X-pand into the Future

e u r e x *circular 049/02*

Date: Frankfurt, 13 June, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

High Priority

Introduction of Options Contracts on Continental AG, Deutsche Börse AG and Porsche AG

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Content may be most important for:

➲ All Departments

Attachments:

1. Contract Specifications – German Stock Options
2. Market Maker Obligations and Quote Spread Classification
3. Market Maker Application

Summary:

On **24 June, 2002** Eurex will introduce options on the stock of **Continental AG, Deutsche Börse AG and Porsche AG.**

The specification of the new options will follow the normal market concept for German stock options in Group A at Eurex.

The Circular contains important information under the following headings:

1. Products and Product Parameters
2. Trading Phases
3. Market Making
4. Data Vendor Codes
5. Transaction Limits, OTC Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar, and Transaction Fees
6. Preparation for Start of Trading.

Introduction of Options Contracts on Continental AG, Deutsche Börse AG and Porsche AG

At their meeting on 22 May, 2002 the Management Boards of Eurex Deutschland and Eurex Zürich made the decision to introduce options, including LEPOs, on the stock of Continental AG, Deutsche Börse AG and Porsche AG. The introduction will take place on **24 June, 2002**. Expirations for July, August, September, and December, 2002 and March and June 2003 will be set up.

The specification of the new options will follow the normal market concept for German stock options in Group A at Eurex. (See Attachment 1).

1. Products and Product Parameters

Stock Option	Eurex Code	ISIN	Position Limits	Market Maker Position limits	Contract Size	Margin Interval
Continental AG	CON	DE0005439004	20,200	60,600	100	10%
Deutsche Börse AG	DB1	DE0005810055	15,500	46,500	100	10%
Porsche AG	POR3	DE0006937733	13,200	39,600	10	13%

2. Trading Phases (CET)

Pre-Trading	Trading	Post-Trading	Exercise Until
07:30 –09:00	**09:00 – 20:00**	**20:00 – 20:30**	**20:30**

3. Market Making

Market making will follow the normal market making scheme for options at Eurex with the quote obligations as defined in Attachment 2. Continental AG and Deutsche Börse AG will be placed in Quote Spread Classification 1 and Porsche AG in Class 3. If you are interested in fulfilling the market maker function for these stock options, please complete and return the Market Maker Application form (Attachment 3) before **17 June, 2002** for the attention of **Daniel Koller on Fax +49 (0)69-21 01-44 61**.

4. Data Vendor Codes

The data vendor codes will be published on our web-site “www.eurexchange.com” under the path ‘ market place > products > vendor codes’.

5. Transaction limits, OTC Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees

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

6. Preparation for Start of Trading

- On 20 June, 2002 (Thursday) the options defined above, as well as their associated Margin Classes will be set up in the Eurex system. Corresponding back-office transactions will be transmitted electronically.
- On 21, June, 2002 (Friday) after close of trading, settlement prices for all tradable contract months of the options will be transmitted. In addition, transactions for the PMI file will be generated. The theoretical prices for the options, transmitted within the scope of the end of day processing after 21.00 CET, should be ignored.
- Trading in options on Continental AG, Deutsche Börse AG and Porsche AG will start on Monday 24 June, 2002. Orders and quotes may be entered into the Eurex system from 07.30 CET onwards.

Frankfurt, 13 June, 2002

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Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Michael Widmer

Contract Specifications for:
Stock Options on German Shares (OSTK)

Contract Size

Generally, an options contract gives the buyer of a call the right to buy - or, in the case of a put, the right to sell - 100 shares of the underlying security. Allianz and Münchener Rückversicherung have a contract size of 50 shares. Porsche has a contract size of 10 shares.

Minimum Price Movement

Options prices have price intervals of EUR 0.01.

Delivery

Physical delivery of 100, respectively 50 or 10, shares of the underlying security.

Delivery Day

Two exchange trading days after the exercise.

Last Trading Day

The third Friday of the expiration month, if that is an exchange trading day; otherwise, on the exchange trading day immediately prior to that Friday.

Daily Settlement Price

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

Exercise Period

American style, i.e. an option can be exercised up to 20:30 CET on any exchange trading day during the life of the option. Options can be exercised up to 21:00 CET on the last trading day.

Expiration Months

Options are available with terms up to and including:

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

Group B shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum of 24 months).

Group C shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, the following four months within the cycle June and December thereafter and the following 2 months within the cycle December (i.e. up to a maximum of 60 months).

