



International Securities Exchange Holdings, Inc.

First Quarter 2007
Earnings Conference Call

April 25, 2007

Forward Looking Statements

Certain matters discussed in this presentation are “forward looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements, to be materially different from those contemplated by the forward looking statements. We undertake no ongoing obligation, other than that imposed by law, to update these statements. Factors that could affect our results, levels of activity, performance or achievements and cause them to materially differ from those contained in the forward looking statements can be found in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, current reports on Form 8-K and quarterly reports on Form 10-Q, as amended.



2007 Strategic Update

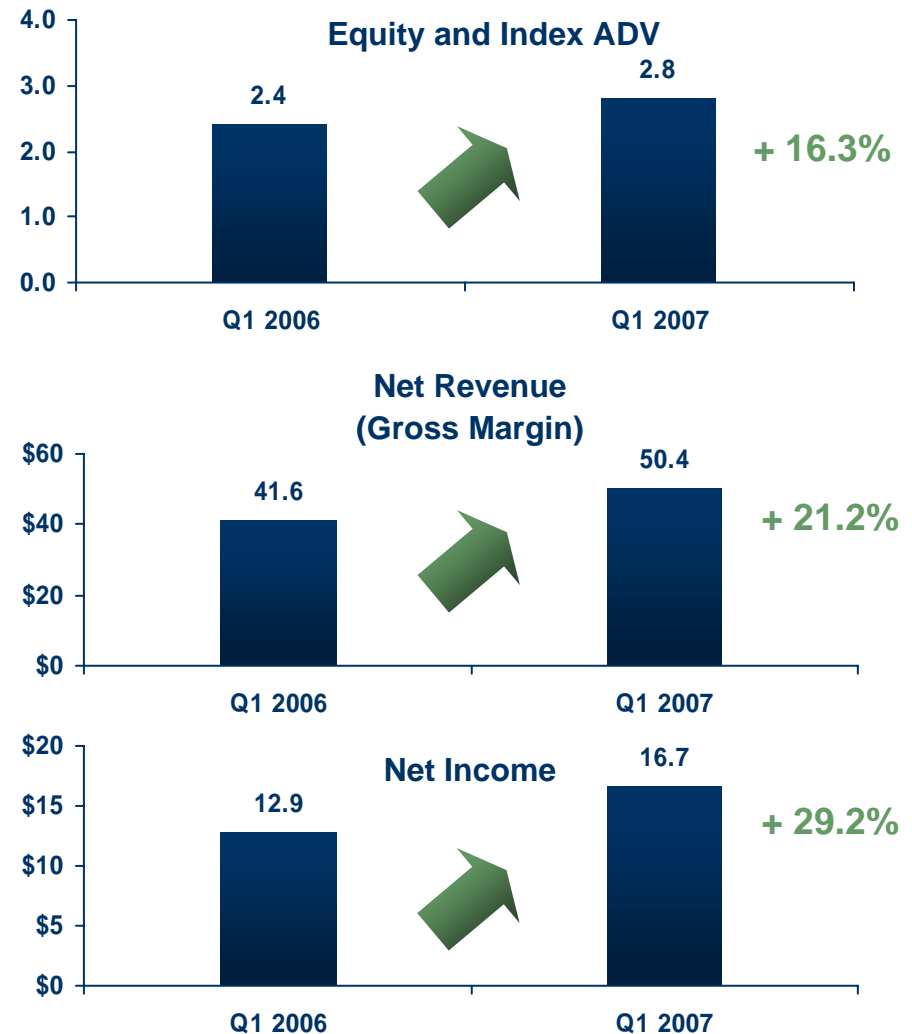


First Quarter 2007 Financial Performance

(in millions)

- Double-digit growth in all key financial metrics
- Record average daily volume
- Record net income
- Pre-tax margin of 58.6%

