e u r e x *circular 119/99*

To: All Eurex members and vendors

Date: Frankfurt, 26th November 1999

Modification to Section 2.2.1.6 "Exercise Prices" of the Eurex Trading Conditions

Dear Sir or Madam,

On 22nd November 1999, the Executive Boards of the Eurex Exchanges made the decision to modify Section 2.2.1.6 paragraph 1 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich.

In the definition of option series for German stock options, the current regulation in Section 2.2.1.6 only takes account of stocks with a nominal value, and, with respect to the exercise price definitions, distinguishes those with nominal values of DM 50.00 and those with a value of DM 5.00 or DM 10.00.

As a number of enterprises have converted to shares with no nominal value, the reference in Section 2.2.1.6 exclusively to shares with nominal values is no longer correct.

Correspondingly, subject to the approval of the Exchange Council of Eurex Deutschland and the Administrative Council of Eurex Zürich, from 15th December 1999, the exercise prices will be unified for all German stock options with no distinction on the basis of the nominal value of the shares.

In parallel, the exercise price graduations and the exercise price intervals within those ranges have been adjusted in line with the changed prices of the underlying shares.

The new exercise price graduations and intervals can be found in the attached extract from the regulations for German Stock options.

If you have any questions please contact our Equity Products Help-desk on Tel. +49 (0)69-2101-1210.

Yours sincerely,

Jörg Franke Hartmut Klein

Attachment

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Conditions for Trading at Eurex Deutschland and Eurex Zürich

2.2 Subpart

Contract Specifications for Options Contracts

2.2.1 Sub-Subpart

Specifications for Options Contracts on Stocks of German Stock Corporations (German Stock Options)

2.2.1.6 Exercise Prices

(1) Option series may have the following exercise prices:

Exercise price in EUR	Exercise price intervals in EUR **
0 - 5	0.20
5.50 - 10	0.50
11 - 20	1,00
22 - 50	2,00
52.50 – 100*	2.50
55 - 200	5.00
> 200	20.00

* only for the first and second expiration date in the at the money area

** for XXL options (with a term of 18 and 24 months), the intervals between the exercise prices double

(2) Upon the admission of a contract, 3 exercise prices shall be made available for each term for each call and put, such that one exercise price is "in the money", one is "at the money" and one is "out of the money".

(3) Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the price of the respective underlying security effected on the closing auction in the electronic trading system of the Frankfurt Stock Exchange has reached, exceeded or fallen below the average of the two highest or the two lowest then-existing exercise prices, as the case may be (established according to paragraph (1)).

If no price in the underlying security is effected on the closing auction, the volume-weighted average of the last 3 "paid" prices (Bezahlt-Preise) of the respective underlying security effected on the electronic trading system of the Frankfurt Stock Exchange (Xetra) between the close of trading in stock options at the Frankfurt Stock Exchange and at the Eurex Exchanges shall be used.

If 3 prices in the underlying security are not effected on the electronic trading system of the Frankfurt Stock Exchange between the close of trading in stock options at the Frankfurt Stock Exchange and the close of trading at the Eurex Exchanges either, the closing price of the underlying security on the Frankfurt Stock Exchange shall be used.

A new option series shall generally not be introduced if it would expire in fewer than 5 Exchange days, unless market conditions make such introduction necessary.