e u r e x *circular 87/99*

To: All Eurex members and vendors

Date: Frankfurt, 26th August 1999

Introduction of Equity Options

Dear Sir or Madam,

On 18th August 1999 the executive boards of Eurex Deutschland and Eurex Zurich made the decision to introduce Eurex stock options on the securities EM. TV & Merchandising AG, Mobilcom AG, Consors Discount-Broker AG, Adecco N and Fresenius Medical Care AG. The introduction will take place on 20th September 1999 provided that at least three market makers have agreed to quote each option.

The introduction of Fresenius Medical Care and Adecco represent an alignment with the changes to the index constituents of the DAX® and SMI® benchmark indices. The introduction of stock options on selected New Market securities is a response to the good increase in turnover and market capitalisation, and the high level of market interest in these stocks.

New Market Stocks:

Company	Code	WKN	ISIN
Consors Discount-Broker AG	CSO	542700	DE0005427009
EM. TV & Merchandising AG	ETV	568480	DE0005684807
Mobilcom AG	MOB	662240	DE0006622400

DAX Stock (from 20th September 1999) :

Fresenius Medical Care AG	FME	578580	DE0005785802

SMI Stock (since 1st July 1999):

Adecco N	ADEN	922031	CH0007009399

The introduction of the associated Low Exercise Price Options (LEPOs) for Adecco will be carried out on 20th September 1999. The introduction of LEPOs for the other stocks is foreseen for 18th October 1999 along with the planned introduction of LEPOs for all German stock options.

All stock options are issued following the existing concept for German or Swiss stock options as appropriate. For detailed specifications please refer to Attachments 1 and 2.

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Executive Board:
Dr. Jörg Franke, Otto E. Nägeli
Andreas Preuß, Jürg Spillmann

Market Making

Market making is carried out within the scope of regular Market Making at Eurex, with the quote obligations and validity conditions as defined in Attachment 3. If you are interested in fulfilling the Market Maker function in these stock options, please complete the application form (also attached) and return it to Eurex for the attention of Kai Distelmann on Fax. +49 (0)69-2101-4461.

Product Parameters

Stock options	Position limits	Market Maker Position Limits	Margin Interval in %
Consors Discount-Broker AG	6.600	19.800	17%
EM. TV & Merchandising AG	3.300	9.900	20%
Mobilcom AG	3.300	9.900	22%
Fresenius Medical Care AG	5.300	15.900	10%
Adecco N	25.500	76.500	12%

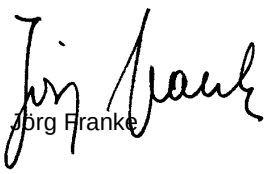
Preparation for Start of Trading

- On 16th September 1999 (Thursday) the above mentioned options and the margin classes will be entered into the Eurex system. Corresponding back office transactions will be transmitted electronically.
- On 17th September 1999 (Friday) after close of trading, settlement prices will be sent for all contract months of the options concerned. In addition, transactions for the PMI file will be generated. Theoretical prices transmitted as part of the end of day processing should be ignored.
- On 20th September (Monday) trading in the options concerned will be started. Orders may be entered into the Eurex system from 07.30 CET.

If you have any questions, the following help-desks will be pleased to assist you:

Technical Help-desk	Tel. +49 (0)69-2101-1200
Functional Help-desk (Equity Products)	Tel. +49 (0)69-2101-1210
Functional Help-desk (Clearing)	Tel. +49 (0)69-2101-1250

Yours sincerely,



Jörg Franke



Hartmut Klein

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Attachment 1

Provisional Contract Specifications[1] 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. However, for those stocks with a nominal value of DEM 50 or the corresponding value in Euro, the contract size is 10 shares. Münchener Rückversicherung and Allianz have a contract size of 50 shares.

Minimum Price Movement

Options prices have price gradations of EUR 0.01. In the case of options on stocks with a nominal value of DEM 50 or the respective value in Euro, price movements of EUR 0.1 are possible.

Delivery

Physical delivery of 10, 50, respectively 100 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 traded price of the trading day; or, if the last traded 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 7:00 p.m. CET on any exchange trading day during the life of the option, except on the dividend declaration date of the underlying security.

