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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 **October 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.)*

2700 Coast 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 187,432,204 shares of Common Stock, $0.01 par value, as of November 30, 2004

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PART I

ITEM 1 FINANCIAL STATEMENTS

INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands; unaudited)	October 31, 2004	July 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52,008	$ 27,298
Short-term investments	707,645	991,971
Accounts receivable, net	69,122	90,795
Income taxes receivable	17,536	—
Deferred income taxes	20,134	31,353
Prepaid expenses and other current assets	71,600	50,478
Current assets of discontinued operations	977	1,605
Current assets before funds held for payroll customers	939,022	1,193,500
Funds held for payroll customers	333,098	323,041
Total current assets	1,272,120	1,516,541
Property and equipment, net	236,999	232,654
Goodwill, net	659,781	659,137
Purchased intangible assets, net	95,439	104,966
Long-term deferred income taxes	138,967	135,711
Loans to executive officers and other employees	15,739	15,809
Other assets	22,783	17,669
Long-term assets of discontinued operations	13,691	13,691
Total assets	$ 2,455,519	$ 2,696,178
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 83,526	$ 70,124
Accrued compensation and related liabilities	72,800	133,733
Deferred revenue	217,992	219,482
Income taxes payable	—	22,159
Other current liabilities	80,501	83,251
Current liabilities of discontinued operations	4,976	5,575
Current liabilities before payroll customer fund deposits	459,795	534,324
Payroll customer fund deposits	333,098	323,041
Total current liabilities	792,893	857,365
Long-term obligations	16,997	16,394
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock and additional paid-in capital	1,954,354	1,949,226
Treasury stock, at cost	(1,203,914)	(1,088,389)
Deferred compensation	(17,733)	(19,434)
Accumulated other comprehensive loss	(1,283)	(3,375)
Retained earnings	914,205	984,391
Total stockholders' equity	1,645,629	1,822,419
Total liabilities and stockholders' equity	$ 2,455,519	$ 2,696,178

See accompanying notes.

INTUIT INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts; unaudited)	Three Months Ended October 31, 2004	Three Months Ended October 31, 2003
Net revenue:		
Product	$160,857	$157,869
Service	89,604	66,086
Other	15,529	15,367
Total net revenue	265,990	239,322
Costs and expenses:		
Cost of revenue:		
Cost of product revenue	30,187	31,862
Cost of service revenue	39,756	34,792
Cost of other revenue	6,529	6,710
Amortization of purchased software	3,354	3,222
Selling and marketing	133,135	131,775
Research and development	75,107	70,634
General and administrative	50,843	43,235
Acquisition-related charges	4,444	5,752
Total costs and expenses	343,355	327,982
Loss from continuing operations	(77,365)	(88,660)
Interest and other income	3,951	7,490
Gains on marketable securities and other investments, net	158	147
Loss from continuing operations before income taxes	(73,256)	(81,023)
Income tax benefit	(30,786)	(27,520)
Net loss from continuing operations	(42,470)	(53,503)
Net loss from discontinued operations (Note 5)	(3,666)	(462)
Net loss	$ (46,136)	$ (53,965)
Basic and diluted net loss per share from continuing operations	$ (0.22)	$ (0.27)
Basic and diluted net loss per share from discontinued operations	(0.02)	—
Basic and diluted net loss per share	$ (0.24)	$ (0.27)
Shares used in per share amounts	188,346	198,747

See accompanying notes.

INTUIT INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands; unaudited)	Three Months Ended October 31, 2004	Three Months Ended October 31, 2003
Cash flows from operating activities:		
Net loss	$ (46,136)	$ (53,965)
Net loss from discontinued operations	3,666	462
Net loss from continuing operations	**(42,470)**	**(53,503)**
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities:		
Depreciation	21,428	19,726
Acquisition-related charges	4,444	5,752
Amortization of purchased software	3,354	3,222
Amortization of other purchased intangible assets	1,883	1,460
Amortization of deferred compensation not related to acquisitions	1,625	1,561
(Gain) loss on disposal of property and equipment	(128)	1,257
Amortization of premiums and discounts on available-for-sale debt securities	3,466	2,578
Net realized (gain) loss on sales of available-for-sale debt securities	1,297	(88)
Net gains from marketable securities and other investments	(158)	(147)
Deferred income taxes	7,160	—
Tax benefit from employee stock options	5,153	7,523
Gain on foreign exchange transactions	(417)	(3,280)
Subtotal	6,637	(13,939)
Changes in operating assets and liabilities:		
Accounts receivable	22,049	12,906
Income taxes receivable	(20,904)	—
Prepaid expenses and other current assets	(20,809)	(17,391)
Accounts payable	13,131	25,577
Accrued compensation and related liabilities	(60,981)	(50,029)
Deferred revenue	(1,605)	4,597
Income taxes payable	(22,526)	(34,477)
Other current liabilities	(3,407)	(2,684)
Total changes in operating assets and liabilities	(95,052)	(61,501)
Net cash used in operating activities of continuing operations	**(88,415)**	**(75,440)**
Net cash used in operating activities of discontinued operations	(269)	(760)
Net cash used in operating activities	**(88,684)**	**(76,200)**
Cash flows from investing activities:		
Purchases of available-for-sale debt securities	(667,184)	(534,373)
Liquidation and maturity of available-for-sale debt securities	948,003	798,747
Net change in funds held for payroll customers' money market funds and other cash equivalents	(10,057)	22,853
Purchases of property and equipment	(24,407)	(20,714)
Change in other assets	(4,886)	(3,892)
Net change in payroll customer funds deposits	10,057	(22,853)
Acquisitions of businesses, net of cash acquired	—	(118,025)
Net cash provided by investing activities	**251,526**	**121,743**
Cash flows from financing activities:		
Change in long-term obligations	595	1,793
Net proceeds from issuance of common stock under stock plans	30,958	31,935
Purchase of treasury stock	(170,562)	(103,072)
Net cash used in financing activities	**(139,009)**	**(69,344)**
Effect of exchange rates on cash and cash equivalents	877	1,467
Net increase (decrease) in cash and cash equivalents	**24,710**	**(22,334)**
Cash and cash equivalents at beginning of period	27,298	169,842
Cash and cash equivalents at end of period	**$ 52,008**	**$ 147,508**

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. As discussed in Note 5, in August 2004 management formally approved a plan to sell our Intuit Public Sector Solutions business. Accordingly, we have reclassified our financial statements for all periods presented to reflect IPSS 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, 2004 included in Intuit's Form 10-K, filed with the Securities and Exchange Commission on September 24, 2004. Results for the three months ended October 31, 2004 do not necessarily indicate the results we expect for the fiscal year ending July 31, 2005 or any other future period. Our tax and QuickBooks-Related businesses are highly seasonal, with sales of tax preparation products and services heavily concentrated in the period from November through April and QuickBooks software license renewals revenue concentrated around calendar year end. 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 appropriate levels of various accruals, the amount of our worldwide tax provision and the realizability of deferred tax assets. We also use estimates in determining the remaining economic lives and carrying values of purchased intangible assets (including goodwill), property and equipment and other long-lived assets. In addition, we 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 revenue from the sale of packaged software products, license fees, product support, professional services, outsourced payroll services, merchant services, transaction fees and multiple element arrangements that may include any combination of these items. We recognize revenue for software products and related services in accordance with the American Institute of Certified Public Accountants' Statement of Position, or SOP, 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)	October 31, 2004	July 31, 2004
Product and product-related services	$186,709	$182,547
Customer support	31,283	36,935
Total deferred revenue	$217,992	$219,482

In accordance with the Financial Accounting Standards Board's 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 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 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, Consumer Tax and Quicken 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. 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.

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 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 Web services such as TurboTax for the Web and electronic tax filing services in both our Consumer Tax and Professional Tax segments. Service revenue for electronic payment processing services that we provide to merchants is recorded net of interchange fees charged by credit card associations because we do not control these fees. Finally, service revenue includes revenue from consulting and training services, primarily in our Intuit-Branded Small Business segment. 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 displayed or pro rata based on the contractual time period of the advertisements.

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 revenue and service revenue 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.

For the three months ended October 31, 2004 and 2003 we excluded 10.0 million and 10.8 million common equivalent shares from our diluted per share computations because we experienced net losses in those periods.

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 use the specific identification method to compute gains and losses on short-term investments. 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, stock repurchase programs and acquisition opportunities, 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.

Funds Held for Payroll Customers and Payroll Customer Fund Deposits

Funds held for payroll customers represent cash held on behalf of our payroll customers that is invested in cash and cash equivalents and short-term investments. Payroll customer fund deposits 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 (SFAS) 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 a blend of an analysis of the present value of estimated future discounted cash flows and a comparison of revenue and operating income multiples for companies of similar industry and/or size. 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 (APB) 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 Financial Accounting Standards Board (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 employee stock-based awards, 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 three months ended October 31, 2004 and 2003 does not necessarily represent the pro forma impact in future quarters or years.

On March 31, 2004 the FASB issued its exposure draft, *"Share-Based Payment,"* which is a proposed amendment to SFAS 123. The exposure draft would require all share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in the statement of operations based on their fair values. The FASB expects to issue a final standard late in 2004 that would be effective for public companies for interim and annual periods beginning after June 15, 2005. We have not yet assessed the impact of adopting this new standard.

To determine the pro forma impact of applying SFAS 123, 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.

Assumptions used for the valuation model are set forth below. Prior to the fourth quarter of fiscal 2004, we estimated the volatility factors for stock options and for our Employee Stock Purchase Plan using the historical volatility of our stock over the most recent five-year period. Beginning in the fourth quarter of fiscal 2004, we estimated the volatility factor for stock options using the historical volatility of our stock over the most recent three-year period, which is approximately equal to the average expected life of our options. Also beginning in the fourth quarter of fiscal 2004, we estimated the volatility factor for our Employee Stock Purchase Plan using the historical volatility of our stock over the most recent one-year period, which is equal to the length of the offering periods under that plan.

	Stock Options		Employee Stock Purchase Plan	
	Three Months Ended		Three Months Ended	
	October 31, 2004	October 31, 2003	October 31, 2004	October 31, 2003
Average expected life (years)	3.02	3.45	1.00	1.00
Average expected volatility factor	42%	74%	29%	76%
Average risk-free interest rate	2.50%	2.35%	1.79%	0.97%
Average 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	
(In thousands, except per share amounts)	October 31, 2004	October 31, 2003
Net loss		
Net loss, as reported	$(46,136)	$(53,965)
Add: Stock-based employee compensation expense included in reported net loss, net of income taxes	48	84
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards, net of income taxes	(13,954)	(21,386)
Pro forma net loss	$(60,042)	$(75,267)
Net loss per share		
Basic and diluted — as reported	$ (0.24)	$ (0.27)
Basic and diluted — pro forma	$ (0.32)	$ (0.38)

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 and funds held for payroll customers. Our portfolio of short-term investments consists of investment-grade securities and our funds held for payroll customers consist of cash and cash equivalents and 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.

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.

We sell a significant 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 three months ended October 31, 2004 or 2003, nor did any customer account for 10% or more of accounts receivable at October 31, 2004 or July 31, 2004. Amounts due from the purchaser of our former Quicken Loans mortgage business under certain licensing and distribution agreements comprised 10.3% of accounts receivable at July 31, 2004. Amounts due from the purchaser of Quicken Loans at October 31, 2004 were nominal.

We rely on three third-party vendors to perform the manufacturing and distribution functions 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

On October 22, 2004 the American Jobs Creation Act of 2004 was signed into law by the President. This Act included tax relief for domestic manufacturers, which includes producers of computer software, by providing a tax deduction of 3% for fiscal years beginning after December 31, 2004 and 2005, 6% for fiscal years beginning after December 31, 2006, 2007 and 2008, and 9% for fiscal years beginning after December 31, 2009. The deduction percentage is applied against the lesser of “qualified production activities income” or taxable income. Any tax rate benefit from this law change will take effect beginning in our fiscal 2006. However, we are awaiting clarifying guidance from the U.S. Treasury Department to determine if we will qualify for this deduction. The Financial Accounting Standards Board issued guidance in FASB Staff Position FAS 109-a providing that this deduction should be accounted for as a special deduction and not as a tax rate reduction. In addition, the Act provided for a special one-time tax deduction for foreign earnings that are repatriated. We do not expect to receive any benefit from this portion of the Act.

2. Short-Term Investments and Funds Held for Payroll Customers

As discussed in Note 1, *“Concentration of Credit Risk and Significant Customers and Suppliers,”* our portfolio of short-term investments consists of investment-grade securities and our funds held for payroll customers consist of cash and cash equivalents and 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.

The following table summarizes our short-term investments and funds held for payroll customers at the dates indicated.

(In thousands)	October 31, 2004		July 31, 2004	
	Cost	Fair Value	Cost	Fair Value
Type of issue:				
Cash and cash equivalents in funds held for payroll customers	$ 239,643	$ 239,643	$ 231,737	$ 231,737
Available-for-sale debt securities:				
Corporate notes	39,034	38,714	54,378	54,009
Municipal bonds	728,937	728,147	939,717	938,143
U.S. government securities	34,377	34,239	91,684	91,123
Total available-for-sale debt securities	802,348	801,100	1,085,779	1,083,275
Total short-term investments and funds held for payroll customers	$1,041,991	$1,040,743	$1,317,516	$1,315,012
Classification of investments on balance sheets:				
Short-term investments	$ 708,893	$ 707,645	$ 994,475	$ 991,971
Funds held for payroll customers	333,098	333,098	323,041	323,041
	$1,041,991	$1,040,743	$1,317,516	$1,315,012

Gross unrealized gains and losses on our available-for-sale debt securities were as follows at the dates indicated:

(In thousands)	October 31, 2004	July 31, 2004
Gross unrealized gains	$ 19	$ 174
Gross unrealized losses	(1,267)	(2,678)
Net unrealized losses	$(1,248)	$(2,504)

The following table summarizes the fair value and gross unrealized losses related to 114 available-for-sale debt securities, aggregated by type of investment and length of time that individual securities have been in a continuous unrealized loss position at October 31, 2004:

(In thousands)	In a Loss Position for Less Than 12 Months		In a Loss Position for 12 Months or More		Total in a Loss Position	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Corporate notes	$ 33,715	$ (319)	$ —	$ —	$ 33,715	$ (319)
Municipal bonds	202,001	(722)	26,247	(88)	228,248	(810)
U.S. government securities	34,239	(138)	—	—	34,239	(138)
	$269,955	$(1,179)	$26,247	$ (88)	$296,202	$(1,267)

We periodically review our investment portfolios to determine if any investment is other-than-temporarily impaired due to changes in credit risk or other potential valuation concerns. At October 31, 2004 we believe that the investments that we hold are not other-than-temporarily impaired. While certain available-for-sale debt securities have fair values that are below cost, we believe that it is probable that principal and interest will be collected in accordance with contractual terms, and that the decline in market value is due to changes in interest rates and not due to increased credit risk.

Gross realized gains and losses on our available-for-sale debt securities were as follows for the periods indicated:

(In thousands)	Three Months Ended October 31, 2004	Three Months Ended October 31, 2003
Gross realized gains	$ 160	$ 209
Gross realized losses	(1,457)	(121)
Net realized gains (losses)	$(1,297)	$ 88

The following table summarizes our available-for-sale debt securities held in short-term investments and funds held for payroll customers, classified by the stated maturity date of the security:

	October 31, 2004		July 31, 2004	
(In thousands)	Cost	Fair Value	Cost	Fair Value
Due within one year	$144,703	$144,126	$ 280,757	$ 280,417
Due within two years	153,524	152,927	256,985	255,788
Due within three years	—	—	15,295	15,186
Due after three years	504,121	504,047	532,742	531,884
Total available-for-sale debt securities	$802,348	$801,100	$1,085,779	$1,083,275

3. Goodwill and Purchased Intangible Assets

Changes in the carrying value of goodwill by reportable segment during the three months ended October 31, 2004 were as follows. Our reportable segments are described in Note 6.

(In thousands)	Balance July 31, 2004	Goodwill Acquired/ Adjusted	Foreign Currency Translation	Balance October 31, 2004
QuickBooks-Related	$104,433	$(220)	$ —	$104,213
Intuit-Branded Small Business	442,983	—	—	442,983
Consumer Tax	10,495	(22)	—	10,473
Professional Tax	90,507	—	—	90,507
Other Businesses	10,719	—	886	11,605
Totals	$659,137	$(242)	$ 886	$659,781

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

(In thousands)	Three Months Ended October 31, 2004	Three Months Ended October 31, 2003
Amortization of purchased intangible assets	$4,364	$5,613
Amortization of acquisition-related deferred compensation	80	139
Total acquisition-related charges	$4,444	$5,752

At October 31, 2004 we expected amortization of our purchased intangible assets by fiscal period 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. Future acquisitions could cause these amounts to increase. In addition, if impairment events occur they could accelerate the timing of charges.

(Dollars in thousands)	Expected Amortization Expense
Nine months ended July 31, 2005	$27,883
Twelve months ended July 31, 2006	31,627
Twelve months ended July 31, 2007	19,687
Twelve months ended July 31, 2008	9,533
Twelve months ended July 31, 2009	6,272
Thereafter	437
Total expected future amortization expense	$95,439

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:

	Unrealized Gain (Loss) on			
(In thousands)	Short-term Investments	Marketable Securities	Foreign Currency Translation	Total
Balance July 31, 2004	$(1,502)	$ 375	$(2,248)	$(3,375)
Unrealized (loss) gain, net of income tax provisions of $35 and $89	(76)	178	—	102
Reclassification adjustment for realized loss included in net income, net of income tax provision of $493	804	—	—	804
Translation adjustment	—	—	1,186	1,186
Other comprehensive income (loss)	728	178	1,186	2,092
Balance October 31, 2004	$ (774)	$ 553	$(1,062)	$(1,283)
Balance July 31, 2003	$ 213	$ 105	$(1,107)	$ (789)
Unrealized gains, net of income tax provisions of $74 and $65	128	98	—	226
Reclassification adjustment for realized gain included in net income, net of income tax benefit of $34	(54)	—	—	(54)
Translation adjustment	—	—	(922)	(922)
Other comprehensive income (loss)	74	98	(922)	(750)
Balance October 31, 2003	$ 287	$ 203	$(2,029)	$(1,539)

Comprehensive net loss was as follows for the periods indicated:

	Three Months Ended	
(In thousands)	October 31, 2004	October 31, 2003
Net loss	$(46,136)	$(53,965)
Other comprehensive income (loss)	2,092	(750)
Comprehensive net loss, net of income taxes	$(44,044)	$(54,715)
Income tax provision netted against other comprehensive income (loss)	$ 617	$ 105

5. Discontinued Operations

In August 2004 management formally approved a plan to sell our Intuit Public Sector Solutions (IPSS) business, which is part of our Intuit-Branded Small Business segment. In accordance with SFAS 144, *"Accounting for the Impairment or Disposal of Long-lived Assets,"* we determined that IPSS became a long-lived asset held for sale in the first quarter of fiscal 2005. SFAS 144 provides that a long-lived asset classified as held for sale should be measured at the lower of its carrying amount or fair value less cost to sell. Since the carrying value of IPSS at October 31, 2004 approximated the fair value less cost to sell, no adjustment to the carrying value of this long-lived asset was necessary during the first quarter of fiscal 2005. In accordance with SFAS 144, we discontinued the amortization of IPSS intangible assets in the first quarter of fiscal 2005.

Also in accordance with the provisions of SFAS 144, we determined that IPSS became a discontinued operation during the first quarter of fiscal 2005. Consequently, we have segregated the net assets, operating results and cash flows of IPSS from continuing operations on our balance sheets, statements of operations and statements of cash flows for all periods presented. Revenue for IPSS was $2.8 million and $3.2 million for the three months ended October 31, 2004 and 2003. Loss before income taxes for IPSS was $0.5 million and $0.8 million for the same periods. The net loss from discontinued operations for the three months ended October 31, 2004 included a $3.4 million income tax provision for the estimated tax payable in connection with the expected tax gain on the sale of IPSS.

On December 3, 2004 we sold IPSS to Kintera, Inc., a California software company, for approximately $11 million. We do not expect a material gain or loss on the sale of IPSS for financial reporting purposes.

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 five 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 the office of the chief executive officer, our chief financial officer and our Board of Directors.

QuickBooks-Related product revenue is derived primarily from QuickBooks desktop software products; QuickBooks do-it-yourself payroll, a family of products sold on a subscription basis offering payroll tax tables, forms, electronic tax payment and filing, and in some cases QuickBooks software upgrades to small businesses that prepare their own payrolls; and financial supplies such as paper checks, envelopes and invoices. QuickBooks-Related service revenue is derived primarily from QuickBooks Online Edition, QuickBooks support plans and merchant services provided by our Innovative Merchant Solutions business. Other revenue for this segment consists primarily of royalties from small business online services.

Intuit-Branded Small Business product revenue is derived from business management software for information technology and three selected industries: wholesale durable goods; residential, commercial and corporate property management; and construction. Intuit-Branded Small Business service revenue is derived from technical support,

consulting and training services for those software products and from outsourced payroll services. Service revenue for this segment also includes interest earned on funds held for payroll customers.

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.

Professional Tax product revenue is derived primarily from ProSeries and Lacerte professional tax preparation software products. Professional Tax service revenue is derived primarily from electronic filing, bank product transmission and training services.

Other Businesses consist primarily of Quicken and Canada. Quicken product revenue is derived primarily from Quicken desktop software products. Quicken other revenue consists primarily of fees from consumer online transactions and from Quicken-branded credit card and bill payment offerings that we provide through our partners. 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.

Our QuickBooks-Related, Consumer Tax and Professional Tax segments operate solely in the United States. All of our segments sell primarily to customers located in the United States. International total net revenue was less than 5% of consolidated total net revenue for all periods presented.

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

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The following tables show our financial results by reportable segment for the three months ended October 31, 2004 and 2003.

(In thousands)	QuickBooks Related	Intuit-Branded Small Business	Consumer Tax	Professional Tax	Other Businesses	Corporate	Consolidated
Three months ended October 31, 2004							
Product revenue	$ 112,070	$ 15,739	$ 1,185	$ 7,146	$ 24,717	$ —	$ 160,857
Service revenue	31,032	49,985	3,640	281	4,666	—	89,604
Other revenue	2,539	951	197	10	11,832	—	15,529
Total net revenue	145,641	66,675	5,022	7,437	41,215	—	265,990
Segment operating income (loss)	49,391	7,683	(20,380)	(21,086)	9,792	—	25,400
Common expenses	—	—	—	—	—	(94,967)	(94,967)
Subtotal	49,391	7,683	(20,380)	(21,086)	9,792	(94,967)	(69,567)
Amortization of purchased software	—	—	—	—	—	(3,354)	(3,354)
Acquisition-related charges	—	—	—	—	—	(4,444)	(4,444)
Interest and other income	—	—	—	—	—	3,951	3,951
Realized net gain on marketable securities	—	—	—	—	—	158	158
Income (loss) from continuing operations before income taxes	$ 49,391	$ 7,683	$ (20,380)	$ (21,086)	$ 9,792	$ (98,656)	$ (73,256)

(In thousands)	QuickBooks Related	Intuit-Branded Small Business	Consumer Tax	Professional Tax	Other Businesses	Corporate	Consolidated
Three months ended October 31, 2003							
Product revenue	$ 104,615	$ 17,023	$ 2,366	$ 6,409	$ 27,456	$ —	$ 157,869
Service revenue	20,138	41,278	2,706	515	1,449	—	66,086
Other revenue	5,121	847	97	—	9,302	—	15,367
Total net revenue	129,874	59,148	5,169	6,924	38,207	—	239,322
Segment operating income (loss)	44,402	(1,575)	(21,909)	(19,099)	4,781	—	6,600
Common expenses	—	—	—	—	—	(86,286)	(86,286)
Subtotal	44,402	(1,575)	(21,909)	(19,099)	4,781	(86,286)	(79,686)
Amortization of purchased software	—	—	—	—	—	(3,222)	(3,222)
Acquisition-related charges	—	—	—	—	—	(5,752)	(5,752)
Interest and other income	—	—	—	—	—	7,490	7,490
Realized net gain on marketable securities	—	—	—	—	—	147	147
Income (loss) from continuing operations before income taxes	$ 44,402	$ (1,575)	$ (21,909)	$ (19,099)	$ 4,781	$ (87,623)	$ (81,023)

7. Other Current Liabilities

Other current liabilities were as follows at the dates indicated:

(In thousands)	October 31, 2004	July 31, 2004
Reserve for product returns	$34,426	$36,877
Reserve for rebates	11,028	16,215
Credit card processing reserve	6,046	4,093
Executive deferred compensation plan	18,138	13,208
Other accruals	10,863	12,858
Total other current liabilities	$80,501	$83,251

8. Long-Term Obligations

Long-term obligations were as follows at the dates indicated:

(In thousands)	October 31, 2004	July 31, 2004
Mountain View vacancy reserve	$ 8,929	$ 8,940
Other vacancy reserves	2,360	2,573
Capital lease obligations: monthly installments through 2007; interest rate 2.66%	5,144	5,771
Deferred rent	4,698	3,479
Other	314	360
Total long-term obligations	21,445	21,123
Less current portion (included in other current liabilities)	(4,448)	(4,729)
Long-term obligations due after one year	$16,997	$16,394

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. We recorded income tax benefits on pre-tax losses in the three months ended October 31, 2004 and 2003. Our effective tax rate for the three months ended October 31, 2004 included benefits received from tax attributes identified during the quarter and a change in tax law during the quarter related to the retroactive extension of federal research and experimental credits and to the impact of recognizing these benefits in a quarter in which we had a net loss.

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The following table reconciles our effective income tax rate to the statutory federal income tax rate for the three months ended October 31, 2004 and 2003. Although the discrete items for the three months ended October 31, 2004 all reduced the tax owed, they increased the tax rate for the quarter because of the quarter's pre-tax loss. For the full fiscal year 2005 these items are expected to reduce our effective tax rate by approximately one percentage point.

