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FOR IMMEDIATE RELEASE

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**INTERNATIONAL SECURITIES EXCHANGE
ANNOUNCES TENTH PRIMARY MARKET MAKER**

NEW YORK, April 3, 2001 – The International Securities Exchange (ISE) announced today that Timber Hill LLC of Greenwich, CT will operate ISE's tenth Primary Market Maker (PMM) membership.

This assignment completes the allocation of ISE's ten PMM seats. With the opening of this bin, ISE is poised to activate the remaining Competitive Market Maker memberships (CMM) and complete its listing of the full contingent of 600 top issues. The rapid growth and acceptance of ISE's unparalleled market structure and trading system, as evidenced by the doubling of volume since December, will be further fueled by this newest development.

Timber Hill LLC is a member of Interactive Brokers Group, an internationally recognized group of electronic brokers and proprietary traders operating as specialists and market makers on the world's major exchanges. Since its formation in 1977 by chairman Thomas Peterffy, Timber Hill has specialized in applying computer technology to trading. As a member of 39 equity and derivatives exchanges, the firm employs approximately 400 traders, programmers and support staff located in offices and trading facilities around the globe. Since 1993, Timber Hill has offered its proprietary technology and execution network to investors worldwide through its affiliate, Interactive Brokers LLC (IB). IB, an Electronic Access Member of ISE, is positioned to be the professional traders' gateway to the world's electronic markets, providing efficient, immediate access and interactive screen trading

The ISE previously announced that PMM memberships would be operated by: KBC Adirondack Electronic Markets LLC; Knight Financial Products LLC; Banc of America Securities LLC; Bear, Stearns & Co. Inc.; Deutsche Banc Alex. Brown Inc.; Hull Trading Company, LLC (an affiliate of Goldman, Sachs & Co.); Morgan Stanley & Co. Incorporated; and Timber Hill LLC. These firms also trade as Competitive Market Makers.

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Thomas Peterffy, chairman of Interactive Brokers Group, said, “We are eager to expand our role on ISE to include another PMM membership. Our application of electronic technology to the trading process in place at ISE has supported the continued expansion of this unique market, and we look forward to additional growth.”

Primary Market Makers provide liquidity in their assigned options by making continuous two-sided markets and ensuring that orderly market conditions are maintained. Competitive Market Makers provide additional depth and liquidity by quoting independently, thereby ensuring a competitive process that provides narrow spreads with quotes in size.

“The activation of ISE’s tenth bin marks a significant milestone in ISE’s history. Timber Hill’s increased participation will contribute to building on the many successes that we have achieved thus far,” said David Krell, president and CEO of ISE.

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 247 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.”

With this announcement, all ten Primary Market Makers (PMM) and forty-two 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.

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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 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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