Exercise Prices

Options series may have the following exercise prices:

Exercise prices in EUR	Exercise price interval in EUR
< 5	0.20
5.5 - 10	0.50
11 - 20	1
22 - 50	2
52.50 - 100[1]	*2.50*
55 -0 200	5
210 and above	20

For each expiration month, there are at least three call and three put series, each with an in-the-money, at-the-money and out-of-the-money strike price. For options contracts with durations from 18 up to 60 months, the exercise price intervals are doubled.

Optionable Stocks

Eurex stock options on German stocks are traded in the following groups according to their expiration months:

Group A 1, 2, 3, 6, 9 and 12 months	Group B 1, 2, 3, 6, 9, 12, 18 and 24 months	Group C 1, 2, 3, 6, 9, 12, 18, 24, 30, 36, 48 and 60 months
Adidas (ADS)	BASF (BAS)	Allianz-Holding (ALV)
BMW (BMW)	Commerzbank (CBK)	Bayer (BAY)
Continental (CON)	E.On (EOA)	Deutsche Bank (DBK)
Degussa (DGX)	Lufthansa (LHA)	Daimler Chrysler (DCX)
Deutsche Börse (DB1)	Münchner Rückversicherung (MUV2)	Deutsche Telekom (DTE)
Deutsche Post (DPW)	Bay. Hypo. Und Vereinsbank (HVM)	Infineon (IFX)
Dresdner Bank (DRB)*	VW (VOW)	SAP (SAP)
EPCOS (EPC)		Siemens (SIE)
Fresenius Medical Care (FME)		
Henkel Vz. (HEN3)		
Karstadt (KAR)		
Linde (LIN)		
MAN (MAN)		
Metro (MEO)		
MLP (MLP)		
Porsche (POR3)		
Preussag (PRS)		
RWE (RWE)		
Schering (SCH)		
Thyssen Krupp (TKA)		

* DEC 02 expiration only

Option Premium

Payable in full in the respective EUR value on the first exchange day after the buy date.

Trading Hours

09:00 until 20:00. CET.

[1] Only for the first and second contract months, and only for at-the-money exercise prices

Market Maker Quote Obligations

And Quote Spread Classification of Equity Options

Equity Options Quote Obligations

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

Maximum Spread:

Equity Options quoted in EUR

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 2.00	0.40	0 - 5.00	1.00	0 - 10.00	2.00
2.01 - 15.00	20%	5.01 - 30.00	20%	10.01 - 50.00	20%
> 15.00	3.00	> 30.00	6.00	> 50.00	10.00

Equity Options quoted in CHF

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 5.00	1.00	0 - 10.00	2.00	0 - 20.00	4.00
5.01-15.00	20%	10.01-30.00	20%	20.01 - 50.00	20%
>15.00	3.00	> 30.00	6.00	> 50.00	10.00

Class IV		**Class V**		**Class VI**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 20.00	4.00	0 - 30.0	6.00	0 - 50.0	10.00
20.01 - 250.0	20%	30.1 - 250.0	20%	50.1 - 500.0	20%
> 250.00	50.00	> 250.0	50.00	> 500.0	100.0

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

- within 5 minutes

- with a minimum holding time of 10 seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50% and the minimum quote size will be reduced by 50%.

Market Maker Quote Obligations
And Quote Spread Classification of Equity Options

Quote Spread Classification – Options Quoted in Euro

German Stock Options

Class I		Class II		Class III	
Adidas	ADS	Marschollek + Partner	MLP	Allianz	ALV
BASF	BAS	SAP	SAP	Münchner Rückversicherung	MUV2
Bayer	BAY			Porsche	POR3
BMW	BMW				
Commerzbank	CBK				
Deutsche Börse	DB1				
Deutsche Bank	DBK				
Continental	CON				
DaimlerChrysler	DCX				
Degussa	DGX				
Deutsche Post World Net	DPW				
Dresdner Bank	DRB				
Deutsche Telekom	DTE				
E.ON	EOA				
Epcos	EPC				
Fresenius Medical Care	FME				
Henkel	HEN3				
Hypo- und Vereinsbank	HVM				
Infineon	IFX				
Karstadt	KAR				
Lufthansa	LHA				
Linde	LIN				
MAN	MAN				
Metro	MEO				
Preussag	PRS				
RWE	RWE				
Schering	SCH				
Siemens	SIE				
Thyssen-Krupp	TKA				
Volkswagen	VOW				

Neuer Markt Stock Options

Class I		Class II		Class III	
Broadvision	BDN	Aixtron	AIX		
Consors	CSO	Mobilcom	MOB		
EM.TV	ETV				
Intershop	ISH				
Qiagen	QIA				
T-Online	TOI				

