X-pand into the Future

e u r e x *circular 261/05*

Date: Frankfurt, December 23, 2005
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **High Priority**

1. Increased Flexibility in and Renaming of DAX® and SMI® Packages in Advanced Market-Making

2. Introduction of Options Contracts and LEPOs on Swiss Registered Shares

3. Reduction of Maximum Maturities for Options on HypoVereinsbank

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Content may be most important for:	**Attachments:**
➲ All departments	1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich: Annex A 2. Extracts of Clearing Conditions for Eurex Clearing AG On the Eurex website only: 3. Market Maker Obligations 4. Market Maker Application

Summary:

1. In their session on December 14, 2005, the Management Boards of the Eurex Exchanges decided to make adjustments to the DAX® and SMI® Packages in Advanced Market-Making as of **January 1, 2006.**
2. In the same meeting, the Management Boards of the Eurex Exchanges decided to introduce options and LEPOs on registered shares of Actelion, Converium Holding, Geberit and Logitech as of **January 23, 2006**.
3. Furthermore, it was decided to reduce the maximum maturity of options on HypoVereinsbank (HVM) from currently 24 months to twelve months as of **December 19, 2005**.

1. Increased Flexibility in and Renaming of DAX® and SMI® Packages in Advanced Market-Making

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1. Increased Flexibility in and Renaming of DAX® and SMI® Packages in Advanced Market-Making

In their session on December 14, 2005, the Management Boards of the Eurex Exchanges decided to rename the DAX® and SMI® Packages in Advanced Market-Making as German Package and Swiss Package, respectively, effective **January 1, 2006** and to make these packages more flexible. Thus, all German and Swiss stock options will be part of the German Package or Swiss Package, respectively. In the Market Maker Obligations the number of exceptions per month will be increased at the same ratio for each package so that Quote Obligations remain unchanged, but offer even higher flexibility in permanent quotation.

Detailed Market Maker Obligations valid as of January 1, 2006, can be downloaded from the Eurex website under the following path:

www.eurexchange.com > Member Section > Market Making

2. Introduction of Options Contracts and LEPOs on Swiss Registered Shares

Furthermore, the Management Boards of the Eurex Exchanges decided to introduce options and LEPOs on registered shares of Actelion, Converium Holding, Geberit and Logitech. Start of trading will be **January 23, 2006**. Expirations for February, March, April, June, September, and December 2006 will be set up as well as for June and December 2007. Thus, maturities of up to a maximum of 24 months will be available.

2.1 Product and Product Parameters

Stock Option	Eurex Code	ISIN	Contract Size	Position Limit	Margin Interval
Actelion	ATLN	CH0010532478	10	525,130	13 %
Converium Holding	CHRN	CH0012997711	100	366,724	11.5 %
Geberit	GEBN	CH0008038223	10	104,000	10 %
Logitech	LOGN	CH0021655334	100	203,319	10.5 %

2.2 Trading Phases (CET)

Pre-Trading	Trading (PO+Trading)	Post-Trading Full	OTC Trading	Last Trading Day	
				Trading until	Exercise/ Notify until
07:30-8:52	08:52-17:20	17:20-19:00	09:00-18:30	17:20	20:00

2.3 Market-Making

Market-Making will be based on Regular Market-Making (RMM), Permanent Market-Making (PMM) and Advanced Market-Making within the Swiss Package. RMM and PMM will be offered as of January 23, 2006, whereas AMM will be available as of February 1, 2006. The number of monthly exceptions for products which

do not require quotation within the Swiss Package for AMM will be increased from currently three to five products as of January 1, 2006, and to nine products as of February 1, 2006.

Market-making parameters of the new products are as follows:

Stock Option	Spread Class	Minimum Quote size		Maturity Range for PMM/AMM (months)
		RMM	PMM	
Actelion	9	100	50	12
Converium Holding	7	100	50	12
Geberit	9	50	20	12
Logitech	8	50	20	12

Detailed Market Maker Obligations at Eurex in its version valid as of January 23, 2006 and February 1, 2006 are available for download from the Eurex website under the path:

www.eurexchange.com > Member Section > Market-Making

If you are interested in market-making for these options, please complete and return the Market Maker Application Form valid from January 23, 2006 by **January 12, 2006** for the attention of **Weiwei Wang** at fax no. **+49-69-211-1 44 61**. This form can be downloaded from the Eurex website at:

www.eurexchange.com > Member Section > Eurex Derivatives Forms > Market-Making

2.4 Mistrade Ranges

Mistrade Ranges for the four new stock options will also be published on the Eurex website as of start of trading on January 23, 2006 under the path:

www.eurexchange.com > Products > Equity Derivatives > Options on Other Stocks

2.5 Vendor Product Codes

Vendor product codes will be published as of start of trading on the Eurex website:

www.eurexchange.com > **Products > Vendor Product Codes**.

