X-pand into the Future

e u r e x *circular 245/07*

Date: Frankfurt, November 27, 2007
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich
Authorized by: Michael Peters

Action required

Compliance with SEC No-Action Relief for Familiarization of Certain U.S. Broker-Dealers and Large Financial Institutions with Eurex Options

Related Eurex Circulars: 101/06

Contact: Please see end of circular

Content may be most important for:

Ü Front Office/Trading
Ü Middle + Backoffice
Ü Auditing/Security Coordination

Attachments:

A Definition of an Eligible Broker-Dealer or Eligible Institution
B Sample of Letter of Qualified U.S. Customer to Eurex Participant
C Sample of Letter of Eurex Participant to Eurex Deutschland
D Eurex Disclosure Document: "Special Characteristics and Risks of Eurex Options on Stocks, Exchange-Traded Funds and Stock Indices"

Summary:

This circular outlines certain procedures for compliance with the July 27, 2005 no-action letter issued by the staff of the U.S. Securities and Exchange Commission (**"SEC"**) (and as modified by the SEC staff in a letter dated May 3, 2006) regarding the familiarization of certain U.S. broker-dealers and large financial institutions (**"Qualified U.S. Customers"**) with Eurex Deutschland (**"Eurex"**) and certain equity, equity index and exchange-traded fund options (collectively, the **"Options"**) traded on Eurex.

Eurex Deutschland
Neue Börsenstraße 1
60487 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
customer.support@
eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Thomas Lenz,
Michael Peters, Andreas Preuß,
Peter Reitz, Jürg Spillmann

ARBN: 101 013 361

Compliance with SEC No-Action Relief for Familiarization of Certain U.S. Broker-Dealers and Large Financial Institutions with Eurex Options

1. This circular outlines certain procedures for compliance with the July 27, 2005 no-action letter issued by the staff of the U.S. Securities and Exchange Commission (**"SEC"**) (and as modified by the SEC staff in a letter dated May 3, 2006) regarding the familiarization of certain U.S. broker-dealers and large financial institutions (**"Qualified U.S. Customers"**) with Eurex Deutschland (**"Eurex"**) and certain equity, equity index and exchange-traded fund options (collectively, the **"Options"**) traded on Eurex.

2. The no-action letter will permit employees of Eurex Frankfurt AG and Deutsche Börse AG (**"DBAG"**) and Eurex participants to engage in these familiarization activities subject to the following conditions:

   A. The familiarization activities must be limited to:

      (1) options on German, Swiss, Finnish, Dutch, Italian and French equities;

      (2) options on the Dow Jones STOXX 50® Index, the Dow Jones EURO STOXX 50® Index, the Dow Jones Global Titans 50℠ Index, the blue chip DAX® Index, the TecDAX® Index, the Swiss Market Index (SMI®) and the Finnish Stock Index (OMXH 25®); and

      (3) options on the DAX® EX exchange-traded fund, the Dow Jones EURO STOXX 50® EX exchange-traded fund, the iShares DJ EURO STOXX 50® exchange-traded fund and the XMTCH on SMI® exchange-traded fund.

   B. Eurex participants must take reasonable steps to ensure (with appropriate record-keeping), before accepting an order for any option transaction for or with a U.S. Customer, that:

      (1) the Qualified U.S. Customer is an Eligible Broker-Dealer or Eligible Institution (as defined in Attachment A to this circular);

      (2) the Qualified U.S. Customer is acting for its own account or the account of another Eligible Broker-Dealer or Eligible Institution or the managed account of a non-U.S. person (within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act of 1933 as defined in Attachment A to this circular);

      (3) the Qualified U.S. Customer has had prior actual experience with traded options in the U.S. options market (and, therefore, would have received the disclosure document for U.S. standardized options (the **"ODD"**) called for by Rule 9b-1 under the U.S. Securities Exchange Act of 1934 (the **"Exchange Act"**); and

      (4) the Qualified U.S. Customer has received a current version of the Eurex document entitled "Special Characteristics and Risks of Eurex Options on Stocks, Exchange-Traded Funds and Stock Indices" (the **"Eurex Disclosure Document"**), which is included as Attachment D to this circular.

   C. Eurex participants that are not U.S. registered broker-dealers may deal with Eligible Institutions only in accordance with Rule 15a-6 under the Exchange Act, principally through U.S. broker-dealers as provided in that Rule.

   D. Eurex participants must obtain written confirmations from any Eligible Broker-Dealer or Eligible Institution seeking to purchase or sell options, signed by an authorized signatory, in the form prescribed in Attachment B to this circular.

E. DBAG and Eurex Frankfurt AG may not engage in any general advertising concerning options in the United States. Furthermore, copies of the Eurex Disclosure Document may be provided only to Eligible Broker-Dealers and Eligible Institutions.

F. However, DBAG and Eurex Frankfurt AG may appoint certain DBAG and Eurex Frankfurt AG employees to act as their representatives in the United States. Eurex representatives in the United States and outside the United States (collectively, "Representatives") may be available to respond to inquiries from Eligible Broker-Dealers and Eligible Institutions concerning options.

G. Any Representative may make personal calls on and correspond or otherwise communicate with entities whom such Representative reasonably believes to be Eligible Broker-Dealers and Eligible Institutions to familiarize them with the existence and operations of Eurex. Any Eligible Broker-Dealer or Eligible Institution must be provided with the Eurex Disclosure Document upon its first visit, communication or inquiry regarding Options.[1]

H. Representatives must maintain a reasonable supply of the Eurex Disclosure Document, and of the most recently published annual report of DBAG, to respond to requests therefore from Eligible Broker-Dealers and Eligible Institutions.

I. Representatives may also participate in programs and seminars in the United States.

J. However, Representatives may not give investment advice or make any recommendations with respect to specific Options, nor may Representatives solicit, take or direct orders, nor recommend or refer particular Eurex participants. If requested by an Eligible Broker-Dealer or Eligible Institution, a Representative may make available to the requester a list of all Eurex participants empowered to take orders from the public and any registered U.S. broker-dealer affiliates to such Eurex participants.

K. Eurex participants, before effecting an options transaction with or for an Eligible Broker-Dealer or Eligible Institution, must determine that the Eligible Broker-Dealer or Eligible Institution has received the ODD and the Eurex Disclosure Document and maintain a record of that determination.

3. It must be emphasized that if a Eurex participant wishes to accept an order for any option for or with a Qualified U.S. Customer pursuant to the no-action letter

   A. the Eurex participant must take reasonable steps to ensure (with appropriate record-keeping) that its Qualified U.S. Customer has received a current version of the Eurex Disclosure Document (as described in paragraph 2(B)(4) above); and

   B. the Eurex participant must obtain a written confirmation from the Qualified U.S. Customer seeking to purchase or sell options, signed by an authorized signatory, in the form prescribed in Attachment B to this circular (as described in paragraph 2(D) above).

4. Furthermore, if a Eurex participant wishes to accept one or more orders for any option for or with a Qualified U.S. Customer pursuant to the no-action letter, the participant must return to Eurex an acknowledgment in the form prescribed in Attachment C to this circular.

Please address any question you may have regarding the application of this circular to the following contacts at Eurex:

France
Nicolas Kageneck
Tel. +33 1 552 76-776
e-mail: nicolas.kageneck@eurexchange.com

[1] If the first communication is by telephone, the Eurex Disclosure Document must be provided within one business day of the communication.

Germany
Simona Simon
Tel. +49 69 211-182 18
e-mail: simona.simon@eurexchange.com

U.K.
Jennifer Vuong
Tel.+44 207 862-7234
e-mail: jennifer.vuong@eurexchange.com

U.S.A.
Vassilis Vergotis
Tel. +1 312 544 1058
e-mail: vassilis.vergotis@eurexchange.com

Frankfurt, November 27, 2007

Definition of an Eligible Broker-Dealer or Eligible Institution

To be qualified as an Eligible Broker-Dealer or Eligible Institution for purposes of this circular, each such entity

(a) must be a "qualified institutional buyer" as defined in Rule 144A(a)(1) under the U.S. Securities Act of 1933 (the **"Securities Act"**), or an international organization excluded from the definition of "U.S. person" in Rule 902(k)(2)(vi) of Regulation S under the Securities Act; and

(b) must have had prior actual experience with traded options in the U.S. options market (and, therefore, would have received the disclosure document for U.S. standardized options called for by Rule 9b-1 under the Securities Exchange Act of 1934 (the **"Exchange Act"**)).

Definition of "Qualified Institutional Buyer" in Rule 144A(a)(1) Under the Securities Act

Rule 144A.

(a) Definitions

(1) For purposes of this section, "qualified institutional buyer" shall mean:

(i) Any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with the entity:

(A) Any insurance company as defined in Section 2(13) of the Act;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by section 2(a)(37) of the Investment Company Act of 1940 (the **"Investment Company Act"**), which are neither registered under section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(B) Any investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that Act;

(C) Any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(D) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(E) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(F) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (a)(1)(i)(D) or (E) of this section, except trust funds that include as participants individual retirement accounts on H.R. 10 plans.

(G) Any business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(H) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation (other than a bank as defined in Section 3(a)(2) of the Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Act or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(I) Any investment adviser registered under the Investment Advisers Act.

(ii) Any dealer registered pursuant to Section 15 of the Exchange Act, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least $10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;

(iii) Any dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a qualified institutional buyer;

NOTE: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a qualified institutional buyer without itself having to be a qualified institutional buyer.

(iv) Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in the aggregate at least $100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. “Family of investment companies” means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that, for purposes of this section:

(A) each series of a series company (as defined in Rule 18f-2 under the Investment Company Act) shall be deemed to be a separate investment company; and

(B) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);

(v) Any entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers; and

(vi) Any bank as defined in Section 3(a)(2) of the Act, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least $25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the Rule in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

(2) In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

(3) The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

(4) In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

(5) For purposes of this section, “riskless principal transaction” means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a qualified institutional buyer, including another dealer acting as riskless principal for a qualified institutional buyer.

(6) For purposes of this section, “effective conversion premium” means the amount, expressed as a percentage of the security's conversion value, by which the price at issuance of a convertible security exceeds its conversion value.

(7) For purposes of this section, “effective exercise premium” means the amount, expressed as a percentage of the warrant's exercise value, by which the sum of the price at issuance and the exercise price of a warrant exceeds its exercise value.

Definition of Managed Account for a Non-U.S. Person in Rule 902(k)(2)(i) of Regulation S Under the Securities Act

Rule 902(k)(2)(i) of Regulation S.

(k)(2) The following are not “U.S. persons”:

(i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;

Definition of International Organization in Rule 902(k)(2)(vi) of Regulation S Under the Securities Act

Rule 902(k)(2)(vi) of Regulation S.

(k)(2) The following are not “U.S. persons”:

(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

[Letterhead of Qualified U.S. Customer]

[Date]

[Name and Address of Eurex Participant]

Re: Options Traded on Eurex Deutschland

Ladies and Gentlemen:

[Name of Qualified U.S. Customer] (the **"Qualified U.S. Customer"**) seeks to purchase or sell certain options (collectively, the **"Options"**) traded on Eurex Deutschland (**"Eurex"**).

1. It is an Eligible Broker-Dealer or Eligible Institution for purposes of these transactions, *i.e.,*

   (i) it owns and invests on a discretionary basis a specified amount of eligible securities sufficient for it to be a qualified institutional buyer under Rule 144A under the Securities Act of 1933 (the **"Securities Act"**) (and if a bank, saving and loan association, or other thrift institution, has a net worth meeting the requirements of Rule 144A under the Securities Act); and

   (ii) has had prior actual experience in the U.S. standardized options markets and as a result thereof has received the options disclosure document entitled "Characteristics and Risks of Standardized Options" that is prepared by the Options Clearing Corporation and the U.S. options exchanges.

2. It has received the Eurex document entitled "Special Characteristics and Risks of Eurex Options on Stocks, Exchange-Traded Funds and Stock Indices".

3. Its transactions in Options will be for its own account or for the account of another Eligible Broker-Dealer or Eligible Institution or for the managed account of a non-U.S. person within the meaning of Rule 902(k)(2)(i) of Regulation S under the Securities Act.

4. It will not transfer any interest or participation in an Option it has purchased or written to any other U.S. person, or to any person in the United States, that is not an Eligible Broker-Dealer or Eligible Institution.

5. (i) It will cause any disposition of an Option it has purchased or written to be effected only on Eurex (or submitted to the Eurex Clearing AG OTC Block Trade Facility) and settled by Eurex Clearing AG (**"Eurex Clearing"**), and it understands that any required payments for premium, settlement, exercise, or closing of any Option in respect of which it has a contract with the Eurex participant must be made in the designated currency.

   (ii) It also understands that if it has a contract with a Eurex participant as a writer of an Option, margin must be provided to the Eurex participant in such form and amount as determined by such Eurex participant, and such Eurex participant,

      (a) if not a Clearing Member of Eurex Clearing, must provide margin to its Clearing Member in such form and amount as determined by that Clearing Member; and

      (b) if a Clearing Member of Eurex Clearing, must maintain, measure and deposit margin on such Option with Eurex Clearing in such form and amount as determined by Eurex Clearing.

6. It understands that Options on equity securities of U.S. issuers that are traded on Eurex are not available for distribution to U.S. persons at this time.

7. If it is an Eligible Broker-Dealer or Eligible Institution acting on behalf of another Eligible Broker-Dealer or Eligible Institution that is not a managed account, it has obtained from the other a written confirmation to the same effect as the foregoing and will provide it to the Eurex participant upon demand.

8. It will notify the Eurex participant of any change in the foregoing confirmations prior to placing any future order, and the foregoing confirmation will be deemed to be made with respect to each order it gives to the Eurex participant.

Very truly yours,

[QUALIFIED U.S. CUSTOMER]

By: _____

Name:
Title:

[Letterhead of Eurex Participant]

[Date]

Eurex Deutschland
Legal Affairs
Section Markets and Regulatory
60485 Frankfurt/Main
Germany

Re: Compliance Circular Regarding Options Traded on Eurex Deutschland by Qualified U.S. Customers

Ladies and Gentlemen,

We hereby acknowledge that we have reviewed Compliance Circular No. 245/07 (the "**Compliance Circular**") issued by Eurex Deutschland ("**Eurex**") outlining certain procedures for compliance with a July 27, 2005 no-action letter issued by the staff of the U.S. Securities and Exchange Commission (and as modified by the staff in a letter dated May 3, 2006) regarding the familiarization of certain U.S. broker-dealers and large financial institutions ("**Qualified U.S. Customers**") with Eurex and certain equity, index and exchange-traded fund options (collectively, the "**Options**") traded on Eurex.

We hereby confirm that if we accept any orders for any Option for or with a Qualified U.S. Customer pursuant to the no-action letter, we will comply with the requirements applicable to Eurex participants as outlined in the Compliance Circular, including that

A. the Eurex participant must take reasonable steps to assure itself (with appropriate recordkeeping) that its Qualified U.S. Customer has received a current version of the Eurex Disclosure Document (as described in the Compliance Circular); and

B. the Eurex participant must obtain a written confirmation from the Qualified U.S. Customer seeking to purchase or sell Options, signed by an authorized signatory, in the form prescribed in Attachment B to the Compliance Circular.