Options Exchange Segment



Solid Quarter; Expanding Profit Margins



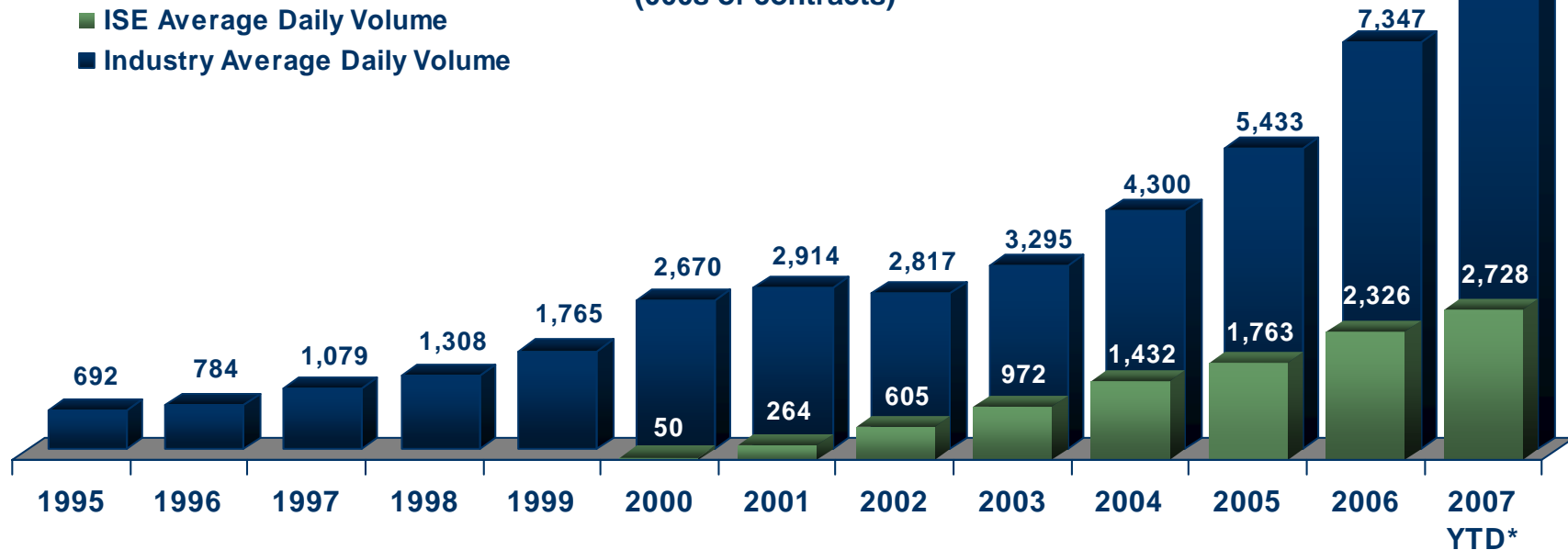
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Continued Volume Growth

U.S. Equity Options Growth

1995 – 2007 YTD*

(000s of contracts)



(000s)	2005	2006	2007 YTD
Industry average daily volume in dividend trades	183.9	311.1	366.3
Industry average daily volume, adjusted	5,249	7,036	8,667
Dividend trades as a percent of reported industry volume	3.4%	4.2%	4.1%

Source: OCC and ISE estimates.

* Data through 3/31/07

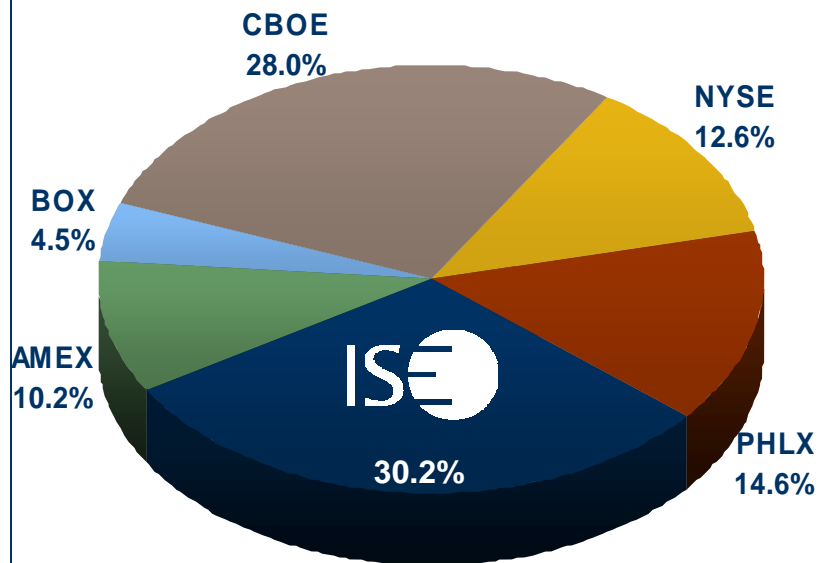


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Volume, Not Market Share, is Key