2.6 Transaction Limits, OTC Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees

The same values which currently relate to the existing Swiss equity options will apply, as appropriate.

2.7 OTC Flexible Options Functionality

The Flexible Options Functionality will also be available for the four new Swiss stock options subject to the General Conditions for Participation. Should you require ISINs for any Flexible Option for internal processing, please refer to WM Datenservice (www.wmdaten.de).

2.8 Preparation for Start of Trading

- On January 17, 2006 (Tuesday) the new options as well as their associated Margin Classes will be set up in the Eurex® system. Corresponding back-office transactions will be transmitted electronically.
- From January 18, 2006 (Wednesday) to January 20, 2006 (Friday) after close of trading, settlement prices for all tradable options contract months will be transmitted. In addition, transactions for the respective PMI file will be generated. Theoretical prices for options, transmitted during end of day processing after 21:00 CET, should be ignored.
- Trading in the four new Swiss stock options will start on Monday, January 23, 2006. Orders and quotes may be entered into the Eurex® system from 07:30 CET onwards.

3. Reduction of Maximum Maturities for Options on HypoVereinsbank

The Management Boards of the Eurex Exchanges took the decision to reduce maximum maturity of options contracts on HypoVereinsbank (HVM) from currently 24 months to twelve months as of **December 19, 2005**.

Frankfurt, December 23, 2005

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Annex A in relation to subsection 2.6 of the contract specifications:

	Product ID	Country	Contract size	Term (month)	Minimum price alteration
Options on Dow Jones EURO STOXX 50® Index Components (EUR)					
[….]					

	Product ID	Country	Contract size	Term (month)	Minimum price alteration
Options on SMI® Components (CHF)					
[….]					

	Product ID	Country	Contract size	Term (month)	Minimum price alteration
Other Stock Options (EUR)					
Accor	ACR	FR	100	60	0.01
Actelion*	ATLN	CH	10	24	0.01
Adidas	ADS	DE	100	24	0.01
AGF	AGF	FR	100	60	0.01
Aixtron	AIX	DE	100	12	0.01
Akzo Nobel	AKU	NL	100	60	0.01
Altana	ALT	DE	100	24	0.01
ASML	ASM	NL	100	60	0.01
Autostrade	AOP5	IT	500	24	0.0005
Banca Intesa	IES5	IT	1.000	24	0.0005
Beiersdorf	BEI	DE	10	12	0.01
BMW	BMW	DE	100	24	0.01
Bouygues	BYG	FR	100	60	0.01
Buhrmann	KNP	NL	100	60	0.01
Cap Gemini	CGM	FR	100	60	0.01
Casino Guichard	CAJ	FR	100	60	0.01
Celesio	CLS	DE	100	12	0,01
Cisco Systems	CIS	US	100	12	0.01
Citigroup	TRV	US	100	12	0.01
Commerzbank	CBK	DE	100	24	0.01
Continental	CON	DE	100	24	0.01
Converium Holding*	CHRN	CH	100	24	0.01
Depfa	DEP	IE	100	12	0.01
Deutsche Börse	DB1	DE	100	24	0.01
Deutsche Post	DPW	DE	100	24	0.01
Deutsche Postbank	DPB	DE	100	12	0.01
Dexia	DXB	BE	100	60	0.01
DSM	DSM	NL	100	60	0.01
EADS	EAD	NL	100	60	0.01
Elisa Communications	EIA	FI	100	12	0.01
Electricite de France	E2F	FR	100	60	0.01
Elsevier	ELV	NL	100	60	0.01

