



INTERNATIONAL SECURITIES EXCHANGE

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**INTERNATIONAL SECURITIES EXCHANGE ANNOUNCES
NEW CHAIRMAN AND TWO DIRECTOR APPOINTMENTS**

**Ivers Riley Succeeds
Bill Porter as Chairman**

NEW YORK, April 11, 2002 – The ISE announced that at a meeting of its Board of Directors today, Ivers W. Riley was elected as chairman to follow William A. Porter. Mr. Porter, who remains on the board, was ISE’s first chairman and a co-founder, while Mr. Riley has served as ISE’s vice-chairman since the launch of trading in May 2000. In addition, the Board appointed two new directors: James V. Harkness, chief operating officer of Wolverine Trading, L.P., and Scott Prince, managing director of Goldman, Sachs & Co.

Since the ISE constitution requires the election of a non-industry representative as chairman within two years of the launch of trading, Mr. Riley will assume the chairmanship effective May 26, ISE’s second anniversary.

“I am honored to lead the ISE during this next phase in its development,” said Mr. Riley. “The challenges before us are formidable, and the strong foundation established by Bill, his co-founders, the membership and staff will support our growth and fuel further success in the months and years ahead.”

In designing its governance structure, ISE established its board with a majority of non-industry directors (eight of fifteen). The six industry positions are held by representatives of the ISE membership: two Primary Market Makers (PMMs), two Competitive Market Makers (CMMs) and two Electronic Access Members (EAMs). The president and CEO holds the fifteenth board position.

Mr. Harkness was elected as a representative of the CMM memberships, while Mr. Prince was elected as a representative of the PMMs. David Krell, president and CEO of ISE, said, “These new directors represent a wealth of knowledge and experience that will be invaluable as ISE continues to grow and compete effectively.”

Biographies

Ivers W. Riley

Prior to serving as ISE's first vice-chairman, Mr. Riley has held several senior level positions in the financial services industry and is regarded as a worldwide leader in the derivatives sector. Until the end of 2001, he served as a member of the executive committee of the International Options Market Association (IOMA), where he was formerly president, from 1997 through 1998.

From 1994 to 1997, and from 1999 to 2000, Mr. Riley was chief executive of the Hong Kong Futures Exchange and chairman of the HKFE Clearing Corporation. From 1986 to 1993, he was senior executive vice president of the American Stock Exchange (AMEX) in charge of all derivatives activity. While at AMEX, Mr. Riley was the driving force in the development and introduction of SPDRs[®], one of the most successful derivative products traded on any exchange.

From 1983 to 1986 he was executive vice president of the New York Stock Exchange, in charge of the options division. Previously, Mr. Riley was a founding partner of The Options Group, an investment advisory and consulting firm providing computerized support for derivatives dealers and traders. In addition, he was a senior vice president of both PaineWebber and the Chicago Board Options Exchange.

James V. Harkness

James Harkness is Chief Operating Officer and Principal for Wolverine Trading LP. Mr. Harkness is responsible for the operations of Wolverine Trading, L.P. and its affiliated entities operating on several domestic and international exchanges.

Prior to joining Wolverine, he was Managing Director of MicroHedge, a leading provider of option analytics and risk technology. Mr. Harkness has also held many trading and sales positions with Drexel Burnham Lambert and LaSalle Arbitrage. He has been a part of the options industry for 18 years.

Scott Prince

Scott Prince is a Managing Director of both Goldman, Sachs and Co. and Goldman SLK-Hull Derivatives LLC. He is also co-head of the firm's Global Equity Derivatives Business. Mr. Prince holds an MBA from the University of Chicago and a BSE from the University of Pennsylvania.

ISE Market Structure/Membership Information

There are three types of ISE members:

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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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