

H&R Block Reports Interim Tax Season Data Through March 15

April 2, 2002 4:02 PM ET

KANSAS CITY, Mo., Apr 2, 2002 /PRNewswire-FirstCall via COMTEX/ --

Re-Affirms FY02 Earnings Guidance

H&R Block Inc. (NYSE: HRB) said its tax businesses have already served more than 13 million clients this year, reporting interim results for the current tax season. The interim results indicate that the company remains on track to meet expectations set by its previously announced guidance for revenue and earnings.

For the current tax season through March 15, H&R Block reported \$1.4 billion in fees from tax preparation and related services, up 12.1 percent compared to the same period last year. Total clients served increased 3.6 percent to 13.2 million. The average fee per client served rose 9.1 percent to \$117.03.

"We're pleased that our results through mid-March remain on track, but we also recognize the significance of the final four weeks of tax season yet to be reported. Current filing trends suggest that our tax businesses will meet their previously announced revenue and earnings goals for the full year," said Mark A. Ernst, president and chief executive officer.

On April 15, the company intends to release its next interim report on results for the tax season through March 31. On May 1, the company plans to announce preliminary results for the tax season through April 15. Fiscal 2002 fourth quarter and year-end results are scheduled to be announced June 12.

Through March 15, tax professionals in H&R Block offices prepared 12 million returns, an increase of 4.4 percent. During this period, H&R Block filed 11.9 million federal returns electronically, representing a 7.1 percent increase over the prior year. So far this tax season, 90.2 percent of returns processed by the company were filed electronically.

When H&R Block announced its third quarter earnings Feb. 27, the company said it expected its fiscal year earnings to be in the range of \$2.20-to-\$2.30 per share, an increase of 45-to-50 percent over last year's earnings. The company said it expected overall revenue growth to be within a target range of 10-to-15 percent for the year.

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 its revenue, earnings and earnings per share goals for fiscal year 2002, that the level of growth experienced in U.S. tax operations through March 15, 2002 will continue throughout the remainder of the tax season and fiscal year, and that actual financial results for fiscal year 2002 will fall within the guidance provided by the company; 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 range of financial products and services. In 2001, H&R Block served 19.2 million taxpayers -- more than any tax or accounting firm -- through its more than 10,400 offices located in the United States, Canada, Australia and the United Kingdom. H&R Block served another 2.3 million tax clients through its award-winning TaxCut(R) software program and through its 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 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. Additional information is available on the company's Web site at www.hrblock.com.

H&R Block, Inc.
Preliminary U.S. Tax Operating Data
Amounts in thousands, except average charge and number of offices

	1/1-1/31	2/1-2/15	Period 2/16-2/28	3/1-3/15	YTD 3/15
Tax preparation & related fees					
Fiscal year 2002					
Company owned					
offices	\$259,783	\$355,534	\$156,840	\$145,826	\$917,983
Franchised					
offices	149,078	199,762	91,427	73,205	513,472
	\$408,861	\$555,296	\$248,267	\$219,031	\$1,431,455
Fiscal year 2001					
Company owned					
offices	\$226,830	\$321,949	\$144,275	\$129,435	\$822,489
Franchised					
offices	124,116	181,301	80,551	67,984	453,952
	\$350,946	\$503,250	\$224,826	\$197,419	\$1,276,441
Percent change					
Company owned					
offices	14.5%	10.4%	8.7%	12.7%	11.6%
Franchised					
offices	20.1%	10.2%	13.5%	7.7%	13.1%
Total	16.5%	10.3%	10.4%	10.9%	12.1%
Tax returns prepared					
Fiscal year 2002					
Company owned					
offices	2,129	2,873	1,253	1,094	7,349
Franchised					
offices	1,354	1,815	837	661	4,667
	3,483	4,688	2,090	1,755	12,016
Fiscal year 2001					
Company owned					
offices	2,029	2,796	1,231	1,071	7,127
Franchised					
offices	1,214	1,740	773	655	4,382
	3,243	4,536	2,004	1,726	11,509
Percent change					
Company owned					
offices	4.9%	2.8%	1.8%	2.1%	3.1%
Franchised					
offices	11.5%	4.3%	8.3%	0.9%	6.5%
Total	7.4%	3.4%	4.3%	1.7%	4.4%
Total clients served					
Fiscal year 2002					
Company owned					
offices	2,149	2,902	1,264	1,102	7,417
Franchised					
offices	1,406	1,877	860	672	4,815
E-commerce *	143	414	219	173	949
	3,698	5,193	2,343	1,947	13,181

