X-pand into the Future

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Extension of Expiration Cycles in German and Swiss Group A Equity Options

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Content may be most important for:

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

Attachments:

1. Extracts from the Rules and Regulations
   (only in German – the English version will be put directly in the Internet)
2. Contract Specifications – Stock Options on German Shares
3. Contract Specifications – Stock Options on Swiss Shares

Against the background of the volume growth in the German and Swiss equity options with maturities up to twelve months (Group A equity options) and increasing interest from the most active trading participants, in their meeting of July 2, 2003 the Management Boards of the Eurex Exchanges made the decision to extend the maturity of 20 German and 14 Swiss equity options form currently twelve months up to a maximum of 24 months.

The effective date of the extension will be **July 21, 2003**. The following maturities will be available for trading as of this date: the three nearest calendar months, as well as the three following months within the March, June, September and December cycle thereafter, and the two following months of the June and December cycle thereafter (i. e. up to a maximum lifetime of 24 months).

As a result of these measures, German equity options will be subject to two expiry groups, namely group A (maturities up to 24 months) and group B (maturities up to 60 months). The Swiss equity options will be categorized in one expiry group with maturities up to 24 months.

No adjustments will be made to the existing requirements for market making in these products.

For the corresponding updates to the Rules and Regulations as well the respective contract specifications, please see attachments 1 to 3.

2.1 Teilabschnitt: Spezifikationen für Optionskontrakte auf Aktien deutscher Aktiengesellschaften (deutsche Aktienoptionen)

2.1.1 Kontraktgegenstand

[……..]

2.1.2 Kaufoption (Call)

[……]

2.1.3 Verkaufsoption (Put)

[……]

2.1.4 Optionsprämie

[……]

2.1.5 Laufzeit, Handelsschluss, Verfalltag

(1) An den Eurex-Börsen stehen Optionen mit Laufzeiten bis jeweils einschließlich:

a) zum nächsten, übernächsten und drittnächsten Verfalltag sowie bis einschließlich zu den drei danach liegenden Quartalsverfalltagen (März, Juni, September, Dezember) und bis zu den beiden darauf folgenden Halbjahresverfalltagen aus dem Zyklus Juni und Dezember oder

b) zum nächsten, übernächsten und drittnächsten Verfalltag sowie bis einschließlich zu den drei danach liegenden Quartalsverfalltagen (März, Juni, September, Dezember) und bis zu den vier darauf folgenden Halbjahresverfalltagen (Juni, Dezember) sowie den nächsten zwei darauf folgenden Jahresverfalltagen (Dezember)

zur Verfügung.

Die Geschäftsführungen der Eurex-Börsen bestimmen für jede Aktienoption die Laufzeiten gemäß Satz 1.

(2) Der letzte Handelstag einer Optionsserie ist der Tag, an dem diese Optionsserie den Börsenteilnehmern im System der Eurex-Börsen letztmalig zum Handel und zum Clearing zur Verfügung steht. Der letzte Handelstag fällt grundsätzlich auf den dritten Freitag eines jeweiligen Monats, sofern dieser Freitag ein Börsentag ist, andernfalls auf den davor liegenden Börsentag.

Der Verfalltag einer Optionsserie ist grundsätzlich der auf den letzten Handelstag folgende Börsentag.

(3) Eine Optionsserie darf nicht aufgehoben werden, solange ein Börsenteilnehmer noch offene Positionen in dieser Optionsserie hat.

2.1.6 [……]

2.15 Teilabschnitt: Spezifikationen für Optionskontrakte auf Aktien Schweizer Aktiengesellschaften (Schweizer Aktienoptionen)

2.15.1 Kontraktgegenstand

[…..]

2.15.2 Kaufoption (Call)

[…..]

2.15.3 Verkaufsoption (Put)

[…..]

2.15.4 Optionsprämie

[….]

2.15.5 Laufzeit, Handelsschluss, Verfalltag

(1) An den Eurex-Börsen stehen Optionen mit Laufzeiten bis jeweils einschließlich zum nächsten, übernächsten und drittnächsten Verfalltag sowie bis einschließlich zu den drei danach liegenden Quartalsverfalltagen (März, Juni, September und Dezember) und bis zu den beiden darauf folgenden Halbjahresverfalltagen aus dem Zyklus Juni und Dezember zur Verfügung.

Die Geschäftsführungen der Eurex-Börsen bestimmen für jede Aktienoption die Laufzeiten gemäß Satz 1.

(2) Der letzte Handelstag einer Optionsserie ist der Tag, an dem diese Optionsserie den Börsenteilnehmern im System der Eurex-Börsen letztmalig zum Handel und zum Clearing zur Verfügung steht. Der letzte Handelstag fällt grundsätzlich auf den dritten Freitag eines jeweiligen Monats, sofern dieser Freitag ein Börsentag ist, andernfalls auf den davor liegenden Börsentag.