	Three Months Ended	
(In thousands)	October 31, 2004	October 31, 2003
Statutory federal income tax rate	35.0%	35.0%
State income tax, net of federal benefit	2.1%	1.6%
Federal research and experimental credits	(1.5%)	(1.7%)
Tax exempt interest	(0.7%)	(0.8%)
Other, net	0.0%	(0.1%)
Effective income tax rate before discrete items	34.9%	34.0%
Discrete items:		
Reversal of tax reserves	2.1%	—
Prior year impact of the extension of federal research and experimental credit	1.0%	—
State tax credits relating to prior periods	4.0%	—
Effective income tax rate after discrete items	42.0%	34.0%

10. Stockholders' Equity

Stock Repurchase Program

Intuit's Board of Directors has initiated a series of common stock repurchase programs. Shares of common stock repurchased under these programs become treasury shares. During the three months ended October 31, 2004 we repurchased 3.9 million shares of our common stock for $170.6 million under these programs. We repurchased 2.2 million shares of our common stock for $103.1 million under these programs during the three months ended October 31, 2003.

Repurchased shares of our common stock are held as treasury shares until they are reissued or retired. When we reissue treasury stock, 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.

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 the fiscal periods presented.

	Three Months Ended October 31, 2004	Twelve Months Ended	
		July 31, 2004	July 31, 2003
Net option grants during the period as a percentage of outstanding shares	(0.1%)	2.9%	2.7%
Grants to Named Executives during the period as a percentage of total options granted	0.0%	7.1%	8.9%
Grants to Named Executives during the period as a percentage of outstanding shares	0.0%	0.3%	0.3%
Options held by Named Executives as a percentage of total options outstanding	13.6%	12.7%	11.6%

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 may vary significantly from quarter to quarter, due in part to the timing of annual performance-based grants to Named Executives.

11. Litigation

Muriel Siebert & Co., Inc. v. Intuit Inc., Index No. 03-602942, Supreme Court of the State of New York, County of New York.

On September 17, 2003, Muriel Siebert & Co., Inc. filed a complaint against Intuit alleging 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, California seeking arbitration of all claims asserted by both parties. The Appellate Division of the Supreme Court of the State of New York has ruled that the matter should proceed in the New York state courts, but the matter is stayed while the court considers Intuit's further appeal. Intuit believes this lawsuit is without merit and intends to defend the litigation vigorously in whichever forum it ultimately proceeds.

Intuit/Quicken Sunsetting Litigation, Master File No. 1-04-CV-016394, Superior Court of California, County of Santa Clara (Anthony Flannery v. Intuit Inc., et al, Civil No. 1-04-CV-016394 and Daniel J. Mason v. Intuit Inc., et al, Civil No. 1-04-CV-018345).

On or about March 19, 2004, plaintiff Anthony Flannery, on his behalf and on behalf of a class of persons allegedly similarly situated, filed a complaint against Intuit in Santa Clara Superior Court, alleging that Intuit's retirement of certain services and live technical support associated with its Quicken 1998, Quicken 1999 and Quicken 2000 products constituted a breach of express and implied warranties and violated sections 17200 and 17500 of the California Business and Professions Code, as well as the Consumer Legal Remedies Act. The complaint sought certification as a class action, as well as unspecified compensatory and punitive damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees from Intuit.

On or about April 21, 2004, plaintiff Daniel Mason, on his behalf and on behalf of a class of persons allegedly similarly situated, filed a complaint against Intuit in Santa Clara Superior Court making allegations virtually identical

to those of Anthony Flannery. On July 14, 2004, the Court consolidated the two cases pursuant to stipulation of the parties.

On July 29, 2004, plaintiffs filed a consolidated First Amended Complaint. On October 8, 2004, Intuit responded to plaintiffs' First Amended Complaint by filing demurrers. By Order dated November 12, 2004, the Court granted the demurrers and dismissed all counts of the First Amended Complaint, holding that the plaintiffs failed to state a claim upon which relief could be granted. The Court allowed plaintiffs until December 10, 2004 to file a Second Amended Complaint and counsel for the plaintiffs has indicated an intent to make such a filing. If plaintiffs file a Second Amended Complaint, Intuit will defend the litigation vigorously.

Cynthia Belotti v. Intuit Inc., et al, Civil No. 1-04-CV-020277, Superior Court of California, County of Santa Clara.

On or about May 24, 2004, plaintiff Cynthia Belotti, on her behalf and on behalf of a class of persons allegedly similarly situated, filed a complaint against the Company in Santa Clara Superior Court, alleging that Intuit's retirement of certain add-on business services and live technical support associated with its QuickBooks 2001 and QuickBooks 2002 products constituted a breach of express and implied warranties and violated sections 17200 and 17500 of the California Business and Professions Code. The complaint sought certification as a class action, as well as damages, disgorgement of profits, restitution, injunctive relief and attorney's fees from Intuit.

On or about July 13, 2004, plaintiff filed a First Amended Complaint that added Ental Precision Machining, Inc., as plaintiff; plaintiffs' counsel has also dismissed without prejudice all claims on behalf of Cynthia Belotti. On October 8, 2004, Intuit responded to plaintiff's First Amended Complaint by filing demurrers. By Order dated November 12, 2004, the Court granted the demurrers and dismissed all counts of the First Amended Complaint, holding that plaintiff failed to state a claim upon which relief could be granted. The Court allowed plaintiff until December 10, 2004 to file a Second Amended Complaint and counsel for the plaintiff has indicated an intent to make such a filing. If plaintiff files a Second Amended Complaint, Intuit will defend the litigation vigorously.

Other Litigation Matters

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, including assertions that we may be infringing patents or other intellectual property rights of others. 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 cash flows. We also believe that we would be able to obtain any necessary licenses or other rights to disputed intellectual property rights on commercially reasonable terms. 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, negative publicity, diversion of management resources and other factors. Our failure to obtain necessary license or other rights, or litigation arising out of intellectual property claims could adversely affect our business.

12. Related Party Transactions

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 legislation enacted on July 30, 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. At October 31, 2004, no loans were overdue and all interest payments were current in accordance with the terms of the loan agreements.

Long-term loans to executive officers and other employees are a separate line item on our balance sheet. Certain loan amounts are due within twelve months and are therefore classified as prepaid expenses and other current assets on our balance sheet. Loans to executive officers, including these current amounts, were as follows at the dates indicated:

(In thousands)	October 31, 2004	July 31, 2004
Short-term loans:		
Loans to executive officers	$ 1,066	$ 1,066
Loans to other employees	230	230
	1,296	1,296
Long-term loans:		
Loans to executive officers	11,505	11,575
Loans to other employees	4,234	4,234
	15,739	15,809
Total loans:		
Loans to executive officers	12,571	12,641
Loans to other employees	4,464	4,464
Total loans to executive officers and other employees	$17,035	$17,105

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

We begin our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) with a discussion of the Critical Accounting Policies that we believe are important to understanding the assumptions and judgments underlying our financial statements. This is followed by a discussion of our Results of Operations that begins with an Overview followed by a more detailed discussion of our revenue and expenses. We then provide an analysis of our Liquidity and Capital Resources with a discussion of key aspects of our statements of cash flows, changes in our balance sheets, and our financial commitments. Following these discussions is the section entitled *"Risks That Could Affect Future Results,"* which details some important factors that may significantly impact our future financial performance. You should also note that this MD&A discussion contains forward-looking statements that involve risks and uncertainties. Please see the section entitled *"Caution Regarding Forward-Looking Statements"* at the end of this Item 2 for important information to consider when evaluating such statements.

Our QuickBooks, Consumer Tax and Professional Tax businesses are highly seasonal. Some of our other offerings are seasonal, but to a lesser extent. Revenue from upgrades for many of our small business software products, including QuickBooks, tend to be concentrated around calendar year end. Sales of income tax preparation products and services are heavily concentrated in the period from November through April. These seasonal patterns mean that our total net revenue is usually highest during our second quarter ending January 31 and third quarter ending April 30. 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.

You should read this MD&A in conjunction with the Condensed Consolidated Financial Statements and related Notes in Item 1. As discussed below, in August 2004 management formally approved a plan to sell our Intuit Public Sector Solutions (IPSS) business. In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, we have classified IPSS as a discontinued operation. We have segregated the net assets, operating results and cash flows of IPSS from continuing operations on our balance sheets, statements of operations and statements of cash flows for all periods presented. Unless otherwise noted, the following discussion pertains only to our continuing operations.

Critical Accounting Policies

In preparing our financial statements, we make estimates, assumptions and judgments that can have a material 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 selection and development 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, license fees, product support, professional services, outsourced payroll services, transaction fees and multiple element arrangements that may include any combination of these items. We follow the appropriate revenue recognition rules for each type of revenue. For additional information, see *"Net Revenue"* in Note 1 to the financial statements. 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 for fees collected or

invoiced and due relating to arrangements where revenue cannot be recognized are reflected on our balance sheet as deferred revenue and recognized when 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. Our return policy allows distributors and retailers, subject to contractual limitations, to return purchased products. Product returns by distributors and retailers principally relate to the return of obsolete products. In determining our 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. For example, if we had increased our fiscal 2004 returns reserves by 1% of non-consignment sales to retailers for QuickBooks, TurboTax and Quicken, our fiscal 2004 total net revenue would have been approximately $4 million lower. If rebate redemptions for our QuickBooks, TurboTax and Quicken products were to increase by 1%, our annual total net revenue would decrease by approximately $1 million.

- *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 Intangible Assets 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 in our fourth fiscal quarter or more frequently if indicators of impairment arise. The timing of the formal annual test may result in charges to our statement of operations in our fourth fiscal quarter that could not have been reasonably foreseen in prior periods. 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. We evaluate cash flows at the lowest operating level and the number of reporting units we evaluate may make impairment more probable than it would be at a company with fewer reporting units and integrated operations following acquisitions. 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 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. We recorded impairment charges of $18.7 million in fiscal 2004. At October 31, 2004, we had $659.8 million in goodwill and $95.4 million in net purchased 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 (APB) 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 SFAS 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 March 31, 2004 the Financial Accounting Standards Board (FASB) issued its exposure draft, *"Share-Based Payment,"* which is a proposed amendment to SFAS 123. The exposure draft would require all share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in the statement of operations based on their fair values. The FASB expects to issue a final standard late in 2004 that would be effective for public companies for interim and annual periods beginning after June 15, 2005. We have not yet assessed the impact of adopting this new standard.

  We monitor progress at the FASB and other developments with respect to the general issue of stock-based incentive compensation. We may have to recognize substantially more compensation expense in future periods if we are required or elect to expense the value of stock-based incentive compensation or if we decide to alter our current employee compensation programs to provide other benefits in place of incentive stock options.

- *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. Significant judgment is required in determining our worldwide income tax provision. We recognize liabilities for anticipated tax audit issues in the United States and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. We record an additional amount in our provision for income taxes in the period in which we determine that our recorded tax liability is less than we expect the ultimate tax assessment to be. If in a later period we determine that payment of this additional amount is unnecessary, we reverse the liability and recognize a tax benefit in that later period. As a result, our ongoing assessments of the probable outcomes of the audit issues and related tax positions require judgment and can materially increase or decrease our effective tax rate as well as impact our operating results. This also 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 deferred tax assets and liabilities and any valuation allowance to be recorded against our net deferred tax asset. Our net deferred tax asset at October 31, 2004 was $159.1 million, net of the valuation allowance of $5.5 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 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

Overview

(Dollars in millions, except per share amounts)	Q1 FY05	Q1 FY04	Q1 % Change
Total net revenue	$266.0	$239.3	11%
Loss from continuing operations	(77.4)	(88.7)	(13%)
Net loss from continuing operations	(42.5)	(53.5)	(21%)
Diluted net loss per share from continuing operations	$ (0.22)	$ (0.27)	(19%)
Net cash used in operating activities of continuing operations	$ (88.4)	$ (75.4)	17%

Total net revenue increased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 primarily due to growth in our QuickBooks-Related and Intuit-Branded Small Business segments. Revenue from merchant services, QuickBooks do-it-yourself payroll and outsourced payroll was higher in the fiscal 2005 period. Due to the seasonality of the tax business, revenue from our Consumer Tax and Professional Tax segments is nominal in our first fiscal quarter. The markets for many of our products are maturing and as a result we believe that our revenue growth is slowing. While we continue to develop new products and services to mitigate the impact of this slowing growth in the long term, we expect revenue growth to be in the 6% to 9% range for fiscal 2005.

Loss from continuing operations for the first quarter of fiscal 2005 was lower than in the first quarter of fiscal 2004 due to the increase in total net revenue that was only partially offset by higher spending. Net loss (after tax) from continuing operations for the first quarter of fiscal 2005 decreased more than loss from continuing operations due to a higher income tax benefit from tax attributes identified during the quarter and a change in tax law during the quarter, partially offset by lower interest and other income. Fiscal 2005 diluted net loss per share from continuing operations was lower in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 for the foregoing reasons partially offset by a net reduction of average shares outstanding resulting from repurchases of stock under our stock repurchase programs.

At October 31, 2004 our cash, cash equivalents and short-term investments totaled $759.7 million. In the first quarter of fiscal 2005 we used cash primarily for repurchases of stock under our stock repurchase program, seasonal operating losses and the payment of accrued annual bonuses. We generated cash in the first quarter of fiscal 2005 primarily by selling short-term investments and by issuing common stock under employee stock plans. In the first quarter of fiscal 2005 we bought 3.9 million shares of our common stock under our only active stock repurchase program at an average price of $43.21 for a total price of $170.6 million. At October 31, 2004, authorized funds of $329.4 million remained available under this stock repurchase program.

Total Net Revenue

We operate in five business segments. The following table summarizes the net revenue for those segments for the first quarter of fiscal 2005 and 2004.

(Dollars in millions)	Q1 FY05	% Total Net Revenue	Q1 FY04	% Total Net Revenue	Q1 % Change
QuickBooks- Related					
Product	$112.1		$104.6		
Service	31.0		20.2		
Other	2.5		5.1		
Subtotal	145.6	55%	129.9	54%	12%
Intuit-Branded Small Business					
Product	15.7		17.0		
Service	50.0		41.3		
Other	1.0		0.8		
Subtotal	66.7	25%	59.1	25%	13%
Consumer Tax					
Product	1.2		2.4		
Service	3.6		2.7		
Other	0.2		0.1		
Subtotal	5.0	2%	5.2	2%	(3%)
Professional Tax					
Product	7.2		6.4		
Service	0.3		0.5		
Other	—		—		
Subtotal	7.5	3%	6.9	3%	7%
Other Businesses					
Product	24.7		27.5		
Service	4.7		1.4		
Other	11.8		9.3		
Subtotal	41.2	15%	38.2	16%	8%
Total net revenue	**$266.0**	**100%**	**$239.3**	**100%**	11%

QuickBooks-Related

QuickBooks-Related product revenue is derived primarily from QuickBooks desktop software products; QuickBooks do-it-yourself payroll, a family of products sold on a subscription basis offering payroll tax tables, forms, electronic tax payment and filing, and in some cases QuickBooks software upgrades to small businesses that prepare their own payrolls; and financial supplies such as paper checks, envelopes and invoices. QuickBooks-Related service revenue is derived primarily from QuickBooks Online Edition, QuickBooks support plans and merchant services provided by our Innovative Merchant Solutions business. Other revenue for this segment consists primarily of royalties from small business online services.

QuickBooks-Related total net revenue increased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 due primarily to higher merchant services revenue and QuickBooks do-it-yourself payroll revenue. The increase in merchant services revenue was due primarily to three months of Innovative Merchant Solutions activity in the first quarter of fiscal 2005 compared with one month of activity in the first quarter of fiscal 2004 because we acquired that business in October 2003; growth in the customer base and higher transaction volume per customer; and our discontinuation of the outsourcing of certain merchant processing services beginning in the fourth quarter of fiscal 2004. Although we continued to outsource some of our merchant services during the first quarter of fiscal 2005, we recognized the full revenue from processing merchant transactions that were formerly processed through a major bank rather than the smaller profit-sharing fees we would have received under our prior arrangement with that bank. QuickBooks do-it-yourself payroll revenue was higher primarily because of growth in the customer base and to a lesser extent because of price increases.

Intuit-Branded Small Business

Intuit-Branded Small Business product revenue is derived primarily from business management software for information technology and three selected industries: wholesale durable goods; residential, commercial and corporate property management; and construction. Intuit-Branded Small Business service revenue is derived from technical support, consulting and training services for those software products and from outsourced payroll services. Service revenue for this segment also includes interest earned on funds held for payroll customers.

Intuit-Branded Small Business total net revenue increased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 due primarily to higher outsourced payroll revenue that was driven by growth in the number of customers processing payrolls and by price increases.

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.

Due to the seasonal nature of our Consumer Tax business, the first fiscal quarter typically generates only nominal revenue from consumer tax products and services compared with the second and third fiscal quarters. We do not believe that results for the first quarter of fiscal 2005 are indicative of revenue trends for the full year. We will not have substantially complete results for the entire 2004 tax season until late in fiscal 2005.

Professional Tax

Professional Tax product revenue is derived primarily from ProSeries and Lacerte professional tax preparation software products. Professional Tax service revenue is derived primarily from electronic filing, bank product transmission and training services.

Due to the seasonal nature of our Professional Tax business, the first fiscal quarter typically generates only nominal revenue from professional tax products and services compared with the second and third quarters of the fiscal year. We do not believe that results for the first quarter of fiscal 2005 are indicative of revenue trends for the full year. We anticipate that revenue from our Professional Tax electronic filing and bank product transmission services, which we recognize primarily in our third fiscal quarter, will grow more rapidly than revenue from our Professional Tax software in fiscal 2005. We will not have substantially complete results for the entire 2004 tax season until late in fiscal 2005.

Other Businesses

Other Businesses consist primarily of Quicken and Canada. Quicken product revenue is derived primarily from Quicken desktop software products. Quicken other revenue consists primarily of fees from consumer online transactions and from Quicken-branded credit card and bill payment offerings that we provide through our partners. 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.

The increase in Other Businesses total net revenue in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 was due primarily to slightly higher Quicken revenue.

Cost of Revenue

(Dollars in millions)	Q1 FY05	% of Related Revenue	Q1 FY04	% of Related Revenue	Q1 % Change
Cost of product revenue	$30.2	19%	$31.9	20%	(5%)
Cost of service revenue	39.8	44%	34.8	53%	14%
Cost of other revenue	6.5	42%	6.7	44%	(3%)
Amortization of purchased software	3.4	n/a	3.2	n/a	4%
Total cost of revenue	**$79.9**	**30%**	**$76.6**	**32%**	4%

Our cost of revenue has four components: (1) cost of product revenue, which includes the direct costs 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 online transactions revenue; and (4) amortization of purchased software, which represents the cost of amortizing over their useful lives developed technologies that we obtained through acquisitions.

The fiscal 2005 decrease in cost of product revenue as a percentage of product revenue was due primarily to the increase in QuickBooks do-it-yourself payroll revenue, which had minimal incremental costs.

Cost of service revenue as a percentage of service revenue decreased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 due primarily to growth in our merchant services and outsourced payroll businesses, which had minimal incremental costs.

Operating Expenses

(Dollars in millions)	Q1 FY05	% Total Net Revenue	Q1 FY04	% Total Net Revenue	Q1 % Change
Selling and marketing	$133.1	50%	$131.8	55%	1%
Research and development	75.1	28%	70.6	30%	6%
General and administrative	50.8	19%	43.2	18%	18%
Total core operating expenses	259.0	97%	245.6	103%	5%
Acquisition-related charges	4.4	2%	5.8	2%	(24%)
Total operating expenses	**$263.4**	**99%**	**$251.4**	**105%**	**5%**

We define core operating expenses as the controllable costs of running our business. Selling and marketing expenses include the cost of providing customer service and technical support to customers who have not purchased support plans. Total core operating expenses increased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004. Selling and marketing and research and development expenses decreased as a percentage of total net revenue in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 because our revenue grew faster than our spending. General and administrative expenses increased slightly as a percentage of total net revenue in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 due to higher spending for infrastructure and implementation of our new information systems.

Segment Operating Income (Loss)

Segment operating income or loss is segment net revenue less segment cost of revenue and operating expenses. Segment expenses do not include certain costs, such as corporate general and administrative expenses, that are not allocated to specific segments. In addition, segment expenses do not include acquisition-related costs, which include acquisition-related charges, amortization of purchased software and charges for purchased research and development. Segment expenses also do not include realized net gains or losses on marketable securities and other investments, and interest and other income. See Note 6 to the financial statements for reconciliations of total segment operating income or loss to income or loss from continuing operations for each fiscal period presented.

(Dollars in millions)	Q1 FY05	% of Related Revenue	Q1 FY04	% of Related Revenue	Q1 % Change
QuickBooks-Related	$ 49.4	34%	$ 44.4	34%	11%
Intuit-Branded Small Business	7.7	12%	(1.6)	(3%)	NM
Consumer Tax	(20.4)	NM	(21.9)	NM	(7%)
Professional Tax	(21.1)	NM	(19.1)	NM	10%
Other Businesses	9.8	24%	4.8	13%	104%
Total segment operating income	**$ 25.4**	**10%**	**$ 6.6**	**3%**	**285%**

NM is a non-meaningful comparison.

QuickBooks-Related

QuickBooks-Related segment operating income as a percentage of related revenue was flat in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 due primarily to higher merchant services and QuickBooks do-it-yourself payroll net revenue offset by higher spending for QuickBooks product development, technical support, sales and retail merchandising.

Intuit-Branded Small Business

Intuit-Branded Small Business had segment operating income in the first quarter of fiscal 2005 compared with a segment operating loss in the first quarter of fiscal 2004. This was due primarily to outsourced payroll revenue growth combined with cost of revenue efficiencies, the consolidation of regional sales facilities and a reorganization of the sales force that resulted in lower spending in that business in the fiscal 2005 period.

Consumer Tax

Due to the seasonal nature of our Consumer Tax business, we normally experience a segment operating loss in our first fiscal quarter as revenue from consumer tax products and services is nominal while operating expenses to develop new products and services continue at relatively consistent levels. We do not believe that segment operating results for the first quarter of fiscal 2005 are indicative of trends for the full year.

Professional Tax

Due to the seasonal nature of our Professional Tax business, we normally experience a segment operating loss in our first fiscal quarter as revenue from professional tax products and services is nominal while operating expenses to develop new products and services continue at relatively consistent levels. We do not believe that segment operating results for the first quarter of fiscal 2005 are indicative of trends for the full year.

Other Businesses

Other Businesses segment operating income increased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 due primarily to a slight revenue increase in Quicken on relatively stable spending.

Non-Operating Income and Expenses

Interest and Other Income

(In millions)	Three Months Ended October 31, 2004	Three Months Ended October 31, 2003
Interest income	$ 2.6	$ 3.3
Quicken Loans royalties and fees	0.6	0.7
Net foreign exchange gain	0.4	3.3
Interest expense	(0.1)	(0.1)
Other	0.5	0.3
	$ 4.0	$ 7.5

Total interest and other income declined in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004 primarily due to the decrease in net foreign exchange gains. This decrease resulted primarily from our conversion of a significant portion of our Canadian intercompany balances to long-term investments in that subsidiary in the third quarter of fiscal 2004, which reduced our exposure to fluctuations in foreign exchange rates. The interest income that we earned on our cash and short-term investment balances also decreased in the first quarter of fiscal 2005 compared with the first quarter of fiscal 2004. This was because average invested balances were lower in the fiscal 2005 quarter due to continued investment in our stock repurchase programs.

Income Taxes

We recorded income tax benefits on pre-tax losses in the three months ended October 31, 2004 and 2003. Our effective tax rate for the three months ended October 31, 2004 was 42% and differed from the federal statutory rate primarily due to the net effect of the benefit received from tax attributes identified in the quarter and a change in tax law during the quarter related to the retroactive extension of federal research and experimental credits and to the impact of recognizing these benefits in a quarter in which we had a net loss, federal research and experimental credits, tax exempt interest income and various state tax credits offset by state taxes. Our effective tax rate for the three months ended October 31, 2003 was 34% and differed from the federal statutory rate primarily due to the net effect of the benefit received from federal research and experimental credits, tax-exempt interest income and various tax credits offset by state taxes. See Note 9 to the financial statements.

At October 31, 2004 we had net deferred tax assets of $159.1 million, which included a valuation allowance of $5.5 million for certain state capital loss carryforwards. We decreased the valuation allowance by $2.0 million in the first quarter of fiscal 2005 due to the realization of state capital loss carryforwards that were previously thought to be unrealizable and adjustments made to foreign net operating loss carryforwards. The allowance reflects management's assessment that we may not receive the benefit of capital loss carryforwards in certain state jurisdictions. While we believe our current valuation allowance is sufficient, it may be necessary to increase this amount if it becomes more likely that we will not realize a greater portion of the net deferred tax assets. We assess the need for an adjustment to the valuation allowance on a quarterly basis.

Discontinued Operations

In August 2004 management formally approved a plan to sell our Intuit Public Sector Solutions (IPSS) business, which is part of our Intuit-Branded Small Business segment. In accordance with SFAS 144, *"Accounting for the Impairment or Disposal of Long-lived Assets,"* we determined that IPSS became a long-lived asset held for sale and a discontinued operation in the first quarter of fiscal 2005. Consequently, we have segregated the net assets, operating results and cash flows of IPSS from continuing operations on our balance sheets, statements of operations and statements of cash flows for all periods presented. Also in accordance with SFAS 144, we discontinued the amortization of IPSS purchased intangible assets in the first quarter of fiscal 2005. The net loss from discontinued operations for the first quarter of fiscal 2005 included a $3.4 million income tax provision for the estimated tax payable in connection with the expected tax gain on the sale of IPSS. On December 3, 2004 we sold IPSS to Kintera, Inc., a California software company, for approximately $11 million. We do not expect a material gain or loss on the sale of IPSS for financial reporting purposes.

Liquidity and Capital Resources

Statement of Cash Flows

At October 31, 2004 our cash, cash equivalents and short-term investments totaled $759.7 million, a decrease of $259.6 million from July 31, 2004. We used cash for our operations during the first quarter of fiscal 2005, primarily for seasonal operating losses and the payment of accrued annual bonuses. We generated cash from investing activities during the first quarter of fiscal 2005, primarily by selling short-term investments. We used cash for financing activities during the first quarter of fiscal 2005, primarily for the repurchase of stock under our stock repurchase programs. See *"Stock Repurchase Programs"* below and Note 10 to the financial statements. This was partially offset by proceeds that we received from the issuance of common stock under employee stock plans.

Stock Repurchase Programs

Intuit's Board of Directors has initiated a series of common stock repurchase programs. Shares of common stock repurchased under these programs become treasury shares. During the first quarter of fiscal 2005 we repurchased 3.9 million shares of our common stock for $170.6 million under our only active stock repurchase program. At October 31, 2004 authorized funds of $329.4 million remained available under this program.

