ISE Reports Business Activity for December and Full Year 2011

NEW YORK, January 3, 2012 –

- Average daily volume for the full year 2011 was 3.1 million contracts, an increase of 4.4% over 2010.
- ISE is the third largest equity options exchange in 2011 with market share of 19.1%, excluding dividend trades.
- Dividend trades make up 14.3% of industry volume in December 2011 and 4.7% of total industry volume for 2011.

The International Securities Exchange (ISE) today reported average daily volume of 2.3 million contracts in December 2011, a decrease of 10.6% over December 2010. Total options volume for the month was 47.8 million contracts.

Average daily volume for full year 2011 was 3.1 million contracts, an increase of 4.4% over 2010. Total volume for the year was 778.1 million contracts. ISE was the third largest U.S. equity options exchange in 2011 with market share of 19.1%*.

Business highlights for the full year 2011 include:

- **New Technology**
  - In July, ISE completed the launch of its new trading system based on Deutsche Börse Group's Optimise™ trading architecture.

  - Subsequent to the Optimise roll out, ISE completed three additional technology releases to further improve the latency profile of the system and to introduce new functionality. The Optimise release cycle is approximately every two months.

  - ISE introduced several key enhancements to the risk management features offered in PrecISE Trade®, ISE's innovative, front-end execution system. Importantly, PrecISE now provides direct access for risk managers to set and monitor compliance with risk parameters available in the system, such as the maximum quantity and the maximum notional value that can be entered on a per order or daily basis.

- **New Orders Types and Trading Functionality**
  - ISE launched the Qualified Contingent Cross (QCC) order type, bringing important crossing functionality for large institutional orders to an all-electronic environment for the first time.

  - ISE enhanced its Price Improvement Mechanism (PIM) to accept multi-legged options orders, including multi-legged strategy orders of up to eight options legs plus a stock leg.

  - ISE enhanced its complex order book to enable market makers to provide two-sided quotes for complex, or multi-legged, instruments. Within the complex order book, ISE market makers can enter a complex quote in any symbol activated for complex quoting, regardless of their symbol appointments in ISE's regular market. ISE has initially rolled out quoting functionality to three options.

- **New Products**
  - ISE created and launched seven new proprietary indexes in 2011, many of which serve as the underlying for exchange-traded products.

- First Trust Advisors L.P. and UBS both launched exchange-traded products based on the ISE Cloud Computing™ Index (CPQ). CPQ is a new benchmark for this growth sector that includes companies that are direct service providers for the “cloud.” The First Trust ISE Cloud Computing Index Fund trades under the ticker SKYY and the ETRACS Monthly 2xLeveraged ISE Cloud Computing Total Return Index ETN trades under the ticker LSKY.

- UBS introduced two exchange-traded notes based on ISE’s strategy-based futures indexes, the ISE Oil Futures Spread™ Index (Ticker: GZN) and the ISE Natural Gas Futures Spread™ Index (Ticker: GYY). These new indexes track continuous exposure to oil futures prices and natural gas futures prices, respectively, using packaged calendar spread strategies.

- UBS also launched two exchange-traded notes based on the ISE Solid State Drive™ Index (Ticker: BYT), which tracks companies actively involved in the solid state drive segment of the electronic storage industry: the ETRACS ISE Solid State Drive Index ETN (Ticker: SSDD) and the ETRACS Monthly 2xLeveraged ISE Solid State Drive Index ETN (Ticker: SSDL).

- ISE created the ISE SPY Bear Option Overlay Index (symbol: VCS) and ISE SPY Bull Option Overlay Index (symbol: VPS), two unique options strategy indexes that provide a simplified way of tracking vertical spread strategies.

- Finally, ISE expanded its market data product suite to include the new ISE Implied Volatility and Greeks Feed™, a joint offering from ISE and Hanweck Associates. Powered by Hanweck Associates’ high-performance Volera™ engine, this feed provides real-time, low-latency, tick-level options analytics for all equity, index and ETF options traded on the nine U.S. options exchanges.

- **Industry Leadership**
  - ISE received the “Most Proactive Exchange, ETF Derivatives” award at the 7th Annual Global ETF Awards® Dinner and Workshop. Hosted by exchangetradedfunds.com, the Global ETF Awards are given to ETF industry participants for outstanding achievements in 2010. Winners were determined by voting forms returned from over 480 organizations worldwide.

  - ISE took part in Ronald McDonald House® New York’s “Adopt-a-Room” program by donating the profit it generated from organizing the 2010 Options Industry Conference. A room dedication ceremony for the “U.S. Options Industry Room” was held on April 12, 2011, in honor of the donation that was made by ISE on behalf of the entire U.S. options industry.

