
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 8-K**

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): September 3, 2014

H&R BLOCK, INC.
(Exact name of registrant as specified in charter)

MISSOURI
(State or other jurisdiction of
incorporation or organization)

1-6089
(Commission File Number)

44-0607856
(I.R.S. Employer
Identification No.)

One H&R Block Way, Kansas City, MO 64105
(Address of Principal Executive Offices) (Zip Code)

(816) 854-3000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On September 3, 2014, the Company issued a press release regarding the Company's results of operations for the fiscal quarter ended July 31, 2014. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number Description

99.1 Press Release Issued September 3, 2014

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 hereunto duly authorized.

H&R BLOCK, INC.

Date: September 3, 2014

By: /s/ Scott W. Andreasen

Scott W. Andreasen

Vice President and Secretary

EXHIBIT INDEX

Exhibit 99.1 Press Release Issued September 3, 2014

News Release

For Immediate Release: September 3, 2014

H&R Block Announces Fiscal 2015 First Quarter Results

KANSAS CITY, Mo. - H&R Block, Inc. (NYSE: HRB), the world's largest consumer tax services provider, today announced its financial results for the fiscal 2015 first quarter ended July 31, 2014. The company typically reports a first quarter operating loss due to the seasonality of its core U.S. tax business.

First Quarter 2015 Highlights¹

- Total revenues increased \$6 million, or 5.0%, to \$134 million
- Net loss from continuing operations improved 4% to \$109 million, or \$0.40 per share²
- Non-GAAP adjusted loss per share³ from continuing operations unchanged at \$0.40

Revenues increased 5 percent, to \$134 million, primarily due to a 5-day extension by the Canadian Revenue Agency of the completion of the Canadian tax season this year from April 30, our fiscal year end, to May 5. Loss per share from continuing operations improved to \$0.40. On an adjusted non-GAAP basis, earnings per share from continuing operations was unchanged at \$0.40.

CEO Perspective

"I am pleased with the progress we've made this offseason in preparation for tax season 2015. This year, we'll continue our Tax Plus strategy to drive profitable growth and maximize the value offering to our clients," said Bill Cobb, H&R Block's president and chief executive officer. "I like our competitive position and believe that we have the right people, resources, and expertise to continue to provide best-in-class service to our clients, and to take advantage of the long-term opportunities that lie ahead."

First Quarter Results From Continuing Operations

| (in millions, except EPS) | Actual | | Adjusted | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | Fiscal Year 2015 | Fiscal Year 2014 | Fiscal Year 2015 | Fiscal Year 2014 |
| Revenue | \$ 134 | \$ 127 | \$ 134 | \$ 127 |
| EBITDA | \$ (128) | \$ (147) | \$ (126) | \$ (139) |
| Pretax Loss | \$ (176) | \$ (184) | \$ (174) | \$ (176) |
| Net Loss | \$ (109) | \$ (113) | \$ (108) | \$ (108) |
| Weighted-Avg. Shares - Diluted | 274.6 | 273.1 | 274.6 | 273.1 |
| EPS | \$ (0.40) | \$ (0.42) | \$ (0.40) | \$ (0.40) |

1 All amounts in this release are unaudited. Unless otherwise noted, all comparisons refer to the current period compared to the corresponding prior year period.

2 All per share amounts are based on fully diluted shares.

3 The company reports adjusted financial performance, which it believes is a better indication of the company's recurring operations. The company also reports EBITDA (earnings before interest, taxes, depreciation and amortization), a non-GAAP financial measure, which the company finds relevant when measuring its performance. See "About Non-GAAP Financial Information" below for more information regarding financial measures not prepared in accordance with generally accepted accounting principles (GAAP).

Business Segment Results and Highlights

Tax Services

- Revenues increased 6 percent to \$129 million, driven by the aforementioned extension of the completion of the Canadian tax season
- Total operating expenses increased 5 percent to \$280 million, driven by depreciation and amortization from planned office and technology upgrades, increased wages, and higher occupancy costs, partially offset by lower foreign exchange currency losses and legal fees
- Adjusted non-GAAP pretax loss increased 4 percent to \$149 million

Corporate

- Total operating expenses declined \$16 million to \$30 million, primarily due to lower provisions for losses on mortgage loans held for investment and lower expenses related to the pending exit of HRB Bank
- Pretax loss improved by \$15 million to \$25 million

Discontinued Operations

- Net loss of \$7 million compared to \$2 million in the prior year
- Sand Canyon Corporation (SCC), a separate legal entity of H&R Block, Inc., continued to engage in constructive settlement discussions with counterparties that represent a significant majority of previously denied and expected future representation and warranty claims. Based on these actions, SCC recorded a provision of \$10 million during the first quarter, increasing its accrual for contingent losses related to representations and warranty claims to \$194 million at July 31.

