X-pand into the Future

# e u r e x *circular 083/05*

**Date:** Frankfurt, June 1, 2005
**Recipients:** All Eurex members and vendors
**Authorized by:** Peter Reitz

⚠ **High Priority**

## Eurex Network Upgrade from 64 kbps to 256 kbps Bandwidth

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| **Content may be most important for:** | **Attachments:** |
|---|---|
| ➲ All Departments | none |

**Summary:**

### 1. Revision of Bandwidth of the Connection to the Eurex Exchanges

The Management Boards of the Eurex Exchanges decided to upgrade the bandwidth of member connections from currently 64 kbps to 256 kbps. The revision of the bandwidth of the connection to the Eurex Exchanges is based on tremendous growth in processed and broadcasted data volumes. Following the upgrade of the Eurex network, only 256 kbps will be offered from **November 28, 2005** onwards. From this date on the existing connection components (64 kbps/4x64 kbps Multi-Channel) will no longer be offered in future.

### 2. Implementation Approach and Timeline

Within the next days, each Eurex member will be approached individually and informed in detail about the upgrade procedure. In this context, members will be requested to provide information, which existing connections should be upgraded and whether any network connections shall be decommissioned in the course of the migration. Following the installation of (inactive) 256 kbps bandwidth in parallel to the existing lines, the actual network upgrade to 256 kbps will be carried out on **November 26, 2005**.

After the upgrade of the Eurex network, only 256 kbps connections via leased line or the internet will be offered from November 28, 2005 onwards. The communication fees for the 256 kbps connections will be approved, as it also was the case with the current offering of similar bandwidth (Multi-Channel-Connection, 4 x 64 kbps), by the Exchange Council and then published by Eurex circular in due time.

In the course of the network upgrade Eurex will provide you with additional information via circular and individual member correspondence.

# Eurex Network Upgrade from 64 kbps to 256 kbps Bandwidth

## 1. Revision of Bandwidth of the Connection to the Eurex Exchanges

The Management Boards of the Eurex Exchanges decided to upgrade the bandwidth of member connections from currently 64 kbps to 256 kbps. Following the upgrade of the Eurex network, only 256 kbps connections will be offered from **November 28, 2005** onwards. The revision of bandwidth of the connection to the Eurex Exchanges is based on tremendous growth in processed and broadcasted data volumes via the Eurex network.

Eurex has been a pioneer in electronic trading of derivatives products, offering its customers around the globe open, equal, and cost-effective access. At present, some 700 locations worldwide are technically connected to the Eurex communication network.

Since the beginning of its operation as DTB (Deutsche Terminbörse) and Soffex in Switzerland back in 1988/89 the Eurex network runs on 64 kbps bandwidth. Steady technical improvements, particularly in the area of data compression, enabled Eurex to compensate the tremendous growth in data volumes over the past years. This growth in data volumes has been particularly driven by continuously expanding the product range and trading functionalities, providing new business opportunities for its customers. In addition, Eurex always aimed to increase order book liquidity, which results in efficient markets and high trading volumes. However, the unrivaled development of liquidity and trading volumes at Eurex over the past years also led to a continuous increase in price information, which is transmitted real-time via the “Public Inside Market Broadcast”. The “Public Inside Market Broadcast” is the main driver for network activity at Eurex and is received by all members.

Due to this development the network utilization has reached a level, which limits the room for further extension of our service offering and future volume growth. Therefore, in order to limit any operational risk from network overload an overall network upgrade has become necessary. Consequently, the Management Boards of the Eurex Exchanges decided to upgrade the Eurex network to 256 kbps for all Eurex members, supporting equal access and providing sufficient capacity to process and broadcast higher data volumes. This is intended to best meet customers’ needs in terms of innovative, reliable and cost-effective technology, which is a prerequisite for enhanced trading opportunities.

## 2. Implementation Approach and Timeline

Within the next days, each Eurex member will be approached individually and informed in detail about the upgrade procedure. In this context, members will be requested to provide information, which existing connections should be upgraded and whether any network connections shall be decommissioned in the course of the migration. Based on member feedback high-bandwidth (E1/T1) circuits will be installed if not already in place. The current network connections will be migrated as a dedicated channel on these newly installed high-bandwidth circuits and subsequently taken into production. At the same time an additional 256 kbps channel will be configured on the high-bandwidth line but kept inactive. Following a successful completion of this migration step any currently existing separate 64 kbps lines will be decommissioned.

On **November 26, 2005** the pre-configured 256 kbps channels will be set active and all members will have the opportunity to conduct an appropriate connection test. After the successful connection test any 64 kbps channels on the high-bandwidth circuits will become inactive and will be subsequently cut off.

Apart from the network upgrade to 256 kbps, the installation of high-bandwidth lines also provides the opportunity to efficiently consolidate the physical network connections of member trading locations. This results in additional advantages such as:

- Additional network bandwidth requirements in the future can be realized much faster.
- All transmissions via ftp will be carried out through separately activated bandwidth.
- Number of required routers will be reduced to one single capable router per high-bandwidth circuit.
- The hardware maintenance and configuration effort will be reduced significantly.

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Apart from the upgrade of bandwidth the general concept for technical access to the Eurex Exchanges remains unchanged (for example: redundancy of line connections or minimum connection requirements for clearing members).

After the upgrade of the Eurex network, only 256 kbps connections via leased line or the internet will be offered from November 28, 2005 onwards. The communication fees for the 256 kbps connections will be approved, as it also was the case with the current offering of similar bandwidth (Multi-Channel-Connection, 4 x 64 kbps), by the Exchange Council and then published by Eurex circular in due time.

Throughout the entire migration a close consultation and collaboration between each individual member and Eurex is essential to ensure a seamless network upgrade. Within this context, Eurex will appreciate the commitment and support of every member.

Frankfurt, June 1, 2005

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