

OMB Number:	3235-0059
Expires:	January 31, 2008
Estimated average burden hours per response	14

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

H&R BLOCK, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:





H&R BLOCK®

Investor Presentation



This presentation 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, the company's pending sale of Option One Mortgage Corp.; competitive factors; regulatory capital requirements; the company's effective income tax rate; litigation; 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.

- We have the right strategy to build shareholder value
- We are taking the necessary steps to focus on our core tax, accounting and related financial services businesses
- HRB Bank creates a competitive advantage for our core tax business, particularly in the early filer segment
- Breeden Partners' campaign is disruptive:
 - Offers no new ideas
 - Creates risk to auditor independence

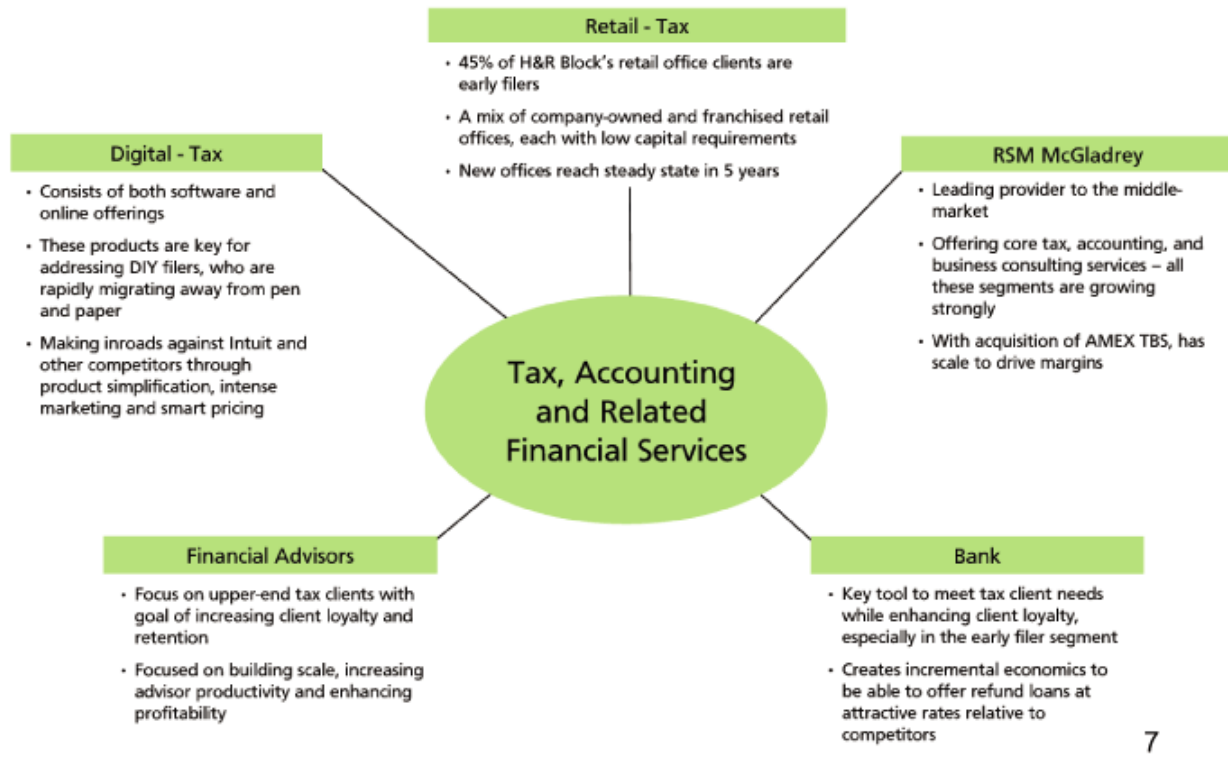


- **Background**
- Core Business Strategy
- On Track to Enhance Shareholder Value
- HRB's Board and Corporate Governance
- Breeden Partners' Proxy Fight

- H&R Block is a financial services company providing tax, investment, mortgage and accounting and business consulting services and products
- Tax Services segment provides income tax return preparation and related services and products in the United States, Canada and Australia
- Business Services segment offers middle-market companies accounting, tax and business consulting services under the RSM McGladrey brand
- Consumer Financial Services segment offers financial advice and related brokerage and investment planning. H&R Block Bank offers tax-related transaction accounts to H&R Block tax clients who need a source for direct deposit of their tax refunds.