Dividends

A previously announced quarterly cash dividend of 20 cents per share is payable on Oct. 1, 2014 to shareholders of record as of Sept. 9, 2014. The October 1 dividend payment will be H&R Block's 208th consecutive quarterly dividend since the company went public in 1962.

Conference Call

In conjunction with the announcement of first quarter fiscal 2015 first quarter results, the company will host a conference call at 4:30 p.m. Eastern time on Sept. 3, 2014. During the conference call the company will discuss fiscal 2015 first quarter results, future outlook and a general business update. To access the call, please dial the number below approximately 10 minutes prior to the scheduled starting time:

U.S./Canada (888) 895-5260 or International (443) 842-7595

Conference ID: 77437530

The call will also be webcast in a listen-only format for the media and public. The link to the webcast can be accessed directly at <http://investors.hrblock.com>.

A replay of the call will be available beginning at 6:30 p.m. Eastern time on Sept. 3, 2014, and continuing until Oct. 3, 2014, by dialing (855) 859-2056 (U.S./Canada) or (404) 537-3406 (International). The conference ID is 77437530. The webcast will be available for replay September 4, 2014 at <http://investors.hrblock.com>.

About H&R Block

H&R Block, Inc. (NYSE: HRB) is the world's largest consumer tax services provider. More than 650 million tax returns have been prepared worldwide by and through H&R Block since 1955. In fiscal 2014, H&R Block had annual revenues over \$3.0 billion with 24.2 million tax returns prepared worldwide. Tax return preparation services are provided in approximately 12,000 company-owned and franchise retail tax offices worldwide by professional tax preparers, and through H&R Block Tax Software products. H&R Block Bank provides affordable banking products and services. For more information, visit the H&R Block Newsroom at

<http://newsroom.hrblock.com/>.

About Non-GAAP Financial Information

This press release and the accompanying tables include non-GAAP financial information. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with generally accepted accounting principles, please see the section of the accompanying tables titled "Non-GAAP Financial Information."

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "could" or "may" or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, capital expenditures, dividends, liquidity, capital structure or other financial items, descriptions of management's plans or objectives for future operations, products or services, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data or methods, future events or other changes, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the company's control and which are described in our Annual Report on Form 10-K for the fiscal year ended April 30, 2014 in the section entitled "Risk Factors," as well as additional factors we may describe from time to time in other filings with the Securities and Exchange Commission. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

For Further Information

Investor Relations: Colby Brown, (816) 854-4559, colby.brown@hrblock.com

Media Relations: Gene King, (816) 854-4672, gene.king@hrblock.com

TABLES FOLLOW

**KEY OPERATING RESULTS**

(unaudited, in 000s - except per share data)

| | Three months ended July 31, | | | |
|--|-----------------------------|-------------------|---------------------|---------------------|
| | Revenues | | Income (loss) | |
| | 2014 | 2013 | 2014 | 2013 |
| Tax Services | \$ 129,080 | \$ 121,691 | \$ (150,560) | \$ (144,394) |
| Corporate and Eliminations | 4,506 | 5,504 | (25,256) | (40,100) |
| | <u>\$ 133,586</u> | <u>\$ 127,195</u> | <u>(175,816)</u> | <u>(184,494)</u> |
| Income tax benefit | | | (66,965) | (71,224) |
| Net loss from continuing operations | | | (108,851) | (113,270) |
| Net loss from discontinued operations | | | (7,381) | (1,917) |
| Net loss | | | <u>\$ (116,232)</u> | <u>\$ (115,187)</u> |
| Basic and diluted earnings (loss) per share: | | | | |
| Continuing operations | | | \$ (0.40) | \$ (0.42) |
| Discontinued operations | | | (0.02) | — |
| Consolidated | | | <u>\$ (0.42)</u> | <u>\$ (0.42)</u> |
| Basic and diluted shares | | | 274,575 | 273,080 |

