



INTERNATIONAL SECURITIES EXCHANGE

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FOR IMMEDIATE RELEASE

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INTERNATIONAL SECURITIES EXCHANGE HAS RECORD MONTH

New High Volume & Market Share

NEW YORK, June 3, 2002 – The ISE announced today that it established volume and market share records during May, further solidifying its position as an industry leader and the third largest of the five U.S. options exchanges. These records are particularly notable in that industry volume has decreased while ISE has continued to expand.

ISE's average daily volume during May was a record 543,114 contracts, an increase of 6% from the previous month's average volume (512,026 contracts) and a 137% increase from May 2001 (228,993 contracts). In addition, ISE's market share of all equity options was a record 21.0%, compared to 7.8% for May of 2001; this represents the highest such market share attained by ISE since the launch of trading. In addition, ISE's market share in the issues that it lists was 23% during May, also a new monthly record.

ISE Background

ISE is the only fully electronic options exchange in the United States, the first nationally registered securities exchange since 1973, 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, widely recognized as the pioneer and standard-setter in electronic trading of U.S. equity options, has grown to become the third largest of five U.S. options exchanges within just eighteen months of its launch. This measurement is based on total volume transacted in all listed options, equity as well as index products, traded on the five registered U.S. options exchanges.

ISE has recently demutualized, converting from a New York limited liability corporation, in which equity interests as well as trading rights are represented by single ownership interests, to a Delaware corporation, in which equity interests and trading rights are now represented by different securities. This new structure permits the infusion of additional capital, providing a broader base and enhanced capability for growth of its core business, as well as expansion into additional business lines.

As of tomorrow, a total of 518 issues will be listed for trading on the ISE. The current volume of these 518 issues across all five U.S. options exchanges represents greater than 90% of all equity options volume. The updated list of issues is available on ISE's web site (www.iseoptions.com) within the section entitled "Product Information."

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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