

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
	<hr/>
Total	964,164
	<hr/>

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
	<hr/>
Total	738,921
	<hr/>

Operating income 225,243

Investment and other income (loss) (1,298)

Interest expense (89)

Income before provision for income taxes 223,856

Provision for income taxes 84,379

Net income \$ 139,477

See accompanying notes to consolidated financial statements.