CONSOLIDATED BALANCE SHEETS

(in 000s - except per share data)

| As of | July 31, 2014 | July 31, 2013 | April 30, 2014 |
|---|---------------------|---------------------|---------------------|
| | (unaudited) | (unaudited) | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,429,489 | \$ 1,163,876 | \$ 2,185,307 |
| Cash and cash equivalents — restricted | 71,917 | 55,477 | 115,319 |
| Receivables, net | 122,315 | 121,309 | 191,618 |
| Prepaid expenses and other current assets | 264,666 | 364,270 | 198,267 |
| Investments in available-for-sale securities | 403,774 | — | 423,495 |
| Total current assets | <u>2,292,161</u> | <u>1,704,932</u> | <u>3,114,006</u> |
| Mortgage loans held for investment, net | 259,732 | 309,681 | 268,428 |
| Investments in available-for-sale securities | 4,289 | 487,033 | 4,329 |
| Property and equipment, net | 314,531 | 286,584 | 304,911 |
| Intangible assets, net | 347,890 | 280,455 | 355,622 |
| Goodwill | 478,845 | 435,667 | 436,117 |
| Other assets | 193,371 | 258,536 | 210,116 |
| Total assets | <u>\$ 3,890,819</u> | <u>\$ 3,762,888</u> | <u>\$ 4,693,529</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| LIABILITIES: | | | |
| Customer banking deposits | \$ 482,975 | 757,929 | \$ 769,785 |
| Accounts payable, accrued expenses and other current liabilities | 485,205 | 443,065 | 569,007 |
| Accrued salaries, wages and payroll taxes | 30,996 | 32,926 | 167,032 |
| Accrued income taxes | 284,038 | 215,834 | 406,655 |
| Current portion of long-term debt | 400,705 | 730 | 400,637 |
| Total current liabilities | <u>1,683,919</u> | <u>1,450,484</u> | <u>2,313,116</u> |
| Long-term debt | 505,714 | 905,902 | 505,837 |
| Other noncurrent liabilities | 303,986 | 301,187 | 318,027 |
| Total liabilities | <u>2,493,619</u> | <u>2,657,573</u> | <u>3,136,980</u> |
| COMMITMENTS AND CONTINGENCIES | | | |
| STOCKHOLDERS' EQUITY: | | | |
| Common stock, no par, stated value \$.01 per share | 3,166 | 3,166 | 3,166 |
| Convertible preferred stock, no par, stated value \$.01 per share | — | — | — |
| Additional paid-in capital | 766,014 | 753,209 | 766,654 |
| Accumulated other comprehensive income (loss) | 5,483 | (257) | 5,177 |
| Retained earnings | 1,418,124 | 1,163,651 | 1,589,297 |
| Less treasury shares, at cost | <u>(795,587)</u> | <u>(814,454)</u> | <u>(807,745)</u> |
| Total stockholders' equity | <u>1,397,200</u> | <u>1,105,315</u> | <u>1,556,549</u> |
| Total liabilities and stockholders' equity | <u>\$ 3,890,819</u> | <u>\$ 3,762,888</u> | <u>\$ 4,693,529</u> |

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in 000s - except per share amounts)

| Three months ended July 31, | 2014 | 2013 |
|---|--------------|--------------|
| REVENUES: | | |
| Service revenues | \$ 115,473 | \$ 107,800 |
| Royalty, product and other revenues | 8,814 | 8,198 |
| Interest income | 9,299 | 11,197 |
| | 133,586 | 127,195 |
| OPERATING EXPENSES: | | |
| Cost of revenues: | | |
| Compensation and benefits | 51,855 | 46,312 |
| Occupancy and equipment | 83,306 | 78,736 |
| Provision for bad debt and loan losses | 4,364 | 11,491 |
| Interest | 13,940 | 14,446 |
| Depreciation and amortization | 25,085 | 18,620 |
| Other | 32,971 | 40,448 |
| | 211,521 | 210,053 |
| Selling, general and administrative: | | |
| Marketing and advertising | 8,145 | 7,123 |
| Compensation and benefits | 60,964 | 53,047 |
| Depreciation and amortization | 8,601 | 4,254 |
| Other selling, general and administrative | 19,490 | 32,273 |
| | 97,200 | 96,697 |
| Total operating expenses | 308,721 | 306,750 |
| Operating loss | (175,135) | (179,555) |
| Other income (expense), net | (681) | (4,939) |
| Loss from continuing operations before income tax benefit | (175,816) | (184,494) |
| Income tax benefit | (66,965) | (71,224) |
| Net loss from continuing operations | (108,851) | (113,270) |
| Net loss from discontinued operations | (7,381) | (1,917) |
| NET LOSS | \$ (116,232) | \$ (115,187) |
| BASIC AND DILUTED LOSS PER SHARE: | | |
| Continuing operations | \$ (0.40) | \$ (0.42) |
| Discontinued operations | (0.02) | — |
| Consolidated | \$ (0.42) | \$ (0.42) |

