

LONDON CIRCULAR No. 06/07

ISSUE DATE: 14 March 2006

INDIVIDUAL EQUITY OPTION CONTRACTS

PRIMARY MARKET MAKER SCHEME

Executive Summary

This Circular invites members to apply for participation in the Primary Market Maker Scheme in respect of UK Individual Equity Option Contracts.

1. Introduction

- 1.1 This Circular provides details of the terms of the revised Primary Market Maker ("PMM") Scheme which will run from 3 April 2006 until 30 March 2007 inclusive, and invites members to apply.

2. The PMM Scheme

- 2.1 All members are eligible to apply for the PMM Scheme. PMMs in the 2005 Scheme may apply for PMM status in the revised PMM Scheme using LIFFE Form 148. Applications from other members should be made using LIFFE Form 149. Both forms are available from Caterina Caramaschi (+44 (0)20 7379 2785). Guidelines for tendering for PMM status are contained in Attachment 1 to this Circular.
- 2.2 Members are invited to apply for PMM status in relation to one or more specific groups of Individual Equity Option Contracts, as detailed in Attachment 2 to this Circular, by specifying whether they are able to meet the "benchmark" obligations set out in Attachment 3. The benchmark obligations are based on those expected for an "average" equity option contract¹. However, given the wide range of option contracts and the diversity of characteristics of the underlying stocks (e.g. stock price, volatility, depth of market on SETS), applicants may submit tenders for the position of PMM in some options with proposed obligations that vary from the published benchmarks. For example, applicants may feel that a wider bid/offer spread and/or smaller lot size is warranted for option AAA, but that a tighter bid/offer spread and/or larger lot size is warranted for option BBB. In such instances, these variations must be clearly specified on the application form.

¹ An "average equity option contract may be considered as an option on a stock with a share price of 300p to 500p, a medium to high level of activity in the underlying stock, a consistent depth of orders on the SETS trading system and without extreme volatility.

Web site: 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.

- 2.3 **Applications must be submitted in confidence to Caterina Caramaschi as sealed tenders by the close of business on Wednesday 22 March 2006.** Full details relating to the submission of applications, including additional guidelines in respect of the tender process, will be made available with the application forms.
- 2.4 Members are reminded that the appointment of each PMM will be subject to a binding contract (“the PMM Agreement”) between the successful applicant and the Exchange. A completed application form does **not** constitute such a contract. Furthermore, a successful applicant’s PMM status, and therefore the period for which he may receive financial benefits, may not be deemed to have commenced until the PMM Agreement is completed, signed and received by the Exchange.
- 2.5 The PMM Scheme is open to all members. A non-member may undertake the market making activities on behalf of a member. However, in such cases the performance of the PMM obligations remains the responsibility of the member and, as such, PMM applications must be submitted to the Exchange with the full understanding and agreement of the member.
- 2.6 In all cases, applicants should only apply for PMM status with the agreement of the relevant General Clearing Member.

3. Selection of PMMs

- 3.1 A Review Panel, made up of members of the Euronext.liffe Executive, will examine applications for the position of PMM in each group of Individual Equity Option Contracts. No Panel member shall have a material interest in any applicant, for example by way of personal or financial connection.
- 3.2 The Panel will select the PMMs on the basis of the sealed tenders submitted by applicants and any further information that the Panel deems necessary in respect of any or all of the tenders. The Panel may conclude that two or more tenders are of similar merit but that their constituent elements are not directly comparable and that it is not in a position at that stage to make a final conclusion on selection. In such event, the Panel reserves the right to take whatever steps necessary to bring about a situation of comparable tenders in order to select a PMM.
- 3.3 When selecting PMMs, the Exchange reserves the right to take into consideration such factors as past performance in meeting PMM obligations.
- 3.4 For the avoidance of doubt, the Panel has complete discretion in selecting PMMs. The Panel’s decision is final.

4. The PMM Scheme in outline

- 4.1 A single PMM will be appointed in respect of each group of Individual Equity Option Contracts. Members are invited to apply for one or more specific groups of equity options, as detailed in Attachment 2 to this Circular. The applications must be for **all** options within the pre-determined groups.
- 4.2 Unless terminated earlier, in accordance with the terms of the PMM Agreement, the Scheme will remain in place until Friday 30 March 2007.
- 4.3 In respect of PMMs who fail to comply with their obligations, the Exchange may determine a course of action to reduce or remove any entitlement due to the PMM including, but not limited to, a reduction or removal of compensation payments; re-charging, in part or in full, transaction and clearing charges; re-allocation of one or more specific groups of options to another PMM; and/or termination of the Agreement.