Loans to Executive Officers and Other Employees

Outstanding loans to executive officers and other employees totaled $17.0 million at October 31, 2004 and $17.1 million at July 31, 2004. Loans to executive officers are primarily relocation loans that are generally secured by real property and have original maturity dates of up to 10 years. At October 31, 2004 no loans were overdue and 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 to the financial statements.

Other

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 12 months.

Reserves for Returns and Rebates

Activity in our reserves for product returns and for rebates during the first quarter of fiscal 2005 and comparative balances at October 31, 2003 were as follows:

(In thousands)	Balance July 31, 2004	Additions Charged Against Revenue	Returns/ Redemptions	Balance October 31, 2004	Balance October 31, 2003
Reserve for product returns	$36,877	$7,209	$ (9,660)	$34,426	$32,734
Reserve for rebates	16,215	7,637	(12,824)	11,028	8,139

Due to the seasonality of our business, we compare our returns and rebate reserve balances at October 31, 2004 to the reserve balances at October 31, 2003. The fiscal 2005 increase in our reserve for product returns was due primarily to a higher QuickBooks reserve rate due to expanded distribution and more product lines, partially offset by a lower Quicken reserve rate that was driven by improved channel management. The fiscal 2005 increase in our

reserve for rebates was due primarily to higher redemption rates and more marketing of current year rebate programs for QuickBooks.

Recent Accounting Pronouncements

On March 31, 2004 the Financial Accounting Standards Board issued its exposure draft, *"Share-Based Payment,"* which is a proposed amendment to SFAS 123. The exposure draft would require all share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in the statement of operations based on their fair values. The FASB expects to issue a final standard late in 2004 that would be effective for public companies for interim and annual periods beginning after June 15, 2005. We have not yet assessed the impact of adopting this new standard.

On October 22, 2004 the American Jobs Creation Act of 2004 was signed into law by the President. This Act included tax relief for domestic manufacturers, which includes producers of computer software, by providing a tax deduction of 3% for fiscal years beginning after December 31, 2004 and 2005, 6% for fiscal years beginning after December 31, 2006, 2007 and 2008, and 9% for fiscal years beginning after December 31, 2009. The deduction percentage is applied against the lesser of "qualified production activities income" or taxable income. Any tax rate benefit from this law change will take effect beginning in our fiscal 2006. However, we are awaiting clarifying guidance from the U.S. Treasury Department to determine if we will qualify for this deduction. The Financial Accounting Standards Board issued guidance in FASB Staff Position FAS 109-a providing that this deduction should be accounted for as a special deduction and not as a tax rate reduction. In addition, the Act provided for a special one-time tax deduction for foreign earnings that are repatriated. We do not expect to receive any benefit from this portion of the Act.

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 2004 Form 10-K and other SEC filings contain additional details about these risks, as well as other risks that could affect future results.

We face intense competitive pressures in all of our businesses, potentially from Microsoft in our QuickBooks-Related business and from H&R Block and federal and state taxing authorities in our Consumer Tax business, that may negatively impact our revenue, profitability and market position.

We have formidable competitors and we expect competition to remain intense during fiscal 2005 and beyond. The number, resources and sophistication of the companies with whom we compete has increased as we continue to expand our product and service offerings. Microsoft Corporation, in particular, presents a significant threat to a number of our businesses due to its market position, strategic focus and superior financial resources. Our competitors may introduce new and improved products and services, bundle new offerings with market-leading products, reduce prices, gain better access to distribution channels, advertise aggressively or beat us to market with new products and services. Any of these competitive actions – particularly any prolonged price competition – could diminish our revenue and profitability and could affect our ability to keep existing customers and acquire new customers. Some additional competitive factors that may impact our businesses are as follows:

QuickBooks-Related. Losing existing or potential QuickBooks customers to competitors causes us to lose potential software revenue and limits our opportunities to sell related products and services such as our financial supplies, QuickBooks do-it-yourself payroll and merchant service offerings. Many competitors and potential competitors provide, or have expressed significant interest in providing, accounting and business management products and services to small businesses. For example, Microsoft currently offers a number of competitive small business offerings and has indicated part of its growth strategy is to focus on small business offerings. In November 2004 Microsoft announced the impending launch of a number of product and service offerings aimed at small businesses, including a product named Microsoft Office Small Business Accounting, which is expected to be integrated with the Microsoft Office product suite. Accordingly, we expect that competition from Microsoft in the small business area will intensify over time with the introduction of these and other offerings that directly compete with our QuickBooks and other offerings. Although we have successfully competed with Microsoft in the past, given its market position and resources Microsoft's small business product and service offerings may have a significant negative impact on our revenue and profitability.

Consumer Tax. Our consumer tax business faces significant competition from both the public and private sector. In the public sector we face the risk of federal and state taxing authorities developing or contracting to provide software or other systems to facilitate tax return preparation and electronic filing at no charge to taxpayers.

- *Federal Government*. Agencies of the U.S. government have made several attempts during the two most recent presidential administrations to offer taxpayers a form of free tax preparation software and filing service. However, in October 2002 the U.S. Internal Revenue Service agreed not to develop or deploy its own competing tax software product or service so long as participants in an association of private tax preparation software companies, including Intuit, agreed to provide Web-based federal tax preparation and filing services at no cost to qualified taxpayers for a period of three years, subject to recurring two-year extensions. The relationship, called the "Free File Alliance," is intended to serve lower income, disadvantaged and underserved taxpayers with the objective of making free online tax preparation software and filing services available to at least 60% of taxpayers. Although the Free File Alliance has kept the federal government from being a direct competitor to our tax offerings, it has caused us to lose revenue opportunities for a large percentage of the tax base. In addition, a growing number of competitors are using the Free File Alliance as a free marketing tool by giving away services at the federal level and attempting to make money from ancillary service offerings. Further, were the federal government to terminate the Free File Alliance and elect to provide its own software and electronic filing services available to taxpayers at no charge it would negatively impact our revenue and profits.

- *State Governments*. State taxing authorities have also actively pursued strategies to provide free online tax return preparation and electronic filing services for state taxpayers. During 2004 at least 15 states participated in Free File Alliance collaborations with private sector software companies to offer free online tax preparation and electronic filing services to qualified taxpayers. However, 22 states, including California, directly offered their own online services to taxpayers. It is possible that other governmental

entities that currently do not offer such services will elect to pursue similar competitive offerings in the future. These publicly sponsored programs have caused us to lose potential customers to free offerings and have enabled competitors to gain market share at our expense by using participation in the free alliances as an effective tool to attract customers to ancillary paid offerings. Given the efficiencies that electronic tax filing provides to taxing authorities, we anticipate that governmental competition will present a continued competitive threat to our business for the foreseeable future.

- *Private Sector*. In the private sector we face intense competition primarily from H&R Block, the makers of TaxCut software, and increasingly from web-based competitive offerings where we are subject to significant and increasing pricing pressure. We also compete for customers with low-cost assisted tax preparation businesses, such as H&R Block.

Other Segments (Intuit-Branded Small Business, Professional Tax and Other Businesses). Our professional tax offerings face pricing pressure from competitors seeking to obtain our customers through deep product discounts and loss of customers to competitors offering no-frills offerings at low prices. This business also faces competition from competitively-priced integrated accounting solutions that are more complete than our current offerings. The substantial size of our principal competitors in the outsourced payroll services business and our merchant card processing service business benefit from greater economies of scale that may result in pricing pressure for our offerings. In addition, in November 2004 Microsoft announced that it had entered into partnership agreements with ADP and other service providers to offer payroll-related services that interact with its products. The growth of electronic banking and other electronic payment systems is decreasing the demand for checks and consequently causing pricing pressure for our supplies products as competitors aggressively compete for share of this shrinking market. Our Quicken products compete both with Microsoft Money, which is aggressively promoted and priced, and with Web-based electronic banking and personal finance tracking and management tools that are becoming increasingly available at no cost to consumers. These competitive pressures may result in reduced revenue and lower profitability for our Quicken product line and related bill payment service offering.

The growth of our businesses overall is slowing and if we do not continue to introduce new and enhanced products and services our revenues and margins will decline.

We are seeing a slowdown in the revenue growth rate for some of our businesses as they mature. This trend causes our product development efforts to be even more critical to our success. Product and service enhancements are necessary for us to differentiate our offerings from those of our competitors and to motivate our existing customers to purchase upgrades, or annual licenses in the case of our tax offerings. A number of our businesses derive a significant amount of their revenue through one-time upfront license fees and rely on customer upgrades and service offerings that include upgrades to generate a significant portion of their revenues. As our existing products mature, encouraging customers to purchase product upgrades becomes more challenging unless new product releases provide features and functionality that have meaningful incremental value. If we are not able to develop and clearly demonstrate the value of upgraded products to our customers, our upgrade and service revenues will be negatively impacted. Similarly, our business will be harmed if we are not successful in our efforts to develop and introduce new products and services to retain our existing customers, expand our customer base and increase our revenues per customer.

Our new product and service offerings may not achieve market success or may cannibalize sales of our existing products, causing our revenues and earnings to decrease.

Our future success depends in large part upon our ability to identify emerging opportunities in our target markets and our capacity to quickly develop, and sell products and services that satisfy these demands in a cost effective manner. Successfully predicting demand trends is difficult and we may expend a significant amount of resources and management attention on products or services that do not ultimately succeed in their markets. We have encountered difficulty in launching new products and services in the past. For example, in 2003 we ended our Quicken Brokerage service offering due to lack of customer acceptance. If we misjudge customer needs, our new products and services will not succeed and our revenues and earnings will be negatively impacted. In addition, as we expand our offerings to new customer categories we run the risk of customers shifting from higher priced and higher margin products to newly introduced lower priced offerings.

The nature of our products necessitates timely product launches and if we experience significant product quality problems or delays, it will harm our revenues, operating income and reputation.

All of our tax products, and many of our non-tax products, have rigid development timetables that increase the risk of errors in our products and the risk of launch delays. Many of our products are highly complex and require interoperability with other software products and services. Our tax preparation software product development cycle is particularly challenging due to the need 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 to prepare and file their taxes by April 15th. Due to this complexity and the condensed development cycles under which we operate our products sometimes contain "bugs" that can unexpectedly interfere with the operation of the software. For example, our software may face interoperability difficulties with software operating systems or programs being used by our customers. When we encounter problems we may be required to modify our code, distribute patches to customers that had already purchased the product and recall or repackage existing product inventory in our distribution channels. If we encounter development challenges or discover errors in our products late in our development cycle it may cause us to delay our product launch date. Any major defects or launch delays could lead to the following:

- loss of customers to competitors, which could also deprive us of future revenue attributable to repeat purchases, product upgrades and purchases of related services;
- negative publicity and damage to our brands;
- customer dissatisfaction;
- reduced retailer shelf space and product promotions; and
- increased operating expenses, such as inventory replacement costs and in our consumer tax business, expenses resulting from our commitment to reimburse penalties and interest paid by customers due solely to calculation errors in our consumer tax preparation products.

If we fail to maintain reliable and responsive service levels for our electronic tax offerings, or if the IRS or other governmental agencies experience difficulties in receiving customer submissions, we could lose revenue and customers.

Our Web-based tax preparation and electronic filing services are an important and growing part of our tax businesses and must effectively handle extremely heavy customer demand during the peak tax season from January to April. We face significant risks and challenges in maintaining these services and maintaining adequate service levels, particularly during peak volume service times. Similarly, governmental entities receiving electronic tax filings must also handle large volumes of data and may experience difficulties with their systems preventing the receipt of electronic filings. If customers are unable to file their returns electronically they may elect to make paper filings. This would result in reduced electronic tax return preparation and filing revenues and profits and would negatively impact our reputation and ability to keep and attract customers who demand a reliable electronic filing experience. We have experienced relatively brief unscheduled interruptions in our electronic filing and/or tax preparation services during past tax years. For example, on April 15, 2003 we experienced a relatively brief unscheduled interruption in our electronic filing service during which certain users of our professional tax products were unable to receive confirmation from us that their electronic filing had been accepted and on April 15, 2002 we reached maximum capacity for processing e-filings for a short period of time. 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.

Our revenue and earnings are highly seasonal and our quarterly results fluctuate significantly.

Several of our businesses are highly seasonal causing significant quarterly fluctuations in our financial results. Revenue and operating results are usually strongest during the second and third fiscal quarters ending January 31 and April 30 due to our tax businesses contributing most of their revenue during those quarters and the timing of the release of our small business software upgrades. We experience lower revenues, and significant operating losses, in the first and fourth quarters ending October 31 and July 31. For example, in the second and third quarters of our last two fiscal years we had aggregate revenue of between $558.1 million and $713.0 million while in our first and fourth fiscal quarters we had aggregate revenue of between $212.9 million and $275.9 million. 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 our discontinuance of support for older

product offerings, the timing of sales of our higher-priced Intuit-Branded Small Business offerings, our methods for distributing our products, including the shift to a consignment model for some of our desktop products sold through retail distribution channels, and the timing of acquisitions, divestitures, and goodwill and purchased intangible asset impairment charges.

As our product and service offerings become more complex our revenue streams become less predictable.

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 and expand our offerings. For example, as we begin to offer additional features and options as part of multiple-element revenue 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 recognized revenue at the time products are shipped, but result in increased recognized revenue in fiscal periods after shipment. For example, some of our TurboTax offerings provide for both use of our software and filing of returns electronically, causing some of our revenue to be deferred until the time of the actual filing of tax returns by our customers. In addition, our Intuit-Branded Small Business segment businesses offer products and services with significantly higher prices than our traditional core business software products. Revenue from these offerings tends to be less predictable than revenue from our traditional desktop products due to longer sales and implementation cycles, which could cause our quarterly revenue from these businesses to fluctuate.

Acquisition-related costs and impairment charges 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 $56.6 million in fiscal 2004. Fiscal 2003 and 2004 acquisition-related costs 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. We test the impairment of goodwill annually in our fourth fiscal quarter or more frequently if indicators of impairment arise. The timing of the formal annual test may result in charges to our statement of operations in our fourth fiscal quarter that could not have been reasonably foreseen in prior periods. For example, at the end of fiscal 2004 we incurred a goodwill impairment charge of $18.7 million related to our Intuit Public Sector Solutions business. At October 31, 2004, we had an unamortized goodwill balance of approximately $659.8 million, which could be subject to impairment charges in the future. New acquisitions, and any impairment of the value of purchased assets, could have a significant negative impact on our future operating results.

If we do not respond promptly and effectively to customer service and technical support inquiries we will lose customers and our revenues will decline.

The effectiveness of our customer service and technical support operations are critical to customer satisfaction and our financial success. If we do not respond effectively to service and technical support requests we will lose customers and miss out on potential revenue opportunities, such as paid service and new product sales. In our service offerings, such as our merchant card processing and outsourced payroll businesses, customer service delivery is fundamental to retaining and maintaining existing customers and acquiring new customers. 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. We also risk losing service at any one of our customer contact centers and our redundancy systems could prove inadequate to provide backup support. Training and retaining qualified customer service and technical support personnel is particularly challenging due to the expansion of our product offerings and the seasonality of our tax business. For example, in fiscal 2004 the number of our consumer tax service representatives ranged from 10 during off-season months to about 750 at the peak of the season. If we do not adequately train our support representatives our customers will not receive the level of support that they demand and we strive to deliver. To improve our performance in this area, we must eliminate underlying causes of service and support requests through product improvements, better order fulfillment processes, more robust self-help tools, and improved ability to accurately anticipate demand for support. Implementing any of these improvements can be expensive, time consuming and ultimately prove unsuccessful. If we do not deliver the high level of support that our customers expect for any of the reasons stated above we will lose customers and our financial results will suffer.

If we encounter problems with our third-party customer service and technical support providers our business will be harmed and margins will decline.

We outsource a substantial portion of our customer support activities to third-party service providers, most significantly to service providers in India. During fiscal 2004 we greatly increased the number of third-party customer service representatives working on our behalf and we expect to continue to rely heavily on third parties in the future. This strategy provides us with lower operating costs and greater flexibility, but also presents risks to our business, including the following:

- International outsourcing has received considerable negative attention in the media and there are indications that the U.S. Congress may pass legislation that would impact how we operate and impact customer perceptions of our service. For example, in Congress legislators have discussed restricting the flow of personal information to overseas providers and requiring representatives in foreign jurisdictions to affirmatively identify themselves by name and location;
- Customers may react negatively to providing information to and receiving support from overseas organizations;
- We may not be able to impact the quality of support that we provide as directly as we are able to in our company-run call centers;
- In recent years India has experienced political instability and changing policies that may impact our operations. In addition, for a number of years India and Pakistan have been in conflict and an active state of war between the two countries could disrupt our services; and
- We rely on a global communications infrastructure that may be interrupted in a number of ways. For example, in fiscal 2004 we had to reroute calls to India due to an underwater cable being cut in the Mediterranean Sea.

We depend upon a small number of larger retailers to generate a significant portion of our sales volume for our desktop software products.

We sell most of our desktop software products through our retail distribution channel and a relatively small number of larger retailers generate a significant portion of our sales volume. Our principal retailers have significant bargaining leverage due to their size and available resources. Any change in principal business terms, termination or major disruption of our relationship with these resellers could result in a potentially significant decline in our revenues and earnings. For example, the sourcing decisions, product display locations and promotional activities that retailers undertake can greatly impact the sales of our products. Due to its seasonal nature, sales of TurboTax are particularly impacted by such decisions and if our principal distribution sources were to elect to carry or promote competitive products our revenues would decline. The fact that we also sell our products directly could cause retailers to reduce their efforts to promote our products or stop selling our products altogether. If any of our retailers run into financial difficulties we may be unable to collect amounts that we are owed.

Selling new products may be more challenging and costlier than selling our historical products, causing our margins to decline.

Because our strategy for some of our products involves the routine introduction of new products at retail, if retailers do not offer our new products we will not be able to grow as planned. An outcome of our "Right for Me" marketing approach is the introduction of additional versions of our products. Retailers may be reluctant to stock unproven products, or products that sell at higher prices, but more slowly. Retailers may also choose to place less emphasis on software as a category within their stores. In addition, it may be costlier for us to market and sell some of our higher priced products due to our need to convey the more customer-specific value of the products to customers rather than communicating more generalized benefits. This may require us to develop other marketing programs that supplement our traditional in-store promotional efforts to sell these products to customers causing our margins to shrink. If retail distribution proves an ineffective channel for certain of our new offerings it could adversely impact our growth, revenue and profitability.

If our manufacturing and distribution suppliers execute poorly our business will be harmed.

We have chosen to outsource the manufacturing and distribution of many of our desktop software products to a small number of third party providers and we use a single vendor to produce and distribute our check and business forms supplies products. Although our reliance on a small number of suppliers, or a single supplier, provides us with

efficiencies and enhanced bargaining power, poor performance by, or lack of effective communication with, these parties can significantly harm our business. This risk is amplified by the fact that we carry very little inventory and rely on just-in-time manufacturing processes. We have experienced problems with our suppliers in the past. For example, during fiscal 2004 one of our suppliers was unable to fulfill orders for some of our software products for a number of days due to operational difficulties and communication errors. Although together we were able to mitigate the impact of that delay with minimal disruption to our business, if we experience longer delays, delays during a peak demand period or significant quality issues our business will be significantly harmed.

We are implementing new information systems which we use to manage our business and finance operations 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 existing systems that manage our business and finance operations. Due to the size and complexity of our portfolio of businesses, the conversion process is very challenging. We migrated to the new information systems in September 2004 with the upgrade of significant financial systems, order-taking systems, middleware systems (systems to allow for interoperability of different databases) and network security systems. Although the upgraded systems appear to be functioning in a stable manner and performing tasks at acceptable performance levels for our current business demands, we may still encounter difficulties as our business demands increase and as greater functionality from the systems is required. For example, the upgraded systems have not yet been subject to, and may not be able to handle, the demand peaks caused by the seasonal nature of our business. Any disruptions relating to our ongoing performance and system enhancements, particularly any disruptions impacting our operations during our second and third fiscal quarters, 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, any enhancements that are necessary may be more costly than anticipated.

Failure of our information technology systems or those of our service providers could adversely affect our future operating results.

We rely on a variety of internal technology systems and technology systems maintained by our outside manufacturing and distribution suppliers to take and fulfill customer orders, handle customer service requests, host our Web-based activities, support internal operations, and store customer and company data. These systems could be damaged or interrupted, preventing us or our service providers from accepting and fulfilling customer orders or otherwise interrupting our business. In addition, these systems could suffer security breaches, causing company and customer data to be unintentionally disclosed. Any of these occurrences could adversely impact our operations. We have experienced system challenges in the past. For example, during fiscal 2004 some of our non-critical systems were interrupted due to computer viruses that caused loss of productivity and added expense. We also experience computer server failures from time to time. To prevent interruptions we must continually upgrade our systems and processes to ensure that we have adequate recoverability – both of which are costly and time consuming. While we and our outside service partners have backup systems for certain aspects of our operations, not all systems upon which we rely are fully redundant and disaster recovery planning may not be sufficient for all eventualities.

Possession and use of personal customer information by our businesses presents risks and expenses that could harm our business.

A number of our businesses possess personal customer information. Possession and use of this information in conducting our business subjects us to regulatory burdens and potential lawsuits. We have incurred – and will continue to incur – significant expenses to comply with mandatory privacy and security standards and protocols and there is a trend toward greater regulation of privacy. For example, regulations like the recently created federal “Do Not Call List,” and actions by Internet service providers to limit communications with their subscribers may impede our ability to communicate with our customers and increase our compliance costs. Because our businesses rely heavily on direct marketing, any limitations on our ability to communicate with our customers could harm our financial results. In the past we have experienced lawsuits and negative publicity relating to privacy issues and we could face similar suits in the future. A major breach of customer privacy or security by Intuit, or even another company, could have serious negative consequences for our businesses, including direct damages that we may be required to pay as a result of a breach by us, reduced customer demand for our services and additional regulation by federal or state agencies. Although we have sophisticated network security, internal control measures, and physical security procedures to safeguard customer information, there can be no assurance that a data security breach or theft will not occur resulting in harm to our business and results of operations.

If we fail to adequately protect our intellectual property rights, competitors may exploit our innovations, which could weaken our competitive position and reduce our revenues.

Our success depends upon our proprietary technology. We rely on a combination of copyright, trade secret, trademark, patent, confidentiality procedures and licensing arrangements to establish and protect our proprietary rights. As part of our confidentiality procedures, we generally enter into non-disclosure agreements with our employees, contractors, distributors and corporate partners and into license agreements with respect to our software, documentation and other proprietary information. Effectively creating and protecting our proprietary rights is expensive and may require us to engage in expensive and distracting litigation. Despite these precautions, third parties could copy or otherwise obtain and use our products or technology without authorization. Because we outsource significant aspects of our product development, manufacturing and distribution we are at risk that confidential portions of our intellectual property could become public by lapses in security by our contractors. We have licensed in the past, and expect to license in the future, certain of our proprietary rights, such as trademarks or copyrighted material, to others. These licensees may take actions that diminish the value of our proprietary rights or harm our reputation. It is also possible that other companies could successfully challenge the validity or scope of our patents and that our patent portfolio, which is relatively small, may not provide us with a meaningful competitive advantage. Ultimately, our attempts to secure legal protection for our proprietary rights may not be adequate and our competitors could independently develop similar technologies, duplicate our products, or design around patents and other intellectual property rights. If our intellectual property protection proves inadequate we could lose our competitive advantage and our financial results will suffer.

We expect copying and misuse of our intellectual property to be a persistent problem causing lost revenue and increased expenses.

Our intellectual property rights are among our most valuable assets. Policing unauthorized use and copying of our products is difficult, expensive, and time consuming. Current U.S. laws that prohibit copying give us only limited practical protection from software piracy and the laws of many other countries provide very little protection. We may not be able to prevent misappropriation of our technology. For example, we frequently encounter unauthorized copies of our software being sold through online auction sites and other online marketplaces. In addition, efforts to protect our intellectual property may be misunderstood and perceived negatively by our customers. For example, during 2003 we employed technology to prohibit unauthorized sharing of our TurboTax products. These efforts were not effectively communicated causing a negative reaction by some of our customers who misunderstood our actions. Although we continue to evaluate technology solutions to piracy, and we continue to increase our civil and criminal enforcement efforts, we expect piracy to be a persistent problem that results in lost revenues and increased expenses.

We do not own all of the software, other technologies and content used in our products and services.

Many of our products are designed to include intellectual property owned by third parties. We believe we have all of the necessary licenses from third parties to use and distribute third party technology and content that we do not own that is used in our current products and services. From time to time we may be required to renegotiate with these third parties – or negotiate with new third parties – to include their technology or content in our existing products, in new versions of our existing products or in wholly new products. We may not be able to negotiate or renegotiate licenses on reasonable terms, or at all. If we are unable to obtain the rights necessary to use or continue to use third-party technology or content in our products and services, we may not be able to sell the affected products, which would in turn have a negative impact on our revenue and operating results.

We may unintentionally infringe the intellectual property rights of others, which could expose us to substantial damages or restrict our business operations.

As the number of our products and services increases and their features and content continue to expand, and as we acquire technology through acquisitions or licenses, we may increasingly become subject to infringement claims by third parties. We expect that software products in general will increasingly be subject to these claims as the number of products and competitors increase, the functionality of products overlap and as the patenting of software functionality continues to grow. From time to time, we have received communications from third parties in which the claimant alleges that a product or service we offer infringes the claimant’s intellectual property rights. Occasionally these communications result in lawsuits. In many of these cases, it is difficult to assess the extent to which the intellectual property right that the claimant asserts is valid or the extent to which we have any material

exposure. The receipt of a notice alleging infringement may require us to obtain a costly opinion of counsel to prevent an allegation of intentional infringement. Future claims could present an exposure of uncertain magnitude. Existing or future infringement claims or lawsuits against us, whether valid or not, may be time consuming and expensive to defend and be distracting to our developers and management. Intellectual property litigation or claims could force us to do one or more of the following: cease selling, incorporating or using products or services that incorporate the challenged intellectual property; obtain a license from the holder of the infringed intellectual property, which may not be available on commercially favorable terms or at all; or redesign our software products or services, possibly in a manner that reduces their commercial appeal. Any of these actions may cause material harm to our business and financial results.

Our acquisition activity could disrupt our ongoing business and may present risks not contemplated at the time of the transactions.

