

H&R Block Reports Interim Tax Season Data Through March 31

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KANSAS CITY, Mo., April 12 /PRNewswire/ -- H&R Block Inc. (NYSE: HRB) reported today that revenues received from tax preparation and related services increased 10.5 percent to \$1.5 billion for company-owned and franchised offices from Jan. 1 through March 31, compared to the same period last year. The average fee for tax preparation and related services rose 10.2 percent to \$108.80, while total clients served increased 2.8 percent.

"Results through the end of March reflect a continued increase in the number of complex returns prepared by H&R Block this year," said Mark A. Ernst, president and chief executive officer. "This is consistent with our marketing strategy and is contributing to an increase in our average fee.

"Current filing trends suggest H&R Block is on track to meet or possibly exceed our previously announced revenue and earnings goals for the full year," added Ernst. "Clearly, the remaining days of the tax season are important to our ultimate full year results."

Through March 31, company-owned and franchised offices prepared 13.2 million returns, an increase of 1.8 percent. The number of clients served increased 2.8 percent to 14.6 million. During this period, H&R Block filed 12.4 million federal returns electronically, representing an 8 percent increase over the prior year. Through the period, 85.2 percent of the returns processed by the company were filed electronically.

Except for historical information contained herein, the matters set forth in this press release are forward-looking statements based upon current information and expectations. Such statements speak only as of the date on which they are made, are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that could cause actual results to differ materially from what is expressed, implied or forecast in such forward-looking statements. Such differences could be caused by a number of factors, including, but not limited to, the uncertainties that the company will achieve or exceed its revenue, earnings, client and pricing growth goals for fiscal year 2001, that current filing and complexity trends will continue during the remainder of the tax season, that average fees will continue at current levels or increase during the remainder of fiscal year 2001, of the success of the company's marketing efforts, changes in economic, political or regulatory environments, and risks described from time to time in reports and registration statements filed by H&R Block Inc and its subsidiaries with the Securities and Exchange Commission. Readers should take these factors into account in evaluating such forward-looking statements.

About H&R Block

H&R Block Inc. is a diversified company with subsidiaries providing a wide range of financial products and services. In 2000, H&R Block served 19.2 million taxpayers -- more than any tax or accounting firm -- through its more than 10,000 offices located in the United States, Canada, Australia and the United Kingdom. H&R Block served another 1.8 million tax clients through its award-winning software program, Kiplinger TaxCut(R), and through its new online tax preparation services. Investment services and securities products are offered through H&R Block Financial Advisors Inc., member NYSE, SIPC. H&R Block Inc. is not a registered broker-dealer. H&R Block Mortgage Corporation and Option One Mortgage Corporation offer a full range of home mortgage products. RSM McGladrey Inc. is a national accounting, tax and consulting firm with 100 offices nationwide, as well as an affiliation with 550 offices in 75 countries as the U.S. member of RSM International. Quarterly results and other information are available on the company's Web site at www.hrblock.com.

H&R Block, Inc.

Preliminary U.S. Tax Operating Data

Period January 1 through March 31

Amounts in thousands, except average charge and number of offices

For the period ended		
03/31/2001	03/31/2000	% change

Tax preparation & related fees			
Company owned offices	\$958,112	\$858,809	11.6%
Franchised offices	518,900	477,673	8.6%
	\$1,477,012	\$1,336,482	10.5%
Tax returns prepared			
Company owned offices	8,187	8,094	1.1%
Franchised offices	4,975	4,831	3.0%
	13,162	12,925	1.8%
Total clients served			
Company owned offices	8,325	8,327	0.0%
Franchised offices	5,250	5,213	0.7%
E-commerce *	992	624	59.0%
	14,567	14,164	2.8%
Tax returns filed electronically**			
Company owned offices	7,295	7,044	3.6%
Franchised offices	4,150	3,823	8.6%
E-commerce *	963	621	55.1%
	12,408	11,488	8.0%
Percent filed electronically			
Company owned offices	87.6%	84.6%	
Franchised offices	79.0%	73.3%	
E-commerce *	97.1%	99.5%	
	85.2%	81.1%	
Average fee per client served			
Company owned offices	\$115.09	\$103.14	11.6%
Franchised offices	98.84	91.63	7.9%
	\$108.80	\$98.71	10.2%
Refund anticipation loans			
Company owned offices	2,715	2,919	-7.0%
Franchised offices	1,625	1,671	-2.8%
E-commerce *	38	26	46.2%
	4,378	4,616	-5.2%
Offices			
Company owned offices	5,060	5,162	-2.0%
Franchised offices	4,012	4,048	-0.9%
	9,072	9,210	-1.5%

- Includes on-line completed and paid returns and e-filings for software clients.

** Includes Federal only. State returns also electronically filed are

not included in this total. SOURCE H&R Block Inc.

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