

H&R Block Announces Improvement in Tax Season Results Through March 15

March 23, 2010 6:03 AM ET

KANSAS CITY, MO, Mar 23, 2010 (MARKETWIRE via COMTEX) -- H&R Block Inc. (NYSE: HRB) today announced preliminary tax season results for the interim period through March 15, 2010. Same-office tax returns prepared in retail operations for the March 1 - 15 period grew 7.0 percent compared to the prior-year, while total tax returns prepared increased 4.3 percent. Total retail returns prepared grew 4.4 percent and the net average retail fee per tax return increased 2.1 percent.

Tax season-to-date through March 15, same-office tax returns prepared in retail operations fell 5.1 percent compared to the prior-year. Total tax returns prepared were down 6.3 percent. Total retail returns prepared tax season-to-date fell 7.6 percent, while the net average retail fee per tax return increased 2.3 percent. Digital returns(1) prepared by H&R Block were down 3.4 percent, although online returns grew 2.6 percent. The aggregate number of digital returns including the Free File Alliance fell 2.9 percent. Software-based returns declined by 10.2 percent due to the company's decision to exit two unprofitable distribution channels.

"We believe our improved results in March are a combination of an increase in overall return filing trends, a deceleration of assisted returns shifting to digital, a more favorable reporting period and a reduction of market share loss in both our Retail and Digital businesses. While we reported positive growth for the first half of March, we are still disappointed in our tax season-to-date results," said Russ Smyth, H&R Block's president and chief executive officer. "We will continue to aggressively explore ways to grow new clients for the rest of the tax season, as well as continue to improve client satisfaction in order to enhance retention levels for FY2011," added Smyth.

H&R Block plans to release interim results through April 15 for its U.S. tax operations on April 21, 2010 before the NYSE market open.

(1) "Digital returns" consist of online and desktop software products, excluding Free File Alliance returns.

About H&R Block

H&R Block Inc. (NYSE: HRB) is the world's preeminent tax services provider, having prepared more than 500 million tax returns since 1955. In fiscal 2009, H&R Block had annual revenues of \$4.1 billion and prepared more than 24 million tax returns worldwide, utilizing more than 100,000 highly trained tax professionals. The Company provides tax return preparation services in person, through H&R Block At Home(TM) online and desktop software products, and through other channels. The Company is also one of the leading providers of business services through RSM McGladrey. For more information visit our Online Press Center at 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, as well as the Company's guidance, are based upon the Company's current expectations 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 ability to attract and retain clients; meet its prepared returns targets; uncertainties and potential contingent liabilities arising from our former mortgage loan origination and servicing business; uncertainties in the residential mortgage market and its impact on loan loss provisions; uncertainties pertaining to the commercial debt market; competitive factors; the Company's effective income tax rate; litigation; uncertainties regarding the level of share repurchases; and changes in market, economic, political or regulatory conditions. Information concerning these risks and uncertainties is contained in Item 1A of the Company's 2009 annual report on Form 10-K and in other filings by the Company with the Securities and Exchange Commission. The Company does not undertake any duty to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

H&R BLOCK
Preliminary U.S. Tax Operating Data

(in thousands, except net average fee)

	March 1-15, 2010	March 1-15, 2009	% change	YTD 3/15/10	YTD 3/15/09	% change
Net tax preparation fees - retail: (2)						
Company-owned operations	\$177,212	\$167,544	5.8%	\$1,238,192	\$1,326,988	-6.7%
Franchise operations	80,982	74,474	8.7%	635,890	655,013	-2.9%
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	\$258,194	\$242,018	6.7%	\$1,874,082	\$1,982,001	-5.4%
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Total returns prepared: (1)						
Company-owned operations	930	909	2.3%	6,310	6,904	-8.6%
Franchise operations	483	444	8.8%	3,669	3,899	-5.9%
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Total retail operations	1,413	1,353	4.4%	9,979	10,803	-7.6%
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Digital software	197	187	5.3%	1,561	1,739	-10.2%
Digital online	244	236	3.4%	2,030	1,979	2.6%
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Sub-total	441	423	4.3%	3,591	3,718	-3.4%
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Digital Free File Alliance	68	67	1.5%	569	568	0.2%
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Total digital tax solutions	509	490	3.9%	4,160	4,286	-2.9%
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	1,922	1,843	4.3%	14,139	15,089	-6.3%
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Net average fee - retail: (1,3)						
Company-owned operations	\$ 190.47	\$ 184.49	3.2%	\$ 196.22	\$ 192.40	2.0%
Franchise operations	167.84	167.73	0.1%	173.34	168.04	3.1%
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	\$ 182.74	\$ 178.98	2.1%	\$ 187.81	\$ 183.60	2.3%
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Same-Office net tax preparation fees: (1,4)						
Company-owned operations	\$175,282	\$162,995	7.5%	\$1,223,719	\$1,269,142	-3.6%
Franchise operations	77,271	72,109	7.2%	608,923	623,448	-2.3%
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Total retail operations	\$252,553	\$235,104	7.4%	\$1,832,643	\$1,892,590	-3.2%
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Same-Office returns prepared: (1,4)						

Company-owned operations	921	867	6.2%	6,227	6,559	-5.1%
Franchise operations	463	426	8.6%	3,518	3,704	-5.0%
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Total retail operations	1,384	1,293	7.0%	9,745	10,263	-5.1%
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- (1) Prior year numbers have been reclassified between company-owned and franchise operations for offices which were refranchised during either year.
- (2) Amounts include gross tax preparation fees less coupons and discounts.
- (3) Amounts are calculated as net retail tax preparation fees divided by retail tax returns.
- (4) Same-office returns represent returns prepared at 6,978 company and 3,871 franchise H&R Block-branded offices open in both fiscal year 2010 and fiscal year 2009.

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