We have acquired and may continue to acquire companies, products and technologies that complement our strategic direction. For example, over the last three fiscal years we have acquired the stock or assets of several companies. These acquisitions may involve significant risks and uncertainties, including:

- inability to successfully integrate the acquired technology and operations into our business and maintain uniform standards, controls, policies, and procedures;
- distraction of management's attention away from normal business operations;
- challenges retaining the key employees of the acquired operation;
- insufficient revenue generation to offset liabilities assumed;
- expenses associated with the acquisition; and
- unidentified issues not discovered in our due diligence process, including product quality issues and legal contingencies.

Acquisitions are inherently risky, we can not be certain that our previous or future acquisitions will be successful and will not materially adversely affect the conduct, operating results or financial condition of our business. We have generally paid cash for our recent acquisitions. If we issue common stock or other equity related purchase rights as consideration in an acquisition, current shareholders' percentage ownership and earnings per share may become diluted.

If we fail to operate our outsourced payroll business effectively our revenue and profitability will be harmed.

Our payroll business handles a significant amount of dollar and transaction volume. Due to the size and volume of transactions that we handle effective processing systems and controls are essential to ensure that transactions are handled appropriately. Despite our efforts, it is possible that we may make errors or that funds may be misappropriated. In addition to any direct damages and fines that any such problems would create, which could be substantial, the loss of customer confidence in our accuracy and controls would seriously harm our business. Our payroll business has grown largely through acquisitions and our systems are comprised of multiple technology platforms that are difficult to scale. We must constantly continue to upgrade our systems and processes to ensure that we process customer data in an accurate, reliable and timely manner. These upgrades must also meet the various regulatory deadlines associated with employer-related payroll activities. Any failure of our systems or processes in critical switch-over times, such as in January when many businesses elect to change payroll service providers, would be detrimental to our business. 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. To generate sustained growth in our payroll business we must successfully develop and manage a more proactive inside and field sales operation. If these efforts are not successful our revenue growth and profitability will decline.

Interest income attributable to payroll customer deposits may fluctuate or be eliminated causing our revenue and profitability to decline.

We currently earn revenue from interest earned on customer deposits that we hold pending payment of funds to taxing authorities or to customers' employees. If interest rates decline, or there are regulatory changes that diminish the amount of time that we are required or permitted to hold such funds our interest revenue will decline.

We face a number of risks in our merchant card processing business that could result in a reduction in our revenues and profits.

Our merchant card processing service business is subject to the following risks:

- if merchants for whom we process credit card transactions are unable to pay refunds due to their customers in connection with disputed or fraudulent merchant transactions we may be required to pay those amounts and our payments may exceed the amount of the customer reserves we have established to make such payments;
- we will not be able to conduct our business if the bank sponsors and card payment processors and other service providers that we rely on to process bank card transactions terminate their relationships with us and we are not able to secure or successfully migrate our business elsewhere;
- we could be required to stop providing payment processing services for Visa and MasterCard if we or our bank sponsors fail to adhere to the standards of the Visa and MasterCard credit card associations;
- we depend on independent sales organizations that do not serve us exclusively to acquire and retain merchant accounts;
- our profit margins will be reduced if for competitive reasons we cannot increase our fees at times when Visa and MasterCard increase the fees that we pay to process merchant transactions through their systems;
- unauthorized disclosure of merchant and cardholder data, whether through breach of our computer systems or otherwise, could expose us to protracted and costly litigation; and
- we may encounter difficulties scaling our business systems to support our growth as we continue to migrate users of our QuickBooks Merchant Account Services from third-party service providers to our own systems.

Should any of these risks be realized our business could be harmed and our financial results will suffer.

Increased state tax filing mandates such as the required use of specific technologies could significantly increase our costs.

We are required to comply with a variety of state revenue agency standards in order to successfully operate our tax preparation and electronic filing services. Changes in state-imposed requirements by one or more of the states, including the required use of specific technologies or technology standards, could significantly increase the costs of providing those services to our customers and could prevent us from delivering a quality product to our customers in a timely manner.

We may be unable to attract and retain key personnel.

Much of our future success depends on the continued service and availability of skilled personnel, including members of our executive team, and those in technical, marketing and staff positions. Experienced personnel in the software and services industries are in high demand and competition for their talents is intense, especially in the Silicon Valley and San Diego, California, where the majority of our employees are located. Although we strive to be an employer of choice, we may not be able to continue to successfully attract and retain key personnel which would cause our business to suffer.

If actual product returns exceed returns reserves, or if customer rebates exceed historical amounts, our revenue would be lower.

We ship more desktop software products to our distributors and retailers than we expect them to sell, in order to reduce the risk that distributors or retailers will run out of products. This is particularly true for our Consumer Tax products, which have a short selling season and for which returns occur primarily in our fourth fiscal quarter. Like most software companies, we have historically accepted significant product returns. We establish reserves against revenue for product returns in our financial statements, based on estimated future returns of products. We closely monitor levels of product sales and inventory in the retail channel in an effort to maintain reserves that are adequate to cover expected returns. In the past, returns have not generally exceeded these reserves. However, if we do experience actual returns that significantly exceed reserves, it would result in lower net revenue. For example, if we had increased our fiscal 2004 returns reserves by 1% of non-consignment sales to retailers for QuickBooks, TurboTax and Quicken, our fiscal 2004 total net revenue would have been approximately $4 million lower. In addition, our policy of recognizing revenue from distributors and retailers upon delivery of product for non- consignment sales is predicated upon our ability to reasonably estimate returns. If we do not continue to demonstrate

our ability to estimate returns then our revenue recognition policy for these types of sales may no longer be appropriate. We also offer customer rebates as part of our selling efforts and establish reserves for payment of rebates. Historically a percentage of customers do not submit requests for their rebates. If a greater number of eligible customers seek rebates than for which we have provided reserves, our margins will be adversely affected. If rebate redemptions for our QuickBooks, TurboTax and Quicken products were to increase by 1%, our annual total net revenue would decrease by approximately $1 million.

Our insurance policies are costly, may be inadequate and potentially expose us to unrecoverable risks.

Insurance availability, coverage terms and pricing continue to vary with market conditions. We endeavor to obtain appropriate insurance coverage for insurable risks that we identify, however, we may fail to correctly anticipate or quantify insurable risks, we may not be able to obtain appropriate insurance coverage, and insurers may not respond as we intend to cover insurable events that may occur. We have observed rapidly changing conditions in the insurance markets relating to nearly all areas of traditional corporate insurance. Such conditions have resulted in higher premium costs, higher policy deductibles, and lower coverage limits. For some risks, because of cost or availability, we do not have insurance coverage. For these reasons, we are retaining a greater portion of insurable risks than we have in the past at relatively greater cost.

If we are required to account for options under our employee stock plans as a compensation expense, it would significantly reduce our net income and earnings per share.

Although we are not currently required to record any compensation expense in connection with option grants to employees that have an exercise price at or above fair market value, it is possible that future accounting pronouncements will require us to treat all employee stock options as a compensation expense. The increased compensation expense would significantly reduce our net income and earnings per share under generally accepted accounting principles.

We are frequently a party to litigation that is costly to defend and consumes the time of our management.

Due to our financial position and the large number of customers that we serve we are often forced to defend litigation. For example we are currently being sued in three actions for claims related to our election to stop supporting certain of our older product offerings. Although we believe that these cases have no merit and we are defending the matters vigorously, defending such matters consumes the time of our management and is expensive for Intuit. Even though we often seek insurance coverage for litigation defense costs, there is no assurance that our defense costs, which can be substantial, will be covered in all cases. In addition, by its nature, litigation is unpredictable and we may not prevail even in cases where we strongly believe a plaintiff's case has no valid claims. If we do not prevail in litigation we may be required to pay substantial monetary damages or alter our business operations. Regardless of the outcome, litigation is expensive and consumes the time of our management and may ultimately reduce our income.

Unanticipated changes in our tax rates could affect our future results.

Our future effective tax rates could be favorably or unfavorably affected by unanticipated changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws or their interpretation. In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition.

Our stock price may be volatile.

Our stock has at times experienced substantial price volatility as a result of variations between our actual and anticipated financial results and as a result of our announcements and those of our competitors. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market price of many technology companies in ways that have been unrelated to the operating performance of these companies. These factors, as well as general economic and political conditions, may materially adversely affect the market price of our stock in the future.

If we fail to maintain an effective system of internal controls, we may not be able to detect fraud or report our financial results accurately, which could harm our business and the trading price of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports and to detect and prevent fraud. We periodically assess our system of internal controls, and the internal controls of service providers upon which we rely, to review their effectiveness and identify potential areas of improvement. These assessments may conclude that enhancements, modifications or changes to our system of internal controls are necessary. In addition, from time to time we acquire businesses, many of which have limited infrastructure and systems of internal controls. Performing assessments of internal controls, implementing necessary changes, and maintaining an effective internal controls process is expensive and requires considerable management attention, particularly in the case of newly acquired entities. Internal control systems are designed in part upon assumptions about the likelihood of future events, and all such systems, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. If we fail to implement and maintain an effective system of internal controls or prevent fraud, we could suffer losses, could be subject to costly litigation, investors could lose confidence in our reported financial information and our brand and operating results could be harmed, which could have a negative effect on the trading price of our common stock.

We must comply with recently enacted legislation known as Section 404 of the Sarbanes-Oxley Act. Specifically, we and our independent registered public accounting firm must certify the adequacy of our internal controls over financial reporting at July 31, 2005. Identification of material weaknesses in internal controls over financial reporting by us or our independent registered public accounting firm could adversely affect our competitive position in our business, especially our outsourced payroll business, and the market price for our common stock.

Business interruptions could adversely affect our future operating results.

Several of our major business operations are subject to interruption by earthquake, fire, power shortages, terrorist attacks and other hostile acts, and other events beyond our control. The majority of our research and development activities, our corporate headquarters, our principal information technology systems, and other critical business operations are located near major seismic faults. We do not carry earthquake insurance for direct quake-related losses. Our operating results and financial condition could be materially adversely affected in the event of a major earthquake or other natural or man-made disaster.

Caution Regarding Forward-Looking Statements

This Report contains forward-looking statements. These forward-looking statements include our statements regarding the following: the assumptions underlying our Critical Accounting Policies, including our estimates regarding product rebate and return reserves; our belief that revenue growth for our products is slowing due to market maturation; our plans to mitigate slowing revenue by developing and introducing new products and services; our belief that our income tax valuation allowance is sufficient; our expectation that we may use cash for future acquisitions of technology and businesses; and our expectation that our cash, cash equivalents and short-term investments will be sufficient to meet our working capital and capital expenditure needs for the next 12 months.

We caution investors that forward-looking statements are only predictions based on our current expectations about future events and are not guarantees of future performance. Our actual results, performance or achievements could differ materially from those expressed or implied by the forward-looking statements due to risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include the following: the impact of intense competition in our business; difficulty in developing and introducing new products and services effectively; failure of customers to adopt our new products as expected; difficulties with suppliers and distribution channels; challenges associated with upgrading and integrating our information systems; unanticipated increases in customer rebate and return rates; significant impairment charges due to past acquisitions; and taxing authorities may challenge our tax positions. In addition, the risks and uncertainties that are discussed in this Item 2 under the caption *"Risks That Could Affect Future Results"* may also impact these forward-looking statements. We encourage you to read that section carefully along with the other information provided in this Report 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.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Short-Term Investment and Funds Held for Payroll Customers Portfolio

We do not hold derivative financial instruments in our portfolio of short-term investments and funds held for payroll customers. Our short-term investments and funds held for payroll customers 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 by limiting our short-term investments and funds held for payroll customers with any individual issuer.

Interest Rate Risk

Our cash equivalents and our portfolio of short-term investments and funds held for payroll customers are subject to market risk due to changes in interest rates. Interest rate movements affect the interest income we earn on cash equivalents, short-term investments and funds held for payroll customers and the value of those investments. Should interest rates increase by 10% from the levels of October 31, 2004, the value of our short-term investments and funds held for payroll customers would decline by approximately $0.5 million. Should interest rates increase by 100 basis points from the levels of October 31, 2004, the value of our short-term investments and funds held for payroll customers would decline by approximately $3.2 million.

Impact of Foreign Currency Rate Changes

The functional currency of our international operating 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 $3.1 million in fiscal 2004. In the third quarter of fiscal 2004, we converted a significant portion of our Canadian intercompany balances to long-term investments in that subsidiary, which reduced our exposure to fluctuations in foreign exchange rates. We recorded a foreign currency exchange gain of $0.4 million in the first quarter of fiscal 2005. 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 October 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

In September 2004 we completed an upgrade of the information systems that we use to accumulate financial data used in financial reporting. We utilized this new system to generate financial statements for our fiscal quarter ended October 31, 2004. The upgrade was not made in response to any deficiency in our internal controls. Other than our system upgrade, which we believe enhances our system of internal controls, there was no change in our system of internal control over financial reporting during our first 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

Muriel Siebert & Co., Inc. v. Intuit Inc., Index No. 03-602942, Supreme Court of the State of New York, County of New York.

On September 17, 2003, Muriel Siebert & Co., Inc. filed a complaint against Intuit alleging 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, California seeking arbitration of all claims asserted by both parties. The Appellate Division of the Supreme Court of the State of New York has ruled that the matter should proceed in the New York state courts, but the matter is stayed while the court considers Intuit's further appeal. Intuit believes this lawsuit is without merit and intends to defend the litigation vigorously in whichever forum it ultimately proceeds.

Intuit/Quicken Sunsetting Litigation, Master File No. 1-04-CV-016394, Superior Court of California, County of Santa Clara (Anthony Flannery v. Intuit Inc., et al, Civil No. 1-04-CV-016394 and Daniel J. Mason v. Intuit Inc., et al, Civil No. 1-04-CV-018345).

On or about March 19, 2004, plaintiff Anthony Flannery, on his behalf and on behalf of a class of persons allegedly similarly situated, filed a complaint against Intuit in Santa Clara Superior Court, alleging that Intuit's retirement of certain services and live technical support associated with its Quicken 1998, Quicken 1999 and Quicken 2000 products constituted a breach of express and implied warranties and violated sections 17200 and 17500 of the California Business and Professions Code, as well as the Consumer Legal Remedies Act. The complaint seeks certification as a class action, as well as unspecified compensatory and punitive damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees from Intuit.

On or about April 21, 2004, plaintiff Daniel Mason, on his behalf and on behalf of a class of persons allegedly similarly situated, filed a complaint against Intuit in Santa Clara Superior Court making allegations virtually identical to those of Anthony Flannery. On July 14, 2004, the Court consolidated the two cases pursuant to stipulation of the parties.

On July 29, 2004, plaintiffs filed a consolidated First Amended Complaint. On October 8, 2004, Intuit responded to plaintiffs' First Amended Complaint by filing demurrers. By Order dated November 12, 2004, the Court granted the demurrers and dismissed all counts of the First Amended Complaint, holding that the plaintiffs failed to state a claim upon which relief could be granted. The Court allowed plaintiffs until December 10, 2004 to file a Second Amended Complaint and counsel for the plaintiffs has indicated an intent to make such a filing. If plaintiffs file a Second Amended Complaint, Intuit will defend the litigation vigorously.

Cynthia Belotti v. Intuit Inc., et al, Civil No. 1-04-CV-020277, Superior Court of California, County of Santa Clara.

On or about May 24, 2004, plaintiff Cynthia Belotti, on her behalf and on behalf of a class of persons allegedly similarly situated, filed a complaint against the Company in Santa Clara Superior Court, alleging that Intuit's retirement of certain add-on business services and live technical support associated with its QuickBooks 2001 and QuickBooks 2002 products constituted a breach of express and implied warranties and violated sections 17200 and 17500 of the California Business and Professions Code. The complaint sought certification as a class action, as well as damages, disgorgement of profits, restitution, injunctive relief and attorney's fees from Intuit.

On or about July 13, 2004, plaintiff filed a First Amended Complaint that added Ental Precision Machining, Inc., as plaintiff; plaintiffs' counsel has also dismissed without prejudice all claims on behalf of Cynthia Belotti. On October 8, 2004, Intuit responded to plaintiff's First Amended Complaint by filing demurrers. By Order dated November 12, 2004, the Court granted the demurrers and dismissed all counts of the First Amended Complaint, holding that plaintiff failed to state a claim upon which relief could be granted. The Court allowed plaintiff until December 10,

2004 to file a Second Amended Complaint and counsel for the plaintiff has indicated an intent to make such a filing. If plaintiff files a Second Amended Complaint, Intuit will defend the litigation vigorously.

Other Litigation Matters

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, including assertions that we may be infringing patents or other intellectual property rights of others. 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 cash flows. We also believe that we would be able to obtain any necessary licenses or other rights to disputed intellectual property rights on commercially reasonable terms. 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, negative publicity, diversion of management resources and other factors. Our failure to obtain necessary license or other rights, or litigation arising out of intellectual property claims could adversely affect our business.

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ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Stock repurchase activity during the three months ended October 31, 2004 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans
August 1, 2004 through August 31, 2004	1,200,032	$42.03	1,200,000	$449,565,950
September 1, 2004 through September 30, 2004	2,747,000	$43.73	2,747,000	$329,439,302
October 1, 2004 through October 31, 2004	—	$ —	—	$329,439,302
Total	3,947,032	$43.21	3,947,000	

Notes:

1. All shares repurchased as part of publicly announced plans during the three months ended October 31, 2004 were purchased under Repurchase Plan IV. This plan was announced on May 19, 2004 and expires on May 17, 2007.

2. On August 31, 2004, we repurchased 32 shares at that day's Nasdaq closing price of $42.29 per share to provide a former officer with funds to satisfy federal and state tax obligations due to his vesting in 87 shares under our stock compensation programs. These shares were not repurchased as part of publicly announced plans.

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ITEM 5 OTHER INFORMATION

ADOPTION OF INTUIT INC. 2005 EQUITY INCENTIVE PLAN

Intuit's stockholders approved the adoption of the Intuit Inc. 2005 Equity Incentive Plan at Intuit's Annual Meeting of Stockholders held on December 9, 2004. The 2005 Plan became effective upon stockholder approval. It replaces Intuit's 2002 Equity Incentive Plan, 1998 Plan for Mergers & Acquisitions (a non-stockholder approved plan) and 1996 Directors Stock Option Plan, each of which terminated when the 2005 Plan was approved by stockholders.

The 2005 Plan reserves 6,500,000 shares of Intuit's Common Stock for equity awards granted under it. The 2005 Plan limits the maximum number of shares that may be issued as discount equity awards to 2,000,000 over the life of the 2005 Plan. The 2005 Plan has a two year term. This means that Intuit may grant equity awards under it until December 9, 2006. The 2005 Plan prohibits Intuit from repricing equity awards without first going to stockholders for approval.

Employees, officers, directors, independent contractors, consultants and advisors of Intuit and its majority-owned subsidiaries are eligible to receive awards under the 2005 Plan. The Compensation and Organizational Development Committee determines which eligible individuals receive awards and the terms and conditions of the awards and may delegate its authority to grant awards. The Compensation Committee has delegated the authority to grant certain options to the Chief Executive Officer and certain other officers. Individuals who are granted awards are called "participants".

Intuit may grant five types of awards under the 2005 Plan — stock options (both incentive and nonqualified), stock appreciation rights (settled in cash or stock), restricted stock awards, restricted stock units and stock bonuses.

Intuit may grant both incentive and nonqualified stock options under the 2005 Plan. Intuit may grant nonqualified stock options (called "NQSOs") to any individual eligible to participate in the 2005 Plan. Intuit may grant incentive stock options (called "ISOs") only to employees of Intuit or its majority-owned subsidiaries. Intuit almost exclusively grants NQSOs with exercise prices that are no less than the fair market value of Intuit's Common Stock at the time of grant. The participant pays Intuit the exercise price when she or he exercises the option. The 2005 Plan permits several payment methods in addition to cash. It allows a participant to use a broker to exercise via a same-day-sale transaction.

The options Intuit has granted become exercisable as they vest. Generally, options vest over three years. If an employee who has been actively employed at Intuit for one year or more dies or becomes totally disabled, his or her option will become fully vested.

Intuit may grant stock appreciation rights (called "SARs") to any individual eligible to participate in the 2005 Plan. Like stock options, the value to employees of an SAR is the difference between the trading price of Intuit stock and the exercise price. Unlike options under which the participant pays the exercise price to receive the shares, on exercise of a SAR, the participant receives only the difference between the exercise price and the trading price of the stock in stock or in cash.

Intuit may grant restricted stock units (called "RSUs") to any individual eligible to participate in the 2005 Plan. Intuit may issue stock or cash on settlement of an RSU. This stock or cash is issued only if the RSU vests. Intuit may grant RSU awards that allow an employee to defer issuance of the shares or cash to a date after vesting.

Restricted stock awards allow participants to purchase shares of stock from Intuit. Intuit may impose vesting restrictions on the shares purchased that lapse over time or as certain performance goals are met.

Stock bonus awards allow participants to receive shares either as compensation for past services to Intuit or if certain performance goals are met. Intuit can pay stock bonus awards in shares or cash.

The 2005 Plan contains two provisions that enable it to meet the performance-based exception to the $1,000,000 deductibility limits on compensation under Section 162(m) of the Internal Revenue Code. First, no more than 3,000,000 shares may be made subject to awards granted to an individual in the year of his or her hire. Second, no

more than 2,000,000 shares may be made subject to awards granted to any individual in any other year. In addition, the Compensation Committee members who may make awards to officer employees are all “outside directors” within the meaning of Section 162(m).

If Intuit were acquired and the acquiring corporation did not assume or replace the awards granted under the 2005 Plan, all outstanding awards would become fully vested and would terminate at the time the acquisition closed. If the acquiring corporation assumed the awards and then terminated the employment of an individual holding an option granted under the 2005 Plan within one year following the acquisition, the employee would accelerate in one year of vesting. If Intuit were to liquidate or dissolve, all outstanding options would become fully vested and would then terminate at the time of the dissolution or liquidation.

The Board or the Compensation Committee may terminate or amend the 2005 Plan. Neither the Board nor the Compensation Committee may amend the 2005 Plan in a manner requiring stockholder approval under the Internal Revenue Code or the Securities Exchange Act without first obtaining stockholder approval. Outstanding awards cannot be amended without the participant’s consent.

AUTOMATIC STOCK OPTION GRANTS TO NON-EMPLOYEE DIRECTORS UNDER 2005 EQUITY INCENTIVE PLAN

On December 9, 2004, the date Intuit’s stockholders approved the 2005 Equity Incentive Plan, Intuit automatically granted three compensatory stock options pursuant to Section 10 of the Plan entitled “Automatic Grants to Non-Employee Directors.” In accordance with the non-discretionary grant formula set forth in Section 10.3 of the Plan, the following members of Intuit’s Board of Directors each received a stock option grant for 15,000 shares: Christopher Brody, L. John Doerr and Michael Hallman. In accordance with Section 10.7(b) of the Plan, which sets forth the non-discretionary vesting schedule for these grants, the options become exercisable as they vest over two years, as to 50% of the shares on December 9, 2005, the first anniversary of the date of grant and as to an additional 4.1666% of the shares each month thereafter, so long as the non-employee director continuously remains a director or consultant of Intuit. The exercise price per share of the options is the closing price of Intuit’s common stock on the NASDAQ National Market on the December 9, 2004 date of grant.

2005 EXECUTIVE DEFERRED COMPENSATION PLAN

Intuit Inc.’s Compensation and Organizational Development Committee adopted the 2005 Executive Deferred Compensation Plan (the “Plan”) on December 7, 2004. The Plan is effective January 1, 2005.

The Plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of management or highly compensated employees, within the meaning of Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974. The Plan is intended to comply with Internal Revenue Code Section 409A and any regulatory or other guidance issued under that section. At the time Intuit adopted the Plan, the Department of Treasury had not yet issued regulations under Section 409A. Once such guidance is issued, the Plan provides that Intuit will conform it to the requirements of Section 409A.

U.S. based officers and director level employees with annual targeted cash compensation of at least $140,000 are eligible to participate in the Plan. The Plan allows these eligible executives to defer up to 50% of their base salary and up to 100% of their bonus and commissions. The Plan allows Intuit to make discretionary employer contributions on behalf of an eligible executive. Intuit may subject these discretionary employer contributions to a vesting schedule.

An eligible executive may make a deferral election for compensation that would otherwise be payable during a subsequent calendar year by filing a participation agreement on or before a date established by Intuit. This date must be before the end of the calendar year that precedes the calendar year in which compensation would otherwise be paid. The first deferral elections permitted under the Plan are those made in calendar 2004 for compensation that would otherwise be payable in calendar year 2005. Executives who become eligible for the Plan during a calendar year in which the compensation would otherwise be payable will have 30 days in which to file a participation agreement for that calendar year. The participation agreement will be effective only with regard to compensation for services performed after Intuit receives the participation agreement.

A participant will be fully vested in his deferral account. Deferrals will be part of Intuit's general assets and will generally be informally funded in Intuit owned life insurance policies. They may be placed in a grantor trust established by Intuit, but all trust assets remain general assets of Intuit and are subject to the claims of Intuit's creditors.

Payments from the Plan will be made in accordance with Section 409A. To that end, distributions will be made pursuant to the distribution election made by the eligible executive at the time he makes his deferral election. The individual may elect an in-service withdrawal in one lump sum or annual payments over four years, with a payment commencement date at least two years from the date of the deferral. The individual may elect a retirement withdrawal which would provide for payment in annual installments over two, five or ten years. Retirement is defined as age 55 with five years of service. The individual may elect a termination withdrawal. Participants with less than five years of service or an account of under $20,000 will have their accounts distributed in a lump sum. Participants with five or more years of service will have their accounts distributed in accordance with their termination election in a lump sum or in annual installments over two or five years. Distributions following termination of employment may begin no earlier than six months following the individual's termination date.

The Plan does not permit a participant to change the date payments will be made, unless the participant has an unforeseeable emergency. The Employee Benefits Administrative Committee of Intuit is the committee that administers the Plan. If the Committee determines that the participant has had an unforeseeable emergency, as defined in accordance with Section 409A's requirements, the participant may receive a lump sum distribution limited to the amount needed to satisfy the unforeseeable emergency.

