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Financial Engines Doubles Managed Accounts Business Again in 2007

225,000+ 401(k) Plan Participants Have Financial Engines Professionally Manage Their Accounts

PALO ALTO, Calif., February 12, 2008 - Financial Engines, a leading provider of independent investment advice and managed accounts to defined contribution plans, today announced that the company's managed accounts business grew more than 100 percent in 2007, marking the third consecutive year that the company has doubled its managed accounts business. As of December 31, 2007, Financial Engines had more than \$16 billion in assets under management (AUM) and more than 225,000 plan participants enrolled in managed accounts. The organizations working with Financial Engines to provide managed accounts and advice to participants have an average of 14,000 participants.

Demand for Financial Engines' complete suite of advisory services, including managed accounts and online investment advice, continues to grow. In 2007, more than 90 new large plan sponsors signed on for the Financial Engines full advisory platform. Of the 225,000 participants currently in the managed accounts program, more than 20 percent were automatically enrolled through passive enrollment campaigns to new and existing participants. In addition, managed accounts have been particularly valuable to participants with lower plan balances, with 41% of managed accounts members having 401(k) plan balances below \$20,000 and 27% with balances below \$10,000.

"2007 has been a watershed year for Financial Engines as industry trends and plan sponsor demand all came together to make managed accounts and investment advice standard components of best-practice 401(k) plan design," explained Jeff Maggioncalda, president and chief executive officer of Financial Engines. "What's particularly rewarding, however, is the fact that we're successfully reaching participants that have until now been difficult to engage, and clearly helping those who need help the most."



Organizations that selected Financial Engines to offer a full suite of advisory services to participants in 2007 include American Airlines, Beaumont Hospitals, Freeman and Unum.* In addition, the company expanded relationships with CitiStreet, Fidelity and Mercer to offer the full suite of Financial Engines services, including managed accounts. Financial Engines makes its services widely available through leading 401(k) providers, including ACS, CitiStreet, Fidelity, Hewitt, JPMorgan, Mercer, T. Rowe Price and Vanguard.

Regulatory changes continued to propel Financial Engines' growth in 2007 as well. In October 2007, the U.S. Department of Labor followed the direction of the Pension Protection Act (PPA) and issued a regulation specifying qualified defaults for 401(k) plans, which included managed accounts, balanced funds and lifecycle funds. While the PPA encouraged plan sponsors to implement automatic 401(k) plans, the DOL qualified default regulation outlined the types of prudent investment defaults.

"I believe we'll look back and recognize that 2007 marked the beginning of a transformation of our 401(k) system from "do-it-yourself" to "do it for me," said Maggioncalda. "As we look ahead to 2008, Financial Engines will be focused on helping participants save more for retirement automatically and providing more help to participants nearing and transitioning to retirement.

About Financial Engines

Financial Engines is a leading provider of independent investment advice and managed accounts to defined contribution plans. Founded by Nobel Prize-winning economist, William F. Sharpe, Financial Engines serves millions of employees at many of America's largest corporations. Patented advice technology and institutional-quality investment methodology allow Financial Engines to offer an array of advisory services to meet the needs of a wide range of investors. For more information, please visit www.financialengines.com.

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