4.4 At the discretion of the Exchange, the Agreement may be terminated with immediate effect in the event of a change in ownership or structure of the member or the Exchange or a fundamental change in the nature of either party's business and operations.

4.5 The Exchange reserves the right to terminate the Scheme in its entirety upon seven days' notice.

5. Obligations of PMMs

5.1 Following the acceptance of a tender and the conclusion of a PMM Agreement between the member and the Exchange, **the obligations set out in the Agreement will be firm and binding.**

5.2 Where necessary, PMMs will be required to work with exchange officials to help establish Daily Settlement Prices and to help ensure that the Exchange's pricing model accurately reflects indicative prices in the relevant options.

5.3 Participation in the market is mandatory throughout each and every market day, subject to the "benchmark" exemptions set out in Attachment 4 to this Circular.

6. Benefits to PMMs

6.1 PMMs will be exempt from LIFFE transaction charges in respect of business transacted by them in a market-making capacity in those contracts in which they act as the PMM, including market-making business "claimed" by the market maker. LCH.Clearnet Ltd clearing charges in respect of such business will be notified to members in due course.

6.2 In addition, each PMM will receive a compensation payment calculated as 20% of the net fee revenue (subject to a minimum monthly sum) generated on volume in excess of the base volume threshold for each option in which the member acts as PMM. Attachment 5 provides a list of base volume thresholds.

7. Use of Market Maker ("M") accounts

7.1 Members who currently have a Market Maker ("M") account should note that no new business may be allocated to that account from Monday 3 April 2006 unless the member is granted PMM status under the renewed PMM Scheme. Members who cease being a PMM for a particular option should transfer open positions currently held within the "M" account to the relevant account, and are encouraged to do so before Monday 3 April 2006.

7.2 Members participating in the renewed PMM Scheme will be issued with an "M" account in respect of those Individual Equity Option Contracts in which they hold PMM status. **Members will not be able to allocate trades to the "M" account until their PMM status for a particular Individual Equity Option Contract under the renewed PMM Scheme becomes effective.**

7.3 **Members wishing to net out positions held in the "M" account with new positions (expected to be held in the "H" or "N" account) may either transfer open positions from the "M" account to the "H" or "N" account, as applicable, or transfer open positions into the "M" account post-trade, subject to the Exchange's guidance on the reporting of open interest (Circular No. 90/81, issued on 4 October 1990, refers). Failure to move open positions, and thus net out opposite long and short positions, may result in exercised positions being assigned against short positions in one account, irrespective of whether there may be an opposite long position in another account.**

8. Bandwidth Usage

- 8.1 **To ensure efficient usage of network bandwidth capacity, the Exchange has determined that, subject to paragraph 8.5, automated price injection in Individual Equity Option Contracts will be restricted to PMMs and DMMs.** Furthermore, a PMM/DMM may not use a price injection model without prior approval from the Exchange. Each PMM/DMM will be allocated a maximum daily number of messages for each Individual Equity Option Contract in which the member acts as PMM/DMM. The number of messages assigned to the PMM/DMM in each Individual Equity Option Contract has been determined by taking into account the volatility of the relevant underlying stock and the number of updates required to equity option quotes to reflect intra-day movements of the underlying share price.
- 8.2 Full details of the number of daily messages to be allocated to PMMs for each Individual Equity Option Contract are contained in Attachment 6.
- 8.3 Those members who wish to apply for PMM status should note that the daily message allocations are firm limits. Members should apply on the basis of the bid/offer spread, quote size, etc that they expect to be able to support given the relevant daily message allocation (for example, taking into account such factors as the sensitivity required by their pricing model). However, once PMM status has been allocated, PMMs may use their total PMM daily message allocation as they see fit, provided that their PMM commitments are met and their total maximum message allocation is not exceeded.
- 8.4 It is important to note, however, that potential PMMs may not submit tenders for one Individual Equity Option Contract tender group that is conditional on receiving PMM status (and the additional message allocations) in another tender group. Members should therefore only submit tenders for each group on the basis of the daily message allocations for options within that group.
- 8.5 Notwithstanding paragraph 8.1, the Exchange reserves the right to allow the use of price injection models by members other than PMMs or DMMs. Any requests for a daily message allocation by such members must be accompanied by a valid business case demonstrating the benefits to the market of the non-PMM/DMM being permitted to use a price injection model.

