)	7,278
Ending balance, net of income taxes	$ 3,759	$ 1,191	$ (1,347)	$ 3,603
Six months ended January 31, 2004				
Beginning balance, net of income taxes	$ 105	$ 213	$ (1,107)	$ (789)
Unrealized gain, net of income tax provision of $99	149	—	—	149
Unrealized loss, net of income tax benefit of $55	—	(81)	—	(81)
Translation adjustment	—	—	(1,895)	(1,895)
Other comprehensive income (loss)	149	(81)	(1,895)	(1,827)
Ending balance, net of income taxes	$ 254	$ 132	$ (3,002)	$ (2,616)

	Three Months Ended		Six Months Ended	
(In thousands)	January 31, 2003	January 31, 2004	January 31, 2003	January 31, 2004
Net income	$128,430	$149,066	$73,745	$95,101
Other comprehensive income (loss)	2,227	(1,077)	7,278	(1,827)
Comprehensive net income, net of income taxes	$130,657	$147,989	$81,023	$93,274
Income tax provision netted against other comprehensive income (loss)	$ 1,686	$ (61)	$ 5,158	$ 44

5. Acquisitions

On October 4, 2003, we acquired all of the membership interests of Innovative Merchant Solutions LLC and a related entity doing business as Innovative Gateway Solutions (together, "IMS") for an aggregate purchase price of approximately $116.7 million in cash. Of the total purchase price, $86.3 million was paid to the members of IMS and $30.4 million was deposited into a third-party escrow account at closing. Of the cash deposited into escrow, $10.4 million is payable to former IMS members in January 2005 and the remaining $20.0 million will be paid to former IMS members from escrow in installments of $12.0 million and $8.0 million in October 2004 and October 2005 upon the satisfaction of certain operating contingencies.

IMS offers a full range of merchant account services to small businesses nationwide, including credit and debit card processing services. We acquired IMS as part of our Right for My Business strategy to offer a wider range of business solutions for small businesses. IMS became part of our Small Business Products and Services segment.

On a preliminary basis, we allocated approximately $17.3 million of the IMS purchase price to identified intangible assets and recorded the excess purchase price of $98.4 million as goodwill. We do not expect that any adjustments to the purchase price or the purchase price allocation will be material. The identified intangible assets are being amortized over terms ranging from two to four years. All of the goodwill acquired in this transaction will be deductible for income tax purposes.

IMS's results of operations from the date of acquisition forward have been included in our consolidated results of operations and were not material. IMS's results of operations for periods prior to the date of acquisition were also not material when compared to our consolidated results.

The preliminary purchase price allocation for the IMS acquisition was as follows:

(In thousands)	Purchase Price Allocation
Tangible assets	$ 5,393
Intangible assets:	
Goodwill	98,366
Customer lists	15,600
Covenant not to compete	1,700
Acquisition costs	(500)
Other tangible liabilities	(3,860)
Cash consideration paid	$116,699

6. Industry Segment and Geographic Information

SFAS 131, "*Disclosures about Segments of an Enterprise and Related Information,*" establishes standards for the way in which public companies disclose certain information about operating segments in their financial reports. Consistent with SFAS 131, we have defined six reportable segments, described below, based on factors such as how we manage our operations and how our chief operating decision maker views results. We define the chief operating decision maker as our chief executive officer, the office of the chief executive officer, our chief financial officer, certain executives reporting directly to our chief executive officer and our Board of Directors.

All reportable segments except Small Business Products and Services, Vertical Business Management Solutions and Other Businesses operate solely in the United States. All segments sell primarily to customers located in the United States. International total net revenue was less than 7% of consolidated total net revenue for all periods presented.

QuickBooks product revenue is derived primarily from QuickBooks desktop software products. QuickBooks service revenue is derived from QuickBooks Online Edition.

Small Business Products and Services product revenue is comprised of QuickBooks Do-It-Yourself Payroll, financial supplies and information technology management software. Service revenue for this segment is derived primarily from outsourced payroll services, QuickBooks support plans and merchant account services. Other revenue for this segment consists of royalties from small business online transactions and interest earned on customer payroll deposits.

Consumer Tax product revenue is derived primarily from TurboTax federal and state consumer desktop tax return preparation software. Consumer Tax service revenue is derived primarily from TurboTax for the Web online tax return preparation services and consumer electronic filing services. Other revenue for this segment is nominal.

Professional Accounting Solutions product revenue is derived primarily from ProSeries and Lacerte professional tax preparation software products. Professional Accounting Solutions service revenue is derived primarily from electronic filing and training services.

Vertical Business Management Solutions, or VBMS, revenue is derived from four businesses that we acquired in fiscal 2002 that provide small business management solutions for selected industries, which we call "Verticals." Those businesses are Intuit Distribution Management Solutions, MRI Real Estate Solutions, Intuit Construction Business Solutions and Intuit Public Sector Solutions. VBMS product revenue is derived from business management software for these industries. VBMS service revenue consists primarily of technical support, consulting and training services.

Other Businesses consist primarily of Personal Finance and Canada. Personal Finance product revenue is derived primarily from Quicken desktop software products. Personal Finance service revenue is nominal while Personal Finance other revenue consists of fees from consumer online transactions and Quicken.com advertising revenue. In Canada, product revenue is derived primarily from localized versions of QuickBooks and Quicken as well as QuickTax and TaxWiz consumer desktop tax return preparation software and ProFile professional tax preparation products. Service revenue in Canada consists primarily of revenue from software maintenance contracts sold with QuickBooks.

Corporate includes costs such as corporate general and administrative expenses that are not allocated to specific segments. Corporate also includes reconciling items such as acquisition-related costs (which include acquisition-related charges, amortization of purchased software and charges for purchased research and development), realized net gains or losses on marketable securities and interest and other income.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies in Note 1. Except for goodwill and purchased intangible assets, we do not generally track assets by reportable segment and, consequently, we do not disclose assets by reportable segment.

The following tables show our financial results by reportable segment for the second quarter and first six months of fiscal 2003 and 2004.

Three months ended January 31, 2003 (In thousands)	QuickBooks	Small Business Products & Services	Consumer Tax	Professional Accounting Solutions	Vertical Business Mgmt Solutions	Other Businesses	Corporate	Consolidated
Product revenue	$93,154	$ 68,727	$78,256	$146,385	$10,017	$60,701	$ —	$457,240
Service revenue	823	47,496	16,094	4,026	13,946	853	—	83,238
Other revenue	—	4,704	909	—	58	11,927	—	17,598
Total net revenue	93,977	120,927	95,259	150,411	24,021	73,481	—	558,076
Segment operating income (loss)	50,813	37,298	30,222	118,595	(3,465)	32,378	—	265,841
Common expenses	—	—	—	—	—	—	(81,420)	(81,420)
Subtotal	50,813	37,298	30,222	118,595	(3,465)	32,378	(81,420)	184,421
Acquisition-related costs	—	—	—	—	—	—	(13,742)	(13,742)
Realized net gain on marketable securities	—	—	—	—	—	—	2,827	2,827
Interest and other income	—	—	—	—	—	—	7,770	7,770
Income (loss) from continuing operations before income taxes	$50,813	$ 37,298	$30,222	$118,595	$ (3,465)	$32,378	$(84,565)	$181,276

Three months ended January 31, 2004 (In thousands)	QuickBooks	Small Business Products & Services	Consumer Tax	Professional Accounting Solutions	Vertical Business Mgmt Solutions	Other Businesses	Corporate	Consolidated
Product revenue	$100,339	$ 80,066	$102,905	$151,542	$ 9,440	$64,720	$ —	$509,012
Service revenue	927	59,215	25,780	5,261	16,604	1,769	—	109,556
Other revenue	—	6,059	1,287	—	101	10,274	—	17,721
Total net revenue	101,266	145,340	129,972	156,803	26,145	76,763	—	636,289
Segment operating income (loss)	48,128	52,123	62,406	119,189	161	35,477	—	317,484
Common expenses	—	—	—	—	—	—	(88,770)	(88,770)
Subtotal	48,128	52,123	62,406	119,189	161	35,477	(88,770)	228,714
Acquisition-related costs	—	—	—	—	—	—	(10,104)	(10,104)
Realized net gain on marketable securities	—	—	—	—	—	—	90	90
Interest and other income	—	—	—	—	—	—	7,170	7,170
Income (loss) from continuing operations before income taxes	$ 48,128	$ 52,123	$ 62,406	$119,189	$ 161	$35,477	$(91,614)	$225,870

Six months ended January 31, 2003 (In thousands)	QuickBooks	Small Business Products & Services	Consumer Tax	Professional Accounting Solutions	Vertical Business Mgmt Solutions	Other Businesses	Corporate	Consolidated
Product revenue	$130,992	$127,115	$ 82,111	$152,735	$ 15,647	$ 90,543	$ —	$ 599,143
Service revenue	1,404	86,026	18,099	4,138	27,114	2,061	—	138,842
Other revenue	—	8,994	1,104	—	63	22,802	—	32,963
Total net revenue	132,396	222,135	101,314	156,873	42,824	115,406	—	770,948
Segment operating income (loss)	56,418	70,084	15,152	101,847	(10,677)	37,527	—	270,351
Common expenses	—	—	—	—	—	—	(161,166)	(161,166)
Subtotal	56,418	70,084	15,152	101,847	(10,677)	37,527	(161,166)	109,185
Acquisition-related costs	—	—	—	—	—	—	(33,963)	(33,963)
Realized net gain on marketable securities	—	—	—	—	—	—	3,080	3,080
Interest and other income	—	—	—	—	—	—	16,556	16,556
Income (loss) from continuing operations before income taxes	$ 56,418	$ 70,084	$ 15,152	$101,847	$(10,677)	$ 37,527	$(175,493)	$ 94,858

Six months ended January 31, 2004 (In thousands)	QuickBooks	Small Business Products & Services	Consumer Tax	Professional Accounting Solutions	Vertical Business Mgmt Solutions	Other Businesses	Corporate	Consolidated
Product revenue	$142,282	$152,093	$105,217	$158,451	$18,978	$ 92,176	$ —	$ 669,197
Service revenue	1,820	104,404	28,486	5,276	32,619	3,218	—	175,823
Other revenue	—	11,942	1,438	—	841	19,576	—	33,797
Total net revenue	144,102	268,439	135,141	163,727	52,438	114,970	—	878,817
Segment operating income (loss)	50,404	91,401	40,497	100,090	1,044	40,258	—	323,694
Common expenses	—	—	—	—	—	—	(175,056)	(175,056)
Subtotal	50,404	91,401	40,497	100,090	1,044	40,258	(175,056)	148,638
Acquisition-related costs	—	—	—	—	—	—	(19,442)	(19,442)
Realized net gain on marketable securities	—	—	—	—	—	—	237	237
Interest and other income	—	—	—	—	—	—	14,660	14,660
Income (loss) from continuing operations before income taxes	$ 50,404	$ 91,401	$ 40,497	$100,090	$ 1,044	$ 40,258	$(179,601)	$ 144,093

7. Other Current Liabilities

(In thousands)	July 31, 2003	January 31, 2004
Reserve for product returns	$34,406	$ 58,319
Reserve for rebates	10,401	37,431
Executive deferred compensation plan	6,245	11,200
Acquisition-related items	2,619	12,607
Sales tax accrual	1,906	11,986
Other accruals	3,552	14,110
	$59,129	$145,653

8. Commitments

Reserve for Vacant Facilities

During the third quarter of fiscal 2002, we concluded that we would not occupy two vacant leased buildings in Mountain View, California and that we would be unable to recover a substantial portion of our lease obligations by subleasing the vacant space. In that quarter, we recorded a $13.2 million reserve that was equal to the remaining future lease commitments for these facilities, net of estimated future sublease income. During the fourth quarter of fiscal 2003, we decided that we would reoccupy one of the two vacant buildings and that the reserve for the other vacant building should be increased to reflect our revised estimate of future sublease income for that facility. We recorded a net adjustment of $0.5 million to the reserve that resulted in a credit for vacant facilities on our statement of operations in that quarter. Our actual future cash payments may exceed the total Mountain View reserve balance at January 31, 2004 by a maximum of $2.8 million if we are unable to sublease the remaining vacant Mountain View property. The lease related to this facility ends in fiscal 2010.

Activity in the reserve for vacant Mountain View facilities for the second quarter and first six months of fiscal 2003 and 2004 was as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	January 31, 2003	January 31, 2004	January 31, 2003	January 31, 2004
Beginning balance	$11,897	$9,264	$12,478	$9,701
Cash lease payments applied against the reserve	(584)	(310)	(1,165)	(747)
Ending balance	$11,313	$8,954	$11,313	$8,954

The short-term and long-term components of this reserve and their location on our balance sheet were as follows at the dates indicated.

(In thousands)	July 31, 2003	January 31, 2004
Short-term portion of reserve in other current liabilities	$1,394	$ 1,258
Long-term portion of reserve in long-term obligations	8,307	7,696
Total reserve	$9,701	$ 8,954

CBS Employer Services Acquisition Accrual

We acquired CBS Employer Services, Inc. in the fourth quarter of fiscal 2002. In connection with this acquisition, we recorded a total accrual of $26.4 million that included $21.6 million for purchase price deferrals and $4.8 million for restructuring and transaction costs. Activity in this reserve for the six months ended January 31, 2003 and 2004 was as follows:

(In thousands)	Beginning Balance	Cash Payments	Ending Balance
Six months ended January 31, 2003			
Non-compete clause	$ 1,700	$ —	$ 1,700
Purchase price deferrals	13,143	(445)	12,698
Shareholder escrow	5,800	—	5,800
Restructuring and transaction costs	4,716	(480)	4,236
	$25,359	$(925)	$24,434
Six months ended January 31, 2004			
Non-compete clause	$ 1,700	$ —	$ 1,700
Purchase price deferrals	13,306	—	13,306
Shareholder escrow	2,499	—	2,499
Restructuring and transaction costs	—	—	—
	$17,505	$ —	$17,505

The CBS acquisition accrual totaled $17.5 million at July 31, 2003 and was included in long-term obligations on our balance sheet. During the second quarter of fiscal 2004, we changed our intention with respect to $11.9 million of payments owed to former owners. Therefore, this amount was reclassified to other current liabilities on our balance sheet as of January 31, 2004. This amount will be paid in the third quarter of fiscal 2004.

Operating Lease and Other Contractual Obligations

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contractual Obligations” in Item 2 for information on our operating lease and other contractual obligations.

9. Income Taxes

We compute our provision for or benefit from income taxes by applying the estimated annual effective tax rate to income or loss from recurring operations and other taxable items. Our effective tax rates for the second quarter and first six months of fiscal 2003 were approximately 31% and 32%. Our effective tax rates for the second quarter and first six months of fiscal 2004 were approximately 34%. Our effective tax rate for the second quarter of fiscal 2003 differed from the federal statutory rate primarily due to the net effect of the benefit received from tax-exempt interest income and various tax credits offset by state taxes. Our effective tax rate for the first six months of fiscal 2003 differed from the federal statutory rate primarily due to the net effect of the benefit received from tax-exempt interest income and various tax credits offset by state taxes and acquisition-related charges recorded in the first quarter of fiscal 2003. Our effective tax rates for the second quarter and first six months of fiscal 2004 differed from the federal statutory rate primarily due to the net effect of the benefit received from tax-exempt interest income and various tax credits offset by state taxes.

10. Stockholders’ Equity

Stock Repurchase Program

In May 2001, Intuit’s Board of Directors initiated Repurchase Plan I and authorized the Company to repurchase up to $500.0 million of its common stock from time to time over a three-year period. In July 2002, our Board of

Directors increased the authorized purchase amount by $250.0 million to a total of $750.0 million. Repurchase Plan I was concluded in December 2002 when the authorized purchase amount under the program was reached. In March 2003, Intuit's Board of Directors initiated Repurchase Plan II and authorized the Company to repurchase up to $500.0 million of its common stock from time to time over a three-year period. Repurchase Plan II was concluded in November 2003 when the authorized purchase amount under the program was reached. In August 2003, Intuit's Board of Directors initiated Repurchase Plan III and authorized the Company to repurchase up to $500.0 million of its common stock from time to time over a three-year period.

The following table summarizes our stock repurchase activity under these plans, including broker commissions, through January 31, 2004:

	Plan I		Plan II		Plan III		Average
Fiscal Year	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Price Per Share**
(Dollars in thousands)							
2001	238,500	$ 8,358	—	$ —	—	$ —	$35.04
2002	7,361,839	318,422	—	—	—	—	43.25
2003	9,002,244	423,211	8,937,809	390,432	—	—	45.35
2004 to date	—	—	2,342,800	109,525	2,954,100	151,602	49.30
	16,602,583	$749,991	11,280,609	$499,957	2,954,100	$151,602	45.45

When we reissue treasury shares, if the proceeds from the sale are more than the average price we paid to acquire the shares we record an increase in additional paid-in capital. Conversely, if the proceeds from the sale are less than the average price we paid to acquire the shares, we record a decrease in additional paid-in capital to the extent of increases previously recorded for similar transactions and a decrease in retained earnings for any remaining amount.

Shares repurchased under the plans described above from the inception of the plans increased our basic and diluted net income per share by $0.04 and $0.09 in the second quarter of fiscal 2003 and 2004 and by $0.03 and $0.06 in the first six months of fiscal 2003 and 2004.

Distribution and Dilutive Effect of Options

The following table shows option grants to "Named Executives" and to all employees for the periods indicated. Named Executives are defined as the Company's chief executive officer and each of the four other most highly compensated executive officers during fiscal 2003.

	Twelve Months Ended		Six Months
	July 31, 2002	**July 31, 2003**	**Ended January 31, 2004**
Net option grants during the period as a percentage of outstanding shares	3.2%	2.7%	0.7%
Grants to Named Executives during the period as a percentage of total options granted	3.5%	8.9%	6.9%
Grants to Named Executives during the period as a percentage of outstanding shares	0.1%	0.3%	0.1%
Options held by Named Executives as a percentage of total options outstanding	9.0%	11.6%	12.7%

We define net option grants as options granted less options canceled or expired and returned to the pool of options available for grant. Options granted to our Named Executives as a percentage of the total options granted to all employees will vary significantly from quarter to quarter, due in part to the timing of annual performance-based grants to Named Executives.

11. Litigation

Leonard Knable et al. v. Intuit Inc. was filed in Los Angeles County Superior Court on February 24, 2003. The original complaint alleged various claims for unfair practices and deceptive and misleading advertising, fraud and deceit and product liability, on behalf of a purported class. The allegations were based on allegedly defective design and operation of the product activation feature in Intuit's TurboTax 2002 for Windows desktop software and Intuit's representations and disclosures about product activation. The complaint sought disgorgement of revenue from the sale of the product, compensatory and punitive damages, injunctive relief and attorneys' fees and costs. On Intuit's motion, the court dismissed the complaint on September 29, 2003, but granted plaintiffs leave to amend. Plaintiffs filed an amended complaint on October 30, 2003, adding causes of action for trespass to chattels, breach of contract, breach of the covenant of good faith and fair dealing, and negligent misrepresentation. Intuit filed a motion to dismiss the amended complaint on December 4, 2003. The court granted the motion and dismissed the action in its entirety without leave to amend on January 30, 2004.

On September 17, 2003, Muriel Siebert & Co., Inc. v. Intuit Inc. was filed in the Supreme Court of the State of New York, County of New York. The lawsuit alleges various claims for breach of contract, breach of express and implied covenants of good faith and fair dealing, breach of fiduciary duty, misrepresentation and/or fraud, and promissory estoppel. The allegations relate to Quicken Brokerage powered by Siebert, a strategic alliance between the two companies. The complaint seeks compensatory, punitive, and other damages. On September 22, 2003, Intuit filed an arbitration demand against Siebert & Co., Inc. in San Jose, CA seeking arbitration of all claims asserted by both parties. The New York court is currently determining whether the matter will proceed in New York state court or in arbitration. Intuit believes this lawsuit is without merit and intends to defend the litigation vigorously.

Intuit is subject to certain routine legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of our business. We currently believe that the ultimate amount of liability, if any, for any pending claims of any type (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, regardless of outcome, litigation can have an adverse impact on Intuit because of defense costs, diversion of management resources and other factors.

12. Related Parties

Loans to Executive Officers and Other Employees

Prior to July 30, 2002, loans to executive officers were generally made in connection with their relocation and purchase of a residence near their new place of work. Consistent with the requirements of The Sarbanes-Oxley Act of 2002, we have not made or modified any loans to executive officers since July 30, 2002 and we do not intend to make or modify any loans to executive officers in the future.

Loans to executive officers and other employees outstanding as of the dates indicated were as follows:

(In thousands)	July 31, 2003	January 31, 2004
Loans to executive officers	$14,891	$13,672
Loans to other employees	4,799	4,534
	$19,690	$18,206

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

Caution Regarding Forward-Looking Statements

Throughout this Report, we make forward-looking statements that are based on our current expectations, estimates and projections about our business and our industry, and that reflect our beliefs and assumptions based on information available to us at the date of this Report. In some cases, you can identify these statements by words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," and other similar terms. These forward-looking statements include, among other things, projections of our future financial performance, our anticipated growth, the strategies and trends we anticipate in our businesses and the customer segments in which we operate, and the competitive nature and anticipated growth of those segments.

We caution investors that forward-looking statements are only predictions based on our current expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Our actual results, performance or achievements could differ materially from those expressed or implied by the forward-looking statements. Some of the important factors that could impact our future operating results and could cause our results to differ are discussed in this Item 2 under the caption "Risks That Could Affect Future Results." We encourage you to read that section carefully. You should carefully consider those risks, in addition to the other information in this Report, in our Form 10-K for fiscal 2003 (filed with the SEC on September 19, 2003) and in our other filings with the SEC, before deciding to invest in our stock or to maintain or change your investment. We undertake no obligation to revise or update any forward-looking statement for any reason, except as required by law.

Overview

Intuit's Mission. Intuit's mission is to transform the way people run their businesses and manage their financial lives. Our products and services fall into the following principal categories: QuickBooks® small business accounting and business management solutions; small business products and services that include payroll, financial supplies, technical support and information technology management solutions; TurboTax® consumer tax products and services; ProSeries® and Lacerte® professional tax products and services; and Intuit-branded business management solutions designed to meet the specialized requirements of businesses in selected industries, which we call "Verticals." Our other businesses consist primarily of Quicken® personal finance products and services and our Canadian business.

Expanding Product and Service Offerings. During the last two years, we have expanded the products and services that we offer. Under our Right for My Business strategy we have expanded our QuickBooks product line to offer easy-to-use, industry-specific versions of QuickBooks, which we call "flavors." We have also introduced new versions of QuickBooks for companies that, due to their larger size or complexity, have more demanding accounting needs. We have introduced business solutions that go beyond accounting software to address a wider range of business management challenges that small businesses face. Finally, we are acquiring companies that offer more complete and customizable business management solutions to businesses in selected industries. We expect to continue to expand in these directions over the next several years.

Evolving Distribution Channels. We have been expanding our distribution channels to accommodate the expansion of the customer segments we serve and the range of products and services we offer. In the retail channel, we are selling an increasing proportion of our software products directly to a variety of retailers rather than through a few major distributors. As we offer more complex, higher priced software products than our traditional retail software products, we expect that direct sales will continue to become an increasingly important source of revenue and new customers. The direct channel is also becoming a more important channel for our traditional desktop products. Finally, as we add products and services that are complementary to our core products, we are focusing on strengthening our cross-selling capabilities. We expect that these increased capabilities will allow us to generate additional revenue from our existing customers, particularly our small business customers.

Seasonality. Our tax businesses are highly seasonal. Sales of tax preparation products and services are heavily concentrated in the period from November through April. These seasonal patterns mean that our quarterly total net revenue is usually highest during our second and third quarters ending January 31 and April 30. Although since fiscal 2000 we have recognized an increasing portion of our Consumer Tax annual revenue during the third quarter compared to the second quarter, this trend appears to be moderating and may not continue. We typically report losses in our first quarter ending October 31 and fourth quarter ending July 31 when revenue from our tax businesses is minimal, while operating expenses to develop new products and services continue at relatively consistent levels.

Critical Accounting Policies

In preparing our financial statements, we make estimates, assumptions and judgments that can have a significant impact on our net revenue, operating income or loss and net income or loss, as well as on the value of certain assets and liabilities on our balance sheet. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. Senior management has discussed the development and selection of these critical policies and their disclosure in this Report with the Audit Committee of our Board of Directors.

- Net Revenue – Revenue Recognition. Intuit derives revenue from the sale of packaged software products, product support, professional services, outsourced payroll services and multiple element arrangements that may include any combination of these items. We follow the appropriate revenue recognition rules for each type of revenue. See Note 1 of the financial statements, *"Net Revenue."* We generally recognize revenue when persuasive evidence of an arrangement exists, we have delivered the product or performed the service, the fee is fixed or determinable and collectibility is probable. However, determining whether and when some of these criteria have been satisfied often involves assumptions and judgments that can have a significant impact on the timing and amount of revenue we report. For example, for multiple element arrangements we must make assumptions and judgments in order to allocate the total price among the various elements we must deliver, to determine whether undelivered services are essential to the functionality of the delivered products and services, to determine whether vendor-specific evidence of fair value exists for each undelivered element and to determine whether and when each element has been delivered. If we were to change any of these assumptions or judgments, it could cause a material increase or decrease in the amount of revenue that we report in a particular period. Amounts invoiced relating to arrangements where revenue cannot be recognized are reflected on our balance sheet as deferred revenue and recognized over time as the applicable revenue recognition criteria are satisfied.

- Net Revenue – Return and Rebate Reserves. As part of our revenue recognition policy, we estimate future product returns and rebate payments and establish reserves against revenue at the time of sale based on these estimates. Product returns by distributors and retailers principally relate to the return of obsolete products. Our return policy allows distributors and retailers, subject to contractual limitations, to return purchased products. For product returns reserves, we consider the volume and price mix of products in the retail channel, historical return rates for prior releases of the product, trends in retailer inventory and economic trends that might impact customer demand for our products (including the competitive environment and the timing of new releases of our products). We fully reserve for obsolete products in the distribution channels.

  Our rebate reserves include distributor and retailer sales incentive rebates and end-user rebates. Our estimated reserves for distributor and retailer incentive rebates are based on distributors' and retailers' actual performance against the terms and conditions of rebate programs, which we typically establish annually. Our reserves for end-user rebates are estimated based on the terms and conditions of the specific promotional rebate program, actual sales during the promotion, the amount of redemptions received and historical redemption trends by product and by type of promotional program.

  In the past, actual returns and rebates have approximated and not generally exceeded the reserves that we have established. However, actual returns and rebates in any future period are inherently uncertain. If we were to change our assumptions and estimates, our revenue reserves would change, which would impact the net revenue we report. If actual returns and rebates are significantly greater than the reserves we have established, the actual results would decrease our future reported revenue. Conversely, if actual returns and rebates are significantly less than our reserves, this would increase our future reported revenue.

