

## H&R Block Announces Interim Tax Season Results

March 30, 2006 8:31 AM ET

KANSAS CITY, Mo.--(BUSINESS WIRE)--March 30, 2006--H&R Block Inc. (NYSE:HRB) today reported tax season results for the interim period from March 1 to March 15 showing an 8.6 percent increase in total clients served over the comparable prior-year period. Tax preparation and related fees at H&R Block's retail operations increased 7.9 percent.

For the period from Jan. 1 to March 15, tax preparation and related fees increased 2.8 percent over the same period of last year to \$1.7 billion, while the average fee per client served rose 6.3 percent to \$154.24. Total clients served by the company's retail operations and digital tax solutions business was up 0.3 percent to 14.0 million.

"We saw notable strength in both our retail and digital businesses during the first half of March," said Mark A. Ernst, chairman and chief executive officer. "Client demand for H&R Block's tax services and products continues to grow as we approach the last weeks of the tax filing season."

H&R Block plans to release additional interim tax season results for its U.S. tax operations before the NYSE market opening on April 18 and May 10.

### About H&R Block

H&R Block Inc. (NYSE:HRB) is a leading provider of tax, financial, mortgage, accounting and business consulting services and products. H&R Block is the world's largest tax services provider, having prepared more than 400 million tax returns since 1955. The company and its subsidiaries generated revenues of \$4.4 billion in fiscal year 2005 from operations in four principal business segments: tax preparation and advice via in-office, online and software solutions; investment and financial advisory services; retail and wholesale mortgage services; and tax/accounting/business consulting services for mid-sized businesses. Headquartered in Kansas City, Mo., H&R Block markets its services and products under three leading brands -- H&R Block, Option One and RSM McGladrey. For more information, visit our Online Press Center at [www.hrblock.com](http://www.hrblock.com).

### H&R BLOCK

#### Preliminary U.S. Tax Operating Data

(in thousands, except average fee and number of offices)

	January	February	March	YTD
	1/1-1/31	2/1-2/28	3/1-3/15	1/1-3/15
Tax preparation & related fees:				
Fiscal year 2006				
Company-owned operations	\$379,959	\$627,020	\$173,796	\$1,180,775
Franchise operations	191,610	288,406	70,145	550,161
	\$571,569	\$915,426	\$243,941	\$1,730,936
Fiscal year 2005(1)				
Company-owned operations	\$367,294	\$621,831	\$160,503	\$1,149,628
Franchise operations	183,556	284,961	65,477	533,994
	\$550,850	\$906,792	\$225,980	\$1,683,622
Percent change				
Company-owned operations	3.4%	0.8%	8.3%	2.7%
Franchise operations	4.4%	1.2%	7.1%	3.0%
Total retail operations	3.8%	1.0%	7.9%	2.8%

Total clients served:  
Fiscal year 2006

Company-owned operations	2,372	3,852	1,029	7,253
Franchise operations	1,398	2,084	487	3,969
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Total retail operations	3,770	5,936	1,516	11,222
Digital tax solutions(2)	1,143	1,294	358	2,795
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	4,913	7,230	1,874	14,017
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Fiscal year 2005(1)				
Company-owned operations	2,450	4,093	1,020	7,563
Franchise operations	1,403	2,160	479	4,042
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Total retail operations	3,853	6,253	1,499	11,605
Digital tax solutions(2)	1,129	1,016	226	2,371
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	4,982	7,269	1,725	13,976
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Percent change				
Company-owned operations	-3.2%	-5.9%	0.9%	-4.1%
Franchise operations	-0.4%	-3.5%	1.7%	-1.8%
Total retail operations	-2.2%	-5.1%	1.1%	-3.3%
Digital tax solutions(2)	1.2%	27.4%	58.4%	17.9%
Total	-1.4%	-0.5%	8.6%	0.3%
Total retail day-to-day(3)	-10.7%	0.1%	7.4%	-3.0%

Average fee per client  
served:(4)

Fiscal year 2006				
Company-owned operations	\$160.19	\$162.78	\$168.90	\$162.80
Franchise operations	137.06	138.39	144.03	138.61
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	\$151.61	\$154.22	\$160.91	\$154.24
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Fiscal year 2005(1)				
Company-owned operations	\$149.92	\$151.93	\$157.36	\$152.01
Franchise operations	130.83	131.93	136.70	132.11
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	\$142.97	\$145.02	\$150.75	\$145.08
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Percent change				
Company-owned operations	6.8%	7.1%	7.3%	7.1%
Franchise operations	4.8%	4.9%	5.4%	4.9%
Total retail operations	6.0%	6.3%	6.7%	6.3%

Offices:

	FY 2006	FY 2005	
Company-owned offices	6,387	5,811	9.9%
Company-owned shared office locations(5)	1,473	1,296	13.7%
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Total company-owned offices	7,860	7,107	10.6%
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Franchise offices	3,703	3,528	5.0%
Franchise shared office locations(5)	602	526	14.4%
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Total franchise offices	4,305	4,054	6.2%
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	12,165	11,161	9.0%
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- (1) Prior year numbers have been reclassified between company-owned and franchise operations for offices which commenced company-owned operations during fiscal year 2006.
- (2) Includes federal Taxcut software units sold, online completed and paid federal returns and online state returns only when no payment was made for a federal return.
- (3) Calculated as the % difference between current year actuals and day-to-day adjusted fiscal year 2005.
- (4) Calculated as gross tax preparation and related fees divided by clients served.
- (5) Shared office locations include offices located within Wal-Mart, Sears and other third-party businesses.

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SOURCE: H&R Block Inc.