

H&R Block Files Form 10-Q For Fiscal 2007 Third Quarter

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KANSAS CITY, Mo.--(BUSINESS WIRE)--March 14, 2007--H&R Block Inc. (NYSE:HRB) today filed with the Securities and Exchange Commission its Form 10-Q for the fiscal 2007 third quarter ended Jan. 31, 2007.

Following the announcement of preliminary quarterly results on Feb. 22, 2007, the company has reduced the carrying value of residual interests in its discontinued mortgage operations by \$29.2 million pretax, which resulted in a \$15.5 million increase in net loss for the 2007 third quarter to \$60.3 million, or 18 cents per diluted share.

"In light of the extreme volatility in the mortgage market, we conducted a rigorous review of the carrying value of all the assets of our Option One Mortgage Corporation subsidiary," said Mark A. Ernst, Chairman and Chief Executive Officer. "We continue to believe that the net asset value in this business is appropriate and prudent.

"Option One's long-term position in the market has been strengthened by the actions we have taken beginning last summer and continuing in the current industry environment," Ernst said. "We are progressing as planned with the previously announced process to sell Option One, and we remain committed to announce results and further steps by the end of this month."

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 midsized 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.

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