X-pand into the Future

e u r e x *circular 057/04*

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Recipients: All Eurex members and vendors
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Extension of Expiration Cycles in Eight Swiss Equity Options

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- Auditing / Security Coordination

Attachments:

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Subpart 2.15
2. Contract Specifications for Stock Options on Swiss Shares

Against the background of growth in the turnover of Swiss equity options, the Management Boards of Eurex Deutschland and Eurex Zürich decided at their meeting on May 5, 2004 to extend the maximum maturity of eight Swiss equity options from the current level of two years to five years. This decision affects the options on ABB N, Credit Suisse Group N, Nestlé N, Novartis N, Roche Holding, Swiss Re N, UBS N and Zurich Financial Services.

The extension will be effective from **May 24, 2004**. The following maturities will be available for trading from May 24, 2004 onwards: the next three consecutive calendar months, the three following months within the March, June, September and December cycle and the four subsequent months from the June and December cycle as well as the next two following months from the December cycle.

Current valid Market Maker Obligations in these products remain unchanged.

The required amendments to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich as well as the applicable Contract Specifications – Swiss Equity Options can be found in Attachments 1 and 2 to this circular.

(…)

2.15 Subpart: Specifications for Options Contracts on Stocks of Swiss Stock Corporations (Swiss Stock Options)

(…)

2.15.5 Term, Close of Trading, Expiration Day

(1) Options are available at the Eurex Exchanges with terms up to and including:

a) the next, the second and the third succeeding expiration days as well as up to and including the next three succeeding quarterly expiration days (March, June, September and December) thereafter and up to the next two succeeding half-year expiration days (June, December).

or

b) the next, the second and the third succeeding expiration days as well as up to and including the next three succeeding quarterly expiration days (March, June, September, December) thereafter and up to the next four succeeding half-year expiration days (June, December) and the next two succeeding year expiration days (December).

The Boards of Management of the Eurex Exchanges shall determine the term for each stock option pursuant to sentence 1.

(2) The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall generally be the third Friday of the relevant month; provided, however, that if such Friday is not an Exchange day, the last trading day shall be the Exchange day prior to such Friday.

The expiration day of an option series shall generally be the Exchange day following the last trading day of the option series.

(3) An option series may not be canceled so long as any Exchange Participant continues to hold open positions in such option series.

(…)

Contract Specifications for:
Stock Options on Swiss Shares

Contract Size

Each contract is generally based on 100 shares of the underlying instrument.

Options on Ciba Spezialitätenchemie Holding, Givaudan, Julius Bär, Nestlé, Swiss Life Holding, Swiss Re, Serono, SGS Surveillance Holding, Sulzer, Swisscom, Syngenta, Unaxis Holding and Zurich Financial Services have a contract size of ten shares.

Minimum Price Movement

The minimum price change for options is CHF 0.01.

Settlement

Physical delivery of 100 shares or ten shares, respectively, of the underlying instrument.

Settlement Day

Three exchange trading days after exercise (T + 3).

Last Trading Day

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

Daily Settlement Price

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

Exercise

American style, i.e. an option can be exercised until the end of the Post-Trading Period (19:00 CET) on any exchange trading day during the lifetime of the option, or until the end of the Post-Trading Full Period (21:00 CET) on the Last Trading Day.

Expiration Months

Up to 24 months: The three nearest calendar months, the three following quarterly months of the March, June, September and December cycle thereafter, and the two following semi-annual months of the June and December cycle there-after (i.e. up to a maximum lifetime of 24 months).

Up to 60 months: The three nearest calendar months, the three following quarterly months of the March, June, September and December cycle thereafter, the four following semi-annual months of the June and December cycle thereafter and the two following annual months of the December cycle thereafter.

Exercise Prices

Options series may have the following exercise prices:

Exercise Prices in CHF	Exercise Price Intervals* in CHF
0 - 5	0.20
5.50 - 10	0.50
11 - 20	1
22 - 50	2
*52.50 - 100***	*2.50*
55 - 200	5
*210 - 400***	*10*
220 - 400	20
*425 – 1,000***	*25*
450 – 1,000	50
*1,050 – 2,000***	*50*
1,100 – 2,000	100

*The exercise price intervals are doubled for option contracts with life-times of 18 to 60 months.

**only for at-the-money options in the first and second contract months.

For each contract 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 exercise price.

Underlying Instruments

The following stock options on Swiss shares are available for trading at Eurex:

Up to 24 Months

Adecco (ADEN)
Baloise Holding (BALN)
Ciba Spezialitätenchemie Holding (CIBN)
Cie Financière Richemont (CFR)
Clariant (CLN))
Givaudan (GIVN)
Holcim (HOLN)
Julius Bär (BAER)
Kudelski (KUD)
Lonza Group (LONN)
Serono (SEO)
SGS Surveillance Holding (SGSN)
Sulzer (SUN)
Swatch Group (UHRN)
Swiss Life Holding (SLHN)
Swisscom (SCMN)
Syngenta (SYNN)
Unaxis (UNAX)

Up to 60 Months

ABB (ABB2)
Credit Suisse Group (CSGN)
Nestlé (NESN)
Novartis (NOVN)
Roche Holding (ROG)
Swiss Re N (RUKN)
UBS (UBSN)
Zurich Financial Services (ZURN)

Option Premium

The CHF equivalent is payable in full on the exchange trading day immediately following the trade date.

Trading Hours

08:50 to 17:20 CET.