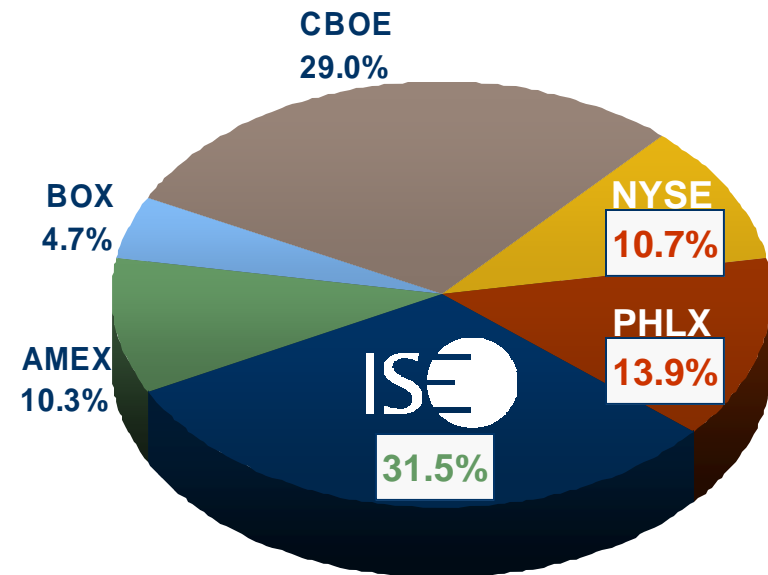
Q1 2007 Equity Options Market Share

Q1 2007 Reported Market Share



Average Daily Volume (000's): 9,033

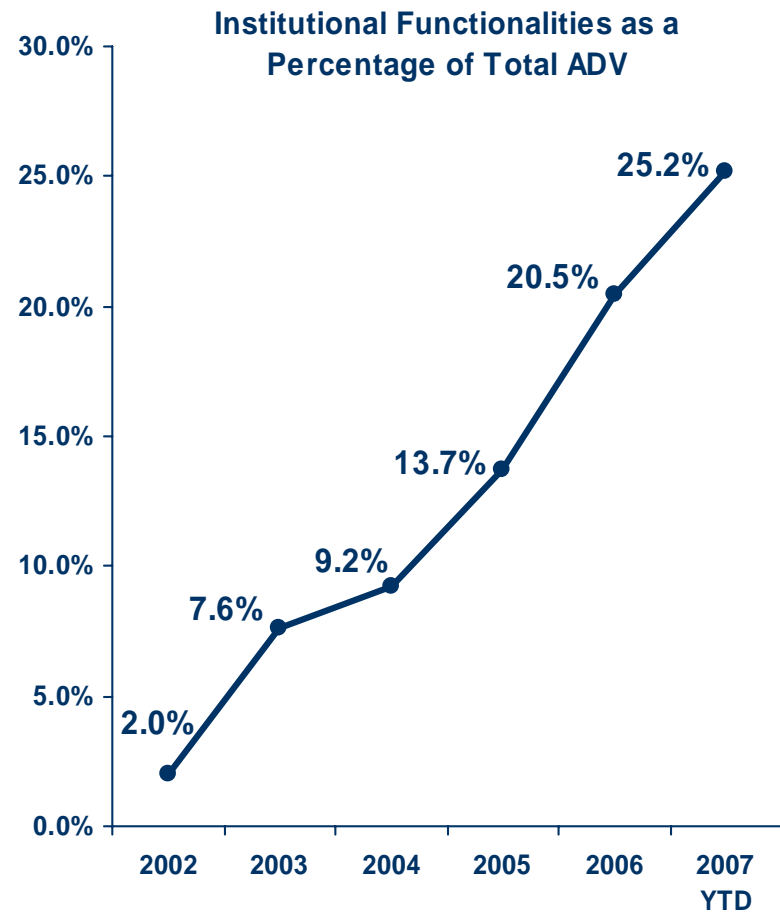
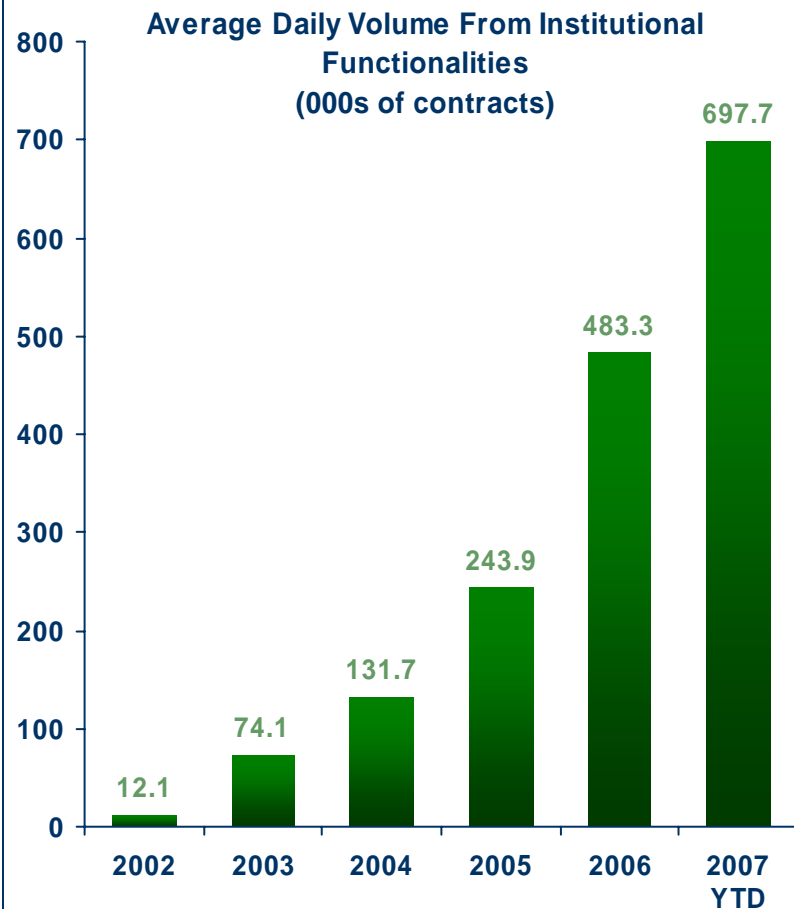
Q1 2007 Adjusted Market Share*



