

## H&R Block Reports Interim Tax Season Data, Re-Affirms Earnings Guidance

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KANSAS CITY, Mo., March 15 /PRNewswire/ -- H&R Block Inc. (NYSE: HRB) reported today that revenues received from tax preparation and related services increased 11.6 percent to \$1.1 billion for company-owned and franchised offices from Jan. 1 through Feb. 28, compared to Jan. 1 through Feb. 29 last year. Total clients served increased 3.5 percent, while the average fee for tax preparation rose 10.8 percent to \$106.40.

"These results are right on target for where we expected to be at this point in the tax season. While several important weeks of tax season remain, filing trends suggest that we will meet our previously announced revenue and earnings goals for the full year," said Mark A. Ernst, president and chief executive officer.

"The increase in the average fee was not driven by pricing strategy alone. A continued shift toward more complex returns and a reduction in discounts also contributed to the increase," Ernst added.

Through Feb. 28, company-owned and franchised offices prepared 9.8 million returns, an increase of 2.4 percent. The number of clients served increased 3.5 percent to 10.9 million. During this period, H&R Block filed 9.7 million federal returns electronically, representing a 7.8 percent increase over the prior year. Through the first two months of the tax season, 89.6 percent of returns processed by the company were filed electronically. Excluding the extra day in the comparison period last year, the number of returns prepared by company-owned offices increased 3.2 percent, while the number of clients served increased 6.2 percent.

Except for historical information contained herein, the matters set forth in this press release are forward-looking statements based upon current information and expectations. Such statements speak only as of the date on which they are made, are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that could cause actual results to differ materially from what is expressed, implied or forecast in such forward-looking statements. Such differences could be caused by a number of factors, including, but not limited to, the uncertainties that the company will achieve or exceed its revenue, earnings, client and pricing growth goals for fiscal year 2001, that there will continue to be a shift toward more complex returns, that average fees will continue at current levels or increase during the remainder of fiscal year 2001, of the success of the company's marketing efforts, changes in economic, political or regulatory environments, and risks described from time to time in reports and registration statements filed by H&R Block Inc and its subsidiaries with the Securities and Exchange Commission. Readers should take these factors into account in evaluating such forward-looking statements.

### About H&R Block

H&R Block Inc. is a diversified company with subsidiaries providing a wide range of financial products and services. In 2000, H&R Block served 19.2 million taxpayers -- more than any tax or accounting firm -- through its more than 10,000 offices located in the United States, Canada, Australia and the United Kingdom. H&R Block served another 1.8 million tax clients through its award-winning software program, Kiplinger TaxCut(R), and through its new online tax preparation services. Investment services and securities products are offered through H&R Block Financial Advisors Inc., member NYSE, SIPC. H&R Block Inc. is not a registered broker-dealer. H&R Block Mortgage Corporation and Option One Mortgage Corporation offer a full range of home mortgage products. RSM McGladrey Inc. is a national accounting, tax and consulting firm with 100 offices nationwide, as well as an affiliation with 550 offices in 75 countries as the U.S. member of RSM International. Quarterly results and other information are available on the company's Web site at [www.hrblock.com](http://www.hrblock.com).

H&R Block, Inc.

### Preliminary U.S. Tax Operating Data

Period January 1 through February 28 (29)

Amounts in thousands, except average charge and number of offices

For the period ended  
02/28/2001    02/29/2000    % change

Tax preparation & related fees			
Company owned offices	\$692,747	\$614,683	12.7%
Franchised offices	386,275	351,878	9.8%
	\$1,079,022	\$966,561	11.6%
Tax returns prepared			
Company owned offices	6,054	5,963	1.5%
Franchised offices	3,729	3,587	4.0%
	9,783	9,550	2.4%
Total clients served			
Company owned offices	6,171	6,156	0.2%
Franchised offices	3,970	3,912	1.5%
E-commerce *	715	425	68.2%
	10,856	10,493	3.5%
Tax returns filed electronically**			
Company owned offices	5,655	5,471	3.4%
Franchised offices	3,379	3,125	8.1%
E-commerce *	694	425	63.3%
	9,728	9,021	7.8%
Percent filed electronically			
Company owned offices	91.6%	88.9%	
Franchised offices	85.1%	79.9%	
E-commerce *	97.1%	100.0%	
	89.6%	86.0%	
Average fee per client served			
Company owned offices	\$112.26	\$99.85	12.4%
Franchised offices	97.30	89.95	8.2%
	\$106.40	\$96.00	10.8%
Refund anticipation loans			
Company owned offices	2,469	2,593	-4.8%
Franchised offices	1,501	1,529	-1.8%
E-commerce *	30	21	42.9%
	4,000	4,143	-3.5%
Offices			
Company owned offices	5,060	5,162	-2.0%
Franchised offices	4,012	4,048	-0.9%
	9,072	9,210	-1.5%

- Includes on-line completed and paid returns and e-filings for software clients

\*\* Includes Federal only. State returns also electronically filed are

not included in this total. SOURCE H&R Block Inc.

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