



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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INTERNATIONAL SECURITIES EXCHANGE ANNOUNCES EXPANDED MARKET MAKER COMMITMENT IN QQQs

SLK-Hull Derivatives LLC Increases Size of Minimum Quote for Customers

NEW YORK, April 8, 2002 – The ISE announced that SLK-Hull Derivatives LLC, the Primary Market Maker (PMM) in the QQQ options contracts, has increased its commitment to providing the industry's deepest markets in this product.

Effective immediately, SLK-Hull is quoting 2,000 contracts up for customers in the two nearby expiration months and 1,000 contracts up for customers in all other expirations. In addition, at the time of this announcement, Morgan Stanley & Co. Incorporated and Timber Hill LLC, both Competitive Market Makers (CMMs) providing liquidity in the QQQ contract, are providing the same commitments for increased size in this contract, subject to certain exceptions for LEAPS and deep-in-the-money options. This means that ISE's market makers may collectively be providing liquidity of 6,000/3,000 contracts in the QQQ contract; with several other market makers quoting, this may be substantially greater.

"We are very pleased that SLK-Hull, Morgan Stanley and Timber Hill have augmented their long-standing solid commitment to the development of the ISE," said Bruce Goldberg, ISE's senior vice president of marketing & business development. "The collective effort and devotion by all of ISE market makers has been outstanding and an essential element in ISE's unsurpassed growth rate and success."

The QQQ (Nasdaq-100 Index Tracking Stock) represents ownership in the Nasdaq-100 TrustSM, a long-term unit investment trust established to accumulate and hold a portfolio of the equity securities that comprise the Nasdaq-100 Index[®]. This product began trading on the ISE on March 5, 2001.

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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. Up to 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 grown to become the third largest of five U.S. options exchanges within just eighteen months of its launch. This measurement is based on total volume transacted in all listed options, equity as well as index products, traded on the five registered U.S. options exchanges.

ISE plans to list the top equity options classes representing 90% of the option industry’s average daily trading volume. Currently, 494 issues are listed for trading, representing approximately 89% of the industry’s volume. The updated list of issues is available on ISE’s web site (www.iseoptions.com) within the section entitled “Product Information.”

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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