

H&R Block Releases Interim Tax Season Results Through March 31

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H&R Block, Inc. (NYSE: HRB)

- Total tax returns prepared up 5.7 percent; retail returns prepared grow 2.6 percent
- Total online(1) returns prepared increase 29.2 percent; total digital returns up 13.3 percent
- Net retail tax preparation fees through March 31 decline 2.2 percent; improving from down 4.1 percent at Feb. 28

H&R Block, Inc. (NYSE: HRB) today reported tax season-to-date results for the interim period Nov. 1, 2010 to March 31, 2011. Total tax returns prepared grew 5.7 percent compared to the prior year. Total retail returns prepared increased 2.6 percent, while total digital returns grew 13.3 percent, including a 29.2 percent increase in online filings.(1)

"Our return volumes through March remained strong and above our expectations. We are achieving our key objective of driving volume and client growth, building a solid base for revenue and profit expansion in future years," said Alan Bennett, H&R Block's president and chief executive officer. "We still have many clients to serve over the final weeks of this tax season and we remain focused on execution and client service," added Bennett.

Aggregate tax season-to-date net retail tax preparation fees improved from down 4.1 percent at Feb. 28 to down 2.2 percent as of March 31, as a result of higher client complexity in March, as well as continuing growth in tax return volumes during the month. Net retail tax preparation fees for the month of March increased 3.7 percent compared to the prior year period.

"Our entire retail tax network, including tax professionals, franchisees, field leadership, and support teams, have worked to overcome significant challenges to turn in stronger than anticipated performance through March," said Phil Mazzini, H&R Block's president of retail tax services. "We continue to see improvement in our client retention and new client growth. Through investments in targeted programs like the free 1040EZ, Second Look, and continued service improvement initiatives, clients are seeing the value and expertise that only H&R Block provides. The success of these programs also provides us with a solid pipeline of clients to build upon going forward," added Mazzini.

Total digital returns in the strategically important online segment grew 29.2 percent through March 31. The strong growth in online filings and a 1.4 percent increase in software-based returns were partially offset by a 10.2 percent decline in returns prepared through the Free File Alliance ("FFA"). Total digital tax returns, including online, software and FFA, increased 13.3 percent. Total digital returns excluding FFA increased 17.0 percent.

For tax season 2011, the company anticipates total retail tax returns prepared will increase approximately 2.0 to 2.5 percent compared to the prior year, while the retail net average fee per return is expected to decrease approximately 2.5 to 3.5 percentage points compared to the prior year.

The company also expects to incur an additional charge of approximately \$0.05 per share in its fiscal fourth quarter ending April 30, 2011 for estimated incremental credit losses on its Emerald Advance line of credit. The additional charge is primarily due to the loss of certain prior clients as a result of the company's inability to offer refund anticipation loans this tax season.

H&R Block will report preliminary tax season results through April 18 after the NYSE market close on April 26.

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 defense expenses and costs of judgments or settlements; 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 2010 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.

About H&R Block

H&R Block Inc. (NYSE: HRB) is one of the world's largest tax services providers, having prepared more than 550 million tax returns worldwide since 1955. In fiscal 2010, H&R Block had annual revenues of \$3.9 billion and prepared more than 23 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.

(1) Total online returns prepared exclude software-based and Free File Alliance ("FFA") returns.

H&R BLOCK

Preliminary U.S. Tax Operating Data
(in thousands, except net average fee)

	Tax Season		Percent	Tax Season		Percent
	Through	Through	change	Through	Through	change
	2/28	2/28		3/31	3/31	
	2011	2010		2011	2010	
Net tax preparation fees						
- retail: (1,2)						
Company-owned operations	\$ 969,405	\$1,016,215	-4.6%	\$1,331,641	\$1,366,693	-2.6%
Franchise operations	580,311	599,943	-3.3%	760,610	772,810	-1.6%
	\$1,549,716	\$1,616,158	-4.1%	\$2,092,251	\$2,139,503	-2.2%
Total returns prepared: (2,4)						
Company-owned operations	5,367	5,148	4.3%	7,178	6,956	3.2%
Franchise operations	3,474	3,419	1.6%	4,506	4,429	1.7%
Total retail operations	8,841	8,567	3.2%	11,684	11,385	2.6%
Software	1,352	1,364	-0.9%	1,794	1,769	1.4%
Online	2,325	1,786	30.2%	2,907	2,250	29.2%
Sub-total	3,677	3,150	16.7%	4,701	4,019	17.0%
Free File Alliance	437	501	-12.8%	565	629	-10.2%
Total digital tax solutions	4,114	3,651	12.7%	5,266	4,648	13.3%
	12,955	12,218	6.0%	16,950	16,033	5.7%

	2011	2010	% Change	2011	2010	% Change
Net average fee						
- retail: (2,3)						
Company-owned operations	\$ 180.61	\$ 197.41	-8.5%	\$ 185.51	\$ 196.47	-5.6%
Franchise operations	167.06	175.47	-4.8%	168.81	174.51	-3.3%
	\$ 175.29	\$ 188.65	-7.1%	\$ 179.07	\$ 187.93	-4.7%

- (1) Amounts include gross tax preparation fees less coupons and discounts.
- (2) Prior year numbers have been reclassified between company-owned and franchise operations for offices which were refranchised during either year.
- (3) Amounts are calculated as net retail tax preparation fees divided by retail tax returns.
- (4) Tax season is defined as November 1st through the reporting date. Retail returns (in thousands) for the period May 1 through October 31 were 339 (fiscal year 2011) and 315 (fiscal year 2010). Digital returns (in thousands) for the period May 1 through October 31 were 124 (fiscal year 2011) and 103 (fiscal year 2010).

For Further Information

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