Very truly yours,

[EUREX PARTICIPANT]

By: _____

Name:

Title:

Special Characteristics and Risks of Eurex Options on Stocks, Exchange-Traded Funds and Stock Indices

For Limited Distribution in the United States Only to Eligible Broker-Dealers and Eligible Institutions

Deutsche Börse AG
U.S. Representative Office
233 South Wacker Drive,
Suite 2450
Chicago, Illinois 60606

Registered office:
Eurex Frankfurt AG
Neue Börsenstrasse 1
D-60487 Frankfurt/Main

June 30, 2007

This document is intended for distribution only to Eligible Broker-Dealers and Eligible Institutions in the United States. To fit within one of these categories, each such entity must have had prior actual experience in the U.S. domestic options markets. In addition, such entities must meet the same qualifications as a "qualified institutional buyer" under Rule 144A under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or as an entity excluded from the definition of "U.S. person" by Rule 902(k)(2)(vi) of Regulation S under the U.S. Securities Act.

The definitional qualification means, in general, that an Eligible Broker-Dealer must be registered as such with the U.S. Securities and Exchange Commission (the "**SEC**") and must in the aggregate own and invest on a discretionary basis at least $10 million of securities (as defined and provided in Rule 144A). An Eligible Institution must come within the categories of non-broker-dealer entities defined as qualified institutional buyers in Rule 144A and must in the aggregate own and invest on a discretionary basis at least $100 million in securities (as defined and provided in Rule 144A). Alternatively, an Eligible Institution must, as provided in Rule 902(k)(2)(vi) of Regulation S under the U.S. Securities Act, be a specified international organization.

Members of Eurex Deutschland, a public law entity under German law ("**Eurex**" or the "**Exchange**"), will be advised that they may execute opening options transactions with or for a person located in the United States only if that person is an Eligible Broker-Dealer or an Eligible Institution, acting for its own account or the accounts of other Eligible Broker-Dealers or Eligible Institutions or managed accounts of non-U.S. persons within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act. Appropriate documentation will be required for this purpose.

Eurex is governed by rules and trading procedures which are contained in the Exchange Rules and Conditions for Trading at Eurex Deutschland and Eurex Zürich and the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (the "**Eurex Rules**"). Eurex's clearing house, Eurex Clearing AG ("**ECAG**"), clears transactions made on Eurex in accordance with the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich (the "**Clearing Conditions**"). Copies of the Eurex Rules and the Clearing Conditions are available for inspection at the representative office of Deutsche Börse AG ("**DBAG**") in Chicago, and are also available on the Eurex web site (www.eurexchange.com). The address of the DBAG representative office is Deutsche Börse AG U.S. Representative Office, 233 South Wacker Drive, Suite 2450, Chicago, Illinois 60606. A representative in the office will be available to Eligible Broker-Dealers and Eligible Institutions during normal business hours in Chicago to respond to inquiries of a general or specific nature concerning Eurex, but not to give advice or receive or direct orders concerning options traded on Eurex.

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Eurex options have not been registered under the U.S. Securities Act of 1933 or any State securities law. Neither the options nor this document have been approved or disapproved by the SEC or any State securities commission. This document is not a solicitation of orders for transactions on Eurex, nor does it constitute investment advice.

INTRODUCTION

Eurex was created by DBAG, an international marketplace operating company and transaction service provider, and the Swiss Exchange ("**SWX**"), the operator of a market of Swiss shares, bonds, warrants and structured products, in September 1998 as a completely electronic derivatives exchange. The predecessor to Eurex, Deutsche Terminbörse, was established in 1990 as Germany's first fully-computerized exchange and the first German exchange for the trading of financial futures. In 1998, the ownership structure and name of Deutsche Terminbörse were changed to create Eurex as a public law entity run by its operating company, Eurex Frankfurt AG. As a public law entity under German law, Eurex is not owned by any person or group of persons. Eurex Frankfurt AG is a wholly-owned subsidiary of Eurex Zürich AG, the former Swiss Options and Financial Futures Exchange ("**SOFFEX**"). Eurex Zürich AG itself is jointly owned by DBAG and SWX. DBAG and SWX agreed to develop and implement Eurex as a single platform and market for their options on equities and securities indices. As a result of the operational and technical merger of Deutsche Terminbörse and SOFFEX, Eurex became a common trading platform for former Deutsche Terminbörse and SOFFEX participants and ECAG was established as a common clearinghouse.

Three basic types of options are traded on Eurex and referred to in this document: options on individual stocks of European and U.S. issuers that are listed and traded on European stock exchanges ("**Stock Options**"), options on non-U.S. exchange-traded funds ("**EXTF Options**") and options on stock indices ("**Index Options**").

- Stock Options traded on Eurex currently include options on German, Swiss, Finnish, Dutch, Italian, French and U.S. equities. Stock Options on equity securities of U.S. issuers that are traded on Eurex are not available for distribution to U.S. persons at this time.

- EXTF Options on Eurex currently comprise options on funds traded on the electronic trading systems of the Frankfurt Stock Exchange (Xetra®) and SWX.

- Index Options traded on Eurex currently include options on European and global Dow Jones indices (Dow Jones STOXX℠ 50 ("**DJS 50**"), Dow Jones Euro STOXX℠ 50 ("**DJES 50**") and Dow Jones Global Titans 50℠ ("**DJGT**")), and German (DAX® and TecDAX®), Swiss (Swiss Market Index ("**SMI®**")) and Finnish (Finnish Stock Index ("**OMXH 25®**")) indices.

Options on other types of underlying stocks or stock indices may be introduced in the future and may subsequently be made available for distribution to U.S. entities to which this document is made available. In addition, Eurex has developed and lists a range of futures and options on futures (including interest rate, government bond and stock index futures), a discussion of which falls outside the scope of this document.

This document describes:

- German Stock Options, Swiss Stock Options, Finnish Stock Options, Dutch Stock Options, Italian Stock Options and French Stock Options;

- DAX®EX EXTF Options, Dow Jones EURO STOXX 50SMEX EXTF Options, iShares DJ EURO STOXX EXTF Options and XMTCH on SMI® EXTF Options; and

- Dow Jones STOXXSM 50 Index Options, Dow Jones Euro STOXXSM 50 Index Options, Dow Jones Global Titans 50SM Index Options, DAX® Index Options, TecDAX® Index Options, SMI® Index Options and OMXH 25® Index Options.

Stock Options and EXTF Options have American-style exercise (that is, they are exercisable during their life), while Index Options have European-style exercise (that is, they are exercisable only on the exercise day at the end of their life). The trading hours for Stock Options, EXTF Options and Index Options vary depending on the underlying instrument and may be changed from time to time. (For details regarding trading hours, see the section entitled "Trading Hours" in the chapter entitled "Operation of the Eurex Market.")

Prices on Eurex for Stock Options, EXTF Options and Index Options are publicly quoted, and such options are bought and sold, in euros (or, in the case of Swiss Stock Options, SMI® Index Options and EXTF Options on Swiss franc-denominated funds, in Swiss francs). All transactions creating or closing positions in such options are executed and settled only by Eurex members. Stock Options, EXTF Options and Index Options are dematerialized (certificateless) instruments, and positions are recorded in statements from ECAG to its members and statements from such members to their customers.

Stock Options, EXTF Options and Index Options are not fungible or interchangeable with options that are traded on any other market. Thus, each Stock Option, EXTF Option and Index Option position issued by ECAG to a member can be closed only on Eurex and can be exercised by the member only by giving an exercise notice to Eurex.

The potential risks that apply generally to all aspects of options transactions are assumed to be known to readers of this document. Its purpose is to introduce experienced and sophisticated U.S. registered broker-dealers and large U.S. institutions to the special aspects, requirements and risks involved in trading Stock Options, EXTF Options and Index Options. Accordingly, such entities considering investing on Eurex must have had actual prior experience in options investment in U.S. markets and therefore be familiar with the risks of all options investments and American-style and European-style options.

This document does not suggest or recommend any type of investment strategy and this document is not a solicitation of orders for transactions on Eurex, nor does it constitute investment advice. It is limited to a descriptive overview of the Eurex market, Stock Options, EXTF Options and Index Options, the clearing services provided by ECAG, ECAG clearing practices and the risks peculiar to foreign options transactions.

OPERATION OF THE EUREX MARKET

GENERAL

This document describes the following types of options traded on Eurex:

- German Stock Options, Swiss Stock Options, Finnish Stock Options, Dutch Stock Options, Italian Stock Options and French Stock Options;
- DAX®EX EXTF Options, Dow Jones EURO STOXX 50SMEX EXTF Options, iShares DJ EURO STOXX EXTF Options and XMTCH on SMI® EXTF Options; and
- Dow Jones STOXXSM 50 Index Options, Dow Jones Euro STOXXSM 50 Index Options, Dow Jones Global Titans 50SM Index Options, DAX® Index Options, TecDAX® Index Options, SMI® Index Options and OMXH 25® Index Options.

Stock Options on equity securities of U.S. issuers are not available for distribution to U.S. persons at this time.

STOCK OPTIONS, EXTF OPTIONS AND INDEX OPTIONS

The Eurex market operates in an anonymous, order-driven environment with orders being matched by the Eurex system according to the rules described below in the section entitled "Order Types." In order to participate in Eurex, Eurex members must connect directly via trading terminals linked to the Eurex system. Trading of Stock Options, EXTF Options and Index Options is conducted directly only by Eurex members, who must meet the qualifications and conditions described in the section entitled "Member Firms."

Market users in the United States do not themselves have direct access to Eurex for the trading of Stock Options, EXTF Options and Index Options. Access to the market will be through Eurex members, and only those members located outside the United States will be able to input orders to Eurex in respect of Stock Options, EXTF Options and Index Options.

OPTION TYPES, EXPIRATION MONTHS AND SERIES

Stock Options, EXTF Options and Index Options are traded in both puts and calls, with several standardized durations, or expiration months, and several standardized exercise prices. Stock Options, EXTF Options and Index Options with the same standardized terms (the nature and amount of the underlying instrument, whether it is a call or a put ("**option type**"), the expiration date and the exercise price) are identical and comprise the same options "**series**." Investors may either buy (acquire a long position in) or write (acquire a short position in) a Stock Option, EXTF Option or Index Option. All Stock Options and EXTF Options have American-style exercise and all Index Options have European-style exercise. All Stock Options and EXTF Options are physically-settled (except in situations where the Board of Management of Eurex (the "**Eurex Board**") has issued instructions ordering settlement in cash in order to maintain orderly trading conditions or where the quotation of a share underlying an option is discontinued

by the exchange on which such underlying share is traded) and all Index Options are settled in cash. For further detail on the specific terms of the various Stock Options, EXTF Options and Index Options traded on Eurex, see the chapters entitled "Stock Options," "Options on Exchange-Traded Funds" and "Index Options," respectively.

MEMBER FIRMS

In order to become a member of Eurex, an institution must qualify for admission. Admission criteria include meeting the Exchange's capital requirements, having the proper professional experience, complying with the Exchange's technical requirements and guaranteeing the orderly processing of all transactions carried out on Eurex. In addition, each Member that deals with customers must (i) be qualified under German law as a "licensed credit institution" (generally a bank), a "licensed financial services institution" (generally a broker-dealer or investment advisor), a licensed branch of a non-German bank or a bank in another European Union member state and (ii) be authorized to engage in broker-dealer activities or to render financial services, as these activities are defined under the German Banking Act.

Eurex membership is granted by the Exchange upon admission and is non-transferable. There is no market for buying and selling Eurex memberships.

It is important to differentiate Eurex membership from ownership of the Exchange, or its operating company Eurex Frankfurt AG. As a public law entity, Eurex is not "owned" by any person or group of persons. Eurex Frankfurt AG was created by DBAG and SWX, each of which owns 50 percent of Eurex Zurich AG, the parent company of Eurex Frankfurt AG. The owners of DBAG and SWX are not necessarily members of Eurex.

A list of Eurex members is available from the Exchange and on the Eurex web site (www.eurexchange.com).

MARKET MAKERS

Each member of Eurex can act as a market maker with respect to a particular product or a set of products (a "**package**"). Market makers enter quotes into the Eurex system. As the Eurex system is order driven, quotes – defined as two-sided orders – are matched using the same algorithm as the orders entered by non-market makers. The market maker facility is implemented to provide additional liquidity to the market, and it is the task of market makers to bridge temporary imbalances between supply and demand in the products traded on Eurex.

Market makers in Stock Options, EXTF Options and Index Options take on the obligations of providing continuous quotes for at least 85% of the product's trading hours or by responding to requests for quotes in their licensed products from other members within a specified time delay and maintaining quotes for a minimum period. A market maker's quote must contain a bid and ask price for at least a defined minimum number of contracts. Eurex imposes maximum spreads between the bid and ask prices to ensure that market makers submit appropriate quotes.

All quote parameters are defined by the Exchange and a market maker's compliance with the defined parameters is monitored and reported. A market maker receives a rebate of a portion of

its normally incurred trading fee in any product or package for which the market maker fulfills its pre-defined quoting obligations.

All individual Stock Options, EXTF Options and Index Options are traded with market making and, in general, at least three market makers are required before a new option is admitted to trading. Stock Options are divided into three different classes (with such classes being largely based on the price of the underlying stock). EXTF Options are similarly divided into three different classes, although as of the date of this document, all EXTF Options are allocated to a single class. For EXTF Options and Stock Options, these classes determine the definitions of the maximum spread parameters with respect to the particular class. Increasing maximum spreads are defined for increasing ranges of bid prices in each class for Stock Options, EXTF Options and Index Options.

ORDER TYPES

Various types of orders can be entered in the Eurex system. In Stock Options, EXTF Options and Index Options trading there are limit, market and option strategy orders (for option strategy orders, see the section entitled "Option Strategy Trading"). Details of each order type are given below. Depending on the matching principle (as described below), some order types may not be available for certain products.

- **Limit Orders.** Limit orders are executed at the specified limit price or better. Limit orders can be immediate-or-cancel ("**IOC**") or unrestricted. IOC orders are filled immediately, either completely or to the extent possible. Any part of the order that cannot be matched is cancelled. Unrestricted limit orders (*i.e.*, orders that are not IOC) come in three types:
    - Good-for-day ("**GFD**"). GFD is the default for order entry. GFD orders (*i.e.*, those orders that are entered without a time limit) are cancelled at the end of the Eurex trading day if they have not been filled.
    - Good-till-cancelled ("**GTC**"). A GTC order is valid until execution, until the Eurex member cancels it, until the contract expires or until 1 year after the order entry date.
    - Good-till-date ("**GTD**"). GTD orders are valid until the given date (which can be no more than a year from the present date), until execution, until cancelled by the Eurex member concerned or until the contract expires, whichever happens first.
- **Market Orders.** Market orders have no limit price. They are matched immediately at the best available market price. Hence, with market orders, there is no guaranteed trade price. Market orders are matched as soon as possible at the best possible price, but not below or above the "worst" available quote in the central order book (*i.e.*, the highest quote for a buy order and the lowest quote for a sell order). Market orders that cannot be executed immediately are placed in the

central order book until further quotes or tradable limit orders arrive. If a market order could not be executed immediately, it would take precedence over the second of two opposite limit orders that could both be executed against each other, ***e.g.***, with a buy limit price equal to, or higher than, the sell limit price.

