

## **STATE STREET TO ACQUIRE CURRENEX**

### **Acquisition will accelerate STATE STREET'S participation in fast growing electronic foreign exchange trading marketplace State Streets FX Connect® and Currenex Will Deliver the Most Comprehensive Set of Trading Capabilities Available in the Industry**

**January 22, 2007** State Street Corporation (NYSE: STT), the world's leading provider of financial services to institutional investors, announced today that it has agreed to acquire Currenex, an independently owned online foreign exchange trading platform. Currenex is a market leader in the active-trading segment of the foreign exchange market, serving banks, corporations, hedge funds and other active trading firms. The acquisition will accelerate State Street's participation in the fast growing electronic foreign exchange trading marketplace.

Under the terms of the agreement, State Street will acquire Currenex for approximately \$564 million, which will be paid in cash. State Street expects the transaction to be neutral to 2007 results and slightly accretive to earnings in 2008.

"Today's announcement reflects our proven strategy of acquiring key technologies and platforms that enhance capabilities for our customers and expand our market share in high growth areas such as foreign exchange. This acquisition also diversifies State Street's trading customer base beyond traditional asset managers to include more active currency managers and hedge funds," said Joseph L. Hooley, vice chairman and global head of investment servicing and investment research and trading at State Street. "The future of global electronic foreign exchange trading will be determined by who can provide the most efficient technology solutions that allow quicker access to markets and flexible, comprehensive trading solutions."

Foreign exchange is the largest and most-liquid market in the world with trading volumes of approximately \$2.3 trillion per day. According to a study by ClientKnowledge, the market is projected to grow to \$3 trillion by 2010 and electronic foreign exchange trading is also projected to double in volume over this period to more than \$2 trillion per day.

State Street's FX Connect is the leading institutional electronic foreign exchange trading platform. In December 2006, FX Connect exceeded \$108 billion in a single day's trading volume.

"Being able to offer our customers innovative trading tools through FX Connect and Currenex fulfills our goal of delivering leading-edge foreign exchange capabilities to meet growing market demand," said Stanley W. Shelton, executive vice president and head of State Street Global Markets, the company's investment research and trading arm. "The two platforms are extraordinarily complementary with almost no overlap. Once this transaction closes, we will move quickly to integrate Currenex's technology with Global Link, our multi-asset class trading platform, and continue to invest in the platforms to deliver the most complete and technologically advanced set of products available in the market."

FX Connect's pioneering capabilities in electronic foreign exchange trading and Currenex's focus on servicing high-volume, high frequency trading activity represent the broadest range of capabilities and the deepest liquidity available in the market today.

"This move leverages the strengths of two innovators who share a similar strategic vision of creating best of breed and flexible electronic trading solutions," said Cliff Lewis, chairman and CEO of Currenex. "This acquisition will enable us to continue providing sophisticated customers with the market-leading tools they need to maintain their competitive edge in an increasingly complex and dynamic global environment."

#### **About Global Link:**

State Street's Global Link network delivers unique fact-based research, decision support tools and trading technology for five asset classes to clients around the world. It offers world market research and analytics for equities, fixed income and foreign exchange and secure,

real-time trade execution services across multiple asset classes. More information about Global Link can be found at [www.globallink.com](http://www.globallink.com).

**About State Street:**

State Street Corporation (NYSE: STT) is the world's leading specialist in providing institutional investors with investment servicing, investment management and investment research and trading services. With US\$11.9 trillion in assets under custody and US\$1.7 trillion in assets under management as of December 31, 2006, State Street operates in 26 countries and more than 100 geographic markets worldwide. For more information, visit State Street's website at [www.statestreet.com](http://www.statestreet.com).

**About State Street Global Markets:**

State Street Global Markets provides specialized investment research and trading in foreign exchange, equities, fixed income and derivatives. Its goal is to enhance and preserve portfolio values for asset managers and asset owners. From its unique position at the crossroads of the global markets, it creates and unlocks value for its clients with original flow-based research, innovative portfolio strategies, trade process optimization, and global connectivity across multiple asset classes and markets.

**About Currenex:**

Currenex Inc. received the 2006 e-FX award for "Best Trading Technology Vendor." Offering Executable Streaming Prices (ESP™), Request For Streams (RFS), Benchmark Trading, Algorithmic Trading, and complete Prime Brokerage functionality with fully integrated Straight Through Processing (STP), Currenex connects more than 60 global banks to a superior electronic trading network, making Currenex one of the deepest liquidity pools in Forex. Accessed through a global electronic communications network, Currenex patented technology is also available to users in privately-branded solutions. Additional information can be found at [www.currenex.com](http://www.currenex.com)