



FIRSTFED[®]
FINANCIAL CORP.

12555 West Jefferson Boulevard, Los Angeles, CA 90066-7036

310.302.5600

NEWS
RELEASE

**FirstFed Financial Corp. Announces Tender Offer for up to
\$150 Million Aggregate Principal Amount of its Senior Debt Securities**

LOS ANGELES, California – January 09, 2009 – FirstFed Financial Corp. (NYSE: FED) (the “Company”) announced today that it has commenced a cash tender offer to purchase any and all of the following senior debt securities up to \$150 million in aggregate principal amount: Fixed/Floating Rate Senior Debt Debentures due June 15, 2015 (CUSIP No. 3379079Z4), Fixed/Floating Rate Senior Debt Debentures due March 15, 2016 (CUSIP No. 337907AB5), and Fixed/Floating Rate Senior Debt Debentures due June 15, 2017 (CUSIP No. 337907AC3) (collectively the “notes”).

The Company’s offer to purchase the notes will expire at 5:00 p.m., Eastern Standard Time, on Thursday, January 15, 2009 (such time, as may be extended or earlier terminated, the “Expiration Time”). The total consideration payable for each \$1,000 principal amount of the notes accepted for payment is \$333.33. The Company intends to finance the purchase of the notes pursuant to the offer from available cash, which may include proceeds from capital raising transactions.

The Company reserves the right to terminate the offer prior to the Expiration Time (including if fewer than all of the notes are properly tendered and not properly withdrawn), to waive on or prior to the Expiration Time any and all conditions, extend the offer and delay the Expiration Time, and to amend the terms of the offer. Full details of the terms and conditions of the offer are included in the Company’s Offer to Purchase dated December 26, 2008, and the related letter of transmittal.

Holders are urged to read the Offer to Purchase Persons dated December 26, 2008, and the related letter of transmittal carefully. Holders with questions regarding the offer or requests for documents should contact James P. Giralдин, President and Chief Operating Officer of FirstFed Financial Corp, at (310) 302-1713.

This press release is neither an offer to purchase nor a solicitation of an offer to sell the notes or any other security. The offer is made only by the Offer to Purchase dated December 26, 2008, and the related letter of transmittal. The offer is not being made to holders of the notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the offer is required to be made by a licensed broker or dealer, the offer shall be deemed to be made on behalf of the Company by a broker or dealer licensed under the laws of such jurisdiction.

About FirstFed Financial Corp.

FirstFed Financial Corp. is a savings and loan holding company. The Company owns and operates First Federal Bank of California, a federally chartered savings association. The Company’s principal executive offices are located at 12555 W. Jefferson Boulevard, Los Angeles, California 90066, and its telephone number is (310) 302-5600. Information about the Company, including corporate background and press releases, is available through the Company’s website at www.firstfedca.com.

Forward-Looking Statements

This press release contains certain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Act of 1995. These forward-looking statements are subject to various risks and uncertainties, many of which are beyond the Company’s control, which could cause actual results to differ materially from such statements. Such risks and uncertainties include, but are not limited to, the general business environment, interest rate fluctuations that may affect operating

margin, changes in laws and regulations affecting the Company's business, the California real estate market, competitive conditions in the business and geographic areas in which the Company conducts its business and regulatory actions, and those risk factors discussed in Part I, "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as well as other periodic reports filed with the Securities and Exchange Commission. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACT INFORMATION:

James P. Girdalin
President and Chief Operating Officer
FirstFed Financial Corp.
(310) 302-1713