Average Daily Volume (000's): 8,667

* Excludes the impact of dividend trade activity.
 Source: OCC and ISE estimates.
 Data through 3/31/07

Institutional Growth Opportunities



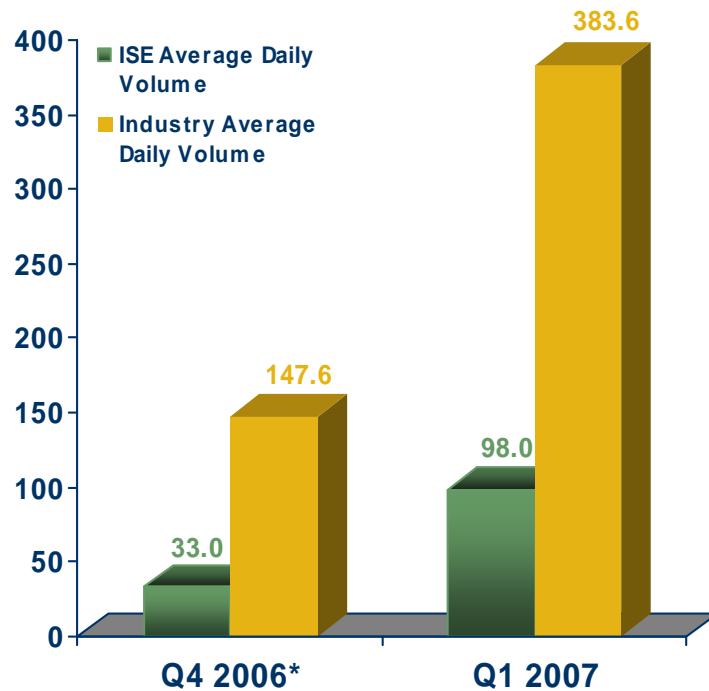
Targeting Institutional Investors



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Second Market

Average Daily Volume
(000s of contracts)