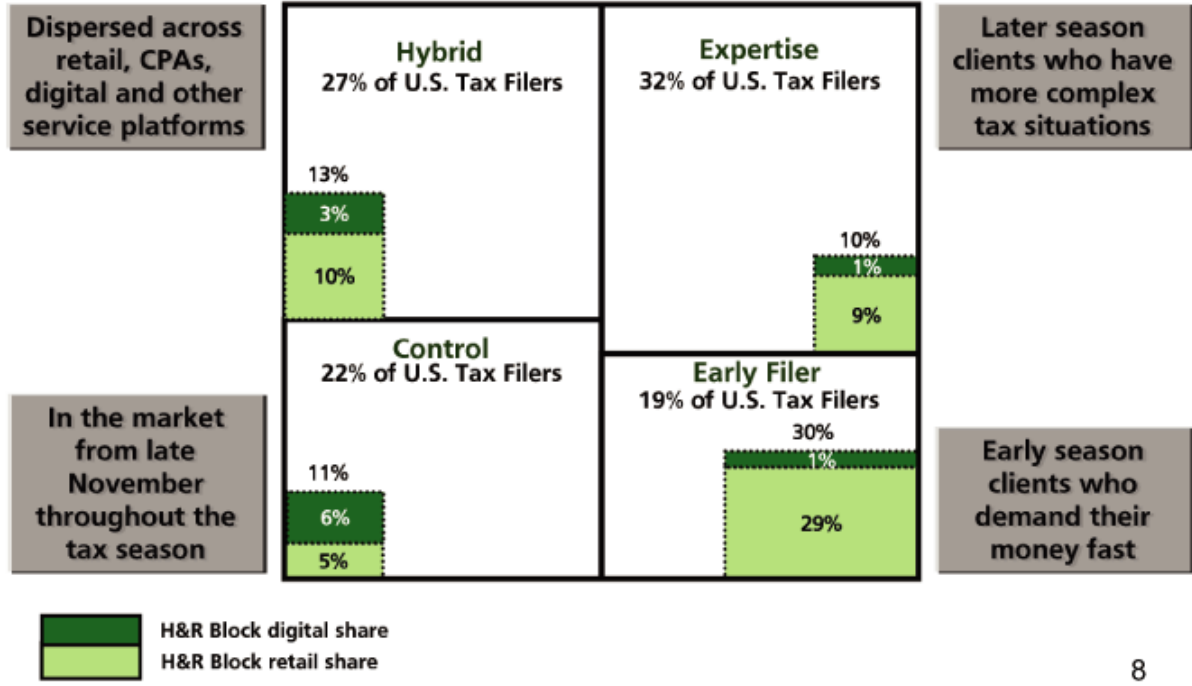
- Background
- **Core Business Strategy**
- On Track to Enhance Shareholder Value
- HRB's Board and Corporate Governance
- Breeden Partners' Proxy Fight