- Allowance for Doubtful Accounts. We make ongoing assumptions relating to the collectibility of our accounts receivable. The accounts receivable amount on our balance sheet includes a reserve for accounts that might not be paid. In determining the amount of the reserve, we consider our historical level of credit losses. We also make judgments about the creditworthiness of significant customers based on ongoing credit evaluations, and we assess current economic trends that might impact the level of credit losses in the future. Our reserves have generally been adequate to cover our actual credit losses. However, since we cannot reliably predict future changes in the financial stability of our customers, we cannot guarantee that our reserves will continue to be adequate. If actual credit losses are significantly greater than the reserve we have established, that would increase our general and administrative expenses and reduce our reported net income. Conversely, if actual credit losses are significantly less than our reserve, this would eventually decrease our general and administrative expenses and increase our reported net income.

- Goodwill, Purchased Intangibles and Other Long-Lived Assets – Impairment Assessments. We make judgments about the recoverability of purchased intangible assets and other long-lived assets whenever events or changes in circumstances indicate that an other-than-temporary impairment in the remaining value of the assets recorded on our balance sheet may exist. We test the impairment of goodwill annually or more frequently if indicators of impairment arise. In order to estimate the fair value of long-lived assets, we typically make various assumptions about the future prospects for the business that the asset relates to, consider market factors specific to that business and estimate future cash flows to be generated by that business. Based on these assumptions and estimates, we determine whether we need to record an impairment charge to reduce the value of the asset on our balance sheet to reflect its estimated fair value. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, different assumptions and estimates could materially affect our reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in greater impairment charges, which would decrease net income and result in lower asset values on our balance sheet. Conversely, less conservative assumptions could result in smaller or no impairment charges, higher net income and higher asset values. At January 31, 2004, we had $690.8 million in goodwill and $124.9 million in intangible assets on our balance sheet.

- Accounting for Stock-Based Incentive Programs. We currently measure compensation expense for our stock-based incentive programs using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, *"Accounting for Stock Issued to Employees."* Under this method, we do not record compensation expense when stock options are granted to eligible participants as long as the exercise price is not less than the fair market value of the stock when the option is granted. We also do not record compensation expense in connection with our Employee Stock Purchase Plan as long as the purchase price of the stock is not less than 85% of the lower of the fair market value of the stock at the beginning of each offering period or at the end of each purchase period. In accordance with Statement of Financial Accounting Standards No. 123, *"Accounting for Stock-Based Compensation,"* and SFAS 148, *"Accounting for Stock-Based Compensation – Transition and Disclosure,"* we disclose our pro forma net income or loss and net income or loss per share as if the fair value-based method had been applied in measuring compensation expense for our stock-based incentive programs. We have elected to follow APB 25 because the fair value accounting provided for under SFAS 123 requires the use of option valuation models that were not developed for use in valuing incentive stock options and employee stock purchase plan shares.

  On April 22, 2003, the Financial Accounting Standards Board decided to require all companies to expense the value of incentive stock options. Companies will be required to measure the cost of incentive stock options according to their fair value. The FASB has indicated that it plans to issue an exposure draft of a new accounting standard addressing this matter. This new accounting standard could become effective as early as 2004. Prior to issuance of this exposure draft, the FASB has indicated that it will be addressing several significant technical issues. A method to determine the fair value of incentive stock options must be established. Current accounting standards require the use of an option-pricing model, such as the Black-Scholes model, to determine fair value and provide guidance on adjusting some of the input factors used in the model. This valuation approach has received significant criticism and may be subject to changes that could have a significant impact on the calculated fair value of incentive stock options under the new standard. Among other things, the FASB must also determine the extent to which the new accounting standard will permit adjustments to recognized expense for actual option forfeitures and actual performance outcomes. This determination will affect the timing and amount of compensation expense recognized.

We monitor progress at the FASB and other developments with respect to the general issue of stock-based incentive compensation. In the future, should we expense the value of stock-based incentive compensation, either out of choice or due to new requirements issued by the FASB, and/or decide to alter our current employee compensation programs to provide other benefits in place of incentive stock options, we may have to recognize substantially more compensation expense in future periods that could have a material adverse impact on our results of operations

- Income Taxes – Estimates of Effective Tax Rates, Deferred Taxes and Valuation Allowance. When we prepare our consolidated financial statements, we estimate our income taxes based on the various jurisdictions where we conduct business. This requires us to estimate our current tax exposure and to assess temporary differences that result from differing treatments of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which we show on our balance sheet. We must then assess the likelihood that our deferred tax assets will be realized. To the extent we believe that realization is not likely, we establish a valuation allowance. When we establish a valuation allowance or increase this allowance in an accounting period, we record a corresponding tax expense on our statement of operations.

  Management must make significant judgments to determine our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance to be recorded against our net deferred tax asset. Our net deferred tax asset as of January 31, 2004 was $217.9 million, net of the valuation allowance of $7.5 million. We recorded the valuation allowance to reflect uncertainties about whether we will be able to utilize some of our deferred tax assets (consisting primarily of certain net operating losses carried forward by our international subsidiaries and certain state capital loss carryforwards) before they expire. The valuation allowance is based on our estimates of taxable income for the jurisdictions in which we operate and the period over which our deferred tax assets will be realizable. While we have considered future taxable income in assessing the need for the valuation allowance, we could be required to increase the valuation allowance to take into account additional deferred tax assets that we may be unable to realize. An increase in the valuation allowance would have an adverse impact, which could be material, on our income tax provision and net income in the period in which we make the increase.

Results of Operations

Total net revenue of $636.3 million increased 14% in the second quarter of fiscal 2004 compared to the second quarter of fiscal 2003. Total net revenue of $878.8 million increased 14% in the first six months of fiscal 2004 compared to the same period of fiscal 2003. Total net revenue was higher in both of the fiscal 2004 periods due primarily to growth in our Small Business Products and Services, Consumer Tax and QuickBooks segments.

Intuit had net income from continuing operations of $149.1 million for the second quarter of fiscal 2004, up 19% from $125.4 million in the second quarter of fiscal 2003. Net income from continuing operations was $95.1 million for the six months ended January 31, 2004, up 47% from $64.9 million for the six months ended January 31, 2003. The growth in net income from continuing operations in excess of the growth in revenue for the quarter and six months ended January 31, 2004 was primarily due to less acquisition-related charges and no purchased research and development expenses in fiscal 2004.

Diluted net income per share from continuing operations was $0.73 for the second quarter of fiscal 2004, up 24% from $0.59 per diluted share in the second quarter of fiscal 2003. Diluted net income per share from continuing operations was $0.47 for the six months ended January 31, 2004, up 52% from $0.31 per diluted share in the six months ended January 31, 2003. The growth in diluted net income per share from continuing operations in excess of the growth in net income from continuing operations for both of the fiscal 2004 periods was primarily due to the net reduction of shares outstanding resulting from our share buyback plan.

Total Net Revenue

We operate in six business segments. The following represents the net revenue for those six segments for the quarter and six months ended January 31, 2004 and 2003.

(Dollars in millions)	Q2 FY03	% Total Net Revenue	Q2 FY04	% Total Net Revenue	Q2 % Change	YTD FY03	% Total Net Revenue	YTD FY04	% Total Net Revenue	YTD % Change
QuickBooks										
Product	$ 93.2		$100.4			$131.0		$142.3		
Service	0.8		0.9			1.4		1.8		
Other	—		—			—		—		
Subtotal	94.0	17%	101.3	16%	8%	132.4	17%	144.1	16%	9%
Small Business Products and Services										
Product	68.7		80.1			127.1		152.1		
Service	47.5		59.2			86.0		104.4		
Other	4.7		6.0			9.0		11.9		
Subtotal	120.9	22%	145.3	23%	20%	222.1	29%	268.4	31%	21%
Consumer Tax										
Product	78.2		102.9			82.1		105.2		
Service	16.1		25.8			18.1		28.5		
Other	0.9		1.3			1.1		1.5		
Subtotal	95.2	17%	130.0	20%	36%	101.3	13%	135.2	15%	33%
Professional Accounting Solutions										
Product	146.4		151.5			152.8		158.4		
Service	4.0		5.3			4.1		5.3		
Other	—		—			—		—		
Subtotal	150.4	27%	156.8	25%	4%	156.9	20%	163.7	19%	4%
Vertical Business Management Solutions										
Product	10.0		9.4			15.6		19.0		
Service	14.0		16.6			27.1		32.6		
Other	0.1		0.1			0.1		0.8		
Subtotal	24.1	4%	26.1	4%	9%	42.8	6%	52.4	6%	22%
Other Businesses										
Product	60.7		64.7			90.5		92.2		
Service	0.9		1.8			2.1		3.2		
Other	11.9		10.3			22.8		19.6		
Subtotal	73.5	13%	76.8	12%	4%	115.4	15%	115.0	13%	0%
Total net revenue	**$558.1**	**100%**	**$636.3**	**100%**	**14%**	**$770.9**	**100%**	**$878.8**	**100%**	**14%**

QuickBooks

QuickBooks product revenue is derived primarily from QuickBooks desktop software products. QuickBooks service revenue is derived from QuickBooks Online Edition.

QuickBooks total net revenue of $101.3 million and $144.1 million increased 8% and 9% in the second quarter and first six months of fiscal 2004 compared to the same periods of fiscal 2003. The revenue increases reflected a mix shift to higher-priced industry-specific and enterprise versions of QuickBooks. This was partially offset by lower QuickBooks Pro and Basic unit sales and the increased use of consignment sales to retailers in the second quarter and first six months of fiscal 2004, which delays revenue recognition to the time of the end-user sale. In addition, fewer customers were affected by our elimination of technical support for older products in the quarter and six months ended January 31, 2004 than in the same periods of fiscal 2003. This resulted in a smaller number of customers upgrading to newer versions of QuickBooks in the quarter and six months ended January 31, 2004 than in the same periods of fiscal 2003.

Small Business Products and Services

Small Business Products and Services product revenue is comprised of QuickBooks Do-It-Yourself Payroll, which offers payroll tax tables, forms and electronic tax payment and filing services on a subscription basis to small businesses that prepare their own payrolls; financial supplies such as paper checks, envelopes and invoices; and information technology management software. Services revenue for this segment is derived primarily from outsourced payroll services, QuickBooks support plans and merchant account services. Other revenue for this segment consists primarily of royalties from small business online services and interest earned on customer payroll deposits.

Small Business Products and Services total net revenue of $145.3 million increased 20% in the second quarter of fiscal 2004 compared to the second quarter of fiscal 2003. Growth in this segment was driven primarily by an increase in QuickBooks Do-It-Yourself Payroll, or DIY, revenue and by our October 2003 acquisition of Innovative Merchant Solutions. DIY revenue was higher in the second quarter of fiscal 2004 than in the same quarter of the prior year due to growth in the average customer base and the full impact in fiscal 2004 of a December 2002 price increase.

Small Business Products and Services total net revenue of $268.4 million increased 21% in the first six months of fiscal 2004 compared to the same period of fiscal 2003. Growth in DIY and information technology management software revenue and our acquisition of Innovative Merchant Solutions in October 2003 drove the year to date increase.

Consumer Tax

Consumer Tax product revenue is derived primarily from TurboTax federal and state consumer desktop tax return preparation products. Consumer Tax service revenue is derived primarily from TurboTax for the Web online tax return preparation services and consumer electronic filing services. Paid Web units exclude tax filing units that we donate under the Intuit Tax Freedom Project.

Consumer Tax total net revenue of $130.0 million and $135.2 million increased 36% and 33% in the second quarter and first six months of fiscal 2004 compared to the same periods of fiscal 2003. Desktop revenues were up in the second quarter of fiscal 2004 and desktop net selling prices were higher due primarily to the elimination of rebates for certain products. TurboTax for the Web revenue increased in the second quarter of fiscal 2004 due to unit growth and higher average selling prices. Electronic filing revenue was also up in the second quarter of fiscal 2004 due to unit growth. Due to the highly seasonal nature of our Consumer Tax business, first quarter fiscal 2004 and 2003 revenue was nominal. We will not have complete results for the entire 2003 tax season until late in fiscal 2004.

Professional Accounting Solutions

Professional Accounting Solutions, or PAS, product revenue is derived primarily from ProSeries and Lacerte professional tax preparation software products. PAS service revenue is derived primarily from electronic filing and training services.

PAS total net revenue of $156.8 million and $163.7 million increased 4% in the second quarter and first six months of fiscal 2004 compared to the same periods of fiscal 2003. The second quarter fiscal 2004 increase was due to the availability of more tax forms in our professional tax products which results in accelerated revenue as additional product is deemed to be delivered and to higher average selling prices related to product enhancements. Due to the highly seasonal nature of our PAS business, first quarter fiscal 2004 and 2003 revenue was nominal. We will not have complete results for the entire 2003 tax season until late in fiscal 2004.

Vertical Business Management Solutions

Vertical Business Management Solutions, or VBMS, revenue is derived from four businesses that we acquired in fiscal 2002 that provide business management solutions for companies in selected industries. Those businesses are Intuit Distribution Management Solutions, whose Intuit Eclipse™ line of products and services offers business management software for the wholesale durable goods industry; MRI Real Estate Solutions, whose Intuit MRI line of products and services provides business management software solutions for commercial and residential property managers; Intuit Construction Business Solutions, whose Intuit MasterBuilder™ line of products and services provides business management solutions for the construction industry; and Intuit Public Sector Solutions, whose Intuit Fundware™ line of products and services offers accounting and business management software solutions for nonprofit organizations, universities and government agencies. VBMS product revenue is derived from business management software for these vertical industries. VBMS service revenue consists primarily of technical support, consulting and training services.

VBMS total net revenue of $26.1 million and $52.4 million increased 9% and 22% in the second quarter and first six months of fiscal 2004 compared to the same periods of fiscal 2003. Growth in this segment was driven primarily by increased service and implementation revenue sold to new and existing customers.

Other Businesses

Other Businesses revenue is derived primarily from Personal Finance products and services and revenue from our Canadian operations. Personal Finance product revenue is derived primarily from Quicken desktop software products. Personal Finance service revenue is nominal while Personal Finance other revenue consists of fees from consumer online transactions and Quicken.com advertising revenue. In Canada, product revenue is derived primarily from localized versions of QuickBooks and Quicken as well as QuickTax and TaxWiz consumer desktop tax return preparation software and ProFile professional tax preparation products. Service revenue in Canada consists primarily of revenue from software maintenance contracts sold with QuickBooks.

Other Businesses total net revenue of $76.8 million and $115.0 million increased 4% in the second quarter and remained flat for the first six months of fiscal 2004 compared to the same periods of fiscal 2003. Lower Quicken revenue, reflecting the continuing lack of growth in the personal finance desktop software category, was offset by higher revenue in Canada. Aggregate average selling prices for Quicken in the fiscal 2004 periods were higher due to a mix shift to our higher-priced Quicken Premier and Home and Business products. However, lower overall Quicken unit sales due to increased use of consignment, which delays revenue recognition to the time of the end-user sale, more than offset the higher average selling prices in the fiscal 2004 periods. Personal Finance other revenue also declined due to the termination of a contract with our largest online advertising customer.

Total net revenue from Canada increased 14% in the second quarter of fiscal 2004 compared to the second quarter of fiscal 2003 due to a more favorable average foreign exchange rate on revenue. The Canadian dollar strengthened compared to the U.S. dollar in the second quarter of fiscal 2004 versus the same period in fiscal 2003 which increased revenues by $5.8 million, or 19%. Total net revenue in Canadian dollars decreased 4% in the second quarter of fiscal 2004 compared to the second quarter of fiscal 2003 primarily due to a reduction in QuickTax net revenue due to lower volume related to a revised channel inventory strategy. Total net revenue from Canada in the first quarter of fiscal 2004 and fiscal 2003 was nominal, reflecting the seasonality of that business.

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Cost of Revenue

(Dollars in millions)	Q2 FY03	% of Related Revenue	Q2 FY04	% of Related Revenue	Q2 % Change	YTD FY03	% of Related Revenue	YTD FY04	% of Related Revenue	YTD % Change
Cost of revenue:										
Cost of product revenue	$ 71.1	16%	$ 65.9	13%	(7%)	$ 99.8	17%	$ 97.9	15%	(2%)
Cost of service revenue	39.6	48%	42.5	39%	7%	76.2	55%	78.3	45%	3%
Cost of other revenue	5.2	30%	6.9	39%	33%	9.8	30%	13.7	41%	40%
Amortization of purchased software	3.5	n/a	3.3	n/a	(6%)	6.5	n/a	6.6	n/a	2%
Total cost of revenue	**$119.4**	**21%**	**$118.6**	**19%**	**(1%)**	**$192.3**	**25%**	**$196.5**	**22%**	**2%**

There are four components of our cost of revenue: (1) cost of product revenue, which includes the direct cost of manufacturing and shipping our software products; (2) cost of service revenue, which reflects direct costs associated with providing services, including data center costs relating to delivering Internet-based services; (3) cost of other revenue, which includes costs associated with generating advertising and marketing and online transactions revenue; and (4) amortization of purchased software, which represents the cost of depreciating products we obtained through acquisitions over their useful lives.

Cost of service revenue as a percentage of service revenue decreased to 39% and 45% in the second quarter and first six months of fiscal 2004 from 48% and 55% in the same periods of fiscal 2003. These decreases were primarily attributable to growth in service revenue combined with lower service costs for businesses we acquired during fiscal 2003 and 2004, notably Blue Ocean Software, Inc. and Innovative Merchant Solutions LLC. In addition, starting in the third quarter of fiscal 2003 we no longer paid royalties to Wells Fargo Bank for our Premier payroll business. Although we now amortize the $29.2 million purchase price of the right to market to this customer base to cost of services revenue over five years, the amortization expense is less than the royalties that would have been incurred under the old agreement.

Cost of other revenue as a percentage of other revenue increased to 39% and 41% in the second quarter and first six months of fiscal 2004 from 30% in the comparable periods of fiscal 2003. This was primarily due to declining Personal Finance other revenue resulting from the fiscal 2004 termination of a contract with our largest online advertising customer which had little or no cost.

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Operating Expenses

(Dollars in millions)	Q2 FY03	% Total Net Revenue	Q2 FY04	% Total Net Revenue	Q2 % Change	YTD FY03	% Total Net Revenue	YTD FY04	% Total Net Revenue	YTD % Change
Customer service and technical support	$ 55.6	10%	$ 63.2	10%	14%	$ 95.2	12%	$104.2	12%	9%
Selling and marketing	97.8	17%	107.6	17%	10%	172.6	23%	199.6	23%	16%
Research and development	66.1	12%	73.3	12%	11%	130.2	17%	144.7	17%	11%
General and administrative	38.4	7%	48.1	7%	25%	78.0	10%	91.8	10%	18%
Subtotal	257.9	46%	292.2	46%	13%	476.0	62%	540.3	62%	14%
Charge for purchased research and development	1.1	0%	—	n/a	n/a	8.9	1%	—	n/a	n/a
Acquisition-related charges	9.2	2%	6.8	1%	(26%)	18.6	2%	12.8	1%	(31%)
Total operating expenses	**$268.2**	**48%**	**$299.0**	**47%**	**11%**	**$503.5**	**65%**	**$553.1**	**63%**	**10%**

Overview of Operating Expenses

Total operating expenses increased 11% and 10% in the second quarter and first six months of fiscal 2004 compared to the same periods of fiscal 2003. Core operating expenses (which are subtotaled in the table above) increased 13% and 14% in the same periods. Core operating expenses, individually and in the aggregate, as a percentage of total net revenue of 46% and 62% in the second quarter and first six months of fiscal 2004 remained consistent with the same periods of fiscal 2003. We believe core operating expenses represent the controllable costs of running our business.

Charge for Purchased Research and Development

In the first six months of fiscal 2003, we recorded charges for purchased research and development totaling $8.9 million, primarily in connection with our acquisition of Blue Ocean.

Acquisition-Related Charges

Acquisition-related charges were $6.8 million and $12.8 million in the second quarter and first six months of fiscal 2004 compared to $9.2 million and $18.6 million in the same periods of fiscal 2003. Increases in fiscal 2004 acquisition-related charges due to our acquisition of Innovative Merchant Solutions in the first quarter of fiscal 2004 were more than offset by decreases in those charges as older intangible assets and certain deferred compensation balances related to prior acquisitions became fully amortized.

Non-Operating Income and Expenses

Interest and Other Income

Total interest and other income for the second quarter and first six months of fiscal 2004 was $7.2 million and $14.7 million compared to $7.8 million and $16.6 million in the same periods of fiscal 2003. The interest income that we earn on our cash and short-term investment balances decreased $2.3 million and $6.1 million in the second quarter and first six months of fiscal 2004 compared to the same periods of fiscal 2003 due to our reinvestment of maturing instruments in new instruments that generally yield lower current market interest rates. In the second quarter of fiscal 2004, we also recorded other income of $2.2 million related to receipt of an insurance settlement.

Interest and other income includes net gains and losses resulting from foreign exchange transactions. Due primarily to the effect of the weakening U.S. dollar on intercompany balances with our Canadian subsidiary, we recorded net foreign exchange gains of $0.8 million and $4.1 million in the second quarter and first six months of fiscal 2004 compared to $1.4 million and $2.1 million in the same periods of fiscal 2003.

Income Taxes

In the second quarter and first six months of fiscal 2004, we recorded income tax provisions of $76.8 million and $49.0 million on pre-tax income from continuing operations of $225.9 million and $144.1 million, resulting in an effective tax rate of approximately 34% for each of those periods. Our effective tax rates for the second quarter and first six months of fiscal 2004 differed from the federal statutory rate primarily due to the net effect of the benefit received from tax-exempt interest income and various tax credits offset by state taxes.

In the second quarter and first six months of fiscal 2003, we recorded income tax provisions of $55.9 million and $29.9 million on pre-tax income from continuing operations of $181.3 million and $94.9 million, resulting in effective tax rates of approximately 31% and 32% for those periods. Our effective tax rate for the second quarter of fiscal 2003 differed from the federal statutory rate primarily due to the net effect of the benefit received from tax-exempt interest income and various tax credits offset by state taxes. Our effective tax rate for the first six months of fiscal 2003 differed from the federal statutory rate primarily due to the net effect of the benefit received from tax-exempt interest income and various tax credits offset by state taxes and acquisition-related charges recorded in the first quarter of fiscal 2003.

Discontinued Operations

In July 2002, we sold our Quicken Loans mortgage business segment and accounted for the sale as discontinued operations. In October 2002, we sold our residual equity interest in the purchasing company and recognized a gain of $5.6 million on the transaction.

In February 2003, we sold our wholly owned Japanese subsidiary, Intuit KK, and accounted for the sale as discontinued operations. In accordance with SFAS 144, we have segregated the operating results of Intuit KK from continuing operations in our statement of operations for all periods prior to the sale.

Liquidity and Capital Resources

At January 31, 2004, our cash and cash equivalents and short-term investments totaled $978.9 million, a $227.9 million decrease from July 31, 2003. The decrease was primarily due to our use of cash for our stock repurchase programs and for an acquisition partially offset by cash provided by continuing operations.

We generated $128.6 million in cash from our operations during the first six months of fiscal 2004. Net income from continuing operations totaled $95.1 million. Adjustments for non-cash expenses included depreciation of $38.6 million and acquisition-related charges, amortization of purchased software and amortization of other purchased intangible assets totaling $22.4 million. Other current liabilities increased $83.8 million due mainly to higher reserves for returns and rebates, income taxes payable increased $26.7 million and deferred revenue increased $24.6 million, each reflecting the seasonality of our business. Cash generated by these and other operating activities was partially offset by an increase of $193.3 million in accounts receivable, again reflecting the seasonality of our business.

We used $25.9 million in cash from investing activities during the first six months of fiscal 2004. We drew net cash of $145.5 million from short-term investments during the period, with proceeds of $1.226 billion from the sale upon maturity of certain short-term investments more than offsetting reinvestments of $1.080 billion. Our primary use of cash for investing activities was for the acquisition of Innovative Merchant Solutions, which totaled $116.7 million. As a result of our continued investment in information systems and infrastructure, we also purchased a total of $47.7 million in property and equipment which included $9.5 million in labor costs capitalized in connection with internal use software projects.

We used $185.1 million in cash for our financing activities in the first six months of fiscal 2004. The primary component of cash used in financing activities was $261.1 million for the repurchase of treasury stock through our stock repurchase programs. See Note 10 of the financial statements. This was partially offset by proceeds of $86.6 million we received from the issuance of common stock under employee stock plans.

In March 2003, Intuit's Board of Directors initiated Repurchase Plan II and authorized the Company to repurchase up to $500.0 million of common stock from time to time over a three-year period. Shares of stock repurchased under this program become treasury shares. During the first six months of fiscal 2004, we repurchased a total of 2.3 million shares of our common stock for an aggregate cost of approximately $109.5 million under this program. Repurchase Plan II was concluded in November 2003 when the authorized purchase amount under the program was reached.

In August 2003, our Board of Directors initiated Repurchase Plan III and authorized the Company to repurchase up to $500.0 million of common stock from time to time over a three-year period. Shares of stock repurchased under this program become treasury shares. During the first six months of fiscal 2004, we repurchased a total of 3.0 million shares of our common stock for an aggregate cost of approximately $151.6 million under this program. Authorized funds of $348.4 million remain available under this program at January 31, 2004.

Outstanding loans to executive officers and other employees totaled $18.2 million at January 31, 2004 and $19.7 million at July 31, 2003. Loans to executive officers are primarily relocation loans that are generally secured by real property and have maturity dates of up to 10 years. As of January 31, 2004, all interest payments were current in accordance with the terms of the loan agreements. Consistent with the requirements of The Sarbanes-Oxley Act of 2002, no loans to executive officers have been made or modified since July 30, 2002 and we do not intend to make or modify loans to executive officers in the future. See Note 12 of the financial statements.

We evaluate, on an ongoing basis, the merits of acquiring technology or businesses, or establishing strategic relationships with and investing in other companies. We may decide to use cash and cash equivalents to fund such activities in the future.

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

Contractual Obligations

The following table summarizes our contractual obligations to make future payments at January 31, 2004:

	Payments Due by Period				
(In millions)	Less than 1 year	1-3 years	3-5 years	After 5 years	Total
Amounts due employees under deferred compensation plans	$ —	$11.2	$ —	$ —	$ 11.2
Short-term amounts due CBS Employer Services	11.9	—	—	—	11.9
Short-term portion of vacancy reserve	1.3	—	—	—	1.3
Long-term obligations	—	10.2	3.5	5.2	18.9
Operating leases	30.3	54.9	36.1	62.1	183.4
Total contractual cash obligations	$ 43.5	$76.3	$39.6	$67.3	$226.7

Long-term obligations at January 31, 2004 included the $7.7 million long-term portion of our reserve for vacant Mountain View facilities. Long-term obligations also included $5.6 million for amounts we owe to former stockholders of CBS Employer Services in connection with our acquisition of that company in the fourth quarter of fiscal 2002. See Note 8 of the financial statements.

