



INTERNATIONAL SECURITIES EXCHANGE

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INTERNATIONAL SECURITIES EXCHANGE
MARKS ONE YEAR ANNIVERSARY

Significant Development Since November 10, 1998

NEW YORK, November 10, 1999 – In the one year since ISE announced its plans to become the first fully electronic options market in the U.S., much has been accomplished toward its projected launch of trading in the first quarter of 2000. In addition, the significance of ISE's initiative is widely recognized as a major catalyst for changes currently sweeping the equity options industry.

On November 10th of last year, in a press briefing at New York's World Trade Center, Bill Porter announced the world's first ever combination of electronic trading with auction market principles. At that time, ISE consisted of 6 staff members in a 3,000 square foot facility, a draft of an application for exchange registration and contracts with OM Technology and Compaq Computer Corporation. One year later, the ISE is on the verge of implementing its unique marketplace.

The ISE of November 1999 looks much different than what existed one year ago. Some of the more noteworthy developments are:

- ISE now employs 50 professionals with well over 300 years combined exchange and financial services industry experience, and anticipates having a staff of 75 in place by launch
- ISE submitted its application with the Securities and Exchange Commission on February 2, 1999; this marked the first time since 1973 that any organization has seriously pursued becoming a fully registered national securities exchange

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ISE One Year Anniversary – 2

- ISE now occupies a 30,000 square foot state-of-the-art facility, of which a significant portion is dedicated to the technical infrastructure required to support its unique trading system
- The Open VMS Alpha server technology supplied by Compaq Computer Corporation is installed and running in both ISE's headquarters at 60 Broad Street and in its backup facility in Jersey City
- The trading technology developed jointly by ISE and OM Technology is installed and undergoing final testing
- ISE has selected six of its eight non-industry directors (for a 15 person board of directors), all being recognized leaders in the financial services industry, having an array of experience in derivatives development, financial engineering, marketing, investment management and advanced education

In addition to these strides, the ISE has been widely cited in the financial media as the prime catalyst for much of the recent changes in the options industry. Among these are: the multiple listing of options, the reduction of transaction costs, the growth of automated execution systems and renewed pressure on the exchanges to form linkages for the protection of customer orders. The ISE's influence on the industry's structure prior to its launch of trading is testament to the business plan designed by ISE's founders.

ISE Background

ISE will become the first fully electronic options exchange in the United States and the world's first options marketplace combining electronic trading and auction market principles.

On February 2, ISE filed its application for registration as a national securities exchange with the Securities and Exchange Commission (SEC). Upon approval by the SEC, ISE will become the first new registered U.S. securities exchange in 26 years. ISE plans to list options on 600 of the most widely owned and popular stocks.

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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