All orders and quotes are entered into the Eurex central order book, where they are automatically sorted by type, price and entry time. Market orders always have the highest matching priority. Limit orders and quotes have the same priority in the Eurex central order book and are sorted, with the highest bids and lowest offers ranked first.

MATCHING PRINCIPLE

Eurex's matching algorithm uses a price and time priority rule. This matching algorithm is used for all Stock Options, EXTF Options and Index Options. Key aspects of the matching algorithm are described below.

- When a new order is entered, the Eurex system first checks the limits of the orders in the central order book and executes the orders with "better" limits (*i.e.*, higher limit prices for buy orders and lower limit prices for sell orders) before the orders with "worse" limits.

- A time-stamp is assigned to all orders entered into the Eurex system to determine the chronological priority of the order for matching purposes. This time-stamp is used to prioritize orders in the central order book with the same price.

- Market orders have the highest priority for matching. If several market orders are booked in the central order book, the first market order entered receives the highest priority.

- In the case of limit orders, orders with the best possible prices (*i.e.*, the highest limit price for buy orders and lowest limit price for sell orders) take precedence in the matching process over other orders with worse prices. Again, if two or more limit orders have the same limit price, the first order entered has priority.

- The limit orders already present in the central order book are always executed at the given limit price or better – never at a worse price. New limit orders checked against the central order book are always matched at the appropriate prices available in the central order book, up to the specified limit price.

OPTION STRATEGY TRADING

The option strategy trading function of the Eurex system allows traders to enter option strategy orders. Option strategy orders consist of the simultaneous purchase and/or sale of a maximum of four different option series of the same underlying instrument. In option strategy trading, an order is carried out for the same quantity of each contract composing a single option strategy.

For option strategy orders ("**OSOs**") and quotes ("**OSQs**"), the Eurex system maintains an option strategy order book that is separate from the regular central order book . OSQs must

include both a buy and a sell offer at the same time. A daily book is created containing unmatched OSOs and OSQs that are deleted at the end of the business day if they have not been filled.

Option strategy orders entered on a Eurex trading day will only be executed against the same option strategy orders in the option strategy order book by the end of such Eurex trading day. The Eurex system accepts limit orders and quotes as well as restricted (IOC) option strategy orders.

TRADING HOURS

The Eurex trading day is divided into three regular phases. The pre-trading phase is the initiating period, where trading members may make inquiries or enter, change or delete orders and quotes in preparation for trading. Orders and quotes are matched during the main trading phase, with transactions being immediately confirmed online to Eurex members. Trading ends with the post-trading phase, where trading members may make inquiries and market or limit orders for the next day may be entered. The schedule of trading phases varies from product to product. The current schedule for each product is available on the Eurex web site (www.eurexchange.com).

CROSS TRADES AND PRE-ARRANGED TRADES

A cross trade is a trade whereby a member enters matching orders. A pre-arranged trade is a trade whereby previously negotiated orders from at least two Exchange members are executed against each other. The Exchange stipulates a minimum size for cross trades and pre-arranged trades.

Eurex members are required to inform the market about their intention to execute a cross trade or pre-arranged trade by entering a "cross request" for the relevant type of trade prior to entering an order or quote for such trade. As soon as a cross request is entered into the system, all Eurex members have the opportunity to enter corresponding orders (or, for market makers with respect to the relevant product, quotes). After entering a cross request, the purchaser and seller must enter the order or quote giving rise to the request no sooner than five seconds and no later than sixty-five seconds after having entered the request. Third parties can thus intervene by participating in the trade.

An order or quote that is the subject of a cross trade or pre-arranged trade must meet a minimum size requirement. This minimum is equal to the lesser of (i) the minimum quote size for the particular option contract as established for market makers and (ii) half the intended contract amount indicated in the cross request.

TRADING HALTS

Trading in one or more options may be suspended if events threaten the orderly conduct of business. Such events may include a technical failure (as described below) or other *force majeure* event outside the Exchange's control. Furthermore, trading in a Stock Option or EXTF Option may be suspended if trading in the underlying security has been suspended. Similarly, trading in Index Options may be halted if market conditions or other circumstances prevent or interrupt timely calculation of the relevant index.

TECHNICAL FAILURES

During technical disruptions, the Eurex Board may suspend or restrict access to the Eurex system for one, several or all Exchange members, regardless of whether such problems appear at Eurex or at one, several or all Exchange members. The Eurex Board may resume or re-commence trading after an interruption, even if one or several Exchange members still do not have access to the Eurex system, if in the opinion of Eurex Board an orderly market continues to exist or is once again possible. The resumption of trading after a trading suspension begins with a new pre-trading phase. Eurex will inform Exchange members of any reduced time for the trading phase.

Exchange members are obligated to inform themselves about technical requirements and changes by means of the media made available by Eurex. To the extent possible, Eurex will inform Exchange members of any technical problems.

In the event of the suspension of trading because of technical problems, Eurex will place the Eurex system on "halt status" so that no more inputs can be effected by Eurex members. In the event that a member's front-end system or other trading system is non-functional, Eurex may, upon request, enter data into the electronic trading system on behalf of such member. In this case, Eurex will verify the legitimacy of data entry by the active user identification presented. In the event that the Eurex system is non-functional for a long period of time, the Eurex Board will declare a technical emergency and will determine, if necessary, alternative trading and clearing methods.

Eurex can require Exchange members to provide information and submit documents if necessary in order to prevent or solve technical problems.

EUREX CLEARING AG

ECAG acts as the clearinghouse for all trades entered into on Eurex. It is responsible for the clearing of Stock Options, EXTF Options and Index Options that are presented to it for registration by Eurex members. See the chapter entitled "ECAG Clearing" for further information.

VISIBILITY OF QUOTES AND TRANSACTIONS

A range of information on Stock Options, EXTF Options and Index Options is made available to members via the Eurex system and to the public via Eurex's Internet web site and a large number of licensed quote vendors, many of them available to subscribers in the United States.

Members can view the ten best bid and ask prices on the Eurex system and can call up their own respective bid and offer sizes at any time on the system, allowing them to constantly monitor market depth and to keep abreast of the latest price trends on a real-time basis.

Non-members (as well as members) can view delayed quotes with respect to Stock Options, EXTF Options and Index Options on the Eurex web site (www.eurexchange.com).

Information with respect to Stock Options, EXTF Options and Index Options that is made available to subscribers through data vendors includes:

- exercise price and expiration month;
- current bids and offers;
- last sale price and the last traded volume at such price;
- aggregate open interest at the close of Eurex on the previous day;
- the previous day's volume in numbers of contracts;
- the previous day's closing bid and offer;
- current quotation for the underlying security;
- "settlement price" for collateral purposes (and exercise of Stock Options), calculated from the price of the underlying security or index; and
- index values and change in value from the previous day's closing value.

REGULATORY FRAMEWORK

The operations of Eurex are governed primarily by two laws: the German Exchange Act and the Securities Trading Act. The German Exchange Act governs the establishment, organization and supervision of exchanges such as Eurex, provides self-regulatory authority to Eurex and the other exchanges in Germany and regulates the admission of members and securities to trading on Eurex and the other exchanges in Germany. The Securities Trading Act and German criminal law contain prohibitions on price manipulation, fraud and other deceptive practices. The Securities Trading Act regulates the conduct of market intermediaries and establishes trade reporting obligations, insider trading rules and public disclosure rules.

As a self-regulatory organization, Eurex has its own comprehensive set of rules. The State of Hesse's Ministry for Economics, Transport and Development (the "**Exchange Supervisory**

Authority") must approve the Eurex Rules pursuant to the German Exchange Act. Although other Eurex Rules, such as the Trading Conditions, are not subject to similar approval, the Exchange Supervisory Authority may require Eurex to modify or supplement any Eurex Rule to the extent necessary to fulfill the duties of Eurex or of the Exchange Supervisory Authority under applicable law. Eurex Rules are required by the German Exchange Act to ensure that the Exchange is able to fulfill its duties with due consideration for the interests of the public and trading participants. At a minimum, and subject to Exchange Supervisory Authority approval, Eurex must have rules in effect regarding the scope of business of the Exchange, the organization of the Exchange and the publication of prices and trading volume for each contract.

Eurex is governed by a 24-member Exchange Council (the "**Council**"). The Council is comprised of: (i) Exchange members who are credit institutions (11 seats); (ii) Exchange members who are not credit institutions (2 seats); (iii) private issuers of securities underlying Stock Options traded on Eurex (9 seats) and (iv) members of the investing public (2 seats). The Eurex Rules also establish the Eurex Board, which is responsible for the day-to-day management of the Exchange and reports to the Council.

MARKET SURVEILLANCE

The Eurex Board has broad market surveillance responsibilities for Eurex. The Eurex Board temporarily may exclude from trading enterprises or individuals that disturb the orderly conduct of trading, violate applicable Eurex Rules or fail to comply with Eurex Board orders. In addition, the Eurex Board may temporarily suspend or revoke the admission to trading of any person who fails to satisfy the conditions for admission, including conditions relating to minimum capitalization. Finally, the Eurex Board, acting alone or in conjunction with Eurex Frankfurt AG, may at any time require members to provide information and may examine their business activities, either directly or through auditors or other agents. This may include an investigation of position limit compliance by a member, including with respect to a member's customer (see "Position Limits" below).

As required by the German Exchange Act, the Eurex Rules also establish an independent Trading Surveillance Office (the "**Surveillance Office**") that is responsible for monitoring trading on Eurex and the settlement of Exchange transactions. The Surveillance Office is required to record and evaluate data regarding Exchange trading and the settlement of Exchange transactions systematically and completely and to conduct investigations, as necessary. The head of the Surveillance Office regularly reports to the Exchange Supervisory Authority. If the Surveillance Office discovers that violations of Exchange regulations or orders are occurring or that other conditions exist that may impair the orderly conduct of trading or the settlement of exchange transactions, the Surveillance Office must report such violations to the Eurex Board and the Exchange Supervisory Authority. Both the Eurex Board and the Surveillance Office are required to inform the public prosecutor if they detect manipulation, fraud or other illegal activities on Eurex that may constitute a criminal violation of the German Exchange Act, Securities Trading Act or of other applicable law.

Among other investigatory means at its disposal, the Surveillance Office can monitor member positions in the ECAG clearing system and receives daily reports from Eurex containing certain additional data. Unusual or unlawful trading activities can be identified and reconstructed

through the Eurex electronic trading system and through the day-to-day monitoring of the market. Furthermore, Eurex utilizes an on-line "Member Position Risk-Monitoring System" that lists the positions in options (and/or futures) contracts by members. This enables Eurex to analyze different profit/loss scenarios for its members at any time of the day and allows ECAG to assess its risk as counterparty (for further discussion of ECAG risk assessment, see the chapter entitled "ECAG Clearing"). Eurex conducts the same level of surveillance and monitoring activities for members and user devices located outside of Germany as for those located within Germany.

The Securities Trading Act contains prohibitions on insider trading, price manipulation and "Rules of Conduct" for market intermediaries in dealing with customer interests in the trading of derivatives on Eurex. Among other things, the Rules of Conduct forbid advising customers to enter transactions contrary to their interests and proscribe taking advantage of knowledge of customer orders. Members that trade on behalf of customers are obligated to ensure that all customer orders are executed in the customer's interest. Furthermore, under the Eurex Rules brokers may not offset one customer order against another.

TREATMENT OF CUSTOMER FUNDS AND PROPERTY

German law requires that customer funds and positions must be accounted for separately from the proprietary funds and positions of the Exchange member. Eurex members dealing on behalf of customers have an account with Eurex for their own trades and an account for trades executed on behalf of their customers (*i.e.*, an agent account). Pursuant to the Securities Trading Act, Eurex members that are not authorized under the German Banking Act to accept deposits or hold securities in safe custody for the account of others are required to maintain customer money and securities in segregated accounts with credit institutions authorized to perform those functions. Under the German Deposit Act, credit institutions must account for customer securities separately from proprietary securities. Furthermore, because of legal and operational constraints, Eurex members do not pledge customer securities to ECAG to fulfill their margin requirements.

POSITION LIMITS

Eurex may set position limits in order to ensure orderly options trading and to decrease risk in the spot markets. A position limit is a maximum number of contracts that may be held by one Exchange member or one customer for its own account. Positions held on the basis of arrangements with third parties for a common purpose are included in any determination of compliance with position limits.

An Exchange member may not for its own account or for the account of any customer engage in any transactions at Eurex if there is any indication that, as a consequence of such transactions, such Exchange member or its customer, whether alone or jointly with others, would hold or control a total position in excess of the position limits set by Eurex.

For purposes of trading in Stock Options and EXTF Options, the position limit for each product is fixed as a fraction of the underlying issuer's capital freely available for trading, as determined on the basis of information published by the underlying issuers as prescribed by German law. The number of positions requiring delivery (put contracts purchased and call contracts sold), on

the one hand, and the number of positions entitling to subscription (call contracts purchased and put contracts sold), on the other hand, are considered separately.

Eurex may change position limits from time to time in order to maintain an orderly market. New limits become effective no earlier than the sixth Exchange business day following the date of their announcement to Exchange members.

Eurex does not impose position limits with respect to Index Options.

SPECIAL FACTORS IN INVESTING ABROAD IN EUREX CONTRACTS

In addition to the general risks inherent in buying and writing traded options, including market supply and demand effects on the liquidity of particular options series, special risk factors are present and should be considered in transacting in options abroad. These factors include differences in the currency, differences in time zones, differences in settlement periods and procedures, differences in market features and certain differences in option features. While Eurex does share certain features of its operations and self-regulation in common with U.S. options exchanges and while Stock Options and EXTF Options (but not Index Options) are American-style in exercise, there are certain differences that are worth noting. Significant differences in market, contract and settlement features are developed in separate chapters of this document. Additional risk factors are described below.

CURRENCY EXCHANGE RATES

As all Stock Option, EXTF Option and Index Option premiums and settlement and exercise payments are payable in euros, with the exception of Swiss Stock Options, EXTF Options on Swiss franc-denominated funds and the SMI® Index Options, which are denominated in Swiss francs, a U.S. investor should take into account the exchange rate between the U.S. dollar and the euro or the Swiss franc, as applicable. Any movement in the U.S. dollar buying and selling rates may alter profit and loss profiles for any Eurex options position or strategy. If U.S. dollars or dollar-denominated securities are used as margin for written positions, an exchange rate change may also affect the amount of cash or securities required for margin. In addition, one should note that written put option contracts must, on allocation, be satisfied by payment for the underlying security in euros or Swiss francs, as applicable.

