

H&R Block Financial Advisors Announces Top Equity Picks for 2007

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Firm Expects the Current Slowing U.S. Economic Climate to Continue
in 2007 Putting Pressure on Domestic Corporate Earnings While
Alleviating Inflation Pressures

KANSAS CITY, Mo.--(BUSINESS WIRE)--Dec. 8, 2006--The most attractive total return potential for investors in 2007 is projected to come from the Technology and Health Care sectors, according to the H&R Block Financial Advisors (HRBFA) "Top Picks List" released today. Six equities from these two sectors made the annual list.

The complete list of 20 equities was compiled by HRBFA's independent internal team of sector analysts and is based upon rigorous analysis around the fundamental factors of valuation, competitive position, and market conditions.

"Based on our proprietary research and market outlook for the coming year, we believe these companies are well-positioned to outperform in 2007," said Lyle Schonberger, director of the firm's Investment Management Department. "Not all companies perform equally in a slowing economic environment, making sector analysis more difficult and significantly more important. As investors transition their expectations, it is our mission to identify those companies we believe are best-positioned to outperform in this climate, and critical that appropriate sector diversification is maintained."

"The Top Picks for 2007 primarily follow a large-cap, value bias," said Marc A. Zabicki, CFA, Senior Market Strategist for HRBFA. "Historically, at this position in the business cycle, large-cap and value styles take the lead, so from that perspective we are encouraged by the prospects for these companies. Continued global economic growth is also a theme that may prove valuable in 2007. We believe the international exposure many of these companies have developed could translate into benefits for shareholders with many regions of the world continuing to show unusually persistent growth."

All equities are selected from separate industry focus lists that analysts at the firm maintain on an ongoing basis. Following are the 20 stocks that represent the Top Picks List for 2007, which are grouped according to sector.

HRBFA Top Picks List:

Company	Ticker	Exchange	Sector
Bed Bath & Beyond	BBBY	NASDAQ	Consumer Discretionary
Comcast Corp.	CMCSA	NASDAQ	Consumer Discretionary
Pepsi Bottling Group Inc.	PBG	NYSE	Consumer Staples
Walgreen	WAG	NYSE	Consumer Staples
National Oilwell Varco	NOV	NYSE	Energy
Superior Energy Svcs. Inc.	SPN	NYSE	Energy
Bank of America	BAC	NYSE	Financial Services
E* Trade Financial Corp.	ET	NYSE	Financial Services
National Financial Partners	NFP	NYSE	Financial Services
Barr Pharmaceuticals	BRL	NYSE	Health Care
Coventry Health Care	CVH	NYSE	Health Care

Johnson & Johnson	JNJ	NYSE	Health Care
CSX Corp.	CSX	NYSE	Industrials / Materials
Embraer-ADR	ERJ	NYSE	Industrials / Materials
Newmont Mining Corp.	NEM	NYSE	Industrials / Materials
EMC Corp.	EMC	NYSE	Technology
Microsoft Corp.	MSFT	NASDAQ	Technology
Western Digital Corp.	WDC	NYSE	Technology
Sprint Nextel Corp.	S	NYSE	Telecommunications
Aqua America	WTR	NYSE	Utilities

Disclosure: Unless otherwise indicated, comments in this document should not be construed as an investment opinion or recommendation of the securities mentioned. A full research report is available which includes potential conflict and other important disclosures. To receive a copy of the full report, please contact your HRBFA advisor, log on to your hrblock.com account and visit the "Investments" section, or send a written request to H&R Block Financial Advisors, Inc., 719 Griswold Street, Suite 1700, Detroit, MI, 48226.

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