X-pand into the Future

e u r e x *circular 234/07*

Date: Frankfurt, November 13, 2007
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Peter Reitz

⚠ **Action required** ⚠ **High priority**

1. Swiss Stocks: Introduction of New Options

2. German Stock Options: Additional Expirations for Options Contracts on Deutsche Börse AG and Volkswagen AG

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Content may be most important for:	**Attachment:**
Ü All departments	Updated sections of Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Summary:

In their session on October 31, 2007 the Management Boards of the Eurex Exchanges approved the following measures:

1. Introduction of options and LEPOs on shares of the following companies:
   a) Swatch Group AG I (UHR)
   b) BB Biotech AG (BIO)

   The introduction will take place on **December 17, 2007**.

2. Modification of Market-Making requirements for the Swiss package
   The change will come into effect on **January 1, 2008**.

3. Introduction of additional contract months for options contracts on Deutsche Börse and Volkswagen
   This measure will become effective on **December 10, 2007**.

1. Swiss Stocks: Introduction of New Options

2. German Stock Options: Additional Expirations for Options Contracts on Deutsche Börse AG and Volkswagen AG

1. Swiss Stocks: Introduction of New Options

1. Introduction Date

In their session on October 31, 2007 the Management Boards of the Eurex Exchanges decided to introduce options and LEPOs on shares of Swatch Group AG bearer shares and BB Biotech AG denominated in Swiss francs. The introduction will take place on December 17, 2007.

2. Overview

Options on	Product ISIN	Underlying ISIN	Eurex Product Code	Country Code	Contract Size	Contract Months	Minimum Price Change
Swiss stocks							
Swatch Group AG I	CH0012255151	CH0012255151	UHR	CH	10	24	0.01
BB Biotech AG	CH0001441580	CH0001441580	BIO	CH	50	24	0.01

3. Contract Months

Options on Swatch Group AG und BB Biotech AG are available in expirations of up to 24 months: Up to and including the three nearest contract months, the three following quarterly contract months (March, June, September and December), and the two following semi-annual contract months (June and December).

4. Exercise Prices

Stock options on **Swatch Group AG und BB Biotech AG** follow the present Eurex standard for exercise prices (see attachment 1).

Upon introduction of the options contracts at least seven exercise prices will be made available for each expiration date with a term of up to 24 months for each call and put such that three exercise prices are in-the-money, one is at-the-money and three are out-of-the-money.

For the contract specifications of the different products please also see the Eurex website under the link:

www.eurexchange.com > trading > products > equity derivatives > equity options > selection by country > Swiss equities > Product name > Contract Specifications

5. Risk Parameters

Margin Parameters will be published in time on the Eurex website under the following path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters

It is not planned to publish a separate circular on this subject. The corresponding data will be available two weeks before start of trading at the latest. Members will be informed about the publication by means of a newsboard message.

6. Trading Hours*

	Regular trading day					Last trading day			
Options/LEPOs on	**Pre-Trading**	**Trading**	**Post-Trading**			**Post-Trading**			**Exercise/ Notification until**
			Full	**Late 1**	**Re-stricted**	**Full**	**Late 1**	**Late 2**	
Swiss stocks	7:30	8:52	17:20	19:00	20:00	17:20	19:00	19:30	20:00

* all times in CET

7. Mistrade Range

The Mistrade Range for the new equity options will also be published on the Eurex website as of December 17, 2007 under the path:

www.eurexchange.com > trading > products > equity derivatives > equity options > selection by country > Swiss equities > product name > contract specifications

8. Market-Making

Market-making will be based on Permanent Market-Making (PMM) and Advanced Market-Making (AMM) for Swiss stock options. Additionally, for stock options on BB Biotech Regular Market Making (RMM) will also be offered. RMM and PMM will be offered as of December 17, 2007.

Swatch Group and BB Biotech will be included into the Swiss package as of January 1, 2008. The number of monthly exceptions for which no quotation is required, will be increased from presently ten to eleven.

The following Market-Making parameters will apply:

Options on	**Eurex Product Code**	**Contract Size**	**Spread Class**	**Minimum quote size (contracts)**		**Number of expirations to be quoted for PMM/AMM** the first
				RMM	**PMM/ AMM**	
Swiss stocks						
Swatch Group Inhaber	UHR	10	4	NA	10	7
BB Biotech	BIO	50	3	20	10	6

The exact Market Maker Obligations, valid as of December 17, 2007 will be published on the Eurex website in due time under the path:

www.eurexchange.com > member section > trading > market model > market-making

9. Vendor Product Codes

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

www.eurexchange.com > trading > products > vendor product code search

10. Trading Calendar

The trading calendar for Swiss equity options will apply; please refer to the Eurex website under:

www.eurexchange.com > trading > trading calendar

11. Transaction Limits, Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Transaction Fees

The present values for Swiss equity options will be applicable.

12. OTC Function of Flexible Options

The Flexible Options function will be available subject to the acceptance of the General Conditions for Participation.

Please note that for Flexible Options on Swatch Group AG bearer shares, the Eurex codes **U7HR** and **U8HR** must be used.

Should you require Flexible Options product ISINs for internal processing please refer to WM Datenservice (www.wmdaten.de).

13. Preparations for Start of Trading

- On December 11, 2007 (Tuesday) the new options and their associated Margin Classes will be set up in the Eurex® system. Corresponding back office transactions will be transmitted electronically.
- From December 12 (Wednesday) to December 14, 2007 (Friday) after close of trading, settlement prices for all tradable contract months of the options will be transmitted. In addition, transactions for the corresponding PMI file will be generated. The theoretical prices for the options, transmitted within the end of day processing after 21:00 CET, should be ignored.
- Trading in the new equity options will start on Monday, December 17, 2007. Orders and quotes may be entered in the Eurex® system from 07:30 CET onwards.

2. Modification of Market-Making requirements for the Swiss Package

Market-making will be based on Permanent Market-Making (PMM) and Advanced Market-Making (AMM) for Swiss stock options. Additionally, for stock options on BB Biotech Regular Market Making (RMM) will also be offered. RMM and PMM will be offered as of December 17, 2007.

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Options on	Eurex Product Code	Contract Size	Spread Class	Minimum quote size (contracts)		Number of expirations to be quoted for PMM/AMM
				RMM	PMM/ AMM	
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The exact Market Maker Obligations, valid as of December 17, 2007 will be published on the Eurex website in due time under the path:

www.eurexchange.com > member section > trading > market model > market-making

3. German Stock Options: Additional Expirations for Options Contracts on Deutsche Börse AG and Volkswagen AG

Due to the inclusion of Deutsche Börse AG (DB1) and Volkswagen (VOW) into the Dow Jones EURO STOXX 50®, maximum expirations for the two options will be extended to 60 months.

This change will become effective on December 10, 2007.

Frankfurt, November 13, 2007

[….]

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

[….]

Options on SMI®-Components (CHF)	Product ID	Country	Contract size	Term (month)	Minimum Price Change
[…]					
Swatch Group I	UHR	CH	10	24	0.01
[…]					

Other Stock Options (EUR)	Product ID	Country	Contract size	Term (month)	Minimum Price Change
[…]					
BB Biotech	BIO	CH	50	24	0.01
[…]					

[….]