



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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**INTERNATIONAL SECURITIES EXCHANGE
HAS ANOTHER RECORD MONTH**

First in Volume in its Listed Issues

First in Equity Options Volume

NEW YORK, July 1, 2002 – The ISE announced today that, for the second consecutive month, it established new volume and market share records, continuing its expansion in the face of a general industry contraction. Moreover, ISE was the industry volume leader in the 507 issues that it lists and the primary market, as measured by volume, in 257 of these issues. Included in the widely traded issues in which ISE is primary are: IBM, Cisco, GM, Applied Materials, Dell, Merrill Lynch, QUALCOMM, Ebay, Johnson & Johnson and AIG.

ISE's average daily volume during June was a record 719,560 contracts, an increase of 32% from the previous month's average volume (543,114 contracts) and a 206% increase from June 2001 (235,189 contracts). In addition, ISE's market share in its listed equity options was a record 27%, compared to 12% for June of 2001. ISE's market share in all equity options was 24.4% during June, also a new monthly record. In addition, on June 11, 13 and 27, ISE ranked first in total equity options volume.

ISE has seen continuous growth, as the increasing list of market participants experiences the many benefits of trading on the only fully electronic options exchange in the U.S.

ISE Background

ISE is the only fully electronic options exchange in the United States, the first nationally registered securities exchange since 1973, 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 Sets New Records - 2

ISE, widely recognized as the pioneer and standard-setter in electronic trading of U.S. equity options, 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 has recently demutualized, converting from a New York limited liability company, in which equity interests as well as trading rights were represented by single ownership interests, to a Delaware corporation, in which equity interests and trading rights are now represented by different securities. This new structure permits the infusion of additional capital, providing a broader base and enhanced capability for growth of its core business, as well as expansion into additional business lines.

ISE currently lists 507 issues for trading. The aggregate volume of these issues across all five U.S. options exchanges represents greater than 90% of all equity options 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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