	Product ID	Country	Contract size	Term (month)	Minimum price alteration
EMC	EMP	US	100	12	0.01
Epcos	EPC	DE	100	24	0.01
Fiat	FIA5	IT	500	24	0.0005
Fortum	FOT	FI	100	12	0,01
Fresenius Medical Care	FME	DE	100	24	0.01
Gaz de France	GZF	FR	100	60	0.01
Geberit*	GEBN	CH	10	24	0.01
General Electric	GEC	US	100	12	0.01
Getronics	GTO	NL	100	60	0.01
Hagemeyer	HMY	NL	100	60	0.01
Hannover Rückversicherung	HNR1	DE	100	12	0,01
Heineken	HNK	NL	100	60	0.01
Henkel	HEN3	DE	100	24	0.01
Hypo Real Estate	HRX	DE	100	12	0.01
HypoVereinsbank	HVM	DE	100	12	0.01
IBM	IBM	US	100	12	0.01
Infineon	IFX	DE	100	60	0.01
Intel	INL	US	100	12	0.01
Karstadt Quelle	KAR	DE	100	24	0.01
KPN	KPN	NL	100	60	0.01
Linde	LIN	DE	100	24	0.01
Logitech*	LOGN	CH	100	24	0.01
Lufthansa	LHA	DE	100	24	0.01
MAN	MAN	DE	100	24	0.01
Mediaset	MDS5	IT	1,000	24	0.0005
Merck	MRK	DE	100	12	0,01
Metro	MEO	DE	100	24	0.01
Microsoft	MSF	US	100	12	0.01
MLP	MLP	DE	100	24	0.01
Mobilcom	MOB	DE	100	12	0.01
Neste Oil Corporation	NEF	FI	100	12	0,01
Numico	NUT	NL	100	60	0.01
Oracle	ORC	US	100	12	0.01
Pinault-Printemps	PPX	FR	100	60	0.01
Porsche	POR3	DE	10	24	0.01
Puma	PUM	DE	10	12	0.01
Qiagen	QIA	NL	100	12	0.01
Royal Dutch	ROY	NL	100	60	0,01
Sampo	SMPA	FI	100	12	0.01
SBM Offshore N.V.	SBMO	NL	100	60	0.01
Schering	SCH	DE	100	24	0.01
Schneider Electric	SND	FR	100	60	0.01
Sodexho Alliance	SJ7	FR	100	60	0.01
STMicroelectronics	SGM	NL	100	60	0.01
Stora Enso	ENUR	FI	100	12	0.01
Sulzer*	SUN	CH	10	24	0.01
Sun	SSY	US	100	12	0.01
Telecom Italia RNC	TQIR	IT	1,000	24	0,0005
TeliaSonera	TLSN	SE	500	12	0.01

	Product ID	Country	Contract size	Term (month)	Minimum price alteration
TF1	FSE	FR	100	60	0.01
Thalès	CSF	FR	100	60	0.01
Thomson	TNM	FR	100	60	0.01
ThyssenKrupp	TKA	DE	100	24	0.01
Tieto Enator	TTEB	FI	100	12	0.01
Time Warner	AOL	US	100	12	0.01
T-Online	TOI	DE	100	24	0.01
TUI	TUI	DE	100	24	0.01
UPM-Kymmene	RPL	FI	100	12	0.01
Van der Moolen	VMH	NL	100	60	0.01
Vedior	VED	NL	100	60	0.01
Veolia Environnement	VVD	FR	100	60	0.01
Vinci	SQU	FR	100	60	0.01
VNU	VNU	NL	100	60	0.01
VW	VOW	DE	100	24	0.01
Wolters Kluwer	WOS	NL	100	60	0.01

* ~~Sulzer~~ quoted in CHF.

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II. Chapter Transactions at Eurex Deutschland and Eurex Zürich

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2.6 Subpart: Clearing of Options Contracts and Low Exercise Price Options on Shares

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2.6.4 Reference Price

(1) For the determination of the reference price, the following spot markets are assigned to the shares options respectively the LEPOs:

- for options contracts or LEPOs on shares of German or US stock corporations, the electronic trading system of the Frankfurt Stock Exchange is assigned
- for options contracts or LEPOs on shares Swiss stock corporations[1] the electronic trading system of virt-x or of SWX is assigned
- for options contracts or LEPOs on shares of Scandinavian stock corporations, the electronic trading system of the Helsinki Stock Exchange is assigned

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[1] With respect to shares options and LEPOs on the Synthes securities, the regulations for option contracts respectively LEPOs on shares of Swiss stock corporations apply.