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in 000s)

| Three months ended July 31, | 2014 | 2013 |
|--|---------------------|---------------------|
| NET CASH USED IN OPERATING ACTIVITIES | \$ (381,585) | \$ (318,742) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of available-for-sale securities | (100) | (45,158) |
| Maturities of and payments received on available-for-sale securities | 18,484 | 32,061 |
| Principal payments on mortgage loans held for investment, net | 6,250 | 11,707 |
| Capital expenditures | (25,841) | (34,386) |
| Payments made for business acquisitions, net of cash acquired | (40,533) | (1,303) |
| Franchise loans: | | |
| Loans funded | (7,398) | (6,657) |
| Payments received | 18,674 | 7,164 |
| Other, net | 4,130 | 7,482 |
| Net cash used in investing activities | <u>(26,334)</u> | <u>(29,090)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Customer banking deposits, net | (287,609) | (179,364) |
| Dividends paid | (54,852) | (54,550) |
| Proceeds from exercise of stock options | 13,368 | 21,953 |
| Other, net | (19,316) | (17,294) |
| Net cash used in financing activities | <u>(348,409)</u> | <u>(229,255)</u> |
| Effects of exchange rate changes on cash | 510 | (6,621) |
| Net decrease in cash and cash equivalents | (755,818) | (583,708) |
| Cash and cash equivalents at beginning of the period | 2,185,307 | 1,747,584 |
| Cash and cash equivalents at end of the period | <u>\$ 1,429,489</u> | <u>\$ 1,163,876</u> |
| SUPPLEMENTARY CASH FLOW DATA: | | |
| Income taxes paid, net of refunds received | \$ 88,924 | \$ 106,467 |
| Interest paid on borrowings | 15,415 | 15,883 |
| Interest paid on deposits | 201 | 640 |
| Transfers of foreclosed loans to other assets | 1,818 | 2,100 |
| Accrued additions to property and equipment | 11,988 | 8,048 |
| Transfer of mortgage loans held for investment to held for sale | — | 7,608 |

TAX SERVICES – FINANCIAL RESULTS

(unaudited, amounts in 000s)

| Three months ended July 31, | 2014 | 2013 |
|-------------------------------------|--------------|--------------|
| Tax preparation fees: | | |
| U.S. | \$ 25,489 | \$ 22,026 |
| International | 41,456 | 32,094 |
| | 66,945 | 54,120 |
| Royalties | 7,642 | 6,562 |
| Fees from Emerald Card® | 14,045 | 14,611 |
| Fees from Peace of Mind® guarantees | 24,253 | 27,826 |
| Other | 16,195 | 18,572 |
| Total revenues | 129,080 | 121,691 |
| Compensation and benefits: | | |
| Field wages | 45,997 | 39,904 |
| Other wages | 38,717 | 34,735 |
| Benefits and other compensation | 18,822 | 15,937 |
| | 103,536 | 90,576 |
| Occupancy and equipment | 83,098 | 78,550 |
| Marketing and advertising | 7,387 | 7,017 |
| Depreciation and amortization | 33,683 | 22,802 |
| Other | 51,936 | 67,140 |
| Total expenses | 279,640 | 266,085 |
| Pretax loss | \$ (150,560) | \$ (144,394) |