Der Verfalltag einer Optionsserie ist grundsätzlich der auf den letzten Handelstag folgende Börsentag.

(3) Eine Optionsserie darf nicht aufgehoben werden, solange ein Börsenteilnehmer noch offene Positionen in dieser Optionsserie hat.

2.15.6 [……]

Contract Specifications for:
Stock Options on German Shares

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, Münchener Rückversicherung, Porsche and SAP have a contract size of 10 shares.

Minimum Price Movement

Options prices have price intervals of EUR 0.01.

Settlement

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

Settlement 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, and the following two months within the cycle June and December thereafter (i.e. up to a maximum of 24 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, the following four months within the cycle June and December thereafter and the following two 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 Intervals in EUR*
<5	0,20
5,5 - 10	0,50
11 - 20	1
22 - 50	2
52,50 – 100**	2,50
55 - 200	5
210 and above	20

* For options contracts with durations from 18 up to 60 months, the exercise price intervals are doubled.

** Only for the first and second contract months, and only for at-the-money exercise prices

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.

Underlying Instruments

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

Group A
1, 2, 3, 6, 9, 12, 18 and 24 months
Adidas (ADS)
Altana (ALT)
BASF (BAS)
Bay. Hypo- und Vereinsbank (HVM)
BMW (BMW)
Commerzbank (CBK)
Continental (CON)
Degussa (DGX)
Deutsche Börse (DB1)
Deutsche Post (DPW)
E.On (EOA)
EPCOS (EPC)
Fresenius Medical Care (FME)
Henkel Vz. (HEN3)
Karstadt (KAR)
Linde (LIN)
Lufthansa (LHA)
MAN (MAN)
Metro (MEO)
MLP (MLP)
Münchner Rückversicherung (MUV2)
Porsche (POR3)
RWE (RWE)
Schering (SCH)
Thyssen Krupp (TKA)
TUI AG (TUI)
VW (VOW)

Group B
1, 2, 3, 6, 9, 12, 18, 24, 30, 36, 48 and 60 months
Allianz-Holding (ALV)
Bayer (BAY)
Deutsche Bank (DBK)
Daimler Chrysler (DCX)
Deutsche Telekom (DTE)
Infineon (IFX)
SAP (SAP)
Siemens (SIE)

Option Premium

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

Trading hours

9:00 a.m. until 8:00 p.m. CET.

Contract Specifications for:
Stock Options on Swiss Shares

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, except for options on the shares below.

Options on Ciba Spezialitätenchemie, Givaudan, Julius Bär, Nestlé, Swiss Life Holding, Schweizer Rückversicherung, Serono, SGS Surveillance, Sulzer, Swisscom, Syngenta, Unaxis and Zurich Financial Services have a contract size of 10 shares.

Minimum Price Movement

The minimum price change for options is CHF 0.01.

Settlement

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

Settlement Day

Three exchange trading days after exercise.

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 Period

American style, i.e. an option can be exercised until 7:00 p.m. CET on any exchange trading day during the lifetime of the option.

Expiration Months

Options are available with terms up to and including the three nearest calendar months, as well as the three following months within the March, June, September and December cycle thereafter, and the two following months of the June and December cycle thereafter (i.e. up to a maximum lifetime of 24 months).

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
*2,100 – 5,000***	*100*
2,200 – 5,000	200
*above 5,000***	*200*
above 5,000	400

* The exercise price intervals are doubled for option contracts with lifetimes of 18 to 24 months

** Only for at-the-money options for the nearest six calendar months

For each expiration month, there are at least three call and three put series, providing 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:

ABB N (ABB2)
Adecco N (ADEN)
Baloise Holding (BALN)
Ciba Spezialitätenchemie Holding N (CIBN)
Clariant N (CLN)
Credit Suisse Group N (CSGN)
Givaudan (GIVN)
Holcim N (HOLN)
Julius Bär (BAER)
Kudelski (KUD)
Lonza Group (LONN)
Nestlé N (NESN)
Novartis N (NOVN)
Richemont (CFR)
Roche Holding GS (ROG)
Schweizer Rückversicherung N (RUKN)
Serono (SEO)
SGS Surveillance (SGSN)
Sulzer N (SUN)
Swiss Life Holding N (SLHN)
Swisscom (SCMN)
Syngenta (SYNN)
The Swatch Group N (UHRN)
UBS (UBSN)
Unaxis (UNAX)
Zurich Financial Services N (ZURN)

Option Premium

Payable in full on the exchange trading day immediately following the buy date.

Trading Hours

9:00 a.m. until 5:20 p.m. CET.