Market Maker Quote Obligations

And Quote Spread Classification of Equity Options

Dutch Stock Options

Class I		Class II		Class III	
ABN Amro	AAR				
Aegon	AEN				
Ahold	AHO				
ASML Holding	ASM				
ING	INN				
KPN	KPN				
Philips	PHI1				
Royal Dutch	ROY				
Unilever	UNI				

Finnish Stock Options

Class I		Class II		Class III	
Elisa Communications	EIA				
Stora Enso	ENUR				
Nokia	NOA3				
UPM-Kymmene	RPL				
Sonera	SOY				
TietoEnator	TTEB				

French Stock Options

Class I		Class II		Class III	
Aventis	AVE	TotalFinaElf	TOTB		
AXA-UAP	AXA				
BNP Paribas	BNP				
Carrefour	CAR				
France Telecom	FTE				
L'Oréal	LOR				
Orange	OAG				
Vivendi	VVU				

Italian Stock Options

Class I		Class II		Class III	
Generali	ASG				
ENI	ENT				
Telecom Italia	SET				

Market Maker Quote Obligations
And Quote Spread Classification of Equity Options

U.S. American Options

Class I		Class II		Class III	
AOL Time Warner	AOL	IBM	IBM		
Cisco Systems	CIS	Microsoft	MSF		
EMC	EMP				
General Electric	GEC				
Intel	INL				
Oracle	ORC				
Sun Microsystems	SSY				
Citigroup	TRV				

Quote Spread Classification – CHF Options

Class I		Class II		Class III	
ABB	ABB2	Adecco	ADEN	Givaudan	GIVN
Richemont	CFR	Ciba Spezialitätenchemie	CIBN	Holcim	HOL
Clariant	CLN	Roche	ROG	Kudelski	KUD
Credit Suisse Group	CSGN	Syngenta	SYNN	Nestlé	NESN
Novartis	NOVN			Schweizer Rückversicherung	RUKN
Swatch Group	UHRN			Swisscom	SCMN
UBS Group	UBSN			Sulzer	SUN
				Unaxis	UNAX
				Zürich Financial Services	ZURN

Class IV		Class V		Class VI	
		Julius Bär	BAER		
		Lonza	LONN		
		Rentenanstalt	RAN		
		Serono	SEO		

Application for the Granting of Market Maker Licenses at Eurex



Eurex

Product Development

60485 Frankfurt

(Fax: ++49 69 2101-4461)

Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

Application for the Granting of Market Maker Licenses pursuant to Subsection 3.3 of the Eurex Exchange Rules

I. We herewith apply for admission as Market Maker pursuant to Subsection 3.3 of the Eurex Exchange Rules.

Provided that the applying company is admitted as exchange participant at Eurex Zürich, this application applies to Eurex Zürich as well.

The granting of a Market Maker License is applied for regarding the trading in Option contracts on equities with the following underlying(s):

☐ AAR (ABN Amro)	☐ BDN (Broadvision)	☐ DPW (Deutsche Post)	☐ HVM (Hypovereinsbank)
☐ ABB2 (ABB)	☐ BMW (BMW)	☐ DRB (Dresdner Bank)	☐ IBM (IBM)
☐ ADEN (Adecco)	☐ BNP (BNP Paribas)	☐ DTE (Deutsche Telekom)	☐ IFX (Infineon Technologies)
☐ ADS (Adidas)	☐ CAR (Carrefour)	☐ EIA (Elisa Communications)	☐ INL (Intel)
☐ AEN (Aegon)	☐ CBK (Commerzbank)	☐ EMP (EMC)	☐ INN (ING)
☐ AHO (Ahold)	☐ CFR (Richemont)	☐ ENT (ENI)	☐ ISH (Intershop Comm.)
☐ AIX (Aixtron)	☐ CIBN (Ciba Spezialitäten)	☐ ENUR (StoraEnso R)	☐ KAR (Karstadt)
☐ ALV (Allianz)	☐ CIS (Cisco Systems)	☐ EOA (E.ON)	☐ KPN (KPN)
☐ AOL (AOL Time Warner)	☐ CLN (Clariant)	☐ EPC (Epcos)	☐ KUD (Kudelski)
☐ ASG (Assicurazioni Generali)	☐ **CON (Continental AG)**	☐ ETV (EM. TV & Merchand.)	☐ LHA (Lufthansa)
☐ ASM (ASML Holding)	☐ CSGN (Credit Suisse Gr.)	☐ FME (Fresenius Med.Care)	☐ LIN (Linde)
☐ AVE (Aventis)	☐ CSO (Consors)	☐ FTE (France Telecom)	☐ LONN (Lonza)
☐ AXA (AXA-UAP)	☐ **DB1 (Deutsche Börse AG)**	☐ GEC (General Electric)	☐ LOR (L'Oréal)
☐ BAER (Julius Bär)	☐ DBK (Deutsche Bank)	☐ GIVN (Givaudan)	☐ MAN (MAN)
☐ BAS (BASF)	☐ DCX (Daimler Chrysler)	☐ HEN3 (Henkel VZ)	☐ MEO (Metro)
☐ BAY (Bayer)	☐ DGX (Degussa AG)	☐ HOL (Holcim AG)	☐ MLP (MLP)