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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	Amendment to Master Agreement between Intuit and Modus Media International, Inc. dated November 1, 2000
10.02#	Amendment to Amended and Restated Services Agreement effective as of September 11, 2001 between Intuit and Ingram Micro Inc.
10.03+	Intuit Inc. 2002 Plan Option Grant Agreement between Stephen M. Bennett and Intuit Inc. dated July 31, 2004
10.04+	Intuit Inc. 2002 Equity Incentive Plan Stock Bonus Agreement – Restricted Stock Units – between Stephen M. Bennett and Intuit Inc. dated July 31, 2004
10.05+	Intuit Inc. 2005 Equity Incentive Plan
10.06+	2005 Equity Incentive Plan Form of Non-Qualified Stock Option – New Hire, Promotion or Retention Grant
10.07+	2005 Equity Incentive Plan Form of Non-Qualified Stock Option – Focal Grant
10.08+	2005 Equity Incentive Plan Form of Restricted Stock Unit Award – Executive Stock Ownership Program Matching Unit
10.09+	2005 Equity Incentive Plan Form of Non-Qualified Stock Option – Stephen Bennett Grant
10.10+	2005 Equity Incentive Plan Form of Non-Employee Director Option – Initial Grant
10.11+	2005 Equity Incentive Plan Form of Non-Employee Director Option – Succeeding Grant
10.12+	2005 Equity Incentive Plan Form of Non-Employee Director Option – Committee Grant
10.13+	Intuit Inc. 2005 Executive Deferred Compensation Plan, effective January 1, 2005
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)

\+ Indicates a management contract or compensatory plan or arrangement

\# 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.

* 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.

Report(s) on Form 8-K filed during the first quarter of fiscal 2005:

1. On August 18, 2004, Intuit filed a report on Form 8-K to report under Item 12 its financial results for the quarter and fiscal year ended July 31, 2004, and to list under Item 7 a press release furnished with the filing. Intuit’s statement of operations and balance sheet for the fourth quarter and the fiscal year were included with the press release that is an exhibit to the report.

SIGNATURES

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

INTUIT INC.
(Registrant)

Date: December 10, 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

Amendment
To Master Agreement

This Amendment to the Master Agreement shall have an effective date of August 22, 2003, and is by and between Intuit Inc. ("Intuit") and Modus Media International, Inc. ("MMI")

WHEREAS, Intuit and MMI are parties to a Master Agreement dated November 1, 2000 and a Statement of Work (labeled "2001 Intuit & MMI Statement of Work") thereunder (the "Original SOW"); and

WHEREAS, the "2001 Intuit & MMI Statement of Work" was amended by a document dated July 25, 2002, and that statement of work, as amended thereby, is referred to herein as the "Existing SOW"; and

WHEREAS, Intuit and MMI desire to make certain amendments to the Master Agreement and replace the Existing SOW with a new Statement of Work, as set forth herein,

NOW THEREFORE, Intuit and MMI hereby agree as follows:

1. Revisions to Master Agreement. The following sections of the Master Agreement are revised as follows:

   (a) Section 2.4, Quarterly Reviews: Add the following at the end of the first clause:

   "Both parties agree to a Quarterly Scorecard including a risk/reward compensation plan for evaluating MMI performance with respect to the agreed Six Sigma format set forth in the applicable SOW. As a result of applying the risk/reward plan, additional payments or credits may be due MMI or Intuit."

   (b) Add the following as Section 2.6, Annual Pricing Review:

   "Both parties agree to review annually the fees/prices paid by Intuit and to negotiate in good faith any fee/pricing adjustments. MMI agrees to seek continuous improvement in value engineering, vendor sourcing/component procurement processes and equipment to gain efficiency, which could result in downward pricing.

   (c) Invoicing & Payment, Section 5.1: Delete in its entirety and replace with:

"MODUS MEDIA will invoice INTUIT as services are rendered, but not less than weekly. MODUS MEDIA will provide separate accurate and timely invoices for operations in Carol Stream, Illinois, Lindon, Utah and Raleigh, North Carolina, and any other operating divisions performing services for INTUIT. In addition, MODUS MEDIA will bill and INTUIT will pay for Related Services and such other charges provided for herein as incurred. Charges for Related Services not specifically provided for in this Agreement or the Statement of Work MUST have prior written approval from INTUIT, otherwise INTUIT is under no obligation to pay such charges. INTUIT will pay MODUS MEDIA for goods or services provided satisfactorily, upon the following terms: One percent (1%) early payment discount within ten (10) days of receipt of a valid invoice; net thirty (30) days from receipt of the invoice, unless otherwise set forth in the applicable SOW or supplemental Purchase Order, in the event of a disputed invoice, INTUIT will promptly notify MODUS MEDIA of the dispute. Intuit will promptly pay such disputed invoice once such dispute is resolved to Intuit's reasonable satisfaction."

(d) Article 11, Provisions: Add the following as a new Section 11.16, Non-Exclusive Agreement:

"This Agreement is a nonexclusive agreement. Intuit expressly reserves the right to contract with others for any or all of the products or services that Intuit may require."

All subsequent Sections have their numbers changed accordingly.

2. Master Agreement Term. The term of the Master Agreement ("Term") commenced on November 1, 2000, and the parties agree that it shall continue through July 31, 2006 ("Initial Term"), unless earlier terminated as provided in the Master Agreement. The Master Agreement will automatically extend for successive one (l)-year terms ("Extension Terms"), unless earlier terminated as provided therein.

3. First Amendment. "The FIRST AMENDMENT TO MASTER AGREEMENT between INTUIT, INC. and MODUS MEDIA INTERNATIONAL, INC." effective August 8, 2001, is deleted in its entirety. Both parties agree that the use of the Ghost Card identified in the First Amendment has terminated effective August 1, 2003.

4. Statement of Work. The Existing SOW is replaced with the "2003/2004 Intuit & Modus Statement of Work" executed as of the date of this Amendment.

As modified hereby, the Master Agreement shall remain in full force and effect.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have signed this Amendment to Statement of Work as of the date set forth above:

INTUIT INC.

By: /s/ SCOTT BETH

Name: Scott Beth
Title: Vice President, Procurement

MODUS MEDIA INTERNATIONAL

By: /s/ DANIEL BECK

Name: Daniel Beck
Title: President, Americas

Exhibit 10.02
CONFIDENTIAL TREATMENT REQUESTED

AMENDMENT TO AMENDED AND RESTATED SERVICES AGREEMENT
EFFECTIVE AS OF SEPTEMBER 11, 2001 BY AND BETWEEN
INTUIT INC. AND INGRAM MICRO INC. (the "Agreement")

The above referenced Agreement is hereby modified and amended as of December 1, 2003, as follows:

Section 6, Reviews, (b) is amended to add the following:

> Effective 2/1/04, the maximum amount of Quarterly Review Payouts will be * annually, based on Vendor's performance across all SLA's included in the Quarterly Review Form. Quarterly Reviews may also result in monetary penalty to Vendor if performance ratings fall below agreed upon service levels. The maximum penalty to be assessed will be * annually based on Vendor's performance across all SLA's Included in the Quarterly Review Form.

Section 8, Term/Termination, (a) is amended: Unless otherwise terminated in accordance with this Agreement, the term of this Agreement shall begin on the Effective Date and will continue thru September 10, 2006,

1. Exhibit B is deleted and replaced by "Exhibit B (December 1, 2003)" attached to this Amendment.

2. Exhibit C is deleted and replaced by "Exhibit C (December 1, 2003)" attached to this Amendment.

3. Exhibit D is deleted in its entirety.

4. Exhibit E is deleted and replaced by "Exhibit E (December 1, 2003)" attached to this Amendment.

All other terms and conditions of the Agreement shall remain unchanged.

INGRAM MICRO INC.

By: /s/ BRYAN C. MOYNAHAN

Name: Bryan C. Moynahan
Title: Vice President/General Manager

INTUIT INC.

By: /s/ M. ROENIGK

Name: Mark Roenigk
Title: Vice President, Supply Chain Operations

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 (SEC). We omitted such portions from this filing and filed them separately with the SEC.

Exhibit B Payments and Fees
(Effective Dec 1, 2003)

Monthly Fixed Cost

- Logistics Program Services and Support $ *
  - Program Management
  - Order Management/ Customer Service
  - IT Project Management
  - Inventory Reconciliation Services
  - IPMG/ Postponement/ Rework Management
  - Program Accounting/ GL/ Reporting Analysis
  - Operations Support
  - Telephone / Fax

LEGAL

  - Telecom Maintenance
  - Occupancy
  - Corporate overhead
  - Allocations to variable cost

Variable Cost

- Pick, pack and Ship (per unit) $ *
- Pick, pack and Ship (per unit) RUSH $ *
- Returns - Software (per unit) $ *
- Returns - POS Hardware (per unit) $ *
- Product Destruction (per Ib.) $ *
- Pallet Storage per month* *
- Labor rates for *

  -Between 8 and 5 p.m. (local time) Mon. thru Fri. *

  -Overtime (Greater than 40 hours - Mon. thru Frl., Weekends) *
- Other expenses and travel cost for * Cost *
- Materials and Corrugate shall be * and shall be
subject to change. Intuit shall purchase * from Vendor *.

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Rework Pricing

Pricing is based on historical rework scenarios fulfilled by IML for Intuit.

Rework Pricing	Remove Sticker	Apply Promo Sticker	Apply UPC Label	Apply Pilfer Seal	Apply Price Level	Remove/ Replace Inserts	New Master Carton	Apply Master Carton Label	Apply Velcro Loop	Apply Sensormatic tag	Display Pallet Breakdown	Locate and Remove Rebate Coupon	Salvage Master Carton	Locate Rebate Coupon	Weight Product (internal contents)	Per Unit
Scenario	X	X														$ *
Scenario				X		X		X								$ *
Scenario			X	X		X		X	X	X						$ *
Scenario											X					$ *
Scenario													X			$ *
Scenario		X														$ *
Scenario	X	X	X	X								X				$ *
Scenario	X	X				X						X				$ *
Scenario		X	X		X											$ *
Scenario			X		X			X								$ *
Scenario				X		X								X		$ *
Scenario															X	$ *
Scenario														X		$ *
Scenario			X		X		X									$ *

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Exhibit C

Service Level Commitments

Beginning February 1, 2004, IML shall be required to perform the Services in accordance with the Service Level Commitments described in this Exhibit C.

Order Management & Customer Service

- * of orders will be printed (released to the warehouse) on the same business day received. This calculation will exclude all exception orders such as new store opening, future dated orders, ship completes, backorders, and pallet orders.

- * of all electronic proof of delivery (ePOD) data that is provided by the carriers (that have existing EDI 214 connections with IML) will be delivered to Intuit within * of report availability from carrier to IML.

- * of all manual proof of delivery (POD) information (from those carrier shipments that are not provided in the ePOD report) will be delivered to Intuit within * of delivery notification from carrier to IML.

- IML response to customer shipment claim inquiries (as defined in the Statement of Work) is no more than *from the time IML receives the customer inquiry as long as total claims per day does not exceed
  * IML will provide fnal resolution (acceptance or denial) on
  * of all claims within * business days as long as total claims per day does not exceed *.

- * of all RMAs created by IML Customer Service, keyed into IML's system, will be accurate.

- No more than * of order failures within Intuit's fiscal month as a result to IML retailer set up.

Fulfillment Services

- * On-Time Fulfillment: Provided IML has adequate Inventory to fulfill the order, and provided the order is received before the * Cut-Off Time (Warehouse, Local Standard Time) during *, and/or * Cut-Off Time (Warehouse, Local Standard Time) during *, IML will process * of all printed orders on the business day received unless daily volume exceeds * in the * facility and * in the * facility. Printed orders *in* excess of these amounts will be given an additional business day for processing. This calculation will exclude all exception orders such as new store opening, future dated orders, ship completes, backorders, and pallet orders. * of those orders released after the * (Local Standard Time) Cut-Off Time will be processed by IML by the Cut-Off Time on the following business day.

- * Fulfillment Accuracy: IML's Shipping Operation will accurately fulfill Orders. Fulfillment accuracy is calculated by adding the total approved short ship units (code SS) + over ship units (code OS) + warehouse picking error units (code WW) and dividing the sum by total units shipped

- * On Time Delivery to Intuit's customers * . Exclusions from this calculation are specified in SLA 1.0, On-Time Delivery.

Schedule of defects for On Time Delivery by number of shipments per month

* On Time Delivery	= Acceptable
* On Time Delivery	= Corrective Action 1
* On Time Delivery	= Corrective Action plus * reduction in Freight Savings Gain Share opportunity (ex. *)

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1 "Corrective Action" means that IML will take the appropriate action described in the Corrective Action Response Process set

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ERP and IT Integration

- * up time for any IML-operated FTP site used for scheduled business transactions for Intuit and or its business partner(s)
- Turnaround time of no more than * for an EDI997 response to an Intuit EDI850 transaction
- * Advanced Ship Notice (ASN/EDI856) accuracy as measured by Intuit is based on the number of shipping lines on the ASN files each day and the number of errors within those lines of data as transmitted by IML. Intuit will measure this on a monthly basis.
- No more than * within a given month where IML business applications fail to process or send scheduled transactions.
- IML will communicate any IML system failures affecting Intuit, and provide to Intuit updates as to the status of such failures based on the following escalation procedure:

Priority Level	Description	Escalate After	First Update to Customer
P1	Production system is down; unable to conduct business or possibility of immediate severe financial impact to business	*	1 hour from time of original call
P2	Production system partially Impacted; business continues; some financial impact possible	*	2-3 hours from time of original call
P3	Minimal Impact to production systems	*	Within 24 hours

* IML will notify Intuit once per day of all rejected orders on the FTP EDI acknowledgment report (EDP945), which will be posted, to the Intuit/IML FTP site nightly. In addition, IML will notify Intuit within 3 business hours of any order that is rejected the same day it has been received by IML

* No less than * uptime of online access to IML's system (IMPulse / IMFirst / Cyclone) during regular business hours due to an IML systemic failure. IML will notify Intuit a minimum of 48 hours prior to any Scheduled Downtime (as defined herein) to IML's systems (IMPulse / IMFirst / Cyclone).

* IML will ensure Impulse up time * during the term excluding Scheduled Down time for batching and end of fiscal month activity as follows:

For purposes of these Service Level Commitments, "Scheduled Downtime" for IML's CAPS and the WEB systems include downtimes that affect Intuit's access to real time pricing and availability, ordering, order status and RMA status; provided that such downtimes occur during the following times:

Monday thru Friday — Midnight to 4 AM PST
Saturday – 8 PM to Midnight
PST Sunday — All day

Scheduled Downtime shall also include the following times:

IML's system shuts down on Saturday at 3 PM PST until Monday at 4 AM PST on month end Saturdays, based on a 4-4-5 fiscal calendar. These dates are reflected in the following schedule for IML fiscal year 2004:

January 3, 2004
January 31, 2004
February 28,2004
April 3, 2004
May 1, 2004
May 29, 2004
July 3, 2004
July 31, 2004
August 28, 2004
October 30, 2004
November 27, 2004

January 1, 2005

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IML will publish scheduled downtime dates for years 2005 & 2006 as they become available.

These additional periods of Scheduled Downtime are necessary because IML performs batch processing for its fiscal month ends and shuts down its systems during these times.

Orders received during downtimes will be queued and processed when the system is available.

- IML must meet a minimum of * on-time for all Small Enhancements and Project Milestones within a month.
- IML must meet a minimum on-time performance of * for all testing per the Testing Category Descriptions as described in SLA 13.0 "On-Time Retail Customer Requirements Testing".

Report Capabilities & Metrics

- * of all reports as described in Attachment G will be provided to Intuit on time. IML will make best faith efforts to provide daily, automated reports per the agreed-upon timing.
- Intuit will rely upon * accuracy for all IML produced reports for all active daily or informational reports as described in Attachment G. IML will perform self-audits to ensure accuracy and inform Intuit immediately of any defects and provide Intuit with a corrective action plan within *. Intuit may conduct random audits to ensure compliance.

Intuit Discovered Defects per month	
*	= Acceptable
*	= Corrective Action
*	= Corrective Action plus * reduction in Freight Savings Gain Share opportunity each month

- Timeliness of reports. Daily FTP files to be available prior to 6:00 AM PST and the weekly FTP files to be available prior to 6:00 AM PST Monday mornings.
- Reports covered by these Service Level Commitments are described in Attachment G of the Statement of Work.

Warehousing & Inventory Management

- * Product SKUs will be set up accurately All SKUs are set up based on Intuit-provided information/SkU set up documentation. Inaccurate SKU set up includes but is not limited to, incorrect product description, incorrect assignment to vendor code (Intuit Business Unit), and duplicated SKUs (2 or more of the same SKU set up in IML's system).
- * Inventory Shrinkage Accuracy based on twice yearly physical audits and calculated based on total SKU level net physical Inventory adjustments in units divided by total inventory movement in units from the previous physical inventory date. IML will resolve any Inventory discrepancy within * and report back data, root cause and solution to Intuit.
- * Inventory Accuracy based on daily cycle count/shortages. IML will resolve any Inventory discrepancy within * and report back data, root cause and solution to Intuit.
- No more than * of all Intuit's contract manufacturer's Less than Truckload (LTL) and Truckload (TL) orders arriving no more than * business days for Replenishment and, upon Intuit's request, * for expedited orders from Intuit's contract manufacturer's facility to IML's distribution center and as scheduled below.
    - Intuit's contract manufacturer located in *
    - Intuit's contract manufacturer located in * (except *, which will be *)

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Countdown to measure this service level will start *. Shipment date = day 0. Corrective action is as follows in the schedule below. *

Returns Management

- * Warehouse Processing Accuracy on returns reconciliation is calculated on total Intuit-approved return unit discrepancies (code RT) divided by total return unit inventory movement.
- * of all data collection for door logging of all inbound RMA's, inclusive of shipping ID number for audit purposes
- Returns Cycle Time: No more than * business days to process Intuit returns from the date of IML's receipt of such returns.

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*

Exhibit E

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 (SEC). We omitted such portions from this filing and filed them separately with the SEC.

Exhibit 10.03
Grant No. 00046129

INTUIT INC. 2002 PLAN OPTION GRANT AGREEMENT

Intuit Inc., a Delaware corporation (the "Company"), hereby grants you a stock option ("Option"), pursuant to the Company's 2002 Equity Incentive Plan, as amended through July 30, 2003 (the "Plan"), to purchase shares of the Company's Common Stock, $0.01 par value per share ("Common Stock"), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant:	**Stephen M. Bennett**
Employee ID:	
Address:	
Number of Shares:	**225,000**
Type of Option:	**Non-qualified Stock Option**
Exercise Price Per Share:	**$37.4400**
Date of Grant:	**07/31/2004**
First Vesting Date:	**07/31/2005**
Expiration Date:	**07/30/2011**
Vesting Schedule:	So long as you are providing services to the Company, 33 1/3% of the Shares will vest on the First Vesting Date; then 2.778% of the Shares will vest on each monthly anniversary of the First Vesting Date until 100% vested. On your Termination, the Option will cease to vest unless (a) your Termination occurs due to your death or Total Disability, in which case the Option will accelerate in full or (b) your Termination occurs within twelve months following a Corporate Transaction, in which case the Option will accelerate as to an additional twelve months. Following your Termination, you may exercise the Option (1) for a period of one year following the date of your Termination for reasons other than your death or for Cause (as defined in your July 30, 2003 Employment Agreement); (2) for a period of eighteen months following the date of your Termination due to your death or if you die within three months of your Termination; and (3) for a period of ninety days following your Termination for Cause. Vesting may also be suspended in accordance with Company policies, as described in Section 5.6 of the Plan.

To exercise this Option, you must follow the exercise procedures established by the Company, as described in Section 5.5 of the Plan. This Option may be exercised only with respect to vested shares. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, if a public market exists for the Company's Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 8.1 of the Plan). Upon exercise of this Option, you understand that the Company may be required to withhold taxes.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 11 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus is available on the stock options pages of the Intuit Legal Department intranet web site or by calling Sharon Savatski, the Company's Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: /s/ ROBERT B. HENSKE
Robert B. Henske, Senior Vice President
and Chief Financial Officer

PARTICIPANT'S ACCEPTANCE

I accept this Agreement and agree to the terms and conditions in this Agreement and the Plan. I acknowledge that I have received a copy of the Company's 2002 Equity Incentive Plan, and I understand and agree that this Agreement is not meant to interpret, extend, or change the Plan in any way, nor to represent the full terms of the Plan. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan as interpreted by the Company, the provisions of the Plan shall apply.

Signed: /s/ STEPHEN M. BENNETT

Exhibit 10.04
Award No. 00046130

INTUIT INC. 2002 EQUITY INCENTIVE PLAN
STOCK BONUS AGREEMENT

RESTRICTED STOCK UNITS

Intuit Inc., a Delaware corporation (the “Company”), hereby grants you a Stock Bonus Award (“Award”) pursuant to the Company’s 2002 Equity Incentive Plan (the “Plan”), for the number of shares of the Company’s Common Stock, $0.01 par value per share (“Common Stock”) set forth below. This Award is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. All capitalized terms in this Stock Bonus Agreement (“Agreement”) that are not defined in this Agreement have the meanings given to them in the Plan.

Name of Participant:	**Stephen M. Bennett**
Employee ID:	
Address:	
Number of Shares:	**25,000**
Date of Grant:	**July 31, 2004**
Vesting Date:	**July 31, 2007**

Vesting Schedule: You will vest as to all of the shares on the Vesting Date set forth above, provided you are continuously employed by the Company through that date.

In the event of your Termination prior to the Vesting Date for any reason, including but not limited to your resignation or termination by the Company, you will immediately stop vesting in this Award and this Award will terminate as to all shares.

Issuance of Shares under this Award: The Company will only issue you shares under this Award in which you have vested (“Vested Shares”) in accordance with the Vesting Schedule provisions set forth above. The Company will issue you the Vested Shares of the Company’s Common Stock on the Vesting Date; provided, however, that you may make a one-time election until July 31, 2005 (or, such earlier date, if so required by a change in the tax law after the Date of Grant) to have the Company issue you the Vested Shares on date following the Vesting Date, such as the first business day of the fiscal year following the fiscal year in which you cease to be both Chief Executive Officer of the Company and a “covered employee”, as defined in Section 162(m)(3) of the Code. This one-time election must be made in a form and at a time acceptable to the Company.

Withholding Taxes at Vesting: Under payroll withholding tax provisions in effect on the Date of Grant, the vesting of shares under this Award gives rise to a FICA and Medicare withholding obligation on the part of the Company calculated with reference to an amount equal to the Fair Market Value of the shares on the date the shares become Vested Shares. You agree that you will remit cash to the Company (through payroll deduction or otherwise) in an amount sufficient to satisfy any withholding obligation of the Company resulting from the vesting of the shares under this Award. Fair Market Value of the shares shall be determined in accordance with Section 23(m) of the Plan on the date that the amount of tax to be withheld is to be determined.

Withholding Taxes at Issuance of Vested Shares: Under federal and state income and payroll withholding tax provisions in effect on the Date of Grant, the issuance of Vested Shares under this Award gives rise to a federal and state income and employment tax withholding obligation on the part of the Company calculated with reference to an amount equal to the Fair Market Value of the Vested Shares on the date the shares are issued to you by the Company. The Company will withhold from the Vested Shares issued to you a number of whole shares having a Fair Market Value equal to the minimum amount to be withheld to satisfy any tax withholding obligation of the Company resulting from the issuance of the Vested Shares and will transmit the equivalent cash amount to the applicable taxing authorities. Fair Market Value of the shares shall be determined in accordance with Section 23(m) of the Plan on the date that the amount of tax to be withheld is to be determined.

Stockholder Rights: You will have no rights as a stockholder until the Vested Shares are issued to you. After Vested Shares are issued to you, you will have all the rights of a stockholder with respect to the shares. Notwithstanding the foregoing, in the event the Company declares dividends for which the record date occurs after the Date of Grant and prior to the date Vested Shares are issued to you, the Company will issue you consideration in an amount the Company determines is equivalent to such declared dividends at the time the Vested Shares are issued to you.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Award, and supersedes all prior agreements or promises with respect to the Award. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of Awards described in Section 11 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

The Company has signed this Award Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: /s/ Robert B. Henske, Chief Financial Officer
Robert B. Henske, Chief Financial Officer

PARTICIPANT'S ACCEPTANCE

I accept this Agreement effective as of the Date of Grant and agree to the terms and conditions in this Agreement and the Plan. I acknowledge that I have received a copy of the Plan, and I understand and agree that this Agreement is not meant to interpret, extend, or change the Plan in any way, or to represent the full terms of the Plan. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan as interpreted by the Company, the provisions of the Plan shall apply.

Signed: /s/ STEPHEN M. BENNETT

Exhibit 10.05

INTUIT INC.

2005 EQUITY INCENTIVE PLAN

1. PURPOSE. The purpose of the Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent or Subsidiaries by offering them an opportunity to participate in the Company's future performance through awards of Options, Restricted Stock, Stock Bonuses, Stock Appreciation Rights (SARs) and Restricted Stock Units. Capitalized terms not defined in the text are defined in Section 26.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available. Subject to Sections 2.2 and 21, 6,500,000 Shares are available for grant and issuance under the Plan. Shares that are subject to: (a) issuance upon exercise of an Option or SAR granted under this Plan but cease to be subject to the Option or SAR for any reason other than exercise of the Option; (b) an Award granted under this Plan but are forfeited or are repurchased by the Company at the original issue price; or (c) an Award granted under this Plan that otherwise terminates without Shares being issued, will return to the pool of Shares available for grant and issuance under this Plan. No more than 2,000,000 Shares may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than Fair Market Value on the date of grant. In order that ISOs may be granted under this Plan, no more than 6,500,000 shares shall be issued as ISOs. The Company may issue Shares which are authorized but unissued or treasury shares pursuant to the Awards granted under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares to satisfy the requirements of all outstanding Options and SARs granted under the Plan and all other outstanding but unvested Awards granted under the Plan.

2.2 Adjustment of Shares. If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, then (a) the number of Shares reserved for issuance under the Plan set forth in Section 2.1, (b) the Exercise Prices of and number of Shares subject to outstanding Options and SARs, (c) the number of Shares subject to other outstanding Awards, (d) the 6,500,000 maximum number of shares that may be issued as ISOs set forth in Section 2.1; (e) the 2,000,000 and 3,000,000 maximum number of shares that may be issued to an individual in any one calendar year set forth in Section 3; (f) the 2,000,000 Share limit on the aggregate number of Shares that may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than Fair Market Value on the date of grant; and (g) the number of Shares that are granted as Options to Non-Employee Directors as set forth in Section 10, will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; provided that fractions of a Share will not be issued but will either be replaced by a cash payment equal to the Fair Market Value of such fraction of a Share or will be rounded up to the nearest whole Share, as determined by the Committee; and provided further that the Exercise Price of any Option may not be decreased to below the par value of the Shares.