The high and low closing currency exchange rates for the U.S. dollar to euros since the euro's inception in 1999 have been as follows:

U.S.$/ euro	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007***
High (in euros)	0.9987	1.2085	1.1944	1.1635	0.9654	0.8468	0.8570	0.8461	0.7757
Low (in euros)	0.8448	0.9676	1.0449	0.9532	0.7936	0.7336	0.7427	0.7495	0.7471

Table based on Bloomberg data. // 2007 data includes rates through March 31, 2007.*

Stock Options, EXTF Options and Index Options on underlying Swiss equities, funds and indices are denominated in Swiss francs. Similar considerations as given above for U.S. investors in euro-denominated options apply for U.S. investors in Swiss franc-denominated options.

The high and low closing currency exchange rates for the U.S. dollar to Swiss francs since 1997 have been as follows:

U.S.$/CHF	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
High (in Swiss francs)	1.5345	1.5415	1.5970	1.8214	1.8181	1.7192	1.4189	1.3148	1.3256	1.3228	1.2536
Low (in Swiss francs)	1.3412	1.3107	1.3589	1.5486	1.5790	1.3836	1.2391	1.1310	1.1481	1.1924	1.2069

Table based on Bloomberg data. // 2007 data includes rates through March 31, 2007.*

Switzerland is not currently a member of the European Union and is therefore ineligible for participation in the euro. If Switzerland joins the European Union and adopts the euro, Swiss franc-denominated Stock Options, EXTF Options and Index Options would be expected to become denominated in euros when the underlying equities, funds and indices are so denominated.

TIME ZONES AND HOLIDAYS

Stock Options, EXTF Options and Index Options are traded during extended Frankfurt business hours, generally from early morning to late evening Central European Time ("**CET**"). The detailed trading schedule varies from product to product and the current schedule for each Stock Option, EXTF Option and Index Option is described in detail in the section of this document entitled "Trading Hours" in the chapter entitled "Operation of the Eurex Market," and is available on the Eurex web site (www.eurexchange.com). The OTC Block Trading Facility (discussed in the chapter entitled "ECAG Clearing") is available during the main trading hours of the contract concerned. Trading hours may change from time to time.

U.S. investors should take time zone differentials into account when timing investment decisions and when making required premium or margin payments. The overlap of trading hours on U.S. markets and the Eurex trading hours will vary depending on the time of year (standard or daylight saving time in the United States and Germany) and the time zone in which the U.S. investor is located. CET is six hours ahead of Eastern Standard Time; that is, 9:00 a.m. Eastern Standard Time in New York is 3:00 p.m. CET in Frankfurt. Frankfurt does not necessarily switch from (or to) CET to (or from) Central European Daylight Time on the same date that New York switches from (or to) Eastern Standard to (or from) Eastern Daylight Saving Time.

For U.S. investors the time periods allowed by brokers for payment of premium or provision of margin may be shortened by the time zone differential, since deadlines will be set according to CET. In this connection, U.S. investors must allow sufficient time for communications and transfers of funds and securities between the United States and Germany. U.S. investors should consult their broker-dealer to verify whether any time periods listed in this document have been shortened. The time zone difference also means that if the U.S. markets were to change during their afternoon, a U.S. investor that desired to do so could not close out any Stock Options, EXTF Options or Index Options positions until the next morning CET.

There are days on which Eurex will be closed when U.S. businesses are open, and vice versa, because of differing national holidays. In addition, the days on which Eurex is closed may vary from year to year. The Eurex trading calendar for the present and upcoming years is available on the Eurex web site (www.eurexchange.com). A current list of Eurex scheduled holidays is included in Appendix II.

STOCK OPTIONS

Eurex lists Stock Options on shares usually drawn from among the most highly capitalized European companies. Eurex conducts regular reviews of the Stock Options it lists for trading.

GENERAL

As the securities underlying Stock Options are traded on a number of different exchanges, some of the option terms vary along with the underlying securities. The securities underlying German Stock Options are traded on Xetra®, a fully electronic trading system launched in 1997 as a supplement to the Frankfurt Stock Exchange's floor trading. The securities underlying Swiss Stock Options are traded on virt-x.[1] The securities underlying Finnish Stock Options are traded on the electronic trading system of the Helsinki Stock Exchange ("**HEX**") and Xetra®. The securities underlying Dutch Stock Options are traded on Euronext Amsterdam and Xetra®. The securities underlying Italian Stock Options are traded on Borsa Italiana and Xetra®. The securities underlying French Stock Options are traded on Euronext Paris and Xetra®.

Eurex offers Stock Options on securities underlying the TecDAX®. These underlying securities are either German or Dutch shares. Trading in Stock Options on these underlying shares is described in the sections on German Stock Options and Dutch Stock Options, as applicable.

The following sections describe some of the characteristics particular to each type of Stock Option. All Stock Options, however, share the following common features.

EXERCISE BY HOLDERS

If the holder of a Stock Option wishes to exercise the right to buy or sell the underlying security at the specified price, the holder should instruct its broker which, if not authorized to clear trades on Eurex itself, will then instruct the relevant, authorized member to submit an exercise notice to Eurex for the Stock Option. Stock Options will only be exercised if an exercise notice is submitted to Eurex. Stock Options are never automatically exercised unless the Eurex member sets an "**Automatic Exercise Parameter**," which is a condition within the Eurex system that,

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[1] Virt-x is a securities trading platform that was established on May 2, 2001, by SWX, together with Tradepoint Financial Networks Plc and a consortium of internationally active investment banks and financial services companies. The SWX Group acquired all virt-x shares in April of 2003. At the same time, virt-x withdrew its listing on the London Stock Exchange. After this step, virt-x was registered as virt-x Exchange Limited, a privately held company. SWX and virt-x are therefore wholly owned subsidiaries of SWX Group and are under the leadership of a joint management team. SWX operates the trading platform on behalf of virt-x and functions as its software developer and supplier. Stocks that are listed on the SWX meet the initial requirements for admission to trading on virt-x. All equity securities included in the SMI® are listed by SWX and traded on virt-x.

Virt-x, as a Recognized Investment Exchange, is subject to U.K. laws and consequently operates under the supervision of the U.K. Financial Services Authority. Virt-x is also a regulated market under the Investment Services Directive. The regulatory conditions for those securities traded on virt-x, and for the firms that issue them, are defined by the respective home country authorities. This means, for example, that the standards for listing Swiss equities are governed by the authority of SWX, in the same way as before the launch of virt-x.

There are several service agreements between virt-x and SWX Swiss Exchange that cover the operation of virt-x's trading platform and data enhancement and dissemination by SWX. Virt-x's regulatory and market operations are both based in London.

when set by a Member, may cause a Stock Option to be exercised automatically, as described further in the chapter entitled "ECAG Clearing."

EXERCISE DEADLINES

Generally, each Eurex member authorized to clear trades will establish a cut-off time on each business day by which an exercise notice must be received in order to ensure that it has sufficient time to pass the notice along to Eurex before the exercise deadline. The deadline is strictly observed by Eurex. Exercise instructions must be electronically submitted to Eurex by the relevant Eurex member. Eurex then randomly allocates the responsibility for exercise among the open short positions of Eurex members in the same Stock Option series. U.S. investors should consult their broker-dealer to verify the time by which an investor in the United States must provide notice of exercise.

EXERCISE PRICE GRADATIONS

The current exercise price gradations for each option series are available on the Eurex website (www.eurexchange.com).

EXPIRATION MONTHS

Stock Options may have expiration months up to 12, 24 or 60 months. The specific expiration months for Stock Options with each maximum are listed below. Details regarding the latest expiration month for a particular Stock Option can be found on the Eurex web site (www.eurexchange.com).

- *12-month maximum*. The three nearest calendar months, as well as the three following quarters within the March, June, September and December cycle thereafter.

- *24-month maximum*. The three nearest calendar months, as well as the three following quarters within the March, June, September and December cycle thereafter and the two following 6-month periods of the June and December cycle thereafter.

- *60-month maximum*. The three nearest calendar months, as well as the following three quarters within the March, June, September and December cycle thereafter, the four following 6-month periods of the June and December cycle thereafter and the two following one-year periods of the December cycle thereafter.

CONTRACT SIZE

Generally, a Stock Option gives the buyer of a call Stock Option the right to buy, and the owner of a put Stock Option the right to sell, 10, 50, 100, 500 or 1,000 shares, depending on the underlying security, unless the Eurex Board has determined otherwise. To determine the contract size for a particular Stock Option, please visit the Eurex web site (www.eurexchange.com).

DELIVERY

Physical delivery will generally be made in increments of 10, 50, 100, 500 or 1,000 shares, depending on the underlying security.

DAILY SETTLEMENT PRICE

Daily settlement prices are established by Eurex Clearing AG based on prices of options transactions (as well as unfilled options orders) settled near the closing time of the relevant option, as well as the closing price of the underlying security and the binomial options pricing model developed by Cox, Ross and Rubinstein.

EXERCISE STYLE

Stock Options have American-style exercise. They can generally be exercised up to the end of the post-trading period on any Exchange trading day. German equity options cannot be exercised on the Exchange trading day preceding the day of any dividend payment. U.S. investors should consult their broker-dealer to verify the time by which an investor in the United States must provide notice of exercise.

DIVIDENDS

The holder of a call Stock Option is not entitled to receive any dividend payment declared on the underlying stock. With the exception of extraordinarily high dividends, bonuses or other cash distributions, as well as dividends that are not distributed within the scope of an issuer's regular dividend policy or that an issuer declares as non-regular dividends ("**Special Dividends**"), no adjustment is made to the terms of Stock Option contracts as a result of the underlying security being marked "ex dividend," although dividends may be reflected by changes in the premiums at which Stock Options trade in the market. If a Special Dividend is distributed on a security underlying certain Stock Options, the exercise price for such Stock Options written prior to the day of any such distribution may be adjusted in such a manner as to negate the effect of such distribution on the value of the contract. Eurex may temporarily suspend trading in an issuer's Stock Options if a dividend is announced.

The exercise price may also be adjusted if subscription rights are granted or in the event of a stock split. The number of shares underlying a contract may be adjusted in the event that capital is paid out of a company's equity. Any such change is designed to negate the effect of such an extraordinary event on the value of a Stock Option.

It should be noted that for some European shares, dividend payments may be less predictable than in the United States. Many European companies do not pay dividends on fixed dates each year, some may do so semi-annually rather than quarterly and some occasionally pay Special Dividends.

In order to directly receive the benefit of a dividend, a holder of a call Stock Option must exercise before the underlying security is declared "ex dividend." In order to exercise a Stock Option "cum dividend" for an equity security going "ex dividend," it is necessary to submit an

exercise notice prior to the exercise deadline on the last day on which the equity security is trading “cum dividend.”

DESCRIPTIONS OF INDIVIDUAL STOCK OPTIONS

The following sections describe the basic characteristics that are unique to Stock Options on German shares, Swiss shares, Finnish shares, Dutch shares, Italian shares and French shares.

GERMAN STOCK OPTIONS

Minimum Price Movement

German Stock Options have price gradations of € 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is two Exchange trading days after exercise.

Last Trading Day

The last trading day is generally the third Friday of the expiration month, if a day on which the option could be exercised (see “Exercise Style” above); otherwise the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:31 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

SWISS STOCK OPTIONS

Minimum Price Movement

Swiss Stock Options have price gradations of CHF 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is three Exchange trading days after exercise.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:20 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in Swiss francs on the first Exchange trading day following the trade date.

FINNISH STOCK OPTIONS

Minimum Price Movement

Finnish Stock Options have price gradations of € 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is four Exchange trading days after exercise.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:32 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

DUTCH STOCK OPTIONS

Minimum Price Movement

Dutch Stock Options have price gradations of € 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is three Exchange trading days after exercise.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:33 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

ITALIAN STOCK OPTIONS

Minimum Price Movement

Stock Options have price gradations of € 0.0005, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is three Exchange trading days after exercise.

Last Trading Day

The last trading day for Stock Options is the last Exchange trading day before the third Friday of the expiration month. Trading in the expiring options series ceases at 5:35 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

FRENCH STOCK OPTIONS

Minimum Price Movement

French Stock Options have price gradations of € 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is three Exchange trading days after exercise.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:34 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

OPTIONS ON EXCHANGE-TRADED FUNDS

Eurex lists EXTF Options on non-U.S. exchange-traded funds available on certain European markets. Exchange-traded funds are investment funds that are traded on an exchange in a manner similar to stocks.

GENERAL

As the funds underlying EXTF Options are traded on different exchanges, some of the option terms vary along with the underlying funds. Currently, options on four non-U.S. exchange-traded funds are available on Eurex: DAX®EX, Dow Jones EURO STOXX 50SMEX, iShares DJ EURO STOXX (all of which are exchange-traded on Xetra® and are listed in euros) and XMTCH on SMI® (which is exchange-traded on SWX and listed in Swiss francs).

DAX®EX Fund

The purpose of the DAX®EX fund is to track the performance of the DAX®, which is described in detail on page 38. Shares representing interests in the DAX®EX fund were issued by INDEXCHANGE Investment AG, a German public limited company ("**Indexchange**". Indexchange also manages the fund. The fund is currently traded on Xetra®.

Dow Jones EURO STOXX 50SMEX Fund

The purpose of the Dow Jones EURO STOXX 50SMEX fund is to track the performance of the DJES 50, which is described in detail on page 32. Shares representing interest in the Dow Jones EURO STOXX 50SMEX fund were issued by Indexchange. Indexchange also manages the fund. The fund is currently traded on Xetra®.

iShares DJ EURO STOXX Fund

The purpose of the iShares DJ EURO STOXX fund is to track the performance of the DJES 50. Shares representing interests in the iShares DJ EURO STOXX fund were issued by European Exchange-Traded Fund Company plc, an umbrella fund incorporated with limited liability in Ireland. This fund was originally managed by Merrill Lynch Investment Managers, LLC, and since September 16, 2003 (when its name was changed from DJ EURO STOXX 50 LDRS), has been managed by Barclays Global Investors Ltd. The fund is currently traded on Xetra®, SWX, Euronext Paris, Euronext Amsterdam, the London Stock Exchange, virt-x and Borsa Italiana.

XMTCH on SMI® Fund

The purpose of the XMTCH on SMI® fund is to track the performance of the SMI®, which is described in detail on page 42. Shares representing interests in the XMTCH on SMI® fund were issued by Credit Suisse Asset Management Funds, Zurich, a limited company organized under the laws of Switzerland. This fund is also managed by Credit Suisse Asset Management Funds, Zurich. The fund is currently traded on SWX.

COMMON FEATURES

The following sections describe the common features of EXTF Options.

Contract Size

Generally, an EXTF Option gives the buyer of a call EXTF Option the right to buy, and the owner of a put EXTF Option the right to sell, 100 shares of a non-U.S. exchange-traded fund, unless the Eurex Board has determined otherwise. To determine if a particular option is an exception to this general rule, please visit the Eurex web site (www.eurexchange.com).

Delivery

Physical delivery will be made in increments of 100 shares.

Daily Settlement Price

Daily settlement prices are established by Eurex Clearing AG based on prices of options transactions (as well as unfilled options orders) settled near the closing time of the relevant option, as well as the closing price of the underlying fund and the binomial options pricing model developed by Cox, Ross and Rubinstein.

Exercise Style

EXTF Options have American-style exercise. They can generally be exercised up to the end of the post-trading period on any Exchange trading day. EUR-denominated EXTF options may not be exercised on the Exchange trading day preceding the day of any dividend payout. U.S. investors should consult their broker-dealer to verify the time by which an investor in the United States must provide notice of exercise.

