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**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®

*On Track
to Enhance Shareholder Value*



Forward-Looking Statements

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
- The Bank creates a competitive advantage for our core tax business, particularly in the early filer segment
- We reaffirm our FY08 continuing EPS guidance
 - Expect earnings of \$1.25 - \$1.45 per share
 - Middle of range represents growth of 17% over FY07
- The Breeden Partners' campaign is disruptive:
 - Offers no new ideas
 - Creates risk to auditor independence



- **On Track to Enhance Shareholder Value**
- Review of Performance
- Core Business Strategy
- Outlook

- Tax Services achieved good growth in FY07, significantly aided by H&R Block Bank
 - Bank is key tool to build loyalty in early filer segment
 - Strength of 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 by October 31
 - Closed H&R Block Mortgage Corp.

- We expect continued success in TS08, building on a strong TS07
- Bank is the foundation for increasing 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
- Concentration on core businesses, along with continued disciplined capital allocation, will allow us to deliver superior financial performance

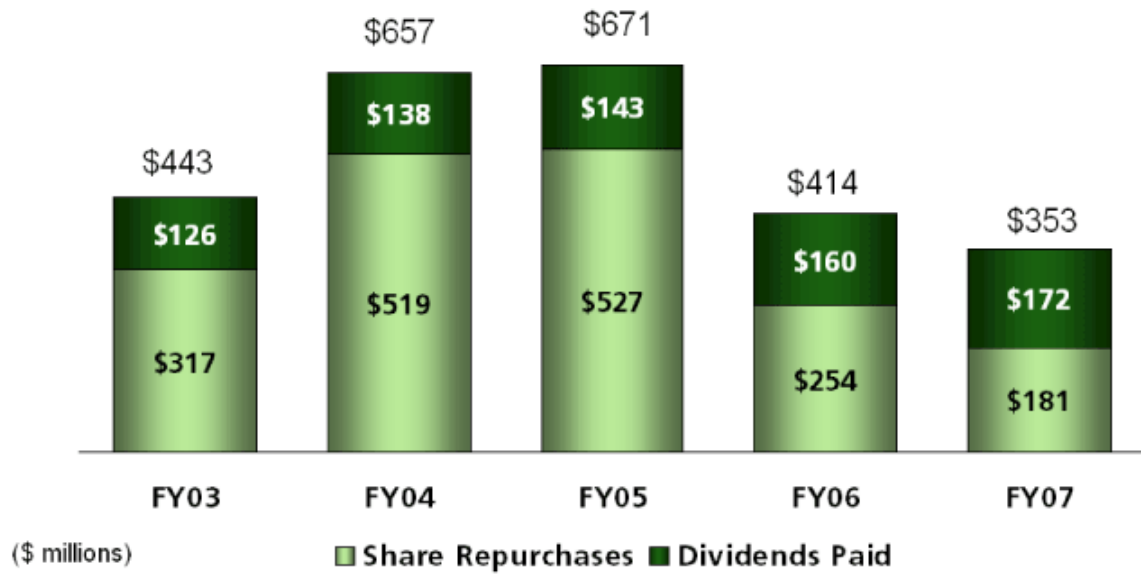


- On Track to Enhance Shareholder Value
- **Review of Performance**
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Dividends and Share Repurchases

H&R Block's disciplined capital allocation consistently returns excess capital to shareholders





Option One Contribution

Despite recent industry difficulties, Option One contributed significantly to HRB's book value with earnings of \$2.0 billion

