

H&R Block Announces Interim Tax Season Results

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KANSAS CITY, Mo.--(BUSINESS WIRE)--March 15, 2007--H&R Block Inc. (NYSE: HRB) today reported tax season results for the interim period from Nov. 1, 2006, through Feb. 28, 2007.

Total clients served (for both the company's retail operations and digital tax solutions business) was 12.7 million, an increase of 468,000, or 3.8 percent, from the prior year period. Digital tax clients served advanced 15 percent over 2006 while office based clients increased 1 percent.

"Our year to date results are solid and continue to reflect a slightly slower start to the tax season industrywide," said Mark A. Ernst, chairman and chief executive officer. "We are well positioned to serve the needs of our clients as we look to the April 17 filing deadline."

H&R Block plans to release additional interim tax season results for its U.S. tax operations before the NYSE market opening on March 29, 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			Total	YTD
	11/1-1/31	2/1-2/15	2/16-2/28		11/1-2/28
Net tax preparation fees: (1)					
Fiscal year 2007					
Company-owned operations	\$424,770	\$427,286	\$185,989	\$613,275	\$1,038,045
Franchise operations	218,894	211,811	86,685	298,496	517,390
	\$643,664	\$639,097	\$272,674	\$911,771	\$1,555,435
Fiscal year 2006 (2)					
Company-owned operations	\$376,419	\$421,813	\$184,265	\$606,078	\$982,497
Franchise operations	190,535	200,555	81,572	282,127	472,662
	\$566,954	\$622,368	\$265,837	\$888,205	\$1,455,159
Percent change					
Company-owned operations	12.8%	1.3%	0.9%	1.2%	5.7%
Franchise operations	14.9%	5.6%	6.3%	5.8%	9.5%

Total retail operations	13.5%	2.7%	2.6%	2.7%	6.9%
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Total clients served: (3)

Fiscal year

2007

Company-owned operations	2,729	2,413	1,122	3,535	6,264
Franchise operations	1,607	1,359	589	1,948	3,555

Total retail offices	4,336	3,772	1,711	5,483	9,819
Digital tax solutions	1,279	1,144	476	1,620	2,899
	5,615	4,916	2,187	7,103	12,718

Fiscal year

2006 (2)

Company-owned operations	2,390	2,678	1,176	3,854	6,244
Franchise operations	1,406	1,486	595	2,081	3,487

Total retail offices	3,796	4,164	1,771	5,935	9,731
Digital tax solutions	1,157	823	539	1,362	2,519
	4,953	4,987	2,310	7,297	12,250

Percent change

Company-owned operations	14.2%	-9.9%	-4.6%	-8.3%	0.3%
Franchise operations	14.3%	-8.5%	-1.0%	-6.4%	2.0%
Total retail operations	14.2%	-9.4%	-3.4%	-7.6%	0.9%
Digital tax solutions	10.5%	39.0%	-11.7%	18.9%	15.1%
Total	13.4%	-1.4%	-5.3%	-2.7%	3.8%

Net average fee - retail: (4)

Fiscal year

2007

Company-owned operations	\$169.47	\$166.58	\$164.22	\$165.86	\$167.32
Franchise operations	147.42	146.16	145.88	146.08	146.65
	\$161.27	\$159.21	\$157.91	\$158.82	\$159.82

Fiscal year

2006 (2)

Company-owned operations	\$157.48	\$157.50	\$156.68	\$157.25	\$157.34
Franchise operations	135.51	134.92	137.07	135.54	135.53
	\$149.35	\$149.44	\$150.09	\$149.64	\$149.52

Percent change

Company-owned operations	7.6%	5.8%	4.8%	5.5%	6.3%
Franchise operations	8.8%	8.3%	6.4%	7.8%	8.2%

Total retail operations	8.0%	6.5%	5.2%	6.1%	6.9%
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- (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.

CONTACT: H&R Block Inc.
Media Relations:
Nick Iammartino, 816-854-4556
nick.iammartino@hrblock.com
or
Investor Relations:
Scott Dudley, 816-854-4505
scott.dudley@hrblock.com

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