

AOL Time Warner and H&R Block Announce Multi-Year Strategic Marketing Alliance

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Block Becomes Exclusive Tax Services Provider Across America Online Brands And MONEY.com; Tax Services Leader to Advertise Across AOL Time Warner's Print And Television Media AOL Software to be Promoted to H&R Block's Millions of U.S. Tax Office Clients

AOL Time Warner (NYSE: AOL) and H&R Block Inc. (NYSE: HRB) today announced an exclusive multi-year alliance that will enable both companies to market their products and services to millions of new customers nationwide. Under the agreement, H&R Block becomes the preferred tax services provider across several America Online brands and launches marketing across AOL Time Warner's online, on-air and print media. H&R Block will also offer the AOL service to its U.S. tax office clients, and AOL Time Warner will offer H&R Block's tax services at special rates as a benefit to its employees.

Under the agreement, H&R Block's tax services will be more accessible and convenient to consumers than ever before. These services include H&R Block's multiple tax services, including its online tax preparation services, TaxCut(R) software and its national network of tax offices. H&R Block will be the exclusive provider of tax preparation services and tax advice within the Tax Centers of AOL, CompuServe, Netscape.com and MONEY.com, as well as within AOL.COM and AOL's Digital City.

In addition, H&R Block will be able to market its products and services across a broad range of AOL Time Warner's unmatched online and offline media, including such properties as:

- Time Warner Cable;
- Turner Broadcasting's TNT;
- CNN television networks;
- Time Inc. magazines such as TIME, FORTUNE, AND MONEY;
- AOL Time Warner online properties such as PEOPLE.com and TVGUIDE.com.

H&R Block's tax services will launch this fall on AOL's Online Tax Center (AOL Keyword: Tax). AOL.COM and other America Online brands will launch H&R Block products and services by the end of the year. H&R Block's services will also be featured in AOL's Government Guide, the most comprehensive online listing of federal, state and local government information, resources and services.

The AOL Tax Center will include H&R Block's complete set of tax solutions:

- H&R Block's Online Tax Program -- providing convenient and fast tax return preparation and tax advice options for the do-it-yourself taxpayer;
- H&R Block's Professional Tax Service -- combining the benefits of a personally prepared tax return by an H&R Block tax professional, with the convenience of the Internet;
- Professional Review -- providing a review of self-prepared returns completed via the Internet by an H&R Block professional;
- Ask a Tax Advisor -- an online service that connects a taxpayer with a specific tax question to one of H&R Block's 90,000 tax professionals for an accurate answer by using e-mail, telephone or live chat;
- TaxCut Software by H&R Block -- offering easy navigation tools, sophisticated features and electronic filing for complete tax return preparation and filing;
- H&R Block Office Locator -- a tool to locate the closest tax office for taxpayers wanting personal assistance from one of H&R Block's tax professionals.

Building on America Online's successful retail strategy, AOL software will be promoted in many of H&R Block's offices in its nationwide retail office network, serving nearly 17 million taxpayers in 2001.

As part of the agreement, AOL Time Warner will also participate in H&R Block's Employer Solutions Program, offering H&R Block's tax preparation services at special rates as a benefit to its employees. AOL Time Warner employees will have the option

of using H&R Block's online and software products and services or visiting an H&R Block tax office.

"This alliance with AOL Time Warner enables us to expand both our Internet and office business strategy, extending our position as America's leading tax services provider both online and offline," stated Mark Ernst, president and chief executive officer of H&R Block. "Our products and services will be more accessible to the largest consumer audience online. Plus, the broad range of AOL Time Warner traditional media allows us to reach key target audiences with relevant product offerings. Our Employer Solutions program, will provide AOL Time Warner employees with a valuable benefit, and gives us an opportunity to provide tax services to potential new clients."

Bob Pittman, co-chief operating officer, AOL Time Warner, said: "We're pleased to enter into this new alliance with H&R Block, and we look forward to offering them the kind of total marketing solution found only through AOL Time Warner's unparalleled online, print and network brands. Bringing together H&R Block's services and AOL Time Warner's media assets, we can offer millions of consumers the tax information and assistance they need, providing real value and convenience."

Throughout the term of the agreement, AOL Time Warner and H&R Block will explore other opportunities to provide valuable products and services that will be promoted across various AOL Time Warner channels.

About AOL Time Warner Inc.

AOL Time Warner (NYSE: AOL) is the world's first Internet-powered media and communications company, whose industry-leading businesses include interactive services, cable systems, publishing, music, TV networks and filmed entertainment.

About H&R Block

H&R Block Inc. is a diversified company with subsidiaries providing a wide 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 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 wide range of home mortgage products. RSM McGladrey Inc. is a national accounting, tax and consulting firm with more than 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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