Pretax Earnings

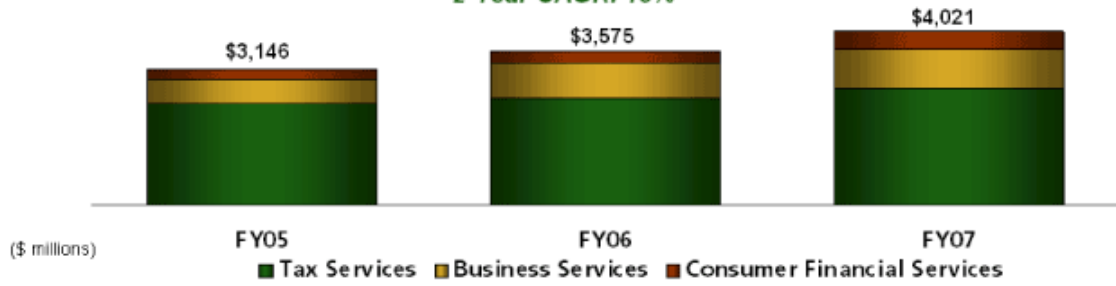




Segment Contribution*

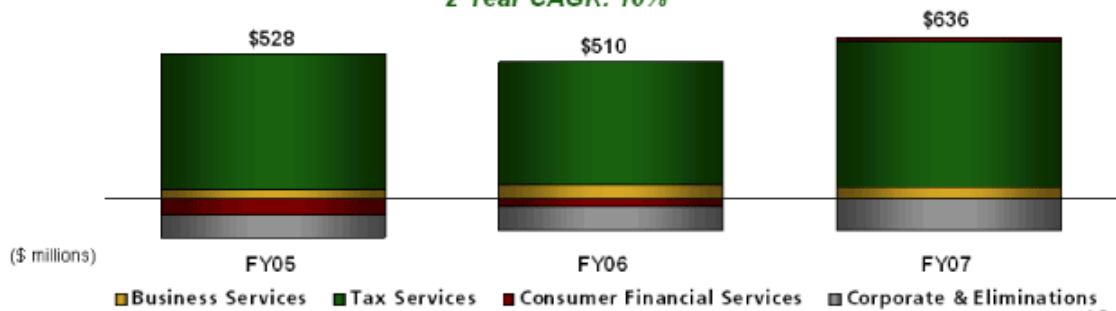
Revenue Contribution

2 Year CAGR: 13%



Pretax Earnings Contribution

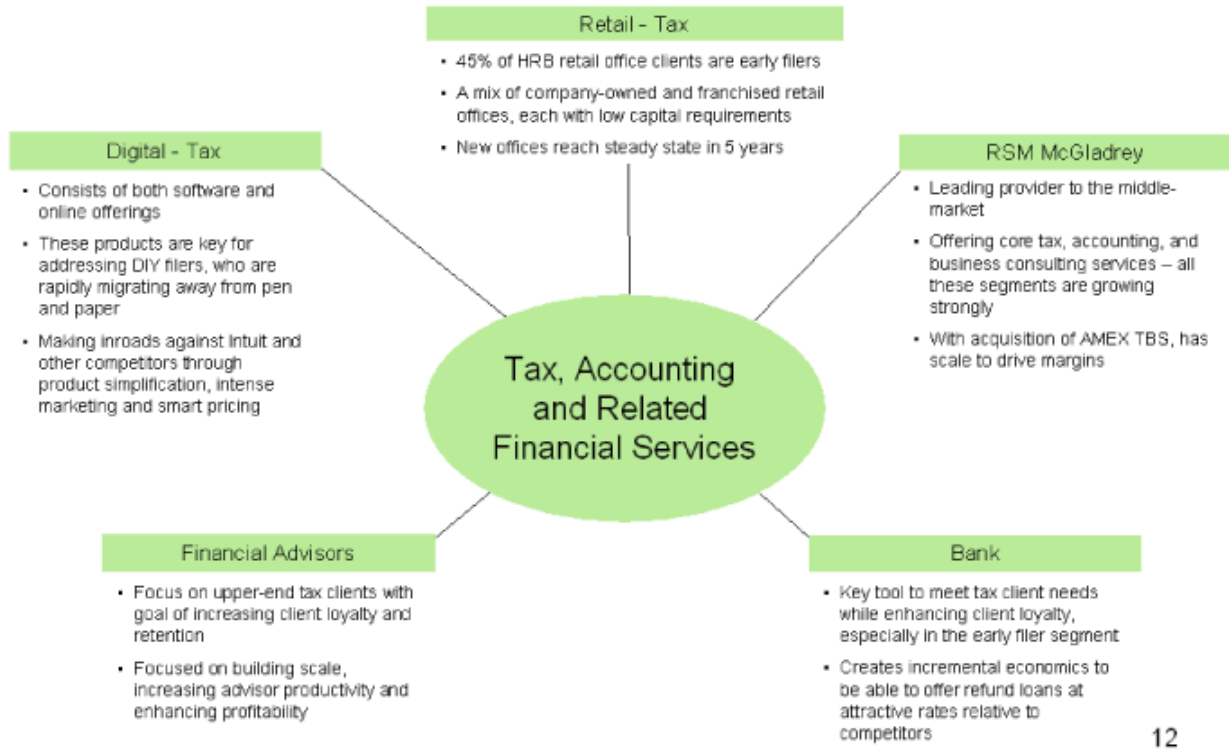
