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Amsterdam market

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Enhanced series policy for AEX index options with a lifetime of two business days

Executive summary

Liffe informs members of the introduction of an enhanced series policy for AEX Index® daily options with a (remaining) lifetime of two business days as from 14 April 2008.

1. Following the successful launch of AEX Index® daily options on Monday 31 March, 2008 Liffe has consulted with market participants the series policy for this product. As a result enhancements to the series policy will be implemented with effect from Monday 14 April 2008.
2. The enhanced series policy for AEX Index® daily options is the following:
 - 2.1. Series are introduced for the following business day based on the price of the AEX Index® at the end of the trading day. Initially, five in-the-money (ITM), one at-the-money (ATM¹) and five out-of-the-money (OTM) series will be introduced.
 - 2.2. The strike price intervals are as follows:
 - 1st until 5th ITM+ATM+1st until 5th OTM - interval: 2 index points
 - 2.3. The following business day based on the level of the future on the AEX-index (FTI) around 8.15 hours (CET) additional series will be introduced: before trading starts in AEX daily options at 9.01 hours CET. A minimum of seven in-the-money (ITM), one at-the-money (ATM) and seven out-of-the-money (OTM) series will be available.
 - 2.4. The strike price intervals are as follows:
 - 1st until 3rd ITM + ATM + 1st until 3rd OTM - interval: 1 index point
 - 4th until 7th ITM + ATM + 4th until 7th OTM - interval: 2 index points

¹ The option series whose price differs the least from the price of the underlying is considered to be the at-the-money series. There will be no at-the-money series in a situation where the market price of the underlying security is exactly halfway between two series.

- 2.5. During the trading day the new level of the AEX Index® will be the reference for the introduction of additional series based on the minimum number of series to be introduced as described under 2.4. In the situation that a gap would arise between the newly introduced series and the existing series, the gap will not be filled with series in-between.
3. The enhanced series policy for the AEX Index® daily options will also be applicable to AEX Index® weekly options and standard AEX Index® monthly options as soon as the lifetime of these products is equal to the lifetime of the AEX Index® daily options. In other words, two business days before expiry of the AEX Index® weekly options and standard AEX Index® monthly options the series policies of these products will be equal to the enhanced series policy for AEX Index® daily options.
4. In order to ensure the most appropriate series are introduced for all AEX Index® options Liffe will continue to monitor the policies and reserves the right to amend if it deems necessary.
5. For further information regarding this notice, please contact our sales and account management department on +31 (0)20 550 5315, or send an email to derivativesamsterdam@euronext.com.