Detailed volume statistics are found in the tables below:

Total Options Volume (Equity, ETF, Index and FX Options)

	Current Month			**Year-to-Date**		
(000s)	Dec-11	Dec-10	% Change	Dec-11	Dec-10	% Change
ISE Average Daily Volume	2,277.0	2,545.7	-10.6%	3,087.6	2,957.0	4.4%
ISE Total Volume	47,817.5	56,006.3	-14.6%	778,086.4	745,175.1	4.4%

Equity and ETF Options Volume Statistics

	Current Month			Year-to-Date		
(000s)	Dec-11	Dec-10	% Change	Dec-11	Dec-10	% Change
ISE Average Daily Volume	2,265.1	2,513.2	-9.9%	3,055.6	2,911.1	5.0%
ISE Total Volume	47,566.7	55,291.2	-14.0%	770,010.5	733,608.0	5.0%
Market Share*	18.6%	20.3%	(1.7) pts	19.1%	21.7%	(2.6) pts

Index Options Volume Statistics

	Current Month			Year-to-Date		
(000s)	Dec-11	Dec-10	% Change	Dec-11	Dec-10	% Change
ISE Average Daily Volume	11.6	32.3	-64.1%	31.6	44.8	-29.5%
ISE Total Volume	243.2	709.7	-65.7%	7,963.8	11,299.0	-29.5%

ISE FX Options® Volume Statistics

	Current Month			Year-to-Date		
(000s)	Dec-11	Dec-10	% Change	Dec-11	Dec-10	% Change
ISE Average Daily Volume	0.4	0.2	100.0%	0.4	1.1	-63.6%
ISE Total Volume	7.6	5.4	40.7%	112.1	268.2	-58.2%

*ISE does not include dividend trade volume in market share statistics. ISE's market share statistics continue to be negatively impacted by dividend trade strategies that are permitted based on a non-economic rationale, inflate and distort trading volume and market share when transacted. Exclusion of dividend trades from total industry volume data presents a more relevant measure of the relative trends in our business. For ISE's whitepaper on dividend trades and their impact on the options industry, please visit www.ise.com/dividendtrades.

Dividend Trade Impact on Industry Market Share**

December 2011 (000s)	Equity Options Volume Excluding Dividend Trades	Dividend Trade Volume	Total Reported Equity Options Volume	True Market Share	Market Share With Dividend Trades	Market Share Difference	Dividend Trades as % of Equity Options Volume
PHLX	50,643.7	33,472.3	84,116.0	19.8%	28.2%	(8.4) pts	39.8%
CBOE	49,935.9	192.5	50,128.4	19.5%	16.8%	2.7 pts	0.4%
ISE	**47,566.7**	**0.0**	**47,566.7**	**18.6%**	**15.9%**	**2.7 pts**	**0.0%**
AMEX	43,241.9	153.4	43,395.3	16.9%	14.5%	2.4 pts	0.4%
ARCA	30,270.9	8,989.4	39,260.3	11.8%	13.1%	(1.3) pts	22.9%
NSDQ	12,537.7	0.0	12,537.7	4.9%	4.2%	0.7 pts	0.0%
BOX	10,421.8	0.0	10,421.8	4.1%	3.5%	0.6 pts	0.0%
BATS	7,498.2	0.0	7,498.2	2.9%	2.5%	0.4 pts	0.0%
C2	3,772.4	4.7	3,777.1	1.5%	1.3%	0.2 pts	0.1%

***This calculation is based on in-the-money call options with a premium of $0.50 or more, and with trades greater than 1,000 contracts. Only trades with the closest expiration are considered. Exchanges without fee caps are excluded. This dividend trade volume information is presented for informational purposes only. It is provided on an "as is" basis, without warranty of any kind. ISE does not guarantee its accuracy or completeness, and ISE accepts no responsibility for any errors or omissions in, or the consequence of relying or acting upon, this information.*

ISE Background

The International Securities Exchange (ISE) operates a leading U.S. options exchange and offers options trading on over 2,000 underlying equity, ETF, index, and FX products. As the first all-electronic options exchange in the U.S., ISE transformed the options industry by creating efficient markets through innovative market structure and technology. Regulated by the Securities and Exchange Commission (SEC) and a member-owner of The Options Clearing Corporation (OCC), ISE provides investors with a transparent marketplace for price and liquidity discovery on centrally cleared options products. ISE continues to expand its marketplace through the ongoing development of enhanced trading functionality, new products, and market data services. As a complement to its options business, ISE has expanded its reach into multiple asset classes through strategic investments in financial marketplaces and services that foster technology innovation and market efficiency. Through minority investments, ISE participates in the securities lending and equities markets. ISE also licenses its proprietary Longitude technology for trading in event-driven derivatives markets.

ISE is a wholly owned subsidiary of Eurex, a leading global derivatives exchange. Eurex itself is jointly operated by Deutsche Börse AG (Ticker: DB1) and SIX Swiss Exchange AG. Together, Eurex and ISE are the global market leader in individual equity and equity index derivatives. For more information, visit www.ise.com.

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