X-pand into the Future

e u r e x *circular 010/03*

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Recipients: All Eurex members and vendors
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Extension of Expiration Cycles in DAX® Options (ODAX)

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office

Attachments:

1. Contract Specifications
2. Market Maker Quote Obligations

Against the background of the strong volume growth in the DAX® Option (ODAX) and increasing interest from the most active trading participants, in their meeting of January 15, 2003 the Management Boards of the Eurex Exchanges made the decision to extend the maturity for the ODAX from a maximum of two years to a maximum of five years.

On **February 24, 2003** Eurex will add two expirations in each of the June/December cycle (30 and 36 months) and the December cycle (48 and 60 months). On that date, in addition to the expirations for MAR03, APR03, MAY03, JUN03, SEP03, DEC03, JUN04 and DEC04, expirations for JUN05, DEC05, DEC06 and DEC07 will also be made available for trading at Eurex (see Attachment 1).

The corresponding updates to section 2.2.2.5 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich will be published on our web-site "www.eurexchange.com" under the path 'market place > rules and regulations > trading conditions' prior to the introduction.

The introduction of the new series will take place on February 24, 2003 subject to the approval of the Exchange Council of Eurex Deutschland and the Administrative Council of Eurex Zürich.

The increased risk for Market Makers in quoting the longer-dated series will be mitigated by doubling the maximum spreads for quotes on maturities of 30, 36, 48 and 60 months (see Attachment 2).

Provisional Contract Specifications in DAX® Options (ODAX)

Underlying Instrument

The Deutscher Aktienindex (DAX®)

Contract Value

EUR 5 per DAX index point.

Settlement

Cash settlement, payable on the first exchange trading day following the last trading day

Quotation

In points, with one decimal place

Minimum Price Change

0.1 of a point, equivalent to a value of EUR 0.50

Last Trading Day

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the intra-day trading auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®) at 1:00 p.m. CET

Daily Settlement Price

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price

Final Settlement Price

The value of the DAX, determined on the basis of the collective prices of the shares contained in the DAX index as reflected in the intra-day trading auction on the electronic system of the Frankfurt Stock Exchange (Xetra)

Exercise

European style, i.e. an option may only be exercised on the Last Trading Day of the respective option series, up to the end of the Post-Trading Period

Expiration Months

The three nearest calendar months, the three following months within the quarterly cycle March, June, September and December thereafter, the four following months of the semi-annual cycle June and December thereafter as well as the two following months of the annual cycle December; i.e. options contracts are available with a duration of 1, 2, 3, 6, 9, 12, 18, 24, 30, 36, as well as max. 48 and 60 months.

Exercise Prices

Exercise Price intervals for DAX options are as follows:

Expiration months with a remaining term up to	Number of strike prices	Exercise Price gradations in index points
6 months	9	50
12 months	5	100
60 months	5	200

Each contract month will be introduced with at least five strike prices

Option Premium

The EUR equivalent of the premium in points is payable in full on the first exchange trading day following the trade date.

Trading Hours

8:50 a.m. until 8:00 p.m. CET.

Market Maker Obligations - DAX® Options (ODAX)

Minimum Size:

20 contracts on the bid and ask side in all option series.

Maximum Spreads

Maturity Months
1, 2, 3, 6, 9, 12, 18, 24,

Bid up to:	Spread
13.3	2.0
133.3	15%
9999.8	20.0

Maturity Months
30, 36, 48, 60 *

Bid up to:	Spread
13.3	4.0
133.3	30%
9999.8	40.0

Response to quote requests:

At least 50% of all Quote Requests have to be answered (up to a max. of 150 quote requests per day averaged over a month):

- within 1 minute

- with a minimum holding time of 10 seconds.

Market Maker Fees:

See Price List.

Fast Market:

In the Fast Market state, the maximum spreads will increase by 100% and the minimum quote size will be reduced to five contracts on the bid and ask side.

* Valid from February 24, 2003