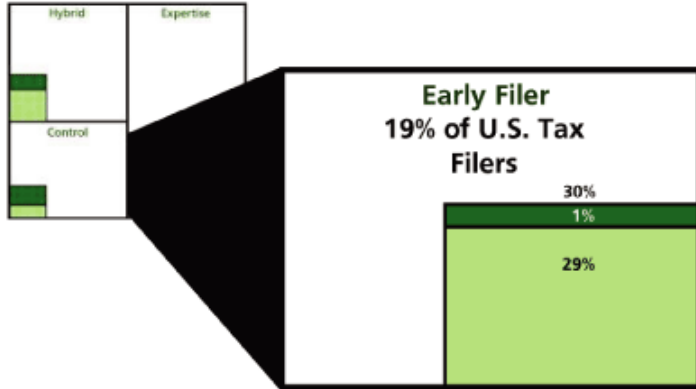
Tax Segments and H&R Block Share

133 million total U.S. tax filers*





Early filer clients are inherently the least loyal and hardest to retain

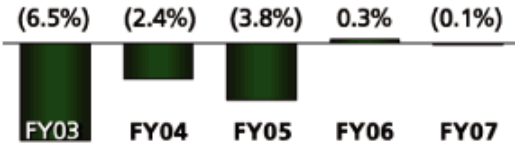


- Product innovation driving segment dynamics
- Segment dominated by tax prep firms and independent providers
- In TS07, H&R Block retained 67.7% of early filers vs. 71.5% of all retail filers
- Early filers represent 45% of H&R Block retail office clients
 - Tend to be un/underbanked
 - Users of alternative financial services
 - Lower income
- Performance in early filer segment drives Tax Services success

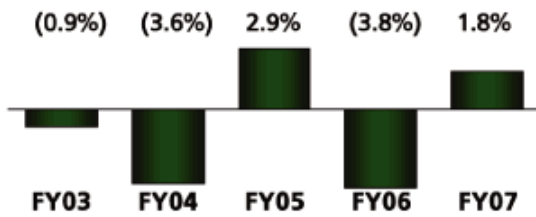
H&R Block digital share
 H&R Block retail share



Late Season Client



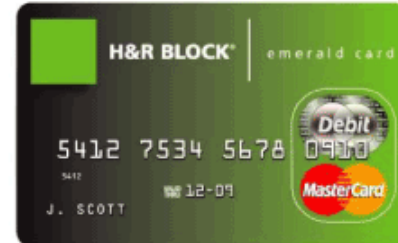
Early Season Client



- We have made consistent progress in addressing the second-half filer (expertise-oriented client) category
- The early filer segment is a critical driver of overall H&R Block market share
 - Driver of performance much more dependent on product superiority and distribution
 - FY05 and FY07 demonstrate impact of success against these drivers
- HRB Bank allows us to develop products for this segment that are superior to those offered by our competitor

- Enabled creation of Emerald Card – a competitively priced transaction account – that appeals to our clients:
 - High client take rate
 - Magnitude of client retention potential (growth in tax preparation revenues) will be more apparent in TS08
- Clients with other points of contact (i.e., through Financial Advisors or savings accounts) are more loyal
- HRB Bank enhances our ability to attract and retain early filers, giving us a strong competitive advantage
 - Brought over 2 million clients into a deeper relationship with H&R Block
 - Significantly lowered APRs on refund loan products
 - Created a competitive advantage in our core tax business due to strength of HRB Bank product offerings relative to our competitors

- HRB Bank enabled a product (the Emerald Card) to be manufactured to our specifications
- Developed 36% APR RAL product delivered on prepaid debit card
- Next version leverages unique features to extend loyalty and enhance brand
- Platform can open door to new tax refund distribution options





- HRB Bank had a very successful first year
 - Low cost deposit strategy leveraged capital
 - Earned \$23 million (pretax), including Emerald Card economics (ATM and merchant fees, float)
 - Launched high-yielding IRA and savings accounts, strengthening relationships with core HRB tax clients



- Background
- Core Business Strategy
- **On Track to Enhance Shareholder Value**
- HRB's Board and Corporate Governance
- Breeden Partners' Proxy Fight