Expiration Months

The three nearest calendar months, as well as the three following quarters within the March, June, September and December cycle thereafter and the two following 6-month periods of the June and December cycle thereafter (*i.e.*, up to a maximum of 24 months).

Exercise by Holders

If the holder of an EXTF Option wishes to exercise the right to buy or sell the underlying security at the specified price, the holder should instruct its broker which, if not authorized to clear trades on Eurex itself, will then instruct the relevant, authorized member to submit an exercise notice to Eurex for the EXTF Option. EXTF Options will only be exercised if an exercise notice is submitted to Eurex. EXTF Options are never automatically exercised unless the Eurex member sets an Automatic Exercise Parameter (as defined below), as described in the chapter entitled “ECAG Clearing.”

Exercise Deadlines

Generally, each Eurex member authorized to clear trades will establish a cut-off time on each business day by which an exercise notice must be received in order to ensure that it has sufficient time to pass the notice along to Eurex before the exercise deadline. The deadline is strictly observed by Eurex. Exercise instructions must be electronically submitted to Eurex by the relevant Eurex member. Eurex then randomly allocates the responsibility for exercise among the open short positions of Eurex members in the same EXTF Option series. U.S. investors should consult their broker-dealer to verify the time by which an investor in the United States must provide notice of exercise.

Exercise Price Gradations

The current exercise price gradations for each EXTF Option series are available on the Eurex website (www.eurexchange.com).

Dividends

The holder of a call EXTF Option is not entitled to receive any dividend payment declared on the underlying fund. Consequently, no adjustment is made to the terms of EXTF Option contracts as a result of the underlying security or any of its component securities being marked "ex dividend," although dividends may be reflected by changes in the premiums at which EXTF Options trade in the market.

In order to directly receive the benefit of a dividend, a holder of a call EXTF Option must exercise before the underlying security is declared "ex dividend." In order to exercise an EXTF Option "cum dividend" for a security going "ex dividend," it is necessary to submit an exercise notice prior to the exercise deadline on the last day on which the fund is trading "cum dividend."

Descriptions of Individual EXTF Options

The following sections describe the basic characteristics that are unique to EXTF Options on euro-denominated funds and Swiss franc-denominated funds.

EURO-DENOMINATED EXCHANGE-TRADED FUND OPTIONS

This section describes DAX®EX EXTF Options, Dow Jones EURO STOXX 50SMEX EXTF Options and iShares DJ EURO STOXX EXTF Options.

Minimum Price Movement

EXTF Options on euro-denominated funds have price gradations of € 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is two Exchange trading days after exercise.

Last Trading Day

The last trading day is generally the third Friday of the expiration month, if an Exchange trading day; otherwise the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:30 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

SWISS FRANC-DENOMINATED EXCHANGE-TRADED FUND OPTIONS

This section describes XMTCH on SMI® EXTF Options.

Minimum Price Movement

EXTF Options on Swiss franc-denominated funds have price gradations of CHF 0.01, unless the Eurex Board has determined otherwise.

Delivery Day

The delivery day is three Exchange trading days after exercise.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:20 p.m. CET on the last Exchange trading day.

Option Premium

The option premium is payable in Swiss francs on the first Exchange trading day following the trade date.

INDEX OPTIONS

GENERAL

As the indices underlying Index Options comprise the equity securities of companies traded on a number of different exchanges, some of the option terms vary along with the underlying indices. The following sections describe some of the characteristics particular to each type of Index Option (Dow Jones STOXX^{SM} 50 Index Options, Dow Jones Euro STOXX^{SM} 50 Index Options, Dow Jones Global Titans 50^{SM} Index Options, DAX® Index Options, TecDAX® Index Options, SMI® Index Options and OMXH 25® Index Options). All Index Options, however, share the following common features.

SETTLEMENT

Settlement is in cash based on the final settlement price for the relevant Exchange trading day, payable on the first Exchange trading day immediately following.

PRICE QUOTATION

Index Options are quoted in points, carried out to one decimal place.

DAILY SETTLEMENT PRICE

Daily settlement prices are established by Eurex Clearing AG based on prices of options transactions (as well as unfilled options orders) settled near the closing time of the relevant option, as well as the closing value of the underlying index and the options pricing model developed by Black and Scholes.

EXERCISE BY HOLDERS

If the holder of an Index Option wishes to exercise its right to receive a cash payment at the specified price, the holder should instruct its broker which, if not authorized to clear trades on Eurex itself, will then instruct the relevant, authorized member to submit an exercise notice to Eurex for the Index Option. Index Options will only be exercised if an exercise notice is submitted to Eurex. Index Options are never automatically exercised, unless the Eurex member sets an Automatic Exercise Parameter (as defined below), as described in the chapter entitled "ECAG Clearing."

EXERCISE DEADLINES

Generally, each Eurex member authorized to clear trades will establish a cut-off time on each business day by which an exercise notice must be received in order to ensure that it has sufficient time to pass the notice along to Eurex before the exercise deadline. The deadline is strictly observed by Eurex. Exercise instructions must be electronically submitted to Eurex by the relevant Eurex member. Eurex then randomly allocates the responsibility for exercise among the open short positions of Eurex members in the same Index Option series. U.S. investors should consult their broker-dealer to verify the time by which an investor in the United States must provide notice of exercise.

EXERCISE STYLE

Index Options have European-style exercise. They can generally be exercised only on the last trading day of the respective options series, up to the end of the post-trading period. U.S. investors should consult their broker-dealer to verify the time by which an investor in the United States must provide notice of exercise.

EXERCISE PRICE GRADATIONS

The current exercise price gradations for each Index Option series are available on the Eurex website (www.eurexchange.com).

DESCRIPTIONS OF INDIVIDUAL INDEX OPTIONS

The following sections describe the basic characteristics of the Index Options traded on Eurex.

DOW JONES STOXX^{SM} 50 INDEX OPTIONS AND DOW JONES EURO STOXX^{SM} 50 INDEX OPTIONS

Contract Standard

DJS 50 Index Options and DJES 50 Index Options are based on the DJS 50 and the DJES 50, respectively. Both indices are capitalization-weighted quarterly (subject to a 10% weight cap for any individual component) and are calculated on both a price and total return basis. The values of the indices have been calculated and published since February 1998, although historical data for the values of the indices is available from December 31, 1991. The indices are part of a group of indices developed and calculated by STOXX Ltd., a company founded and owned by DBAG, Dow Jones & Company, Euronext Paris SA and SWX. Each of the indices is a diversified European index of a number of the largest and most liquid European stocks, selected to reflect the industry sector breakdown across the relevant European countries.

The DJS 50 represents the performance of 50 companies considered market sector leaders in Europe. Stocks of issuers from the following countries are included: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The DJES 50 represents the performance of 50 companies considered market sector leaders in the Eurozone. Stocks of issuers from the following countries are included: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain.

The component stocks in the DJS 50 index are selected as follows. First, for each of 18 market sectors, the largest stocks in the Dow Jones STOXX^{SM} 600,[2] qualify for the selection list until the selection list's freely available and tradable shares ("**free float**") market capitalization is as close to, but still less than, 60 percent of the relevant Dow Jones STOXX^{SM} Total Market Index[3] sector's total free float market capitalization at the end of each August. If the next ranked stock brings the coverage closer to 60 percent in absolute terms, it is also added to the selection list. Also included on the selection list are all current components of the DJS 50. All stocks on the selection list are then ranked by free float market capitalization. In exceptional cases, the STOXX Ltd. Supervisory Board may make additions and deletions to the selection list.

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[2] The Dow Jones STOXX 600 is comprised of the 600 largest stocks in the Dow Jones STOXX^{SM} Total Market Index. See footnote 3 for a description of the Dow Jones STOXX^{SM} Total Market Index.

[3] The Dow Jones STOXX^{SM} Total Market Index covers 95 percent of the free float market capitalization of the "investable stock universe." The "investable stock universe," in turn, consists of the tradable stocks (*i.e.*, common stock (and stock with similar characteristics) with fewer than 10 non-trading days in any three months) in the "regional universe." The regional universe consists of companies organized in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom, that are listed or traded on the following exchanges and trading systems: Athens Stock Exchange, Bolsa de Madrid, Borsa Italia, Copenhagen Stock Exchange, Euronext, Helsinki Stock Exchange, Irish Stock Exchange, London Stock Exchange, Oslo Bors, Stockholmsbörsen, virt-x and Xetra®.

The component stocks in the DJES 50 index are selected in a similar manner as follows. First, for each of 18 market scores, the largest stocks in the Dow Jones Euro STOXX^{SM},[4] qualify for the selection list until the selection list's free float market capitalization is as close to, but still less than, 60 percent of the relevant Dow Jones Euro STOXX^{SM} sector's total free float market capitalization at the end of each August. If the next ranked stock brings the coverage closer to 60 percent in absolute terms, it is also added to the selection list. Also included on the selection list are all current components of the DJES 50. All stocks on the selection list are then ranked by free float market capitalization. In exceptional cases, the STOXX Ltd. Supervisory Board may make additions and deletions to the selection list.

Separately with respect to each of the DJS 50 and the DJES 50, the largest 40 stocks on each list are then selected for the relevant index and the remaining 10 stocks are selected from among the largest remaining current stocks on the relevant selection list ranked between 41 and 60. If the number of stocks selected is still below 50, the largest remaining stocks are selected to bring the total to 50. A selection list is published on the first trading day of every month to indicate possible changes to the composition of each of the DJS 50 and DJES 50 at the next annual review or in case of extraordinary corporate actions.

STOXX Ltd. annually reviews the stocks that comprise the DJS 50 and DJES 50 indices pursuant to the methodology described above. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings and bankruptcy) that affect the index composition are immediately reviewed. Changes of more than 5 percent of free float market capitalization are announced immediately, implemented two trading days later and made effective the trading day after implementation. Changes of less than 5 percent of free float market capitalization are announced quarterly, implemented two trading days later and made effective the trading day after implementation.

STOXX Ltd. reviews the stocks that comprise the Dow Jones STOXX^{SM} Total Market Index and the Dow Jones STOXX^{SM} 600 quarterly.

Annual DJS 50 index closing value highs and lows (in U.S. dollars):

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007***
High	2247.91	3022.03	3551.95	3756.93	3217.75	2484.31	2506.16	2824.58	2998.03	3653.72	3768.74
Low	1703.23	2088.66	2759.87	2943.39	1989.17	1665.90	1571.83	2328.59	2680.82	2959.79	3462.16

Table based on data available at www.stoxx.com. // 2007 data includes index values through March 31, 2007.*

[4] The Dow Jones Euro STOXX^{SM} is comprised of the stocks of those companies found in the in the Dow Jones STOXX^{SM} Total Market Index that are incorporated and have their primary listing in the Eurozone and are traded in euros. See footnote 3 for a description of the Dow Jones STOXX^{SM} Total Market Index.

Annual DJES 50 index closing value highs and lows (in U.S. dollars):

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
High	2199.87	3042.60	3673.36	3921.56	3383.03	2574.34	2600.66	3004.25	3208.25	4057.48	4202.44
Low	1704.08	2001.29	2761.77	2918.59	1963.30	1583.22	1522.94	2364.71	2815.14	3175.24	3858.59

Table based on data available at www.stoxx.com. // 2007 data includes index values through March 31, 2007.*

Contract Value

The contract value is based on € 10 per index point.

Minimum Price Movement

The minimum price movement is 0.1 of a point, representing a value of € 1.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 12:00 noon CET on the last Exchange trading day.

Final Settlement Price

The final settlement price is the average price of the index values between 11:50 a.m. and 12:00 noon CET on the last Exchange trading day. The final settlement price is determined at 12:00 noon CET on the last Exchange trading day.

Expiration Months

The expiration months are the three nearest calendar months, the three following quarters within the March, June, September and December cycle, as well as the two following 6-month periods of the June and December cycle (*i.e.*, up to a maximum of 24 months). In addition, DJES 50 options have two further 6-month expiration months as well as the seven following one-year periods of the December cycle thereafter (*i.e.*, up to a maximum of 120 months).

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

DOW JONES GLOBAL TITANS 50^{SM} INDEX OPTIONS

Contract Standard

DJGT Index Options are based on the DJGT. The DJGT is free float capitalization weighted quarterly (subject to a 10% weight cap for any individual component) and is calculated on both a price and total return basis in U.S. dollars and euros. DJGT Index Options settle on the basis of the price of the index values in euros. The index has been developed and is calculated by Dow Jones Indexes, which is part of Dow Jones & Company, Inc.

The DJGT consists of the largest 50 stocks in the Dow Jones World Index[5] on the basis of free float capitalization as well as assets, book value, sales and revenue and net profit. The component stocks of the Dow Jones World Index are selected from stocks of companies organized in 46 countries and encompassing 10 economic sectors. For a stock to be eligible, its primary market listing (which is usually its jurisdiction of organization) must be in a country meeting the following criteria, as determined by Dow Jones Indexes: (i) the country's laws and regulations do not impede non-residents from easily entering or exiting the market; (ii) the country has a convertible currency; (iii) there is access to real-time and historical trading prices on that market and exchange rates for the relevant currency and (iv) investors have access to reliable sources for ownership information and corporate action data.

Stocks from eligible markets are screened by liquidity and share class to exclude stocks that are considered difficult to trade. Specifically, component securities must be common equity shares and may not be fixed-dividend shares, convertible notes, warrants, rights, mutual funds, unit investment trusts, closed-end fund shares or shares in limited partnerships. In addition, securities with more than 10 non-trading days in the preceding quarter are excluded.

The qualifying stocks are ranked by free float market capitalization, although certain "small cap" stocks are ranked by both turnover and free float market capitalization. Stocks are selected such that the index generally covers 95 percent of the free float market capitalization of the qualifying stocks in each relevant country or region. The Dow Jones World Index is reviewed quarterly in March, June, September and December. Changes to the Dow Jones World Index are made such that those that companies that fall within the bottom 1 percent of stocks by free-float market capitalization or within the bottom .01 percent of stocks by turnover are removed from the index and stocks that meet these requirements (starting with the largest current noncomponent by free-float market-capitalization) are added until 95 percent of the investable universe is covered.

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[5] The Dow Jones World Index is comprised of certain stocks from "eligible countries" that are within the "investable universe." Eligible countries consist of those countries that provide access to non-residents, a convertible currency and access to real-time and historical market data. For the Dow Jones World Index as of June 30, 2007, these countries are Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Malaysia, Malta, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom and United States. A current list of eligible countries is available at www.djindexes.com. The investable universe includes equities from these eligible countries that are filtered through screens for share class and liquidity. Components of the Dow Jones World Index are then selected based on a formula that ranks stocks based on free-float market capitalization such that the resulting index covers 95 percent of the underlying free-float market capitalization at the aggregate level.

Changes as a result of these reviews become effective at the opening of trading on the first trading day after the third Friday of the review month. In addition to the quarterly reviews, the Dow Jones World Index is adjusted at other times to account for extraordinary events such as delistings, bankruptcies, mergers, spin-offs and takeovers.