Application for the Granting of Market Maker Licenses at Eurex

☐ MOB (Mobilcom)	☐ PRS (Preussag)	☐ SCMN (Swisscom)	☐ TOTB (Total Fina)
☐ MSF (Microsoft)	☐ QIA (Qiagen)	☐ SEO (Serono)	☐ TRV (Citigroup)
☐ MUV2 (Münchner Rück.)	☐ RAN (Rentenanstalt)	☐ SET (Tele. Italia)	☐ TTEB (TietoEnator Corp.)
☐ NESN (Nestlé)	☐ ROG (Roche Holding)	☐ SIE (Siemens)	☐ UBSN (UBS)
☐ NOA3 (Nokia Corporation A)	☐ ROY (Royal Dutch)	☐ SOY (Sonera Corporation)	☐ UHRN (The Swatch Group)
☐ NOVN (Novartis)	☐ RPL (UPM-Kymmene Corp)	☐ SSY (Sun Microsystems)	☐ UNAX (Unaxis)
☐ OAG (Orange S.A.)	☐ RUKN (Schweiz. Rückv.)	☐ SUN (Sulzer AG)	☐ UNI (Unilever)
☐ ORC (Oracle)	☐ RWE (RWE)	☐ SYNN (Syngenta)	☐ VOW (Volkswagen)
☐ PHI1 (Philips St.)	☐ SAP (SAP)	☐ TKA (Thyssen Krupp)	☐ VVU (Vivendi)
☐ **POR3 (Porsche AG)**	☐ SCH (Schering)	☐ TOI (T-Online)	☐ ZURN (Zurich Financial

☐ ODAX
Option contracts on the German Stock Index (DAX®)

☐ OESA
Option contracts on the Dow Jones EURO STOXX® Automobiles Index

☐ OESB
Option contracts on the Dow Jones EURO STOXX® Banks Index

☐ OESE
Option contracts on the Dow Jones EURO STOXX® Energy Index

☐ OESH
Option contracts on the Dow Jones EURO STOXX® Healthcare Index

☐ OESI
Option contracts on the Dow Jones EURO STOXX® Insurance Index

☐ OEST
Option contracts on the Dow Jones Euro STOXX® Telecommunications Index

☐ OESX
Option contracts on the Dow Jones EURO STOXX® 50

☐ OESY
Option contracts on the Dow Jones EURO STOXX® Technology Index

☐ OEU3
Option contracts on the Three-Month Euribor Future

☐ OFOX
Option contracts on the Finnish Stock Index (HEX25)

☐ OGBL
Option contracts on Euro-BUND Futures

☐ OGBM
Option contracts on Euro-BOBL Futures

☐ OGBS
Option contracts on Euro-Schatz Futures

☐ OGTI
Option contracts on the Dow Jones Global Titans™ 50

☐ ON50
Option contracts on Nemax® 50

☐ OSMI
Option contracts on the Swiss Market Index (SMI®)

☐ OSTH
Option contracts on the Dow Jones STOXX® 600 Healthcare Index

☐ OSTX
Option contracts on the Dow Jones STOXX® 50

Application for the Granting of Market Maker Licenses

at Eurex

II. The functions associated with such Market Maker Licenses will be carried out by the following persons who have already been admitted for trading at Eurex:

Name, first name	Product to be covered
Name, first name	Product to be covered
Name, first name	Product to be covered

We herewith declare that the persons listed above have the necessary professional and personal qualification to fulfil the Market Maker functions pursuant to Subsection 3.3 of the Eurex Exchange Rules.

III. We confirm that we know the Eurex Rules and Regulations and declare that we will comply with these provisions in their relevant current version.

Place and Date	Company Stamp and authorized Signature