Expiration Months

Group A shares: the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum of 9 months).

[1] Valid as of 20th September, 1999

Attachment 1

Group B 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 C 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).

Exercise Prices

Options series may have the following exercise prices:

For stocks with a nominal value of DEM 50 or the corresponding value in Euro

Exercise prices	**Exercise price gradation**	
EUR 1 to EUR 20	EUR 1	
EUR 22 to EUR 50	EUR 2	
EUR 52.50 to EUR 100	EUR 2.50	only for the next two expiration months
EUR 55 to EUR 100	EUR 5	
EUR 110 to EUR 200	EUR 10	
EUR 220 to EUR 500	EUR 20	
EUR 525 to EUR 1,000	EUR 25	only for the next two expiration months
EUR 550 to EUR 2,000	EUR 50	
EUR 2,100 and above	EUR 100	

For stocks with a nominal value of DEM 5 or the corresponding value in Euro

Exercise prices	**Exercise price gradation**	
EUR 1 to EUR 20	EUR 1	
EUR 22 to EUR 50	EUR 2	
EUR 52.50 to EUR 100	EUR 2.50	only for the next two expiration months
EUR 55 to EUR 200	EUR 5	
EUR 210 and above	EUR 10	

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 18- and 24-month durations, the exercise price gradations are doubled.

Optionable Stocks

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

Group A	**Group B**	**Group C**
1, 2, 3, 6 and 9 months	1, 2, 3, 6, 9 And 12 months	1, 2, 3, 6, 9, 12, 18 and 24 months

Stocks with a nominal value of DEM 5 or the corresponding value in Euro

Adidas (ADS)	Bay. Hypo. und Vereinsbank (HVM)	Allianz-Holding (ALV)
Degussa-Huels (DHA)	Consors Discount-Broker (CSO)	BASF (BAS)
Henkel Vz. (HEN3)	Dresdner Bank (DRB)	Bayer (BAY)
Linde (LIN)	EM. TV & Merchandising AG (ETV)	Commerzbank (CBK)

Attachment 1

MAN
(MAN)
Metro
(MEO)
Muenchener Rueckversicherung
(MUV2)
SAP Vz.
(SAP3)
Schering
(SCH)
Fresenius Medical Care AG
(FME)
Lufthansa
(LHA)
RWE
(RWE)
Mannesmann
(MMN)
Mobilcom
(MOB)
Preussag
(PRS)
Thyssen Krupp AG
(TKA)
DaimlerChrysler
(DCX)
Deutsche Bank
(DBK)
Deutsche Telekom
(DTE)
Siemens (SIE)
VEBA (VEB)
VW (VOW)

Stocks with a nominal value of DEM 50 or the corresponding value in Euro

Karstadt
(KAR)
BMW
(BMW)
VIAG
(VIA)

All stock options are traded with mandatory market-making.

Option Premium

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

Trading hours

9:00 a.m. until 5:30 p.m. CET.

Attachment 2

Provisional Contract Specifications[1] for:

Stock Options on

Swiss 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 - 10 shares of the underlying security. As an exception, options contracts on Roche Holding GS are for 1 share of the underlying stock.

Minimum Price Movement

Option price	Minimum price movement
CHF 0.10 to CHF 9.90	CHF 0.10
CHF 10.00 to CHF 19.80	CHF 0.20
CHF 20.00 to CHF 299.50	CHF 0.50
CHF 300 and above	CHF 1.00

Delivery

Physical delivery of 10, respectively 1, share(s) of the underlying security.

Delivery Day

Three 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 traded price of the trading day; or, if the last traded 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 6:30 p.m. CET on any exchange trading day during the life of the option.

[1] Valid as of 20th September, 1999

Expiration Months

Options are available with terms up to and including:

Group A shares: the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum of 9 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, and the following two months within the cycle June and December thereafter (i.e. up to a maximum of 24 months).