3. ELIGIBILITY. ISOs may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary. All other Awards may be granted to employees (including officers and directors who are also employees), directors and consultants of the Company or any Parent or Subsidiary; provided that such consultants, contractors and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. The Committee (or its designee under 4.1(c)) will from time to time determine and designate among the eligible persons who will be granted one or more Awards under the Plan. A person may be granted more than one Award under the Plan. However, no person will be eligible to receive more than 2,000,000 Shares issuable under Awards granted in any calendar year, other than new employees of the Company or of a Parent or Subsidiary (including new employees who are also officers and directors of the Company or any Parent or Subsidiary), who are eligible to receive up to a maximum of 3,000,000 Shares issuable under Awards granted in the calendar year in which they commence their employment.

4. ADMINISTRATION.

4.1 Committee Authority. The Plan shall be administered by the Committee or by the Board acting as the Committee. Except for automatic grants to Non-Employee Directors pursuant to Section 10 hereof, and subject to the general purposes, terms and conditions of the Plan, the Committee will have full power to implement and carry out the Plan. Without limiting the previous sentence, the Committee will have the authority to:

(a) construe and interpret the Plan, any Award Agreement and any other agreement or document executed pursuant to the Plan;

(b) prescribe, amend and rescind rules and regulations relating to the Plan or any Award, including determining the forms and agreements used in connection with the Plan; provided that the Committee may delegate to the President, the Chief Financial Officer or the officer in charge of Human Resources, in consultation with the General Counsel, the authority to approve revisions to the forms and agreements used in connection with the Plan that are designed to facilitate Plan administration, and that are not inconsistent with the Plan or with any resolutions of the Committee relating to the Plan;

(c) select persons to receive Awards; provided that the Committee may delegate to one or more Executive Officers (who would also be considered “officers” under Delaware law) the authority to grant an Award under the Plan to Participants who are not Insiders;

(d) determine the terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination, or in tandem with, in replacement of, or as alternatives to, other Awards under the Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary;

(g) grant waivers of Plan or Award conditions;

(h) determine the vesting, exercisability, transferability, and payment of Awards;

(i) correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Award or any Award Agreement;

(j) determine whether an Award has been earned;

(k) amend the Plan; or

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

4.2 Committee Interpretation and Discretion. Except for automatic grants to Non-Employee Directors pursuant to Section 10 hereof, any determination made by the Committee with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Participant. The Committee may delegate to one or more Executive Officers, the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and Participant.

5. OPTIONS. The Committee may grant Options to eligible persons and will determine (a) whether the Options will be ISOs or NQSOs; (b) the number of Shares subject to the Option, (c) the Exercise Price of the

Option, (d) the period during which the Option may be exercised, and (e) all other terms and conditions of the Option, subject to the provisions of this Section 5 and the Plan. Options granted to Non-Employee Directors pursuant to Section 10 hereof shall be governed by that Section.

5.1 Form of Option Grant. Each Option granted under the Plan will be evidenced by a Stock Option Agreement that will expressly identify the Option as an ISO or NQSO. Except as otherwise required by the terms of Options to Non-Employee Directors as provided in the terms of Section 10 hereof, the Stock Option Agreement will be substantially in a form and contain such provisions (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

5.2 Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant the Option, unless a later date is otherwise specified by the Committee. The Stock Option Agreement, and a copy of the Plan and the current Prospectus for the Plan (plus any additional documents required to be delivered under applicable laws), will be delivered to the Participant within a reasonable time after the Option is granted. The Stock Option Agreement, Plan, the Prospectus and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.3 Exercise Period and Expiration Date. An Option will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Stock Option Agreement governing such Option, subject to the provisions of Section 5.6, and subject to Company policies established by the Committee (or by individuals to whom the Committee has delegated responsibility) from time to time with respect to vesting during leaves of absences. The Stock Option Agreement shall set forth the last date that the Option may be exercised (the "Expiration Date"); provided that no Option will be exercisable after the expiration of seven years from the date the Option is granted; and provided further that no ISO granted to a Ten Percent Stockholder will be exercisable after the expiration of five years from the date the Option is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of Shares subject to the Option as the Committee determines.

5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted and, subject to the 2,000,000 Share limit of Section 2.1 hereof on the aggregate number of Shares that may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than Fair Market value on the date of grant, may be less than Fair Market Value (but not less than the par value of the Shares); provided that (i) the Exercise Price of an ISO will not be less than the Fair Market Value of the Shares on the date of grant and (ii) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased must be made in accordance with Section 11 of the Plan and the Stock Option Agreement.

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

5.6 Termination.

(a) Vesting. Any Option granted to a Participant will cease to vest on the Participant's Termination Date, if the Participant is Terminated for any reason other than "total disability" (as defined in this Section 5.6(a)) or death. Any Option granted to a Participant who is an employee who has been actively employed by the Company or any Subsidiary for one year or more or who is a director, will vest as to 100% of the Shares subject to such Option, if the Participant is Terminated due to "total disability" or death. For purposes of this Section 5.6(a), "total disability" shall mean: (i) (A) for so long as such definition is used for purposes of the Company's group life insurance and accidental death and dismemberment plan or group long term disability plan, that the Participant is unable to perform each of the material duties of any gainful occupation for which the Participant is or becomes reasonably fitted by training, education or experience and which total disability is in fact preventing the Participant from engaging in any

employment or occupation for wage or profit; or, (B) if such definition has changed, such other definition of "total disability" as determined under the Company's group life insurance and accidental death and dismemberment plan or group long term disability plan; and (ii) the Company shall have received from the Participant's primary physician a certification that the Participant's total disability is likely to be permanent. Any Option held by an employee who is Terminated by the Company, or any Subsidiary or Parent within one year following the date of a Corporate Transaction, will immediately vest as to such number of Shares as the Participant would have been vested in twelve months after the date of Termination had the Participant remained employed for that twelve month period.

(b) Post-Termination Exercise Period. Following a Participant's Termination, the Participant's Option may be exercised to the extent vested as set forth in Section 5.6(a):

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

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

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

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

5.9 Notice of Disqualifying Dispositions of Shares Acquired on Exercise of an ISO. If a Participant sells or otherwise disposes of any Shares acquired pursuant to the exercise of an ISO on or before the later of (a) the date two years after the Date of Grant, and (b) the date one year after the exercise of the ISO (in either case, a "Disqualifying Disposition"), the Company may require the Participant to immediately notify the Company in writing of such Disqualifying Disposition.

5.10 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor; provided that any such action may not, without the written consent of Participant, impair any of Participant's rights under any Option previously granted; and provided, further that without stockholder approval, the modified, extended, renewed or new Option may not have a lower Exercise Price than the outstanding Option. Any outstanding ISO that is modified, extended, renewed or otherwise altered shall be treated in accordance with Section 424(h) of the Code. The Committee may reduce the Exercise Price of outstanding Options without the consent of Participants affected, by a written notice to them; provided, however, that unless prior stockholder approval is secured, the Exercise Price may not be reduced below that of the outstanding Option.

5.11 No Disqualification. Notwithstanding any other provision in the Plan, no term of the Plan relating to ISOs will be interpreted, amended or altered, and no discretion or authority granted under the Plan will be

exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. RESTRICTED STOCK AWARDS.

6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the following:

6.2 Restricted Stock Purchase Agreement. All purchases under a Restricted Stock Award will be evidenced by a Restricted Stock Purchase Agreement, which will be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. A Participant accepts a Restricted Stock Award by signing and delivering to the Company a Restricted Stock Purchase Agreement with full payment of the Purchase Price, within thirty days from the date the Restricted Stock Purchase Agreement was delivered to the Participant. If the Participant does not accept the Restricted Stock Award within thirty days, then the offer of the Restricted Stock Award will terminate, unless the Committee determines otherwise.

6.3 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Committee and, subject to the 2,000,000 Share limit of Section 2.1 hereof on the aggregate number of Shares that may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than Fair Market Value on the date of grant, may be less than Fair Market Value (but not less than the par value of the Shares) on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 11 of the Plan and the Restricted Stock Purchase Agreement, and in accordance with any procedures established by the Company's Stock Administration Department, as communicated and made available to Participants through the stock pages on the Intuit Legal Department intranet web site, and/or through the Company's electronic mail system.

6.4 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Committee may impose. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of the performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant's Restricted Stock Purchase Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the payment for Shares to be purchased under any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

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

7. STOCK BONUS AWARDS.

7.1 Awards of Stock Bonuses. A Stock Bonus Award is an award to an eligible person of Shares (which may consist of Restricted Stock or Restricted Stock Units) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All Stock Bonus Awards shall be made pursuant to a Stock Bonus Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. No payment will be required for Shares awarded pursuant to a Stock Bonus Award. Stock Bonus Awards shall be subject to the 2,000,000 share

limit of Section 2.1 hereof on the aggregate number of Shares that may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than the Fair Market Value on the date of grant.

7.2 Terms of Stock Bonus Awards. The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant's Stock Bonus Agreement. If the Stock Bonus Award is to be earned upon the satisfaction of performance goals, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the issuance of any Shares or other payment to a Participant pursuant to a Stock Bonus Award, the Committee will determine the extent to which the Stock Bonus Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to a Stock Bonus Award to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

7.3 Form of Payment to Participant. The Committee will determine whether the earned portion of a Stock Bonus Award will be paid to the Participant currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee may determine. To the extent permissible under law, the Committee may also permit a Participant to defer payment under a Stock Bonus Award to a date or dates after the Stock Bonus Award is earned. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment, and in either a lump sum payment or in installments.

7.4 Termination of Participant . In the event of a Participant's Termination during a Performance Period or vesting period, for any reason, then such Participant will be entitled to payment (whether in Shares, cash or otherwise) with respect to the Stock Bonus Award only to the extent earned as of the date of Termination in accordance with the Stock Bonus Agreement, unless the Committee determines otherwise.

8. STOCK APPRECIATION RIGHTS.

8.1 Awards of SARs. A Stock Appreciation Right ("SAR") is an award to an eligible person that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being settled. The SAR may be granted for services to be rendered or for past services already rendered to the Company, or any Parent or Subsidiary. All SARs shall be made pursuant to a SAR Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

8.2 Terms of SARs. The Committee will determine the terms of a SAR including, without limitation: (a) the number of Shares deemed subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the effect on each SAR of the Participant's Termination. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted and, subject to the 2,000,000 Share limit of Section 2.1 hereof on the aggregate number of Shares that may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than Fair Market value on the date of grant, may be less than Fair Market Value (but not less than the par value of the Shares. A SAR may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's individual SAR Agreement. If the SAR is being earned upon the satisfaction of performance goals, then the Committee will: (x) determine the nature, length

and starting date of any Performance Period for each SAR; and (y) select from among the Performance Factors to be used to measure the performance, if any. Prior to settlement of any SAR earned upon the satisfaction of performance goals pursuant to a SAR Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different performance goals and other criteria. The Exercise Price of an outstanding SAR may not be reduced without stockholder approval.

8.3 Exercise Period and Expiration Date. A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the SAR Agreement governing such SAR. The SAR Agreement shall set forth the last date that the SAR may be exercised (the "Expiration Date"); provided that no SAR will be exercisable after the expiration of seven years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines.

8.4 Form and Timing of Settlement. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines. Payment may be made in the form of cash or whole Shares or a combination thereof, either in a lump sum payment or in installments, as the Committee determines.

9. RESTRICTED STOCK UNITS

9.1 Awards of Restricted Stock Units. A Restricted Stock Unit ("RSU") is an award to an eligible person covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. The Committee may authorize the issuance of RSUs to certain eligible persons who elect to defer cash compensation. All RSUs shall be made pursuant to a RSU Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. RSUs are subject to the 2,000,000 share limit of Section 2.1 hereof on the aggregate number of Shares that may be made subject to Awards having an Exercise Price or Purchase Price per Share that is less than the Fair Market Value on the date of grant.

9.2 Terms of RSUs. The Committee will determine the terms of a RSU including, without limitation: (a) the number of Shares deemed subject to the RSU; (b) the time or times during which the RSU may be exercised; (c) the consideration to be distributed on settlement, and the effect on each RSU of the Participant's Termination. A RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's individual RSU Agreement. If the RSU is being earned upon satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Prior to settlement of any RSU earned upon the satisfaction of performance goals pursuant to a RSU Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to the RSUs to take into account changes in law and accounting and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

9.3 Form and Timing of Settlement. The portion of a RSU being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines. To the extent permissible under law, the Committee may also permit a Participant to defer payment under a RSU to a

date or dates after the RSU is earned. Payment may be made in the form of cash or whole Shares or a combination thereof, either in a lump sum payment or in installments, all as the Committee determines.

10. AUTOMATIC GRANTS TO NON-EMPLOYEE DIRECTORS.

10.1 Eligibility. Non-Employee Directors are eligible for options granted pursuant to this Section 11.

10.2 Initial Grant. Each Non-Employee Director who first becomes a member of the Board on or after the Effective Date will automatically be granted an option for 45,000 Shares on the date such Non-Employee Director first becomes a member of the Board. Each Non-Employee Director who became a member of the Board prior to the Effective Date and who did not receive a prior option grant in connection with his or her appointment from the Company, will receive an Initial Grant on the Effective Date. Each Option granted pursuant to this Section 10.2 shall be called an "Initial Grant".

10.3 Succeeding Grant. On each anniversary of an Initial Grant under this Plan (or under the Company's 1996 Directors Stock Option Plan) each Non-Employee Director who has served continuously as a member of the Board during that period will automatically be granted an Option for 15,000 Shares; provided that, each Non-Employee Director who became a member of the Board prior to the Effective Date that did not receive a 15,000 share option grant pursuant to Section 6.3 of the Company's 1996 Directors Stock Option Plan in calendar year 2004, will receive a 2004 Succeeding Grant on the Effective Date. Each Option granted pursuant to this Section 10.3 shall be called a "Succeeding Grant".

10.4 Audit Committee Grants. Each Non-Employee Director who is appointed a new member to the Audit Committee on or after the Effective Date, will automatically be granted an Option for 5,000 Shares on the day he or she is appointed. On each anniversary of a Non-Employee Directors first grant (a) pursuant to this Section 10.4 or (b) pursuant to 6.4 of the Company's 1996 Directors Stock Option Plan, on which the Non-Employee Director is a member of the Audit Committee, the Non-Employee Director will automatically be granted an Option for 5,000 Shares. Each Option granted pursuant to this Section 10.4 shall be called an "Audit Committee Grant".

10.5 Compensation and Organizational Development Committee Grants. Each Non-Employee Director who is appointed a new member to the Compensation and Organizational Development Committee on or after the Effective Date, will automatically be granted an Option for 5,000 Shares on the day he or she is appointed. On each anniversary of a Non-Employee Directors first grant (a) pursuant to this Section 10.5 or (b) pursuant to 6.5 of the Company's 1996 Directors Stock Option Plan, on which the Non-Employee Director is a member of the Compensation and Organizational Development Committee, the Non-Employee Director will automatically be granted an Option for 5,000 Shares. Each Option granted pursuant to this Section 10.5 shall be called a "Compensation Committee Grant".

10.6 Nominating & Governance Committee Grants. Each Non-Employee Director who is appointed a new member to the Nominating & Governance Committee on or after the Effective Date, will automatically be granted an Option for 5,000 Shares on the day he or she is appointed. On each anniversary of a Non-Employee Directors first grant (a) pursuant to this Section 10.6 or (b) pursuant to 6.6 of the Company's 1996 Directors Stock Option Plan, on which the Non-Employee Director is a member of the Nominating & Governance Committee, the Non-Employee Director will automatically be granted an Option for 5,000 Shares. Each Option granted pursuant to this Section 10.6 shall be called a "Nominating & Governance Committee Grant".

10.7 Vesting and Exercisability

(a) Initial Grants shall become exercisable as they vest as to 25% of the Shares upon the first anniversary of the date such Option is granted and an additional 2.0833% of the shares each month thereafter and become fully vested on the fourth anniversary of the date of grant, so long as the Non-Employee Director continuously remains a director or a consultant of the Company.

(b) Succeeding Grants shall become exercisable as they vest as to 50% of the Shares upon the first anniversary of the date such Option is granted and an additional 4.1666% of the Shares each month thereafter and become fully vested on the second anniversary of the date of grant, so long as the Non-Employee Director continuously remains a director or a consultant of the Company.

(c) Each Audit Committee Grant, Compensation and Organizational Development Committee Grant and Nominating & Governance Committee Grant shall become exercisable as they vest as to 8.333% of the Shares each month following the date of grant and become fully vested on the first anniversary of the date of grant, so long as the Non-Employee director continuously remains a director or a consultant of the Company.

(d) Any Option granted to a Non-Employee Director will vest as to 100% of the Shares subject to such Option, if the Non-Employee Director ceases to be a member of the Board or a consultant of the Company due to “total disability” or death. For purposes of this Section 10.7(d), “total disability” shall mean: (1) (i) for so long as such definition is used for purposes of the Company’s group life insurance and accidental death and dismemberment plan or group long term disability plan, that the Non-Employee Director is unable to perform each of the material duties of any gainful occupation for which the Non-Employee Director is or becomes reasonably fitted by training, education or experience and which total disability is in fact preventing the Non-Employee Director from engaging in any employment or occupation for wage or profit or (ii) if such definition has changed, such other definition of “total disability” as determined under the Company’s group life insurance and accidental death and dismemberment plan or group long term disability plan; and (2) the Company shall have received from the Non-Employee Director’s primary physician a certification that the Non-Employee Director’s total disability is likely to be permanent.

(e) In the event of a Corporate Transaction, the vesting of all Options granted to Non-Employee Directors pursuant to this Section 10 will accelerate and such Options will become exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if such Options are not exercised on or prior to the consummation of the corporate transaction, they shall terminate.

10.8 Form of Option Grant. Each Option granted under this Section 10 shall be a NQSO and shall be evidenced by a Non-Employee Director Stock Option Grant Agreement in such form as the Committee shall from time to time approve and which shall comply with and be subject to the terms and conditions of this Plan.

10.9 Exercise Price. Each Option granted under this Section 10 shall be the Fair Market Value of the Share on the date the Option is granted. The Exercise Price of an outstanding Option may not be reduced without stockholder approval.

10.10 Termination of Option. Except as provided in Section 10.7(e) or this Section 10.10, each Option granted under this Section 10 shall expire seven (7) years after its date of grant. The date on which the Non-Employee Director ceases to be a member of the Board or a consultant of the Company shall be referred to as the “Non-Employee Director Termination Date” for purposes of this Section 10.10. An Option may be exercised after the Non-Employee Director Termination Date only as set forth below:

(a) Termination Generally. If the Non-Employee Director ceases to be a member of the Board or consultant of the Company for any reason except death or Disability, then each Option, to the extent then vested pursuant to Section 10.7 above, then held by such Non-Employee Director may be exercised by the Non-Employee Director within seven months after the Non-Employee Director Termination Date, but in no event later than the Expiration Date.

(b) Death or Disability. If the Non-Employee Director ceases to be a member of the Board or consultant of the Company because of his or her death or Disability, then each Option, to the extent then vested pursuant to Section 10.7 above, then held by such Non-Employee Director may be exercised by the Non-Employee Director or his or her legal representative within twelve months after the Non-Employee Director Termination Date, but in no event later than the Expiration Date.

11. PAYMENT FOR SHARE PURCHASES.

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

(a) in cash (by check);

(b) in the case of exercise by the Participant, Participant's guardian or legal representative or the authorized legal representative of Participants' heirs or legatees after Participant's death, by cancellation of indebtedness of the Company to the Participant;

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

(d) in the case of exercise by the Participant, Participant's guardian or legal representative or the authorized legal representative of Participants' heirs or legatees after Participant's death, by waiver of compensation due or accrued to Participant for services rendered;

(e) by tender of property; or

(f) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's stock exists:

(1) through a "same day sale" commitment from the Participant or Authorized Transferee and an NASD Dealer meeting the requirements of the Company's "same day sale" procedures and in accordance with law; or

(2) through a "margin" commitment from Participant or Authorized Transferee and an NASD Dealer meeting the requirements of the Company's "margin" procedures and in accordance with law.

11.2 Issuance of Shares. Upon payment of the applicable Purchase Price or Exercise Price (or a commitment for payment from the NASD Dealer designated by the Participant or Authorized Transferee in the case of an exercise by means of a "same-day sale" or "margin" commitment), and compliance with other conditions and procedures established by the Company for the purchase of shares, the Company shall issue the Shares registered in the name of Participant or Authorized Transferee (or in the name of the NASD Dealer designated by the Participant or Authorized Transferee in the case of an exercise by means of a "same-day sale" or "margin" commitment) and shall deliver certificates representing the Shares (in physical or electronic form, as appropriate). The Shares may be subject to legends or other restrictions as described in Section 15 of the Plan.

12. WITHHOLDING TAXES.

12.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under the Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate(s) for the Shares. If a payment in satisfaction of an Award is to be made in cash, the payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

12.2 Stock Withholding. When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is

obligated to pay the Company the amount required to be withheld, the Committee may, in its sole discretion, allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of whole Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose shall be made in accordance with the requirements established by the Committee and be in writing in a form acceptable to the Committee.

13. PRIVILEGES OF STOCK OWNERSHIP. No Participant or Authorized Transferee will have any rights as a stockholder of the Company with respect to any Shares until the Shares are issued to the Participant or Authorized Transferee. After Shares are issued to the Participant or Authorized Transferee, the Participant or Authorized Transferee will be a stockholder and have all the rights of a stockholder with respect to the Shares including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if the Shares are Restricted Stock, any new, additional or different securities the Participant or Authorized Transferee may become entitled to receive with respect to the Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided further, that the Participant or Authorized Transferee will have no right to retain such dividends or distributions with respect to Shares that are repurchased at the Participant's original Exercise Price or Purchase Price pursuant to Section 15.

14. TRANSFERABILITY. No Award and no interest therein, shall be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, and no Award may be made subject to execution, attachment or similar process; provided, however that with the consent of the Committee a Participant may transfer a NQSO to an Authorized Transferee. Transfers by the Participant for consideration are prohibited. Without such permission by the Committee, a NQSO shall like all other Awards under the Plan be exercisable (a) during a Participant's lifetime only by the Participant or the Participant's guardian or legal representative; and (b) after Participant's death, by the legal representative of the Participant's heirs or legatees.

15. RESTRICTIONS ON SHARES. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase all or a portion of a Participant's Shares that are not "Vested" (as defined in the Award Agreement), following the Participant's Termination, at any time within ninety days after the later of (a) the Participant's Termination Date or (b) the date the Participant purchases Shares under the Plan, for cash or cancellation of purchase money indebtedness with respect to Shares, at the Participant's original Exercise Price or Purchase Price; provided that upon assignment of the right to repurchase, the assignee must pay the Company, upon assignment of the right to repurchase, cash equal to the excess of the Fair Market Value of the Shares over the original Purchase Price.

16. CERTIFICATES. All certificates for Shares or other securities delivered under the Plan (whether in physical or electronic form, as appropriate) will be subject to stock transfer orders, legends and other restrictions that the Committee deems necessary or advisable, including without limitation restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system on which the Shares may be listed.

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

18. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award shall not be effective unless the Award is in compliance with all applicable state, federal and foreign securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system on which the Shares may then be listed, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in the Plan, the Company shall have no obligation to issue or deliver certificates for Shares under the Plan prior to (a) obtaining any approvals from governmental

agencies that the Company determines are necessary or advisable, and/or (b) completion of any registration or other qualification of such shares under any state, federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company shall be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state, federal or foreign securities laws, stock exchange or automated quotation system, and the Company shall have no liability for any inability or failure to do so.

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

20. REPRICING PROHIBITED; EXCHANGE AND BUYOUT OF AWARDS. The repricing of Options or SARs is prohibited without prior stockholder approval. The Committee may, at any time or from time to time, authorize the Company, with prior stockholder approval, in the case of an Option or SAR exchange, and the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Committee may at any time buy from a Participant an Option previously granted with payment in cash, Shares or other consideration, based on such terms and conditions as the Committee and the Participant shall agree.

21. CORPORATE TRANSACTIONS.

21.1 Assumption or Replacement of Awards by Successor. In the event of a Corporate Transaction any or all outstanding Awards may be assumed or replaced by the successor corporation, which assumption or replacement shall be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor corporation, if any, refuses to assume or replace the Awards, as provided above, pursuant to a Corporate Transaction or if there is no successor corporation due to a dissolution or liquidation of the Company, such Awards shall immediately vest as to 100% of the Shares subject thereto at such time and on such conditions as the Board shall determine and the Awards shall expire at the closing of the transaction or at the time of dissolution or liquidation.

21.2 Other Treatment of Awards. Subject to any greater rights granted to Participants under Section 21.1, in the event of a Corporate Transaction, any outstanding Awards shall be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation or sale of assets.

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

22. ADOPTION AND STOCKHOLDER APPROVAL. The Plan was adopted by the Compensation and Organizational Development Committee on August 26, 2004. The Plan shall become effective upon approval by stockholders of the Company, consistent with applicable laws.

23. TERM OF PLAN. The Plan will terminate two years following the date it became effective upon approval by stockholders of the Company.

24. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend the Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to the Plan. Notwithstanding the foregoing, neither the Board nor the Committee shall, without the approval of the stockholders of the Company, amend the Plan in any manner that requires such stockholder approval pursuant to the Code or the regulations promulgated thereunder as such provisions apply to ISO plans, or pursuant to the Exchange Act or any rule promulgated thereunder. In addition, no amendment that is detrimental to a Participant may be made to any outstanding Award without the consent of the Participant.

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

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

(a) “Authorized Transferee” means the permissible recipient, as authorized by this Plan and the Committee, of an NQSO that is transferred during the Participant’s lifetime by the Participant by gift or domestic relations order. For purposes of this definition a “permissible recipient” is: (i) a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Participant, including any such person with such relationship to the Participant by adoption; (ii) any person (other than a tenant or employee) sharing the Participant’s household; (iii) a trust in which the persons in (i) or (ii) have more than fifty percent of the beneficial interest; (iv) a foundation in which the persons in (i) or (ii) or the Participant control the management of assets; or (v) any other entity in which the person in (i) or (ii) or the Participant own more than fifty percent of the voting interest.

(b) “Award” means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right or Restricted Stock Unit.

(c) “Award Agreement” means, with respect to each Award, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Award.

(d) “Board” means the Board of Directors of the Company.

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

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

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

(h) “Corporate Transaction” means (a) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of

the Company and the Awards granted under the Plan are assumed or replaced by the successor corporation, which assumption shall be binding on all Participants), (b) a dissolution or liquidation of the Company, (c) the sale of substantially all of the assets of the Company, (d) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company; or (e) any other transaction which qualifies as a "corporate transaction" under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company).