2 Year CAGR: 10%



*Continuing Operations



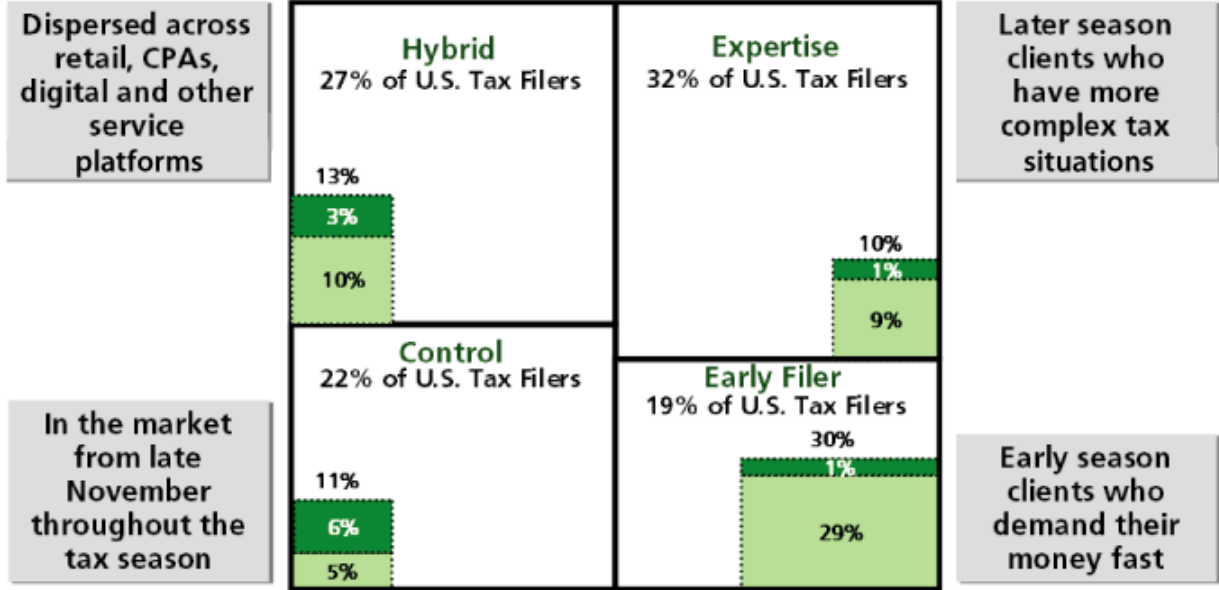
- On Track to Enhance Shareholder Value
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Tax Segments and H&R Block Share