Reserves for Returns and Rebates

Activity in our reserves for product returns and for rebates during the first six months of fiscal 2004 and comparative balances at January 31, 2003 were as follows:

(In thousands)	Balance July 31, 2003	Additions Charged Against Revenue	Returns/ Redemptions	Balance January 31, 2004	Balance January 31, 2003
Reserve for product returns	$34,406	$125,168	$(101,255)	$58,319	$69,924
Reserve for rebates	10,401	93,052	(66,022)	37,431	55,463

Due to the seasonality of our business, the returns and rebate reserve balances at January 31, 2004 should be compared to the reserve balances at January 31, 2003. The returns reserve balance at January 31, 2004 is lower than the balance at January 31, 2003 as we have worked with our retail customers to reduce the amount of inventory they need to serve their customers and improve the timeliness of returns. In addition we are selling more units to major retail customers on a consignment basis. For consignment sales, revenue is not recognized until the retailer sells units to their customers and returns reserves are therefore much lower.

We have reduced our reserve for rebates primarily because some of our major retail customers are participating in a program where they sell our tax products without rebates, we have reduced other rebate programs and we are now selling more units to our retail customers on a consignment basis where the rebates are recognized upon sale to the end user.

Recent Accounting Pronouncements

In November 2002, the EITF reached a consensus on Issue No. 00-21, *"Revenue Arrangements with Multiple Deliverables."* Issue 00-21 provides guidance on accounting for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of Issue 00-21 apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. We adopted Issue 00-21 effective August 1, 2003 and the adoption of this standard did not have a material effect on our financial position, results of operations or cash flows.

In January 2003, the FASB issued FIN 46, *"Consolidation of Variable Interest Entities."* FIN 46 requires us to consolidate a variable interest entity if we are subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. A variable interest entity is a corporation, partnership, trust or any other legal structure used for business purposes that either does not have equity investors with voting rights or has equity investors that do not provide sufficient financial resources for the entity to support its activities. A variable interest entity often holds financial assets, including loans or receivables, real estate or other property. A variable interest entity may be essentially passive or it may engage in research and development or other activities on behalf of another company. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after December 15, 2003. We anticipate that the adoption of FIN 46 will not have a material impact on our financial position, results of operations or cash flows.

Risks That Could Affect Future Results

The factors discussed below are cautionary statements that identify important risks and trends that could impact our future operating results and could cause actual results to differ materially from those anticipated in the forward-looking statements in this Report. Our fiscal 2003 Form 10-K and other SEC filings contain additional details about these risks, as well as other risks that could affect future results.

Company-Wide Factors That Could Affect Future Results

We face intense competitive pressures in all of our businesses, which can have a negative impact on our revenue, profitability and market position. We have formidable current and potential competitors. Accordingly, we expect competition to remain intense during fiscal 2004 and beyond. Our competitors in all our businesses may introduce new and improved products and services, reduce prices, gain better access to distribution channels, increase advertising (including advertising targeted at Intuit customers), and release new products and services before we do. Any of these competitive actions – particularly any prolonged price competition – could diminish our net revenue and profitability. They could also affect our ability to keep existing customers and acquire new customers.

We are implementing new information systems that are important for our ability to execute on our growth strategy, and problems with the design or implementation of these systems could interfere with our business and operations. We are in the process of implementing new information systems to replace our existing systems. As a part of this effort, we began implementing in fiscal 2003, and will continue to implement in fiscal 2004, new software applications to manage our business and finance operations. We may not successfully implement these new systems and transition data, and even if we do succeed, the implementation may be much more costly than we anticipated. Any disruptions relating to these systems enhancements could adversely impact our ability to do the following in a timely and accurate manner: take customer orders, ship products, provide services and support to our customers, bill and track our customers, fulfill contractual obligations and otherwise run our business. In addition, many of our newer businesses depend on a different operational infrastructure than our desktop software businesses, and we expect to encounter difficulties as we develop, expand and modify our internal systems and procedures – including call center, customer management, order management, billing and other systems – to support these businesses. If we are unable to successfully implement new information systems, our financial position, results of operations, cash flows and stock price could be adversely affected.

If we do not continue to develop new products and services in a timely and efficient manner, our future financial results will suffer. We must continually develop new products and services and improve existing products and services so that we can remain competitive in the markets we serve and in the markets we seek to enter. In executing our customer-focused product strategies, we have introduced a number of products and services that are specially designed for specific businesses and consumer needs. Many of our offerings have posed new product development challenges for us because they require that our products and services integrate with one another and with both our web sites and our internal information systems. In addition, our customers expect – and our business model contemplates – increased functionality and greater inter-operability among our products and services. Moreover, our development and enhancement processes involve several risks, including challenges in hiring and retaining highly qualified employees, the risk of delays in product and service launches, the risk of defects that hinder performance and the risk that consumers will not buy new or modified offerings. Failure to timely and successfully develop new products and services would harm our competitive position and result in declines in our revenue and earnings.

Expanding our product and service offerings creates risks due to the increasing complexity and decreasing predictability of our revenue streams. Our expanding range of products and services generates more varied revenue streams than our traditional desktop software businesses. The accounting policies that apply to these revenue streams are more complex than those that apply to our traditional products and services. We expect this trend to continue as we acquire additional companies. For example, as we begin to offer additional features and options as part of multiple-element sales arrangements, we could be required to defer a higher percentage of our product revenue at the time of sale than we do for traditional products. This would decrease revenue at the time products are shipped, but result in increased revenue in fiscal periods after shipment. In addition, our Vertical Business Management Solutions businesses offer products and services with significantly higher prices than we have traditionally offered. Revenue from these offerings tends to be less predictable than revenue from our traditional desktop products, due to longer sales and implementation cycles. These businesses also tend to rely on a relatively small number of large orders for a substantial portion of their revenue in a particular quarter, which could cause our quarterly revenue from these businesses to fluctuate.

Any significant failure in our technology systems or other interruption to our business could harm our operations and our financial performance. We rely on a variety of technology systems to take and fulfill customer orders, handle customer service requests, host our Web-based activities, support internal operations, store customer and company data and perform other functions. Our technology systems could be damaged or interrupted, lose customer data or otherwise fail to perform at levels necessary to support our business operations. In addition, our business operations are concentrated in San Diego, California and Mountain View, California and are vulnerable to interruption by fire, earthquake, power loss, terrorist acts and other events beyond our control. Any significant failure in our technology systems or business operations could prevent us from accepting and fulfilling customer orders and adversely impact our revenues. To reduce the likelihood of interruptions, we must continually upgrade our systems and processes to ensure that we have adequate recoverability and redundancy, which is costly and time consuming. While we have backup systems for certain aspects of our operations, our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. In addition, we may have inadequate insurance coverage or insurance limits to compensate us for losses from a major interruption. If our technology systems were to fail or if our business operations were interrupted, it could harm our financial performance, damage our reputation and be expensive to remedy.

Business integration of acquired companies presents several challenges and we may not fully realize the intended benefits of our acquisitions if we do not successfully integrate them with our operations. During the past few years, we have completed numerous acquisitions (one in fiscal 2004, two in fiscal 2003 and five in fiscal 2002), and we expect to continue to pursue acquisitions as part of our business strategy. These acquisitions expand our product and service offerings, personnel and geographic locations and require us to integrate different company cultures, management teams and business infrastructures. The integration process can strain our resources and be expensive and time consuming, particularly if we are integrating multiple companies at the same time. Promptly and efficiently integrating acquired businesses creates challenges for our operational, financial and management information systems, as well as for our product development processes. Depending on the size and complexity of an acquisition, and the number of acquisitions we are concurrently integrating, our successful integration of the entity depends on a variety of factors, including:

- Retaining key employees
- Managing facilities and employees in different geographic areas
- Retaining key customers, and
- Integrating or coordinating research and development, product manufacturing, and sales and marketing programs.

Despite our efforts to adequately staff and equip our customer service and technical support operations, we cannot always respond promptly to customer requests for assistance. We occasionally experience customer service and technical support problems, including longer than expected waiting times for customers when our staffing and systems are inadequate to handle a higher-than-anticipated volume of requests. When we experience these problems, they can adversely affect customer relationships and our financial results (due to lost revenue because of our inability to accept orders for our products or increased costs). We also risk losing service at any one of our customer contact centers and our redundancy systems could prove inadequate to provide backup support. In addition, our customer-focused business strategy presents additional technical support challenges as we increase the number and complexity of the products we offer, particularly for our QuickBooks, Consumer Tax and Vertical Business Management Solutions segments. To improve our performance in this area, we must eliminate underlying causes of customer requests for service and support through product improvements, better order fulfillment processes, more robust self-help tools, and better forecasting of demand for support services. Implementing any of these improvements can be expensive, time consuming and ultimately prove unsuccessful.

Given the nature of the products and services that we offer, our revenue and earnings are highly seasonal. Several of our businesses are highly seasonal – particularly our tax businesses, but also our small business software and service offerings to a lesser extent. This causes significant quarterly fluctuations in our financial results. Revenue and operating results are usually strongest during the second and third fiscal quarters, which end January 31 and April 30. We experience lower revenues, and we often experience significant operating losses, in the first and fourth quarters, which end October 31 and July 31. Our financial results can also fluctuate from quarter to quarter and year to year due to a variety of factors, including changes in product sales mix that affect average selling prices, product release dates, the timing of sales of our higher-priced Vertical Business Management Solutions offerings, our methods for distributing our products, including the shift to a consignment model for our consumer tax products that we sell through retail distribution channels, and the timing of acquisitions, dispositions, and goodwill and purchased intangible asset impairment charges.

Acquisition-related costs can cause significant fluctuation in our net income. Our recent acquisitions have resulted in significant expenses, including amortization of purchased software (which is reflected in cost of revenue), as well as charges for in-process research and development, and amortization and impairment of goodwill, purchased intangible assets and deferred compensation (which are reflected in operating expenses). Total acquisition-related costs in the categories identified above were \$196.0 million in fiscal 2002, \$56.6 million in fiscal 2003 and \$19.4 million in the first six months of fiscal 2004. Fiscal 2003 and 2004 acquisition-related costs have declined primarily because of a change in the accounting treatment of goodwill. However, we may incur less frequent, but larger, impairment charges related to the goodwill already recorded and to goodwill arising out of future acquisitions. As of January 31, 2004, we had an unamortized goodwill balance of approximately $690.8 million, which could be subject to impairment charges in the future. Additional acquisitions, and any impairment of the value of purchased assets, could have a significant negative impact on our future operating results**.**

Specific Factors Affecting Our QuickBooks, Small Business Products and Services and Vertical Business Management Solutions Segments

In our QuickBooks and our Small Business Products and Services businesses, we face a wide range of competitive risks that could impact our financial results. Our QuickBooks business faces current competition from competitors' desktop and Web-based software offerings. Many competitors and potential competitors have begun providing, or have expressed significant interest in providing, accounting and business management products and services to small businesses. As we expand the depth and breadth of our small business offerings, we face additional competition from others who are already offering industry-specific small business solutions and business management tools and services for larger small businesses. Microsoft has several small business offerings that compete with our small business offerings, including Microsoft Business Solutions Small Business Manager, Microsoft Business Solutions CRM and Business Contact Manager for Microsoft Office Outlook® 2003. We expect that Microsoft small business offerings will continue to compete with our small business offerings, perhaps even more directly in the future. In addition, we face direct competition in our Intuit Payroll Services Complete Payroll business from traditional payroll services offered by a number of companies, including ADP and Paychex. Our financial supplies business faces ongoing pricing pressures from many of our competitors. As we implement our Right for My Business strategy we face increased competitive threats from larger companies in bigger markets than we have historically faced.

We face competitive pressures in our Vertical Business Management Solutions segment. All of our Vertical Business Management Solutions businesses operate in highly competitive and fragmented environments where no competitor has a significant share of the market segment. We may experience pricing pressure in these market segments because we compete with many small companies, who have fewer resources than larger companies and are therefore more likely to focus on near-term sales. In each of these market segments, the possibility exists that through either consolidation within the market segment or the entry into the market segment of new companies a significant competitor will emerge.

It is too soon to provide assurance that we will be able to generate substantial and sustained revenue growth from new products and services in our QuickBooks, Small Business Products and Services and Vertical Business Management Solutions segments. To meet our growth goals, we must generate revenue from a wider range of market and customer segments, as well as from new products and services. There are many risks associated with our growth strategy, including:

- We may have difficulty identifying potential targets for acquisition.

- Our Right for My Business strategy is resulting in a dramatic increase in the number and complexity of the products and services that we offer. This places greater demands on our research and development, and marketing and sales resources, as we must develop, market and sell both the new products and services and periodic enhancements to an expanding portfolio of products and services. This will also require us to continually develop, expand and modify our internal business operations systems and procedures to gain better integration so we can support our new businesses, including our customer service and technical support contact centers, and our customer management, order management, billing and other systems.

- Many of the new products and services we offer, and will be offering, are much more complex than our traditional core desktop software products and are priced accordingly. They will therefore require a more consultative sales process and a higher level of post-sales support, both of which could result in higher selling and marketing expenses. If we are not able to adapt our marketing, sales, distribution and customer support functions to accommodate these changes, we will not succeed in generating significant or sustained revenue or net income from these new businesses.

Our acquisition strategy entails a number of challenges that could limit our successful implementation of the strategy. A key component of our Right for My Business strategy is to continue to expand our product and service offerings, and we expect to derive a portion of this expansion from acquisitions. We could face the following risks relating to our strategy and future acquisitions, in addition to the integration challenges noted above:

- Competition for acquisition opportunities could inhibit our ability to complete suitable acquisitions, and could also increase the price we would have to pay to complete acquisitions.

- If we are unable to complete acquisitions successfully, we may not be able to develop and market products for new industries or applications with which we may not be familiar.

- Acquired businesses may bring with them unanticipated liabilities, business or legal risks or operating costs that could harm our results of operations or business, reduce or eliminate any benefits of the acquisition or require unanticipated expenses.

- Future acquisitions may require us to issue shares of our stock and stock options to owners of the acquired businesses, which would result in dilution to the equity interests of our stockholders.

- If we fail to retain the services of key employees of acquired companies for significant time periods after we acquire their companies, we may experience difficulty in managing the acquired company's business and not realize the anticipated benefits of the acquisition.

Revenue growth for our Vertical Business Management Solutions segment may be hindered by a variety of factors, which could have a negative impact on overall company revenue growth. Revenue growth for our Vertical Business Management Solutions business is subject to many risks. Among these are the negative impact of the current economic environment on customer purchases of the relatively high-priced software solutions offered by these businesses, strong pricing pressure in these markets because we compete with many small companies, who have fewer resources than larger companies and are therefore more likely to focus on near-term sales**,** our ability to successfully acquire other companies and the potential disruption to the businesses of the acquired companies during the acquisition integration process. In addition, revenue growth in any particular period may be difficult to predict because of the complex revenue streams generated by these businesses, and the corresponding complexity in the accounting policies that apply to them.

Our payroll businesses face a number of risks that could have a negative impact on revenue and profitability. For our payroll businesses, we must process customer data accurately, reliably and timely in order to attract and retain customers and avoid the costs associated with errors. We must also accurately and timely develop new and upgraded payroll products to enable our customers to meet the various regulatory deadlines associated with employer-related payroll activities. If we failed to timely deliver any of our payroll products, it could cause our current and prospective customers to choose a competitor's product for that year's payroll and not to purchase Intuit products in the future. Since our payroll businesses involve processing large amounts of payroll funds and remitting large amounts of income taxes, there is a potential for errors in processing the payments or misappropriation of payroll funds by either our customers' employees or our own employees. Any such error or misappropriation could subject Intuit to liabilities that could be substantial. In addition, we are authorized by our customers to transfer money from their bank accounts to fund amounts owed to their employees and taxing authorities. It is possible that we could be held liable for such amounts in the event the client has insufficient funds to cover them. Moreover, our payroll businesses, other than our Do-It-Yourself product, include as part of their revenue interest on customer deposits not yet remitted to taxing authorities or to customers' employees. If interest rates decline, or regulatory changes occur that either decrease the amount of taxes withheld or allow less time to remit taxes to taxing authorities, it would result in less interest revenue for those businesses. If any of the above eventualities came to pass, it could have a negative impact on the revenue, profitability and future growth of our payroll businesses.

Specific Factors Affecting Our Consumer Tax and Professional Accounting Solutions Segments

We face intense competitive pressures from both the private and public sectors in our Consumer Tax and Professional Tax businesses that could have a negative impact on revenue, profitability and market position. There are formidable current and potential competitors in the private sector for both our consumer and professional tax products, and we expect competition to remain intense in the future. Our major domestic competitor for both desktop and Web-based consumer tax software continues to be H&R Block, and our largest professional tax competitors are CCH Incorporated; Kleinrock Publishing; and the Thomson Corporation. In addition, we face current and potential competition from a number of publicly funded state and federal government entities that are offering individual taxpayers electronic tax preparation and/or filing services, at no cost to individual taxpayers. If governmental agencies are able to develop consumer tax preparation and filing services and to gain consumer acceptance of those services, it could have a negative impact on our financial results in future years. The federal government signed a three-year Free File Alliance agreement in October 2002 under which a number of private sector companies, rather than the federal government, are providing Web-based federal tax preparation and filing services at no cost through voluntary public services initiatives such as our Intuit Tax Freedom Project. However, future administrative, regulatory or legislative activity in this area could have a strong adverse impact the financial performance of our Consumer Tax and Professional Tax businesses.

The product activation technology that we introduced into certain TurboTax desktop products last year could have an adverse impact on this year's results for our Consumer Tax business. During tax year 2002, federal versions of TurboTax desktop products for Windows included product activation technology that helped to prevent unlicensed users from using pass-along and/or counterfeit copies of TurboTax to print or electronically file a tax return. The introduction of product activation generated negative commentary in the media and in online forums and also resulted in a modest increase in the volume of customers contacting our customer service and technical support centers. While we have publicly announced that we will not include product activation in retail versions of TurboTax for Windows for the upcoming tax season, there is uncertainty about whether the negative publicity and customer reactions to, and experiences with, this technology last year will impact our Consumer Tax business this year. Any significant negative repercussions relating to product activation could adversely impact our fiscal 2004 results for our Consumer Tax business, in particular, and our financial performance as a whole.

Significant problems or delays in developing our Consumer Tax and Professional Tax products would result in lost revenue and customers. Developing tax preparation software presents unique challenges because of the demanding annual development cycle required to incorporate unpredictable tax law and tax form changes each year and because our customers expect high levels of accuracy and a timely launch of these products. Our tax preparation software business, which represents a substantial portion of our annual revenue, is highly seasonal since the customers in that market generally prepare and file their taxes by April 15. A significantly late product launch could cause our current and prospective customers to choose a competitor's product for that year's tax season or to choose not to purchase tax preparation software at all, which would result in lost revenue in the current tax year and would make it more difficult for us to sell our products to customers in future tax seasons. Moreover, the rigid development timetable increases the risk of bugs or errors in our products. Any major defects could lead to negative publicity, customer dissatisfaction, lost revenue and increased operating expenses, including expenses resulting from correcting defects or errors in our products, expenses resulting from increased activity at our customer contact centers and, expenses resulting from our commitment to reimburse penalties and interest paid by consumer customers due solely to calculation errors in our products.

If we fail to maintain reliable and responsive service levels for our electronic tax offerings, we could lose revenue and customers. Our Web-based tax preparation and electronic filing services must effectively handle extremely heavy customer demand during the peak tax season and the exact level of demand for these offerings is difficult to predict. We face significant risks and challenges in maintaining these services and maintaining adequate service levels, particularly during peak volume service times. For example, we experienced a relatively brief unscheduled interruption in our electronic filing service on April 15, 2003 during which certain users of our professional tax products were unable to receive confirmation from us that their electronic filing had been accepted, and we reached maximum capacity for a short period on April 15, 2002. We also face risks related to the performance of our redundancy and data recoverability systems in these businesses. If our redundancy and data recoverability systems are inadequate, then we could lose the ability to provide these services – or provide these services at inadequate levels – to our customers. If we experience any prolonged difficulties with our Web-based tax preparation or electronic filing service at any time during the tax season, we could lose current and future customers, receive negative publicity and incur increased operating costs, any of which could have a significant negative impact on the financial and market success of these businesses and have a negative impact on our near-term and long-term financial results.

If we are unable to significantly increase accountant-facilitated sales, it could have a negative impact on revenue growth. We are currently focused on developing relationships with accounting professionals in order to expand our opportunities to sell small business products and services to their clients under our "Right for My Firm, Right for My Clients" strategy. We view this strategy as an important driver for our Professional Accounting Solutions segment, as well as our QuickBooks and Small Business Products and Services businesses. However, since this is a new model for us, we face several risks associated with it, including the risk that we will not be able to effectively execute this strategy and the risk that we will not derive the anticipated benefits (including financial benefits) from this strategy. Moreover, we face intense competition in this effort, as there are an increasing number of alliances between accountants and other professional tax preparers and providers of small business software and services that aim to capitalize on accountant-facilitated sales of small business products and services to their clients.

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 quality standards consistent with our investment policy. This policy specifies that, except for direct obligations of the United States government, securities issued by agencies of the United States government, and money market or cash management funds, we diversify our holdings and limit our short-term investments with any individual issuer to a maximum of $5.0 million in each of our three managed portfolios.

Interest Rate Risk

Our cash equivalents and short-term investment portfolio are subject to market risk due to changes in interest rates. Interest rate movements affect the interest income we earn on cash equivalents and short-term investments and the value of those investments. Should interest rates increase by 100 basis points from the levels of January 31, 2004, the value of our short-term investments would decline by approximately $5.4 million.

Over the past few years, we have experienced significant reductions in our interest income due to declines in interest rates. These declines have led to interest rates that are low by historical standards and we do not believe that further decreases in interest rates will have a material impact on the interest income earned on our cash equivalents and short-term investments held at January 31, 2004.

Impact of Foreign Currency Rate Changes

The functional currency of all our international subsidiaries is the local currency. Assets and liabilities of our foreign subsidiaries are translated at the exchange rate on the balance sheet date. Revenue, costs and expenses are translated at average rates of exchange in effect during the period. We report translation gains and losses as a separate component of stockholders' equity. We include net gains and losses resulting from foreign exchange transactions on our statement of operations.

Since we translate foreign currencies (primarily Canadian dollars and British pounds) into U.S dollars for financial reporting purposes, currency fluctuations can have an impact on our financial results. The historical impact of currency fluctuations has generally been immaterial. We believe that our exposure to currency exchange fluctuation risk is not significant primarily because our international subsidiaries invoice customers and satisfy their financial obligations almost exclusively in their local currencies. Due primarily to the effect of the weakening U.S. dollar on intercompany balances with our Canadian subsidiary, we recorded foreign currency exchange gains of $5.4 million in fiscal 2003 and $4.1 million in the first six months of fiscal 2004. Although the impact of currency fluctuations on our financial results has generally been immaterial in the past and we believe that for the reasons cited above currency fluctuations will not be significant in the future, there can be no guarantee that the impact of currency fluctuations will not be material in the future. As of January 31, 2004, we did not engage in foreign currency hedging activities.

ITEM 4
CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Based on our management's evaluation (with the participation of our principal executive officer and principal financial officer) of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as required by Rules 13a-15 and 15d-15 under the Exchange Act, as of the end of the period covered by this report, our principal executive officer and principal financial officer have concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Changes in Internal Control Over Financial Reporting

There was no change in our system of internal control over financial reporting during our second fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II

ITEM 1
LEGAL PROCEEDINGS

Leonard Knable et al. v. Intuit Inc. was filed in Los Angeles County Superior Court on February 24, 2003. The original complaint alleged various claims for unfair practices and deceptive and misleading advertising, fraud and deceit and product liability, on behalf of a purported class. The allegations were based on allegedly defective design and operation of the product activation feature in Intuit's TurboTax 2002 for Windows desktop software and Intuit's representations and disclosures about product activation. The complaint sought disgorgement of revenue from the sale of the product, compensatory and punitive damages, injunctive relief and attorneys' fees and costs. On Intuit's motion, the court dismissed the complaint on September 29, 2003, but granted plaintiffs leave to amend. Plaintiffs filed an amended complaint on October 30, 2003, adding causes of action for trespass to chattels, breach of contract, breach of the covenant of good faith and fair dealing, and negligent misrepresentation. Intuit filed a motion to dismiss the amended complaint on December 4, 2003. The court granted the motion and dismissed the action in its entirety without leave to amend on January 30, 2004.

On September 17, 2003, Muriel Siebert & Co., Inc. v. Intuit Inc. was filed in the Supreme Court of the State of New York, County of New York. The lawsuit alleges various claims for breach of contract, breach of express and implied covenants of good faith and fair dealing, breach of fiduciary duty, misrepresentation and/or fraud, and promissory estoppel. The allegations relate to Quicken Brokerage powered by Siebert, a strategic alliance between the two companies. The complaint seeks compensatory, punitive, and other damages. On September 22, 2003, Intuit filed an arbitration demand against Siebert & Co., Inc. in San Jose, CA seeking arbitration of all claims asserted by both parties. The New York court is currently determining whether the matter will proceed in New York state court or in arbitration. Intuit believes this lawsuit is without merit and intends to defend the litigation vigorously.

Intuit is subject to certain routine legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of our business. We currently believe that the ultimate amount of liability, if any, for any pending claims of any type (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 5
OTHER MATTERS

CHANGES IN EXECUTIVE OFFICERS

Effective January 12, 2004, Thomas Weigman terminated his employment as Senior Vice President and Chief Marketing Officer.

Raymond Stern, Senior Vice President of Corporate Strategy and Development, has added chief marketing officer responsibilities to his duties.

Effective January 29, 2004, Nicholas Spaeth resigned as Senior Vice President, General Counsel and Corporate Secretary.

Effective February 2, 2004, Thomas Allanson terminated his employment as Senior Vice President, Consumer Tax Group.

Effective February 13, 2004, Daniel Manack terminated his employment as Senior Vice President, Professional Accounting Solutions.

ANNUAL MEETING DATE

Intuit's next Annual Meeting of Stockholders is scheduled for December 9, 2004. This date is more than 30 days after the date of the annual meeting in 2003. Any Intuit stockholder who intends to present a proposal at the annual meeting must submit the proposal, in writing, so that Intuit receives it at our principal executive offices by July 9, 2004 in order for the proposal to be included in our proxy statement and proxy for the meeting. Any Intuit stockholder who wishes to submit a proposal for the annual meeting, but does not seek to include it in our proxy materials, must provide written notice of the proposal to Intuit's Secretary, at our principal executive offices, between July 17, 2004 and August 16, 2004. In addition, our stockholders must comply with the procedural requirements in our bylaws. Stockholders can obtain a copy of our bylaws from us upon request. The bylaws are also on file with the SEC. We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

RELATED PARTY TRANSACTIONS

In December 2003 the Intuit Foundation contributed $2.5 million to a foundation directed by a member of our board of directors. The Intuit Foundation may contribute an additional $2.5 million to this foundation through November 2006.

The Intuit Foundation was established by Intuit as an independent charitable foundation in accordance with IRS code 501(c)(3). Intuit's initial contribution to the Intuit Foundation was $3.0 million in April 2002, and Intuit expects to make additional contributions to the Intuit Foundation over time. The Intuit Foundation was created to foster economic empowerment both nationally and in communities where Intuit has a significant number of employees.

