



ISE Extends Trading Volume Momentum In October Exchange Nears 2nd Largest Market Share In U.S. Options Market

NEW YORK, November 5, 2002 – In October, ISE extended its momentum for yet another month, executing more trading volume in its 518 options classes than any of the four other options exchanges.

Options traders awarded ISE lead market distinction in more than half of the exchange's listed options classes. ISE was the lead market in 260 of its 518 options classes. More significantly, more total volume in those 518 options classes was executed at ISE than at any other exchange. Dell Computer Corp. was ISE's most actively traded contract, followed by Amgen Inc., Johnson & Johnson, General Motors Corp., Merrill Lynch & Co. Inc., KLA Tencor Corp. and EBAY Inc.

ISE's October average daily volume was 710,965 contracts, a 27% increase from 560,154 contracts in the previous month, and an 87% increase from 380,299 contracts in the same year-ago period. In October, ISE traded its 200 millionth contract, a significant milestone in a year that has been characterized by increasing trading volume and a growing roster of customers.

October 29, 2002: 200 million contracts traded, achieved by the execution of 50 Novellus Systems Inc. January 20 puts

July 17, 2002: 150 million contracts

March 14, 2002: 100 million contracts traded

January 8, 2002: 75 million contracts traded

May 29, 2001: 25 million contracts traded

August 8, 2000: 1 million contracts traded

May 26, 2000: First contract traded, 20 SBC Communications Inc. October 45 calls

ISE's total market share in all listed options classes, including index options which ISE does not trade, was 21%, making it the third largest of the five U.S. options exchanges. The difference between ISE's market share and that of the second largest options exchange was 0.44 of a share point.

ISE Background

ISE pioneered electronic options trading in the U.S. Within 18-months of its May 26, 2000 launch, ISE became the third largest of five domestic options exchanges, a position that it has enhanced by capturing the lead market share in its listings. During the 2002 third quarter, ISE dominated trading in its listed issues, capturing a 27% market share, or average daily volume of 671,531 contracts.

ISE is the only fully-electronic U.S. options exchange, the first registered securities exchange approved by the Securities and Exchange Commission since 1973, and the first and only electronic options exchange in the global marketplace that has successfully integrated the intrinsic efficiencies of electronic trading with auction market principles.

ISE lists 518 options classes, whose aggregate volume represents more than 90% of the industry's total equity options volume. For more information about ISE, its products and its technology, visit www.iseoptions.com.

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