Exercise Prices

Options series may have the following exercise prices:

For expirations of 1 to 9 months:

Exercise prices	**Exercise price gradation**
CHF 5 to CHF 195	CHF 5
CHF 200 to CHF 390	CHF 10
CHF 400 to CHF 975	CHF 25
CHF 1,000 to CHF 1,950	CHF 50
CHF 2,000 to CHF 4,900	CHF 100
CHF 5,000 and higher	CHF 200

For expirations of 12, 18 and 24 months:

Exercise prices	**Exercise price gradation**
CHF 20 to CHF 180	CHF 20
CHF 200 to CHF 360	CHF 40
CHF 400 to CHF 900	CHF 100
CHF 1,000 to CHF 1,800	CHF 200
CHF 2,000 to CHF 4,400	CHF 400
CHF 5,000 to CHF 8,200	CHF 800
CHF 9,000 and higher	CHF 1,000

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

Optionable Stocks

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

Group A 1, 2, 3, 6 and 9 months	**Group B** 1, 2, 3, 6, 9 and 12 months	**Group C** 1, 2, 3, 6, 9, 12, 18 and 24 months
-Adecco (ADEN) -Holderbank I (HOL) -Rentenanstalt/ Swiss Life N (RAN) -SAir Group N (SRN) -Sulzer N (SUN) -The Swatch Group N (UHRN)	None	-ABB N (ABBN) -Alusuisse Lonza Group N (ALUN) -Ciba Spezilitäten- chemie Holding N (CIBN) -Clariant N (CLN) -Credit Suisse Group N (CSGN) -Nestle N (NESN) -Novartis N (NOVN) -Roche Holding GS (ROG) -Schweiz. Rückversicherung N (RUKN) -Swisscom (SCMN) -UBS AG N (UBSN) -Zürich Allied N (ZUAN)

All stock options with Swiss underlying shares are traded with mandatory market-making.

Option Premium

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

Trading Hours

9:00 a.m. until 4:55 p.m. CET.

Attachment 3

Market Making

1) German Equity Options

Quote Obligations

Minimum Size: 50 contracts on the bid and ask side in all option series for options included in the groups A, B and C. Exceptions are MUV2 with 5 and Allianz and SAP3 with 10 contracts.[1]

Maximum Spread:

A) Options with a nominal value of 50 DM or the corresponding value in Euro:

Group A:
Karstadt

Groups B and C:
BMW, Viag

Bid up to	***Spread***
13.30	2.00 EUR
66.60	15 %
9999.8	10.00 EUR

B) Options with a nominal value of 5 DM or the corresponding value in Euro:

Group A:
Degussa, Henkel Vz., Linde, MAN, Metro

Groups B and C:
Bayer, BASF, Bay. Hyp. und Vereinsbank, Commerzbank, Consors, DaimlerChrysler, Deutsche Bank, Deutsche Telekom, Dresdner Bank, EM TV., Fresenius Medical Care, Lufthansa, Mannesmann, Mobilcom, Preussag, RWE, Veba, Siemens, Thyssen Krupp, VW

Bid up to	***Spread***
1.33	0.20 EUR
6.66	15 %
999.80	1.00 EUR

[1] In the “Fast Market“ product status a reduced Minimum Size of 25 contracts applies. Exceptions are Allianz and SAP with 5, and Münchner Rück. with 3 contracts

C) Exceptions

Group A:
Adidas, Münchener Rückversicherung, SAP Vz. and Schering

Groups B and C:
Allianz

Bid up to	***Spread***
10.00	1.00 EUR[2]
20.00	2.00 EUR
30.00	3.00 EUR
50.00	4.50 EUR
999.80	10 %

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

Trade per contract	EUR 0.04
Exercise per contract	EUR 0.04

[2] Except 5 days before expiry

2) Swiss Equity Options

Quote Obligations

Minimum Size: 5 contracts on the bid and ask side in all option series and for all Swiss equity options[3]

Maximum Spread:

Group A:
Adecco N, Holderbank I, Rentenanstalt/Swiss Life N, Sair Group N, Sulzer N, The Swatch Group N

Group C
ABB N, Alusuisse-Lonza Group N, Ciba N, Clariant N, Credit Suisse Group N, Nestle N, Novartis N, Swisscom N, Schw. Rückvers. N, UBS AG N, Zurich Allied N

