

H&R Block Reports Filing of Its Fiscal Third Quarter Results and Prior Period Restatements

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KANSAS CITY, Mo.--(BUSINESS WIRE)--March 31, 2006--H&R Block Inc. (NYSE: HRB) today filed with the Securities and Exchange Commission its delayed Form 10-Q for the fiscal third quarter ended Jan. 31, 2006, an amendment to its Form 10-K/A for the fiscal year ended April 30, 2005, and Forms 10-Q/A for the fiscal quarters ended July 31, 2005, and Oct. 31, 2005.

Following the company's announcement of preliminary third quarter financial results on Feb. 23, 2006, the company increased its legal reserves by \$11.9 million after taxes based on settlement negotiations in a previously reported refund anticipation loan class action lawsuit. In addition, as part of the restatement process, \$3.4 million in additional tax expense was recorded in the third quarter related to the correction of errors for periods prior to May 1, 2003. Net earnings for the third quarter were \$12.1 million, or 4 cents per diluted share.

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.

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