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

(j) "Effective Date" means the date stockholders approve the Plan pursuant to Section 22 of the Plan.

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

(l) "Executive Officer" means a person who is an "executive officer" of the Company as defined in Rule 3b-7 promulgated under the Exchange Act.

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

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

(1) if such Common Stock is then quoted on the NASDAQ National Market, its closing price on the NASDAQ National Market on such date or if such date is not a trading date, the closing price on the NASDAQ National Market on the last trading date that precedes such date;

(2) if such Common Stock is publicly traded and is then listed on a national securities exchange, the last reported sale price on such date or, if no such reported sale takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;

(3) if such Common Stock is publicly traded but is not quoted on the NASDAQ National Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such date, as reported by The Wall Street Journal, for the over-the-counter market; or

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

(o) "Insider" means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

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

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

(r) "NQSO" means a nonqualified stock option that does not qualify as an ISO.

(s) "Option" means an Award pursuant to Section 5 of the Plan.

(t) “Non-Employee Director” means a member of the Company’s Board of Directors who is not a current or former employee of the Company or any Parent or Subsidiary.

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

(v) “Participant” means a person who receives an Award under the Plan.

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

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

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

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

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

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

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

(7) Return on equity;

(8) Operating cash flow return on income;

(9) Adjusted operating cash flow return on income;

(10) Economic value added; and

(11) Individual business objectives.

(x) “Performance Period” means the period of service determined by the Committee, not to exceed five years, during which years of service or performance is to be measured for the Award.

(y) “Plan” means this Intuit Inc. 2005 Equity Incentive Plan, as amended from time to time.

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

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

(bb) “Restricted Stock Award” means an award of Shares pursuant to Section 6 of the Plan.

(cc) “Restricted Stock Unit” means an Award granted pursuant to Section 9 of the Plan.

(dd) “RSU Agreement” means an agreement evidencing a Restricted Stock Unit Award granted pursuant to Section 9 of the Plan.

(ee) “SAR Agreement” means an agreement evidencing a Stock Appreciation Right granted pursuant to Section 8 of the Plan.

(ff) “SEC” means the Securities and Exchange Commission.

(gg) “Securities Act” means the Securities Act of 1933, as amended, and the regulations promulgated thereunder.

(hh) “Shares” means shares of the Company’s Common Stock $0.01 par value, reserved for issuance under the Plan, as adjusted pursuant to Sections 2 and 21, and any successor security.

(ii) “Stock Appreciation Right” means an Award granted pursuant to Section 8 of the Plan.

(jj) “Stock Bonus” means an Award granted pursuant to Section 7 of the Plan.

(kk) “Stock Option Agreement” means the agreement which evidences a Stock Option, granted pursuant to Section 5 of the Plan.

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

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

(nn) “Termination” or “Terminated” means, for purposes of the Plan with respect to a Participant, that the Participant has ceased to provide services as an employee, director, consultant, independent contractor or adviser, to the Company or a Parent or Subsidiary; provided that a Participant shall not be deemed to be Terminated if the Participant is on a leave of absence approved by the Committee or by an officer of the Company designated by the Committee; and provided further, that during any approved leave of absence, vesting of Awards shall be suspended or continue in accordance with guidelines established from time to time by the Committee. Subject to the foregoing, the Committee shall have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “Termination Date”). .

Exhibit 10.06

Grant No. ______________

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Non-Qualified Stock Option
New Hire, Promotion or Retention Grant

Intuit Inc., a Delaware corporation (the "Company"), hereby grants you a stock option ("Option"), pursuant to the Company's 2005 Equity Incentive Plan (the "Plan"), to purchase shares of the Company's Common Stock, $0.01 par value per share ("Common Stock"), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant:
Employee ID:
Address:

Number of Shares:
Exercise Price Per Share:
Date of Grant:
First Vesting Date:
Expiration Date:
Vesting Schedule:

On your Termination, this Option will either cease to vest or, if you have been actively employed by the Company for one year or more and become totally disabled or die as provided in Section 5.6 of the Plan, accelerate in full. Vesting may also be suspended in accordance with Company policies, as described in Section 5.6 of the Plan.

To exercise this Option, you must follow the exercise procedures established by the Company, as described in Section 5.5 of the Plan. This Option may be exercised only with respect to vested shares. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, if a public market exists for the Company's Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 11.1 of the Plan). Upon exercise of this Option, you understand that the Company may be required to withhold taxes.

Subject to the exercise procedures established by the Company, the last day this Option may be exercised is seven years from the Date of Grant which is the Expiration Date set forth above. If your Termination Date occurs before the Expiration Date, this Option will expire as to all unvested shares subject to the Option on your Termination Date. Following your Termination Date, this Option may be exercised with respect to vested shares during the post-termination exercise period as provided in Section 5.6 of the Plan. To the extent this Option is not exercised before the end of the post-termination exercise period, in accordance with the exercise procedures established by the Company, the Option will expire as to all shares remaining subject thereto.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus accompanies this Grant Agreement and is available on the stock options pages of the Intuit Legal Department intranet web site or by calling Sharon Savatski, the Company's Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ______________________________
Robert B. Henske, Senior Vice President
and Chief Financial Officer

Exhibit 10.07

Grant No. ______________

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Non-Qualified Stock Option
Focal Grant

Intuit Inc., a Delaware corporation (the “Company”), hereby grants you a stock option (“Option”), pursuant to the Company’s 2005 Equity Incentive Plan (the “Plan”), to purchase shares of the Company’s Common Stock, $0.01 par value per share (“Common Stock”), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant and Number of Shares as set forth on the accompanying email.
Exercise Price Per Share:
Date of Grant:
First Vesting Date:
Expiration Date:
Vesting Schedule:

On your Termination, this Option will either cease to vest or, if you have been actively employed by the Company for one year or more and become totally disabled or die as provided in Section 5.6 of the Plan, accelerate in full. Vesting may also be suspended in accordance with Company policies, as described in Section 5.6 of the Plan.

To exercise this Option, you must follow the exercise procedures established by the Company, as described in Section 5.5 of the Plan. This Option may be exercised only with respect to vested shares. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, if a public market exists for the Company’s Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 11.1 of the Plan). Upon exercise of this Option, you understand that the Company may be required to withhold taxes.

Subject to the exercise procedures established by the Company, the last day this Option may be exercised is seven years from the Date of Grant which is the Expiration Date set forth above. If your Termination Date occurs before the Expiration Date, this Option will expire as to all unvested shares subject to the Option on your Termination Date. Following your Termination Date, this Option may be exercised with respect to vested shares during the post-termination exercise period as provided in Section 5.6 of the Plan. To the extent this Option is not exercised before the end of the post-termination exercise period, in accordance with the exercise procedures established by the Company, the Option will expire as to all shares remaining subject thereto.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus accompanies this Grant Agreement and is available on the stock options pages of the Intuit Legal Department intranet web site or by calling Sharon Savatski, the Company’s Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ______________________________________
Robert B. Henske, Senior Vice President
and Chief Financial Officer

Exhibit 10.08
Award No. «GrantNumber»

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Restricted Stock Unit
Executive Stock Ownership Program Matching Unit

Intuit Inc., a Delaware corporation (the “Company”), hereby grants you a restricted stock unit award (“Award”) pursuant to the Company’s 2005 Equity Incentive Plan (the “Plan”), for the number of shares of the Company’s Common Stock, $0.01 par value per share (“Common Stock”) set forth below. All capitalized terms in this Grant Agreement (“Agreement”) that are not defined in this Agreement have the meanings given to them in the Plan. This Award is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. This Agreement is not meant to interpret, extend, or change the Plan in any way, or to represent the full terms of the Plan. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply.

Name of Participant:
Employee ID:
Address:

Number of Shares:
Date of Grant:
Vesting Date:

Vesting: Subject to the forfeiture provisions set forth in this Agreement, this Award will vest as to 100% of the Number of Shares on the Vesting Date set forth above, provided you have remained employed by the Company through that date. The Vesting Date is the fourth anniversary of the Date of Grant.

In the event of your Termination prior to the Vesting Date, the following provisions will govern the vesting of this Award:

Termination due to Resignation or by Company for Cause: In the event of your Termination prior to the Vesting Date due to your resignation or termination of employment by the Company for Cause, this Award will terminate without having vested as to any of the shares subject to this Award and you will have no right or claim to anything under this Award. For purposes of this Award, Cause means (i) you have been convicted of a misdemeanor that involves moral turpitude or the embezzlement of property of the Company or one of its affiliates; (ii) you have been convicted of a felony under the laws of the United States or any state thereof; (iii) your willful misconduct in the performance of your duties as a Company employee; (iv) your gross negligence in the performance of your duties as a Company employee; or (v) you have persistently failed to follow the lawful instructions of your manager relating to an activity within the scope of your duties. In order for a condition identified in (iv) or (v) to constitute Cause, the Company shall first have provided you with (A) at least thirty days’ written notice of the alleged actions setting forth with specificity the events or failures complained of and (B) an opportunity to remedy to the reasonable satisfaction of your manager such condition within such thirty day period and you shall have failed to remedy such condition.

Termination due to Retirement or by Company for other than Cause: In the event of your Termination prior to the Vesting Date due to your Retirement or termination of employment by the Company for reasons other than Cause, you will vest pro-rata in a percentage of the Number of Shares 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 of Intuit Common Stock, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, Retirement means the Termination of your employment with the Company after you have reached an age and service requirement determined by the Committee or its delegate.

Termination due to Death or Total Disability: In the event of your Termination prior to the Vesting Date due to your death or Total Disability, this Award will vest as to 100% of the Number of the Shares on your Termination Date, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, Total Disability is defined in Section 5.6(a) of the Plan.

Termination Within One Year Following Corporate Transaction: In the event of your Termination prior to the Vesting Date, but within one year following the date of a Corporate Transaction, this Award will vest as to 100% of the Number of the Shares on your Termination Date, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, Corporate Transaction is defined in Section 26(h) of the Plan.

Forfeiture: You acknowledge and agree that if prior to the date on which you vest fully in this Award you sell, gift or otherwise transfer the shares you purchased that caused the Company to grant you this Award, this Award will terminate and you will forfeit all rights to this Award and any shares subject hereto, unless the Company determines in its sole discretion that you continue to hold other shares of the Company's Common Stock in a number equal to or greater than the number of shares that caused the Company to grant you this Award.

Issuance of Shares under this Award: The Company will issue you the shares subject to this Award on the later of: (1) the Vesting Date; or (2) to the extent permitted under Code Section 409A and the regulations and other authority promulgated thereunder, your Voluntary Deferral of Share Issuance Date. Until the date the shares are issued to you, you will have no rights as a stockholder of the Company and the shares subject to this Award will not count as owned by you under the Company's share ownership requirements.

Withholding Taxes: When the vesting and issuance of the shares under this Award gives rise to a federal or other governmental income or employment tax withholding obligation on the part of the Company, the Company will withhold from the shares issued to you a number of whole shares having a Fair Market Value equal to the minimum amount to be withheld to satisfy the withholding obligation and will transmit the equivalent cash amount to the applicable taxing authorities. If you have made a voluntary deferral of the share issuance to a date later than the Vesting Date in accordance with the provisions set forth in this Agreement, you agree that you will remit cash to the Company (through payroll deduction or otherwise) in an amount sufficient to satisfy any withholding obligation resulting from the vesting of the shares under this Award. (As of the date of this Agreement, federal income tax withholding is not required until share issuance. However, a FICA and Medicare withholding obligation triggers on the Vesting Date even if you have made a voluntary deferral of the share issuance to a date later than the Vesting Date). Fair Market Value of the shares shall be determined in accordance with Section 26(n) of the Plan on the date that the amount of tax to be withheld is to be determined.

Voluntary Deferral of Share Issuance: To the extent permitted under Code Section 409A and the regulations and other authority promulgated thereunder, you may voluntarily elect to defer the issuance of the shares under this Award to a date after the Vesting Date that is no later than the first day of the fiscal year following the date on which you are no longer an employee of the Company (your "Voluntary Deferral of Share Issuance Date"). You must make this election by filing a voluntary deferral election request in a form acceptable to the Committee or its delegate.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Award, and supersedes all prior agreements or promises with respect to the Award. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

The Company has signed this Award Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ______________________________
Robert B. Henske, Chief Financial Officer

Exhibit 10.09

Grant No. ______________

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Non-Qualified Stock Option
Stephen Bennett Grant

Intuit Inc., a Delaware corporation (the “Company”), hereby grants you a stock option (“Option”), pursuant to the Company’s 2005 Equity Incentive Plan (the “Plan”), to purchase shares of the Company’s Common Stock, $0.01 par value per share (“Common Stock”), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant:
Employee ID:
Address:

Number of Shares:
Exercise Price Per Share:
Date of Grant:
First Vesting Date:
Expiration Date:
Vesting Schedule:

On your Termination, this Option will cease to vest unless (a) your Termination occurs due to your death or total disability, as provided in Section 5.6 of the Plan, in which case the Option will accelerate in full or (b) your Termination occurs within twelve months following a Corporate Transaction, in which case the Option will accelerate as to an additional twelve months. Following your Termination, you may exercise the Option (1) for a period of one year following the date of your Termination for reasons other than your death or for Cause (as defined in your July 30, 2003 Employment Agreement); (2) for a period of eighteen months following the date of your Termination due to your death or if you die within three months of your Termination; and (3) for a period of ninety days following your Termination for Cause. Vesting may also be suspended in accordance with Company policies, as described in Section 5.6 of the Plan.

To exercise this Option, you must follow the exercise procedures established by the Company, as described in Section 5.5 of the Plan. This Option may be exercised only with respect to vested shares. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, if a public market exists for the Company’s Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 11.1 of the Plan). Upon exercise of this Option, you understand that the Company may be required to withhold taxes.

Subject to the exercise procedures established by the Company, the last day this Option may be exercised is seven years from the Date of Grant which is the Expiration Date set forth above. If your Termination Date occurs before the Expiration Date, this Option will expire as to all unvested shares subject to the Option on your Termination Date. Following your Termination Date, this Option may be exercised with respect to vested shares during the post-termination exercise period as provided in Section 5.6 of the Plan. To the extent this Option is not exercised before the end of the post-termination exercise period, in accordance with the exercise procedures established by the Company, the Option will expire as to all shares remaining subject thereto.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus accompanies this Grant Agreement and is available on the stock options pages of the Intuit Legal Department intranet web site or by calling Sharon Savatski, the Company’s Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ____

Robert B. Henske, Senior Vice President
and Chief Financial Officer

Exhibit 10.10

Grant No. ________

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Non-Qualified Stock Option
Non-Employee Director – Initial Grant

Intuit Inc., a Delaware corporation (the "Company"), hereby grants you a stock option ("Option"), pursuant to Section 10 of the Company's 2005 Equity Incentive Plan (the "Plan"), to purchase shares of the Company's Common Stock, $0.01 par value per share ("Common Stock"), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant:

Address:

Number of Shares:	**45,000**
Exercise Price Per Share:	
Date of Grant:	
First Vesting Date:	
Expiration Date:	
Vesting Schedule:	This Option shall become exercisable as it vests over four years from the Date of Grant as to 25% of the Shares upon the first anniversary of the Date of Grant and as to an additional 2.0833% of the Shares each month thereafter, so long as you continuously remain a director or a consultant of the Company. On the date you cease to be a member of the Board or a consultant of the Company (your "Termination Date"), this Option will either cease to vest or, if you become totally disabled or die as provided in Section 10.7(d) of the Plan, accelerate in full.

This Option may be exercised only with respect to vested shares and in accordance with the Company's stock option exercise procedures. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, for so long as a public market exists for the Company's Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 11.1 of the Plan).

Subject to the exercise procedures established by the Company, the last day this Option may be exercised is seven years from the Date of Grant which is the Expiration Date set forth above. If your Termination Date occurs before the Expiration Date, this Option will expire as to all unvested shares subject to the Option on your Termination Date. Following your Termination Date, this Option may be exercised with respect to vested shares during the post-termination exercise period as provided in Section 10.10 of the Plan. To the extent this Option is not exercised before the end of the post-termination exercise period, in accordance with the exercise procedures established by the Company, the Option will expire as to all Shares remaining subject thereto. Notwithstanding the foregoing, in the event of a Corporate Transaction, the vesting of this Option will accelerate and become exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if this Option is not exercised on or prior to the consummation of the Corporate Transaction, it will terminate.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus accompanies this Grant Agreement and is available by calling Sharon Savatski, the Company's Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ________________________________

Robert B. Henske, Senior Vice President
and Chief Financial Officer

Exhibit 10.11

Grant No. __________

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Non-Qualified Stock Option
Non-Employee Director – Succeeding Grant

Intuit Inc., a Delaware corporation (the "Company"), hereby grants you a stock option ("Option"), pursuant to Section 10 of the Company's 2005 Equity Incentive Plan (the "Plan"), to purchase shares of the Company's Common Stock, $0.01 par value per share ("Common Stock"), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant:

Address:

Number of Shares:	**15,000**
Exercise Price Per Share:	
Date of Grant:	
First Vesting Date:	
Expiration Date:	
Vesting Schedule:	This Option shall become exercisable as it vests over two years from the Date of Grant as to 50% of the Shares upon the first anniversary of the Date of Grant and as to an additional 4.1666% of the Shares each month thereafter, so long as you continuously remain a director or a consultant of the Company. On the date you cease to be a member of the Board or a consultant of the Company (your "Termination Date"), this Option will either cease to vest or, if you become totally disabled or die as provided in Section 10.7(d) of the Plan, accelerate in full.

This Option may be exercised only with respect to vested shares and in accordance with the Company's stock option exercise procedures. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, for so long as a public market exists for the Company's Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 11.1 of the Plan).

Subject to the exercise procedures established by the Company, the last day this Option may be exercised is seven years from the Date of Grant which is the Expiration Date set forth above. If your Termination Date occurs before the Expiration Date, this Option will expire as to all unvested shares subject to the Option on your Termination Date. Following your Termination Date, this Option may be exercised with respect to vested shares during the post-termination exercise period as provided in Section 10.10 of the Plan. To the extent this Option is not exercised before the end of the post-termination exercise period, in accordance with the exercise procedures established by the Company, the Option will expire as to all Shares remaining subject thereto. Notwithstanding the foregoing, in the event of a Corporate Transaction, the vesting of this Option will accelerate and become exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if this Option is not exercised on or prior to the consummation of the Corporate Transaction, it will terminate.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus accompanies this Grant Agreement and is available by calling Sharon Savatski, the Company's Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ____
Robert B. Henske, Senior Vice President
and Chief Financial Officer

Exhibit 10.12

Grant No. __________

INTUIT INC. 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT
Non-Qualified Stock Option
Non-Employee Director – Committee Grant

Intuit Inc., a Delaware corporation (the "Company"), hereby grants you a stock option ("Option"), pursuant to Section 10 of the Company's 2005 Equity Incentive Plan (the "Plan"), to purchase shares of the Company's Common Stock, $0.01 par value per share ("Common Stock"), as described below. This Option is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply. All capitalized terms in this Agreement that are not defined in the Agreement have the meanings given to them in the Plan.

Name of Participant:

Address:

Number of Shares:	**5,000**
Exercise Price Per Share:	
Date of Grant:	
First Vesting Date:	
Expiration Date:	
Vesting Schedule:	This Option shall become exercisable as it vests over one year from the Date of Grant as to 8.333% of the Shares each month following the Date of Grant, so long as you continuously remain a director or a consultant of the Company. On the date you cease to be a member of the Board or a consultant of the Company (your "Termination Date"), this Option will either cease to vest or, if you become totally disabled or die as provided in Section 10.7(d) of the Plan, accelerate in full.

This Option may be exercised only with respect to vested shares and in accordance with the Company's stock option exercise procedures. Payment of the Exercise Price for the Shares may be made in cash (by check) and/or, for so long as a public market exists for the Company's Common Stock, by means of a Same-Day-Sale Commitment or Margin Commitment from you and an NASD Dealer (as described in Section 11.1 of the Plan).

Subject to the exercise procedures established by the Company, the last day this Option may be exercised is seven years from the Date of Grant which is the Expiration Date set forth above. If your Termination Date occurs before the Expiration Date, this Option will expire as to all unvested shares subject to the Option on your Termination Date. Following your Termination Date, this Option may be exercised with respect to vested shares during the post-termination exercise period as provided in Section 10.10 of the Plan. To the extent this Option is not exercised before the end of the post-termination exercise period, in accordance with the exercise procedures established by the Company, the Option will expire as to all Shares remaining subject thereto. Notwithstanding the foregoing, in the event of a Corporate Transaction, the vesting of this Option will accelerate and become exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if this Option is not exercised on or prior to the consummation of the Corporate Transaction, it will terminate.

This Agreement (including the Plan, which is incorporated by reference) constitutes the entire agreement between you and the Company with respect to this Option, and supersedes all prior agreements or promises with respect to the Option. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of the Option described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered to the Company or to you at its or your respective addresses set forth in this Agreement, or at such other address designated in writing by either of the parties to the other.

Additional information about the Plan and this Option (including certain tax consequences of exercising the Option and disposing of the Shares) is contained in the Prospectus for the Plan. A copy of the Prospectus accompanies this Grant Agreement and is available by calling Sharon Savatski, the Company's Stock Plan Analyst, at (650) 944-6504.

The Company has signed this Option Agreement effective as the Date of Grant.

INTUIT INC.
2632 Marine Way
Mountain View, California 94043

By: ______________________________
Robert B. Henske, Senior Vice President
and Chief Financial Officer

Exhibit 10.13

INTUIT INC.

2005 EXECUTIVE DEFERRED COMPENSATION PLAN

Effective January 1, 2005

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INTUIT INC.

2005 EXECUTIVE DEFERRED COMPENSATION PLAN

ARTICLE I

PURPOSE AND EFFECTIVE DATE

1.1 Purpose of Plan. The purpose of this 2005 Executive Deferred Compensation Plan (this "Plan") is to provide current tax planning opportunities as well as supplemental funds for the retirement or death of certain select key employees of Intuit Inc., a Delaware corporation (the "Company"). It is intended that the Plan will aid the Company in retaining and attracting employees of exceptional ability.

1.2 Tax Compliance. This Plan is intended to comply with Code Section 409A and any regulatory or other guidance issued under such Section. At the time the Company adopted this Plan, the Department of Treasury had not yet issued regulations under Code Section 409A. It is the Company's intention that any terms of this Plan that conflict with such future guidance shall be null and void and that any terms that are missing from the Plan which such guidance would require the Plan contain to comply with the requirements of Code Section 409A shall be incorporated into the Plan. To that end, once such guidance is issued, the Company shall conform the Plan to the requirements of Code Section 409A and the regulations and other interpretive authority promulgated thereunder.

1.3 Effective Date. This Plan shall be effective as of January 1, 2005.

ARTICLE II

DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise:

2.1 Account Earnings. "Account Earnings" means the amount to be credited to the Participant's Elective Deferral Account and Company Contribution Account pursuant to Section 4.5.

2.2 Beneficiary. "Beneficiary" means the person, persons or entity entitled under Article VI to receive any Plan benefits payable after a Participant's death.

2.3 Bonus Deferral Commitment. "Bonus Deferral Commitment" means the bonus deferral made pursuant to Section 3.2(b).

2.4 Change of Control. "Change of Control" shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined by the Secretary of the Treasury in regulations to be issued under Section 409A of the Code.

2.5 Code. “Code” means the Internal Revenue Code, as amended from time to time.

2.6 Commission Deferral Commitment. “Commission Deferral Commitment” means the commission deferral made pursuant to Section 3.2(c).

2.7 Committee. “Committee” means the Employee Benefits Administrative Committee. The Committee shall be responsible for administering the Plan.

2.8 Company. “Company” means Intuit Inc., a Delaware Corporation, or any successor to the business thereof.

2.9 Company Contribution Account. “Company Contribution Account” means the Account maintained in accordance with Article IV with respect to Company contributions pursuant to Section 4.3 of this Plan. The Company Contribution Account shall be utilized solely as a device for the determination and measurement of the amounts to be paid to the Participant pursuant to this Plan. The Company Contribution Account shall not constitute or be treated as a trust fund of any kind.

2.10 Compensation. “Compensation” means the salary, bonus, and commissions payable to a Participant during the calendar year and considered to be “wages” for purposes of federal income tax withholding, before reduction for amounts deferred under this Plan, salary reduction contributions under Section 401(k) of the Code, or any other deferral arrangements. Compensation also includes payroll deduction amounts a Participant elects to make to the Company’s Employee Stock Purchase Plan. Compensation does not include expense reimbursements, severance wages, any form of non-cash compensation or benefits, including short and long term disability payments, group life insurance premiums, income from the exercise of stock options or other receipt of Company stock, or any other payments or benefits other than normal compensation.

2.11 Compensation Committee. “Compensation Committee” means the Compensation and Organizational Development Committee of the Board of Directors of the Company.

2.12 Deferral Commitment. “Deferral Commitment” means an election to defer Compensation made by a Participant pursuant to Article III and for which the Participant has submitted a separate Participation Agreement to the Committee.

2.13 Deferral Period. “Deferral Period” means the period over which a Participant has elected to defer a portion of his Compensation. Each calendar year shall be a separate Deferral Period. However, for the initial Deferral Period under the Plan or for a newly eligible employee, the Deferral Period shall be the portion of the calendar year following timely submission of the Participation Agreement to the Committee.

2.14 Disabled. For purposes of this Plan, a Participant shall be considered disabled if the Participant

(a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected

to result in death or can be expected to last for a continuous period of not less than 12 months, or

(b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.

2.15 Early Withdrawal. "Early Withdrawal" means a distribution from a Participant's Elective Deferral Account pursuant to Section 5.2(a).

2.16 Earnings Index or Earnings Indices. "Earnings Index" or "Earnings Indices" means the portfolios or funds selected by the Committee to be used in calculating Account Earnings. Each Earnings Index shall be treated as a phantom investment fund that shall be credited with earnings (whether a gain or loss) according to the performance of the actual fund or portfolio.

2.17 Elective Deferral Account. "Elective Deferral Account" means the Account maintained by the Company in accordance with Article IV with respect to any elective deferral of Compensation pursuant to Section 4.2 of this Plan. A Participant's Elective Deferral Account shall be utilized solely as a device for the determination and measurement of the amounts to be paid to the Participant pursuant to this Plan and shall not constitute or be treated as a trust fund of any kind.

2.18 Elective Deferred Compensation. "Elective Deferred Compensation" means the amount of Compensation that a Participant elects to defer pursuant to a Deferral Commitment.

