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FOR IMMEDIATE RELEASE

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**INTERNATIONAL SECURITIES EXCHANGE
NAMES ISSUES FOR INTERIM LINKAGE PLAN**

NEW YORK, April 20, 2001 – The International Securities Exchange (ISE) named today the five issues that will begin the implementation of the interim linkage plan with the Chicago Board Options Exchange (CBOE). This functionality will augment the capabilities of market makers on both exchanges to provide superior service to customers until the full industry-wide linkage program is instituted.

In separate rule filings submitted to the Securities and Exchange Commission, both the ISE and CBOE requested the approval of rules that would implement this proposal. These rules were approved on January 30, 2001.

Initially, this plan will be implemented for a limited number of issues with three ISE Primary Market Makers (PMMs) linking to the appropriate Designated Primary Marketmakers (DPMs) on the CBOE and will be expanded during the next several weeks to include additional PMMs and issues. KBC Adirondack Electronic Markets LLC, Morgan Stanley & Co. Incorporated and Timber Hill LLC will be the first PMMs included in this program and will provide linkage with respect to the following issues: Bank One Corporation, Commerce One, Inc., Home Depot Inc., Mattel Inc. and Tricon Global Restaurants.

Market data studies indicate that the spread (difference between the bid and offer) on the ISE is narrower or equal to the other options markets 80% of the time. As such, ISE members have found the markets on the ISE to be equivalent or better than competing markets in most cases. This has enabled ISE to attract significant order flow since its launch in May of last year, achieving approximately 12% market share in the 269 issues it currently trades. The linkage program will permit ISE market makers to provide improved service during those instances when there are more competitive prices displayed on an away market.

David Krell, president and CEO of ISE, said, "Providing our PMMs with this enhanced service ensures that ISE continues to be at the forefront of leading the industry toward greater efficiency."

ISE Announces Interim Linkage Plan Startup- 2

On May 26, the ISE listed three issues as a first step in its rollout to trade the top 600 equity options on the world's only exchange to combine electronic trading with auction market principles. Currently, ISE trades 269 issues and is continuing to increase the roster in its rollout toward the full contingent of 600 listings. The updated list of issues traded is available on ISE's web site (www.iseoptions.com) within the section entitled "Product Information."

In a recent announcement, ISE indicated that all ten Primary Market Makers (PMM) and fifty-one of 100 CMMs have been activated; the remaining CMMs will become operational during ISE's continuing rollout phase. Additionally, 85 broker/dealers have been approved as Electronic Access Members (EAM), with several more in the process of attaining EAM status.

ISE Market Structure/Membership Information

There are three types of ISE members:

Primary Market Maker ("PMM") - PMMs, similar to specialists (DPMs or LMMs on other exchanges), are market makers with significant responsibilities, including overseeing the opening, providing continuous quotations in all of their assigned options classes, and ensuring that customer orders are not automatically executed at prices inferior to those available at other options exchanges. One PMM is assigned to each of the ten groups of options traded on the Exchange.

Competitive Market Maker ("CMM") - CMMs are market makers that add depth and liquidity to the market and are required to provide continuous quotations in at least 60% of the options classes in their assigned group. Each CMM quotes independently. Ten CMMs are appointed to each of the ten groups of stock options traded on the Exchange.

Electronic Access Member ("EAM") – EAMs are broker/dealers that represent agency and proprietary orders on the Exchange. An EAM does not purchase a membership. Rather, once approved as an ISE member, an EAM pays an access fee that permits the firm to place orders in all of the options traded on the Exchange.

ISE Background

ISE is the first nationally registered securities exchange since 1973, the first fully electronic options exchange in the United States, and the world's first options marketplace combining electronic trading and auction market principles. Trading in this innovative market began on May 26, 2000.

ISE Announces Interim Linkage Plan Startup- 3

ISE has announced its intention to list the top 600 equity options classes representing over 90% of the option industry's average daily trading volume. ISE's rollout schedule involves starting trading with a small number of options classes and growing over time to the full list of 600.

Risk Waters Group recently named ISE the Derivatives Exchange of the Year. *Risk*, a trade publication service, selected ISE for this prestigious award due to the innovations it has made in the derivatives industry as well as its significant impact on the structure and efficiency of the options market.

ISE headquarters is located at 60 Broad Street, New York, NY 10004 and can be reached at (212) 943-2400 or, for additional information, visit its web site at www.iseoptions.com.

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