Bid up to	***Spread***
29.50	6.00 CHF
249	20 %
9999.8	50.00 CHF

Exception: Roche Holding GS

Bid up to	***Spread***
49.50	10.00 CHF
449	20 %
9999.8	100.00 CHF

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

Trade per contract	CHF 0.08
Exercise per contract	CHF 0.08

[3] For the “Fast Market” product status a reduced Minimum Size of 3 contracts applies

Application for the Granting of Market Maker Licences at Eurex



Eurex

Product Development/Products

60284 Frankfurt

(Fax: +49 (0)69 2101-4461)

Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

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

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

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

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

☐ ABBN (ABB)	☐ DCX (DaimlerChrysler)	☐ LHA (Lufthansa)	☐ RAN (Rentenanstalt)
☐ ADEN (Adecco)	☐ DHA (Degussa Hülst)	☐ LIN (Linde)	☐ RATV (Raisio Yhtymä Oyj)
☐ ADS (Adidas)	☐ DRB (Dresdner Bank)	☐ MAN (MAN)	☐ ROG (Roche Holding)
☐ ALUN (Alusuisse-Lonza)	☐ DTE (Deutsche Telekom)	☐ MEO (Metro)	☐ RPL (UPM-Kymmene Oyj)
☐ ALV (Allianz)	☐ ENUR (Stora-Enso Oyj R)	☐ MMN (Mannesmann)	☐ RUKN (Schweiz. Rückvers.)
☐ BAS (BASF)	☐ ETV (EM. TV & Merchand.)	☐ MOB (Mobilcom AG)	☐ RWE (RWE)
☐ BAY (Bayer)	☐ FME (Fresenius Med.Care)	☐ MSRB (Metsä-Serla Oyj B)	☐ SAP3 (SAP VZ.)
☐ BMW (BMW)	☐ FUM (Fortum Oyj)	☐ MUV2 (Münchner Rück.)	☐ SCH (Schering)
☐ CBK (Commerzbank)	☐ HEN3 (Henkel VZ)	☐ NESN (Nestlé)	☐ SIE (Siemens)
☐ CIBN (Ciba Spezialitäten)	☐ HEP (Helsingin Telephone)	☐ NOA3 (Nokia Oyj A)	☐ SMPA (Sampo Insurance)
☐ CLN (Clariant)	☐ HOL (Holderbank)	☐ NOVN (Novartis)	☐ SOY (Sonera-Yhtymä Oyj)
☐ CSO (Consors)	☐ HUKI (Huhtamäki Oyi I)	☐ OROB (Orion-Yhtymä Oyj)	☐ SRN (Sair Group)
☐ CSGN (Credit Suisse Gr.)	☐ HVM (Bayer. Vereinsbank)	☐ POHB (Pohjola Group B)	☐ SUN (Sulzer)
☐ DBK (Deutsche Bank)	☐ KAR (Karstadt)	☐ PRS (Preussag)	☐ SCMN (Swisscom)

☐ TKA (Thyssen Krupp)	☐ UBSN (UBSAG)	☐ VEB (Veba)	☐ ZUAN (Zurich Allied)
☐ TTEB (Tieto Enator Corp.)	☐ UHRN (The Swatch Group)	☐ VIA (VIAG)	
☐ UBFA (Merita Oyj A)	☐ VLM (Metso Corp.)	☐ VOW (Volkswagen)	

☐ ODAX
Option contracts on the German Stock Index - DAX®

☐ OFOX
Option contracts on the HEX FOX

☐ OEU3
Option contracts on Three-Month-Euribor-Futures

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

☐ OCNF
Option contracts on the CONF-Future

☐ OGBL
Option contracts on Euro-BUND-Futures

☐ OGBM
Option contracts on Euro-BOBL-Futures

☐ OGBS
Option contracts on Euro-Schatz-Futures

☐ ONOR
Option contracts on the Dow Jones Nordic STOXX^{SM} 30

☐ OSTX
Option contracts on the Dow Jones STOXX® 50

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

II. The functions associated with such Market Maker Licences 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