2.19 Employer. "Employer" means the Company and any affiliated or subsidiary entities designated by the Committee.

2.20 Participant. "Participant" means any individual who is participating in this Plan as provided in Article III and any individual who has a Plan Benefit under this Plan.

2.21 Participation Agreement. "Participation Agreement" means the Deferral Commitment agreement submitted by a Participant to the Committee pursuant to Sections 3.1(b) and 3.1(c).

2.22 Plan Benefit. "Plan Benefit" means the benefit payable to a Participant as calculated in Article V.

2.23 Retirement. "Retirement" means termination from employment with the Employer after the attainment of:

(a) Age 55, and

(b) Five years of service with the Employer. A Participant shall be credited with a year of service, for purposes of this Section and Section 5.4(b), for

each full year in which the Participant remains employed by the Employer, beginning on the Participant's initial hire date and ending on the date the Participant terminates employment with the Employer. If a Participant is an employee as a result of the Company's or one of its subsidiaries' acquisition of or merger with the Participant's prior employer, the Participants' years of service shall include the time the Participant was employed by such prior employer.

2.24 Salary Deferral Commitment. "Salary Deferral Commitment" means the salary deferral made pursuant to Section 3.2(a).

2.25 Unforeseeable Emergency. "Unforeseeable Emergency" means a severe financial hardship to the participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code Section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

ARTICLE III

PARTICIPATION AND DEFERRAL COMMITMENTS

3.1 Eligibility and Participation.

(a) Eligibility. An employee of the Employer shall be eligible to participate in this Plan if the employee is a management or highly compensated employee and is named by the Company's CEO or his designee to be a Participant in this Plan. To be considered for participation in a year, the Participant must have projected base salary, target incentive compensation, and target commissions equal to at least $140,000 and be employed in a position at the director level or above. Notwithstanding the foregoing, an employee who has participated in the Plan as a director whose position has been reduced to below that of director may be eligible to participate in this Plan provided he continues to have projected base salary, target incentive compensation, and target commissions equal to at least $140,000 and is named by the Company's CEO or his designee to be a Participant in this Plan.

(b) Participation. An eligible employee may elect to participate in this Plan with respect to any Deferral Period by submitting a Participation Agreement to the Committee, prior to the date established by the Committee, in the calendar year immediately preceding the Deferral Period.

(c) Partial Year Participation. In the event that an employee first becomes eligible to participate during a calendar year, a Participation Agreement must be submitted to the Committee no later than thirty (30) days following the employee first becoming eligible to participate in the Plan. Such Participation Agreement shall be effective only with regard to Compensation for services to be performed subsequent to the receipt of the Participation Agreement by the Committee.

3.2 Elective Deferrals. A Participant may elect Deferral Commitments in the Participation Agreement as follows:

(a) Salary Deferral Commitment. A Salary Deferral Commitment shall be related to the salary payable by the Company to the Participant for services performed during the Deferral Period. The amount to be deferred shall be stated as a percentage of the salary to be paid during the Deferral Period, as a flat dollar amount for the Deferral Period, or in such other form as allowed by the Committee. Such Salary Deferral Commitment shall be obtained from each Participant prior to the close of the calendar year preceding the year in which the services will be performed or in such other time and manner that complies with Code Section 409A and any regulatory or other guidance issued thereunder.

(b) Bonus Deferral Commitment. Bonus Deferral Commitments are intended to conform to the requirements of Code Section 409A. The amount to be deferred shall be stated as a percentage of any bonus payable during the Deferral Period, as a flat dollar amount from any bonus payable during the Deferral Period, or in such other form as allowed by the Committee consistent with the requirements of Code Section 409A. Each such Bonus Deferral Commitment shall be obtained by a Participant in a time and manner that complies with Code Section 409A and any regulatory or other guidance issued thereunder.

(c) Commission Deferral Commitment. Commission Deferral Commitments are intended to conform to the requirements of Code Section 409A. The amount to be deferred shall be stated as a percentage of any commissions payable during the Deferral Period, as a flat dollar amount from any commissions payable during the Deferral Period, or in such other form as allowed by the Committee consistent with the requirements of Code Section 409A. Each such Commission Deferral Commitment shall be obtained by a Participant in a time and manner that complies with Code Section 409A and any regulatory or other guidance issued thereunder.

3.3 Limitations on Deferral Commitments. The following limitations shall apply to Deferral Commitments:

(a) Minimum. The minimum deferral amount for a Salary and Bonus Deferral Commitment shall be two thousand dollars ($2,000) per Deferral Period. If the Deferral Commitment is a Bonus Deferral Commitment or a Commission Deferral Commitment, the $2,000 minimum shall be calculated as a percentage of targeted incentive bonus or commissions.

(b) Maximum. The maximum deferral amount for a Salary Deferral Commitment shall be fifty percent (50%). The maximum deferral amount for a Bonus Deferral Commitment or a Commission Deferral Commitment shall be one hundred percent (100%) of any such bonus, or commission to be paid or payable during the Deferral Period.

(c) Changes in Minimum or Maximum. The Committee may amend the Plan to change the minimum or maximum deferral amounts from time to time by giving written notice to all Participants. No such change may affect a Deferral Commitment made prior to the Committee's action unless otherwise required by law.

3.4 Modification of Deferral Commitment. A Deferral Commitment shall be irrevocable except that the Committee shall permit a Participant to reduce the amount to be deferred, or waive the remainder of the Deferral Commitment upon a finding that the Participant has suffered an Unforeseeable Emergency. If the Committee grants the application, the Participant will not be allowed to enter into a new Deferral Commitment for the remainder of the Deferral Period in which the reduction or waiver of the Deferral Commitment occurs and the following Deferral Period. Any resumption of the Participant's deferrals under this Plan shall be made only at the election of the Participant in accordance with this Article III.

ARTICLE IV

DEFERRED COMPENSATION ACCOUNTS

4.1 Accounts. For record keeping purposes only, separate accounts shall be maintained for each Participant to reflect his or her Elective Deferral Account and Company Contribution Account (collectively referred to herein as "Accounts"). Separate sub-accounts shall be maintained to the extent necessary to properly reflect the Participant's election of Earnings Indices and vesting of Company contributions under Sections 4.4 and 4.7.

4.2 Elective Deferred Compensation. A Participant's Elective Deferred Compensation shall be credited to the Participant's Elective Deferral Account as the corresponding non-deferred portion of the Compensation becomes or would have become payable. Any withholding of taxes or other amounts which is required by state, federal or local law with respect to deferred Compensation shall be withheld from the Participant's non-deferred Compensation to the maximum extent possible with any excess reducing the amount deferred.

4.3 Discretionary Company Contributions. The Company may make discretionary Company contributions to the Participant's Company Contribution Account. Discretionary Company contributions shall be credited at such times and in such amounts as the Committee in its sole discretion shall determine. The Committee shall notify Participants of contributions to their Company Contribution Account under this Section 4.3.

4.4 Allocation of Accounts. A Participant shall allocate the Accounts among the Earning Indices selected by the Committee. Such allocations shall be made in whole percentage increments. The Committee may change the Earnings Indices at any time. The Elective Deferral Account and Company Contribution Account shall be treated as if invested in the Earnings Indices chosen by the Participant. The Participant's initial allocation shall be set forth in the Participation Agreement. If no allocation is made in the Participation Agreement, the Participant's entire account shall be initially allocated to the money market fund. A change in

allocation among Earning Indices will be allowed once each day in the form and manner prescribed by the Committee. Changes made while the New York Stock Exchange is open will be effective at the end of the day on which the change was made. Changes made when the New York Stock Exchange is closed will be effective at the end of the next day on which the New York Stock Exchange is open.

4.5 Account Earnings. The Accounts of each Participant shall be credited with earnings as if such Accounts were actually invested in the Earnings Indices elected by the Participant pursuant to Section 4.4.

4.6 Determination of Accounts. Each Participant’s Elective Deferral Account as of each day shall consist of the balance of such account as of the immediately preceding day, plus (a) the Participant’s Elective Deferred Compensation credited during the day, and (b) the applicable Account Earnings, minus the amount of any distributions from such account made during the day. Each Participant’s Company Contribution Account as of each day shall consist of the balance of such account as of the immediately preceding day, plus (a) any discretionary Company contributions credited during the day, and (b) the applicable Account Earnings, minus the amount of any distributions from such account made during the day. The specific method of valuing the Accounts shall be under the sole discretion of the Committee.

4.7 Vesting of Accounts. Participants shall be vested in their Accounts as follows:

(a) Each Participant’s Elective Deferral Account, including earnings thereon, shall be 100% vested at all times.

(b) Each discretionary Company contribution credited to each Participant’s Company Contribution Account under Section 4.3 and earnings thereon shall be vested according to the sole discretion of the Committee. The vesting schedule applied to each Discretionary Company Contribution shall be communicated to the Participant at the same time that the Participant is informed of such Discretionary Company Contribution. To the extent permitted under Code Section 409A, the Committee may later accelerate vesting of a Discretionary Company Contribution in its sole discretion. Notwithstanding the vesting schedule established by the Committee with respect to a Discretionary Company Contribution, such Discretionary Company Contribution and the earnings thereon shall become 100% vested on the occurrence of any of the following events to the extent permitted under Code Section 409A:

(i) The Participant’s Disability,

(ii) The Participant’s death, or

(iii) A Change of Control of the Company.

4.8 Statement of Accounts. The Committee shall submit to each Participant, within ninety (90) days after the close of each calendar year and at such other time as determined by the Committee, a statement setting forth the balance of and the credits to the Accounts maintained for such Participant.

ARTICLE V

PLAN BENEFITS

5.1 Distributions. Distributions under this Plan may only be made in accordance with the requirements of Code Section 409A and to that end may not be distributed earlier than:

(a) Separation from service as determined by the Secretary of the Treasury in regulations to be issued under Section 409A of the Code.

(b) The date the Participant becomes Disabled.

(c) The Participant's death.

(d) A specified time (or pursuant to a fixed schedule) specified under the plan at the date of the deferral of such compensation.

(e) Upon a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation, to the extent provided by the Secretary of the Treasury in regulations to be issued under Section 409A of the Code.

(f) Upon the occurrence of an Unforeseeable Emergency.

5.2 Prior to Separation of Service. Consistent with the requirements of Code Section 409A, a Participant's Elective Deferral Account and the vested portion of a Participant's Company Contribution Account may be distributed to the Participant prior to termination of employment as follows:

(a) Specified Time or Fixed Schedule.

(i) Elective Deferral Account. A Participant may elect in a Participation Agreement to receive a distribution of all of the amount deferred by that Participation Agreement, and the earnings thereon, as of a date specified in the Participation Agreement. Such date shall not be sooner than two (2) years after the date the Deferral Period commences. Such election shall be made at the time the Deferral Commitment is made and shall be irrevocable.

(ii) Company Contribution Account. A Participant may elect to withdraw all or any portion of a vested Company contribution and the earnings thereon, as of a specified date, not

sooner than two (2) years after the date the Company contribution is credited to the Participant's Company Contribution Account. Such election shall be made in a manner that satisfies Section 409A of the Code with regard to the timing of participant elections.

(b) Distributions due to Unforeseen Emergency. Upon a finding that a Participant has suffered an Unforeseeable Emergency as defined under Section 2.25 of the Plan, the Committee may, in its sole discretion, make distributions from the Participant's Elective Deferral Account and the vested portion of the Participant's Company Contribution Account. A Participant requesting a distribution as a result of an Unforeseeable Emergency shall apply in writing to the Committee and shall provide such additional information as the Committee may require. The amount of the withdrawal shall be limited to the amount necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). Upon requesting a distribution due to an Unforeseeable Emergency, the Participant shall be required to change the investment direction of the Participant's Accounts to the money market fund. Immediately following a distribution due to an Unforeseeable Emergency, or the determination by the Committee not to authorize the distribution, the Participant may change the investment direction pursuant to Section 4.4. If a distribution is made due to an Unforeseeable Emergency in accordance with this Section 5.2(b), the Participant's deferrals under this Plan shall cease for the remainder of the Deferral Period in which the distribution occurs and the following Deferral Period. Any resumption of the Participant's deferrals under this Plan shall be made only at the election of the Participant in accordance with Article III herein.

5.3 After Separation from Service. Upon a Participant's separation from service with the Employer for any reason, the Participant shall become entitled to receive the payment of the Participant's Elective Deferral Account and the vested portion of the Participant's Company Contribution Account in a form and manner consistent with the requirements of Code Section 409A. The benefit will be paid in the form set forth in Section 5.4.

5.4 Form of Benefit Payment. Subject to the requirements of Code Section 409A, benefits payable under Sections 5.2 and 5.3 shall be payable in the following form:

(a) Distributions Prior to Termination. Early Withdrawals under Section 5.2(a)(i) will be paid as a lump sum or over four (4) years, pursuant to Section 5.5, as elected by the Participant in the Participation Agreement. Early Withdrawals under Section 5.2(a)(ii) will be paid, pursuant to Section 5.5, as elected by the Participant in the Participation Agreement. Distributions due to an Unforeseeable Emergency under Section 5.2(b) will be paid in a lump sum within thirty (30) days after the Committee's decision.

(b) Termination Prior to Retirement, Disability, or Change of Control. Benefits payable as a result of separation from service for any reason other than the Participant's Retirement or Disability or prior to a Change of Control of the Company shall be paid in a lump sum. Provided, however, that a Participant who terminates after having five (5) years of service with the Company shall be entitled to elect in the Participation Agreement to receive the benefit as a lump sum, or in substantially equal annual installments over two (2) or five (5) years. For purposes of this Section 5.4(b), years of service will be determined pursuant to Section 2.26(b).

(c) Termination Due to Retirement, Disability, or After Change of Control. Benefits payable as a result of termination due to the Participant's Retirement or Disability or after a Change of Control of the Company shall be paid in the form selected by the Participant at the time of the Deferral Commitment. Options for the form of benefit payment shall include:

(i) A lump sum payment, or

(ii) Substantially equal annual installments of the Account over a period of two (2), five (5) or ten (10) years. Account Earnings shall continue to accrue during the payment period on the unpaid balance in the Participant's Accounts.

(d) Death Benefits.

(i) Upon the death of the Participant prior to termination of employment, the Company shall pay to the Participant's Beneficiary, as designated in Article VI, an amount equal to the balance of the Participant's Elective Deferral Account and Company Contribution Amount in the form selected by the Participant at the time of the Deferral Commitment. Options for the form of benefit payment shall include a lump sum payment or substantially equal annual installments of the Participant's Accounts over a period of two (2), five (5) or ten (10) year years; provided, however, that any benefits payable hereunder to a trust or estate shall be paid in a lump sum. Account Earnings shall continue to accrue during the payment period on the unpaid balance of the Participant's Accounts. The Committee may, in its sole discretion, pay any death benefit hereunder in the form of a lump sum.

(ii) Upon the death of a Participant after benefit payments have commenced, the Participant's Beneficiary shall receive the remaining unpaid balance in the Participant's Accounts in the same manner as the Participant was being paid prior to the Participant's death; provided, however, that any benefits payable hereunder to a trust or estate shall be made in a lump sum. The

Committee may, in its sole discretion, pay any death benefit hereunder in the form of a lump sum.

(e) Small Account(s). Notwithstanding any provision of this Section 5.4 to the contrary, after a Participant becomes entitled to receive benefit payments, if the total amount of the Participant's Accounts is less than twenty thousand dollars ($20,000) on a payment date, the Accounts shall be paid in a lump sum.

5.5 Commencement of Benefit Payment.

(a) Except for distributions as a result of an Unforeseeable Emergency under Section 5.2(b), benefits payable in a lump sum and the first installment of any benefits payable in installments shall be paid as soon as practicable after the first January 1 or July 1 of the year after the Participant's termination of employment which is at least 6 months after such termination. Future annual installment benefits shall be paid annually as soon as practicable after January 1 of each following year.

5.6 Election Regarding Form of Payment Irrevocable. Elections under Section 5.2(a) shall be irrevocable and may not be changed for any reason.

5.7 Tax Withholding. To the extent required by federal, state, or local law in effect at the time payments are made, the Employer shall withhold from any amount that is included in the Participant's income hereunder any taxes required to be withheld by such law(s).

5.8 Valuation and Settlement. For distributions other than those as a result of Unforeseeable Emergency under Section 5.2(b), the amount of a lump sum payment and the amount of installments shall be based on the value of the Participant's Accounts as of June 30 for payments made as of July 1 or December 31 for payments made as of January 1, as applicable.

5.9 Payment to Guardian. The Committee may direct payment to the duly appointed guardian, conservator, or other similar legal representative of a Participant or Beneficiary to whom payment is due. In the absence of such a legal representative, the Committee may, in its sole and absolute discretion, make payment to a person having the care and custody of a minor, incompetent or person incapable of handling the disposition of property upon proof satisfactory to the Committee of incompetence, minority, or incapacity. Such distribution shall completely discharge the Committee from all liability with respect to such benefit.

ARTICLE VI

BENEFICIARY DESIGNATION

6.1 Beneficiary Designation. Subject to Section 6.3, each Participant shall have the right, at any time, to designate one (1) or more persons or an entity as Beneficiary (both primary

as well as secondary) to whom benefits under this Plan shall be paid in the event of such Participant's death prior to complete distribution of the Participant's Accounts. Each Beneficiary designation shall be in a written form prescribed by the Committee and shall be effective only when filed with the Committee during the Participant's lifetime.

6.2 Changing Beneficiary. Subject to Section 6.3, any Beneficiary designation, other than the Participant's spouse, may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new Beneficiary designation with the Committee. The filing of a new properly completed Beneficiary designation shall cancel all Beneficiary designations previously filed.

6.3 Community Property. If the Participant resides in a community property state, any Beneficiary designation shall be valid or effective only as permitted under applicable law.

6.4 No Beneficiary Designation. If any Participant fails to designate a Beneficiary in the manner provided in Section 6.1 and subject to Section 6.3, if the Beneficiary designation is void, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's Accounts, the Participant's Beneficiary shall be the person in the first of the following classes in which there is a survivor:

(a) The Participant's spouse;

(b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take, by right of representation, the share the parent would have taken if living; or

(c) The Participant's estate.

ARTICLE VII

ADMINISTRATION

7.1 Committee. This Plan shall be administered by the Committee. The Committee shall have the discretionary authority to interpret and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise. A majority vote of the Committee members shall control any decision. Members of the Committee may be Participants under this Plan.

7.2 Agents. The Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may, from time to time, consult with counsel who may be counsel to the Company.

7.3 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and

application of this Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in this Plan.

7.4 Indemnification of Committee. The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan on account of such member's service on the Committee, except in the case of gross negligence or willful misconduct by such member or as expressly provided by statute.

ARTICLE VIII

CLAIMS PROCEDURE

8.1 Claim. The Committee shall establish rules and procedures to be followed by Participants and Beneficiaries in (a) filing claims for benefits, and (b) for furnishing and verifying proofs necessary to establish the right to benefits in accordance with this Plan, consistent with the remainder of this Article VIII. Such rules and procedures shall require that claims and proofs be made in writing and directed to the Committee.

8.2 Review of Claim. The Committee or its designee shall review all claims for benefits. Upon receipt by the Committee of such a claim, it shall determine all facts which are necessary to establish the right of the claimant to benefits under the provisions of this Plan and the amount thereof as herein provided within ninety (90) days of receipt of such claim. If prior to the expiration of the initial ninety (90) day period, the Committee determines additional time is needed to come to a determination on the claim, the Committee shall provide written notice to the Participant, Beneficiary or other claimant of the need for the extension, not to exceed a total of one hundred eighty (180) days from the date the application was received.

8.3 Notice of Denial of Claim. In the event that any Participant, Beneficiary or other claimant claims to be entitled to a benefit under this Plan, and the Committee determines that such claim should be denied, in whole or in part, the Committee shall, in writing, notify such claimant that the claim has been denied, in whole or in part, setting forth the specific reasons for such denial. Such notification shall be written in a manner reasonably expected to be understood by such claimant, shall refer to the specific sections of this Plan relied on, shall describe any additional material or information necessary for the claimant to perfect the claim, shall provide an explanation of why such material or information is necessary, and, where appropriate, shall include an explanation of how the claimant can obtain reconsideration of such denial.

8.4 Reconsideration of Denied Claim.

(a) Within sixty (60) days after receipt of the notice of the denial of a claim, such claimant or duly authorized representative may request, by mailing or delivery of such written notice to the Committee, a reconsideration by the Committee of the decision denying the claim. If the claimant or duly authorized representative fails to request such a reconsideration within such sixty (60) day

period, it shall be conclusively determined for all purposes of this Plan that the denial of such claim by the Committee is correct. If such claimant or duly authorized representative requests a reconsideration within such sixty (60) day period, the claimant or duly authorized representative shall have thirty (30) days after filing a request for reconsideration to submit additional written material in support of the claim, review pertinent documents, and submit issues and comments in writing.

(b) After such reconsideration request, the Committee shall determine within sixty (60) days of receipt of the claimant's request for reconsideration whether such denial of the claim was correct and shall notify such claimant in writing of its determination. The written notice of the Committee's decision shall be in writing and shall include specific reasons for the decision, shall be written in a manner reasonably calculated to be understood by the claimant, and shall identify specific references to the pertinent Plan provisions on which the decision is based. In the event of special circumstances determined by the Committee, the time for the Committee to make a decision may be extended by an additional sixty (60) days upon written notice to the claimant prior to the commencement of the extension.

8.5 Employer to Supply Information. To enable the Committee to perform its duties, the Employer shall supply full and timely information to the Committee of all matters relating to the Retirement, Disability, death, or other cause for termination of employment of all Participants, and such other pertinent facts as the Committee may require.

ARTICLE IX

AMENDMENT AND TERMINATION OF PLAN

9.1 Amendment. The Committee may at any time amend this Plan by written instrument, notice of which is given to all Participants and to any Beneficiaries to whom a benefit is due. No amendment shall reduce the amount accrued in any Accounts as of the date such notice of the amendment is given. Material changes to this Plan will be effective immediately, but must be ratified and approved at the Compensation Committee meeting immediately following the effective date of such amendment. After a Change of Control of the Company, this Plan may not be amended without the consent of at least 75% of the Participants, unless otherwise required to conform with Code Section 409A or other provisions of law.

9.2 Right to Terminate Plan. The Compensation Committee may at any time partially or completely terminate this Plan if, in its judgment, the tax, accounting, or other effects of the continuance of this Plan would not be in the best interests of the Employer.

(a) Partial Termination. The Compensation Committee may partially terminate this Plan by instructing the Committee not to accept any additional Deferral Commitments. If such a partial termination occurs, this Plan shall

continue to operate and be effective with regard to Deferral Commitments entered into prior to the effective date of such partial termination.

(b) Complete Termination. The Compensation Committee may completely terminate this Plan by choosing not to accept any additional Deferral Commitments, and by terminating all ongoing Deferral Commitments. If such a complete termination occurs, this Plan shall cease to operate and the Employer shall pay out all Accounts. Payment shall be made in a lump sum within sixty (60) days after the Compensation Committee terminates this Plan.

(c) Termination After Change of Control. After a Change of Control of the Company, this Plan may not be completely or partially terminated without the consent of at least 75% of the Participants, unless otherwise required to conform with Section 409A or other provisions of law.

ARTICLE X

MISCELLANEOUS

10.1 Unfunded Plan. This Plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of management or highly compensated employees within the meaning of Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and, therefore, is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA.

10.2 Unsecured General Creditor. Participants and Beneficiaries shall be unsecured general creditors, with no secured or preferential right to any assets of the Company or any other party for payment of benefits under this Plan. Any insurance contracts, mutual fund shares, stocks, bonds or other property purchased by the Company in connection with this Plan shall remain the Company's general, unpledged, and unrestricted assets. The Company's obligation under this Plan shall be an unfunded and unsecured promise to pay money in the future.

10.3 Trust Fund. At its discretion, the Company may establish one (1) or more trusts, with such trustees as the Committee may approve, for the purpose of providing for the payment of benefits owed under this Plan. Although such a trust shall be irrevocable, its assets shall be held for payment of all the Company's general creditors in the event of the Company's insolvency or bankruptcy. To the extent any benefits provided under this Plan are paid from any such trust, the Company shall have no further obligation to pay them. If not paid from the trust, such benefits shall remain the obligation of the Company. After the occurrence of a Change of Control, the Company will deposit an amount in trust at least equal to the amount necessary to cause the trust's assets to equal the total of all Accounts under this Plan. Thereafter, the Company will make additional deposits, no less often than monthly, as required to maintain trust assets at a level at least equal the total of all Accounts under this Plan.

10.4 Nonalienability. The Committee may recognize the right of an alternate payee named in a domestic relations order to receive all or a portion of a Participant's benefit under this

Plan, provided that (a) the domestic relations order would be a "qualified domestic relations order" within the meaning of Code Section 414(p) if Code Section 414(p) were applicable to this Plan; (b) the domestic relations order does not purport to give the alternate payee any right to assets of the Company or its affiliates; and (c) the domestic relations order does not purport to give the alternate payee any right to receive payments under this Plan before the Participant is eligible to receive such payments. If the domestic relations order purports to give the alternate payee a share of a benefit to which the Participant currently has a contingent or nonvested right, the alternate payee shall not be entitled to receive any payment from this Plan with respect to the benefit unless the Participant's right to the benefit becomes nonforfeitable. Except as set forth in the preceding two sentences with respect to domestic relations orders, and except as required under applicable federal, state, or local laws concerning the withholding of tax, rights to benefits payable under this Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such supplemental benefit, whether currently or thereafter payable, shall be void.

10.5 Not a Contract of Employment. This Plan shall not constitute a contract of employment between the Employer and the Participant. Nothing in this Plan shall give a Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discipline or discharge a Participant at any time. Employment with the Employer is at will.

10.6 Protective Provisions. A Participant shall cooperate with the Employer by furnishing any and all information and taking other actions as requested by the Employer in order to facilitate the administration of this Plan and the payment of benefits hereunder.

10.7 Governing Law. The provisions of this Plan shall be construed and interpreted according to the laws of the state of California, except as preempted by federal law.

10.8 Validity. In case any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.9 Notice. Any notice required or permitted under this Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed as given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to the Company's address. Mailed notice to a Participant or Beneficiary shall be directed to the individual's last known address in the Employer's records.

10.10 Successors. The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term "successors" as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

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 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 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: December 10, 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 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 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: December 10, 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 October 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: December 10, 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 October 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: December 10, 2004