ITEM 6
EXHIBITS AND REPORTS ON FORM 8-K

We have filed the following exhibits as part of this report:

Exhibit No.	Exhibit Description
10.01#	Fifth Addendum to the Supply Agreement for the addition of Shipping Label Products, dated as of June 11, 2003, between Intuit Inc. and the John H. Harland Company
10.02#	Sixth Addendum to the Supply Agreement for the addition of Manual Checks Products, dated as of August 1, 2003, between Intuit Inc. and the John H. Harland Company
10.03#	Amendment No. 1, dated as of November 12, 2003, to the Supply Agreement between Intuit Inc. and the John H. Harland Company
10.04#	Amendment No. 2, dated as of December 15, 2003, to the Supply Agreement between Intuit Inc. and the John H. Harland Company
10.05+	Lorrie Norrington Long Term Compensation Program dated December 18, 2003
10.06+	Amended and Restated Offer Letter dated November 12, 2003 from Intuit Inc. to Nicholas J. Spaeth
10.07+	Terms of Separation Letter dated January 30, 2004 between Nicholas J. Spaeth and Intuit Inc.
10.08+	Letter to Nicholas J. Spaeth regarding relocation benefits dated January 30, 2004.
10.09+	Separation Terms and Release Agreement dated January 8, 2004 between Thomas E. Weigman and Intuit Inc.
10.10+	Separation Terms and release Agreement dated January 20, 2004 between Dan Manack and Intuit Inc.
10.11+	Separation Terms and Release Agreement dated January 22, 2004 between Thomas A. Allanson and Intuit Inc.
31.01	Rule 13a-14(a) Certification (Chief Executive Officer)*
31.02	Rule 13a-14(a) Certification (Chief Financial Officer)*
32.01	Section 1350 Certification (Chief Executive Officer)
32.02	Section 1350 Certification (Chief Financial Officer)

* This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Intuit specifically incorporates it by reference.

\# We have requested confidential treatment for certain portions of this document pursuant to an application for confidential treatment sent to the Securities and Exchange Commission. We omitted such portions from this filing and filed them separately with the SEC.

\+ Indicates a management contract or compensatory plan or arrangement

Reports on Form 8-K filed during the second quarter of fiscal 2004:

1. On November 19, 2003, Intuit furnished a report on Form 8-K to report under Item 12 its financial results for the quarter ended October 31, 2003, and to list under Item 7 a press release furnished with the filing. Intuit's statement of operations and balance sheet for the quarter ended October 31, 2003 were included with the press release that is an exhibit to the report.

Table of Contents

SIGNATURES

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

INTUIT INC.
(Registrant)

Date: March 9, 2004

By: /s/ ROBERT B. HENSKE

Robert B. ("Brad") Henske
Senior Vice President and Chief Financial Officer
(Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

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Exhibit 10.01
CONFIDENTIAL TREATMENT REQUESTED

ADDENDUM FOR SHIPPING LABEL PRODUCTS

This fifth addendum (the "Fifth Addendum") is made and entered into as of June 11, 2003 ("Fifth Addendum Effective Date") by and between Intuit Inc. ("Intuit") and the John H. Harland Company ("Harland").

RECITALS

A. Intuit and Harland are parties to a Supply Agreement made and entered into as of January 1, 2000 ("Supply Agreement").

B. As of July 1, 2000, the parties entered into an Addendum for Semi-Custom Products and Custom Logos.

C. As of September 6, 2001, the parties entered into an Addendum for Fulfillment Products and Services for FSG and P-TAP Non-Imprintable Products.

D. As of November 11, 2001, the parties entered into an Addendum for USBP and Omware Imprintable Products.

E. As of June 2, 2003, the parties entered into an Addendum for Core Tax Products.

F. As of June 13, 2003 the parties entered into a "Term Sheet for Shipping Label Products" ("Term Sheet") regarding their intent to enter into an addendum to the Supply Agreement.

G. The parties are now entering into this Fifth Addendum to the Supply Agreement for the addition of Shipping Label Products to the Supply Agreement, and in order to replace and supercede the Term Sheet.

NOW THEREFORE, the parties hereby amend the Supply Agreement as follows:

1. INTUIT PRODUCTS AND FIFTH ADDENDUM PRODUCT DESIGN. The products and services listed in Exhibit A (Shipping Label Products) (the "Fifth Addendum Products") are deemed additional "Intuit Products" for all purposes of the Supply Agreement. Products or services may be added to this list and this Fifth Addendum at terms mutually agreed upon in writing by both Harland and Intuit. Intuit must approve of (in writing) any third-party supplier used by Harland to supply Fifth Addendum Product. The specifications of the Fifth Addendum Products are listed in Exhibit A-1.

2. OWNERSHIP AND LICENSE OF SPECIALLY DESIGNED LABELS; REPRESENTATION & WARRANTY; INDEMNITY.

(a) Ownership. Harland and Intuit agree that the PSLK and PSLL labels listed on the attached Exhibit A ("Specially Designed Labels") have been designed exclusively for Intuit by Harland's third-party supplier, and Intuit owns all rights, title and interest, including copyright and other property or intellectual property rights in such Specially Designed Labels. During the

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term of this Fifth Addendum and following any termination of the Fifth Addendum, Harland shall not use Specially Designed Labels for any purpose other than the fulfillment of the Intuit Customer Orders. Following any termination of this Fifth Addendum, Intuit may continue to use, sell or distribute Specially Designed Labels.

(b) License Grant. Intuit hereby grants Harland and its subcontractors a non-exclusive, non-transferable, non-sublicenseable, license to use within the United States, any Specially Designed Labels to fulfill Intuit Customer Orders.

(c) Representation and Warranty; Indemnity. Harland represents and warrants that it has the right to grant the rights hereunder Section 2(a) to the Specially Designed Labels. Harland will defend, indemnify and hold harmless Intuit, its affiliates, and its and their officers, directors, employees, and agents from any loss, damage, liability or cost (including reasonable attorneys' fees) resulting from any third party claim that arises from any breach of this Section 2(c) or that Specially Designed Labels infringe any copyright or other property or intellectual property right

3. EXCLUSIVE PRODUCTS. Notwithstanding the definition of "Exclusive Intuit Products" in Appendix 1 of the Supply Agreement, the Fifth Addendum Products are not to be treated as "Exclusive Intuit Products".

4. NO RIGHT OF FIRST NEGOTIATION. Harland will have no rights under Section 4(c) of the Supply Agreement with respect to any Fifth Addendum Products.

5. TERM AND TERMINATION. The term of the Fifth Addendum will be one (1) year following the Launch Date (defined below). In addition to the grounds for termination mentioned in Section 45 of the Supply Agreement, (a) Intuit shall have the right to review and terminate without penalty the provisions of this Fifth Addendum at any time following a (*) day notification and cure period should the product selection, quality, and/or service provided by Harland for the Fifth Addendum Products not meet the specifications that were mutually agreed to by Harland and Intuit; or (b) for any consecutive (*) month period ending on (*) or (*) during which Harland does not meet the turnaround requirements set forth in the Supply Agreement or this Fifth Addendum with respect to the Fifth Addendum Products, Intuit shall have the right to terminate this Fifth Addendum upon written notice to Harland. Termination of the provisions of this Fifth Addendum would not terminate the other provisions of the Supply Agreement. Applicable provisions of Section 45 (Termination) of the Supply Agreement shall apply to any termination of this Fifth Addendum. Upon any termination of this Fifth Addendum, any unsold inventory or work in process under this Fifth Addendum, shall be Harland's responsibility, and Intuit shall not be obligated to reimburse Harland for, or purchase such unused inventory from Harland.

6. LAUNCH DATE. Harland shall be ready to receive, fulfill and ship Orders on or before June 3, 2003 (the "Launch Date") and in accordance with Exhibit B (Implementation Plan) attached hereto.

7. SECURE SOURCING. If any circumstance occurs that prevents Harland or any third party supplier from effectively filling and shipping Intuit Customer Orders in accordance with Intuit's specified quality requirements and turnaround times, including but not limited to termination, financial issues, or any disasters, Intuit shall have the right to immediately purchase all Fifth Addendum Products in the possession or control of Harland or third-party suppliers, or immediately take possession of Intuit-owned products in the possession or control of Harland or third-party suppliers. In addition, Intuit shall have the right to immediately take over the sourcing

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of Fifth Addendum Products that are work in process and will be completed at a later date at third-party suppliers. Harland will make Harland-owned Fifth Addendum Products available by Harland to Intuit at the prices that Harland was charged for them. Harland will also ensure that any third party supplier of Fifth Addendum Products will make these Products that are work in process and to be completed at a later date available to Intuit at the prices that the supplier agreed upon with Harland. Intuit will pay Harland reasonable additional costs for Harland's cooperation in transferring such Fifth Addendum Products to Intuit.

8. WAREHOUSING AND FULFILLMENT. Harland or its third party supplier shall provide warehousing and fulfillment services for Fifth Addendum Products to meet the requirements as specified by Intuit, and will be responsible for ensuring the inventory availability of Fifth Addendum Products sourced by Harland to fulfill Intuit Customer Orders. Harland is responsible for the acts or omissions of any outsourced warehousing suppliers, and is required to ensure that any such approved outsourcers retain, at their expense, a policy of commercial general liability insurance listing Intuit as a third party beneficiary to the policy and naming Intuit as an additional insured. Such policies shall provide coverage adequate to cover any Fifth Addendum Products inventory included for warehousing services. Harland shall provide Intuit with a certificate of insurance as evidence of such coverage. Such certificate shall provide for at least thirty (30) days prior written notice to Intuit of cancellation or material change of such coverage.

9. SYSTEMS. (*) will fund the development, enhancements and ongoing support of connections to Intuit's order entry and billing systems, and any changes needed to meet new businesses and services in connection with this Fifth Addendum. Harland is responsible for the funding and implementation of development, enhancement, and ongoing support of Harland-controlled systems, hardware and/or software. The level of support will be (*) above the levels specified in the Supply Agreement based on the additional volumes resulting from additional products.

10. SAME ORDER SHIPMENTS/PAIRINGS. The specific items paired in the same package are based primarily on the type of products, imprintables and non-imprintables, and size of the products. Harland will pair all items physically able and commercially reasonable in the same package for shipment. In addition, Harland will work with third party suppliers so that these suppliers can pair items in the same package for shipment.

11. PERFORMANCE SCORECARD. Harland will measure and report its performance against the performance scorecard set forth in Exhibit D, and will use their best efforts to meet, exceed and improve performance. Following the end of each calendar quarter, designated team members from both parties will meet and review performance during the past quarter. In connection with these quarterly meetings, the parties will gather the data and rate Harland's performance in accordance with the performance scorecard set forth in Exhibit D. Harland and Intuit will mutually agree upon any changes to the performance scorecard.

12. ORDER PROCESS. Intuit shall forward Intuit Customer Orders to Harland, and it will process such Intuit Customer Orders in accordance with the Supply Agreement. Harland shall provide ship confirmation to Intuit. Harland shall establish an order transmission connection to its Intuit-approved third-party supplier prior to June 3, 2003.

13. TURN AROUND TIME. In lieu of the requirements of Section 18(a) of the Supply Agreement, Harland shall process and ship all Fifth Addendum Products in stock within (*) hours after receipt of the Order by Harland, provided a Force Majeure event does not cause an interruption of service. For backorders, items should be shipped as soon as they are available on

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a first in, first out Order basis. In addition, Harland shall identify and provide Intuit with all backorder information in a quick and effective manner. This backorder notification process will be developed and agreed to by Harland and Intuit.

14. SHIPPING METHODS.

(a) Harland will be responsible for shipping each completed Order to the Customer's specified address, and will ensure that any carrier providing Fifth Addendum Products will ship each completed Order to the Customer's specified address. Unless otherwise indicated on the Order or otherwise specified by Intuit, shipping shall be via ground, or comparable service where ground is not available. Harland will ensure that all third-party suppliers that provide Fifth Addendum products can support shipping methods, including Ground, Next Day and Second Day at competitive costs. When the rates are not competitive at a third party supplier, and it is commercially reasonable, Harland will allow the third-party supplier of Fifth Addendum Products to utilize Harland's freight rates. Notwithstanding the above, Fifth Addendum Products shall be shipped in accordance with Exhibit A1 (Product Specifications).

(b) Harland will be responsible for the proactive management of carriers to negotiate and manage competitive freight costs, file and credit to Intuit refunds for lost or damaged shipments, and track and ensure the compliance of on-time and quality performance. Harland will report these performance measures monthly in the Performance Scorecard, Exhibit D, and work with their carriers to meet, exceed and improve performance.

(c) Harland will be responsible for the management of all carriers for Fifth Addendum Products and other Products supplied and/or fulfilled by Harland or their third party suppliers to ensure that the carrier meets (*) on time performance. Harland will be responsible for crediting Intuit for any charges, penalties or expedited fees resulting from lost or damaged shipments, and from mistakenly returned packages. In addition, Harland will credit Intuit for reimbursements made by the carrier to Harland for service failures, including failures to meet on-time shipping guarantees. Harland will use its best efforts in working with Intuit to recover these credits in a mutually agreeable and commercially reasonable manner and provide Intuit with a monthly accounting of such credits. Harland will pay to Intuit any credits pursuant to this section within (*) business days of receipt of such credits by Harland from carrier.

15. QUALITY. Harland warrants and guarantees to FSG the quality of all non-imprintable Fifth Addendum Products in line with Intuit's product specifications and other requirements listed in Exhibit B (Implementation Plan). Harland is responsible for replacing any defective product(s) at Harland's costs, including any and all services and shipping costs.

16. PERSONNEL. Harland will identify qualified primary contacts at Harland who will be available to work directly with Intuit as needed. In addition, Harland will identify at least one qualified contact at each third-party supplier of Fifth Addendum Products who Intuit will contact in coordination with Harland, with prior notification if practical, on an as needed basis.

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17. PRICING AND COSTS. For each Fifth Addendum Product and service provided pursuant to this Fifth Addendum, Harland will charge Intuit in accordance with the following: Exhibit C (Pricing for Shipping Label Products). These mutually agreed upon prices should be competitive in the market, and in compliance with applicable laws, and will remain in effect from the Fifth Addendum Effective Date and will continue in effect thereafter during the term of this Fifth Addendum, subject to the following sections of the Supply Agreement: Section (*) and Section (*). Harland will work with Intuit on continuous improvements to reduce material, administrative, freight and warehousing costs, and will (*).

18. REPORTING. Harland will provide standard and ad hoc reporting to provide information on, but not limited to the following: Performance Scorecard Measures. These reports should be accurate and presented in a timely manner.

19. BUSINESS CONTINUITY.

(a) Harland shall: (i) be responsible for business continuity of operations as to the products and services to be provided under this Fifth Addendum; (ii) within (*) days after the Fifth Addendum Effective Date, submit to Intuit for approval a mutually agreed upon and reasonable business continuity plan ("Business Continuity Plan") that mitigates and minimizes Intuit service interruptions; and (iii) update the Business Continuity Plan, subject to Intuit's approval, to reflect changes in technology and industry standards on an annual basis.

(b) Harland shall provide Intuit reasonable assistance in Intuit's assessment of Intuit's business continuity requirements and provide, for Intuit's approval, a set of alternatives for the development of a viable Intuit business continuity program, and the estimated fees associated with each alternative.

(c) Harland shall immediately provide Intuit with written notice of any service failure relating to this Fifth Addendum due to any of the events specified in the second paragraph of Section 22 of the Supply Agreement or any other event beyond Harland's reasonable control (each a "Force Majeure") and shall use its best efforts to immediately implement the Business Continuity Plan with regard to such failure.

(d) In the event of a Force Majeure, Vendor shall not charge Intuit any fees in excess of the fees set forth in this Fifth Addendum.

(e) Whenever a Force Majeure requires that Harland allocate limited resources between or among its customers, Intuit shall receive no less priority in respect to such allocation than any of Harland's other customers.

20. RECORDS/AUDIT. Pursuant to Section 40 (d) of the Supply Agreement, Intuit shall have the full right to audit any and all documents, records or other paperwork of Harland's that they deem necessary or appropriate in order to validate Intuit charges or verify basis for (*). This includes, but is not limited to, Harland's costs from suppliers and materials costs, and will be utilized to determine (*) information. Harland will maintain accurate records with respect to the information underlying any reports, payments required, and costs under the Supply Agreement and under this Fifth Addendum. Intuit may, upon no less than (*) days prior written notice to Harland, request an audit by an independent Certified Public Accountant mutually agreed to by

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both parties, of relevant records of Harland's upon which such reports are based during normal business hours. Harland shall remit payments or credits to Intuit for the full amount of any disclosed shortfalls. The audit rights set forth herein shall continue for (*) years following the termination of the Supply Agreement for any reason, or for such period as Harland continues to make (*) to Intuit, whichever is longer. No such audit may occur more than (*) during the Term.

21. APPLICABILITY OF SUPPLY AGREEMENT. The following Sections of the Supply Agreement will not be applicable to the Fifth Addendum Products: (*); 14 (Format and Contents of Printed Information); 15 (Bank File Maintenance); 16 (MICR Quality); 18(a) (Turnaround Time); the first sentence of 18(c); 32 (Rights in Check Designs); 34 (Manufacturing Charges); (*); (*); (*); and (*). Section 42 (Payment Terms) will be applicable to the Fifth Addendum Products; provided, however, that the Fifth Addendum Products will not receive the (*) discount for early payment, which products will be billed on a separate invoice from the other FSG products. For avoidance of doubt, Section 17 (Privacy and Security Standards) of the Fulfillment Addendum applies to this Fifth Addendum.

22. This Addendum replaces and supercedes the Term Sheet. Except as specified in this Fifth Addendum, the Supply Agreement remains in full force and effect.

IN WITNESS WHEREOF, Intuit and Harland have executed and entered into this Fifth Addendum by their duly authorized representatives.

JOHN H. HARLAND COMPANY	**INTUIT INC.**
By: /s/ MARTIN E. KERNER	By: /s/ K. MAGGIE RIGGINS
Printed Name: Martin E. Kerner	Printed Name: K. Maggie Riggins
Title: VP, Gen'l Mgr	Title: Sr. Strategic Sourcing Mgr
Date: 11/11/03	Date: 11/25/03

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EXHIBIT A
FIFTH ADDENDUM PRODUCTS

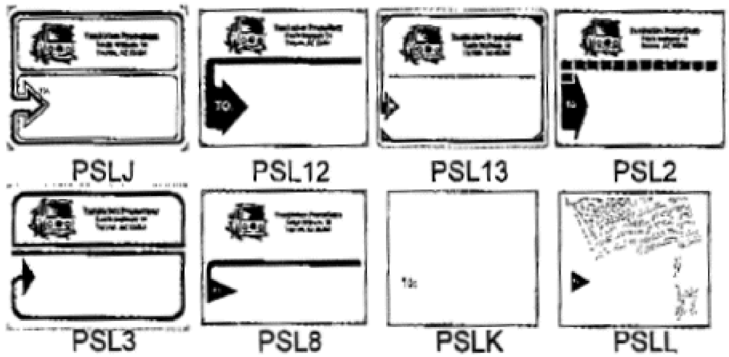

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EXHIBIT A-1
FIFTH ADDENDUM PRODUCT SPECIFICATIONS

Shipping Labels – styles supported

- The following six standard designs of Discount Labels shipping labels should be supported for 6-up laser sheets: ML2, ML3, ML8, ML12, ML13, JML. For the initial launch, manual shipping label rolls will not be supported due to differences in their imprintable area.

- All styles of labels will have the same imprintable area of 3 1/8” in length by 7/8” in height. This imprint box should begin 3/8” from the top of the label and 7/16” from the left of the label.

Shipping Labels – Customization Options

- Three layout types will be offered on this product line – Left Logo, Right Logo, and No Logo. Label stock designs have been selected so that across these three templates, there will be a single, standard imprintable area. The logo must fit into a box that is 7/8” x 7/8”, and a 1/8” margin should be placed between the logo bounding box and the text bounding box. Therefore, for the two layout types with logos, the area available for text will be 2 1/8” in length. For the template with no logo option, the imprintable area will be 3 1/8” x 7/8”.

- Up to four (4) lines of imprint text will be supported for custom-printed shipping labels in the “From” box of the label.

- The following Intuit standard fonts will be supported. As with business cards & stationery, customers will be able to select and use any of these fonts at no additional charge. The fonts include: Auriol, Calvert, Helvetica, Hobo, Kauffman, Korinna, Improv, Cascade Script, Nueva, Palatino, Sabon, Garamond. The default font shall be Helvetica, as in our business cards & stationery line.

- The customer will have the ability to specify that one or more lines of text be printed in bold type.

- The default point size will be 12 point bold for the first line of imprint, and 10 point bold for the second, third, and fourth lines of imprint. The customer will be able to reduce the point size to 11 point or 10 point (if top line) or 9 point or 8 point (if any line), but they will not be able to enlarge the point size.

- Customers should have the ability to enter 27 characters per line of imprint.

- The following nine standard ink colors will be supported. These nine ink colors do not exactly match FSG’s current ink colors, but it is necessary to allow for some variation in this area given that vendors offer different standard color offerings. Other than the nine colors below, no other colors will be offered at this time.

Black
Red - PMS 185
Blue- Reflex blue
Green- PMS 349
Brown- PMS 477
Light Blue - Process blue
Maroon - PMS 208
Violet- PMS Violet
Teal - PMS 321

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- The imprint text block should be centered vertically in the imprint area. This is particularly important if the customer only enters a 1, 2, or 3 line imprint, rather than a 4 line imprint.

Logos

- Customers should have the ability to use their custom logo – either newly uploaded, or existing from a previous order – on their custom printed shipping labels with design formats that support custom logos.
- Customers should have the ability to use any standard or monogram logo on their custom printed shipping labels.
- Logos must be printed in the same standard ink color in which the imprint text is printed.
- Logos uploaded for use on custom printed shipping labels must also be made available for use on other Intuit products – both on IntuitMarket/Logo Locker and in Cosmos.
- Custom logos and standard logos will be able to be applied to custom printed shipping labels at no additional cost to the customer or to Intuit.

Shipment & packaging requirements

- Labels shipped directly from a label vendor, Harland's shipper numbers will be used.
- Intuit customers will be given the option of ground shipping, second day shipping, and next day shipping for any label product ordered.
- Harland will make available to Intuit updated, electronic information about the ship status of boxes (fulfilled from either Harland or the label vendor) on at least an hourly basis.
- For any labels shipped directly from the label vendor, the boxes will be labeled with a return address of Intuit (Harland's Milton return address), and any materials (packing slip, etc.) contained within the box will be branded as Intuit and will be subject to Intuit's approval.
- For any labels shipped directly from the label vendor, the vendor will not insert any materials into the box without Intuit's written express consent.
- The label vendor will insert an Intuit Supplies Catalog, and any other materials specified by Intuit, into outgoing labels orders. The label vendor will be responsible for managing an inventory of these written materials, as supplied by Intuit, which will remain the property of Intuit until they are fulfilled in outgoing orders.

EXHIBIT B
IMPLEMENTATION PLAN

SCHEDULE MILESTONES	Owner	COMPLETION DATE
Complete MRD	SS	**(*)**
Complete FRD and Product Attribute Mapping	CC	**(*)**
Prepare SKU Setup Spreadsheet	RK	**(*)**
Set up Label Products in IM Dev and Test	CD	**(*)**
Complete Cosmos Product Creation, Development and Unit Testing	RR	**(*)**
Complete IM Development and PDF Testing	NG, CD	**(*)**
Complete IM UI Testing	NG	**(*)**
Complete Harland/Discount Label Product SetUp and Development and Unit Testing	CB	**(*)**
Complete End-to-End Testing	NG, CB	**(*)**
Complete User Training	LW	**(*)**
Release Communication to All Users		**(*)**
Release to Production (Cosmos and IM)	KS, AK	**(*)**

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EXHIBIT C
PRICING FOR SHIPPING LABEL PRODUCTS

Shipping Labels		**(*)**	**(*)**	**(*)**	**(*)**	**(*)**
Personalized - standard design	6-up (Avery 5164)	**(*)**	**(*)**	**(*)**	**(*)**	**(*)**
Blank	6-up (Avery 5164)	**(*)**	**(*)**	**(*)**	**(*)**	**(*)**

Upcharges	**Intuit cost**	**Suggested retail**
Custom logo upload	**(*)**	**(*)**
Art Touch up	**(*)**	**(*)**
Bend and Peel cutting charge	**(*)**	**(*)**
Cancellation/Changes to an order (once order is processed)	**(*)**	**(*)**
Black and White Proof	**(*)**	**(*)**
Color Proof	**(*)**	**(*)**

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EXHIBIT D

Monthly Performance Scorecard
Harland / Intuit

Category: Service	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Time In Plant %, standard (base stock, black ink)	(*)	(*)	(*)	(*)		
Time In Plant-Average, standard (base stock, black ink)	(*)	(*)	(*)	(*)		
Time In Plant-Average, custom 1 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, custom 2 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, vended (stamps)	(*)	(*)	(*)	(*)		
Time In Plant-Average, micr-toner	(*)	(*)	(*)	(*)		
Time In Plant-Average, business cards, 1 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, business cards, 2 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, tax forms	(*)	(*)	(*)	(*)		
Time In Plant-Average, fulfillment (non-imprintable)	(*)	(*)	(*)	(*)		
Time In Plant-Average, full custom	(*)	(*)	(*)	(*)		

Category: Operations	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Mail/Fax and OC Rerun Errors	(*)	(*)	(*)	(*)		
MICR Errors % (critical)	(*)	(*)	(*)	(*)		
Rerun Rate % (non-critical)	(*)	(*)	(*)	(*)		
Cross Shipments % (critical)	(*)	(*)	(*)	(*)		
Invoice Exceptions (Harland)	(*)	(*)	(*)	(*)		
Pairing Rate %	(*)	(*)	(*)	(*)		
Cosmos IPH	(*)	(*)	(*)	(*)		
Inbound OC Service Level %	(*)	(*)	(*)	(*)		
Outbound Call Resolution %	(*)	(*)	(*)	(*)		
Rush Orders Missed	(*)	(*)	(*)	(*)		
Maximum Hold Time Exceeded	(*)	(*)	(*)	(*)		

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Category: Delivery	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
On-time delivery % (Domestic Ground)	(*)	(*)	(*)	(*)		
On-time delivery % (Domestic Home)	(*)	(*)	(*)	(*)		
On-time delivery % (Express)	(*)	(*)	(*)	(*)		
Lost and Damaged % (claims, rerun-generated)	(*)	(*)	(*)	(*)		
Lost and Damaged % (paid claims)	(*)	(*)	(*)	(*)		
Shipper Return Rate %	(*)	(*)	(*)	(*)		
Shipper Late Claims % (paid)	(*)	(*)	(*)	(*)		
Out of Network % (charged)	(*)	(*)	(*)	(*)		

Category: Systems Effectiveness	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Line Items Invoiced % (State 30)	(*)	(*)	(*)	(*)		
Line Items Invoiced % (State 10)	(*)	(*)	(*)	(*)		
Line Items Invoiced % (State 0)	(*)	(*)	(*)	(*)		
Ship Status Completion % in COSMOS	(*)	(*)	(*)	(*)		
System Up time % (Harland only)	(*)	(*)	(*)	(*)		

Category: Fullfillment	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Items Out-of-Stock	(*)	(*)	(*)	(*)		
Possible Score:	(*)	(*)	(*)	(*)		**Overall Score:**

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ADDENDUM FOR MANUAL CHECKS PRODUCTS

This sixth addendum (the "Sixth Addendum") is made and entered into as of August 1, 2003 ("Sixth Addendum Effective Date") by and between Intuit Inc. ("Intuit") and the John H. Harland Company ("Harland").

