



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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INTERNATIONAL SECURITIES EXCHANGE ANNOUNCES
OPTIONS TO BE TRADED AT LAUNCH ON MAY 26

NEW YORK, May 23 – The International Securities Exchange (“ISE”) today announced that it would begin trading on May 26 by listing options on 3 equity securities: LSI Logic Corporation (symbol LSI); Alcoa Inc. (symbol AA); and SBC Communications Inc. (symbol SBC).

Primary Market Makers will provide liquidity in their assigned option by making continuous two-sided markets and ensuring that orderly market conditions are maintained. Competitive Market Makers will provide additional depth and liquidity by quoting independently, thereby ensuring a competitive process that will provide narrow spreads with quotes in size. An unlimited number of Electronic Access Members (EAMs) will represent agency and proprietary orders. Thus far, 40 broker/dealers have registered with ISE as EAMs, and several more are in the process of attaining EAM status.

David Krell, president and CEO, said, “The rollout plan we have developed with our member firms will ensure a methodical, solid introduction of this new market structure and will set the stage for the successful introduction of this unique way of trading listed equity options.”

ISE plans to add options classes, PMMs and CMMs in the ensuing months in a controlled process to reach its goal of providing deep, liquid markets on its fully electronic platform in 600 of the most widely traded equity options in the U.S. ISE’s complete contingent of 10 PMMs and 100 CMMs will be fully operational once the rollout process is completed; additional EAMs will be added as their registrations are approved.

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ISE Background

ISE is the first nationally registered securities exchange in twenty-seven years, the first fully electronic options exchange in the United States, and the world's first options marketplace combining electronic trading and auction market principles.

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 is currently conducting full-scale trading simulation with all its members and is on schedule to launch trading on May 26, 2000. The rollout schedule involves starting trading with a small number of options classes and growing over time to the full list of 600.

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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