The selection of the DJGT is a multi-stage process. In the first stage, the top 100 companies are selected from the Dow Jones World Index on the basis of free float market capitalization. However, only the most liquid class of stock of a company that has more than one class in the top 100 is utilized, and any company that does not generate revenue from markets outside of its home jurisdiction (and thus is not a "global" company) is excluded. In the second stage, a composite ranking for each such company in the top 100 is created based on its ranking by assets, book value, sales and revenue and net profit. A final ranking for each stock is then created, based equally on the composite ranking and the free float market capitalization ranking. The index generally consists of the top 50 stocks by such final ranking.

The composition of the DJGT is reviewed annually, based on the free float market capitalization of the Dow Jones World Index at the end of April. At each annual review, if a stock that is not currently in the DJGT is among the top 30 stocks by final ranking, it replaces the lowest ranking stock in the DJGT. If a stock that is currently in the DJGT is not among the top 70 stocks by final ranking (or the top 100 stocks by free float market capitalization), it is replaced by the highest ranking stock in the selection list not currently in the DJGT. Notification of changes to the index composition is made two weeks prior to implementation, which occurs as of the first trading day following the third Friday in June. In addition, the weighting of component stocks is evaluated on a quarterly basis in March, June, September and December based on changes in free float market capitalization, and if the weighting of any component exceeds 10 percent of the index, it is capped at 10 percent.

In addition to the annual review, the DJGT is adjusted at other times for extraordinary events such as delistings, bankruptcies, mergers, spin-offs and takeovers. Notification of such adjustments is made at least two trading days prior to implementation. Moreover, Dow Jones Indexes produces a monthly interim selection list for informational purposes that indicates possible changes at the next quarterly or annual review.

Annual index closing value highs and lows (in index points):

Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007***
High	192.29	241.24	292.74	294.00	241.56	203.89	184.79	195.41	200.33	231.93	233.49
Low	146.35	179.72	236.02	225.52	168.34	134.76	134.92	176.36	188.00	194.47	219.13

Table based on Bloomberg data. // 2007 data includes index values through March 31, 2007.*

Contract Value

The contract value is based on € 100 per DJGT index point.

Minimum Price Movement

The minimum price movement is 0.1 of a point, representing a value of € 10.

Last Trading Day

The last trading day is the third Friday of each contract month, if an Exchange trading day; otherwise, the Exchange trading day immediately preceding such Friday. Trading in the expiring option series ceases at 5:00 p.m. CET on the last Exchange trading day.

Final Settlement Price

The final settlement price is the average of the DJGT index values between 4:50 p.m. and 5:00 p.m. CET on the last Exchange trading day. The final settlement price is determined at 5:00 p.m. CET on the last Exchange trading day.

Expiration Months

The three nearest calendar months, as well as the three following quarters within the March, June, September and December cycle thereafter and the two following 6-month periods within the June and December cycle thereafter (*i.e.*, up to a maximum of 24 months).

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

DAX® INDEX OPTIONS

Contract Standard

DAX® Index Options are based on the DBAG's DAX®, which reflects the "blue-chip" segment comprising certain of the largest and most actively traded German companies that are listed on the Frankfurt Stock Exchange. It comprises 30 issues admitted to trading in the Prime Standard Segment of the Frankfurt Stock Exchange. Companies listed in the Prime Standard Segment comply with disclosure requirements in line with international standards, including the publication of quarterly reports, financial reporting in accordance with international financial reporting standards, publication of a corporate financial calendar, at least one analysts' conference per year and publication of ad hoc disclosures (required under the German Securities Trading Act) in German and English. The DAX® has been calculated by DBAG with a historical time series dating back until 1959. The performance index is computed every 15 seconds, and the index composition is usually checked on an annual basis (in September of each year). In certain cases, the index composition may be subject to unscheduled modifications.

The DAX® is capitalization weighted. The number of shares admitted to trading is updated quarterly. Subscription rights are already taken into account on the issue date of the new shares via appropriate adjustment factors. The calculation of the index is carried out using a formula according to Laspeyres, which weights stocks in the index by their beginning-of-period market capitalization, and subjects them to "chain-linking" on a quarterly basis.

DBAG's Working Committee for Stock Indices advises DBAG on all issues related to the DAX® recommending measures which are necessary in order to ensure the index is up-to-date and the index calculation process is correct and transparent. In accordance with the various rules set out in publicly available guidelines, the Committee issues recommendations in respect of the composition of DBAG's indices. However, any decisions on the composition of and possible modifications to these indices are exclusively taken by the board of directors of DBAG.

The base is a level of 1,000 points established on December 30, 1987.

Annual index closing value highs and lows (in index points):

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
High	6171.43	6958.14	8064.97	6795.14	5462.55	3965.16	4261.79	5458.58	6611.81	7027.59
Low	3896.08	4678.72	6200.71	3787.23	2597.88	2202.96	3646.99	4178.10	5292.14	6447.70

Table based on Bloomberg data. // 2007 data includes index values through March 31, 2007.*

Contract Value

The contract value is based on € 5 per DAX® index point.

Minimum Price Movement

The minimum price movement is 0.1 of a point, representing a value of € 0.50.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 1:00 p.m. CET on the last Exchange trading day.

Final Settlement Price

The final settlement price is based on the value of the DAX®, determined on the basis of the collective prices of the shares contained in the DAX® as reflected in the intra-day trading auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®).

Expiration Months

The expiration months are the three nearest calendar months, the three following quarters within the March, June, September and December cycle, the four following six-month periods of the June and December cycle, as well as the two following twelve-month periods of the December cycle *i.e.*, options contracts are available with durations of 1, 2 and 3 months, as well as durations of up to 6, 9, 12, 18, 24, 30, 36, 48 and 60 months.

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

TecDAX® INDEX OPTIONS

Contract Standard

TecDAX® Index Options are based on the DBAG's TecDAX®. The TecDAX® tracks the share performance of the 30 largest companies in the technology sector in the Prime Standard Segment of the Frankfurt Stock Exchange ranking below those included in the DAX® based on turnover and capitalization. The TecDAX® was launched on March 24, 2003. The performance index is computed every 15 seconds, and the index composition is checked on a semi-annual basis.

The TecDAX® is capitalization weighted. The number of shares admitted to trading is updated quarterly. Subscription rights are already taken into account on the issue date of the new shares via appropriate adjustment factors. The calculation of the index is carried out using a formula according to Laspeyres, which weights stocks in the index by their beginning-of-period market capitalization, and subjects them to "chain-linking" on a quarterly basis.

DBAG's Working Committee for Stock Indices advises DBAG on all issues related to the TecDAX®, recommending measures which are necessary in order to ensure the transparency of the index calculation process. In accordance with the various rules set out in publicly available guidelines, the Committee issues recommendations in respect of the composition of DBAG's indices. However, any decisions on the composition of and possible modifications to these indices are exclusively taken by the board of directors of DBAG.

Annual index closing value highs and lows (in index points):

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007*
High	5212.13	9631.53	2920.90	1286.44	577.48	653.18	628.94	761.30	870.83
Low	3350.75	2734.98	683.82	313.67	309.55	438.92	498.71	583.06	759.04

Table based on Bloomberg data. // 2007 data includes index values through March 31, 2007.*

Contract Value

The contract value is based on € 10 per TecDAX® index point.

Minimum Price Movement

The minimum price movement is 0.1 of a point, representing a value of € 1.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 1:00 p.m. CET on the last Exchange trading day.

Final Settlement Price

The final settlement price is based on the value of the TecDAX®, determined on the basis of the collective prices of the shares contained in the TecDAX® as reflected in the intra-day trading auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®).

Expiration Months

The three nearest calendar months, as well as the three following quarters within the March, June, September and December cycle thereafter and the two following 6-month periods within the June and December cycle thereafter (*i.e.*, up to a maximum of 24 months).

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

SMI® INDEX OPTIONS

Contract Standard

SMI® Index Options are based on the SMI®, a capitalization-weighted index calculated by the SWX on a price appreciation, non-dividend adjusted basis. It includes up to 30 "blue-chip" Swiss stocks listed by the SWX and traded on virt-x and typically represents approximately 80 percent of the total capitalization of Swiss stocks listed on the SWX and represented, prior to the switch to trading on virt-x, approximately 90 percent of the average daily share volume of Swiss stocks on the SWX. The SMI® has been calculated and published since June 1, 1988.

The component stocks in the SMI® are selected on the basis of their market capitalization and liquidity, as measured by trading volume in the market. For a stock to be eligible for inclusion in the SMI®, its turnover, which is defined as the quarterly trading volume divided by market capitalization, must equal or exceed 50 percent of the average turnover of the entire market. Investment companies, which are defined as having assets that consist almost exclusively of financial investments, are excluded from the index. A stock must also represent at least 0.45 percent of the total capitalization of all Swiss stocks to be eligible. Stocks that satisfy these criteria are ranked by their weighted market share, which is calculated by the SWX giving equal weight to both trading volume and capitalization. Before a stock can be included in the SMI®, it must rank among the 30 stocks with the highest weighted market share for a period of four quarters (or for all quarters since listing, if that period is shorter).

The SWX reviews the stocks that comprise the SMI® pursuant to the methodology described above every quarter based on their respective market shares as of March 31, June 30, September 30 and December 31. A stock will be withdrawn from the SMI® if it is ranked 30th or lower by weighted market share for a period of four quarters. If an addition to the SMI® would cause the index to contain more than 30 stocks, the stock in the SMI® with the lowest weighted market share as of the June 30 review date will be removed from the index.

In addition, the SWX may adjust the SMI® between regular quarterly review dates if a very large market movement or a major initial public offering occurs. For example, new issues may be included immediately if the SWX determines that the stock will clearly satisfy the SMI® criteria over the long term. Changes in the index calculation will also be made for extraordinary events such as delistings, bankruptcies, mergers, spin-offs and takeovers. The SMI® is not adjusted for cash dividends, however.

Annual index closing value highs and lows (in index points):

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
High	6267.60	8412.00	7668.80	8377.00	8118.90	6694.10	5487.80	5934.40	7619.96	8835.63	9345.62
Low	3922.90	5126.50	6616.70	6781.40	5110.20	4435.00	3675.40	5309.70	5669.60	7154.86	8577.66

Table based on Bloomberg data. // 2007 data includes index values through March 31, 2007.*

Contract Value

The contract value is based on CHF 10 per SMI® index point.

Minimum Price Movement

The minimum price movement is 0.1 of a point, representing a value of CHF 1.

Final Settlement Day and Last Trading Day

The final settlement day of an options series shall be the third Friday of the relevant month; provided, however, that if such Friday is not an Exchange trading day, the Exchange trading day immediately prior to such Friday shall be the final settlement day. The last trading day of an options series shall be the Exchange trading day prior to the final settlement day. Trading in the expiring options series ceases at 5:20 p.m. CET on the last Exchange trading day. The expiration day of an options series shall be the Exchange trading day following the final settlement day.

Final Settlement Price

The final settlement price is based on the value of the SMI®, determined on the basis of the collective SWX opening prices of the shares contained in the SMI® on the last Exchange trading day.

Expiration Months

The three nearest calendar months, as well as the following three quarters within the March, June, September and December cycle thereafter, the four following 6-month periods of the June and December cycle thereafter and the two following one-year periods of the December cycle thereafter (*i.e.*, up to a maximum of 60 months).

Option Premium

The option premium is payable in Swiss francs on the first Exchange trading day following the trade date.

OMXH 25® INDEX OPTIONS

Contract Standard

OMXH 25® Index Options are based on the OMXH 25®, an index composed of Finnish stocks. The OMXH 25® is calculated and maintained by the Helsinki Stock Exchange on a continuous basis from the most recent prices of the 25 most traded shares on the HEX. The 25 most traded stocks in terms of their daily median trading volume for the preceding calendar half-year on the HEX are chosen to constitute the index. The OMXH 25® shares' portion of the total trading volume (without weight limitation), as well as portion of the market value of the HEX has been approximately 90 percent of the trading volume and market value of all shares traded on the HEX.

The 25 stocks to be included in the index are chosen semi-annually. A new structure comes into force at the beginning of February and the beginning of August. The stocks selected to constitute the index are the top 25 shares on the HEX's main list, in terms of their daily median trading volume during the previous half calendar year. The above selection principle means that the OMXH 25® is made up of the HEX's most liquid stocks. Any stocks expected to end during the life of the basket are generally not selected to be part of the OMXH 25®.

The OMXH 25® is a capitalization weighted stock price index. However, the maximum weight of one company is currently limited to 10 percent of the entire portfolio. This ensures that no single company dominates the index.

The number of shares used to compute the market value is determined on a quarterly basis in the beginning of February, May, August and November. For a component that exceeds the 10 percent limit, the weight-limit is applied by reducing the numbers of shares used in index calculation. The new numbers of shares corresponds to the weight of 10 percent, using the most recent share prices. The number of shares in the index is normally fixed for three months at a time. Consequently, just as in any passive portfolio, the weights of the stocks vary as the market prices of the stocks change. This also means that due to price changes, the weight of one company may exceed or fall under the 10 percent limit between the quarterly reviews.

Annual index closing value highs and lows (in index points):

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
High	1318.96	1725.56	3222.83	3502.48	2322.21	1726.67	1568.89	1867.79	2310.99	2919.00	3150.09
Low	857.96	1009.54	1429.96	2041.94	1192.22	1093.37	1100.38	1510.11	1809.08	2243.21	2831.09

Table based on Bloomberg data. // 2007 data includes index values through March 31, 2007.*

Contract Value

The contract value is based on € 10 per OMXH 25® index point.

Minimum Price Movement

The minimum price movement is 0.1 of a point, representing a value of € 1.

Last Trading Day

The last trading day is the third Friday of the expiration month, if an Exchange trading day; otherwise, the Exchange trading day immediately prior to such Friday. Trading in the expiring options series ceases at 5:30 p.m. CET on the last Exchange trading day.

Final Settlement Price

The final settlement price is based on the value of the OMXH 25® as determined using average prices of the stocks weighted by the volume of the transactions traded in full lots on HEX in the daily opening and in continuous trading between 8:40 a.m. and 5:30 p.m. CET.

Expiration Months

The three nearest calendar months, as well as the three following quarters within the March, June, September and December cycle thereafter (*i.e.*, up to a maximum of 12 months)

Option Premium

The option premium is payable in euros on the first Exchange trading day following the trade date.

TAXATION AND TRANSACTION COSTS

The following discussion has been written to familiarize investors with Stock Options, EXTF Options and Index Options. It was not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. federal income tax penalties. Investors should consult their own tax advisors in determining the tax consequences to them of holding the Options, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws. This discussion does not purport to be exhaustive or applicable to particular circumstances.

GERMAN TAXATION

U.S. resident investors are not liable for German income, capital gains, corporate income or value added (VAT) taxation on transactions in Stock Options, EXTF Options or Index Options, unless the investors' residence, habitual abode, statutory seat or place of effective management is located in Germany or their Stock Options, EXTF Options or Index Options dealings are transacted through an office, fixed place of business or other permanent establishment in Germany or through a dependent agent in Germany, or are associated with a transaction effected through such permanent establishment. A U.S. resident's transaction in Stock Options, EXTF Options or Index Options through an independent German broker who acts in the ordinary course of its business for the U.S. resident does not by itself establish a taxable presence of the U.S. resident in Germany.

