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State Street to Acquire Goldman Sachs Administration Services

Acquisition Expected to Make State Street Leading Hedge Fund Administrator Globally

BOSTON and NEW YORK – July 17, 2012 – State Street Corporation (NYSE: STT), one of the world's leading providers of financial services to institutional investors, announced today that it has agreed to acquire Goldman Sachs Administration Services (GSAS), a leading hedge fund administrator, from The Goldman Sachs Group, Inc. (NYSE: GS) in a cash transaction with a total purchase price of $550 million, subject to certain adjustments. Pending regulatory approvals and other customary closing conditions, the transaction is expected to be finalized early in the fourth quarter of 2012. State Street expects the transaction to be accretive in the first full year of operation on a cash basis. Through dedicated teams globally, State Street provides a comprehensive suite of middle office, fund administration, risk analytics and credit services to hedge funds, private equity funds, real estate funds and institutional investors. State Street's Alternative Investment Solutions (AIS) team has more than 3,000 employees in multiple offices around the world.

A premier global service provider to hedge funds, GSAS administers approximately $200 billion in single manager hedge fund assets on behalf of approximately 150 investment manager clients from locations across the globe. GSAS employees, including client-facing staff and the management team, are expected to join State Street following the close of the transaction. The transaction does not include Goldman Sachs' Prime Brokerage business, which remains an important offering of Goldman Sachs.

George Sullivan, executive vice president and global head of State Street's AIS team said, "GSAS is a premier provider of hedge fund administrative services and represents a strong franchise supported by longstanding relationships with highly regarded clients and an industry-leading service philosophy similar to our own. Servicing alternative assets remains a strategic focus for State Street. We expect that GSAS clients will benefit from State Street's robust and flexible global servicing platform that is scalable for funds of all types and sizes. Our continued investment in our global operating platform and technology solutions makes us well-positioned to meet clients' increasing needs for regulatory compliance, reporting, transparency and risk management requirements. We look forward to extending these comprehensive solutions to GSAS' clients."

John Willian, global head of Global Securities Services at Goldman Sachs said, “We look forward to continuing to serve the hedge fund community, including many GSAS clients, through Prime Brokerage and elsewhere across our businesses globally and will work closely with State Street and our GSAS clients to ensure a seamless transition.”

Cory Thackeray, managing director and global head of GSAS, who will continue to lead the teams servicing the GSAS clients post-close, said, “We are pleased to join the State Street AIS team, a group that has the same high-touch approach to client service as GSAS. With this transaction, we will be well-positioned to offer our clients an enhanced product offering that covers the entire investment lifecycle and provides relevant regulatory compliance, risk and transparency solutions that our clients often request to help them navigate today’s complex environment.”

The acquisition will strengthen State Street’s global leadership in hedge fund administration and will establish the company as the No. 1 hedge fund administrator globally based on industry survey data.[1] State Street today is the No.1 servicer of alternative assets in the world with $877 billion under administration at June 30, 2012.

About State Street Corporation

State Street Corporation (NYSE: STT) is one of the world's leading providers of financial services to institutional investors including investment servicing, investment management and investment research and trading. With $22.4 trillion in assets under custody and administration and $1.9 trillion* in assets under management at June 30, 2012, State Street operates in 29 countries and more than 100 geographic markets. For more information, visit State Street’s web site at www.statestreet.com.

About The Goldman Sachs Group, Inc.

The Goldman Sachs Group, Inc. is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

[1] *HFMWeek* Assets under Administration Survey, May 31, 2012 which cited $505.5 billion and $200.6 billion of assets serviced for State Street and Goldman Sachs, respectively.

* This AUM includes the assets of the SPDR Gold Trust (approx. $66 billion as of June 30, 2012), for which State Street Global Markets, LLC, an affiliate of State Street Global Advisors, serves as the distribution agent.

State Street Corporation's Forward-Looking Statements

This news release contains forward-looking statements as defined by United States securities laws, including statements relating to our goals and expectations regarding our business, financial and capital condition, results of operations, investment portfolio performance and strategies, the financial and market outlook, governmental and regulatory initiatives and developments, and the business environment. Forward-looking statements are often, but not always, identified by such forward-looking terminology as "plan," "expect," "look," "believe," "anticipate," "estimate," "seek," "may," "will," "trend," "target," and "goal," or similar statements or variations of such terms. These statements are not guarantees of future performance, are inherently uncertain, are based on current assumptions that are difficult to predict and involve a number of risks and uncertainties. Therefore, actual outcomes and results may differ materially from what is expressed in those statements, and those statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to July 17, 2012.

