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FOR IMMEDIATE RELEASE

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INTERNATIONAL SECURITIES EXCHANGE ANNOUNCES FEE WAIVER PROGRAM FOR CLICK[®] TERMINALS

NEW YORK, May 15, 2001 – The International Securities Exchange (ISE) announced today that it has instituted a one-year pilot program waiving all fees for multiple CLICK order-entry terminals. CLICK is the order-entry system developed jointly by ISE and OM for use by broker-dealers that are Electronic Access Members (EAMs).

This program is a result of ISE's growth in volume and market share to levels that support the expanded distribution of its front-end system. ISE's volume has nearly tripled in the four-month period from December 2000 to April 2001, and market share in the 313 issues currently traded has increased to 12%. This strong trend reflects the many benefits being realized by the brokerage community as a result of their participation in ISE's fully electronic trading platform. Under this new plan, each EAM pays the standard fee for the first CLICK installation; all additional CLICK order-entry software installations are free.

Gary Katz, chief operating officer of ISE, said, "We are extremely pleased to be able to put this program into place. Removing economic barriers to ISE access has always been our goal, and we anticipate that the additional distribution of CLICK terminals will contribute to greater growth and new milestones."

On May 26, the ISE listed three issues as a first step in its rollout to trade the top 600 equity options on the world's only exchange to combine electronic trading with auction market principles. Currently, ISE trades 313 issues and is continuing to increase the roster in its rollout toward the full contingent of 600 listings. The updated list of issues traded is available on ISE's web site (www.iseoptions.com) within the section entitled "Product Information."

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In a recent announcement, ISE indicated that all ten Primary Market Makers (PMMs) and fifty-three of 100 CMMs have been activated; the remaining CMMs will become operational during ISE's continuing rollout phase. Additionally, 85 broker/dealers have been approved as EAMs, with several more in the process of attaining EAM status.

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. 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 announced its intention to list the top 600 equity options classes representing over 90% of the option industry's average daily trading volume. ISE's rollout schedule involves starting trading with a small number of options classes and growing over time to the full list of 600.

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Risk Waters Group recently named ISE the Derivatives Exchange of the Year. *Risk*, a trade publication service, selected ISE for this prestigious award due to the innovations it has made in the derivatives industry as well as its significant impact on the structure and efficiency of the options market.

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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