



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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INTERNATIONAL SECURITIES EXCHANGE ANNOUNCES OFFICER APPOINTMENT

Paul J. Bennett Promoted to Senior Vice President

NEW YORK, September 7, 2000 – The International Securities Exchange (ISE) announced that at its board meeting today, Paul Bennett was promoted to senior vice president, market operations.

In his expanded role, Mr. Bennett is responsible for market operations, product management and industry project initiatives. The market operations group is ISE's first contact point for member firms actively engaged in either market making or directing orders to the Exchange for execution. It is this group that resolves trading issues, addresses members' questions pertaining to daily market activities and determines which issues require the attention of other ISE divisions.

As the leader of ISE's product management team, Mr. Bennett is responsible for the continued development of ISE's trading system, including order entry and market making software, to ensure that users' needs are being met. In his role as industry initiatives project director, Mr. Bennett will ensure that the Exchange successfully implements industry-wide programs, such as decimalization and options exchange linkage.

Mr. Bennett joined the ISE in January 1999 as vice president, project director, technology, responsible for managing the marketplace implementation project, including coordinating the activities of the primary technology providers, among whom are OM Technology (which developed ISE's trading platform) and Compaq Computer Corporation (which supplied ISE's hardware). As the leader of this project, he was instrumental in establishing ISE as the first fully electronic options market in the U.S.

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ISE Names Bennett SVP- 2

David Krell, ISE's president and CEO said, "Paul has been a major contributor to the successful launch of this ground-breaking marketplace; his talent and determination are world class and will contribute significantly to ISE's competitive posture as we continue our roll out."

Prior to joining ISE, Mr. Bennett was with the Australian Stock Exchange (ASX) from 1988 to 1998, most recently as the project director heading up the transition of options trading from a floor-based system to a fully automated market. ASX was one of the first options markets to shift from floor to screen trading, and is one of 10 electronic options markets worldwide currently using software developed by OM Technology. In previous positions at ASX, Mr. Bennett was responsible for all aspects of information systems management for the derivatives business unit and customer account management to the users of information systems services.

From 1986 to 1988, Mr. Bennett was manager of information systems at East-West Airlines and previously was systems development manager with Joint Exchange Computers, providing information services to the Sydney and Melbourne stock exchanges. Prior to moving to Australia, he held developmental and operational positions spanning five years in the information technology industry in Great Britain.

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 101 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, 72 broker/dealers have been approved as Electronic Access Members (EAM), with more than a dozen in the process of attaining EAM status.

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.

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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.

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