Second Market Statistics

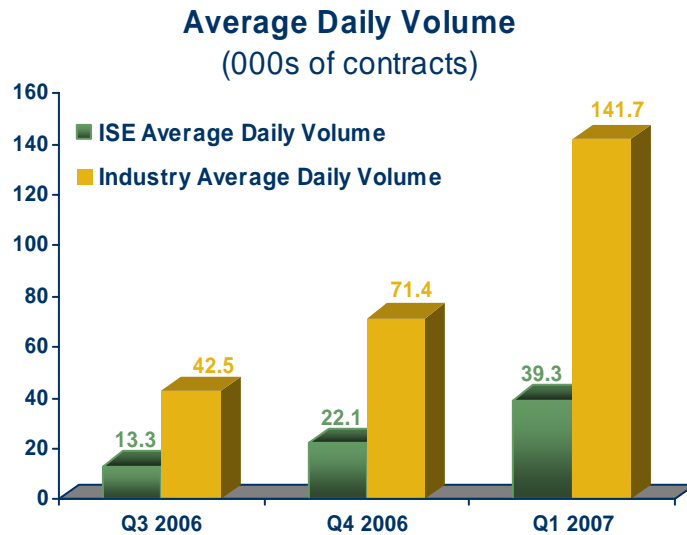
	Q4 2006*	Q1 2007
ISE Second Market Market Share	22.4%	25.5%
ISE Equity Options Market Share	30.1%	30.2%
Average number of listings during period	280	655

*Trading in the Second Market began on 10/16/06. Q4 2006 ADV is based on the 53 trading days in which the Second Market securities traded.



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Quarterly Options



Quarterly Options Statistics

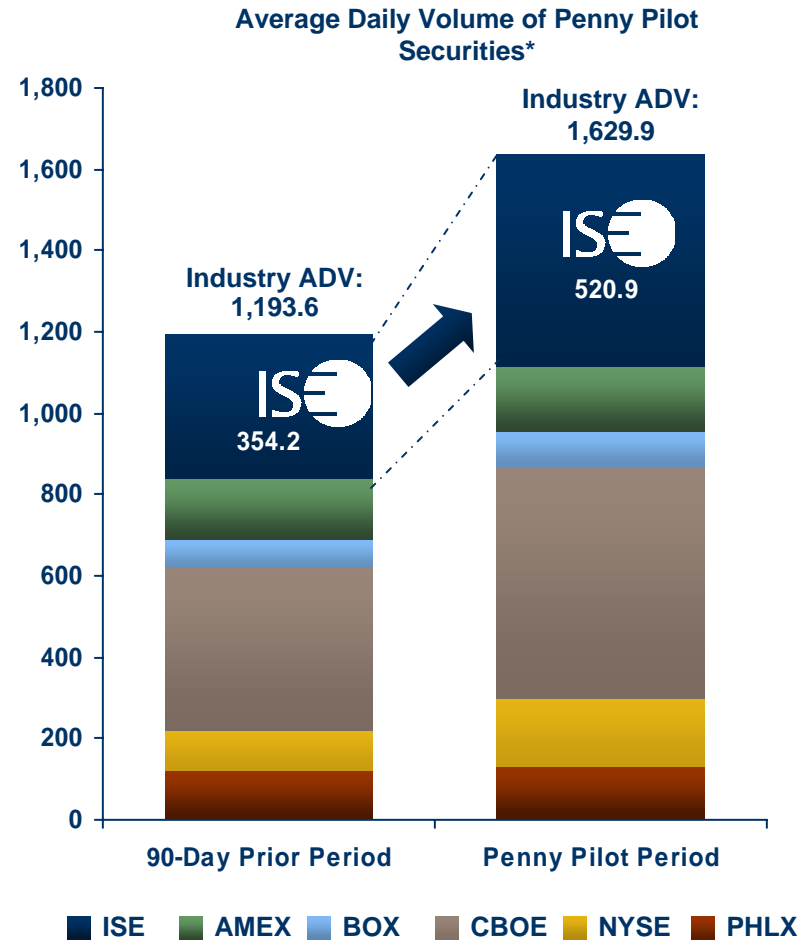
	Q1 2007
ISE's Quarterly Options Market Share	27.7%
ISE's Equity Options Market Share	30.2%

- Currently available for 5 options classes:
 - Standard & Poor's Depository Receipts® (SPY)
 - Nasdaq-100® Shares (QQQQ)
 - Diamonds® Trust Series 1 (DIA)
 - iShares Russell 2000® Index Fund (IWM)
 - Select Sector SPDR® - Energy (XLE)

*All market share and volume calculations begin on 7/10/06 when trading in Quarterly Options began.