9. Other Liquidity Provision Proposals

- 9.1 Members are advised that the Exchange is willing to consider liquidity provision proposals in relation to UK Individual Equity Option Contracts. The appointment of liquidity providers will be at the Exchange's absolute discretion and will be made with the objective of providing the maximum benefit to the Contracts concerned.

For further information in relation to this Circular, members should contact:

Equity Product Management

+44 (0) 20 7379 2200

equities@liffe.com

**Guidelines for tendering for the position of Primary Market Maker
in Individual Equity Option Contracts**

Objectives

1. The over-riding objectives of the PMM Scheme are to ensure that:
 - (a) all Individual Equity Option Contracts are supported by a market maker;
 - (b) the PMMs share in the revenue that additional average monthly volume brings;
 - (c) transparency is improved such that the retail (private) investor is able to observe bids and offers in a significant number of series;
 - (d) the retail investor is able to deal in small size regularly and at a reasonable bid/offer spread; and
 - (e) Requests for Quotes (“RFQs”) receive a response.

Assignment of options to PMMs

2. A Review Panel will examine applications for the position of PMM in each Individual Equity Option Contract. The Panel will comprise members of the Euronext.liffe Executive.
3. Tenders must be for the specific groups of options contained in Attachment 2. A tender must be submitted for each Individual Equity Option within a specific group.
4. Subject to point 5, members may not submit “conditional” tenders (e.g. a tender for Group 2 only on the basis of the applicant’s tender for Group 1 being successful or unsuccessful may not be submitted).
5. Applicants may state a maximum number of options for which they are prepared to act in the capacity of PMM. This does not prevent the applicant from submitting tenders for groups of options that collectively would exceed the stated maximum.
6. A benchmark “obligation” level is published in Attachment 3 as a guide for applicants. The benchmark is based on an “average” equity option contract with an underlying share price of around 300p to 500p, a medium to good level of activity in the underlying stock against the FTSE 100 Index, a consistent depth of orders on the SETS trading system, and without exhibiting extreme volatility. It is expected that applicants may wish to vary their tenders from the benchmark for options where the underlying stock does not exhibit such benchmark characteristics. For example, applicants may feel that a wider bid/offer spread and/or smaller lot size is warranted for option AAA, but that a tighter bid/offer spread and/or larger lot size is warranted for option BBB.
7. If an option is subject to a corporate action and its contract size is amended, the PMM will be expected, where appropriate, to apply their commitment on a pro rata basis in

standard/non-standard strikes. For example, a 2:1 stock split would effectively halve the nominal value of the minimum lot size commitment for newly listed series and therefore the PMM's lot size commitment should be doubled in relation to such series.

8. Every attempt has been made to ensure that the Individual Equity Option Contracts within each group are ranked and allocated in volume terms, such that fair weightings are given to tenders. Specifically, those options accounting for the lowest share of last year's volume will rank highest in importance during the Review Panel's consideration of tenders for each option group.
9. The commitment tendered in the front month of the option carries a slightly higher importance than the commitment tendered in the back month of the option.
10. Given that the Scheme is primarily designed to support the retail market, the width of the bid/offer spread is given slightly more importance than the minimum lot size.
11. PMMs will not be appointed solely on the basis of tendered commitments in relation to bid/offer spread, lot size, series coverage and response to RFQs. In addition, members are expected to demonstrate that they can adequately support their commitments (e.g. sufficient numbers of traders, sophistication of quote injection systems etc). New applicants for PMM status will be given an opportunity to provide supporting information on their application forms and, where relevant, the Exchange will take into account a member's past performance in meeting market-making obligations.
12. The Review Panel reserves the right to ask applicants to clarify all or part of their tender(s) or to submit a modified version (e.g. to facilitate the process of comparison).