Fiscal year 2001

Company owned					
offices	2,069	2,852	1,252	1,084	7,257
Franchised					
offices	1,303	1,853	812	675	4,643
E-commerce *	109	367	202	150	828
	3,481	5,072	2,266	1,909	12,728

Percent change

Company owned					
offices	3.9%	1.8%	1.0%	1.7%	2.2%
Franchised					
offices	7.9%	1.3%	5.9%	-0.4%	3.7%
E-commerce *	31.2%	12.8%	8.4%	15.3%	14.6%
Total	6.2%	2.4%	3.4%	2.0%	3.6%

Tax returns filed electronically**

Fiscal year 2002

Company owned					
offices	2,081	2,726	1,109	911	6,827
Franchised					
offices	1,333	1,675	693	480	4,181
E-commerce *	119	382	214	165	880
	3,533	4,783	2,016	1,556	11,888

Fiscal year 2001

Company owned					
offices	1,977	2,613	1,065	846	6,501
Franchised					
offices	1,204	1,578	597	429	3,808
E-commerce *	96	352	194	146	788
	3,277	4,543	1,856	1,421	11,097

Percent change

Company owned					
offices	5.3%	4.3%	4.1%	7.7%	5.0%
Franchised					
offices	10.7%	6.2%	16.1%	11.9%	9.8%
E-commerce *	24.0%	8.5%	10.3%	13.0%	11.7%
Total	7.8%	5.3%	8.6%	9.5%	7.1%

Percent filed electronically

Fiscal year 2002

Company owned					
offices	96.8%	93.9%	87.7%	82.7%	92.0%
Franchised					
offices	94.8%	89.2%	80.6%	71.4%	86.8%
E-commerce *	83.2%	92.3%	97.7%	95.4%	92.7%
	95.5%	92.1%	86.0%	79.9%	90.2%

Fiscal year 2001

Company owned					
offices	95.6%	91.6%	85.1%	78.0%	89.6%
Franchised					
offices	92.4%	85.2%	73.5%	63.6%	82.0%
E-commerce *	88.1%	95.9%	96.0%	97.3%	95.2%
	94.1%	89.6%	81.9%	74.4%	87.2%

Average fee per client served

Fiscal year 2002

Company owned offices	\$120.89	\$122.51	\$124.08	\$132.33	\$123.77
Franchised offices	106.03	106.43	106.31	108.94	106.64
	\$115.01	\$116.20	\$116.89	\$123.47	\$117.03

Fiscal year 2001

Company owned offices	\$109.63	\$112.89	\$115.24	\$119.40	\$113.34
Franchised offices	95.25	97.84	99.20	100.72	97.77
	\$104.08	\$106.96	\$108.93	\$112.23	\$107.26

Percent change

Company owned offices	10.3%	8.5%	7.7%	10.8%	9.2%
Franchised offices	11.3%	8.8%	7.2%	8.2%	9.1%
Total	10.5%	8.6%	7.3%	10.0%	9.1%

Refund anticipation loans

Fiscal year 2002

Company owned offices	1,196	1,318	298	165	2,977
Franchised offices	767	824	172	89	1,852
E-commerce *	8	17	7	5	37
	1,971	2,159	477	259	4,866

Fiscal year 2001

Company owned offices	1,020	1,177	272	152	2,621
Franchised offices	647	704	150	79	1,580
E-commerce *	5	17	8	5	35
	1,672	1,898	430	236	4,236

Percent change

Company owned offices	17.3%	12.0%	9.6%	8.6%	13.6%
Franchised offices	18.6%	17.1%	14.7%	12.7%	17.2%
E-commerce *	60.0%	0.0%	-12.5%	0.0%	5.7%
Total	17.9%	13.8%	10.9%	9.7%	14.9%

Offices	FY 2002	FY 2001	% Change
Company owned office	5,017	5,060	-0.8%
Franchised offices	3,998	4,012	-0.3%
	9,015	9,072	-0.6%

* 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.

CONTACT: Robert Schneider, Media Relations, +1-816-932-4835, or Mark Barnett, Investor Relations, +1-816-701-4443, both of H&R Block Inc. URL: <http://www.hrblock.com>

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