

## PARIS BULLETIN No. 2007 – 014

ISSUE DATE: 19 April 2007  
EFFECTIVE DATE: 23 April 2007

### INTRODUCTION OF REVISED SERIES POLICY FOR INDIVIDUAL EQUITY OPTION CONTRACTS

#### Executive summary

This Notice informs members of a revised policy for the introduction of series in relation to French Individual Equity Option Contracts.

1. On and from Monday 23 April 2007, Euronext.liffe will introduce a revised policy for the introduction of series in relation to all French Individual Equity Option contracts available for trading on the Paris central order book (American-style and European-style). This change will improve the granularity of exercise prices available for trading. Other equity options contract specifications remain unchanged.
2. Currently the strike price intervals for French Individual Equity Option contracts are standardised and determined in euro intervals depending on the remaining lifetime of the expiry month.

Expiry months will be considered as follows:

- Short-term: 1, 2 or 3 months remaining lifetime
  - Mid-term: 6, 9 or 12 months remaining lifetime
  - Long-term: 18, 24, 36, 48 or 60 months remaining lifetime
3. The same strike price interval will be implemented on American and European option style.

Web site: [www.euronext.com/derivatives](http://www.euronext.com/derivatives)

The Euronext Derivatives Markets ("Euronext.liffe") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.

4. On and from Monday 23 April 2007, new strike prices intervals (interval A, B, C and D) will be used when a strike price is introduced:

<b>Individual Equity Options Interval Scheme denominated in Euro</b>					
	<b>Exercise Prices in EUR</b>	<b>Interval Scales in EUR</b>			
		<b>Scale A</b>	<b>Scale B</b>	<b>Scale C</b>	<b>Scale D</b>
<b>1</b>	<b>0.10 - &lt; 5.00</b>	<b>0.10</b>	<b>0.20</b>	<b>0.40</b>	<b>0.80</b>
<b>2</b>	<b>5.00 - &lt; 10.00</b>	<b>0.20</b>	<b>0.40</b>	<b>0.80</b>	<b>2.00</b>
<b>3</b>	<b>10.00 - &lt; 25.00</b>	<b>0.50</b>	<b>1.00</b>	<b>2.00</b>	<b>4.00</b>
<b>4</b>	<b>25.00 - &lt; 50.00</b>	<b>1.00</b>	<b>2.00</b>	<b>4.00</b>	<b>8.00</b>
<b>5</b>	<b>50.00 - &lt; 100.00</b>	<b>2.00</b>	<b>4.00</b>	<b>8.00</b>	<b>20.00</b>
<b>6</b>	<b>100.00 - &lt; 200.00</b>	<b>5.00</b>	<b>10.00</b>	<b>20.00</b>	<b>40.00</b>
<b>7</b>	<b>200.00 - &lt; 400.00</b>	<b>10.00</b>	<b>20.00</b>	<b>40.00</b>	<b>80.00</b>
<b>8</b>	<b>≥ 400.00</b>	<b>20.00</b>	<b>40.00</b>	<b>80.00</b>	<b>200.00</b>

5. Subsequent to an expiry month being initially listed, the minimum number of series per expiry month will be as follows:

**≤ 3 months to expiry**

For expiry months with a remaining lifetime of up to and including 3 months:

Interval Scale A: used for 3 strikes prices around the money.

Interval Scale B: used for 6 other strikes prices.

**> 3 to ≤ 12 months to expiry**

For expiry months with a remaining lifetime exceeding 3 months and up to and including 12 months:

Interval Scale B: used for 3 strikes prices around the money

Interval Scale C: used for 6 other strike prices

**> 12 to ≤ 36 months to expiry**

For expiry months with a remaining lifetime exceeding 12 months and up to and including 36 months:

Interval Scale C: used for 1 at the money strike price

Interval Scale D: used for 4 other strike prices

**> 36 months to expiry**

For expiry months with a remaining lifetime exceeding 36 months:

Interval Scale D: used for 5 strike prices

Web site: [www.euronext.com/derivatives](http://www.euronext.com/derivatives)

The Euronext Derivatives Markets ("Euronext.liffe") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.

The following tables provide a summary of the exercise prices per expiry month at the time of listing:

Time to maturity	1,2,3 months	6,9,12 months	18,24,36 months	48,60 months																																																								
	<table border="1"> <tr><td>IV</td><td></td></tr> <tr><td>III</td><td>Scale B</td></tr> <tr><td>II</td><td></td></tr> <tr><td>I</td><td></td></tr> <tr><td>ATM</td><td>Scale A</td></tr> <tr><td>I</td><td></td></tr> <tr><td>II</td><td></td></tr> <tr><td>III</td><td>Scale B</td></tr> <tr><td>IV</td><td></td></tr> </table>	IV		III	Scale B	II		I		ATM	Scale A	I		II		III	Scale B	IV		<table border="1"> <tr><td>IV</td><td></td></tr> <tr><td>III</td><td>Scale C</td></tr> <tr><td>II</td><td></td></tr> <tr><td>I</td><td></td></tr> <tr><td>ATM</td><td>Scale B</td></tr> <tr><td>I</td><td></td></tr> <tr><td>II</td><td></td></tr> <tr><td>III</td><td>Scale C</td></tr> <tr><td>IV</td><td></td></tr> </table>	IV		III	Scale C	II		I		ATM	Scale B	I		II		III	Scale C	IV		<table border="1"> <tr><td>II</td><td>Scale D</td></tr> <tr><td>I</td><td></td></tr> <tr><td>ATM</td><td>Scale C</td></tr> <tr><td>I</td><td></td></tr> <tr><td>II</td><td>Scale D</td></tr> </table>	II	Scale D	I		ATM	Scale C	I		II	Scale D	<table border="1"> <tr><td>II</td><td></td></tr> <tr><td>I</td><td></td></tr> <tr><td>ATM</td><td>Scale D</td></tr> <tr><td>I</td><td></td></tr> <tr><td>II</td><td></td></tr> </table>	II		I		ATM	Scale D	I		II	
IV																																																												
III	Scale B																																																											
II																																																												
I																																																												
ATM	Scale A																																																											
I																																																												
II																																																												
III	Scale B																																																											
IV																																																												
IV																																																												
III	Scale C																																																											
II																																																												
I																																																												
ATM	Scale B																																																											
I																																																												
II																																																												
III	Scale C																																																											
IV																																																												
II	Scale D																																																											
I																																																												
ATM	Scale C																																																											
I																																																												
II	Scale D																																																											
II																																																												
I																																																												
ATM	Scale D																																																											
I																																																												
II																																																												

- A price established on a trading day (T) will be the reference used to determine the introduction of additional series on the next trading day (T+1) to have at least the minimum number of in- and out-of-the-money series listed.

For further information in relation to this Bulletin, members should contact Equity Product Management Paris (+33 1.49.27.59.64) or their Account Manager at Euronext.liffe.

Web site: [www.euronext.com/derivatives](http://www.euronext.com/derivatives)

The Euronext Derivatives Markets ("Euronext.liffe") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.