STILWELL
F I N A N C I A L   I N C.

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NEWS RELEASE

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Stilwell Financial Reports Third Quarter Results

Quarter Includes Significant One-Time Reorganization Charges

KANSAS CITY, Mo (October 30, 2002) – Stilwell Financial Inc.'s (NYSE: SV) plan to merge its operations into a more efficient investment management platform generated significant non-recurring charges in third quarter 2002. Including non-recurring charges, Stilwell reported a net loss of $131.2 million, or (60¢) per diluted share, during third quarter 2002 compared to net income of $26.8 million, or 11¢ per diluted share, in third quarter 2001. For the nine months ended September 30, 2002, Stilwell's net income was $39.7 million, or 12¢ per diluted share, compared to $228.6 million, or 99¢ per diluted share, for the same 2001 period.

Stilwell's ongoing earnings for the third quarter 2002, exclusive of the non-recurring items, totaled 9¢ per diluted share versus 39¢ per diluted share in third quarter 2001, and 83¢ per diluted share for the nine months ended September 30, 2002 versus $1.33 per diluted share in the comparable 2001 period. Ongoing third quarter 2002 earnings were lower by $26 million, or 12¢ per diluted share, due to the previously announced acceleration this quarter of the vesting of employee equity interests in Janus Capital Management LLC.

"Although we are incurring significant charges for our upcoming merger this quarter, we are enthusiastic about the potential growth and investment diversity of our new structure over the long term," said Landon H. Rowland, Stilwell's chairman, president and chief executive officer. "Our new corporate structure is expected to eliminate at least $40 million per year in fixed costs and help ease some of the margin pressure that occurs during periods of market decline as we have been experiencing."

The non-recurring charges include approximately $46.1 million (pretax) for severance, facility closings and other reorganization expenses. A non-cash deferred income tax charge of approximately $107.8 million was recorded to reflect the company's decision to consider strategic alternatives for its investment in DST Systems, Inc. (NYSE: DST). Since the public offering of DST in October 1995, Stilwell has used the dividends-received tax deduction for calculating taxes on its share of DST earnings. Now that Stilwell is considering taxable transactions and dispositions of its DST holdings, the company has determined that it is no longer appropriate to use that deduction and has recorded deferred income taxes on earnings. Stilwell also took a $23.3 million (pretax) charge for investment impairments and other costs. Details of these items are provided in the Earnings and Statistics Table below.

Declining equity markets resulted in lower average assets under management and reduced the company's revenues, which, in combination with lower margins, produced lower ongoing earnings this year than in the comparable periods last year.

Earnings and Statistics Table

	Third Quarter		Year to Date	
	2001	2002	2001	2002
Ongoing Net Income *(in millions)*	$ 90.5	$ 23.7	$ 306.9	$ 199.0
Reorganization charges (1)		(28.7)		(28.7)
Deferred income tax charge associated with DST investment (2)		(107.8)		(107.8)
Investment impairments and other costs (3)		(18.4)		(18.4)
Net charges associated with formation of Janus limited liability company (4)				(4.4)
2001 Severance, facility closing and other costs (5)			(22.1)	
Charge in connection with commitment to purchase Janus shares (6)	(64.0)		(64.0)	
DST gains on sale of business unit and investments (7)	0.3		7.8	
Reported Net Income (Loss)	$ 26.8	$(131.2)	$ 228.6	$ 39.7
Diluted Earnings Per Share:				
Ongoing Operations	$ 0.39	$ 0.09	$ 1.33	$ 0.83
Reorganization charges (1)		(0.13)		(0.13)
Deferred income tax charge associated with DST investment (2)		(0.48)		(0.48)
Investment impairments and other costs (3)		(0.08)		(0.08)
Net charges associated with formation of Janus limited liability company (4)				(0.02)
Severance, facility closing and other costs (5)			(0.09)	
Charge in connection with commitment to purchase Janus shares (6)	(0.28)		(0.28)	
DST gains on sale of business unit and investments (7)			0.03	
Reported Earnings (Loss) Per Share	$ 0.11	$ (0.60)	$ 0.99	$ 0.12
Operating Margin	36.3%	(9.3)%	36.3%	24.8%
Ongoing Operating Margin {excluding notes below}	36.3%	17.6%	39.6%	33.0%
EBITDA (8) *(in millions)*	$ 116.0	$ 13.2	$ 513.1	$ 336.3
EBITDA Margin	32.1%	5.1%	42.0%	37.5%
Ongoing EBITDA {see exclusions below} *(in millions)*	$ 179.7	$ 82.4	$ 605.7	$ 409.5
Ongoing EBITDA Margin {see exclusions below}	49.7%	32.0%	49.6%	45.7%
Average Assets Under Management *(in billions)*	$ 198.0	$ 148.4	$ 222.7	$ 171.3
Shareowner accounts *(in thousands)*			6,034.7	5,401.7

(1) In connection with the reorganization that Stilwell announced on September 3, 2002, the company recorded approximately $46.1 million ($28.7 million, after-tax) in charges associated with severance, facility closing and other costs. The company expects that the majority of these costs will be paid out during the first half of 2003.