Important factors that may affect future results and outcomes include, but are not limited to:

- the ability to obtain regulatory approvals for the transaction announced in this news release and the satisfaction of other closing conditions for that transaction;
- the risks that acquired businesses and joint ventures will not achieve their anticipated financial and operational benefits or will not be integrated successfully, or that the integration will take longer than anticipated, that expected synergies will not be achieved or unexpected disynergies will be experienced, that client and deposit retention goals will not be met, that other regulatory or operational challenges will be experienced and that disruptions from the transaction will harm relationships with clients, employees or regulators;
- the financial strength and continuing viability of the counterparties with which we or our clients do business and to which we have investment, credit or financial exposure including, for example, the direct and indirect effects on counterparties of the current sovereign debt risks in Europe and other regions;
- financial market disruptions or economic recession, whether in the U.S., Europe or other regions internationally;
- increases in the volatility of, or declines in the level of, our net interest revenue, changes in the composition of the assets on our consolidated statement of condition and the possibility that we may be required to change the manner in which we fund those assets;
- the liquidity of the U.S. and international securities markets, particularly the markets for fixed-income securities and inter-bank credits, and the liquidity requirements of our clients;
- the level and volatility of interest rates and the performance and volatility of securities, credit, currency and other markets in the U.S. and internationally;
- the credit quality, credit agency ratings, and fair values of the securities in our investment securities portfolio, a deterioration or downgrade of which could lead to other-than-temporary impairment of the respective securities and the recognition of an impairment loss in our consolidated statement of income;
- our ability to attract deposits and other low-cost, short-term funding, and our ability to deploy deposits in a profitable manner consistent with our liquidity requirements and risk profile;
- the manner in which the Federal Reserve and other regulators implement the Dodd-Frank Act, Basel III, European directives with respect to banking and financial instruments and other regulatory initiatives in the U.S. and internationally, including regulatory developments that result in changes to our operating model or other changes to the provision of our services;
- adverse changes in required regulatory capital ratios, whether arising under the Dodd-Frank Act, Basel II or Basel III, or due to changes in regulatory positions or regulations in jurisdictions in which we engage in banking activities;

- approvals required by the Federal Reserve or other regulators for the use, allocation or distribution of our capital or other specific capital actions or programs, including acquisitions, dividends and equity repurchases, that may restrict or limit our growth plans, distributions to shareholders, equity purchase programs or other capital initiatives;

- changes in law or regulation that may adversely affect our, our clients' or our counterparties' business activities and the products or services that we sell, including additional or increased taxes or assessments thereon, capital adequacy requirements and changes that expose us to risks related to compliance;

- the maintenance of credit agency ratings for our debt and depository obligations as well as the level of credibility of credit agency ratings;

- delays or difficulties in the execution of our previously announced business operations and information technology transformation program, which could lead to changes in our estimates of the charges, expenses or savings associated with the planned program, resulting in increased volatility of our earnings;

- the results of, and costs associated with, government investigations, litigation, and similar claims, disputes, or proceedings;

- the possibility that our clients will incur substantial losses in investment pools where we act as agent, and the possibility of significant reductions in the valuation of assets;

- adverse publicity or other reputational harm;

- dependencies on information technology, complexities and costs of protecting the security of our systems and difficulties with protecting our intellectual property rights;

- our ability to grow revenue, attract and/or retain and compensate highly skilled people, control expenses and attract the capital necessary to achieve our business goals and comply with regulatory requirements;

- potential changes to the competitive environment, including changes due to regulatory and technological changes, the effects of consolidation, and perceptions of State Street as a suitable service provider or counterparty;

- potential changes in how clients compensate us for our services, and the mix of services that clients choose from us;

- the ability to complete acquisitions, divestitures and joint ventures, including the ability to obtain regulatory approvals, the ability to arrange financing as required and the ability to satisfy closing conditions;

- our ability to recognize emerging clients' needs and to develop products that are responsive to such trends and profitable to the company; the performance of and demand for the products and services we offer, including the level and timing of redemptions and withdrawals from our collateral pools and other collective investment products; and the potential for new products and services to impose additional costs on us and expose us to increased operational risk;

- our ability to measure the fair value of the investment securities on our consolidated statement of condition;

- our ability to control operating risks, data security breach risks, information technology systems risks and outsourcing risks, and our ability to protect our intellectual property rights, the possibility of errors in the quantitative models we use to manage our business and the possibility that our controls will prove insufficient, fail or be circumvented;

- changes in accounting standards and practices; and

- changes in tax legislation and in the interpretation of existing tax laws by U.S. and non-U.S. tax authorities that affect the amount of taxes due.

Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in our 2011 Annual Report on Form 10-K and our subsequent SEC filings. We encourage investors to read these filings, particularly the sections on risk factors, for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this news release speak only as of the date hereof, July 17, 2012, and we do not undertake efforts to revise those forward-looking statements to reflect events after that date.