



ISE Becomes Second-Largest US Options Exchange Posts Strong Trading Volume, Market Share Gains

NEW YORK, February 3, 2003 –The International Securities Exchange (ISE) experienced significant trading volume growth in January, making it the second largest of the five US options exchanges in terms of overall volume.

ISE's total market share in January was 23%, up 44% from 16% in the year-ago period. Total market share is based on the combined trading volume of equity options and index options.

In January, ISE was the lead market for options on 18 of the 30 stocks in the Dow Jones Industrial Average; ISE was the lead market for options on 184 of the stocks in the Standard & Poor's 500 Index, which represented 54% of the index's total weighting.

ISE was the largest US options exchange in January based on market share in its 533 listed options. In ISE-only listings, ISE's January market share was 28%, up 40% from 20% in the year-ago period.

ISE continues to experience strong growth trends in its trading volume. ISE's January average daily volume was 752,146 contracts, up 40% from 537,932 contracts in the year-ago period.

In addition to its market share and trading volume increases, January also marked the implementation of an important trading rule that created a level playing field for all participants in the options market. ISE's "one-size fits all" trading rule, which ISE implemented January 22, insures that market makers and firms receive the same order execution privileges that have historically been made available to individual investors.

ISE's "one size fits all" trading rule enables market makers and firms to automatically execute their orders against the displayed quote - - something that was historically only available to customers in the options market. In a "one size market," the displayed size of ISE's Primary Market Makers (PMM) and Competitive Market Makers (CMM) applies to incoming orders from public customers, broker/dealers, firms, away market makers, and immediate or cancel orders entered by market makers.

ISE Background

ISE pioneered electronic options trading in the U.S.

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 533 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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