

## **H&R Block to Acquire Interest in MyBenefitSource; Acquisition to Strengthen RSM McGladrey's Position as Middle-Market Leader**

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KANSAS CITY, Mo., Dec 11, 2001 (BUSINESS WIRE) -- H&R Block Inc. (NYSE:HRB) announced today that it has acquired approximately 44 percent of the outstanding common shares of MyBenefitSource Inc., an Atlanta-based firm that delivers a wide range of payroll, benefit, enrollment and administrative services. H&R Block also has an option to acquire the remaining shares. MyBenefitSource will work directly with RSM McGladrey Inc., an H&R Block subsidiary and national consulting, accounting and tax firm, to provide clients a payroll and benefit administration outsourcing solution.

"The addition of MyBenefitSource is one of several significant steps we've announced recently to strengthen our position as the leading, full-service business consulting firm serving mid-size companies," said Tom Rotherham, RSM McGladrey chief executive officer. "Many of our clients rely solely on internal staff and have limited technology budgets to perform labor-intensive payroll and benefit administration. In fact, our clients often ask us to help them in these areas. We're pleased to now offer a comprehensive solution through MyBenefitSource, which offers the best technology we've seen, along with providing superior customer service."

"Partnering with RSM McGladrey presents an excellent opportunity to accelerate our growth plan and showcase our unique technology, product, and service delivery model--a model others are scrambling to copy," said Edward Cain, chief executive officer of MyBenefitSource. "Our integrated technology is fast becoming the preferred solution by employers to deliver seamless payroll and self-service benefits administration. The services and technology we provide are a perfect fit with RSM McGladrey's middle-market clients, who are looking to streamline their business processes and reduce administrative and benefits costs. Our new business relationship with RSM McGladrey and H&R Block will help us secure a leadership position in the emerging business process outsourcing industry."

MyBenefitSource currently serves hundreds of clients nationwide with solutions scalable to any size company. Cain said what makes MyBenefitSource unique is the true integration of payroll, time and attendance, benefits brokerage, benefits enrollment, benefits administration, and benefits invoice reconciliation. All business process modules "talk to each other," and the technology is intuitive and easy to use. He describes the firm as a one-stop-shop that provides a gateway to full financial services for employers and employees. MBS provides real-time access to information via the Internet and allows employers and employees to easily manage their payroll and benefit needs from work or home.

Cain said the nation's human resources outsourcing market is expected to grow from \$21.7 billion last year to \$58.5 billion by 2005. He added that the top two business processes going to outsourcers are payroll and health care benefits.

Acquisition terms were not disclosed. About H&R Block:

H&R Block Inc. is a diversified company with subsidiaries providing a wide range of financial services and products. 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. Quarterly results and other information are available on the company's Web site at [www.hrblock.com](http://www.hrblock.com).

About RSM McGladrey:

RSM McGladrey Inc., based in Bloomington, MN, is a national business consulting, accounting, and tax firm with more than 100 offices nationwide, as well as an affiliation with 600 offices in 75 countries as the U.S. member of RSM International. RSM McGladrey is also linked with more than 70 independently owned CPA firms in the United States and Puerto Rico through the McGladrey Network. The company's Web site is [www.rsmmcgladrey.com](http://www.rsmmcgladrey.com).

About MyBenefitSource:

MyBenefitSource, Inc. ([www.MyBenefitSource.com](http://www.MyBenefitSource.com)) provides payroll and benefits delivered through superior technology and

customer service. By seamlessly integrating six core business functions--into one powerful Web-based system, MyBenefitSource helps clients effortlessly manage their HR business processes.

CONTACT:

RSM McGladrey Inc., Bloomington  
Connie Smith Benning, 563/324-0447

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