

TaxCut(R) by H&R Block Reports Record Sales

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State and Home & Business Products Drive Growth

Sales of H&R Block's consumer tax software increased by more than 10 percent in 2002, bolstering the company's overall retail unit share and fueling record sales.

Strong unit increases in TaxCut(R) State and TaxCut Platinum Home & Business fueled increases in H&R Block's overall retail unit share and the largest number of software clients since TaxCut was introduced by H&R Block in 1994, according to NPDTechworld(SM), a leading provider of essential market information for the information technology industry.

"Our sales demonstrate that consumers want not only the speed and convenience of tax software, but also seamless access to the tax advice of our thousands of H&R Block tax professionals," said Sabrina Wiewel, assistant vice president and general manager of software for H&R Block e-solutions. TaxCut by H&R Block this year was chosen as the best tax preparation software by The Wall Street Journal, Barron's and PC Magazine, among others.

Revenue from retail sales of TaxCut software products increased 28.2 percent during the last year, from \$29.3 million in 2001 to \$40.7 million in 2002, according to NPDTechworld(SM).

TaxCut State sales increased 57 percent from the previous year, more than tripling that of TaxCut's leading competitor. TaxCut State enables do-it-yourself taxpayers to complete their state tax returns in conjunction with their federal tax returns and is available for 45 states.

TaxCut Platinum Home & Business sales increased more than 50 percent over the previous year. The software, which includes more forms than any other home and business tax package on the market, enables business owners to maximize their tax benefit for both business and personal taxes.

Tax law changes have made tax returns increasingly complex for do-it-yourself taxpayers. In addition to helping clients understand how tax law changes affect their finances, TaxCut by H&R Block enables those clients to take advantage of every time- and money-saving opportunity.

"TaxCut is the only tax preparation product that provides fast and easy access to H&R Block's trained tax professionals," Wiewel said. "This competitive advantage will become increasingly important as do-it-yourself taxpayers face more complex tax law changes."

H&R Block's audited sales numbers will be available June 12.

About H&R Block:

H&R Block Inc. (NYSE: HRB) 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(R) 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.

SOURCE H&R Block Inc.

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