RECITALS

A. Intuit and Harland are parties to a Supply Agreement made and entered into as of January 1, 2000 ("Supply Agreement").

B. As of July 1, 2000, the parties entered into an Addendum for Semi-Custom Products and Custom Logos.

C. As of September 6, 2001, the parties entered into an Addendum for Fulfillment Products and Services for FSG and P-TAP Non-Imprintable Products.

D. As of November 11, 2001, the parties entered into an Addendum for USBP and Omware Imprintable Products.

E. As of June 2, 2003, the parties entered into an Addendum for Core Tax Products.

F. As of June 11, 2003, the parties entered into an Addendum for Shipping Label Products.

G. The parties are now entering into this Sixth Addendum to the Supply Agreement for the addition of Manual Checks Products to the Supply Agreement.

NOW THEREFORE, the parties hereby amend the Supply Agreement as follows:

1. INTUIT PRODUCTS. The products and services listed in Exhibit A (Manual Checks Products and Pricing) (the "Sixth Addendum Products") are deemed additional "Intuit Products" for all purposes of the Supply Agreement. (For purposes of clarification, these Sixth Addendum Products shall be separate and apart from any other manual checks listed in the Supply Agreement or any addenda thereto.) Products or services may be added to this list and this Sixth Addendum at terms mutually agreed upon in writing by both Harland and Intuit. Intuit must approve of (in writing) any third-party supplier used by Harland to supply Sixth Addendum Product. The specifications of the Sixth Addendum Products are listed in Exhibit A-1.

2. TERM AND TERMINATION. The term of the Sixth Addendum will be coterminous with the Supply Agreement. In addition to the grounds for termination mentioned in Section 45 of the Supply Agreement, (a) Intuit shall have the right to review and terminate without penalty the provisions of this Sixth Addendum at any time following a (*) day notification and cure period should the product selection, quality, and/or service provided by Harland for the Sixth Addendum Products not meet the specifications that were mutually agreed to by Harland and Intuit; or (b) for any consecutive (*) month period ending on (*), or (*) during which Harland does not meet the turnaround requirements set forth in the Supply Agreement or this Sixth Addendum with respect to the Sixth Addendum Products, Intuit shall have the right to terminate this Sixth Addendum upon written notice to Harland. Termination of

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the provisions of this Sixth Addendum would not terminate the other provisions of the Supply Agreement. Applicable provisions of Section 45 (Termination) of the Supply Agreement shall apply to any termination of this Sixth Addendum. Upon any termination of this Sixth Addendum, any unsold inventory or work in process under this Sixth Addendum, shall be Harland's responsibility, and Intuit shall not be obligated to reimburse Harland for, or purchase such unused inventory from Harland.

3. LAUNCH DATE. Harland shall be ready to receive, fulfill and ship Orders on or before August 1, 2003 (the "Launch Date") and in accordance with Exhibit B (Implementation Plan) attached hereto.

4. SECURE SOURCING. If any circumstance occurs that prevents Harland or any third party supplier from effectively filling and shipping Intuit Customer Orders in accordance with Intuit's specified quality requirements and turnaround times, including but not limited to termination, financial issues, or any disasters, Intuit shall have the right to immediately purchase all Sixth Addendum Products in the possession or control of Harland or third-party suppliers, or immediately take possession of Intuit-owned products in the possession or control of Harland or third-party suppliers. In addition, Intuit shall have the right to immediately take over the sourcing of Sixth Addendum Products that are work in process and will be completed at a later date at third-party suppliers. Harland will make Harland-owned Sixth Addendum Products available by Harland to Intuit at the prices that Harland was charged for them. Harland will also ensure that any third party supplier of Sixth Addendum Products will make these Products that are work in process and to be completed at a later date available to Intuit at the prices that the supplier agreed upon with Harland. Intuit will pay Harland reasonable additional costs for Harland's cooperation in transferring such Sixth Addendum Products to Intuit.

5. WAREHOUSING AND FULFILLMENT. Harland or it's third party supplier shall provide warehousing and fulfillment services for Sixth Addendum Products to meet the requirements as specified by Intuit, and will be responsible for ensuring the inventory availability of Sixth Addendum Products sourced by Harland to fulfill Intuit Customer Orders. Harland is responsible for the acts or omissions of any outsourced warehousing suppliers, and is required to ensure that any such approved outsourcers retain, at their expense, a policy of commercial general liability insurance listing Intuit as a third party beneficiary to the policy and naming Intuit as an additional insured. Such policies shall provide coverage adequate to cover any Sixth Addendum Products inventory included for warehousing services. Harland shall provide Intuit with a certificate of insurance as evidence of such coverage. Such certificate shall provide for at least thirty (30) days prior written notice to Intuit of cancellation or material change of such coverage.

6. SYSTEMS. (*) will fund the development, enhancements and ongoing support of connections to Intuit's order entry and billing systems, and any changes needed to meet new businesses and services in connection with this Sixth Addendum. Harland is responsible for the funding and implementation of development, enhancement, and ongoing support of Harland-controlled systems, hardware and/or software. The level of support will be (*) above the levels specified in the Supply Agreement based on the additional volumes resulting from additional products.

7. SAME ORDER SHIPMENTS/PAIRINGS. The specific items paired in the same package are based primarily on the type of products, imprintables and non-imprintables, and size of the products. Harland will pair all items physically able and commercially reasonable in the same package for shipment. In addition, Harland will work with third party suppliers so that these suppliers can pair items in the same package for shipment.

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8. PERFORMANCE SCORECARD. Harland will measure and report its performance against the performance scorecard set forth in Exhibit C, and will use their best efforts to meet, exceed and improve performance. Following the end of each calendar quarter, designated team members from both parties will meet and review performance during the past quarter. In connection with these quarterly meetings, the parties will gather the data and rate Harland's performance in accordance with the performance scorecard set forth in Exhibit C. Harland and Intuit will mutually agree upon any changes to the performance scorecard.

9. ORDER PROCESS. Intuit shall forward Intuit Customer Orders to Harland, and it will process such Intuit Customer Orders in accordance with the Supply Agreement. Harland shall provide ship confirmation to Intuit. Harland shall establish an order transmission connection to its Intuit-approved third-party supplier prior to August 1, 2003.

10. TURN AROUND TIME. In lieu of the requirements of Section 18(a) of the Supply Agreement, Harland shall process and ship all Sixth Addendum Products in stock within (*) hours after receipt of the Order by Harland, provided a Force Majeure event does not cause an interruption of service. For backorders, items should be shipped as soon as they are available on a first in, first out Order basis. In addition, Harland shall identify and provide Intuit with all backorder information in a quick and effective manner. This backorder notification process will be developed and agreed to by Harland and Intuit.

11. SHIPPING METHODS.

(a) Harland will be responsible for shipping each completed Order to the Customer's specified address, and will ensure that any carrier providing Sixth Addendum Products will ship each completed Order to the Customer's specified address. Unless otherwise indicated on the Order or otherwise specified by Intuit, shipping shall be via ground, or comparable service where ground is not available. Harland will ensure that all third-party suppliers that provide Sixth Addendum products can support shipping methods, including Ground, Next Day and Second Day at competitive costs. When the rates are not competitive at a third party supplier, and it is commercially reasonable, Harland will allow the third-party supplier of Sixth Addendum Products to utilize Harland's freight rates. Notwithstanding the above, Sixth Addendum Products shall be shipped in accordance with Exhibit A-1 (Sixth Addendum Product Specifications).

(b) Harland will be responsible for the proactive management of carriers to negotiate and manage competitive freight costs, file and credit to Intuit refunds for lost or damaged shipments, and track and ensure the compliance of on-time and quality performance. Harland will report these performance measures monthly in the Performance Scorecard, Exhibit C, and work with their carriers to meet, exceed and improve performance.

(c) Harland will be responsible for the management of all carriers for Sixth Addendum Products and other Products supplied and/or fulfilled by Harland or their third party suppliers to ensure that the carrier meets (*) on time performance. Harland will be responsible for crediting Intuit for any charges, penalties or expedited fees resulting from lost or damaged shipments, and from mistakenly returned packages. In addition, Harland will credit Intuit for reimbursements made by the carrier to Harland for service failures, including failures to meet on-time shipping guarantees. Harland will use its best efforts in working with Intuit to recover these credits in a mutually agreeable and commercially reasonable manner and provide Intuit with a monthly accounting of such

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credits. Harland will pay to Intuit any credits pursuant to this section within (*) business days of receipt of such credits by Harland from carrier.

12. QUALITY. Harland warrants and guarantees to FSG the quality of all non-imprintable Sixth Addendum Products in line with Intuit's product specifications and other requirements listed in Exhibit A-1 (Sixth Addendum Product Specifications). Harland is responsible for replacing any defective product(s) at Harland's costs, including any and all services and shipping costs.

13. PERSONNEL. Harland will identify qualified primary contacts at Harland who will be available to work directly with Intuit as needed. In addition, Harland will identify at least one qualified contact at each third-party supplier of Sixth Addendum Products who Intuit will contact in coordination with Harland, with prior notification if practical, on an as needed basis.

14. PRICING AND COSTS. For each Sixth Addendum Product and service provided pursuant to this Sixth Addendum, Harland will charge Intuit in accordance with the following: Exhibit A (Manual Checks Products and Pricing). These mutually agreed upon prices should be competitive in the market, and in compliance with applicable laws, and will remain in effect from the Sixth Addendum Effective Date and will continue in effect thereafter during the term of this Sixth Addendum, subject to the following sections of the Supply Agreement: Section (*) and Section (*). Harland will work with Intuit on continuous improvements to reduce material, administrative, freight and warehousing costs, and will (*).

15. REPORTING. Harland will provide standard and ad hoc reporting to provide information on, but not limited to the following: Performance Scorecard Measures. This report should be accurate and presented in a timely manner.

16. BUSINESS CONTINUITY.

(a) Harland shall: (i) be responsible for business continuity of operations as to the products and services to be provided under this Sixth Addendum; (ii) within (*) days after the Sixth Addendum Effective Date, submit to Intuit for approval a mutually agreed upon and reasonable business continuity plan ("Business Continuity Plan") that mitigates and minimizes Intuit service interruptions; and (iii) update the Business Continuity Plan, subject to Intuit's approval, to reflect changes in technology and industry standards on an annual basis.

(b) Harland shall provide Intuit reasonable assistance in Intuit's assessment of Intuit's business continuity requirements and provide, for Intuit's approval, a set of alternatives for the development of a viable Intuit business continuity program, and the estimated fees associated with each alternative.

(c) Harland shall immediately provide Intuit with written notice of any service failure relating to this Sixth Addendum due to any of the events specified in the second paragraph of Section 22 of the Supply Agreement or any other event beyond Harland's reasonable control (each a "Force Majeure") and shall use its best efforts to immediately implement the Business Continuity Plan with regard to such failure.

(d) In the event of a Force Majeure, Vendor shall not charge Intuit any fees in excess of the fees set forth in this Sixth Addendum.

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(e) Whenever a Force Majeure requires that Harland allocate limited resources between or among its customers, Intuit shall receive no less priority in respect to such allocation than any of Harland's other customers.

17. RECORDS/AUDIT. Pursuant to Section 40 (d) of the Supply Agreement, Intuit shall have the full right to audit any and all documents, records or other paperwork of Harland's that they deem necessary or appropriate in order to validate Intuit charges or verify basis for (*). This includes, but is not limited to, Harland's costs from suppliers and materials costs, and will be utilized to determine (*). Harland will maintain accurate records with respect to the information underlying any reports, payments required, and costs under the Supply Agreement and under this Sixth Addendum. Intuit may, upon no less than (*) days prior written notice to Harland, request an audit by an independent Certified Public Accountant mutually agreed to by both parties, of relevant records of Harland's upon which such reports are based during normal business hours. Harland shall remit payments or credits to Intuit for the full amount of any disclosed shortfalls. The audit rights set forth herein shall continue for (*) years following the termination of the Supply Agreement for any reason, or for such period as Harland continues to make (*), whichever is longer. No such audit may occur more than (*) during the Term.

18. APPLICABILITY OF SUPPLY AGREEMENT. The following Sections of the Supply Agreement will not be applicable to the Sixth Addendum Products: 18(a) (Turnaround Time); the first sentence of 18(c); (*); (*); and (*). Section 42 (Payment Terms) will be applicable to the Sixth Addendum Products. For avoidance of doubt, Section 17 (Privacy and Security Standards) of the Fulfillment Addendum applies to this Sixth Addendum. Section 32 (Rights in Check Designs) of the Supply Agreement shall not apply to the Sixth Addendum Products to the extent that Harland does not implement any Intuit requested modifications to such Sixth Addendum Products.

19. Except as specified in this Sixth Addendum, the Supply Agreement remains in full force and effect.

IN WITNESS WHEREOF, Intuit and Harland have executed and entered into this Sixth Addendum by their duly authorized representatives.

JOHN H. HARLAND COMPANY	**INTUIT INC.**
By: /s/ MARTIN E. KERNER	By: /s/ K. MAGGIE RIGGINS
Printed Name: Martin E. Kerner Title: VP, Gen'l Mgr Date: 11/12/03	Printed Name: K. Maggie Riggins Title: Sr. Strategic Sourcing Mgr Date: 11/25/03

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EXHIBIT A
MANUAL CHECKS PRODUCTS AND PRICING

Products:

General Purpose (Style 2) Three to a Page Manual Checks that are Compatible with a 7-Ring Binder, provided in 1 part and 2 parts

Parts	Quantity	Price
1	**(*)**	**(*)**
	(*)	**(*)**
	(*)	**(*)**
	(*)	**(*)**
2	**(*)**	**(*)**
	(*)	**(*)**
	(*)	**(*)**
	(*)	**(*)**

Premier" 7-Ring Binder in black or burgundy.
Pricing: (*) per binder

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EXHIBIT A-1
SIXTH ADDENDUM PRODUCT SPECIFICATIONS

Product specifications & other requirements

Product Formats

Three to a Page Checks Compatible with 7-Ring Binder

- General Purpose (Style 2)

- Three to a Page Checks are available in single checks (1 part), or duplicate checks (2 parts) in the standard quantity of (*). For orders more than (*), increments of (*) can be ordered.

Formats Printed on the Following Safety Design Color Stocks*

- Blue
- Green
- Yellow
- Pink
- Gray

* Note: "Harland" is printed on the base stock in two places, one on the stub and the other on the check. The Harland imprint is a 4-point font size located approximately 0.125" from the bottom of the stub and 1" from the left edge. The check imprint is located approximately 1 1/4" from the bottom of the check and 0.03125" from the left edge.

"Premier" 7-Ring Binder will be offered in black and burgundy. This padded vinyl binder is the industry standard and measures 13 7/8" x 9 3/4" closed.

Security Feature and ANSI Compliance

Checks contain the following security features: microprint signature line, chemical reactive paper, padlock icon, security screen backer, and security feature listing/explanation box on the backer.

All checks meet or exceed ANSI specifications.

Package Specifications

Package would include checks shipped inside sealed plastic bag, placed inside a Kraft corrugated shipping box. Each package includes

1. Yellow Reorder Envelope - Manually inserted at shipping
2. Please Inspect Notice - Printed on the digital printer using approved graphic
3. Reorder Notice - Printed on the digital printer using the approved graphic
4. Appropriate quantity of Manual Checks.

For the above components, Harland shall include the "Please Inspect and Reorder Notice" at no additional charge.
Mailing label will include Intuit Logo and Milton return address.

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Product Dimensions

Check and stub measure approximately 12 7/8” x 3 1/24”. Detached check measures 8 1/4” x 3 1/24”. The following dimensions are from the top and left edge of the page (stub and check combined) and are for the top check only. If you are showing three checks on the page, just step and repeat the elements vertically 3.0417”.

Personalization *without* custom Customer Logo or standard Customer Logo (as described in Section 30 of the Supply Agreement). - Text is centered line to line. Placed approximately 0.3” from top of check, centered on a line approximately 7” from left edge of page. (vertical perf is 4.5” from left edge of document).

Personalization *with* custom Customer Logo or standard Customer Logo (as described in Section 30 of the Supply Agreement) - Text is flush left line to line. Placed approximately 0.3” from top of check, placed approximately 5.25” from left of page (left edge of page to left edge of logo). There is approximately 0.2” between the logo and the text.

Bank Imprint - Text is centered line to line. It is placed approximately 1.875” from top of page and centered on a line 6.125” from left edge of the page.

Over Signature line Text

- 1 signature line: Text is placed approximately 1.7” from top of page, centered on a line approximately 10.75“from left edge of the page.

- 2 signature lines: Top OSL (over signature line) Text is placed approximately 1.7” from top of page, centered on a line approximately 10.75“from left edge of the page. Bottom OSL Text is placed approximately 2.25” from top of page centered on a line approximately 10.75“from left edge of the page. Second line is approximately 2.3” from top of page.

- All lines have a TOS (text over signature) option.

Fractional - Text is placed approximately 0.8” from top of page, centered on a line 12.1” from left edge of page.

Check Number Length – Logic should be the same as business size computer checks.

Sub-heading – An example is “d/b/a My Business” or “Payroll Account” or some other heading that they want, printed in type bolder than the address, but not as bold as the company name. This concept should be the same as what we do with computer checks.

Font Size - same as business size computer checks.

Font Styles

The current standard Intuit fonts will be offered at no additional charge:

- Auriol
- Calvert
- Cascade Script
- Helvetica
- Hobo
- Improv
- Kaufmann

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- Korinna
- Palatino

Ink Colors

Black only, other colors not offered on Manual Checks.

Reverse Collation

Not Offered on Manual Checks.

Standard Logos

The current standard Intuit logos will be offered (in accordance with the terms and conditions of the Supply Agreement).

Custom Logos

Custom Customer Logos will be offered (in accordance with the terms and conditions of the Supply Agreement).

Alpha Numeric Numbering

AlphaNumeric Text and Numbering will be offered at no additional charge.

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EXHIBIT B
IMPLEMENTATION PLAN

(*)

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EXHIBIT C - SCORECARD

Monthly Performance Scorecard
Harland / Intuit

Category: Service	Category Weight			(*)		Category Total Score
Metric	**Performance Scale**			**Weight Factor**	**Result**	**Score**
	Doesn't Meet	**Meets**	**Exceeds**			
	0	**1**	**2**	**100**		
Time In Plant %, standard (base stock, black ink)	(*)	(*)	(*)	(*)		
Time In Plant-Average, standard (base stock, black ink)	(*)	(*)	(*)	(*)		
Time In Plant-Average, custom 1 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, custom 2 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, vended (stamps)	(*)	(*)	(*)	(*)		
Time In Plant-Average, micr-toner	(*)	(*)	(*)	(*)		
Time In Plant-Average, business cards, 1 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, business cards, 2 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, tax forms	(*)	(*)	(*)	(*)		
Time In Plant-Average, fulfillment (non-imprintable)	(*)	(*)	(*)	(*)		
Time In Plant-Average, full custom	(*)	(*)	(*)	(*)		

Category: Operations	Category Weight			(*)		Category Total Score
Metric	**Performance Scale**			**Weight Factor**	**Result**	**Score**
	Doesn't Meet	**Meets**	**Exceeds**			
	0	**1**	**2**	**100**		
Mail/Fax and OC Rerun Errors	(*)	(*)	(*)	(*)		
MICR Errors % (critical)	(*)	(*)	(*)	(*)		
Rerun Rate % (non-critical)	(*)	(*)	(*)	(*)		
Cross Shipments % (critical)	(*)	(*)	(*)	(*)		
Invoice Exceptions (Harland)	(*)	(*)	(*)	(*)		
Pairing Rate %	(*)	(*)	(*)	(*)		
Cosmos IPH	(*)	(*)	(*)	(*)		
Inbound OC Service Level %	(*)	(*)	(*)	(*)		
Outbound Call Resolution %	(*)	(*)	(*)	(*)		
Rush Orders Missed	(*)	(*)	(*)	(*)		
Maximum Hold Time Exceeded	(*)	(*)	(*)	(*)		

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Category: Delivery	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet	Meets	Exceeds			
	0	1	2	100		
On-time delivery % (Domestic Ground)	(*)	(*)	(*)	(*)		
On-time delivery % (Domestic Home)	(*)	(*)	(*)	(*)		
On-time delivery % (Express)	(*)	(*)	(*)	(*)		
Lost and Damaged % (claims, rerun-generated)	(*)	(*)	(*)	(*)		
Lost and Damaged % (paid claims)	(*)	(*)	(*)	(*)		
Shipper Return Rate %	(*)	(*)	(*)	(*)		
Shipper Late Claims % (paid)	(*)	(*)	(*)	(*)		
Out of Network % (charged)	(*)	(*)	(*)	(*)		

Category: System Effectivences	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet	Meets	Exceeds			
	0	1	2	100		
Line Items Invoiced % (State 30)	(*)	(*)	(*)	(*)		
Line Items Invoiced % (State 10)	(*)	(*)	(*)	(*)		
Line Items Invoiced % (State 0)	(*)	(*)	(*)	(*)		
Ship Status Completion % in COSMOS	(*)	(*)	(*)	(*)		
System Up time % (Harland only)	(*)	(*)	(*)	(*)		

Category: Fulfillment	Category Weight			(*)		Category Total Score
Metric	Performance Scale			Weight Factor	Result	Score
	Doesn't Meet	Meets	Exceeds			
	0	1	2	100		
Items Out-of-Stock	(*)	(*)	(*)	(*)		
Possible Score:	**0%**	**50%**	**100%**			**Overall Score:**

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AMENDMENT NO. 1 TO THE SUPPLY AGREEMENT

This amendment No. 1 (the "Amendment No. 1") to the Supply Agreement effective as of January 1, 2000 between Intuit Inc. ("Intuit") and the John H. Harland Company ("Harland"), is made and entered into as of 12 of November, 2003 ("Amendment No. 1 Effective Date"). Capitalized terms not defined herein this Amendment No. 1 shall have the meaning ascribed to them in the Supply Agreement.

RECITALS

A. Intuit and Harland are parties to a Supply Agreement made and entered into as of January 1, 2000 ("Supply Agreement").

B. Intuit and Harland have entered into addendums prior to the Amendment No. 1 Effective Date and plan to enter into future addendums to add additional products to the Supply Agreement ("Product-Specific Addendums").

C. The parties are now entering into this Amendment No. 1 to the Supply Agreement in order to add and/or modify certain standard, mutually agreed upon terms and conditions to the Supply Agreement such that the parties can enter into future Product-Specific Addendums after the Amendment No. 1 Effective Date without having to restate and/or negotiate such terms.

NOW THEREFORE, the parties hereby amend the Supply Agreement to add and/or modify the following new terms and conditions as follows:

1. GENERALLY. The terms of this Amendment No. 1 shall be applicable to future Product-Specific Addendums entered into by the parties after the Amendment No. 1 Effective Date. Product-Specific Addendums entered into prior to the Amendment No. 1 Effective Date are excluded from this Amendment No. 1.

2. SECURE SOURCING. If any circumstance occurs that prevents Harland or any third party supplier from effectively filling and shipping customer Orders for a specific product line in accordance with Intuit's specified quality requirements and turnaround times for such specific product line, including but not limited to termination, financial issues, or any disasters, Intuit shall have the right to immediately purchase all such specific product line Products in the possession or control of Harland or third-party suppliers, or immediately take possession of such Intuit-owned specific product line products in the possession or control of Harland or third-party suppliers. In addition, Intuit shall have the right to immediately take over the sourcing of such specific product line Products that are work in process and will be completed at a later date at third-party suppliers. Harland will make Harland-owned specific product line Products available to Intuit at the prices that Harland was charged by its third-party suppliers. Harland will also ensure that any third party supplier of such specific product line Products will make such specific product line Products that are work in process and to be completed at a later date available to Intuit at the prices that the supplier agreed upon with Harland. Intuit will pay Harland reasonable additional costs for Harland's cooperation in transferring such specific product line Products to Intuit.

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3. SYSTEMS. (*) will fund the development, enhancements and ongoing support of connections to Intuit's order entry and billing systems, and any changes needed to meet new businesses and services in connection with the Supply Agreement. Harland is responsible for the funding and implementation of development, enhancement, and ongoing support of Harland's systems, and for the systems of any supplier responsible for providing Products. The level of support for the Intuit FSG account (i.e., dedicated Harland personnel) will be (*) above the levels specified in the Supply Agreement based on the additional volumes resulting from additional products.

4. SAME ORDER SHIPMENTS/PAIRINGS. The specific items paired in the same package are based primarily on the type of products, imprintables and non-imprintables, and size of the products. Harland will pair all items physically able and commercially reasonable in the same package for shipment. In addition, Harland will work with third party suppliers so that these suppliers can pair items in the same package for shipment.

5. PERFORMANCE SCORECARD. Harland will measure and report its performance against the performance scorecard set forth in Exhibit A, and will use their best efforts to meet, exceed and improve performance. Following the end of each calendar quarter, designated team members from both parties will meet and review performance during the past quarter. In connection with these quarterly meetings, the parties will gather the data and rate Harland's performance in accordance with the performance scorecard set forth in Exhibit A. Harland and Intuit will mutually agree upon any changes to the performance scorecard.

6. SHIPPING METHODS.

(a) Harland will be responsible for shipping each completed Order to the Customer's specified address, and will ensure that any carrier providing Products will ship each completed Order to the Customer's specified address. Unless otherwise indicated on the Order or otherwise specified by Intuit, shipping shall be via ground, or comparable service where ground is not available. Harland will have implemented a system so that (*) of Orders for Standard Products shipped to an address in the continental United States will be shipped by Harland from a location that, according to material published by such carrier, is within (*) business days of shipment via such carrier ground of the addressee. The selection of each shipping carrier will be subject to Intuit's approval. Harland will ensure that all third-party suppliers that provide Products can support shipping methods, including Ground, Next Day and Second Day at competitive costs. When the rates are not competitive at a third party supplier, and it is commercially reasonable, Harland will allow the third-party supplier of Products to utilize Harland's freight rates.

(b) Harland will be responsible for the proactive management of carriers to negotiate and manage competitive freight costs, file and credit to Intuit refunds for lost or damaged shipments, and track and ensure the compliance of on-time and quality performance. Harland will report these performance measures monthly in the Performance Scorecard, Exhibit A, and work with their carriers to meet, exceed and improve performance.

(c) Harland will be responsible for the management of all carriers for Products supplied and/or fulfilled by Harland or their third party suppliers to ensure that the carrier meets (*) on time performance. Harland will be responsible for crediting

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Intuit for any charges, penalties or expedited fees resulting from lost or damaged shipments, and from mistakenly returned packages. In addition, Harland will credit Intuit for reimbursements made by the carrier to Harland for service failures, including failures to meet on-time shipping guarantees. Harland will use its best efforts in working with Intuit to recover these credits in a mutually agreeable and commercially reasonable manner and provide Intuit with a monthly accounting of such credits. Harland will pay to Intuit any credits pursuant to this section within (*) business days of receipt of such credits by Harland from carrier.

