

## H&R Block Announces First Quarter Earnings Release Schedule

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KANSAS CITY, Mo., Aug. 15 /PRNewswire/ -- H&R Block Inc. (NYSE: HRB) announced today that it will report fiscal 2002 first quarter financial results Tuesday, Aug. 28, 2001, after close of market. At that time, a copy of the first quarter press release will be available from the company's Web site at [www.hrblock.com](http://www.hrblock.com).

In connection with its first quarter release, the company will also host a conference call for analysts and institutional investors at 5 p.m. EDT (4 p.m. CDT) Aug. 28. Mark A. Ernst, president and chief executive officer, and Frank J. Cotroneo, senior vice president and chief financial officer, will discuss the quarter and future expectations, as well as respond to analysts' questions. The call will be Webcast in a listen-only format for the media and public. The link to the Webcast can be obtained at [www.hrblock.com](http://www.hrblock.com).

A replay of the call will be available beginning at 7 p.m. EDT Aug. 28 and continuing until 7 p.m. EDT Sept. 4 by dialing 800-633-8284 (U.S.) or 858-812-6440 (International). The replay access code is 19549360. A replay of the Webcast will also be available on the company's Web site at [www.hrblock.com](http://www.hrblock.com) through Sept. 4.

The Company also announced today that it has elected early adoption of Statement of Financial Accounting Standards No. 141 and 142 (SFAS 141 and 142) related to business combinations, goodwill and other intangible assets. Application of these new standards will eliminate the amortization of goodwill and certain other intangible assets as of the beginning of the company's fiscal year, which began May 1, 2001. The company estimates the after-tax effect of the new rules will positively impact first quarter results by \$12.3 million, or 7 cents per share, and full-year earnings by \$49.3 million, or 26 cents per share based on intangible asset balances as of the date of adoption.

All companies with calendar fiscal years must adopt SFAS 141 and 142 in January 2002. Under certain circumstances, non-calendar year companies, such as H&R Block, have the option to elect early adoption of SFAS 141 and 142.

The company indicated that its total goodwill and other intangible assets related to acquisitions were approximately \$1.1 billion, net of accumulated amortization as of May 1, 2001. Of the total amount, \$700.4 million is goodwill and other intangibles which will no longer be subject to amortization under the new accounting standards. The remaining \$351.4 million, primarily reflecting customer relationships within the company's financial and business services segments, will continue to be amortized over a weighted average period of 10 years, resulting in approximately \$35.3 million, or 19 cents per share, in annual after-tax amortization expense, excluding any additional acquisitions.

"We have conservatively interpreted the final rules with respect to the accounting for customer relationships as they apply to H&R Block's acquired businesses and will continue to amortize the intangible value assigned to acquired customer relationships," said Mark Ernst. "Obviously, this has no impact on the underlying economics of our businesses."

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 uncertainties as to the extent the new SFAS rules related to business combinations, goodwill and intangible assets will impact the company's earnings; changes in economic, political or regulatory environments; 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 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](http://www.hrblock.com) .

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CONTACT: Linda McDougall, Media Relations, +1-816-932-7542, or Mark Barnett, Investor Relations, +1-816-701-4443, both of H&R Block Inc./