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News Release
Corporate Affairs

For Immediate Release

PRUDENTIAL SELECTS MELLON EQUITY TO MANAGE SMALL CAP STRATEGY

PITTSBURGH, August 29, 2006-- Mellon Financial Corporation said today that Mellon Equity Associates LLP, an investment subsidiary, has been named to manage a small cap value strategy for Prudential Retirement, a unit of Prudential Financial (NYSE: PRU). Mellon Equity's quantitative strategy is benchmarked against the Russell 2000 Value Index and utilizes a bottom-up stock selection process.

"We are seeing strong interest in all of our small cap strategies, with small cap value drawing the most attention," said William P. Rydell, president of Mellon Equity. "An increasing number of insurance companies and other institutions are looking at successful small cap asset managers so they can maintain or increase their allocations in this asset class." Small cap value assets under management have increased from \$326 million to \$1.9 billion over the last 18 months at Mellon Equity.

"Mellon's approach results in a highly diversified portfolio with the opportunity to outperform the benchmark," said Robert Frascona, director, investment products and advisory services, at Prudential Retirement. "At the same time, it follows a process that limits the risk of style drift and performance volatility versus the benchmark."

Prudential Retirement delivers retirement plan solutions for public, private, and non-profit organizations. Services include state-of-the-art record keeping, administrative services, investment management, comprehensive employee investment education and communications, and trustee services. With over 80 years of retirement experience, Prudential Retirement meets the needs of two million defined contribution participants and more than one million defined benefit participants and annuitants. Prudential Retirement has approximately \$138.5 billion in retirement account values as of June 30, 2006.

Mellon Equity Associates, a subsidiary of Mellon Financial Corporation, is a specialist in active U.S. equity and balanced fund management. It aims to maximize returns through a blend of quantitative and qualitative techniques. Its portfolios are customized to reflect the risk tolerance of its clients. The portfolios can be individually designed to potentially outperform any benchmark, as well as for specific needs, such as socially responsible investing. Mellon Equity has approximately \$21 billion in assets under management for 139 clients.

Mellon Equity is one of the investment boutiques within Mellon Asset Management, a leading global provider of investment management products and services that offer a broad range of equity, fixed-income, hedge and liquidity management products through individual asset management companies and multiple distribution channels.

Mellon Financial Corporation is a global financial services company. Headquartered in Pittsburgh, Mellon is one of the world's leading providers of financial services for institutions, corporations and high net worth individuals, providing institutional asset management, mutual funds, private wealth management, asset servicing, payment solutions and investor services, and treasury services. Mellon has approximately \$5.1 trillion in assets under management, administration or custody, including \$870 billion under management. News and other information about Mellon is available at www.mellon.com.

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