Penny Pilot Update

- **Volumes** have increased
- **Spreads** have decreased
- **Quote size** has decreased
- **Quote traffic** has increased
- **PFOF** has decreased



ISE Volume +47%, Industry Volume +37%

* Average daily volume is the aggregate amount for all 13 penny pilot name securities. 90-day prior period is from 10/25/06 – 1/25/07; Penny Pilot period is from 2/9/07 – 4/23/07

ISE Stock Exchange Update

- Trading volume continued to increase
- Reg NMS compliant
- New users connecting to exchange
- Strategy on track

Steady Progress as Planned



Quarterly Financial Performance

ISE Holdings, Inc.

(\$MM)	Q1 2007	Q1 2006	Change
Net revenues (Gross Margin)	\$ 50.5	\$ 41.6	21.5%
Total expenses	<u>27.2</u>	<u>21.0</u>	29.6%
Operating income	\$ 23.3	\$ 20.5	13.2%
Interest and investment income	3.2	1.6	100.7%
Minority interest	<u>3.0</u>	<u>-</u>	n/m
Income before provision for income taxes	\$ 29.5	\$ 22.2	33.3%
Provision for income taxes	<u>12.8</u>	<u>9.7</u>	31.9%
Net income	\$ 16.7	\$ 12.4	34.4%
EPS (Fully Diluted)	\$ 0.42	\$ 0.32	31.3%
Pre-tax margin	58.5%	53.3%	5.2 pts

Expanding Pre-Tax Margins

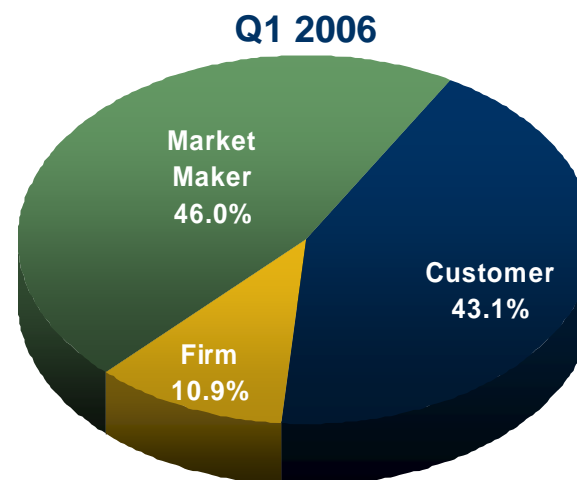
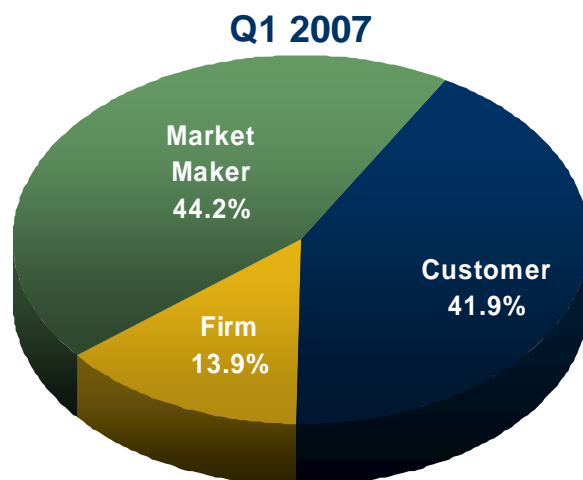


Key Statistical Information

Options Exchange Segment

(MM)	Q1 2007	Q1 2006	Change
Average daily volume	2.8	2.4	16.3%
Average net transaction fee per side	\$ 0.113	\$ 0.105	8.4%
Average fee per revenue side	\$ 0.174	\$ 0.176	(1.1)%
Average number of issues traded	1,643	854	92.4%

