



FOR IMMEDIATE RELEASE

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**INTERNATIONAL SECURITIES EXCHANGE WILL BE
FIRST FULLY ELECTRONIC OPTIONS EXCHANGE IN U.S.**

**ISE to Be World's First Options Marketplace
Combining Electronic Trading and Auction Market Principles**

OM Technology, Compaq Join ISE in Venture

NEW YORK, Nov. 10 – Formation of the International Securities Exchange (ISE), the first fully electronic options exchange in the United States and the world's first options marketplace combining electronic trading with auction market principles, was announced today by David Krell, President & CEO.

Participating in the venture with Wall Street-based ISE are OM Technology, Stockholm, Sweden and Compaq Computer Corporation (NYSE: CPQ), Houston, Texas.

ADVANTAGES

ISE's patent pending functionality will provide all investors and professionals with several benefits:

- Significantly reduced cost
- Fast and accurate order execution
- State-of-the-art technology
- Competition in options currently traded on only one exchange

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UNIQUE BENEFIT CITED

“ISE will be the first U.S. market to combine the efficiencies of electronic trading with the time tested advantages of trading in an open auction market environment,” said Mr. Krell. He emphasized that “it is ISE’s mission to create and maintain an efficient, cost effective and liquid market for stock options through the introduction of a new market structure and automated trading systems.”

ISE’s unique advantage, added the President & CEO, “is that it presents a fully electronic auction market where public customers can trade directly with each other,” and where “public customers have priority over professional orders and public customers are protected from trading at an inferior price to the best bid or offer from all the options markets in the United States.”

While electronic trading mechanisms have been adopted by most options exchanges outside the United States, the four U.S. options exchanges (Chicago Board Options Exchange, Pacific Exchange, Philadelphia Stock Exchange and American Stock Exchange) have floor-based trading systems.

THE RIGHT INGREDIENTS

Driving the success of ISE is a unique combination of elements:

- Entrepreneurial vision
- Exchange management experience
- Consortium of broker/dealers providing necessary order flow
- Powerful combination of leading software and hardware technologies

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FINANCING

To fund the formation of the ISE, memberships have been sold to a consortium of broker/dealers organized under the umbrella of Adirondack Trading Partners (ATP). These and other broker/dealers are expected to provide the initial order flow to ISE.

Investors in ATP include: Ameritrade Holding Corporation (Nasdaq: AMTD); E*TRADE Group, Inc. (Nasdaq: EGRP); Herzog Heine Geduld (Nasdaq: HRZG); Knight/Trimark Group Inc. (Nasdaq: NITE); Scottsdale Securities, Inc. and other broker/dealers whose participation will be announced at a later date.

“ATP’s strategy replicates the proven model created by Roundtable Partners, where a consortium of broker/dealers combined their order flow to successfully create the largest OTC market maker in the U.S.,” said Marty Averbuch, President & CEO of ATP.

SEEKS SEC APPROVAL

Formal application for becoming a registered exchange is being submitted to the Securities and Exchange Commission (SEC) in Washington later this year. Approval is anticipated in 1999.

BIDS TO BECOME FIRST NEW SECURITIES EXCHANGE IN 25 YEARS

Upon SEC approval, ISE will become the first new registered U.S. securities exchange in 25 years. The last registered exchange approved by the SEC was the Chicago Board Options Exchange (CBOE) in 1973.

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Additionally, the ISE expects to become a member-owner of The Options Clearing Corporation (OCC), the organization that issues and guarantees all exchange traded stock options in the United States.

TECHNOLOGY PROVIDERS

OM Technology, subsidiary of OM Gruppen, AB and world leader in transaction technology, is providing the electronic trading software through licenses with ISE. The software will handle turnaround times of less than one second.

Compaq's industry-leading Open VMS AlphaServer systems, Open VMS multi-site clustering, RTR software, products and services will provide ISE with the 24x365 mission-critical capabilities it requires to meet the demanding needs of its customers. Compaq is the undisputed leader in delivering IT solutions to exchanges worldwide as evidenced by the fact that 106 of the 112 exchanges run some or all of their operations on Compaq systems.

All ISE market participants (public investors as well as professionals) will have their orders processed using the same advanced systems. The technology developed by ISE with OM has patents pending on numerous aspects of its groundbreaking functionality.

“We are excited to work with the ISE. This venture shows the potential that leading-edge trading technology brings to exchange operations,” said Magnus Karlsson, head of OM Technology. “Through their use of our technology, ISE will be well positioned to attract trading. It is therefore stimulating that we are participating in this project on a risk shared basis.”

“Compaq is delighted to join with OM Technology to provide the industry leading, mission-critical capabilities which ISE will require to run their business well into the twenty-first century,” said Richard Marcello, Vice President of Compaq’s Open VMS Group. “Together our technology will join with theirs to provide customers with a new level of performance in the options exchange marketplace.”

GOVERNING ISE

ISE’s governing body, its Board of Directors, will consist of 15 people. William A. Porter, founder and Chairman of E* TRADE Group, Inc., will serve as ISE’s first Chairman. David Krell, President & CEO, will also serve on the Board. Exchange officers include: Gary Katz, Senior Vice President of Marketing and Business Development; Diana J. Wilson Todd, Senior Vice President and Acting Chief Information Officer; and Michael J. Simon, Senior Vice President and General Counsel. Mr. Krell previously was Vice President of Options and Index Products at the New York Stock Exchange, from 1984-1997.

ISE’s MEMBERSHIP

Three types of members comprise ISE membership: 10 Primary Market Makers (PMM); 50 Market Makers (MM); and an unlimited number of brokers/dealers who will be Electronic Access Members (EAM).

PMMs will maintain bid, ask quotes for a minimum of 10 contracts and manage orders in their assigned options. MMs will quote and trade for their account while EAM broker/dealers can enter agency and proprietary orders.

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TRADING: FIRST QUARTER, 2000

Trading will begin January of the year 2000 with ISE planning to list options on 600 of the most widely owned and popular stocks.

ISE CONTACT INFORMATION

ISE is located at 110 Wall Street, New York, NY 10005, and can be reached at 212-269-4914 or, for additional information, visit their web site at www.iseoptions.com.

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[Purchasing an options contract permits (but does not require) the purchase or sale of a stock at a given price by a specified date. A “call” is an option to buy securities, a “put” is an option to sell securities]

Note to Media: Black & white and color photos are available.