



**BOX**  
BOSTON OPTIONS EXCHANGE

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## **BOSTON OPTIONS EXCHANGE (BOX) COMPLETES FIRST SIX MONTHS OF TRADING**

BOSTON, August 11, 2004 – The Boston Options Exchange (BOX), the only options exchange with price improvement for customer orders, has completed its first six months of operation. From its initial launch on February 6, 2004, with options on six classes, BOX now lists options on 248 classes of options and continues to steadily increase its market share.

“We are excited by the interest, reception and participation BOX has received in its first six months,” said Kenneth Leibler, chairman of BOX. “The number of active BOX participants and new applicants continues to expand. In addition, we are seeing new vendors connect to our platform paving the way for even more growth in the coming months.”

There are presently 75 firms with direct connections to the BOX trading engine with an additional 25 in development; as further endorsement of its success BOX recently announced that Morgan Stanley, the largest US equity options trading firm, had become an equity partner in BOX LLC.

BOX recently set several records, including:

- Most contracts traded in a single session: 152,954 contracts on July 16, 2004
- Most contracts traded in a single class in a single session: 37,215 QQQs traded on August 6, 2004
- Highest monthly daily average volume: 93,115 contracts per day in July, 2004

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“Our market share in the classes we trade approaches 4% with double digit market share in several individual classes,” said Will Easley, managing director of BOX. BOX plans to add an additional 200 classes during the second half of 2004, subject to receiving all necessary regulatory approvals. “BOX has had numerous trading days of over 100,000 contracts with more than 6.8 million contracts traded year-to-date,” added Easley.

“We have been very pleased to be participants in the rollout and first six months of trading at BOX,” said Will Bartlett, partner at Parallax Fund in San Francisco. “The BOX ‘pay as you go’ model without seats or monthly fees has significantly lowered our per contract trading costs overall. The BOX trading system and network has been consistently reliable and stable. As BOX continues to grow and attract more participants, the liquidity will further improve and spreads will continue to tighten. We look forward to increasing our participation in BOX as we believe it is the platform of the future due to its greater efficiency and lower costs.”

“BOX’s innovative Price Improvement Process (“PIP”) has also delivered on its promise,” continued Easley. “During the first six months, over 700,000 contracts were traded in the PIP auction, representing cumulative year-to-date savings to investors of over \$ 1.4 million. Average price improvement to customer orders entering the PIP continues to average nearly \$2 per contract over the best price available on the other five exchanges.”

David Battan, general counsel at Interactive Brokers LLC, commented, “Firms like ours that offer true, real-time best execution order routing need to look at the BOX market because the BOX PIP auction frequently allows customers to get better prices on certain orders than are available anywhere else.”

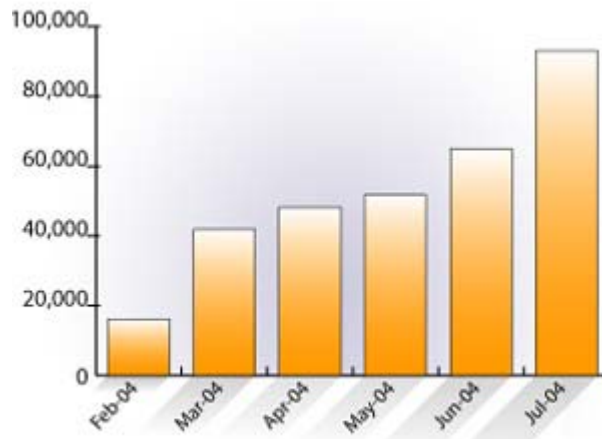
BOX’s equity partners are among the most important options firms in the US: Citigroup, Credit Suisse First Boston, Interactive Brokers, JPMorgan, Morgan Stanley and UBS.

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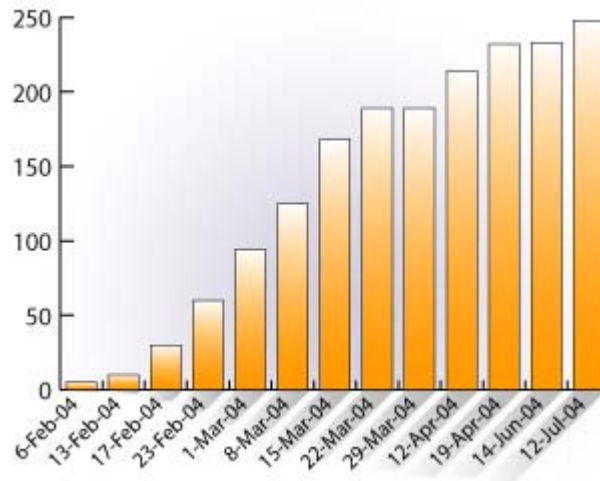


**BOX growth illustrated:**

**Monthly Average Daily Volume, February to July 2004**



**Graph of increase in number of classes**



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**About BOX:**

The BOX model represents a significant innovation in options trading with a market structure that operates with unprecedented low-costs that eliminate barriers to trading, an electronic auction feature that offers customers price improvement, and a model that functions without a trading floor.

The Boston Options Exchange Group LLC (BOX) was established in February 2002 by Boston Stock Exchange, Inc. (BSE), Bourse de Montréal, Inc., and Interactive Brokers Group LLC. BOX is an all-electronic equity derivatives market and was created as an alternative to the existing market models. BOX launched trading in February 2004. For more information, see BOX website: [www.bostonoptions.com](http://www.bostonoptions.com). Since BOX is an all-electronic options exchange it provides great diversification for the Boston Stock Exchange's core business of equity trading.

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