Trading Volume Mix



Average Number of Issues Traded

Primary market:	988
Second Market:	655

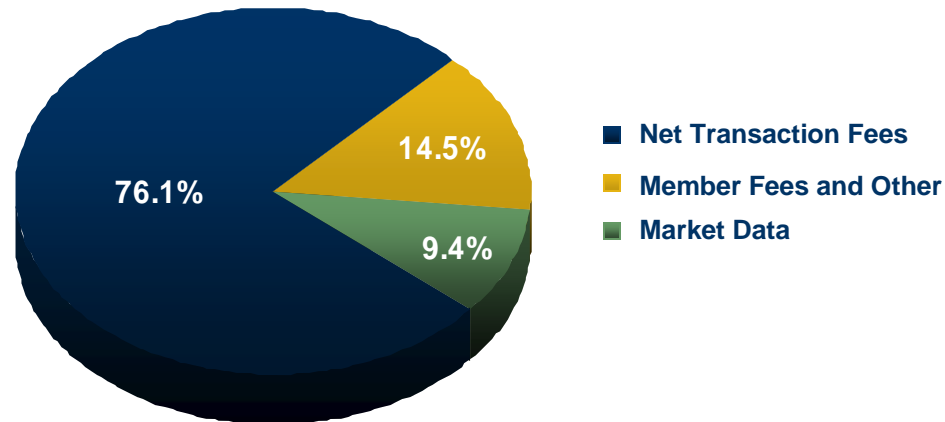


Net Revenues

Options Exchange Segment

(MM)	Q1 2007	Q1 2006	Change
Net transaction fees	\$ 38.3	\$ 30.9	24.1%
Member fees and other	7.3	5.6	30.0%
Market data	<u>4.7</u>	<u>5.1</u>	(6.2)%
Net revenues	\$ 50.4	\$ 41.6	21.2%

Q1 2007 Net Revenues



Increased Volumes Drive Top Line Growth



Direct Expenses

Options Exchange Segment

(\$MM)	Q1 2007	Q1 2006	Change
Compensation and benefits	\$ 12.8	\$ 10.9	17.1%
Technology and communications	4.3	3.5	23.4%
Occupancy	1.3	1.3	(1.3)%
Professional fees	1.7	1.3	32.8%
Marketing and business development	0.5	0.6	(13.7)%
Depreciation and amortization	1.7	1.5	14.6%
Other	<u>1.3</u>	<u>1.0</u>	30.2%
Total expenses	\$ 23.6	\$ 20.1	17.4%

Expense Growth in Line With Plan



Summary Cash Flow

ISE Holdings, Inc. (\$MM)	Three Months Ended March 31,	
	2007	2006
Net cash provided by operating activities	\$ 4.9	\$ 6.5
Net cash provided by/(used in) investing activities	(11.1)	2.1
Net cash provided by/(used in) financing activities	<u>(3.5)</u>	<u>(0.3)</u>
(Decrease)/increase in cash and cash equivalents	\$ (9.8)	\$ 8.4
Cash and cash equivalents, beginning of period	<u>200.0</u>	<u>170.9</u>
Cash and cash equivalents, end of period	\$ 190.2	\$ 179.3
Investments: securities owned	\$ 99.5	\$ 92.8

Strong Cash Flow From Operations



Summary Balance Sheet

ISE Holdings, Inc.

(\$MM)	3/31/2007	12/31/2006
Cash and cash equivalents	\$ 190.2	\$ 200.0
Total assets	402.0	396.4
Total liabilities	94.2	101.8
Minority interest	33.3	36.3
Stockholders' equity	\$ 274.5	\$ 258.3

High Liquidity; No Debt



Summary

- Strong financial performance in options business continues
- Maximizing operational efficiencies (expanding margins)
- ISE Stock Exchange progressing as planned
 - Positioned to benefit from Reg NMS
- Launch of International business with TSX joint venture
- Positive results from Penny Pilot
- CEO succession plan in place



GAAP to Non-GAAP Reconciliation

In an effort to provide additional information regarding our results as determined by U.S. generally accepted accounting principles, or GAAP, we also disclose certain non-GAAP information which we believe provides useful information. Our management reviews this non-GAAP financial measurement when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measures should be considered in the context with our GAAP results.

We have disclosed financial measures using our net transaction fees which we define as our transaction fees less activity remittance fees and ETF and index license fees. Under GAAP, activity remittance fees and ETF and index license fees are required to be recorded on a gross basis. Since activity remittance fee and ETF and index license fees are wholly offset by corresponding amounts in transaction fees, management believes presenting net transaction fees provides a clearer measure of our transaction related performance.

INTERNATIONAL SECURITIES EXCHANGE HOLDINGS, INC.
GAAP to NON GAAP RECONCILIATION
(in thousands)
(unaudited)

<u>Options Exchange Segment</u>	<u>Three Months Ended March 31, 2007</u>	<u>Three Months Ended March 31, 2006</u>
Revenues:		
GAAP Transaction fees, as reported	\$ 43,885	\$ 36,867
Less activity remittance fees	3,897	4,345
Less license fees, liquidity rebates, and brokerage fees	1,656	1,625
Net transaction fees, as adjusted	\$ 38,332	\$ 30,897



Appendix

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Q&A