7. **PERSONNEL.** Harland will identify qualified primary contacts at Harland who will be available to work directly with Intuit as needed. In addition, Harland will identify at least one qualified contact at each third-party supplier of any Products who Intuit will contact in coordination with Harland, with prior notification if practical, on an as needed basis.

8. **PRIVACY AND SECURITY STANDARDS.** Harland will continue to be in compliance with Intuit's then-current privacy and security standards, the current version of which are contained in Exhibit B (Comprehensive Security Requirements for Confidential Customer Data and Corporate Information) and Exhibit C (Intuit Service Provider Privacy Attachment). In addition, Harland will meet or exceed, within a reasonable timeframe after disclosure to Harland, Intuit's then-current mail handling procedures, the current version of which is contained in Exhibit D (Intuit Suspicious Mail Handling Procedures), as well as any specific recommendations that Intuit provides to Harland. Harland is responsible for ensuring that all third party suppliers of any Products will also comply with the then-current version of Intuit's privacy and security standards and mail handling procedures.

9. **BUSINESS CONTINUITY.**

(a) Harland shall: (i) be responsible for business continuity of operations as to the products and services to be provided under the Supply Agreement; (ii) within (*) days after the Amendment No. 1 Effective Date, submit to Intuit for approval a mutually agreed upon and reasonable business continuity plan ("Business Continuity Plan") that mitigates and minimizes Intuit service interruptions; and (iii) update the Business Continuity Plan, subject to Intuit's approval, to reflect changes in technology and industry standards on an annual basis.

(b) Harland shall provide Intuit reasonable assistance in Intuit's assessment of Intuit's business continuity requirements and provide, for Intuit's approval, a set of alternatives for the development of a viable Intuit business continuity program, and the estimated fees associated with each alternative.

(c) Harland shall immediately provide Intuit with written notice of any service failure relating to the Supply Agreement due to any of the events specified in the second paragraph of Section 22 of the Supply Agreement or any other event beyond Harland's reasonable control (each a "Force Majeure") and shall use its best efforts to immediately implement the Business Continuity Plan with regard to such failure.

(d) In the event of a Force Majeure, Harland shall not charge Intuit any fees in excess of the fees set forth in the Supply Agreement.

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(e) Whenever a Force Majeure requires that Harland allocate limited resources between or among its customers, Intuit shall receive no less priority in respect to such allocation than any of Harland's other customers.

10. RECORDS/AUDIT. Pursuant to Section 40 (d) of the Supply Agreement, Intuit shall have the full right to audit any and all documents, records or other paperwork of Harland's that they deem necessary or appropriate in order to validate Intuit charges or verify basis for (*). This includes, but is not limited to, Harland's costs from suppliers and materials costs, and will be utilized to determine (*) information. Harland will maintain accurate records with respect to the information underlying any reports, payments required, and costs under the Supply Agreement. Intuit may, upon no less than (*) days prior written notice to Harland, request an audit by an independent Certified Public Accountant mutually agreed to by both parties, of relevant records of Harland's upon which such reports are based during normal business hours. Harland shall remit payments or credits to Intuit for the full amount of any disclosed shortfalls. The audit rights set forth herein shall continue for (*) years following the termination of the Supply Agreement for any reason, or for such period as Harland continues to make (*) to Intuit, whichever is longer. No such audit may occur more than (*) during the Term.

11. SURVIVAL. In addition to the survival provisions stated in the Supply Agreement, Sections 8 and 10 of this Amendment No. 1 shall survive and continue to bind the parties following the termination of the Supply Agreement.

12. Except as specified in this Amendment No. 1, the terms of the Supply Agreement shall remain in full force and effect. In the event of conflict between the terms and conditions of the Supply Agreement and this Amendment No. 1, the terms of this Amendment No. 1 shall control with respect to the subject matter hereof.

IN WITNESS WHEREOF, Intuit and Harland have executed and entered into this Amendment No. 1 by their duly authorized representatives.

JOHN H. HARLAND COMPANY	**INTUIT INC.**
By: /s/ MARTIN E. KERNER	By: /s/ K. MAGGIE RIGGINS
Printed Name:Martin E. Kerner Title: VP, Gen'l Mgr Date: 11/12/03	Printed Name: K. Maggie Riggins Title: Sr. Strategic Sourcing Mgr Date: 11/25/03

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Exhibit A
Performance Scorecard

Monthly Performance Scorecard
Harland / Intuit

Category: Service Metric	Category Weight Performance Scale			(*) Weight Factor	Result	Category Total Score Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Time In Plant %, standard (base stock, black ink)	(*)	(*)	(*)	(*)		
Time In Plant-Average, standard (base stock, black ink)	(*)	(*)	(*)	(*)		
Time In Plant-Average, custom 1 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, custom 2 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, vended (stamps)	(*)	(*)	(*)	(*)		
Time In Plant-Average, micr-toner	(*)	(*)	(*)	(*)		
Time In Plant-Average, business cards, 1 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, business cards, 2 color	(*)	(*)	(*)	(*)		
Time In Plant-Average, tax forms	(*)	(*)	(*)	(*)		
Time In Plant-Average, fulfillment (non-imprintable)	(*)	(*)	(*)	(*)		
Time In Plant-Average, full custom	(*)	(*)	(*)	(*)		

Category: Operations Metric	Category Weight Performance Scale			(*) Weight Factor	Result	Category Total Score Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
	0	**1**	**2**	100		
Mail/Fax and OC Rerun Errors	(*)	(*)	(*)	(*)		
MICR Errors % (critical)	(*)	(*)	(*)	(*)		
Rerun Rate % (non-critical)	(*)	(*)	(*)	(*)		
Cross Shipments % (critical)	(*)	(*)	(*)	(*)		
Invoice Exceptions (Harland)	(*)	(*)	(*)	(*)		
Pairing Rate %	(*)	(*)	(*)	(*)		
Cosmos IPH	(*)	(*)	(*)	(*)		
Inbound OC Service Level %	(*)	(*)	(*)	(*)		
Outbound Call Resolution %	(*)	(*)	(*)	(*)		
Rush Orders Missed	(*)	(*)	(*)	(*)		
Maximum Hold Time Exceeded	(*)	(*)	(*)	(*)		

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Category: Delivery Metric	Category Weight Performance Scale			(*) Weight Factor	Result	Category Total Score Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
	0	**1**	**2**	100		
On-time delivery % (Domestic Ground)	(*)	(*)	(*)	(*)		
On-time delivery % (Domestic Home)	(*)	(*)	(*)	(*)		
On-time delivery % (Express)	(*)	(*)	(*)	(*)		
Lost and Damaged % (claims, rerun-generated)	(*)	(*)	(*)	(*)		
Lost and Damaged % (paid claims)	(*)	(*)	(*)	(*)		
Shipper Return Rate %	(*)	(*)	(*)	(*)		
Shipper Late Claims % (paid)	(*)	(*)	(*)	(*)		
Out of Network % (charged)	(*)	(*)	(*)	(*)		

Category: System Effectiveness Metric	Category Weight Performance Scale			(*) Weight Factor	Result	Category Total Score Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Line Items Invoiced % (State 30)	(*)	(*)	(*)	(*)		
Line Items Invoiced % (State 10)	(*)	(*)	(*)	(*)		
Line Items Invoiced % (State 0)	(*)	(*)	(*)	(*)		
Ship Status Completion % in COSMOS	(*)	(*)	(*)	(*)		
System Up time % (Harland only)	(*)	(*)	(*)	(*)		

Category: Fulfillment Metric	Category Weight Performance Scale			(*) Weight Factor	Result	Category Total Score Score
	Doesn't Meet 0	Meets 1	Exceeds 2	100		
Items Out-of-Stock	(*)	(*)	(*)	(*)		
Possible Score:	**0%**	**50%**	**100%**			**Overall Score:**

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Exhibit B
Comprehensive Security Requirements for Confidential Customer Data
and Corporate Information

SEC-902 Rev. 1.0 (11/14/01)

Definitions

For the purposes of this Exhibit, the following definitions shall apply.

Confidential Information: Information which (i) is proprietary to, about, or created by a specific

person or company; (ii) gives the specified person or company some competitive business advantage or the opportunity of obtaining such advantage, or the disclosure of which could be detrimental to the interests of the specified person or company; (iii) is designated as Confidential Information by the specified person or company, or from all the relevant circumstances should reasonably be assumed by the receiving party to be confidential and proprietary to the specified person or company.

The following subcategories of Confidential Information are also defined:

- *Secret Information*: Information that is used to protect other Confidential Information. Generally, Secret Information is not disclosed to outside parties under any circumstances.

- *Sensitive Information*: Any information that could be misused in such a way as to jeopardize the financial or legal position of its owner, or of the person or company described by the information.

- *Restricted Information*: Information that is not Secret or Sensitive, but whose permissible use has been restricted by its owner.

Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing or designated as Confidential):

a. **Personally-Identifiable Information**. Information that identifies or can be used to identify, contact, or locate the person to whom such information pertains. It includes, without limitation, the following information:

Secret Information: Customer passwords, private encryption keys, and private signature keys.

Sensitive Information: Customer account numbers, Social Security numbers, taxpayer identification numbers, account balances, account activity, financial information, medical records, legal records, and records of customer services and other data relating to the products and services offered, received, or purchased by customers of Intuit or the Company.

Restricted Information: Customer names, customer street or e-mail addresses, customer telephone numbers.

b. **Confidential Corporate Information**, consisting of any of the following:

Secret Information: Computer account IDs, passwords for computer or database systems, private encryption keys, SSL keys, computer source code relating to encryption/decryption,

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special access privileges, known security vulnerabilities, the results of security audits and reviews, and any information explicitly designated Secret by Intuit or by Company.

Sensitive Information: Any of the following:

(i) *Work Products*: Work product resulting from or related to work or projects performed or to be performed for Intuit or the Company, or for customers of Intuit or the Company (including all media on which such information is contained);

(ii) *Business Operations*: Internal Intuit or Company personnel and financial information, names and other information about Service Providers (including without limitation Service Provider characteristics, services and agreements), purchasing and internal cost information, internal services and operational manuals, and the manner and methods of conducting Intuit's or the Company's business;

(iii) *Marketing and Development Operations*: Marketing and development information regarding Intuit's or the Company's operations (including without limitation marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques and methods of obtaining business, forecasts and forecast assumptions and volumes, and future plans and potential strategies of Intuit or the Company which have been or are being discussed);

(iv) *Other Proprietary Data*: Information relating to Intuit's or the Company's proprietary business information (including without limitation information pertaining to business transactions and financial performance) or proprietary rights prior to any public disclosure thereof, and information regarding acquiring, protecting, enforcing and licensing proprietary rights (including without limitation patents, copyrights and trade secrets).

(v) *Designated Information*: Notwithstanding the above, any information explicitly designated as Sensitive by Intuit or by Company.

Restricted Information: Aggregated or anonymous customer information (any customer information other than Personally Identifiable Customer Information), contractual information or obligations not designated as Sensitive, and any information explicitly designated as Restricted by Intuit or by Company.

A. Controlling Access to Confidential Information

1. Access to Confidential Information stored on Company's systems must not be granted to members of Company's staff, subcontractors, or other agents, unless the following conditions are met:

a) The staff member, subcontractor, or other agent requesting the access can be uniquely identified (e.g., by a unique User ID), with the exception of "root" password access provided by the Company to its core system administration team;

b) The staff member, subcontractor, or other agent requesting the access has entered a correct password or other authorizing token to indicate that he/she is the authorized user of this account. If passwords are the only method used for authentication, they must satisfy certain minimal standards mutually agreeable to Intuit and Company (i.e., 8 characters minimum length, required use of special- and/or mixed-case characters, no words that could be found in a dictionary, and required to be changed every 90 days) that make them sufficiently robust to effectively resist both educated guessing and brute-force attacks.

c) In all cases, access permissions must be established in a manner that allows only for the minimum access level(s) required for each staff member, subcontractor, or other agent to perform his or her job function. The ability to read, write, modify or delete

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Confidential Information must be limited to those individuals who are specifically authorized to perform those data maintenance functions.

d) The date, time, requestor, and nature of the access (i.e., read-only or modify) has been recorded in a log file.

2. Confidential Information stored on Company's systems must be stored behind firewalls with access to such data limited as described in the preceding requirement.

3. Secret Information must never be stored in clear text on Company's systems. At a minimum, financial services industry-standard encryption techniques must be employed to safeguard Secret Information in Company's systems from retrieval by unauthorized persons. Company should strive to adopt best industry practices where appropriate. Whenever possible, message digest algorithms such as SHA-1 or MD5 should be used to hash and verify the user's password, and "salt" should be added to the input string prior to encoding to ensure that the same password text chosen by different users will yield different encodings.

4. Passwords used to control Company's staff, subcontractors, or other agents' access to Confidential Information must at a minimum conform to the password policies described in paragraph A.1.b above. Passwords used by Company's Customers are not required to conform to these policies; however, Company must ensure that Customers do not have access to Confidential Information other than that which pertains to them.

5. Procedures must be in place to modify or revoke access permissions to Confidential information when staff members leave the Company or when their job responsibilities change.

6. Printed material that contains Confidential Information must be stored in secured areas to which access is limited to those staff members who have a business need to access it. It must also be disposed of in a secure manner. At a minimum, financial services industry-standard protections must be employed to ensure the secure storage and destruction of Secret and Sensitive Information. Whenever possible, secure disposal alternatives such as on-site shredding prior to recycling or placement in publicly-accessible trash bins with subsequent off-site shredding by a licensed contractor should be implemented.

B. Transmitting Confidential Information

1. Unless restricted by law, Company must not electronically transmit Secret or Sensitive Information over publicly-accessible networks without using 128-bit SSL or another mechanism that affords similar or greater security and confidentiality. If legal restrictions limit the use of 128-bit SSL encryption technology, Company must use the strongest encryption technology permitted.

2. Confidential Information must never be passed in a URL (e.g., using a Get method) in a manner that potentially exposes the information to third parties and causes such information to appear in log files.

C. Maintaining a Secure Environment

1. To protect the accuracy and integrity of Confidential Information, all such data must be backed up regularly (no less often than weekly), and the backups stored in secure, environmentally controlled, limited-access facilities.

2. Company must promptly install any security-related fixes identified by its hardware or software vendors, if the security threat being addressed by the fix is one that threatens the

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privacy or integrity of any Confidential Information covered by this Agreement. Such upgrades must be made as soon as they can safely be installed and integrated into Company's existing architecture and systems.

3. Intuit may, from time to time, advise Company of recent security threats that have come to its attention, and require Company to implement specific modifications to its software, policies, or procedures that may be necessary to counter these threats. Company must implement these modifications within a mutually-agreeable time, or must obtain written permission from Intuit to take some other course of action to ensure that the privacy and integrity of any Confidential Information is preserved.

4. Company must immediately notify Intuit if it knows or suspects that Confidential Information has been compromised or disclosed to unauthorized persons, or if there has been any meaningful or substantial deviation from the requirements contained in the Agreement or this Exhibit. See Section F for contact information.

5. Notwithstanding the minimum standards set forth in this Exhibit, Company should monitor and periodically incorporate reasonable industry-standard security safeguards.

D. Electronic Mail

1. Company shall not send any Secret or Sensitive Information in an e-mail message over publicly accessible networks unless the e-mail is encrypted using a previously-approved encryption mechanism or is otherwise made secure with an approach that has been mutually agreed upon in advance by Intuit and Company.

2. Company and its subcontractors and agents must not reveal the Personally-Identifiable Information of one customer to any other customer or other third party, in any e-mail or other communication, except as permitted in writing by the affected person, as deemed appropriate in light of the interests of the affected person, or as otherwise required by law.

E. Reviews, Audits, and Remedies

1. Company agrees that Intuit shall have a right to verify Company's compliance with this Exhibit. Upon 14 days' prior written notice to Company, Intuit (or its agent) may enter Company's premises and inspect such of Company's books, records, facilities and computer systems as Intuit and Company shall mutually agree is necessary to ensure that company complies with the terms, covenants and conditions of this Exhibit. Intuit or its agent shall comply with Company's standard policies and procedures that apply to third party companies that have access to Company's premises, and Intuit or its agent shall access Company's premises during normal business hours (Monday through Friday, 8:00 AM to 5:00 PM). Notwithstanding the foregoing, if Intuit in good faith believes that a threat to security exists that could affect Confidential Information, Company must provide Intuit or its agent access to its premises immediately upon request by Intuit.

2. Intuit may inspect or employ third parties to conduct studies of Company's operational processes, systems and computer network security to determine Company's compliance with this Exhibit. Intuit agrees to coordinate the scheduling of any such study with Company to minimize disruption to Company's business. Company agrees to cooperate with Intuit to commence such a study within thirty (30) days from Company's receipt of written notice of Intuit's intent to conduct, or to employ a third party to conduct, such a

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study. At Company's request, Intuit will require any third party it employs to conduct such a study to sign a nondisclosure agreement pursuant to which it agrees not to disclose any Confidential Information. Intuit will make the results of any such study available to Company and, depending on the seriousness of any problems found, may require Company to remedy any and all such deficiencies in a timely fashion. Costs of such audits shall be borne by Intuit, unless Company is deemed, as a result of such an audit, to be in material nonconformity with the Agreement or this Exhibit.

3. Notwithstanding any time-to-cure provision in this Agreement to the contrary, it shall be completely within Intuit's discretion to require correction of any demonstrated security-related problem within a shorter period of time. Intuit shall provide written notice of the problem to Company, and Company must immediately take appropriate steps to correct the problem. If Company fails to correct any demonstrated security problem within a commercially-reasonable time, factoring in the work that must be completed to address the problem, and resulting in the material disclosure or threatened disclosure of Intuit's Confidential Information or Personally-Identifiable Information about Intuit's customers, Intuit may instruct Company to take such interim measures as are necessary to protect such information. If Company fails or refuses to take those interim and/or permanent measures which are necessary to prevent the material disclosure of such information within a commercially-reasonable time, Intuit may terminate any and all affected agreements between Intuit and Company for cause.

F. Compliance with U.S. Laws and Regulations

Company shall comply with all applicable federal, state, and local laws and regulations.

G. Changes to Requirements

Intuit may, in its sole discretion, amend these requirements from time to time, as required by law or otherwise.

H. Contact Information

The primary business contact person for each party under this Agreement shall designate a primary and an alternate single point of contact for security issues for such party (a "Security SPOC") and provide mail, email, telephone, home telephone, and pager or portable telephone contact information for such persons. Both parties agree that either the primary or alternate Security SPOC will be available at all times ("24/7/365"). Such designation and information must be given in writing to the other party within ten (10) business days after the effective date of the Agreement. Any updates to the same shall be given promptly in writing to the other party.

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Exhibit C
Intuit Service Provider Privacy Attachment

1. INTRODUCTION

1.1. This Intuit Privacy Exhibit ("Exhibit") governs the manner in which specified customer-related information may be collected, used, or disclosed by Service Provider. Intuit may impose different or additional restrictions in connection with any Intuit business conducted outside of the United States.

2. DEFINITIONS

2.1. "Affiliate Companies" shall mean any companies controlling, being controlled by, or under common control with another company.

2.2. "Intuit" shall mean Intuit Inc. and its Affiliate Companies.

2.3. "Intuit Customer Data" shall mean any data — whether Personally Identifiable Information or aggregate or anonymous information — either disclosed by Intuit to Service Provider, or to which Service Provider has otherwise obtained access by virtue of its relationship with Intuit. Such Data shall include information pertaining to both customers and prospective customers of Intuit.

2.4. "Intuit Suppression" shall mean the process of matching or merging marketing lists with all relevant Intuit Do Not Contact lists, including, as applicable, "Do Not Mail," "Do Not E-mail," and "Do Not Call" lists, for purposes of purging from such marketing lists or otherwise suppressing Intuit Customer Data of those included on such Do Not Contact lists.

2.5. "Opt-out" shall mean the opportunity afforded to Consumers to decline to have their Intuit Customer Data used for purposes other than as necessary to provide the product or service for which the Intuit Customer Data is collected.

2.6. "Service Provider" shall mean the party entering into an agreement with Intuit, into which this Exhibit has been incorporated by reference, as well as all Affiliate Companies of said Service Provider.

2.7. "Personally Identifiable Information" ("PII") shall mean any information (i) that identifies or can be used to identify, contact, or locate the person to whom such information pertains, or (ii) from which identification or contact information of an individual person can be derived. PII includes, but is not limited to: name, address, phone number, fax number, email address, financial profiles, medical profile, social security number, and credit card information. Additionally, to the extent unique information, not itself PII, such as, but not necessarily limited to, a personal profile, unique identifier, biometric information, and/or IP address is associated with PII, then such unique information will also be considered PII.

3. SERVICE PROVIDER RESPONSIBILITIES — GENERAL

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3.1. Service Provider shall comply with this Exhibit and all applicable laws, rules and regulations relating to the collection or use of Intuit Customer Data, and agrees to impose and enforce compliance of this Exhibit on all third party service providers with access to Intuit Customer Data.

3.2. Service Provider shall ensure that only those employees or authorized agents who are trained in the proper handling of Intuit Customer Data and who are subject to an obligation to maintain the confidentiality of such information shall have access to Intuit Customer Data.

3.3. Service Provider shall under no circumstances collect, access, use, reproduce or disclose Intuit Customer Data other than as either specifically authorized by, or clearly necessary in order to perform services pursuant to, the agreement this Exhibit is incorporated into. Specifically, Service Provider shall not use Intuit Customer Data on its own behalf. Should Service Provider become legally obligated to disclose Intuit Customer Data other than as permitted by this Exhibit, it shall, unless legally prohibited from doing so, first provide notice to Intuit.

3.4. The constraints imposed by this Exhibit on the collection, use or disclosure of Intuit Customer Data shall specifically apply to Social Security numbers.

3.5. Service Provider shall, as directed, perform an Intuit Suppression prior to engaging in any marketing activities (*e.g.*, e-mail, telemarketing or direct mail marketing) on behalf of Intuit. In addition, Service Provider shall comply with the rules of the Direct Marketing Association's Mail Preference Service and Telephone Preference Service in connection with all such marketing activities. Such obligations shall be in addition to performing any other legally required suppressions, including legally-mandated Do Not Mail or Do Not Call procedures. Service Provider shall employ measures as directed by Intuit to ensure that Opt-out requests received in connection with such marketing activities are provided to Intuit in a form permitting Intuit to incorporate them into suppression files or other databases. Suppression lists or files provided to Service Provider by Intuit shall be used solely for purposes of performing an Intuit Suppression and shall be returned or destroyed when no longer needed for such authorized purposes.

3.6. Service Providers conducting telemarketing on Intuit's behalf shall comply with Intuit's Do-Not-Call Policy, as follows:

This written policy for maintaining a Do-Not-Call **list of individuals who do not wish to receive telephone solicitations made by Intuit Inc. or on behalf of Intuit Inc. (by its service providers) is available upon request.**

Do-Not-Call Policy

Intuit maintains a **Do-Not-Call** list of individuals, including their telephone numbers, who have requested not to receive telephone solicitations from Intuit.

Intuit's **Do-Not-Call** list applies to Intuit and all its subsidiaries.

Neither Intuit nor its service providers shall make telephone solicitations to the homes of individuals on Intuit's **Do-Not-Call** list.

* We have requested confidential treatment for certain portions of this document pursuant to an application for confidential treatment sent to the SEC. We omitted such portions from this filing and filed them separately with the SEC.

If an individual states that he or she does not want to receive telephone solicitation calls, the individual's name and telephone number must be added to Intuit's **Do-Not-Call** list.

Intuit must keep a record of an individual's **Do-Not-Call** request for ten (10) years from the time the customer makes the request.

3.7. Service Provider shall maintain such records as are necessary to demonstrate its compliance with this Exhibit and shall permit Intuit, or a third party chosen by Intuit and reasonably acceptable to Service Provider, to audit Service Provider's records and practices relating to its obligations under this Exhibit upon reasonable notice and during regular business hours, and at Intuit's expense, at the locations where such records and data are maintained, for purposes of verifying Service Provider's compliance. Intuit shall be provided with a description of all data flows and use of data upon request, and all such data flows and use of data re subject to approval by Intuit.

3.8. Service Provider shall immediately report to Intuit any failure to treat or protect — including specifically any unauthorized use or disclosure of — Intuit Customer Data as set forth in this Exhibit or the agreement it is incorporated into, including any related complaints about Service Provider's information and collection practices, and to consult with Intuit as to correction thereof. Service Provider agrees that Intuit shall have the right to control and direct any response and/or correction of any such breach.

3.9. Service Provider shall provide Intuit with a contact name and contact information for communications related to this Exhibit, including compliance with or any breaches thereof.

3.10. Intuit may amend this Exhibit from time to time as may be required by law or otherwise. At Intuit's discretion, Service Providers not willing or able to change practices in accordance with such amendments may be given 30 days to terminate.

Last Revised July 4, 2002.

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Exhibit D
Intuit Suspicious Mail Handling Procedures

The following Intuit Package Handling Requirements shall apply to Harland, its subsidiaries and third party vendors (hereinafter, "Company") in connection with one or more related service agreements involving the handling of Intuit mail and packages.

The accurate, timely, and proper handling of incoming and outgoing mail and packages are absolutely essential to each party's business. To ensure that incoming Intuit mail and packages, including, but not limited to, Intuit Customer orders/returns and Intuit/Company vendor orders ("Intuit Materials") are properly handled, all accesses to, uses of, and processing of Intuit's Materials must be consistent with the package handling requirements, related procedures, and guidelines which are attached below as Attachment A. Company and Intuit shall comply with the Intuit Package Handling Requirements (as amended from time to time). Upon notice of an amendment, Company shall comply with such amendments to the Intuit Package Handling Requirements as soon as reasonably possible (not to exceed 30 days) based on the importance of the amendment and the severity of the issues that are addressed by the amendment.

Company shall establish and maintain its own organization-wide information security policies, standards, guidelines and procedures, which shall meet or exceed the requirements set forth in the Intuit Package Handling Requirements.

Company shall promptly conduct investigations of any breaches of such Intuit Package Handling Requirements, and shall take steps to remedy and prevent such breaches. Company shall take such further actions as it deems

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Exhibit 10.04

CONFIDENTIAL TREATMENT REQUESTED

AMENDMENT NO. 2 TO THE SUPPLY AGREEMENT

This Amendment No. 2 (the "Amendment No. 2") to the Supply Agreement effective as of January 1, 2000 between Intuit Inc. ("Intuit") and the John H. Harland Company ("Harland"), is made and entered into as of 15th of December, 2003 ("Amendment No. 2 Effective Date"). Capitalized terms not defined herein this Amendment No. 2 shall have the meaning ascribed to them in the Supply Agreement.

RECITALS

A. Intuit and Harland are parties to a Supply Agreement made and entered into as of January 1, 2000 ("Supply Agreement").

