

FOR IMMEDIATE RELEASE

E*TRADE Financial Media Relations Contact

Susan Hickey
646-521-4675
susan.hickey@etrade.com

E*TRADE Financial Investor Relations Contact

Brett Goodman
646-521-4406
brett.goodman@etrade.com

E*TRADE FINANCIAL ANNOUNCES SECONDARY OFFERING OF 170 MILLION SHARES OF COMMON STOCK BY AFFILIATES OF CITADEL INVESTMENT GROUP

NEW YORK, April 28, 2010 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced that Citadel Equity Fund Ltd. and Wingate Capital Ltd., affiliates of Citadel Investment Group, intend to offer, subject to market and other conditions, 170 million shares of its common stock pursuant to a shelf registration statement filed with the Securities and Exchange Commission. The selling stockholders also intend to grant the underwriters an option to purchase up to an additional 25.5 million shares of common stock to cover over-allotments, if any.

E*TRADE will not receive any proceeds from the proposed 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 preliminary prospectus supplement and accompanying prospectus relating to the offering may be obtained by contacting: BofA Merrill Lynch, 4 World Financial Center, New York, New York 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, New York 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

Important Notices

E*TRADE Financial, E*TRADE and the E*TRADE logo are trademarks or registered trademarks of E*TRADE Financial Corporation.

© 2010 E*TRADE Financial Corporation. All rights reserved.