(2) Beginning with DST's public offering in October 1995, the company provided deferred income taxes on its proportionate share of DST earnings using the dividends-received deduction, which excluded 80% of the total from taxation. When the reorganization was announced, management indicated that it expects to evaluate strategic alternatives for its DST investment. Alternatives now being considered include transactions that would be taxable at the full federal and state income tax rates; accordingly, a non-cash charge of $107.8 million was recorded to accrue additional deferred income taxes in third quarter 2002, resulting in taxes being provided at full statutory rates.

(3) The company recorded approximately $23.3 million ($18.4 million, after-tax) in impairments associated with investments in Village Ventures, Inc., Nelson Money Managers Plc and other costs. The impairments reflect management's determination that the amount, which could be realized for the investment in the current circumstances, was lower than the carrying amount as of September 30, 2002. Circumstances which gave rise to reassessments of values this quarter include the continued difficulties in the venture capital markets, in the case of Janus' investment in Village Ventures, Inc., and an evaluation of the strategic alternatives of the investment in Nelson Money Managers, which could lead to a sale of that company in a difficult market.

(4) In connection with the formation of Janus Capital Management LLC, Stilwell and Janus recorded approximately $4.0 million ($2.6 million, after-tax) in legal, accounting and other professional expenses. In addition, the reorganization from a corporation to a limited liability company resulted in certain permanent tax effects netting to approximately $1.8 million in additional tax expense to Stilwell.

(5) During the nine months ended September 30, 2001, Janus recorded approximately $48.5 million in severance, facility closing and related costs associated with work-force reductions in February and April 2001 and the closing of its Austin location in April 2001. Partially offsetting these costs was a first quarter 2001 reduction of approximately $8.2 million in stock bonus accruals at Janus that were no longer payable as a result of the sale of shares of Janus common stock by various employees to Stilwell on March 16, 2001 as previously disclosed.

(6) Stilwell recorded a one-time non-cash increase to minority interest of approximately $64 million in connection with its commitment to purchase 609,950 shares of Janus common stock. The contractual price to be paid by Stilwell was computed using the results from Janus' record year in 2000. Based on the decline in Janus' earnings from 2000, accounting guidelines require an evaluation of whether the contractual price of the purchase commitment exceeds current market value. After consultation with third-party valuation professionals, the company recorded this charge as an increase to minority interest at September 30, 2001.

(7) The company recorded $0.3 million in third quarter 2001 and $8.4 million through September 30, 2001 in equity earnings of DST representing Stilwell's proportionate share of DST non-recurring gains in connection with the sale of DST's portfolio accounting business and sales of marketable securities during second quarter 2001.

(8) Earnings before interest, income taxes, depreciation and amortization

Third Quarter

Stilwell, which includes Janus, Berger Financial Group LLC, Nelson Money Managers Plc and approximately 33 percent of DST, reported $139.0 billion in assets under management at September 30, 2002 compared to $161.5 billion at June 30, 2002, $192.2 billion at December 31, 2001 and $171.8 billion at September 30, 2001. The decline in assets under management during the quarter reflected net redemptions of $3.2 billion and market depreciation of $19.3 billion. The company experienced redemptions primarily from Janus' various retail equity funds, partially offset by positive flows in products offered by Enhanced Investment Technologies LLC (INTECH) and in the Janus money market products. Assets under management averaged $148.4 billion during third quarter 2002 compared to $177.2 billion during second quarter 2002 and $198.0 billion in the prior year's third quarter.