Initiatives to Enhance Shareholder Value

- Tax Services achieved solid growth in FY07, significantly aided by HRB Bank
 - Demonstrates that HRB Bank is a key tool to build loyalty in early filer segment
 - Strength of HRB Bank product offerings, relative to competitors, creates competitive advantage in our core tax business
- RSM McGladrey growing and poised to improve margins
 - Complete sale of unprofitable units
 - Build brand around core accounting expertise
- Improve Financial Advisors operating and financial performance
- Exit non-core mortgage business
 - Option One sale expected to be completed on or before December 31
 - Closed HRBMC



- We expect continued success in TS08, building on a strong TS07
- HRB Bank is the foundation for increasing loyalty and market share in critical early filer segment
- With expected strong profits, we will rebuild capital and be positioned for continued share repurchases and dividend increases
- Focus on core tax, accounting and financial services businesses, along with continued disciplined capital allocation, will produce superior financial performance














- Background
- Core Business Strategy
- On Track to Enhance Shareholder Value
- **HRB's Board and Corporate Governance**
- Breeden Partners' Proxy Fight



- 9 of HRB's 11 Directors are Independent
- Independent Lead Director
- Independent Audit, Compensation, and Governance and Nominating Committees
- 4 of HRB's 5 Audit Committee members are "financial experts"
- Directors are subject to stock ownership guidelines

HRB's Board Members Up for Re-election: Proven Leadership

Name	Position
	<p>Donna R. Ecton</p> <p>Ms. Ecton is currently the Chairman and Chief Executive Officer of EEI Inc., a management consulting firm that she founded in 1998. Ms. Ecton is Chairman of the Finance Committee of the Board of Directors and is a member of the Executive and Governance and Nominating Committees. She previously served as Chairman of the Audit Committee, overseeing the implementation of processes and procedures required by Sarbanes-Oxley legislation. She also has previously served as Chairman of the Compensation Committee.</p>
	<p>Louis W. Smith</p> <p>Mr. Smith served as President and Chief Executive Officer of the Ewing Marion Kauffman Foundation, the 26th largest charitable foundation in the United States, from July 1997 until April 2002. Prior to joining the Kauffman Foundation, Mr. Smith had a 29-year career with AlliedSignal, Inc. (now Honeywell International), a diversified technology and manufacturing company, retiring as President of the Kansas City Division in 1995. Mr. Smith is currently Chairman of the Audit Committee of the Board of Directors and is a member of the Executive and Governance and Nominating Committees of the Board of Directors. He previously served as Chairman of the Compensation Committee.</p>
	<p>Ray Wilkins, Jr.</p> <p>Mr. Wilkins has served as Group President, AT&T Inc. (formerly SBC Communications, Inc.) since May 2002. On September 7, 2006, the Board appointed Mr. Wilkins to serve as the Presiding Director of the Board of Directors. In this capacity, he acts as a liaison between the full Board and the CEO and leads executive sessions of the non-employee directors at board meetings. He is currently Chairman of the Executive Committee of the Board of Directors and is a member of the Compensation and Governance and Nominating Committees.</p>

Name	Position
	Mark A. Ernst Chairman, President and CEO; member of the Executive and Finance Committees
	Thomas M. Bloch Vice Chairman of the University Academy, a college preparatory charter school; member of the Finance Committee
	Jerry D. Choate Retired Chairman and CEO of The Allstate Corporation; member of the Audit and Compensation Committees
	Henry F. Frigon Vice Chairman of the Board of CARSTAR, Inc.; member of the Compensation and Executive Committees and Chairman of the Governance and Nominating Committee
	Roger W. Hale Retired Chairman and CEO of LG&E Energy Corporation; member of the Compensation, Executive and Governance and Nominating Committees
	Len J. Lauer Executive Vice President and Group President of Qualcomm Inc.; member of the Audit and Finance Committees
	David B. Lewis Chairman and CEO of Lewis & Munday, a Detroit-based law firm; member of the Audit and Finance Committees
	Tom D. Seip Managing Partner of Seip Investments LP; member of the Audit and Executive Committees and Chairman of the Compensation Committee



