

Mark Ernst, H&R Block President and CEO, Elected Chairman

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KANSAS CITY, Mo., Sep 11, 2002 /PRNewswire-FirstCall via COMTEX/ -- The board of directors of H&R Block Inc. (NYSE: HRB) today elected Mark A. Ernst chairman of the board. Ernst, who also serves as the company's president and chief executive officer, succeeds Frank L. Salizzoni who, as previously announced June 12, retired at the close of the company's annual meeting of shareholders here this morning.

Ernst has served as H&R Block's president and CEO since Jan. 1, 2001. He joined H&R Block in September 1998 as executive vice president and chief operating officer after a 12-year career with American Express. He was elected to H&R Block's board of directors and named president and chief operating officer in September 1999.

"The board carefully reviewed governance best practices and considered the option of a non-executive chairman," said Roger W. Hale, board member and chairman of the governance and nominating committee. "Mark's vision for the company's future, his successful leadership, and his ability to deliver results made him the best choice as chairman."

In other actions, the board appointed Louis W. Smith presiding director and chairman of the board's executive committee. The new position of presiding director has responsibility for leading regular executive sessions of the board of directors without management present. These executive sessions are intended to foster better communication among non-management directors and raise the level of the board's participation in providing advice and guidance on key issues facing the company.

Smith, who has served on H&R Block's board since 1998, retired in April as president and chief executive officer of the Ewing Marion Kauffman Foundation in Kansas City. Prior to this role, Smith was president of the Kansas City Division of AlliedSignal Inc. (now Honeywell International).

Mr. Salizzoni became H&R Block's chairman Sept. 13, 2000, succeeding the company's co-founder, Henry W. Bloch. Prior to that, Mr. Salizzoni had served as H&R Block's president and chief executive officer and had been a member of the company's board of directors since 1988.

About H&R Block

H&R Block Inc. (www.hrblock.com, <http://hrblock.com>) is a diversified company with subsidiaries that deliver tax services and financial advice, investment and mortgage products and services, and business accounting and consulting services. As the world's largest tax services company, H&R Block served nearly 23 million clients during fiscal year 2002. Clients were served at the approximately 10,400 H&R Block retail offices worldwide and through the company's award-winning software, TaxCut, and its online tax 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 Corp. offers retail mortgage products. Option One Mortgage Corp. offers wholesale mortgage products and a wide range of mortgage services. RSM McGladrey Inc. serves mid-sized businesses with accounting, tax and consulting services.

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