



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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INTERNATIONAL SECURITIES EXCHANGE TRADES ONE-MILLIONTH CONTRACT

ISE Establishes Successful Marketplace

NEW YORK, August 9, 2000 – The International Securities Exchange (ISE) announced today that it traded its one-millionth contract on August 8, just ten weeks since the launch of trading on the first fully electronic options exchange in the U.S.

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 seventy 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."

As of today, six of ten Primary Market Makers (PMM) and twenty-five of 100 Competitive Market Makers (CMM) have been activated; the remaining market makers will become operational during ISE's continuing rollout phase. Additionally, sixty-seven broker/dealers have been approved as Electronic Access Members (EAM), with more than a dozen in the process of attaining EAM status.

Since trading began on May 26, ISE's market has performed precisely as designed: the technical infrastructure processes orders rapidly and accurately; market makers provide extremely competitive markets; and customer satisfaction is high. Updated summary statistics pertaining to ISE's listed equity options can be found on its web site in the "Market Statistics" area within the "Stock Options/Market Data" section.

David Krell, ISE's president and CEO remarked, "We are very happy with the results thus far and look forward to continued success as we bring the efficiencies of our market structure and trading system to the investing public and professional traders."

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ISE Market Structure/Membership Information

The ISE plans to list and trade 600 stock options, which are divided into ten groups of approximately 60 stock options each. Market makers are assigned to provide liquidity in each group.

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 in twenty-seven years, 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.

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.