

H&R Block Launches First Virtual Tax Experience in Second Life

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Virtual Dancing Shoes, Scooters and Free Tax Advice among Offers

to Millions of Consumers in High-Growth Digital Universe

KANSAS CITY, Mo.--(BUSINESS WIRE)--March 13, 2007--The company that first brought tax preparation to Middle America more than 50 years ago is once again breaking new ground -- not with an office on Main Street, but with a high-tech island in a virtual universe populated by millions of digital citizens from around the world. H&R Block (NYSE: HRB), the world's largest tax preparation company, is now the first in its industry to open up shop in the fast-growing 3D online universe known as Second Life (www.SecondLife.com).

The company today launched "H&R Block" Island(a), a new destination for the multitudes of people who spend more than 7 million hours per month as they live, work, and play in Second Life. With digital tax professionals sharing free advice, providing access to the latest tax preparation products, and hosting tax-related events, tax time may never be the same.

"We look for ways to connect with our customers anytime, anywhere, and with that in mind, we chose to be the first to build a presence on another 'block' within the Second Life world," said Tom Allanson, senior vice president and general manager, H&R Block Digital Tax Solutions. "As we develop products to make tax preparation fun and engaging, such as our innovative new tax preparation experience called Tango, we also look to connect and communicate with clients in a new space -- Second Life. The inhabitants of Second Life are revolutionizing how people interact in a virtual world. As we engage these Second Lifers in a conversation in a new space, we believe our digital tax services will appeal to them."

Anyone who logs in and creates a free basic membership at www.SecondLife.com will be able to visit H&R Block Island by using the text "HR Block" (do not use the "&" symbol between HR) in Second Life's map system or by logging into their Second Life account and simply clicking the following Second Life URL: <http://slurl.com/secondlife/HR%20Block/113/48/37/>.

Visitors to H&R Block Island will experience a new virtual tax world as they arrive at a landing point dotted with welcome signs, maps and other navigational tools, including:

- A virtual H&R Block tax experience where real life tax professionals will be available in avatar form to answer tax-related questions free of charge. H&R Block's virtual tax advisor avatars are named Hope Bechir and Rex Philbin. Hope and Rex will hold office hours in Second Life from 6-7 p.m. PDT on Tuesdays and Thursdays starting March 13 through April 17, 2007.
- A main auditorium where visitors can watch a video describing the development of H&R Block's revolutionary innovative new tax preparation product, Tango (www.hrblock.com/tango), as well as attend other in-world activities.
- An exclusive H&R Block Tango product bundle that costs 100 Linden Dollars and includes:
- A special code that provides access to the new Tango product, which retails in the real world for \$70.
- A variety of virtual scooters to tour H&R Block Island, virtual dancing shoes that allow users to do a tango-style dance when worn, and other Tango avatar apparel.
- A program that will enable Second Life residents to earn Linden Dollars by helping to market H&R Block's Tango product bundle on their own virtual property.

H&R Block will plan events and new activities in Second Life on a regular basis throughout tax season and during the off-season as well. The company will continue to expand and refine its Second Life presence through active engagement with the community.

The Second Life launch represents the latest in a series of firsts for H&R Block as it redefines the way it connects with its customers. Already this year, H&R Block was the first tax preparation company to launch a contest on YouTube for its TaxCut Online program entitled "Me & My Super Sweet Refund." The H&R Block launch video "Candy" represents the most-linked comedy video and the third most-linked video in all categories in YouTube's history. The company also broke down barriers by participating in the Digital Experience at the Consumer Electronics Show in January where it gave the first preview of a radically different approach to tax preparation - called Tango.

"Fifty years ago, we changed the tax preparation landscape by opening up our first office on Main Street, understanding that back then, people wanted to connect in person in a local office with a tax pro they know," said Paula Drum, vice president of marketing, H&R Block Digital Tax Solutions. "Today, people are connecting in entirely different ways through social networks that could not be imagined even 10 years ago. By working within the virtual world in Second Life, we are setting the bar even higher as we engage and converse with our targeted customers in this new space."

(a) When in Second Life and teleporting to H&R Block Island using the map system, use only the text "HR Block." Do not use the "&" symbol between HR.

About H&R Block Digital Tax Solutions

H&R Block Digital Tax Solutions develops and publishes consumer financial and personal productivity software and online programs for the leader in tax preparation and services. Titles include the H&R Block TaxCut family of software products -- TaxCut Premium Federal, Premium Federal + State and Premium Federal + State + E-file, and TaxCut Home & Business -- as well as TaxCut Online tax preparation programs -- TaxCut Basic + E-file, TaxCut Premium + E-file, and TaxCut Premium + State + E-file. In addition, H&R Block Digital Tax Solutions include H&R Block Signature and H&R Block Online Office. All TaxCut and H&R Block digital products and programs can be found at taxcut.com and hrblock.com.

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.

Second Life and Linden Lab

Second Life is a 3D online world with a rapidly growing population from more than 100 countries around the globe, in which the Residents themselves create and build the world which includes homes, vehicles, nightclubs, stores, landscapes, clothing, and games. The Second Life Grid is a sophisticated development platform created by Linden Lab, a company founded in 1999 by Philip Rosedale, to create a revolutionary new form of shared 3D experience. The former CTO of RealNetworks, Rosedale pioneered the development of many of today's streaming media technologies, including RealVideo. In April 2003, noted software pioneer Mitch Kapor, founder of Lotus Development Corporation, was named Chairman. In 2006, Philip Rosedale and Linden Lab received WIRED's Rave Award for Innovation in Business. Based in San Francisco, Linden Lab employs a senior team bringing together deep expertise in physics, 3D graphics and networking.

Note to Editors: Second Life(R) and Linden Lab(R) are registered trademarks of Linden Research, Inc.

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