With a lower level of average assets under management in third quarter 2002 versus 2001, revenues declined quarter-to-quarter (to $257.8 million from $361.6 million), which resulted in a decrease in ongoing operating income to $45.5 million from $131.4 million in 2001. Ongoing operating expenses were lower in third quarter 2002 than comparable 2001, although the percentage decrease, exclusive of non-recurring charges, was significantly smaller than the percentage decrease in revenues quarter-to-quarter. Furthermore, as previously announced, the change to a five-year pro rata vesting for Janus employees that have received limited liability company (LLC) partnership interests resulted in an approximate $26 million acceleration of compensation expense in third quarter 2002 (from the $18 million recorded in second quarter 2002 to $44 million in third quarter 2002). Stilwell's ongoing operating margin declined from 36.3 percent for the three months ended September 30, 2001 to 17.6 percent for the three months ended September 30, 2002. Without the acceleration in vesting of interests and all non-recurring items, the company would have reported an ongoing operating margin of 27.7 percent for third quarter 2002.

Compensation expense in third quarter 2002 was higher than prior year's third quarter, primarily as a result of the acceleration of vesting for LLC interests and higher performance-based incentive compensation, partially offset by reduced asset-based incentive compensation and a decrease in the average number of employees quarter-to-quarter.

Third-party concession fees were lower in current year's third quarter due to reduced assets under management through these distribution arrangements. As in the first half of 2002, marketing costs were substantially lower than 2001 as promotion efforts were focused on the institutional and advisor distribution channels.

Depreciation and amortization decreased from prior year due to lower amortization expense associated with goodwill and non-amortizable intangible assets pursuant to the new accounting guidelines as set forth in Statement of Financial Accounting Standards No. 142 "Goodwill and Intangible Assets" (FAS 142), as well as to reduced capital expenditures over the last two years. If amortization of goodwill and intangible assets were computed under FAS 142 during the three months ended September 30, 2001, Stilwell's amortization expense would have been approximately $16.2 million lower, resulting in net income of approximately $43.0 million, or 18¢ per diluted share for that period.

Equity in the net earnings of DST for the three months ended September 30, 2002, exclusive of non-recurring items, improved $1.5 million to $17.0 million. This increase was primarily attributable to higher earnings in DST's financial services segment, driven by improved operating margins quarter-to-quarter. Although earnings increased, DST's consolidated revenues declined 6 percent. This decline reflects lower demutualization and corporate actions activity, and reduced telecommunications, brokerage and trade confirmation volumes. These declines were partially offset by increased revenues resulting from a higher number of shareowner accounts serviced (totaling 79.5 million at September 30, 2002 versus 75.6 million at December 31, 2001 and 75.2 million at September 30, 2001) and the inclusion of revenues from lock\line, LLC, a company acquired on August 2, 2002.

Stilwell's interest expense increased by $7.3 million over prior year's third quarter, primarily as a result of interest on Stilwell's various senior debt offerings. Other income for third quarter 2002 declined by $3.2 million from prior year largely due to reduced interest income from lower average cash balances and interest rates.

The company's ongoing effective tax rate was 51.6 percent for third quarter 2002 compared to 32.6 percent in third quarter 2001. The higher 2002 rate reflects the non-deductible compensation associated with LLC interests, including the adjustment associated with the acceleration of vesting in third quarter 2002.

Year To Date

During the nine months ended September 30, 2002, assets under management declined $53.2 billion. This decline reflects market depreciation of approximately $44.6 billion and net redemptions of approximately $14.6 billion, offset by approximately $6.0 billion in additional assets as a result of Berger's acquisition of INTECH. Average assets under management during the nine months ended September 30, 2002 totaled $171.3 billion compared to $222.7 billion in the same 2001 period. Lower average assets under management, together with a higher relative percentage of lower-fee money market and INTECH assets, resulted in a 27 percent decrease in revenues from $1,221.6 million to $896.5 million in 2002. The expected downward margin pressures and acceleration of vesting of LLC interests (as noted in the third quarter discussion) resulted in a $187.7 million decline in ongoing operating income in 2002 versus 2001.

Operating expenses of $674.4 million ($601.0 million excluding the non-recurring items) for year to date 2002 were 13 percent lower than the $778.7 million ($738.4 million excluding non-recurring costs) for year to date 2001. Compensation was slightly higher period-to-period, largely as a result of the grants of LLC interests in second quarter 2002 and the acceleration of vesting in third quarter 2002, substantially offset by reduced base salaries and related overtime compensation. All other significant cost components declined from the prior-year period. Exclusive of non-recurring items, other expenses declined at a lower proportional rate than revenues because of certain fixed costs. As noted in the third quarter discussion, amortization expense was significantly lower than in 2001 as a result of Stilwell's adoption of FAS 142. If amortization of goodwill and intangible assets were computed under FAS 142 during the nine months ended September 30, 2001, Stilwell's amortization expense would have been approximately $32.7 million lower, resulting in net income of approximately $261.3 million, or $1.13 per diluted share.

