Deutsche Börse

To the members of DTB
Deutsche Terminbörse

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Reduction in Ticks for One-Month and Three-Month Euromark Futures (LIB1 and LIB3) at the DTB

Circular no. 02/98

Dear Sir or Madam,

On January 7, 1998, the Exchange Council of DTB, the German Futures and Options Exchange, agreed to halve the tick interval for One-Month and Three-Month Euromark futures and to the relevant changes of the Conditions for Trading.

As already mentioned in Circular No. 85/97 the minimal price changes for One-Month and Three-Month Euromark futures shall be reduced to 0.005 percentage points as of January 20, 1998. The revised Conditions for Trading (Enlosure 1) and the rules for the calculation of the Final Settlement Price (Enclosure 2) valid as of January 20, 1998 are enclosed with this Circular.

Should you have any questions, please do not hesitate to call Christine Heyde on ++49-69-2101-5698.

With best wishes,

Jörg Franke

Christian Klapproth

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Enclosure

2 Part

Contract Specifications

2.1 Subpart

Contract Specifications for Futures Contracts

2.1.6 Sub-Subpart

Specifications for Futures Contracts on the Interest Rate for One-Month Euro Cash Deposits (One-Month Euromark Future) in Deutsche Marks

2.1.6.1. Subject Matter of Contract

(1) A One-Month Euromark Future is a futures contract on the interest rate for one-month cash deposits in Deutsche Marks. The value of a contract shall be DM 3,000,000.

(2) After the close of trading in the contract, the seller of a One-Month Euromark Future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of a One-Month Euromark Future shall pay in cash any difference between the agreed price and the lower final settlement price.

The final settlement price shall be determined by the Exchange on the final settlement day for a contract (subsection 2.1.6.2 paragraph (2) sentence 2) on the basis of the reference interest rate LIBOR in Deutsche Marks which will be calculated by the British Bankers 'Association for one-month Euro cash deposits.

2.1.6.2 Term, Last Trading Day

(1) Terms expiring on the final settlement day of the six succeeding calendar months are available for trading at the Exchange. The longest term is thus six months.

(2) The last trading day and final settlement day of a contract shall be the second trading day prior to the third Wednesday of the relevant performance month (calendar month pursuant to paragraph (1)) - provided that on this day the British Bankers 'Association has determined the reference interest rate LIBOR relevant to one-month Euro cash deposits, otherwise the preceding trading day. The close of trading for the expiring contract is 11:00 a.m. London time.

2.1.6.3 Price Gradations

The prices of the contracts shall be quoted in a percentage with three ~~two~~ decimal places on a basis of 100 less the interest rate traded.

The minimum change in price ('Tick ') shall be 0.005 ~~0.01~~ percentage points (DM 12.50 ~~25~~).

2.1.6.4 Performance, Cash Settlement

(1) The performance day shall be the exchange trading day after the final settlement day.

(2) Contracts shall be performed by cash settlement between Clearing Members and Deutsche Börse AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

2.1.7 Sub-Subpart

Specifications for Futures Contracts on the Interest Rate for Three-Month Euro Cash Deposits (Three-Month Euromark Future) in Deutsche Marks

2.1.7.1 Subject Matter of Contract

(1) A Three-Month Euromark Future is a futures contract on the interest rate for three-month cash depo sits in Deutsche Marks. The value of a contract shall be DM 1,000,000.

(2) After the close of trading in the contract, the seller of a Three-Month Euromark Future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of a Three-Month Euromark Future shall pay in cash any difference between the agreed price and the lower final settlement price.

The final settlement price shall be determined by the Exchange on the final settlement day for a contract (subsection 2.1.7.2 paragraph (2) sentence 2) on the basis of the reference interest rate LIBOR in Deutsche Marks which will be calculated by the British Bankers 'Association for three-month Euro cash deposits.

2.1.7.2 Term, Last Trading Day

(1) Terms expiring on the final settlement day of the three succeeding calendar months and also for the eleven succeeding quarter-end months (March, June, September and December) are available for trading at the Exchange. The longest term of a contract is thus three years.

(2) The last trading day and final settlement day of a contract shall be the second trading day prior to the third Wednesday of the relevant performance month (calendar month and quarterly month, respectively, pursuant to paragraph (1)) - provided that on this day the British Bankers 'Association has determined the reference interest rate LIBOR relevant to three-month Euro cash deposits, otherwise the preceding trading day. The close of trading for the expiring contract is 11:00 a.m. London time.

2.1.7.3 Price Gradations

The prices of the contracts shall be quoted in a percentage with <u>three</u> ~~two~~ decimal places on a basis of 100 less interest rate traded.

The minimum change in price ("Tick ") shall be <u>0.005</u> ~~0.01~~ percentage points (DM <u>12.50</u> ~~25~~).

2.1.7.4 Performance, Cash Settlement

(1) The performance day shall be the exchange trading day after the final settlement day.

(2) Contracts shall be performed by cash settlement between Clearing Members and Deutsche Börse AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

2.1.7.5 European Economic and Monetary Union

If the Federal Republic of Germany participates in Stage 3 of European Economic and Monetary Union (EMU) on January 1, 1999 or later, the Three-Month DM LIBOR rate will be replaced with effect from such date by the respective Three-Month Euro LIBOR rate as the reference interest rate (Subsection 2.1.7.1) in all delivery months of the Three-Month Euromark Future whose last trading day is on a date after the initiation of participation by the Federal Republic of Germany in EMU. Pursuant to Subsection 1.2.1 the Board of Management may for factual reasons determine conversion methods deviating from the aforementioned.

(Deletions are marked by strike through, insertions are marked by underlining.)

Enclosure 2

Deutsche Börse

Reduction in Ticks for Euromark-Futures at the DTB
Rules for the Calculation of the Final Settlement Price

DTB fixes the final settlement price based on the British Bankers' Association Interest Settlement Rate (BBA LIBOR) for One and Three-month Euromark deposits at 11.00 on the Last Trading Day. To fix the final settlement price, the rate is rounded to three decimal places by DTB and subtracted from 100. If required the rate is rounded to the next possible pricing interval (0.01 or 0.005 percentage points). If the third decimal place of the LIBOR rate is 3, 4, 6 or 7 it will be rounded to 0.005 percentage points and if the third decimal place is 1, 2, 8 or 9 to 0.01 percentage points or a multiple thereof (see example 1). If the fourth decimal place is exactly 5 then the rate is rounded down (see example 2).

Example 1

LIBOR Rate	Rounded	Final Settlement Price
3.43000	3.43	96.57
3.43**1**00	3.4**3**	96.57
3.43**2**00	3.4**3**	96.57
3.43**3**00	3.43**5**	96.565
3.43**4**00	3.43**5**	96.565
3.43**5**00	3.43**5**	96.565
3.43**6**00	3.43**5**	96.565
3.43**7**00	3.43**5**	96.565
3.43**8**00	3.4**4**	96.56
3.43**9**00	3.4**4**	96.56
3.44000	3.4**4**	96.56

Example 2

LIBOR Rate	Rounded	Final Settlement Price
3.43700	3.435	96.565
3.43750	3.43**5**	96.565
3.43751	3.44	96.56