

FOR IMMEDIATE RELEASE

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**E*TRADE FINANCIAL ANNOUNCES PRICING OF SECONDARY OFFERING OF
172 MILLION SHARES OF COMMON STOCK BY AFFILIATES OF
CITADEL INVESTMENT GROUP**

NEW YORK, April 29, 2010 – E*TRADE Financial Corporation (NASDAQ: ETFC) today priced the secondary offering of 172 million shares of its common stock at a price to the public of \$1.75 per share. All of the shares are being sold by Citadel Equity Fund Ltd. and Wingate Capital Ltd., affiliates of Citadel Investment Group, pursuant to a shelf registration statement filed with the Securities and Exchange Commission. The selling stockholders have granted the underwriters an option to purchase up to an additional 25.8 million shares of common stock to cover over-allotments, if any.

E*TRADE will not receive any proceeds from the offering.

BofA Merrill Lynch, Sandler O’Neill + Partners, L.P. and Citadel Securities LLC are the joint book-running managers of this offering.

A copy of the prospectus supplement and accompanying prospectus relating to the offering may be obtained by contacting: BofA Merrill Lynch, 4 World Financial Center, New York, NY 10080, Attn: Preliminary Prospectus Department (email: prospectus.requests@ml.com); Sandler O’Neill + Partners, L.P., 919 Third Avenue, 6th Floor, New York, NY 10022, toll-free at 866-805-4128; or Citadel Securities LLC, 601 Lexington Ave., New York, NY 10022, 212-271-8676.

A shelf registration statement relating to the offering was filed with the Securities and Exchange Commission on April 17, 2009 and became effective automatically upon filing. The offering is being made solely by means of a prospectus supplement and accompanying prospectus. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

About E*TRADE Financial

The E*TRADE Financial family of companies provides financial services including online brokerage and related banking products and services to retail investors. Specific business segments include Trading and Investing and Balance Sheet Management. Securities products and services are offered by E*TRADE Securities LLC (Member FINRA/SIPC). Bank products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries. ETFC-G

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