133 million total U.S. tax filers*

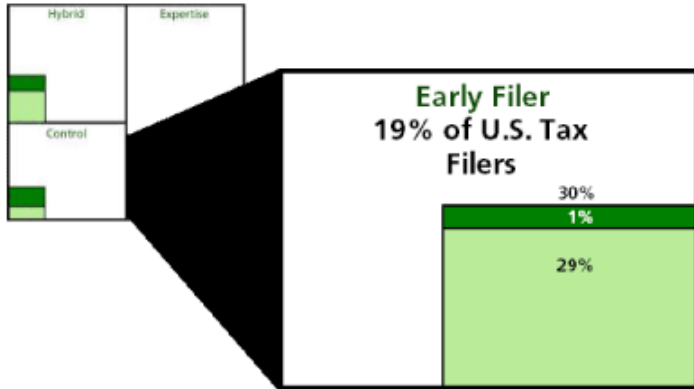


 H&R Block digital share
 H&R Block retail share



*TS05 Market Share 13



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



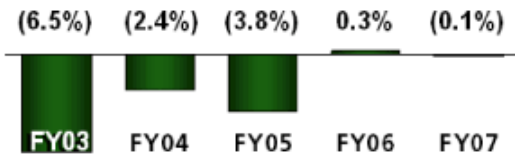
- Product innovation driving segment dynamics
- Segment dominated by tax prep firms and independent providers
- In TS07, HRB retained 67.7% of early filers vs. 71.5% of all retail filers
- Early filers represent 45% of H&R Block retail office clients
 - Tend to be un/underbanked
 - Users of alternative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

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

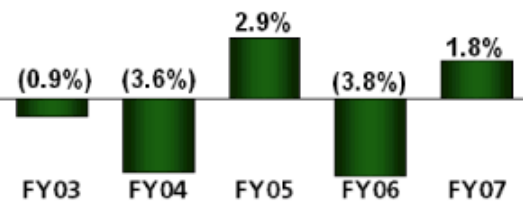


Year-to-Year Change in Retail Clients

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
- The bank allows us to develop products for this segment that are superior to those offered by our competitors



Competitive Challenge

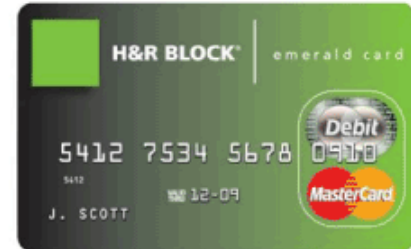
- Refund settlement products (RALs and early season loans) drive consumer choice for tax services
 - Strong consumer demand
 - Price inelasticity
- Electronic Return Originators (EROs), which e-file tax returns directly to the IRS, have proliferated. As a result, our bank and non-bank competitors have commoditized settlement products by making them widely available

Electronic Return Originators*	<u>2002</u> 90,700	<u>2007</u> 157,000	<u>% Growth</u> 73%
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- Increasing our points-of-presence has mitigated, but not reversed, this challenge
- Pre-file loans demonstrated client demand for credit access
- Our Emerald Card was a breakthrough innovation in FY07

*Retail tax preparer locations capable of direct e-filing to IRS; excludes H&R Block

- 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 distribution options



How the Bank Supports Tax

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



- 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



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- FY08 continuing EPS of \$1.25 - \$1.45
 - Middle of range represents growth of 17% over FY07
- Tax Services
 - Mid-to-high single digit revenue growth (pricing and clients)
 - Modest margin improvement – high single-digit continuing operations earnings growth
- RSM McGladrey
 - Low double-digit organic growth
 - FY08 benefit from divesting certain operations
 - Business Services – net operating margin of 8%
- Consumer Financial Services – profit to double in '08

Breeden Partners: A Disruption

- Breeden Partners' campaign disruptive to H&R Block's strategic initiatives
 - Has not advanced new ideas to improve value
- We believe Breeden Partners advocates the sale of the Bank and ignores its potential value to Tax Services
- Breeden Partners originally failed to disclose Richard Breeden's position as Monitor of KPMG, H&R Block's auditor
 - Creates risk of auditor losing its required independence
 - Abrupt mid-year change of auditors would be expensive and disruptive
- 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



Important Additional Information

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.