



E*TRADE FINANCIAL Delivers Equity Edge 6 to Help Companies Meet Demanding Regulatory and Compliance Challenges

Equity Edge 6 Software Supports FAS 123(R) Compliance, Reduces Ongoing Sarbanes-Oxley Compliance Costs, and Addresses the Emergence of Alternative Equity Compensation Vehicles

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New York, May 2, 2005-E*TRADE FINANCIAL Corporation (NYSE: ET) today announced the availability of Equity Edge 6 at Directions 2005, its annual stock plan industry conference being held in Orlando, Fla., this week. Equity Edge 6 is the latest release of its stock plan management and reporting software. E*TRADE FINANCIAL Corporate Services, a leading provider of employee stock plan solutions, developed Equity Edge 6 for employers to help facilitate their compliance with FAS 123(R), and as a way to reduce their risk and ongoing Sarbanes-Oxley compliance costs with accurate, flexible, and auditable reporting. It also provides deeper, more streamlined support for companies moving toward restricted stock as an alternative to stock options. With the Financial Accounting Standards Board's (FASB) final expensing standard, FAS 123(R), in effect starting in June 15, 2005, companies are seeking a solution that addresses today's complex equity compensation requirements. Equity Edge 6 provides companies with a comprehensive solution for their compliance, valuation, and reporting needs:

- Expense recognition, including estimation of forfeitures for FAS 123(R)
- Expanded reporting for tax accounting
- Built-in Black-Scholes and binomial lattice models and supporting valuation reports
- Comprehensive support for stock-settled restricted stock units and gain deferrals
- Nearly 200 flexible and auditable reports to assist reporting needs and help reduce ongoing compliance burden and costs

"E*TRADE FINANCIAL Corporate Services has long been an advocate of its customers, supporting them through a changing regulatory environment by increasing the breadth of solutions," said Michael Curcio, executive vice president of Retail Brokerage, E*TRADE Securities LLC. "Managing compliance risk and reducing liability is top-of-mind for these companies, and Equity Edge 6 helps them navigate the complex landscape of equity-based compensation in light of new rules and requirements."

E*TRADE FINANCIAL Corporate Services provides complete stock plan administration and risk-reduction compliance solutions to more than 2,100 corporate clients and 1.3 million stock plan participants. E*TRADE FINANCIAL's team of equity compensation experts manage company stock plans, enabling global employees to easily understand, access and manage their stock plan benefits. In addition, E*TRADE FINANCIAL empowers executives, managers and employees to capitalize on their stock plan wealth.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including investing, trading, banking and lending for retail and institutional customers. Securities products and services are offered by E*TRADE Securities LLC (Member NASD/SIPC). Bank and lending products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries.

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(including information under the caption "Risk Factors") and quarterly reports on Form 10-Q.

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