News Release

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Corporate Affairs

For Immediate Release

MELLON CAPITAL ULTRA-LONG BOND PRODUCT SURPASSES $100 MILLION IN ASSETS

San Francisco, June 12, 2007 -- Mellon Capital Management Corporation, one of the investment boutiques within Mellon Asset Management, announced today that its U.S. Extended Long Duration Alpha Plus strategy has surpassed $100 million in assets under management.

"This strategy provides pension plans with very high duration without the use of leverage or illiquid securities," said Charlie Jacklin, president and chief executive officer of Mellon Capital. "The performance of long-duration bonds tends to mirror the rise and fall of pension plan liabilities, making this type of investment one way to help pension plans immunize themselves against interest rate volatility. Many pension plans are underexposed to assets that match long-term liabilities because of a shortage of long-duration bonds."

The U.S. Extended Long Duration Alpha Plus strategy seeks to match the duration of the Lehman Brothers U.S. 30 Year Zero Coupon SWAP Index® and generate excess return by providing exposure to Mellon Capital's proprietary global alpha strategy, which takes long and short positions in global equity, sovereign bond and currency markets. It obtains exposure to the index through the use of swap contracts.

"The global alpha portion of the investment aims to have a low correlation with the returns of traditional bond markets," said Bill Hoskins, director of fixed income research at Mellon Capital. "The long duration of the fixed income portion of the strategy means that this is designed to be an efficient method of adding duration to a pension plan portfolio."

The product, launched on December 15, 2006, is one of three strategies introduced last year to help pension funds hedge against the liabilities in their plans while seeking to achieve equity-like returns. Among these is the U.S. Long Duration Alpha Plus strategy, which now has more than $300 million in assets under management. This strategy also seeks to help pension plans gain exposure to assets that match long-term liabilities. In this case, the strategy seeks to match the duration of the Lehman Brothers U.S. 20+ Treasury Index®.

"Together, the two strategies provide plan sponsors with assets that correspond with the longer-term liabilities that are among the most challenging to match," Hoskins said. "The global alpha return enhancement is designed to mitigate the decline in expected return when plans transition from equities to long bonds to reduce pension risk."

Founded in 1983 by innovators in the investment management field, Mellon Capital specializes in global quantitative investment strategies. As of March 31, 2007, the firm had $187 billion in assets under management, including assets managed by dual officers and $31.2 billion in overlay strategies. Additional information about Mellon Capital is available at www.mcm.com.

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 asset management, wealth management, asset servicing, issuer services and treasury services. Mellon has approximately $5.8 trillion in assets under management, administration or custody, including $1.034 trillion under management. News and other information about Mellon is available at www.mellon.com.

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