

## **Mark Ernst Resigns as Chairman, President and CEO; Richard Breeden Elected Board Chairman; Alan Bennett Appointed Interim CEO**

November 20, 2007 8:32 AM ET

KANSAS CITY, Mo.--(BUSINESS WIRE)--Nov. 20, 2007--H&R Block Inc. (NYSE:HRB) today announced several management changes. Effective immediately:

- Mark A. Ernst has resigned as Chairman, President and CEO. Mr. Ernst will remain with the Company as a consultant through year-end to facilitate the transition to new leadership.
- Richard C. Breeden has been elected by the Board of Directors to fill the position of Chairman of the Board. Mr. Breeden will serve in a non-executive capacity, with a principal focus on external constituencies and leadership of the Board of Directors. Mr. Breeden is a former Chairman of the U.S. Securities and Exchange Commission, and he leads an investment fund that is a major investor in the Company.
- Alan M. Bennett has been named interim CEO. Mr. Bennett retired earlier this year as Chief Financial Officer and a Member of the Office of the Chairman of Aetna Inc. Mr. Bennett has a background in public accounting and finance, as well as having had previous assignments in sales and marketing. Mr. Bennett will temporarily relocate to Kansas City and work full time at the Company during the search for a new CEO.

The Board has formed a search committee to recruit a new CEO on a permanent basis. Mr. Bennett has informed the search committee that he does not wish to be considered as a candidate for the new CEO search.

"For more than 50 years H&R Block has successfully served the tax-related needs of millions of Americans and thousands of businesses, as well as helped clients meet their financial objectives. Our actions today reflect a determination to focus on those activities where H&R Block can generate significant shareholder value," said Mr. Breeden. "H&R Block has long offered customers a combination of market-leading expertise, advice and quality products and services. By refocusing on our core strengths and market-leading capabilities, we will work to generate strong growth in shareholder value."

"The Board believes Alan Bennett's experience and expertise make him the right person to step into the role of interim CEO. We are delighted to welcome him to H&R Block," added Mr. Breeden.

"In his years at H&R Block, Mark Ernst has worked tirelessly and with integrity to pursue the best interests of the Company and its shareholders," continued Mr. Breeden. "The Board of Directors and his colleagues are grateful to Mark for his many years of dedicated service. We wish him all the best in his future endeavors."

Mr. Ernst said, "I want to express my personal gratitude to my colleagues throughout H&R Block for your professionalism and dedication to serving the needs of our clients. It has been a pleasure to work with such a talented group of people. I am confident that H&R Block has great prospects for the coming tax season and for years to come."

Mr. Bennett was the CFO of Aetna for six years. Prior to serving as CFO, he held positions as Aetna's Controller and head of Internal Audit, along with earlier experience in sales and marketing at other companies. Mr. Bennett currently serves as a director and chairman of the audit committee of Halliburton Co., and also as a director of The TJX Companies, Inc.

Mr. Breeden joined the Company's Board in September 2007. Mr. Breeden served as Chairman of the U.S. Securities and Exchange Commission from 1989 to 1993. Since 1996 he has led his own firm that has advised companies and boards on capital markets issues, financial restructurings and corporate governance. Mr. Breeden has served on or advised numerous boards in the U.S. and Europe, and he currently leads an investment fund with approximately \$1 billion in assets that is a major investor in H&R Block.

## 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 reported revenues of \$4.0 billion and net income from continuing operations of \$374.3 million in fiscal year 2007. The company has continuing operations in three principal business segments: Tax Services (income tax return preparation and related services and products via in-office, online and software solutions); Business Services (accounting, tax and business consulting services primarily for mid-sized companies); and Consumer Financial Services (brokerage services, investment planning and related financial advice along with full-service consumer banking). 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](http://www.hrblock.com).

## Forward Looking Statements

This announcement may contain forward-looking statements, which are any statements that are not historical facts. These forward-looking statements are based upon the current expectations of the Company and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties and speak only as of the date on which they are made, the Company's actual results could differ materially from these statements. These risks and uncertainties relate to, among other things, uncertainties regarding the Company's pending sale of Option One Mortgage Corp.; uncertainties pertaining to the commercial debt market; competitive factors; regulatory capital requirements; the Company's effective income tax rate; litigation; uncertainties associated with engaging a new auditor (including the filing of the Company's Form 10-Q for the fiscal quarter ended Oct. 31, 2007, within filing deadlines); and changes in market, economic, political or regulatory conditions. Information concerning these risks and uncertainties is contained in Item 1A of the Company's 2007 annual report on Form 10-K and in other filings by the Company with the Securities and Exchange Commission.

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SOURCE: H&R Block Inc.