



Henry J. Herrmann, CFA
Chief Executive Officer

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March 6, 2009

Dear Stockholder:

Thank you for your investment in Waddell & Reed Financial, Inc. I would like to bring to your attention a matter of serious concern for our company. The enclosed proxy statement for our 2009 Annual Stockholders Meeting contains a proposal (Proposal 3) that your Board of Directors believes, if adopted, **could put Waddell & Reed at a serious competitive disadvantage and could erode the value of your investment.**

Your Board of Directors recommends a vote AGAINST Proposal 3. Please take the time to vote—every stockholder vote counts!

Proposal 3 seeks to require Waddell & Reed to annually ask for stockholder ratification of the executive compensation described in our proxy statement. We believe that this proposal is wrong for our company.

- **Adoption of Proposal 3 could put Waddell & Reed Financial, Inc. at a competitive disadvantage**

If Proposal 3 passes and advisory votes are held annually on executive compensation, any such vote disapproving executive compensation creates the risk of unintended consequences and negative publicity for your company. Our peers who do not subject themselves to this kind of vote would not be exposed to this risk. This could also put pressure on our Compensation Committee to reduce executive compensation below competitive levels.

Adoption of Proposal 3 could lead to the loss of executive talent by creating the impression among the company's executive officers that their compensation opportunities could be limited or negatively affected by this practice, which could erode the long-term value of your investment.

- **We do not believe that this proposal would result in meaningful dialogue with stockholders**

If the goal of Proposal 3 is to provide the Board and management useful information about stockholder views of the company's senior executive compensation, your Board does not believe that this is an effective mechanism at our company.

Waddell & Reed Financial, Inc. stock is held by thousands of individuals and institutional investors, and the largest stockholder owns less than 5% of our shares; the Compensation Committee is entrusted with making decisions on complex matters such as these on behalf of our diverse stockholder base. We believe that a simple "for or against" vote on our executive compensation does not equate to a meaningful dialogue with stockholders regarding their specific support or criticism of our executive compensation practices.

While the company supports the goal of giving stockholders the opportunity to provide feedback related to executive compensation, we believe that direct communication with individual stockholders is a much more effective and accurate method of expressing support or criticism of our executive compensation practices. Under the company's existing communication policies, any

stockholder may communicate specific observations, support or objections to our executive compensation practices directly with the Board, the Compensation Committee or any individual director. This provides for specific, meaningful feedback regarding the company's executive compensation practices, including concerns related to a particular element of pay or a particular individual's compensation. The proposed advisory vote would require the Compensation Committee to speculate as to the meaning of stockholder approval or disapproval of the executive compensation in the proxy statement, and does not convey any meaningful specific criticism or support that the Compensation Committee could address.

As of the date our proxy statement was filed with the SEC, the Board is not aware of any of the company's peers who have adopted a similar advisory vote. Legislation regarding advisory votes on executive compensation has recently been introduced in Congress. If stockholder advisory votes on executive compensation are thought to be advisable, we believe that they should be implemented at all companies through appropriate legislation, not selectively directed.

We have always strived to manage the company for the benefit of our stockholders, and will continue to do so in future years. **I, along with your Board of Directors, urge you to vote AGAINST Proposal 3 when you submit your proxy for our 2009 annual meeting.**

Sincerely,

A handwritten signature in cursive script, reading "Henry J. Herrmann".

Henry J. Herrmann
Chief Executive Officer

P.S. I encourage you to vote by telephone or Internet in order to reduce the company's mailing and handling expenses. Instructions for telephone and Internet voting can be found on the enclosed proxy card. If you prefer to vote by mail, simply follow the instructions for completing the card and mail it in the envelope provided. If you have any questions, please contact our proxy solicitor, Georgeson Inc., at (877) 255-0134.