

WADDELL & REED, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Waddell & Reed Financial, Inc.)

Consolidated Statement of Earnings

Year ended December 31, 2015

(In thousands)

Revenues:	
Investment management fees	\$ 285,755
Underwriting and distribution fees	480,614
Shareholder service fees	143,072
Revenue sharing	54,723
Total	<u>964,164</u>
Expenses:	
Underwriting and distribution	478,747
Compensation and related costs (including share-based compensation of \$41,955)	190,138
General and administrative	53,916
Subadvisory fees	1,244
Depreciation	14,876
Total	<u>738,921</u>
Operating income	225,243
Investment and other income (loss)	(1,298)
Interest expense	(89)
Income before provision for income taxes	<u>223,856</u>
Provision for income taxes	84,379
Net income	<u><u>\$ 139,477</u></u>

See accompanying notes to consolidated financial statements.