B. Intuit and Harland entered into Amendment No. 1 to the Supply Agreement as of November 12, 2003 ("Amendment No. 1") in order to add and/or modify certain standard, mutually agreed upon terms and conditions to the Supply Agreement such that the parties can enter into future Product-Specific Addendums without having to restate and/or negotiate such terms. (The Supply Agreement and Amendment No. 1 are collectively referred to herein as the "Supply Agreement.")

C. The parties are now entering into this Amendment No. 2 to the Supply Agreement in order to revise certain pricing under the Supply Agreement.

NOW THEREFORE, the parties hereby amend the Supply Agreement to add and/or modify the following terms and conditions as follows:

1. Effective as of December 15, 2003, the new pricing for Checks and Forms and Deposits listed on the attached Exhibit B (Manufacturing Prices) shall supersede and replace the pricing for Checks and Forms and Deposits listed on Exhibit B (Manufacturing Prices) of the Supply Agreement.

2. Except as specified in this Amendment No. 2, the terms and conditions of the Supply Agreement and all addenda thereto shall remain in full force and effect. In the event of conflict between the terms and conditions of the Supply Agreement and this Amendment No. 2, the terms of this Amendment No. 2 shall control with respect to the subject matter hereof.

IN WITNESS WHEREOF, Intuit and Harland have executed and entered into this Amendment No. 2 by their duly authorized representatives.

JOHN H. HARLAND COMPANY	**INTUIT INC.**
By: /s/ TAMARA DICAPRIO	By: /s/ K. MAGGIE RIGGINS
Printed Name:Tamara DiCaprio	Printed Name: K. Maggie Riggins
Title: Partner Manager	Title: Sr. Strategic Sourcing Mgr

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Exhibit B

Manufacturing Prices (Updated: 10/23/03)

Checks

	Standard 1-part	Standard 2-part	Standard 3-part	Voucher 1-part	Voucher 2-part	Voucher 3-part	Wallet 1-part
				Laser			
250	(*)	na	na	(*)	(*)	(*)	(*)
500	(*)	na	na	(*)	(*)	(*)	(*)
1,000	(*)	na	na	(*)	(*)	(*)	(*)
2,000	(*)	na	na	(*)	(*)	(*)	(*)
3,000	(*)	na	na	(*)	(*)	(*)	(*)
4,000	(*)	na	na	(*)	(*)	(*)	(*)
5,000	(*)	na	na	(*)	(*)	(*)	(*)
Add'l 1000	(*)	na	na	(*)	(*)	(*)	(*)
				Continuous			
250	(*)	(*)	na	(*)	(*)	(*)	(*)
500	(*)	(*)	na	(*)	(*)	(*)	(*)
1,000	(*)	(*)	na	(*)	(*)	(*)	(*)
2,000	(*)	(*)	na	(*)	(*)	(*)	(*)
3,000	(*)	(*)	na	(*)	(*)	(*)	(*)
4,000	(*)	(*)	na	(*)	(*)	(*)	(*)
5,000	(*)	(*)	na	(*)	(*)	(*)	(*)
Add'l 1000	(*)	(*)	na	(*)	(*)	(*)	(*)

Forms and Deposits

	Form 1- part	Form 2- part	Form 3- part	Form 4- part	Deposit 1- part	Deposit 2- part	Deposit 3- part
				Laser			
250	(*)	(*)	(*)	(*)	(*)	(*)	(*)
500	(*)	(*)	(*)	(*)	(*)	(*)	(*)
1,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
2,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
3,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
4,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
5,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Add'l 1000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
		Continuous				***Book***	
250	(*)	(*)	(*)	(*)	(*)	(*)	(*)
500	(*)	(*)	(*)	(*)	(*)	(*)	(*)

* We have requested confidential treatment for certain portions of this document pursuant to an application for confidential treatment sent to the SEC. We omitted such portions from this filing and filed them separately with the SEC.

	Forms and Deposits						
	Form 1- part	Form 2- part	Form 3- part	Form 4- part	Deposit 1- part	Deposit 2- part	Deposit 3- part
1,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
2,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
3,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
4,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
5,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Add'l 1000	(*)	(*)	(*)	(*)	(*)	(*)	(*)

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EXHIBIT 10.05

P.O. Box 7850
Mountain View, CA 94039-7850
www.intuit.com

Long-Term Compensation Program
Lorrie Norrington,
Executive Vice President, Office of the CEO

On December 18, 2003, the Compensation and Organizational Development Committee (the "Committee") approved a new long-term compensation program for you (your "LTIP"). Your LTIP is comprised of a stock option grant and Intuit's commitment to make annual contributions on your behalf to the Intuit Inc. Executive Deferred Compensation Plan in 2004 through 2007. The terms and conditions of your LTTP are set forth below.

Stock Option

The Committee granted you a stock option for 150,000 shares of Intuit Common Stock on December 18, 2003. The exercise price per share of this option is $51.89, the December 18, 2003 closing price of Intuit common stock on the Nasdaq National Market. So long as you continue providing services to Intuit, the option will vest as to 50% of the shares on the fourth anniversary of the grant date, and the remaining 50% will vest on the fifth anniversary of the grant date. This option was granted to you under the Intuit Inc. 2002 Equity Incentive Plan. Intuit's Stock Option Administration Department will send you the Option Grant Agreement, the agreement that governs the terms and conditions of your December 18, 2003 stock option grant.

Intuit Annual Executive Deferred Compensation Plan Contribution

So long as you are providing services to Intuit, Intuit will make an annual contribution on your behalf to the Intuit Inc. Executive Deferred Compensation Plan for each 2004, 2005, 2006 and 2007. Intuit will make these contributions in either July or August, as determined by Intuit. Each of these contributions will vest over four years as to 25% on the first, second, third and fourth anniversaries of the date Intuit makes the contribution. You will vest in these contributions only if you are providing services to Intuit on these anniversary dates.

The contributions will be in the following amounts:

- $300,000 in 2004
- $400,000 in 2005
- $500,000 in 2006
- $600,000 in 2007

Intuit will make the contributions in accordance with law and the Deferred Compensation Plan document. Before the contribution is made applicable employment payroll taxes will be withheld. State and federal income taxes will not be withheld at the time of contribution, rather they will be payable at the time of distribution, or otherwise, as required by then applicable law.

These contributions and their distribution will be made, and your participation in the Deferred Compensation Plan will be, in accordance with the terms and conditions of the Intuit Inc. Executive Deferred Compensation Plan document, a current copy of which will be provided to you at the time each contribution is made.

Signed: /s/ James Grenier

James Grenier
Total Rewards and HR Service Solutions

EXHIBIT 10.06

PO Box 7850
Mountain View, CA 94039-7850

November 12, 2003

Nicholas Spaeth

Dear Nick:

This letter amends and restates your July 23, 2003 offer letter from Intuit as follows:

You are employed by Intuit in the position of Senior Vice President and General Counsel, reporting directly to me.

START DATE

You started employment with Intuit on August 25, 2003.

BASE COMPENSATION

For your services, you are paid an annual base salary of $450,000, payable in bi-weekly installments and in accordance with Intuit's standard payroll practices.

SIGN-ON BONUS

You were paid a sign-on bonus of $242,493.98 ("Sign-On Bonus") to net after minimum mandatory federal and state income and payroll withholding taxes a $150,000 payment in your first Intuit paycheck. In the event that you resign prior to August 25, 2004, you agree to repay a prorated portion of the Sign-On Bonus back to Intuit. To determine the amount to be repaid, Intuit will take the total pre-tax Sign-On Bonus amount and reduce it by one-twelfth (1/12) for every complete month of service after August 25, 2003.

2003 CALENDAR YEAR-END BONUS

You will be paid a $200,000 bonus ("2003 CYE Bonus") on December 31, 2003 provided you are employed on that date. The 2003 CYE Bonus will be paid to you net of federal and state income and payroll withholding taxes, it will not be grossed up for taxes.

ANNUAL PERFORMANCE BASED BONUS

You participate in Intuit's Performance Incentive Plan ("IPI"), a cash incentive compensation program. Your participation in the IPI for the 2004 fiscal year (August 1, 2003 through July 31, 2004) will be 60% of your base salary at target. Payouts under the IPI are tied to the achievements of Intuit and individual performance and are made to individuals who are employed on the date the IPI payment is made. The actual amount of your award will be determined in accordance with the terms and conditions outlined in the IPI plan document.

ONE-TIME BONUS

You will be paid a one-time bonus to net, after minimum mandatory federal and state income and payroll withholding taxes, a $250,000 payment in your November 28, 2003 Intuit paycheck ("One-Time Bonus"). In the event that you resign before November 28, 2005, you agree to repay a prorated portion of the One-Time Bonus back to Intuit. To determine the amount to be repaid, Intuit will take the total pre-tax One-Time Bonus amount and reduce it by one-twenty fourth (1/24) for every complete month of service after November 28, 2003. You acknowledge and agree that this One-Time Bonus will be paid to you in lieu of and replaces certain nonqualified deferred compensation plan contributions by Intuit that were described in your July 23, 2003 offer letter.

EQUITY

You were granted a nonqualified stock option to purchase 200,000 shares of Intuit's Common Stock at an exercise price per share equal to the closing price of Intuit's Common Stock on the Nasdaq National Market on the date of grant. The date of grant was your August 25, 2003 Start Date. The option is subject to the terms of the Intuit Inc. 2002 Equity Incentive Plan. The option vests over three years as to 33-1/3% of the option shares twelve months from the date of the grant, and as to an additional 2.778% of the option shares monthly thereafter for the next two years, provided you remain employed on the vesting date. The option has a maximum term of seven years.

SHARE OWNERSHIP AND MATCHING UNIT PROGRAM

As a Senior Vice President you participate in Intuit's Share Ownership and Matching Unit Program. Under this program, you have three years following your August 25, 2003 Start Date in which to acquire and hold a minimum of 3,000 shares of Intuit stock. To provide you with an incentive to acquire Intuit stock under this Program, Intuit will award you one matching unit for every two shares of Intuit stock you buy, up to a maximum of 1,500 matching units. The matching units will not count toward the 3,000 share ownership requirement.

Each matching unit will be equal to one share of Intuit stock and will be subject to a 4-year cliff-vesting schedule. Vesting will accelerate if certain events occur, such as your death, disability or retirement. You will forfeit the matching units if you sell, gift or otherwise transfer the shares you purchased for the matching units. Intuit will issue you the shares after you vest in your matching units. You will not be taxed on the matching units until the shares are issued. You may elect to defer the issuance of the shares, and information about how to make a deferral election will be provided when you receive a matching unit award. Intuit will issue you the net number of shares after mandatory withholding taxes.

RELOCATION

You are eligible for Intuit's standard executive relocation benefits under Intuit's Relocation Policy, which includes two home finding trips for your spouse. In addition, you will be eligible for temporary housing through February 28, 2004 at Intuit's expense for up to $4,000 per month. Temporary housing will be provided to you through Intuit's temporary housing program, currently with Synergy Relocation and Cendant Mobility. In accordance with law, both the home finding trips and temporary housing will be reported as W-2 income to you. In accordance with Intuit's Relocation Policy, Intuit will provide you with tax assistance for applicable taxes. This tax assistance will be calculated pursuant to Intuit's standard gross up calculation methodology for such relocation benefits.

If you voluntarily resign from Intuit prior to August 25, 2004, you must reimburse Intuit for a prorated portion of the relocation benefits paid. To determine the amount to be repaid, Intuit will reduce the gross amount paid to or on behalf of you by one-twelfth (1/12) for every complete month of service after August 25, 2003.

INSURANCE

You are eligible to participate in Intuit's group health, life and dental insurance plans. Your benefits became effective on the first day of the month following your Start Date.

VACATION

You will accrue three (3) weeks of vacation during your first year of employment.

SICK DAYS

You will be granted 40 hours each calendar year for use in the event of any personal illness. Your sick leave will accrue at the rate of 1.54 hours per pay period (bi-weekly).

PERFORMANCE/SALARY REVIEWS

Intuit conducts performance and salary reviews at least once per fiscal year.

BACKGROUND CHECK

Intuit's employment offer (and your employment) was contingent on the Company's verification of background information.

CONFIDENTIALITY

This letter confirms our understanding that you are not subject to any employment agreement that would have preclude us from offering this position to you or you joining our organization. This also confirms that you have not and will not be asked to disclose to us or utilize any confidential or proprietary information from your prior places of employment, and that you understand that you must not do so. In addition, you executed and agree to abide by a non-disclosure agreement as a condition of employment.

WORK AUTHORIZATION

Federal law requires Intuit to document an employee's authorization to work in the United States. To comply, Intuit completed Form I-9 for you within three business days of your Start Date.

This letter also confirms the understanding that employment at Intuit is at the mutual consent of you and Intuit, and is at will in nature and can be terminated at anytime by yourself or Intuit.

This letter constitutes the entire agreement between you and Intuit and supersedes any and all prior agreements between you and Intuit regarding your employment.

Please review these terms and make sure they are consistent with your understanding. If so, please sign and date both copies of this letter.

The original of this letter is for your records.

If you have any questions, please feel free to contact Sherry Whiteley at (650) 944-3624.

Sincerely,

/s/ STEVE
Steve Bennett
President and
Chief Executive Officer
Intuit Inc.

AGREED AND ACCEPTED:

/s/ NICHOLAS SPAETH	November 12, 2003
Nicholas Spaeth	Date

EXHIBIT 10.07

PO Box 7850, MS 2550
Mountain View, CA 94039-7850

By Hand

January 30, 2004

Nicholas Spaeth

Re: *Your Resignation from Intuit*

Dear Nick:

This letter confirms the terms of your separation of employment from Intuit Inc.

1. Termination Date. Your resignation will be effective today.

2. Acknowledgment of Payment of Wages. We will overnight to your Kansas City address your final paycheck that includes payment for all accrued wages, salary, accrued and unused vacation time, reimbursable expenses, and any similar payments (collectively "Wages") due and owing to you from Intuit as of midnight today. By accepting these final payments, you will acknowledge and agree that Intuit does not owe you any other Wages. You acknowledge and agree that you will not be entitled to any payment under Intuit's Performance Incentive Plan ("IPI") for the fiscal year ending July 31, 2004 or any period.

3. Sign-On Bonus Repayment. In satisfaction of your obligations under the Sign-On Bonus provisions of your November 12, 2003 offer letter, you will pay Intuit $87,510, which you have agreed to pay by check today.

4. One-Time Bonus Repayment. In satisfaction of your obligations under the One-Time Bonus provisions of your November 12, 2003 offer letter, you will pay Intuit $229,175, which you have agreed to pay by check today.

5. COBRA Continuation Coverage. Your Intuit provided health coverage will continue through the end of January 2004. If you are eligible for continued health coverage benefits and timely elect COBRA continuation, you may continue health coverage pursuant to the terms and conditions of COBRA at your own expense. Our COBRA administrator will contact you shortly. All other insured benefit coverage (e.g. life insurance, disability insurance, etc.) will end today.

6. Stock Options. Intuit will provide you with a Stock Closing Statement that confirms that you are not vested in any of your option shares. Your option for Intuit stock will expire on your termination date.

7. Return of Company Property. By signing below, you represent that you have returned all the Company property and data of any type whatsoever that was in your possession or control, including all documents and electronic data storage devices (including CD-ROMs, laptop computers, hard-drives, PDAs, etc).

8. Confidential Information, Non-Disclosure Agreement and Trade Secrets. You hereby acknowledge that as a result of your employment with the Company you have had access to the Company's Confidential Information. Without limiting the Invention Assignment and Confidentiality Agreement you have previously executed, you agree you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. You also confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Confidential Information and that you have not taken with you any such documents or data or any copies thereof. You further agree that you will comply with your continuing obligations pursuant to your November 12, 2003 Offer Letter from Intuit, including, without limitation, the obligations of the non-disclosure agreement you signed at the time of your hire into Intuit, including, without limitation, your 12 month Non-Solicitation obligation. You also agree to abide by all applicable laws and rules prohibiting your using or disclosing any of Intuit's confidences, trade secret information and/or any information and documents subject to the attorney-client privilege and the work product doctrine.

Sincerely,

/s/ SHERRY WHITELEY

Sherry Whiteley
Sr. Vice President of Human Resources
Intuit Inc.

REVIEWED, UNDERSTOOD AND AGREED:

/s/ NICHOLAS SPAETH Date: Jan. 30, 2004
Nicholas Spaeth

PO Box 7850, MS 2550
Mountain View, CA 94039-7850

January 30, 2004

Nicholas Spaeth

Re: *Temporary Housing and Relocation Benefits*

Dear Nick:

This letter confirms that Intuit will not seek reimbursement from you under the Relocation provisions of your November 12, 2003 offer letter.

Sincerely,

/s/ SHERRY WHITELEY

Sherry Whiteley
Sr. Vice President of Human Resources
Intuit Inc.

EXHIBIT 10.09

PO Box 7850, MS 2550
Mountain View, CA 94039-7850

January 8, 2004

Tom Weigman

Re: *Separation Terms and Release Agreement*

Dear Tom:

This letter confirms the terms of your separation from the employment of Intuit Inc. and offers you a transition package in exchange for your waiver and release of claims in favor of Intuit Inc. and its officers, directors, employees, agents, representatives, subsidiaries, divisions, affiliated companies, successors, and assigns (collectively, *"The Company"*).

1. Termination Date. Your employment with the Company will end effective January 12, 2004 (the *"Termination Date"*).

2. Acknowledgment of Payment of Wages. On the Termination Date, we will deliver to you a final paycheck that includes payment for all accrued wages, salary, accrued and unused vacation time, reimbursable expenses, and any similar payments due and owing to you from the Company as of the Termination Date ("collectively referred to as "Wages"). By accepting these final payments, you will acknowledge and agree that the Company does not owe you any other Wages. You acknowledge and agree that you will not be entitled to any payment under the Company's Performance Incentive Plan ("IPI") for the fiscal year ending July 31, 2004 or any period.

3. Consideration For Release. In consideration of the waiver and release of claims set forth in Paragraphs 8 and 9 below, and by your signing this Release Agreement (*"the Agreement"*), the Company agrees to provide you with the payments and benefits listed below. These payments and benefits are in addition to any amounts owed you by the Company. You understand that if you do not sign the Agreement or if you revoke the signed Agreement as described in Paragraph 17 below, the Company has no obligation to provide you with any of the following:

   a. Severance Package. The Company will provide you with a lump sum payment equal to your salary for the period January 13, 2004 through March 31, 2004, less any amounts that you owe to the Company as of the Termination Date. The severance will be paid at your regular base salary rate as of the date of this Agreement. The severance payment will be paid within 21 business days following your signing and return of this Agreement. All normal and appropriate withholdings and deductions will be applied.

   b. Sign on Bonus. No repayment of your $200,000 sign-on bonus will be required.

c. Lease Termination Reimbursement. The Company will reimburse you up to $25,000 for the expense to you of terminating the twelve-month lease you entered into on December 1, 2003 for residential real property, provided you have submitted a receipt or other acceptable supporting documentation to Sherry Whiteley before July 31, 2004. The Company will follow all required and customary tax withholding and income reporting requirements with respect to this reimbursement. The Company will provide you with tax assistance (gross up) for applicable taxes. This tax assistance will be calculated pursuant to the Company's standard gross up calculation methodology.

d. Shipment of Items. The Company will pay to ship your two cars and personal belongings that are in California to Connecticut. The Company will engage its outside relocation vendor Cendant Mobility to arrange for the shipment of these items. The Company will follow all required and customary tax withholding and income reporting requirements with respect to its payment for the shipment of the items.

4. COBRA Continuation Coverage. Your Company provided health coverage will continue through the last day of the month in which your Termination Date occurs. If you are eligible for continued health coverage benefits under COBRA, you may continue health coverage pursuant to the terms and conditions of COBRA at your own expense pursuant to the terms and conditions of COBRA. To continue coverage, COBRA requires you to timely elect continuation coverage and pay premiums. Our COBRA administrator will contact you shortly. All other insured benefit coverage (e.g. life insurance, disability insurance, etc.) will end on the Termination Date.

5. Stock Options. The stock options you have to purchase Intuit stock will expire without ever having become exercisable as to any shares. The Company will provide you with a Stock Closing Statement and Intuit Employee Stock Option Information Memorandum that contains important information regarding these**.** Please contact Sharon Savatski at Intuit if you need more information on your options. Her direct dial is 650-944-6504.

6. Return of Company Property. By signing below, you represent that you have returned all the Company property and data of any type whatsoever that was in your possession or control.

7. Confidential Information, Non-Competition and Non-Solicitation. You hereby acknowledge that as a result of your employment with the Company you have had access to the Company's Confidential Information. Without limiting any Invention Assignment and Confidentiality Agreement you have previously executed, you agree you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. You also confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Confidential Information and that you have not taken with you any such documents or data or any copies thereof. You further agree that you will comply with your continuing obligations pursuant to your August 9, 2003 Offer Letter from Intuit, including, without limitation, your twelve month non-solicitation obligations under the non-disclosure and employee invention assignment and confidential information agreement you signed when you began employment with the Company.

8. Waiver of Claims. The payments and agreements set forth in this Agreement fully satisfy any and all accrued salary, vacation pay, bonus pay, profit-sharing, termination benefits or other compensation to which you may be entitled by virtue of your employment with the Company or

your termination of employment. You acknowledge that you have no claims and have not filed any claims against the Company based on your employment with or the separation of your employment with the Company. You hereby release and forever discharge the Company, its successors, subsidiaries and affiliates, current and former officers, agents and employees from any and all existing claims, demands, causes of action, damages and liabilities, known or unknown, that you ever had, now have or may claim to have had arising out of or relating in any way to your employment or non-employment with the Company including, without limitation, claims based on any oral or written employment agreement, claims for wages, bonuses, expense reimbursement, and any claims that the terms of your employment with the Company, or the circumstances of your separation, were wrongful, in breach of any obligation of the Company or in violation of any of your rights, contractual, statutory or otherwise.

Such rights include, but are not limited to, your rights under the following Federal and state statutes: the Employee Retirement Income Security Act (ERISA) (Pension and employee benefits); the Federal Railroad Safety Act (45 U.S.C. Section 421 *et. seq.*); the Occupational Safety and Health Act (safety matters); the Family and Medical Leave Act of 1993; the Worker Adjustment and Retraining Act (“WARN”) (notification requirements for employers who are curtailing or closing an operation) and Federal Common Law; tort; wrongful discharge; workers’ compensation retaliation; tortious interference with contractual relations, misrepresentation, fraud, loss of consortium; slander, liable, defamation, intentional or negligent infliction of emotional distress; claims for bonuses or fringe benefits; vacation pay; sick pay; insurance reimbursement, medical expenses, and the like.

You expressly waive any benefits of Section 1542 of the Civil Code of the State of California, which provides: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

9. Waiver of Discrimination Claims. You understand that various federal, state and local laws prohibit age, sex, race, disability, benefits, pension, health and other forms of discrimination and that these laws can be enforced through the U.S. Equal Employment Opportunity Commission, state and local human rights agencies and federal and state courts. You understand that if you believe your treatment by the Company was discriminatory, you have the right to consult with these agencies and to file a charge with them or file a lawsuit. You have decided voluntarily to enter into this Agreement, and waive the right to recover any amounts to which you may have been entitled under such laws, including but not limited to, any claims you may have based on age or under the Age Discrimination in Employment Act of 1967 (age); Title VII of the Civil Rights Act of 1964 (race, color, religion, national origin or sex); the 1991 Civil Rights Act; the Older Workers Benefit Protection Act (“OWBPA”) (age); the Vocational Rehabilitation Act of 1973 (handicap); The Americans with Disabilities Act of 1990 (Handicap); 42 U.S.C. Section 1981, 1986 and 1988 (race); the Equal Pay Act of 1963 (prohibits pay differentials based on sex); the Immigration Reform and Control Act of 1986; Executive Order 11246 (race, color, religion, sex or national origin); Executive Order 11141 (age); Vietnam Era Veterans Readjustment Assistance Act of 1974 (Vietnam era veterans and disabled veterans);and California state statutes of similar effect.

10. Non-disparagement. You agree that you will not disparage the Company or its products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement. The Company agrees that senior executives familiar with the

terms of your separation will not disparage you or the services you have performed for the Company.

11. Legal and Equitable Remedies. You agree that the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights or remedies the Company may have at law or in equity for breach of this Agreement.

12. Arbitration of Disputes. You and the Company agree to submit to mandatory binding arbitration any claim arising out of or relating to this Agreement. By signing below, you and the Company waive any rights you and the Company have to trial by jury in regard to any such claims. You agree that the American Arbitration Association will administer any such arbitration(s) under its National Rules for the Resolution of Employment Disputes, fees to be borne by the Company, subject to the provisions of Paragraph 13 (regarding attorney's fees). This Agreement does not extend or waive any statutes of limitations or other provisions of law that specify the time within which a claim must be brought.

13. Attorney's Fees. If any legal action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses from the other party, in addition to any other relief to which such prevailing party may be entitled.

14. Confidentiality. You agree to keep the contents, terms and conditions of this Agreement confidential and not disclose them except to your spouse, attorneys, and financial advisors or as required by subpoena or court order. Any breach of this confidentiality provision will be deemed a material breach of this Agreement.

15. No Admission of Liability. This Agreement is not and will not be construed or contended by either party to be an admission or evidence of any wrongdoing or liability on the part of the other party, its representatives, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. This Agreement will be afforded the maximum protection allowable under California Evidence Code Section 1152 and/or any other state or Federal provisions of similar effect.

16. Review of Agreement. You may not sign this Agreement prior to your Termination Date. You may take up until your Termination Date (January 12, 2004), which provides you with at least twenty-one (21) days to consider this Agreement and release. By signing below, you affirm that you were advised to consult with an attorney before signing this Agreement and were given ample opportunity to do so. You understand that *you may not sign this Agreement before the Termination Date*, and that this Agreement will not become effective until you return the original properly signed Agreement to Intuit. You further understand that the amounts to be given to you, identified in Paragraph 3 above, in exchange for your agreement, will be paid within 21 business days following your return of the original properly signed Agreement.

17. Revocation of Agreement. You acknowledge and understand that you may revoke this Agreement by sending a written notice of revocation to Sherry Whiteley any time up to seven (7) days after you sign it. After the revocation period has passed, however, you may no longer revoke your Agreement.

18. Entire Agreement. This is the entire Agreement between you and the Company with respect to the subject matter of this letter and supersedes all prior negotiations and agreements, whether written or oral, relating to this subject matter. You acknowledge that neither the Company nor its agents

or attorneys, made any promise or representation, express or implied, written or oral, not contained in this Agreement to induce you to execute this Agreement. You acknowledge that you have signed this Agreement voluntarily and without coercion, relying only on such promises, representations and warranties as are contained in this document and understand that you do not waive any right or claim that may arise after the date this Agreement becomes effective.

19. Modification. By signing below, you acknowledge your understanding that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by your and the Company's authorized representatives.

20. Governing Law. This Agreement is governed by, and is to be interpreted according to, the laws of the State of California. If any term of this Agreement is deemed invalid or unenforceable, the remainder of the Agreement will remain in full force and effect.

If this Agreement accurately sets forth the terms of your separation from the Company and if you voluntarily agree to accept the terms of the severance package offered please sign below on your Termination Date and return it to Human Resources.