Exclusive of the one-time gains recorded by DST in 2001, equity earnings from DST improved $4.5 million to $54.1 million in 2002. This improvement was attributable to higher operating earnings in DST's financial services segment. DST's consolidated revenues for the nine months ended September 30, 2002 declined slightly from 2001 as a result of lower revenues from its Output Solutions and Customer Management segments, substantially offset by improved revenues in the Financial Services segment due to a higher number of shareowner accounts serviced and the inclusion of revenue from EquiServe, Inc., in which DST acquired controlling ownership on March 30, 2001.

Stilwell's interest expense increased by $19.3 million and other income decreased by $10.7 million primarily as a result of the items identified in the third quarter discussion. The company's ongoing effective tax rate increased period-to-period due to the non-deductible LLC interests as discussed above, partially offset by higher levels of non-deductible amortization in 2001.

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Stilwell will discuss its third quarter 2002 earnings on October 30 at 11:00 a.m. EST. The call will be broadcast on Stilwell's Web site at *www.stilwellfinancial.com* during the presentation and for one week following. The presentation slides will also be available on the site beginning October 30. Interested parties can listen by calling 888/664-0344 at least ten minutes prior to the start of the presentation. International callers should dial 706/634-1292. A replay of the call can be accessed for one week by dialing 800/642-1687 (706/645-9291 for international callers), conference ID 5684560.

About Stilwell Financial Inc.

Stilwell Financial Inc. is a diversified, global financial services company with subsidiaries and affiliates operating in North America, Europe and Asia. Stilwell owns approximately 92 percent of Janus Capital Management LLC, approximately 88 percent of Berger Financial Group LLC, approximately 81 percent of Nelson Money Managers Plc and approximately 33 percent of DST Systems, Inc.

This press release includes statements concerning potential future events involving Stilwell Financial Inc. that could differ materially from the events that actually occur. The differences could be caused by a number of factors including those factors identified in Stilwell's Annual Report on Form 10-K for the year ended December 31, 2001 on file with the Securities and Exchange Commission (Commission file no. 001-15253). Stilwell will not update any forward-looking statements made in this press release to reflect future events or developments.

(Financial Information Attached)

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STILWELL FINANCIAL INC.
CONSOLIDATED STATEMENTS OF INCOME
(dollars in millions, except per share data)
(Unaudited)

	Three Months Ended September 30, 2001	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2002
Revenues:				
Investment management fees	$ 296.4	$ 211.9	$ 1,002.0	$ 739.1
Shareowner servicing fees	49.3	32.6	171.6	115.1
Other	15.9	13.3	48.0	42.3
Total	361.6	257.8	1,221.6	896.5
Operating expenses:				
Compensation	78.0	107.2	257.8	258.5
Marketing and promotion	22.4	9.7	72.4	35.4
Third party concession fees	53.4	39.6	181.1	137.5
Depreciation and amortization	35.0	18.6	92.0	54.1
Professional services	9.9	9.0	34.7	29.1
Other	31.5	51.5	100.4	113.7
Severance, facility closing and other costs	-	46.1	40.3	46.1
Total	230.2	281.7	778.7	674.4
Operating Income (Loss)	**131.4**	**(23.9)**	**442.9**	**222.1**
Equity in earnings of unconsolidated affiliates	15.8	17.0	58.0	54.1
Interest expense	(7.0)	(14.3)	(21.8)	(41.1)
Other, net	5.0	1.8	18.1	7.4
Income (loss) before taxes and minority interest	**145.2**	**(19.4)**	**497.2**	**242.5**
Income tax provision	47.2	111.5	170.7	201.4
Minority interest in consolidated earnings	71.2	0.3	97.9	1.4
Net Income (Loss)	**$ 26.8**	**$ (131.2)**	**$ 228.6**	**$ 39.7**

Per Share Data:

	Three Months 2001	Three Months 2002	Nine Months 2001	Nine Months 2002
Weighted average Common shares outstanding *(in thousands)*	220,462	222,415	219,685	222,339
Basic Earnings (Loss) per share	$ 0.12	$ (0.59)	$ 1.04	$ 0.18
Weighted average Diluted Common shares outstanding *(in thousands)*	224,390	223,779	224,612	224,253
Diluted Earnings (Loss) per share	$ 0.11	$ (0.60)	$ 0.99	$ 0.12