- Background
- Core Business Strategy
- On Track to Enhance Shareholder Value
- HRB's Board and Corporate Governance
- **Breeden Partners' Proxy Fight**

- Breeden Partners' campaign disruptive to H&R Block's strategic initiatives
 - Has not advanced new ideas or plan to improve value
- Breeden Partners owns less than 2% and has been a shareholder for less than a year and now seeks to replace more than 25% of H&R Block's Board members
- Grave risk that KPMG, H&R Block's independent auditor, would no longer be independent and therefore could not audit or review H&R Block's financial statements



Breeden Partners Has No New Ideas

<i>Breeden Says</i>	<i>HRB Board Action <u>Already Taken</u>:</i>
<ul style="list-style-type: none">▪ Focus on core tax services	<ul style="list-style-type: none">▪ Launched HRB Bank to attract and retain customers in the Early Filer segment▪ Selling unprofitable units in the RSM McGladrey business
<ul style="list-style-type: none">▪ End use of shareholder capital to pursue subprime mortgage lending	<ul style="list-style-type: none">▪ Announced sale of Option One, targeting close on or before December 31▪ Closed H&R Block Mortgage Corp.

- Auditor must be independent both in fact and appearance, and auditor independence is destroyed if a partner (or even a professional employee) sits on the audit client's board
- Richard Breeden's role as the Monitor for KPMG gives him far greater influence over KPMG than any one partner could exert
 - Mr. Breeden describes himself as the DOJ's representative "in policing KPMG" under the deferred prosecution agreement in KPMG's criminal tax case ("DPA")
 - DPA gives Mr. Breeden broad jurisdiction, powers and oversight authority over KPMG and all personnel, including ethics and compliance
 - Compensated and indemnified by KPMG
 - Term extends until, at the earliest, September 2008
- Mr. Breeden's every-4-month report to the US Attorney of KPMG's compliance with the DPA is of critical importance to KPMG
 - KPMG Partners could be removed, Monitorship extended or criminal charges reinstated
- Breeden Partners' other nominees create the same issues because they work for his companies
- Independence turns on reality of relationship, not how it is characterized on paper
- The DPA states that it binds only the Department of Justice (U.S. Attorney); the SEC and the PCAOB – not the DOJ – are responsible for auditor independence matters

- A mid-year change of auditors would be disruptive, costly and divert management and Board attention
- Limited number of audit firms that are capable of auditing H&R Block
 - Some audit firms already provide HRB significant services that may render such firms non-independent or unwilling to accept an audit engagement
- The new auditor must perform extensive procedures with significant “first-time through” costs
- Potential to delay a 10-Q filing, which could lead to a breach of certain HRB reporting covenants

- We have the right strategy to build shareholder value
- We are taking the necessary steps to focus on our core tax, accounting and related financial services businesses
- HRB Bank creates a competitive advantage for our core tax business, particularly in the early filer segment
- The Breedon Partners' campaign is disruptive:
 - Offers no new ideas
 - Creates risk to auditor independence



On July 31, 2007, H&R Block began the process of mailing its definitive proxy statement (the "Proxy Statement"), together with a WHITE proxy card, in connection with H&R Block's 2007 Annual Meeting of Shareholders. **The Proxy Statement contains important information about H&R Block and the 2007 Annual Meeting. H&R Block urges its shareholders to read the Proxy Statement carefully.** Shareholders may obtain additional free copies of the Proxy Statement and other documents filed with the Securities Exchange Commission (SEC) by H&R Block through the website maintained by the SEC at www.sec.gov. In addition, copies of the Proxy Statement and other documents may be obtained free of charge by directing a request to: H&R Block, Inc., Attn: Corporate Secretary, 1 H&R Block Way, Kansas City, MO 64105, (816) 854-3000 or from our website (www.hrblock.com). Copies of the Proxy Statement also may be requested by contacting our proxy solicitor, Innisfree M&A Incorporated, at 877-456-3463 toll-free.