

H&R Block Receives Preliminary Court Approval For Settlement Of 1996 Olde Lawsuit

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KANSAS CITY, Mo., May 11 /PRNewswire/ -- H&R Block Inc. (NYSE: HRB) announced today that the Superior Court of Arizona, Maricopa County, has given preliminary approval to a settlement that resolves a 1996 class action lawsuit filed against Olde Discount Corporation on behalf of customers of Arizona branches of Olde. The plaintiffs challenged Olde's advertising of commission- free trading programs.

Under the settlement, which is subject to final approval of the court, Olde will distribute \$21 million to a fund to be used to pay claims of class members, attorneys' fees and the administrative expenses relating to the settlement.

"We settled to bring closure to expensive litigation that began long before our acquisition of Olde and direct all our energy to our strategic priorities," said Mark Ernst, president and chief executive officer of H&R Block. Ernst added that the company also wanted to minimize the risk inherent in class action jury trials.

The company continues to deny liability and believes that Olde's commission-free trading programs benefited its clients and that the Olde advertising in question complied with all legal requirements.

H&R Block acquired Olde Discount Corporation in 1999, three years after the class action suit was filed. Since the acquisition of Olde, its name has been changed to H&R Block Financial Advisors and its advertising, products and services have changed to reflect a new strategic focus.

The settlement will be reflected in H&R Block's financial results for the fiscal year ended April 30, 2001. The potential impact of the suit on expected EPS results was incorporated in previous information provided by the company. On May 3, the company announced that its preliminary analysis of fourth quarter performance supports full year EPS results in the middle to the top of the company's stated long term EPS growth target of 13-18 percent.

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 possibility that the audited financial results of the company for the fiscal year will differ from previously released preliminary results, estimates and expectations; the uncertainty of the effect of actual fourth quarter performance on the final earnings per share for fiscal year 2001; the uncertainties that all conditions to which the settlement is subject will be satisfied, that the court will give final approval to the settlement, and that any order approving the settlement will not be successfully reversed on appeal; changes in economic, political or regulatory environments; other litigation involving the company and its subsidiaries; 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 wide range of financial products and services. In 2000, H&R Block served 19.2 million taxpayers -- more than any tax or accounting firm -- through its more than 10,000 offices located in the United States, Canada, Australia and the United Kingdom. H&R Block served another 1.8 million tax clients through its award-winning software program, Kiplinger TaxCut(R), and through its new 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 full 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. Quarterly results and other information are available on the company's Web site at www.hrblock.com.

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