PLEASE REVIEW CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

Sincerely,

/s/ SHERRY A. WHITELEY

Sherry A. Whiteley
Senior Vice President,
Human Resources
Intuit Inc.

REVIEWED, UNDERSTOOD AND AGREED:

/s/ TOM WEIGMAN

Tom Weigman

Date: Jan. 12, 2004

DO NOT SIGN PRIOR TO YOUR TERMINATION DATE

PO Box 7850, MS 2550
Mountain View, CA 94039-7850

January 20, 2004

Daniel Manack

Re: *Separation Terms and Release Agreement*

Dear Dan:

This letter confirms the terms of your separation from the employment of Intuit Inc. and offers you a transition package in exchange for your waiver and release of claims in favor of Intuit Inc. and its officers, directors, employees, agents, representatives, subsidiaries, divisions, affiliated companies, successors, and assigns (collectively, *"The Company"*).

1. Termination Date. Your employment with the Company will end effective February 13, 2004 (the *"Termination Date"*).

2. Acknowledgment of Payment of Wages. On the Termination Date, we will deliver to you a final paycheck that includes payment for all accrued wages, salary, accrued and unused vacation time, reimbursable expenses, and any similar payments due and owing to you from the Company as of the Termination Date ("collectively referred to as "Wages").

   By accepting these final payments, you will acknowledge and agree that the Company does not owe you any other Wages.

   You understand and agree that your account in Intuit's Executive Deferred Compensation Plan will be distributed to you in January 2005, in accordance with the terms and conditions of the plan.

3. Separation Benefits. Pursuant to your December 18, 2001 offer letter, you will receive the following separation benefits: (a) within thirty days of your Termination Date, the Company will provide you with a lump sum payment of $156,000 which is equal to six months' of your current base salary and which will be paid to you less all normal and appropriate withholdings and deductions; and (b) as of your Termination Date, and as more fully detailed in Paragraph 6 below, the Company will provide you with six months' of accelerated vesting of your 100,000 share stock option granted to you on January 28, 2002.

4. Consideration For Release. In consideration of the waiver and release of claims set forth in Paragraphs 9 and 10 below, and by your signing this Release Agreement (*"the Agreement"*), the Company agrees to provide you with a bonus payment in the amount of $187,200 which is equal to 100% of your 60% of base target under Intuit's Performance Incentive Plan (the "IPI") for the 2004 fiscal year (August 1, 2003 through July 31, 2004). This will be paid to you in August or September 2004 at the time Company employees receive their IPI payouts for the 2004 fiscal year. All normal withholdings and deductions will be applied before the bonus payment is made

to you. This payment is in addition to any amounts owed you by the Company. You understand that if you do not sign the Agreement or if you revoke the signed Agreement as described in Paragraph 18 below, the Company has no obligation to provide you with any of the foregoing.

5. COBRA Continuation Coverage. Your Company provided health coverage will continue through the last day of the month in which your Termination Date occurs. If you are eligible for continued health coverage benefits and timely elect COBRA continuation, you may continue health coverage pursuant to the terms and conditions of COBRA at your own expense. Our COBRA administrator will contact you shortly. All other insured benefit coverage (e.g. life insurance, disability insurance, etc.) will end on the Termination Date.

6. Equity Compensation.

A. Stock Options.

The Company has granted you four stock options. The Company granted you an option for (a) 100,000 shares on January 28, 2002 at an exercise price per share of $39.38 (your "New Hire Option"); (b) 12,500 shares on July 31, 2002 at an exercise price per share of $43.98 (your "Second Option"); (c) 12,500 shares on September 25, 2002 at an exercise price per share of $44.32 (your "Third Option"); and (d) 20,000 shares on July 30, 2003 at an exercise price per share of $42.27 (your "Fourth Option").

As of January 12, 2004, you have vested in the following number of shares for each of your four options:

- 47,916 shares of your New Hire Option of which 0 remain exercisable
- 5,903 shares of your Second Option of which 348 remain exercisable
- 5,208 shares of your Third Option of which 0 remain exercisable
- 0 shares of your Fourth Option

You are subject to the Company's Insider Trading Policy for Access Persons. Accordingly, you may only sell shares received on exercise of stock options when the Company's trading window is open. Beginning January 3, 2004 through your Termination Date, the Company's trading window will be closed and you will be unable to sell shares you receive on exercise of your options. Following your Termination Date you will no longer be subject to the Company's trading window restrictions. You will have ninety days following your Termination Date in which to exercise any vested, but as of then unexercised, option shares. Although you will no longer be subject to the Company's trading window restrictions, you will still be subject to federal and state law prohibitions against insider trading.

You will continue to vest in accordance with the original terms of your options through your Termination Date. As of your Termination Date and in accordance with your December 18, 2001 offer letter, you will automatically vest in an additional 12,500 shares under your New Hire Option which is the number of shares in which you would have vested had you remained employed six months following your Termination Date. If you do not exercise any of the option shares before your Termination Date, as of your Termination Date, you will have vested in the following number of shares for each of your four options:

- 62,500 shares of your New Hire Option of which 14,584 will be exercisable
- 6,250 shares of your Second Option of which 347 will be exercisable
- 5,555 shares of your Third Option of which 347 will be exercisable

- 0 shares of your Fourth Option

You will have ninety days following your Termination Date in which to exercise any vested, but as of then unexercised, option shares.

When we get closer to your Termination Date, the Company will provide you with a Stock Closing Statement and Intuit Employee Stock Option Information Memorandum that contains important information regarding the number of shares that may be exercisable as of your Termination Date under your options, and the final date you may exercise these options**.** Please read these documents carefully as there are no extensions to the expiration date of the options.

B. Matching Unit Awards

The Company has granted you stock bonus awards in accordance with the Executive Stock Ownership Program as matching unit awards for your share purchases under the Company's Employee Stock Purchase Plan (the "ESPP"). The Company awarded you a matching unit award for 70 shares for your purchase of 141 shares under the ESPP on June 13, 2003. The Company awarded you a matching unit award for 53 shares for your purchase of 106 shares under the ESPP on September 15, 2003. The Company awarded you a matching unit award for 52 shares for your purchase of 105 shares under the ESPP on December 15, 2003.

The matching unit awards are subject to a four-year cliff-vesting period. Provided you do not resign earlier than your Termination Date, in accordance with the Stock Bonus Agreements documenting your matching unit awards, you will vest pro-rata in a percentage of the total number of shares subject to each of the Awards equal to your number of full months of service since the date of grant divided by forty-eight months, rounded down to the nearest whole share. You will have taxable income subject to required federal and state tax withholding as a result of the vesting and issuance of these shares. Your taxable income will be equal to the closing price of Intuit stock on the Nasdaq National Market on your Termination Date multiplied by the number of vested shares. The shares will be issued to you after the Company withholds sufficient shares to cover the required tax withholding.

Please contact Sharon Savatski at Intuit if you need more information on your options or your matching unit awards. Her direct dial is 650-944-6504.

7. Return of Company Property. By signing below, you represent that you have returned all the Company property and data of any type whatsoever that was in your possession or control except the Company laptop with docking station, which Company agrees you can keep provided you delete all Company Confidential Information (see below).

8. Confidential Information. You hereby acknowledge that as a result of your employment with the Company you have had access to the Company's Confidential Information. Without limiting any Invention Assignment and Confidentiality Agreement you have previously executed, you agree you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. You also confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Confidential Information and that you have not taken with you any such documents or data or any copies thereof. You further agree that you will comply with your continuing obligations pursuant to your December 18, 2001 Offer Letter from Intuit.

9. Waiver of Claims. The payments and agreements set forth in this Agreement fully satisfy any and all accrued salary, vacation pay, bonus pay, profit-sharing, termination benefits or other compensation to which you may be entitled by virtue of your employment with the Company or your termination of employment. You acknowledge that you have no claims and have not filed any claims against the Company based on your employment with or the separation of your employment with the Company. You hereby release and forever discharge the Company, its successors, subsidiaries and affiliates, current and former officers, agents and employees from any and all existing claims, demands, causes of action, damages and liabilities, known or unknown, that you ever had, now have or may claim to have had arising out of or relating in any way to your employment or non-employment with the Company including, without limitation, claims based on any oral or written employment agreement, claims for wages, bonuses, expense reimbursement, and any claims that the terms of your employment with the Company, or the circumstances of your separation, were wrongful, in breach of any obligation of the Company or in violation of any of your rights, contractual, statutory or otherwise.

   Such rights include, but are not limited to, your rights under the following Federal and state statutes: the Employee Retirement Income Security Act (ERISA) (Pension and employee benefits); the Federal Railroad Safety Act (45 U.S.C. Section 421 *et. seq.*); the Occupational Safety and Health Act (safety matters); the Family and Medical Leave Act of 1993; the Worker Adjustment and Retraining Act ("WARN") (notification requirements for employers who are curtailing or closing an operation) and Federal Common Law; tort; wrongful discharge; workers' compensation retaliation; tortious interference with contractual relations, misrepresentation, fraud, loss of consortium; slander, liable, defamation, intentional or negligent infliction of emotional distress; claims for bonuses or fringe benefits; vacation pay; sick pay; insurance reimbursement, medical expenses, and the like.

   You expressly waive any benefits of Section 1542 of the Civil Code of the State of California, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

10. Waiver of Discrimination Claims. You understand that various federal, state and local laws prohibit age, sex, race, disability, benefits, pension, health and other forms of discrimination and that these laws can be enforced through the U.S. Equal Employment Opportunity Commission, state and local human rights agencies and federal and state courts. You understand that if you believe your treatment by the Company was discriminatory, you have the right to consult with these agencies and to file a charge with them or file a lawsuit. You have decided voluntarily to enter into this Agreement, and waive the right to recover any amounts to which you may have been entitled under such laws, including but not limited to, any claims you may have based on age or under the Age Discrimination in Employment Act of 1967 (age); Title VII of the Civil Rights Act of 1964 (race, color, religion, national origin or sex); the 1991 Civil Rights Act; the Older Workers Benefit Protection Act ("OWBPA") (age); the Vocational Rehabilitation Act of 1973 (handicap); The Americans with Disabilities Act of 1990 (Handicap); 42 U.S.C. Section 1981, 1986 and 1988 (race); the Equal Pay Act of 1963 (prohibits pay differentials based on sex); the Immigration Reform and Control Act of 1986; Executive Order 11246 (race, color, religion, sex or national origin); Executive Order 11141 (age); Vietnam Era Veterans Readjustment Assistance Act of 1974 (Vietnam era veterans and disabled veterans);and California and Texas state statutes of similar effect.

11. Non-disparagement. You agree that you will not disparage the Company or its products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, affiliates,

successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement. The Company agrees that senior executives familiar with the terms of your separation will not disparage you or the services you have performed for the Company.

12. Legal and Equitable Remedies. You agree that the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights or remedies the Company may have at law or in equity for breach of this Agreement.

13. Arbitration of Disputes. You and the Company agree to submit to mandatory binding arbitration any claim arising out of or relating to this Agreement. By signing below, you and the Company waive any rights you and the Company have to trial by jury in regard to any such claims. You agree that the American Arbitration Association will administer any such arbitration(s) under its National Rules for the Resolution of Employment Disputes, fees to be borne by the Company, subject to the provisions of Paragraph 14 (regarding attorney's fees). This Agreement does not extend or waive any statutes of limitations or other provisions of law that specify the time within which a claim must be brought.

14. Attorney's Fees. If any legal action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses from the other party, in addition to any other relief to which such prevailing party may be entitled.

15. No Admission of Liability. This Agreement is not and will not be construed or contended by either party to be an admission or evidence of any wrongdoing or liability on the part of the other party, its representatives, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. This Agreement will be afforded the maximum protection allowable under California Evidence Code Section 1152 and/or any other state or Federal provisions of similar effect.

16. Review of Agreement. You may not sign this Agreement prior to your Termination Date. You may take up until your Termination Date (February 13, 2004), which provides you with at least twenty-one (21) days to consider this Agreement and release. By signing below, you affirm that you were advised to consult with an attorney before signing this Agreement and were given ample opportunity to do so. You understand that *you may not sign this Agreement before the Termination Date*, and that this Agreement will not become effective until you return the original properly signed Agreement to Intuit. You further understand that the amounts to be given to you, identified in Paragraph 4 above, in exchange for your agreement, will be paid within 21 business days following your return of the original properly signed Agreement.

17. Revocation of Agreement. You acknowledge and understand that you may revoke this Agreement by sending a written notice of revocation to Sherry Whiteley any time up to seven (7) days after you sign it. After the revocation period has passed, however, you may no longer revoke your Agreement.

18. Entire Agreement. This is the entire Agreement between you and the Company with respect to the subject matter of this letter and supersedes all prior negotiations and agreements, whether written or oral, relating to this subject matter. You acknowledge that neither the Company nor its agents or attorneys, made any promise or representation, express or implied, written or oral, not contained in this Agreement to induce you to execute this Agreement. You acknowledge that you have signed this Agreement voluntarily and without coercion, relying only on such promises,

representations and warranties as are contained in this document and understand that you do not waive any right or claim that may arise after the date this Agreement becomes effective.

19. Modification. By signing below, you acknowledge your understanding that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by your and the Company's authorized representatives.

20. Governing Law. This Agreement is governed by, and is to be interpreted according to, the laws of the State of California. If any term of this Agreement is deemed invalid or unenforceable, the remainder of the Agreement will remain in full force and effect.

If this Agreement accurately sets forth the terms of your separation from the Company and if you voluntarily agree to accept the terms of the severance package offered please sign below on your Termination Date and return it to Human Resources.

PLEASE REVIEW CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

Sincerely,

/s/ STEPHEN M. BENNETT ______________________________

Stephen M. Bennett
President and Chief Executive Officer
Intuit Inc.

REVIEWED, UNDERSTOOD AND AGREED:

/s/ DANIEL L. MANACK ______________________ Date: 2/13/04

DO NOT SIGN PRIOR TO YOUR TERMINATION DATE

EXHIBIT 10.11

PO Box 7850, MS 2550
Mountain View, CA 94039-7850

January 7, 2004
[Revised January 22, 2004]

Tom Allanson

Re: *Separation Terms and Release Agreement*

Dear Tom:

This letter confirms the terms of your separation from the employment of Intuit Inc. and offers you a transition package in exchange for your waiver and release of claims in favor of Intuit Inc. and its officers, directors, employees, agents, representatives, subsidiaries, divisions, affiliated companies, successors, and assigns (collectively, *"The Company"*).

1. Termination Date. Your employment with the Company will end effective February 2, 2004 (the *"Termination Date"*).

2. Acknowledgment of Payment of Wages. On the Termination Date, we will deliver to you a final paycheck that includes payment for all accrued wages, salary, accrued and unused vacation time, reimbursable expenses, and any similar payments due and owing to you from the Company as of the Termination Date ("collectively referred to as "Wages"). By accepting these final payments, you will acknowledge and agree that the Company does not owe you any other Wages.

3. Consideration For Release. In consideration of the waiver and release of claims set forth in Paragraphs 8 and 9 below, and by your signing this Release Agreement (*"the Agreement"*), the Company agrees to provide you with the payments and benefits listed below. These payments and benefits are in addition to any amounts owed you by the Company. You understand that if you do not sign the Agreement or if you revoke the signed Agreement as described in Paragraph 16 below, the Company has no obligation to provide you with any of the following:

    a. Severance Package. The Company will provide you with a lump sum payment equal to $334,595.50 which is eleven (11) months' of your current $365,000.00 annual salary, less any amounts that you owe to the Company as of the Termination Date. The severance will be paid at your regular base salary rate as of the date of this Agreement. The severance payment will be paid within 21 business days following your signing and return of this Agreement. All normal and appropriate withholdings and deductions will be applied before the payment is made to you.

    b. Bonus. The Company will provide you with a bonus payment in the amount of $219,000.00 which is equal to 100% of your 60% base target under Intuit's Performance Incentive Plan (the "IPI") for the 2004 fiscal year (August 1, 2003 through July 31, 2004). This bonus will be paid to you in August or September 2004 at the time Company employees receive their IPI payouts for the 2004 fiscal year. All normal withholdings and deductions will be applied before the bonus payment is made to you.

c. Company Paid COBRA Continuation Coverage. Your Company provided health coverage will continue through the last day of the month in which your Termination Date occurs. If you timely elect COBRA continuation, Intuit will pay your COBRA premiums through December 31, 2004. Thereafter, you may continue health coverage pursuant to the terms and conditions of COBRA at your own expense pursuant to the terms and conditions of COBRA for the remainder of the COBRA continuation period. Our COBRA administrator will contact you shortly. All other insured benefit coverage (e.g. life insurance, disability insurance, etc.) will end on the Termination Date.

4. Your Intuit Loan. Intuit confirms receipt of your payment for the full outstanding principal and accrued interest balance under your $1,044,000 Secured Balloon Payment Promissory Note dated as of April 18, 2002. The note has been cancelled and Intuit has authorized the escrow company to file the documents necessary to release Intuit's security interest in your home for the Note. If you have any questions regarding the cancelled note, please contact Jeanine Corr at Intuit. Her direct dial is (650) 944-3294.

5. Equity Compensation.

A. Stock Options.

The Company will provide you with a Stock Closing Statement and Intuit Employee Stock Option Information Memorandum that contains important information regarding the number of shares that may be exercisable as of your Termination Date under any options you have to purchase Intuit stock, and the final date you may exercise these options**.** Please read these documents carefully as there are no extensions to the expiration date of the options.

B. Matching Units.

The Company has granted you two stock bonus awards in accordance with the Executive Stock Ownership Program as matching unit awards for share purchases you made under the Company's Employee Stock Purchase Plan (the "ESPP"). The Company awarded you a matching unit award for 207 shares for your purchase of 414 shares under the ESPP on June 13, 2003. The Company awarded you a matching unit award for 104 shares for your purchase of 208 shares under the ESPP on September 15, 2003. The Company awarded you a matching unit award for 1 share for your purchase of 3 shares under the ESPP on December 15, 2003 (collectively referred to as the "Awards").

The matching unit awards are subject to a four-year cliff-vesting period. Provided you do not resign earlier than your Termination Date, in accordance with the Stock Bonus Agreements documenting your Awards, you will vest pro-rata in a percentage of the total number of shares subject to each of the Awards equal to your number of full months of service since the date of grant divided by forty-eight months, rounded down to the nearest whole share. You will have taxable income subject to required federal and state tax withholding as a result of the vesting and issuance of these shares. Your taxable income will be equal to the closing price of Intuit stock on the Nasdaq National Market on your Termination Date multiplied by the number of vested shares.

The shares will be issued to you after the Company withholds sufficient shares to cover the required tax withholding.

Please contact Sharon Savatski at Intuit if you need more information on your options or your matching unit awards. Her direct dial is 650-944-6504.

6. Return of Company Property. By signing below, you represent that you have returned all the Company property and data of any type whatsoever that was in your possession or control. Notwithstanding the foregoing you may keep the laptop computer and its associated accessories that the Company issued to you. You agree to provide the computer to the Company for a reasonable period of time in order that the Company may scrub it to remove proprietary and confidential information.

7. Confidential Information and Non-Solicitation. You hereby acknowledge that as a result of your employment with the Company you have had access to the Company's Confidential Information. Without limiting any Invention Assignment and Confidentiality Agreement you have previously executed, you agree you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. You also confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Confidential Information and that you have not taken with you any such documents or data or any copies thereof. You agree that you will comply with your continual obligations pursuant to any employee invention assignment and confidentiality agreements you entered into with the Company, including without limitation your agreement not to directly or indirectly solicit away employees or consultants of the Company for your benefit or for the benefit of any other person or entity for a period of twelve months following your Termination Date. You further agree that you will comply with your continuing obligations pursuant to your Offer Letter from Intuit.

8. Waiver of Claims. The payments and agreements set forth in this Agreement fully satisfy any and all accrued salary, vacation pay, bonus pay, profit-sharing, termination benefits or other compensation to which you may be entitled by virtue of your employment with the Company or your termination of employment. You acknowledge that you have no claims and have not filed any claims against the Company based on your employment with or the separation of your employment with the Company. You hereby release and forever discharge the Company, its successors, subsidiaries and affiliates, current and former officers, agents and employees from any and all existing claims, demands, causes of action, damages and liabilities, known or unknown, that you ever had, now have or may claim to have had arising out of or relating in any way to your employment or non-employment with the Company including, without limitation, claims based on any oral or written employment agreement, claims for wages, bonuses, expense reimbursement, and any claims that the terms of your employment with the Company, or the circumstances of your separation, were wrongful, in breach of any obligation of the Company or in violation of any of your rights, contractual, statutory or otherwise.

   Such rights include, but are not limited to, your rights under the following Federal and state statutes: the Employee Retirement Income Security Act (ERISA) (Pension and employee benefits); the Federal Railroad Safety Act (45 U.S.C. Section 421 *et. seq.*); the Occupational Safety and Health Act (safety matters); the Family and Medical Leave Act of 1993; the Worker Adjustment and Retraining Act ("WARN") (notification requirements for employers who are curtailing or closing an operation) and Federal Common Law; tort; wrongful discharge; workers' compensation retaliation; tortious interference with contractual relations, misrepresentation, fraud, loss of consortium; slander, liable, defamation, intentional or negligent infliction of emotional distress; claims for bonuses or fringe benefits; vacation pay; sick pay; insurance reimbursement, medical expenses, and the like.

You expressly waive any benefits of Section 1542 of the Civil Code of the State of California, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

9. Waiver of Discrimination Claims. You understand that various federal, state and local laws prohibit age, sex, race, disability, benefits, pension, health and other forms of discrimination and that these laws can be enforced through the U.S. Equal Employment Opportunity Commission, state and local human rights agencies and federal and state courts. You understand that if you believe your treatment by the Company was discriminatory, you have the right to consult with these agencies and to file a charge with them or file a lawsuit. You have decided voluntarily to enter into this Agreement, and waive the right to recover any amounts to which you may have been entitled under such laws, including but not limited to, any claims you may have based on age or under the Age Discrimination in Employment Act of 1967 (age); Title VII of the Civil Rights Act of 1964 (race, color, religion, national origin or sex); the 1991 Civil Rights Act; the Older Workers Benefit Protection Act ("OWBPA") (age); the Vocational Rehabilitation Act of 1973 (handicap); The Americans with Disabilities Act of 1990 (Handicap); 42 U.S.C. Section 1981, 1986 and 1988 (race); the Equal Pay Act of 1963 (prohibits pay differentials based on sex); the Immigration Reform and Control Act of 1986; Executive Order 11246 (race, color, religion, sex or national origin); Executive Order 11141 (age); Vietnam Era Veterans Readjustment Assistance Act of 1974 (Vietnam era veterans and disabled veterans);and California state statutes of similar effect.

10. Non-disparagement. You agree that you will not disparage the Company or its products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement. The Company agrees that senior executives familiar with the terms of your separation will not disparage you or the services you have performed for the Company.

11. Legal and Equitable Remedies. You agree that the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights or remedies the Company may have at law or in equity for breach of this Agreement.

12. Arbitration of Disputes. You and the Company agree to submit to mandatory binding arbitration any claim arising out of or relating to this Agreement. By signing below, you and the Company waive any rights you and the Company have to trial by jury in regard to any such claims. You agree that the American Arbitration Association will administer any such arbitration(s) under its National Rules for the Resolution of Employment Disputes, fees to be borne by the Company, subject to the provisions of Paragraph 13 (regarding attorney's fees). This Agreement does not extend or waive any statutes of limitations or other provisions of law that specify the time within which a claim must be brought.

13. Attorney's Fees. If any legal action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses from the other party, in addition to any other relief to which such prevailing party may be entitled.

14. No Admission of Liability. This Agreement is not and will not be construed or contended by either party to be an admission or evidence of any wrongdoing or liability on the part of the other party, its representatives, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. This Agreement will be afforded the maximum protection allowable under California Evidence Code Section 1152 and/or any other state or Federal provisions of similar effect.

15. Review of Agreement. You may not sign this Agreement prior to your Termination Date. You may take up until your Termination Date (February 2, 2004), which provides you with at least twenty-one (21) days to consider this Agreement and release. By signing below, you affirm that you were advised to consult with an attorney before signing this Agreement and were given ample opportunity to do so. You understand that *you may not sign this Agreement before the Termination Date*, and that this Agreement will not become effective until you return the original properly signed Agreement to Intuit. You further understand that the amounts to be given to you, identified in Paragraph 3 above, in exchange for your agreement, will be paid within 21 business days following your return of the original properly signed Agreement.

16. Revocation of Agreement. You acknowledge and understand that you may revoke this Agreement by sending a written notice of revocation to Sherry Whiteley any time up to seven (7) days after you sign it. After the revocation period has passed, however, you may no longer revoke your Agreement.

17. Entire Agreement. This is the entire Agreement between you and the Company with respect to the subject matter of this letter and supersedes all prior negotiations and agreements, whether written or oral, relating to this subject matter. You acknowledge that neither the Company nor its agents or attorneys, made any promise or representation, express or implied, written or oral, not contained in this Agreement to induce you to execute this Agreement. You acknowledge that you have signed this Agreement voluntarily and without coercion, relying only on such promises, representations and warranties as are contained in this document and understand that you do not waive any right or claim that may arise after the date this Agreement becomes effective.

18. Modification. By signing below, you acknowledge your understanding that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by your and the Company’s authorized representatives.

19. Governing Law. This Agreement is governed by, and is to be interpreted according to, the laws of the State of California. If any term of this Agreement is deemed invalid or unenforceable, the remainder of the Agreement will remain in full force and effect.

If this Agreement accurately sets forth the terms of your separation from the Company and if you voluntarily agree to accept the terms of the severance package offered please sign below on your Termination Date and return it to Human Resources.

PLEASE REVIEW CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

Sincerely,

/s/ STEPHEN M. BENNETT

Stephen M. Bennett
President and Chief Executive Office
Intuit Inc.

REVIEWED, UNDERSTOOD AND AGREED:

/s/ TOM ALLANSON

Tom Allanson

Date: 2/17/04

DO NOT SIGN PRIOR TO YOUR TERMINATION DATE

Exhibit 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13 a-14(a)/15D-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen M. Bennett, President and Chief Executive Officer of Intuit Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Intuit Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

Date: March 9, 2004

By: /s/ Stephen M. Bennett

Stephen M. Bennett
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.02

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULE 13 a-14(a)/15D-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert B. Henske, Senior Vice President and Chief Financial Officer of Intuit Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Intuit Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Date: March 9, 2004

By: /s/ Robert B. Henske

Robert B. Henske
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.01

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Intuit Inc. (the “Company”) on Form 10-Q for the fiscal quarter ended January 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Stephen M. Bennett, President and Chief Executive Officer of the Company, certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen M. Bennett

Stephen M. Bennett
President and Chief Executive Officer

Date: March 9, 2004

Exhibit 32.02

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Intuit Inc. (the "Company") on Form 10-Q for the fiscal quarter ended January 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert B. Henske, Senior Vice President and Chief Financial Officer of the Company, certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert B. Henske

Robert B. Henske
Senior Vice President and Chief Financial Officer

Date: March 9, 2004