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## **STILWELL FINANCIAL AND JANUS TO COMBINE OPERATIONS UNDER THE JANUS NAME**

### **Mark Whiston Named CEO of the Merged Company Helen Young Hayes and Jim Craig to Join Board**

KANSAS CITY, Mo. and DENVER (September 3, 2002) – Stilwell Financial Inc. (NYSE: SV) will merge its operations into a unified organization that will market and distribute its investment products globally under the Janus brand name. Headquartered in Denver, the new organization will be created by merging Janus Capital Corporation into Stilwell and will be named Janus Capital Management Inc. (Janus).

Janus will be led by Mark Whiston, who will become chief executive officer on December 31, 2002, the expected date of the merger. An 11-year Janus veteran, Whiston currently serves as president of retail and institutional services.

As part of the merger, Janus will be responsible for the strategic direction of Stilwell's investment management subsidiaries. These subsidiaries include Janus Capital Management LLC; Berger Financial Group LLC, which owns Enhanced Investment Technologies LLC (INTECH) and Bay Isle Financial LLC; and U.K.-based Nelson Money Managers plc. Collectively, these firms manage approximately \$150 billion in assets.

“Through this transaction, we will create a stronger, more efficient organization that will begin to unlock the potential value of our stockholders' investments. Our holding company structure will no longer be necessary, and we will be able to eliminate redundant expenses,” explained Landon H. Rowland, president, CEO and chairman of Stilwell Financial Inc. “The new Janus will have greater growth potential with a more diverse product line distributed under Janus' well-recognized global brand.

“Over the past decade, Mark Whiston has been an effective, strategic leader at Janus,” Rowland continued. “Mark has been responsible for the diversification of Janus’ product distribution and has been instrumental in consistently delivering strong margins to stockholders. He is committed to creating a new, diversified Janus that capitalizes on its outstanding global distribution network and provides superior product alternatives.”

“As a result of this merger, Janus will be a streamlined organization with a much more competitive business model,” said Mark Whiston. “The merger brings enhanced corporate stability, increased transparency and greater clarity in pursuit of our common business goals. Under this structure, we’ll be able to maintain Janus’ research focus while offering investors a broader range of choices by adding complementary investment disciplines. Finally, we will take full advantage of Janus’ brand and global distribution network while realizing significant recurring cost savings.”

Janus Capital Management LLC currently manages approximately \$135 billion, substantially in large cap growth equity products. Berger’s assets under management, approximately \$14 billion, are primarily in products that use value and mathematical, risk-managed equity strategies. Bay Isle and INTECH will become direct subsidiaries of Janus. They will continue to oversee the products they manage and will operate at their present locations. Management is exploring the merger of Berger’s growth-style mutual funds, now managed in Denver, into similar Janus funds. Such a merger would require the consideration and approval of the Berger funds’ board of trustees and shareholders.

Janus will also have 33 percent ownership of DST Systems, Inc. (NYSE: DST) and 81 percent ownership of Nelson. Management will assess strategic alternatives for these investments during the coming months.

A team of senior executives from Janus, Stilwell and Berger will be working to ensure a smooth transition of public company functions, as well as Berger operational and shareholder responsibilities.

### **Janus Capital Management Inc. Board of Directors**

In addition to becoming CEO, Whiston will become vice chairman and a director of the Janus board. Rowland will serve as the non-executive chairman of the board of directors until January 1, 2004 and will continue as a director for one year thereafter. It is expected that Whiston will be appointed chairman on January 1, 2004.

Helen Young Hayes, Janus' managing director of investments, and Jim Craig, Janus' former chief investment officer, will join the board by January 1, 2003. It is expected that three new independent members will be appointed to the Janus board by December 31, 2002, replacing three current directors who intend to retire.

A 14-year veteran of Janus, Young Hayes is one of the industry's leading international money managers and was appointed in February to oversee Janus' expanding investment team. Craig joined Janus in 1983 and retired in September 2000 to run a charitable foundation with his wife. He managed the firm's flagship product, Janus Fund, for more than 13 years and was instrumental in building Janus' core investment team.

"The entire Janus investment team fully supports Mark's appointment as CEO," Young Hayes said. "During the last 12 years, he's been critical to Janus' strategic growth and expansion. At the same time, he appreciates the importance of maintaining our research-intensive culture as our new organization evolves and grows."

### **Cost Savings and One-time Charge**

When the reorganization is fully implemented, the company expects to realize annual savings of approximately \$40 million from the elimination of redundant expenses, such as salaries, facilities and back office operations. Stilwell expects to record a one-time third quarter charge of approximately \$36 million for severance and other costs associated with this transaction.

### **Employee Equity Ownership**

As a component of this reorganization, the vesting of all previous equity grants to Janus employees will change to a pro rata five-year vesting schedule beginning from the date of the grant. During the third quarter, Stilwell expects to record an incremental \$26 million adjustment to non-cash compensation expense versus the prior quarter to reflect the impact of the new vesting schedule for all periods through September 30, 2002.

Stilwell's board also approved a performance-based equity plan that links future equity grants to company and investment performance. The plan will provide employees with an opportunity to achieve greater employee ownership over time through annual awards of public company common stock.

**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, 87 percent of Berger Financial Group LLC, 81 percent of Nelson Money Managers plc and 33 percent of DST Systems, Inc.

**About Janus Capital Management LLC**

Founded in 1969 in Denver, Colorado, Janus has grown to become one of the largest and most successful investment management companies in the United States, with offices outside the U.S. in London, Hong Kong, Tokyo and Milan. With expertise in equity, fixed-income and money-market investments, Janus manages approximately \$135 billion in assets for four million mutual fund investors worldwide.

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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.

Funds distributed by Janus Distributors LLC