



E*TRADE FINANCIAL CORPORATION ANNOUNCES RESULTS OF CALL FOR \$92.6M OF ITS OUTSTANDING 6% CONVERTIBLE SUBORDINATED NOTES

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New York, April 5, 2006-E*TRADE FINANCIAL Corporation (NYSE: ET) announced today that it has completed the partial redemption of \$92.6 million in principal amount of its outstanding 6% Convertible Subordinated Notes due 2007 (the "Convertible Notes") that was originally announced on March 14, 2006. Convertible Note holders, selected in accordance with the applicable Depository Trust Company procedures, elected to convert approximately \$91.7 million in Notes for 3.9 million shares of E*TRADE FINANCIAL Corporation common stock at a conversion price of \$23.60. The remaining \$907,000 principal amount of called Convertible Notes was redeemed for approximately \$924,000 in cash (including premium and accrued and unpaid interest in accordance with the terms of the Convertible Notes).

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing, 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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E*TRADE FINANCIAL and the E*TRADE FINANCIAL logo are registered trademarks or trademarks of E*TRADE FINANCIAL Corporation. The statements contained in this news release that are forward-looking are based on current expectations that are subject to a number of uncertainties and risks, and actual results may differ materially. The uncertainties and risks include, but are not limited to, changes in market activity, anticipated increases in the rate of new customer acquisition, the conversion of new visitors to the site to customers, the activity of customers and assets held at the institution, seasonality, the development and enhancement of products and services, competitive pressures (including price competition), system failures, economic and political conditions, changes in consumer behavior and the introduction of competing products having technological and/or other advantages. Further information about these risks and uncertainties can be found in the information included in the annual reports previously filed by E*TRADE Group, Inc. or E*TRADE FINANCIAL Corporation with the SEC on Form 10-K (including information under the caption "Risk Factors") and quarterly reports on Form 10-Q.

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