NON-GAAP FINANCIAL MEASURES

(unaudited, in 000s - except per share amounts)

| | Three months ended July 31, 2014 | | | | | |
|---|----------------------------------|------------|--------------|--------------|--------------|-----------|
| | Revenues | Expenses | EBITDA | Pretax loss | Net loss | EPS |
| As reported - from continuing operations | \$ 133,586 | \$ 308,721 | \$ (128,190) | \$ (175,816) | \$ (108,851) | \$ (0.40) |
| Adjustments: | | | | | | |
| Loss contingencies - litigation | — | 228 | 228 | 228 | 141 | — |
| Severance | — | 813 | 813 | 813 | 504 | — |
| Professional fees related to HRB Bank transaction | — | 25 | 25 | 25 | 15 | — |
| Asset impairments | — | — | 941 | 941 | 583 | — |
| Discrete tax items | — | — | — | — | (49) | — |
| | — | 1,066 | 2,007 | 2,007 | 1,194 | — |
| As adjusted - from continuing operations | \$ 133,586 | \$ 307,655 | \$ (126,183) | \$ (173,809) | \$ (107,657) | \$ (0.40) |
| | Three months ended July 31, 2013 | | | | | |
| | Revenues | Expenses | EBITDA | Pretax loss | Net loss | EPS |
| As reported - from continuing operations | \$ 127,195 | \$ 306,750 | \$ (147,174) | \$ (184,494) | \$ (113,270) | \$ (0.42) |
| Adjustments: | | | | | | |
| Loss contingencies - litigation | — | 373 | 373 | 373 | 229 | — |
| Severance | — | 1,105 | 1,105 | 1,105 | 677 | — |
| Professional fees related to HRB Bank transaction | — | 7,024 | 7,024 | 7,024 | 4,306 | 0.02 |
| Discrete tax items | — | — | — | — | 157 | — |
| | — | 8,502 | 8,502 | 8,502 | 5,369 | 0.02 |
| As adjusted - from continuing operations | \$ 127,195 | \$ 298,248 | \$ (138,672) | \$ (175,992) | \$ (107,901) | \$ (0.40) |

NON-GAAP FINANCIAL MEASURES

(unaudited, in 000s - except per share amounts)

| | Three Months Ended July 31, | |
|------------------------------------|--------------------------------|-----------------|
| | 2014 | 2013 |
| EBITDA | | |
| Net loss - as reported | \$ (116,232) | \$ (115,187) |
| Add back : | | |
| Discontinued operations | 7,381 | 1,917 |
| Income taxes | (66,965) | (71,224) |
| Interest expense | 13,940 | 14,446 |
| Depreciation and amortization | 33,686 | 22,874 |
| | <u>(11,958)</u> | <u>(31,987)</u> |
| EBITDA from continuing operations | \$ (128,190) | \$ (147,174) |
| | | |
| | | |
| Supplemental Information | | |
| Stock-based compensation expense: | | |
| Pretax | \$ 7,459 | \$ 4,552 |
| After-tax | 4,620 | 2,791 |
| Amortization of intangible assets: | | |
| Pretax | \$ 11,244 | \$ 6,071 |
| After-tax | 6,965 | 3,722 |

NON-GAAP FINANCIAL INFORMATION

The accompanying press release contains non-GAAP financial measures. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Because these measures are not measures of financial performance under GAAP and are susceptible to varying calculations, they may not be comparable to similarly titled measures for other companies.

We consider non-GAAP financial measures to be a useful metric for management and investors to evaluate and compare the ongoing operating performance of our business on a consistent basis across reporting periods, as it eliminates the effect of items that are not indicative of our core operating performance.

The following are descriptions of adjustments we make for our non-GAAP financial measures:

- We exclude losses from settlements and estimated contingent losses from litigation and favorable reserve adjustments. This does not include legal defense costs.
- We exclude non-cash charges to adjust the carrying values of goodwill, intangible assets, other long-lived assets and investments to their estimated fair values.
- We exclude severance and other restructuring charges in connection with the termination of personnel, closure of offices and related costs.
- We exclude the gains and losses on business dispositions, including investment banking, legal and accounting fees from both business dispositions and acquisitions.
- We exclude the gains and losses on extinguishment of debt.
- We exclude the effects of discrete income tax reserve and related adjustments recorded in a specific quarter.

We may consider whether other significant items that arise in the future should also be excluded from our non-GAAP financial measures.

We measure the performance of our business using a variety of metrics, including EBITDA, adjusted EBITDA and adjusted pretax income of continuing operations. Adjusted EBITDA and adjusted pretax income eliminate the impact of items that we do not consider indicative of our core operating performance and, we believe, provide meaningful information to assist in understanding our financial results, analyzing trends in our underlying business, and assessing our prospects for future performance. We also use EBITDA and pretax income of continuing operations, each subject to permitted adjustments, as performance metrics in incentive compensation calculations for our employees.