U.S. FEDERAL INCOME TAXATION

The following summary describes certain U.S. federal income tax considerations that may be relevant to a U.S. investor (as defined below) that enters into Stock Options, EXTF Options or Index Options. The rules governing the U.S. federal income taxation of option transactions are complex and depend on a taxpayer's particular circumstances. Accordingly, this summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor in Stock Options, EXTF Options or Index Options. In particular, this summary deals only with U.S. investors in Stock Options, EXTF Options or Index Options that would hold the stocks underlying such options as capital assets for tax purposes. This summary also does not discuss the U.S. federal income tax treatment of a U.S. investor that is a member of a class of holders subject to special rules, such as:

- a dealer in securities, commodities or options;
- a trader in securities or commodities that elects to use a mark-to-market method of accounting for securities or commodities holdings;
- a bank;
- a life insurance company;
- a tax-exempt organization;
- an investor that enters into a Stock Option, EXTF Option or Index Option and holds any other position (whether long or short, direct or indirect) in any stock underlying such option;

- an investor that enters into a Stock Option, EXTF Option or Index Option that is part of a hedging transaction or that has been hedged against currency risk;
- an investor that enters into a Stock Option, EXTF Option or Index Option that is part of a straddle or conversion transaction for tax purposes and
- an investor whose functional currency for tax purposes is not the U.S. dollar.

As a consequence of the foregoing, it should be particularly noted that this summary does not address the special tax considerations that apply to an investment in a combination of Stock Options, EXTF Options or Index Options with respect to the same underlying stock or stocks.

The summary also does not address the possible application of the "short sale," "tax straddle," "conversion transaction" and other special tax rules that may apply to taxpayers with other positions in the underlying stock or stocks.

This summary also does not address the special tax considerations that apply to an investor that enters into a Stock Option or an Index Option with respect to stock in a company that is treated as a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, or that delivers stock in a PFIC pursuant to the exercise of a Stock Option. As described below under "Additional Considerations Applicable to EXTF Options," special U.S. federal income tax rules apply to PFIC stock and options on such stock. Eurex has not made any inquiries into whether any company on whose stock a Stock Option or Index Option is written may be a PFIC. U.S. investors should consult their own tax advisors to determine whether any such company may be a PFIC.

This summary is based on laws, judicial decisions and regulatory interpretations in effect on the date hereof, all of which are subject to change, possibly on a retroactive basis.

The rules governing the taxation of option transactions are complex and depend on a taxpayer's particular circumstances. U.S. investors are strongly urged to consult their own tax advisors concerning the U.S. federal, state, local and other national tax consequences of entering into, exercising and closing Stock Options, EXTF Options or Index Options in their particular circumstances.

For purposes of this summary, a "**U.S. investor**" is a purchaser or writer, as the case may be, of a Stock Option, EXTF Option or Index Option that is:

- a citizen or resident of the United States;
- a U.S. domestic corporation or
- otherwise subject to U.S. federal income tax on a net income basis with respect to income from the Stock Option, EXTF Option or Index Option.

U.S. Investors That Purchase Stock Options or Index Options

Premium

Premium paid by a U.S. investor for a Stock Option or Index Option will generally be treated as a nondeductible capital expenditure. As described in the following two sections, the amount of

such premium will be taken into account upon the exercise, sale, transfer, cash settlement or lapse of the option.

Exercise of Stock Options

A U.S. investor that receives stock pursuant to the exercise of a call Stock Option that the investor has purchased will generally not recognize gain or loss on such exercise. Instead, the investor will generally be treated as purchasing the stock as of the exercise date in exchange for the sum of the exercise price and the amount of the premium that the investor paid for the Stock Option. In general, the investor's holding period for the stock will run from the date of exercise.

A U.S. investor that delivers stock pursuant to the exercise of a put Stock Option that the investor has purchased will generally be treated as selling such stock as of the exercise date. Accordingly, such an investor will generally recognize capital gain or loss equal to the difference between (i) the exercise price less the amount of the premium that the investor paid for the Stock Option and (ii) the investor's tax basis in the stock. Such capital gain or loss generally will be long-term capital gain or loss if the stock was held for more than one year at the time the option was purchased and short-term capital gain or loss otherwise.

Sale, Transfer, Cash Settlement or Lapse

A U.S. investor that has purchased a Stock Option or Index Option will generally recognize capital gain or loss upon the sale, transfer, cash settlement or lapse of the Stock Option or Index Option in an amount equal to the difference between (i) the amount realized by the investor from such sale, transfer, settlement or lapse and (ii) the amount of the premium that the investor paid for the Stock Option or Index Option. Such capital gain or loss will be long-term capital gain or loss if the Stock Option or Index Option was held for more than one year.

U.S. Investors That Write Stock Options or Index Options

Premium

Premium received by a U.S. investor that writes a Stock Option or Index Option will generally not be currently includible in income. As described in the following two sections, the amount of such premium will be taken into account upon the exercise, cash settlement or lapse of the Stock Option or Index Option.

Exercise of Stock Options

A U.S. investor that receives stock pursuant to the exercise of a put Stock Option that the investor has written will generally not recognize gain or loss on such exercise. Instead, the investor will generally be treated as purchasing the stock as of the exercise date in exchange for the exercise price less the amount of the premium that the investor received for writing the Stock Option. The investor's holding period for the stock will run from the date of exercise.

A U.S. investor that delivers stock pursuant to the exercise of a call Stock Option that the investor has written will generally recognize capital gain or loss equal to the difference between (i) the sum of the exercise price and the amount of the premium that the investor received for

writing the Stock Option and (ii) the investor's tax basis in the stock. Such capital gain or loss generally will be long-term capital gain or loss if the stock was held for more than one year at the time the option was written and short-term capital gain or loss otherwise.

Cash Settlement or Lapse

A U.S. investor that has written a Stock Option or Index Option will generally recognize capital gain or loss upon the cash settlement of the Stock Option or Index Option in an amount equal to the difference between (i) the amount of the premium that the investor received for writing the Stock Option or Index Option and (ii) the amount paid by the investor in respect of such settlement. A U.S. investor that has written a Stock Option or Index Option will generally recognize capital gain upon the lapse of the Stock Option or Index Option in an amount equal to the amount of the premium that the investor received for writing the Stock Option or Index Option. In each case, such capital gain or loss will be short-term capital gain or loss regardless of how long the Stock Option or Index Option was open.

Additional Considerations Applicable to EXTF Options

Possible Treatment of EXTF as a PFIC

Special considerations apply to stock and options to acquire stock of companies considered to be PFICs for U.S. federal income tax purposes. EXTF Options on an exchange-traded fund that is not considered to be a PFIC will be subject to the same rules described above. EXTF Options on an exchange-traded fund that is treated as a PFIC will be subject to the same rules described above except that the rules described below will apply to gains on the disposition of such EXTF Options and to the disposition of exchange-traded fund stock pursuant to such EXTF Options.

Eurex has not made any inquiry into whether any exchange-traded fund with respect to whose stock EXTF Options are written may be a PFIC. U.S. investors should consult their own tax advisors to determine whether such exchange-traded fund may be a PFIC.

A foreign corporation is a PFIC if (i) 75 percent or more of its gross income for the taxable year is passive income or (ii) the average percentage of its assets that produce or are held for the production of passive income is at least 50 percent. In general, gain realized by a U.S. investor on the sale or other disposition of stock in a PFIC is treated as ordinary income and is deemed to have been realized ratably over the period the U.S. investor has held the option, subject to certain exceptions and elections. The amount of tax on the gain deemed realized in the prior taxable years will be increased by an interest charge. In general, the tax calculated as described above will be payable even if the U.S. investor is not otherwise liable for tax (***e.g.***, because it has losses).

U.S. Investors That Purchase EXTF Options on Exchange-Traded Funds That Are PFICs

In general, gain realized by a U.S. investor on the sale or transfer of an EXTF Option on stock of an exchange-traded fund that is a PFIC will be subject to the same rules (described above) as apply to gain on the sale of stock in a PFIC.

A U.S. investor that delivers stock of an exchange-traded fund that is a PFIC pursuant to the exercise of a put EXTF Option that the investor has purchased will generally be treated as selling such stock as of the exercise date. Gain realized on the sale of such stock will be subject to the rules described above.

A U.S. investor that receives stock in an exchange-traded fund that is a PFIC pursuant to the exercise of a call EXTF Option that the investor has purchased will generally not recognize gain or loss on such exercise. The holding period of the stock so received will include the holding period of the call EXTF Option. Gain realized on the sale of such stock will be subject to the rules described above.

U.S. Investors That Write EXTF Options on Exchange-Traded Funds That Are PFICs

A U.S. investor that delivers stock in an exchange-traded fund that is a PFIC pursuant to the exercise of a call EXTF Option that the U.S. investor has written will generally be treated as selling such stock as of the exercise date. Gain realized on the sale of such stock will be subject to the rules described above.

Section 1256

Under Section 1256 of the Internal Revenue Code of 1986, as amended, special mark-to-market and character rules apply in the case of certain "nonequity" options. Because the Secretary of the Treasury has not currently designated Eurex as a "qualified board or exchange" for purposes of Section 1256, however, these mark-to-market rules will not be applicable to U.S. investors in Index Options. These rules also will not apply to EXTF Options. These rules will not apply to the Stock Options in any event.

Foreign Currency Rules

Payments of premium, exercise price, sale proceeds and cash settlement amounts in respect of Stock Options, EXTF Options or Index Options that are denominated in euro or Swiss francs will be subject to special U.S. tax rules regarding foreign currency transactions. U.S. investors should consult their own tax advisors concerning the application of these rules in their particular circumstances.

TRANSACTION COSTS

The transaction costs borne by investors include brokers' commissions that reflect charges for opening and closing positions, exercise and clearing. Eurex does not impose minimum or maximum commission rates, which are a matter to be decided between the member broker and customer.

ECAG charges fees to clearing members depending on the product in question, the number of contracts traded and the member's status as market maker. These charges are generally passed on to the broker, who indirectly charges the investor for such fee as a portion of the broker's commission. The current fees that ECAG charges to its clearing members are available on the Eurex website (www.eurexchange.com).

ECAG CLEARING

From the time a trade is executed on Eurex, ECAG stands between the clearing member as or acting for the purchaser and the clearing member as or acting for the seller in performing the role of clearinghouse for, and counterparty of, both contracting parties. This subdividing of the trade into two distinct contracts with the central clearinghouse enables the parties to the transaction to limit counterparty risks to a single contracting party.

MEMBERSHIP

The requirements for clearing membership establish clearly defined conditions with respect to the creditworthiness of Exchange members participating in the clearing process.

For purposes of clearing through ECAG, all Eurex members must be a General Clearing Member, a Direct Clearing Member or a Non-Clearing Member.

General Clearing Members ("GCMs")

An Exchange member that is a GCM of ECAG will have the following duties and must meet the following requirements:

- GCMs must settle their own transactions, their customers' transactions, the transactions of their associated Non-Clearing Members and the transactions of customers of these Non-Clearing Members.

- GCMs are required to provide ECAG with margins for their own, their customers', their Non-Clearing Members' and the customers of these Non-Clearing Members' positions.

- GCMs must guarantee delivery with regard to all exercises and assignments concerning their own, their customers', their Non-Clearing Members' and the customers of these Non-Clearing Members' positions.

- GCMs are responsible for the timeliness of delivery notices when settling their own as well as their customers', their Non-Clearing Members' and the customers of these Non-Clearing Members' contracts.

- GCMs are responsible for the cash settlement of their own, their customers', their Non-Clearing Members' and the customers of these Non-Clearing Members' cash-settled products.

- GCMs pay and receive premiums and pay transaction fees for themselves and on behalf of their customers, their Non-Clearing Members and the customers of these Non-Clearing Members.

- GCMs must provide ECAG access to central bank accounts (their own or correspondent bank's account) in the country concerned (***e.g.***, in Germany to an

account at a branch of the Central Bank of Germany (Deutsche Bundesbank) and in Switzerland to an account at the Swiss National Bank).

Direct Clearing Members ("DCMs")

DCMs have the same duties and must fulfill the same requirements as GCMs. However, DCMs are only allowed to clear for Exchange members that are part of the same company group as the DCM, but not for other Exchange members. For example, if a wholly-owned affiliate of a DCM is registered as a separate Exchange member, the DCM is allowed to clear this Exchange member's transactions.

Non-Clearing Members ("NCMs")

NCMs are Exchange members without direct clearing rights. Their transactions must be cleared by a GCM or by a DCM if belonging to the same company group.

- The margin requirements for NCMs are set by the responsible GCM or DCM in line with Eurex's minimum requirements. Premiums, fee payments, variation margins and deliveries resulting from exercises or assignments of stock options are settled by the GCM or DCM.

- Non-Clearing Members do not need to have an account with a central securities depository ("**CSD**").

- Members from countries outside of the European Union or Switzerland are admitted only as NCMs.

Each clearing member is obliged to demand from its customers and NCMs margin amounts which are at least as high as the levels that result from the ECAG method of calculation. As described above, if a market member does not itself hold a clearing license, it must settle its transactions via a GCM or a company affiliated DCM. In such cases, the contractual party of the non-licensed market member will not be ECAG directly, but rather the GCM or company-affiliated DCM, which in turn is the contractual counterparty of ECAG. Customers have contractual relationships solely with the respective Eurex members that execute customer orders and settle the transactions that have been made.

MARGIN

ECAG protects itself against the risk of default by its members principally through margin, *i.e.*, the funds or securities that must be deposited by clearing members as collateral for a given position. ECAG generally determines margin requirements on a portfolio basis using its "Risk-Based Margining Method," taking into account offsetting positions in the same or related instruments. Margin collateral is accepted by ECAG in several specified currencies. ECAG generally pays interest on margins provided in cash.

Margin on Options

Long Options Position

In that the purchaser of a Stock Option, EXTF Option or Index Option acquires a right, but not an obligation, to exercise, it is subject to no further risk once it has paid the options premium. If prices move in its favor, it can either close out the position at a profit or exercise it. If the market moves against it, it can simply allow its right to exercise to expire without incurring any additional costs. For that reason, no margin is charged to the options buyer because, once it has paid the premium, no risk of non-fulfillment exists.

Short Options Position

An option writer may have two kinds of short call positions for margin purposes: "covered" and "uncovered." (Short put positions are never considered covered by ECAG.)

In the case of a covered short position, the underlying securities are on deposit with ECAG and thus provide 100 percent backing of the position. As a result, there are no other margin requirements on the position. For example, a writer sells 1 BASF call and simultaneously deposits 100 BASF shares in a depository account in favor of ECAG. In the case of options that are settled in cash (*e.g.*, Index Options), there can be no covered positions because no physical delivery of securities will take place.

In the case of an uncovered short call position, the option writer may be forced to acquire the underlying securities to satisfy its obligations (or make a cash payment in the case of an Index Option). In contrast, in the case of any short put position, the option writer may be forced to pay an amount no greater than the exercise price.

