

H&R Block Announces Interim Tax Season Results

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KANSAS CITY, Mo.--(BUSINESS WIRE)--March 29, 2007--H&R Block Inc. (NYSE: HRB) today reported tax season results for the interim period from Nov. 1, 2006, through March 15, 2007.

Total clients served (for both the company's retail operations and digital tax solutions business) reached 14.6 million, an increase of 467,000, or 3.3 percent, over the prior year period. Digital tax clients served advanced 14.1 percent over 2006 while office-based clients increased 0.5 percent.

"As we head toward the final weeks of tax season, H&R Block's expert tax professionals are ready to serve late-season filers," said Mark A. Ernst, chairman and chief executive officer.

H&R Block plans to release additional interim tax season results for its U.S. tax operations before the NYSE market opening on April 19 and May 10.

About H&R Block

H&R Block Inc. (NYSE: HRB) is a leading provider of tax, financial, and accounting and business consulting services and products. H&R Block is the world's largest tax services provider, having prepared more than 400 million tax returns since 1955. The company and its subsidiaries generated revenues of \$3.6 billion and net income of \$287 million from continuing operations in fiscal year 2006. The company currently operates in three principal business segments: Tax Services (income tax preparation and advice via in-office, online and software solutions); Business Services (accounting, tax and business consulting services for mid-sized companies); and Consumer Financial Services (investment and financial advisory services and banking services). Headquartered in Kansas City, Mo., H&R Block markets its continuing services and products under two leading brands - H&R Block and RSM McGladrey. For more information visit our Online Press Center at www.hrblock.com.

H&R BLOCK Preliminary U.S. Tax Operating Data

(in thousands, except average fee and number of offices)

	February 11/1-1/31	March 2/1-2/28	YTD 3/1-3/15	YTD 11/1-3/15
Net tax preparation fees:				
(1)				
Fiscal year 2007				
Company-owned operations	\$424,770	\$613,275	\$169,402	\$1,207,447
Franchise operations	218,894	298,496	73,014	590,404
	\$643,664	\$911,771	\$242,416	\$1,797,851
Fiscal year 2006 (2)				
Company-owned operations	\$376,419	\$606,078	\$164,702	\$1,147,199
Franchise operations	190,535	282,127	68,080	540,742
	\$566,954	\$888,205	\$232,782	\$1,687,941
Percent change				
Company-owned operations	12.8%	1.2%	2.9%	5.3%
Franchise operations	14.9%	5.8%	7.2%	9.2%
Total retail operations	13.5%	2.7%	4.1%	6.5%

Total clients served: (3)

Fiscal year 2007				
Company-owned operations	2,729	3,535	1,000	7,264
Franchise operations	1,607	1,948	486	4,041

Total retail offices	4,336	5,483	1,486	11,305
Digital tax solutions	1,279	1,620	403	3,302

	5,615	7,103	1,889	14,607
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Fiscal year 2006 (2)				
Company-owned operations	2,390	3,854	1,030	7,274
Franchise operations	1,406	2,081	486	3,973

Total retail offices	3,796	5,935	1,516	11,247
Digital tax solutions	1,157	1,362	374	2,893

	4,953	7,297	1,890	14,140
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Percent change				

Company-owned operations	14.2%	-8.3%	-2.9%	-0.1%

Franchise operations	14.3%	-6.4%	0.0%	1.7%

Total retail operations	14.2%	-7.6%	-2.0%	0.5%

Digital tax solutions	10.5%	18.9%	7.8%	14.1%

Total	13.4%	-2.7%	-0.1%	3.3%

Net average fee - retail:
(4)

Fiscal year 2007				
Company-owned operations	\$169.47	\$165.86	\$169.48	\$167.62
Franchise operations	147.42	146.08	150.19	147.07

	\$161.27	\$158.82	\$163.17	\$160.27
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Fiscal year 2006 (2)				
Company-owned operations	\$157.48	\$157.25	\$159.84	\$157.69
Franchise operations	135.51	135.54	140.18	136.10

	\$149.35	\$149.64	\$153.54	\$150.06
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Percent change				

Company-owned operations	7.6%	5.5%	6.0%	6.3%

Franchise operations	8.8%	7.8%	7.1%	8.1%

Total retail operations	8.0%	6.1%	6.3%	6.8%

- (1)Gross tax preparation fees less coupons and discounts.
- (2)Prior year numbers have been reclassified between company-owned and franchise offices for offices which commenced company-owned operations during fiscal year 2007.
- (3)Tax preparation clients for which revenue was earned and Instant Money Advance Loan (IMAL) clients.
- (4)Calculated as net tax preparation fees divided by retail tax preparation clients served.

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