

CBOE News Release

Chicago Board Options Exchange
400 S. LaSalle Street
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FOR IMMEDIATE RELEASE

CBOE TO MOVE FORWARD WITH PLANS TO CONVERT TO FOR-PROFIT

CHICAGO, September 14, 2005 – The Chicago Board Options Exchange announced today that its Board of Directors approved the recommendations of the CBOE Business Model Task Force to begin the process of converting CBOE to a for-profit stock corporation.

Initial steps in CBOE's transition toward a for-profit business model will begin in 2006 and will include a streamlined 2006 operating budget, and a reconstitution of the composition and functions of the 2006 governance and advisory committees to reflect those of a for-profit enterprise.

The transition will recognize the dual interest of owners as both members and owners during the conversion process as well as the need to address the exercise rights held by Chicago Board of Trade (CBOT) Full Members.

"The willingness to compete and to adapt to a changing marketplace has enabled CBOE to continue to lead the industry it created more than 32 years ago. Today, the unprecedented levels of competition brought about by new competitors and new technologies require increased autonomy and agility in order for CBOE to maintain its leadership role. The decision by the CBOE board of directors recognizes that need, as well as CBOE's ability to change and to compete," said William J. Brodsky, CBOE Chairman and CEO.

"It is imperative for CBOE to respond quickly and decisively to the rapid pace of change in today's marketplace. The for-profit model can improve the exchange's ability to react more quickly to competitive challenges and opportunities alike. There are still a number of hurdles to overcome in order to complete the process, but today's decision represents an important first step in CBOE's transition to a for-profit corporation," said CBOE Vice Chairman Edward T. Tilly.

CBOE, the world's largest options exchange and creator of listed options, is regulated by the Securities and Exchange Commission (SEC). For additional information about the CBOE and its products, visit the CBOE website at: www.cboe.com.

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