The margin charged by ECAG has two components: "**premium margin**" and "**additional margin**." Premium margin covers the potential loss that could ensue if the writer were forced to liquidate the position on any given day. Premium margin is continuously adjusted on the basis of the daily settlement price – if prices fluctuate so that the potential loss upon liquidation increases, the writer will be obliged to deposit additional premium margin.

Additional margin is intended to address the risk of adverse price movement through to the close of the next Exchange trading day. For that purpose, a calculation of the maximum expected loss on the position is made using a given confidence interval. This amount is then covered by a deposit of additional margin.

The sum of premium margin and additional margin is the total margin amount which must be posted by the writer of an uncovered option.

Short Option Adjustment

In the case of options which are considerably out-of-the-money, the risk exists that the margin levels determined in this manner are too low, because large price fluctuations in the underlying security tend to cause exaggerated changes in the value of these options.

Open out-of-the-money short positions may therefore be subjected to an additional "short option adjustment" calculation when the theoretical price used in determining premium margin is consistently lower than the amount determined by the short option adjustment formula.

When short option positions are embedded in complex portfolios, a major part of their risk may be compensated either by long option positions or by corresponding future positions. In particular, any short call option position's risk is limited by long call option positions with the same or longer amounts of time until expiration and lower or equal strike prices, or by a long future position. Any short put option position's risk is limited by long put option positions with the same or longer amounts of time until expiration and higher or equal strike prices, or by a short future position. The short option adjustment is therefore only applied if a short option position is not covered in one of the manners described above.

Exercised Stock Options

If a Stock Option or EXTF Option has been exercised, margin will continue to be required until delivery has taken place. This margin, however, is no longer based on the value of the option, but rather on the underlying security that is to be delivered. The difference between the exercise price and the settlement price is due as premium margin; price changes in the underlying security are covered by additional margin.

Margin Settlement

Depositing Margin

An ECAG member can satisfy all margin requirements by depositing the appropriate amount of cash or securities. Cash collateral can be paid into the account in various currencies. The board of directors of ECAG stipulates the currencies that are permitted for the deposit of cash collateral. ECAG pays interest on cash that has been deposited as collateral. Depositing securities that the clearing participant has in its own inventory offers the benefit that those instruments will continue to provide returns. Payments of premiums must always be made in cash.

Intra-Day Margin

ECAG, based on its own risk assessment carried out during the course of a given Exchange trading day, at all times reserves the right to demand from an ECAG member a higher, or additional, amount of margin. Additional collateral must be deposited immediately in the appropriate currency into a branch of the Central Bank of Germany (Deutsche Bundesbank), Frankfurt or Swiss National Bank account or, as the case may be, other relevant financial institution.

A GCM or a DCM generally has the same rights vis-à-vis any NCMs for which they clear transactions.

PROCEDURE IN CASE OF DEFAULT

If an ECAG member is no longer able to fulfill its obligations, ECAG will close out all of its open positions. All liquidation gains or losses will be offset against each other, and any remaining debit balance will be covered from the margin that has been deposited.

If an uncovered debit balance still exists, the next step will be to liquidate the cash and securities collateral of the clearing institution that is in arrears, and – insofar as it is necessary – a claim will be made against the particular clearing member's clearing fund contribution (all contributions collectively, the "**Clearing Fund**"). If any surplus remains, it will be paid out.

As legal counterparty to each GCM or DCM in respect of trades cleared through ECAG, ECAG bears legal responsibility for any loss arising from the default of a GCM or DCM, beyond the margin deposits held as security in respect of the defaulting member's liabilities. ECAG's supplementary resources for use in default cases, in the event that initial margin payments, amounts available from liquidation of collateral and the defaulting clearing member's Clearing Fund contribution should prove to be insufficient, consist of excess reserves and the Clearing Fund contributions of non-defaulting members. Reserves are set aside from ECAG's annual surplus in an amount, in the determination of ECAG, sufficient to support the Clearing Fund. As of March 31, 2007, ECAG's reserves totaled approximately € 4.6 million (about U.S. $6.1 million). If the amounts in the reserve are insufficient to cover defaults, ECAG can draw upon non-defaulting members' Clearing Fund contributions on a *pro rata* basis. As of March 31, 2007, the aggregate amount of Clearing Fund contributions totaled approximately € 839.3 million (about U.S. $1.14 billion).

Clearing Fund contributions that have been drawn upon must be replenished by each clearing member up to the original required amount within 10 business days. If a defaulting clearing member subsequently pays any amounts in respect of its default, ECAG will use the payment to replenish the Clearing Fund contributions of the non-defaulting clearing members to the extent they have been depleted as a result of the default.

Customers of a defaulting clearing member have no contractual relationship with ECAG, but are protected to the extent of their client agreement and any segregation arrangements in place.

As the counterparty to every clearing member, ECAG reduces the scope of counterparty risk of GCMs and DCMs. ECAG is legally responsible for the financial performance of the contracts that it has registered, and any resulting delivery of contracts. All GCMs and DCMs deposit margin with ECAG to cover the risk on their net positions. ECAG is not counterparty to trades with customers. Behind contracts between ECAG and a GCM or DCM there may exist further "back-to-back" contracts; for example, if a customer buys an option the GCM or DCM is the seller to the client and the buyer from ECAG. These customer contracts are subject to the Eurex Rules.

OTC BLOCK TRADE FACILITY

To facilitate trades in larger amounts of contracts in standardized Eurex products, ECAG offers an OTC Block Trade Facility. The OTC Block Trade Facility enables ECAG members to submit to ECAG trades that have been negotiated directly with Eurex participants outside the Eurex system. ECAG performs clearing and margining regulation in connection with each OTC block trade submitted to it. OTC block trades are only possible for products traded on the Eurex system and admitted to block trading. The minimum number of options contracts that must be traded is defined by ECAG with respect to each product and ECAG carries out a "validation," meaning that only block trades within a certain price range will be accepted by ECAG. ECAG members who wish to use the OTC Block Trade Facility must accept the general conditions for participation and be approved for submission of OTC block trades by ECAG.

OTC block trades can be entered, modified, deleted and approved during the trading phase and the post-trading phase of a particular product. The procedure for entering OTC block trades consists of two steps. First, the buyer enters the OTC block trade details. After successful entry, the member receives a transaction number from ECAG that has to be communicated to the counterparty. The seller then must retrieve the request using the transaction number received from the buyer and approve the trade.

FULFILLMENT OF OBLIGATIONS FROM EXECUTED TRADES

Purpose

When a long Stock Option, EXTF Option or Index Option holder exercises its Stock Option, EXTF Option or Index Option it takes its right, depending on whether it is a Stock Option, EXTF Option or Index Option, to buy or sell the underlying instrument or to receive cash. Eurex undertakes the assignment of exercised contracts against the writers of short Stock Options, EXTF Option or Index Options. Delivery on an exercised Stock Option or EXTF Option is made upon instruction by ECAG on a "delivery versus payment" basis through the CSD. Since ECAG is the central contractual counterparty for deliveries and payments, Eurex members are protected against default by other members.

Exercise

When a long call position in a Stock Option or EXTF Option is exercised, the holder uses its right to demand the delivery of the underlying instrument against payment. When exercising a long put position, the holder uses its right to sell the underlying instrument against payment.

In the case of exercising a long call position or a long put position in Index Options, the holder uses its right to receive cash.

Stock Options and EXTF Options can be exercised by the buyer on each Exchange trading day (American-style). Index Options can only be exercised on the last Exchange trading day (European-style). An Stock Option, EXTF Option or an Index Option can only be exercised by a Eurex member who has an open long position in one of its position accounts.

Eurex members can exercise Stock Options, EXTF Options and Index Options through the Eurex system and, in exceptional cases, requests can also be entered by Eurex on behalf of the member. Exercise adjustments are only possible on the day of the exercise entry.

Eurex members can exercise their long positions in a Stock Option, EXTF Option or Index Option series totally or partially. A fee is charged for the exercises and exercise adjustments. Eurex automatically exercises in-the-money long positions in Index Options (or Stock Options or EXTF Options that the Eurex Board has determined are to be settled in cash) only for those Index Options (or Stock Options or EXTF Options) for which an Automatic Exercise Parameter has been set by a Member on the last Exchange trading day for the particular Index (or Stock or EXTF) Option, except with respect to agent accounts. The exercise is only performed if the in-the-money amount exceeds a defined minimum amount, to avoid losses from these exercises. The Member may cause any Stock Option, EXTF Option or Index Option to be exercised automatically, if desired, by setting an Automatic Exercise Parameter. All other exercises must be performed by the Eurex member manually.

Eurex members receive two reports that enable them to monitor Stock Option, EXTF Option or Index Option series on the last days before expiration: the member expiration report displays all the Stock Option, EXTF Option or Index Option series whose expiration is imminent; the in-the-money advisory report shows only the in-the-money Stock Option, EXTF Option or Index Option series.

Assignments

All exercises are randomly assigned to the writers of the exercised Stock Option, EXTF Option or Index Option series during the daily pre-batch assignment procedure. American-style Stock Option and EXTF Option exercises can be assigned to the writers of Stock Options and EXTF Options at any time during the entire life of the Stock Option or EXTF Option. Assignments are binding for the holders of short positions.

- In the case of Stock Options and EXTF Options, the assignment of a call position obliges the writer of a call to deliver the underlying instrument against payment.
- In the case of Stock Options and EXTF Options, the assignment of a put position obliges the writer of a put to accept delivery of the underlying instrument against payment.
- In the case of an Index Option, the writer of a call or a put is obliged to settle in cash.

Settlement of Options Contracts

Delivery and Payment

Deliveries arising from exercises and assignments take place between Eurex members. It is the GCM's or DCM's duty to pass on the deliveries to its own customers as well as to the NCMs and their customers, or vice versa. At the same time, a Eurex member is also responsible for the payment to or from its customers.

All deliveries and payments are made on a delivery versus payment basis. The settlement period is product-specific.

Cash Settlement

Index Options are settled by cash payment. The cash settlement amount is determined by the difference between the final settlement price and the exercise price multiplied by the contract value. In order to maintain an orderly market or take into account certain capital adjustments to an underlying stock, upon a determination by the Eurex Board, the exercise of Stock Options and EXTF Options can lead to a payment in the form of a cash settlement instead of a physical delivery of stock.

ADDITIONAL INFORMATION

A number of brochures are available from Eurex which give further details on Stock Options, EXTF Options and Index Options and the margining and settlement systems for these products. Further information concerning the Eurex Rules is also available on the Eurex web site (www.eurexchange.com).

The specifications of the option contracts detailed in this document are subject to change from time to time. The current specifications for each contract offered by Eurex can be obtained by visiting the Eurex web site (www.eurexchange.com).

APPENDIX I — GLOSSARY OF DEFINED TERMS

"**additional margin**": the margin charged by ECAG that is intended to address the risk of adverse price movement through to the close of the next Exchange trading day.

"Automatic Exercise Parameter": conditions within the Eurex system, which, when set by a Member, may cause a Stock Option, EXTF Option or Index Option to be exercised automatically.

"CET": Central European Time.

"CHF": Swiss francs.

"Clearing Conditions": the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich.

"Clearing Fund": the fund comprising the contributions of each ECAG clearing member.

"Council": a 24-member Exchange Council that governs Eurex.

"CSD": central securities depository.

"DBAG": Deutsche Börse AG.

"DCMs": Direct Clearing Members.

"DJES 50": Dow Jones Euro STOXX^{SM} 50.

"**DJGT**": Dow Jones Global Titans 50^{SM}.

"DJS 50": Dow Jones STOXX^{SM} 50.

"ECAG": Eurex's clearing house, Eurex Clearing AG.

"Eurex": Eurex Deutschland, a public entity under German law.

"Eurex Board": the Board of Management of Eurex.

"Eurex Rules": the rules and trading procedures that are contained in the Exchange Rules and Conditions for Trading at Eurex Deutschland and Eurex Zürich and the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

"Eurex Standard": the portion of the French Stock Options for which the last trading day matches Eurex's standard terms.

"Exchange": Eurex.

"Exchange Supervisory Authority": the State of Hesse's Ministry for Economics, Transport and Development.

"EXTF Options": options on non-U.S. exchange-traded funds.

"free float": freely available and tradable shares. An issuer's outstanding shares will be greater than its free float if any individual, company or government owns 5% or more of such issuer or if an ownership of 5% or more consists of restricted shares (shares that are not allowed to be traded during a certain time period). The free float is adjusted downward, if necessary, so as not to exceed the portion of an issuer's shares available for foreign investment.

"GCMs": General Clearing Members.

"GFD": good-for-day order.

"GTC": good-till-cancelled order.

"GTD": good-till-date order.

"HEX": the electronic trading system of the Helsinki Stock Exchange.

"Index Options": options on stock indices described in this document.

"Indexchange": INDEXCHANGE Investment AG, a German public limited company.

"IOC": immediate-or-cancel order.

"NCMs": Non-Clearing Members.

"OMXH 25®": the Finnish Stock Index.

"option type": whether an option is a call or a put.

"OSOs": option strategy orders

"OSQs": option strategy quotes.

"**package**": a set of products traded on Eurex.

"PFIC": a passive foreign investment company.

"**premium margin**": the margin charged by ECAG that is intended to address the potential loss that could ensue if a writer were forced to liquidate the writer's position on any given day.

"**SEC**": the U.S. Securities and Exchange Commission.

"series": Stock Options, EXTF Options and Index Options with the same standardized terms (the nature and amount of the underlying instrument, whether it is a call or a put, the expiration date and the exercise price).

"SMI®": Swiss Market Index.

"SOFFEX": the Swiss Options and Financial Futures Exchange.

"Special Dividends": extraordinarily high dividends, bonuses or other cash distributions, as well as dividends that are not distributed within the scope of an issuer's regular dividend policy or that an issuer declares as non-regular dividends.

"Stock Options": options on individual stocks of European and U.S. issuers that are listed and traded on European stock exchanges.

"Surveillance Office": an independent Trading Surveillance Office that is responsible for monitoring trading on Eurex and the settlement of Exchange transactions.

"SWX": the Swiss Exchange.

"U.S. Securities Act": the U.S. Securities Act of 1933.

APPENDIX II — HOLIDAYS

Eurex will be closed for trading on the following dates in the listed products:

January 1, 2007	All products
January 2, 2007	Swiss Stock Options, SMI® Index Options, EXTF Options on Swiss-franc denominated funds
April 6, 2007	All products
April 9, 2007	All products
May 1, 2007	All products
May 17, 2007	Swiss Stock Options, SMI® Index Options, EXTF Options on Swiss-franc denominated funds, Finnish Stock Options and OMXH 25® Index Options
May 28, 2007	All products
June 22, 2007	Finnish Stock Options and OMXH 25® Index Options
August 1, 2007	Swiss Stock Options, SMI® Index Options, EXTF Options on Swiss-franc denominated funds
August 15, 2007	All Italian Stock Options
December 6, 2007	Finnish Stock Options and OMXH 25® Index Options
December 24, 2007	All products
December 25, 2007	All products
December 26, 2007	All products
December 31, 2007	All products