Individual Equity Option “groups” for which prospective PMMs may tender

A prospective PMM may only tender for the option groups listed below and not for contracts individually. The level of obligations for which prospective PMMs tender may differ for each option within the group, but obligations must be established for all options in the group.

Group Number	LIFFE TRS Code	Underlying Share	Average monthly volume in 2005 as a % of total volume	Group Total
1	APT	BAA plc	0.31%	6.41%
	M+S	Marks & Spencer plc	2.54%	
	NKR	Northern Rock plc	0.09%	
	PTG	PartyGaming plc	0.09%	
	SAN	Sainsbury (J) plc	2.67%	
	SHP	Shire plc	0.19%	
	SCB	Standard Chartered plc	0.52%	
2	AZA	AstraZeneca plc	3.13%	8.71%
	DIX	DSG International plc	0.97%	
	GME	ITV plc	3.72%	
	NGG	National Grid plc	0.31%	
	SNP	Smith & Nephew plc	0.39%	
	TMK	Tomkins plc	0.19%	
	WSY	Wolseley plc	0.00%	
3	EMA	EMAP plc	0.04%	8.93%
	HSB	HSBC Holdings plc	6.98%	
	IHG	InterContinental Hotels Group plc	0.14%	
	LSE	London Stock Exchange plc	1.16%	
	MAB	Mitchells & Butlers plc	0.09%	
	REI	Reed Elsevier plc	0.09%	
	SCN	Scottish & Newcastle plc	0.44%	
4	III	3I Group plc	0.06%	7.40%
	BP	BP plc	6.59%	
	BEG	British Energy Group plc	0.00%	
	CTM	Colt Telecom Group plc	0.33%	
	GAL	Gallaher Group plc	0.29%	
	RB	Reckitt Benckiser plc	0.13%	
	XST	Xstrata plc	0.00%	
5	BBL	Barclays plc	4.42%	8.06%
	BOT	Boots Group plc	1.10%	
	HAX	HBOS plc	1.38%	
	RTO	Rentokil Initial plc	0.73%	
	SGE	Sage Group plc	0.16%	
	UUL	United Utilities plc	0.22%	
	WHL	William Hill plc	0.06%	

Group Number	LIFFE TRS Code	Underlying Share	Average monthly volume in 2005 as a % of total volume	Group Total
6	BLT	BHP Billiton plc	1.23%	10.48%
	BSK	British Sky Broadcasting Group plc	1.73%	
	CTR	Centrica plc	1.22%	
	GXO	GlaxoSmithKline plc	3.36%	
	HSN	Hanson plc	0.13%	
	LOG	LogicaCMG plc	0.46%	
	SPW	Scottish Power plc	2.34%	
7	AER	BAE Systems plc	0.79%	6.15%
	BRT	Invensys plc	0.31%	
	PSO	Pearson plc	0.14%	
	PO	Peninsular & Oriental Steam Navig. Co	0.26%	
	RTZ	Rio Tinto plc	0.92%	
	SHL	Royal Dutch Shell plc B share	3.44%	
	WTB	Whitbread Holdings plc	0.27%	
8	CAD	Cadbury Schweppes plc	0.43%	8.55%
	EMI	EMI Group plc	0.84%	
	IMP	Imperial Tobacco Group plc	0.21%	
	TSB	Lloyds TSB Group plc	4.22%	
	NXT	Next plc	0.42%	
	SSE	Scottish & Southern Energy plc	0.34%	
	TCO	Tesco plc	2.09%	
9	ARM	ARM Holdings plc	0.43%	7.07%
	BTG	BT Group plc	3.89%	
	CPI	Capita Group plc	0.02%	
	POC	Carnival plc	0.05%	
	CPG	Compass Group plc	1.14%	
	IPR	International Power plc	0.44%	
	LDB	Ladbroke's plc	1.10%	
10	BGG	BG Group plc	0.50%	9.56%
	TAB	British American Tobacco plc	0.87%	
	STL	Corus Group plc	3.69%	
	RUT	Reuters Group plc	0.91%	
	RBS	Royal Bank of Scotland plc	3.36%	
	SAB	SABMiller plc	0.24%	
11	AVZ	Amvescap plc	0.76%	6.17%
	AAM	Anglo American plc	0.61%	
	BOC	BOC Group plc	0.27%	
	KGF	Kingfisher plc	3.52%	
	RR	Rolls-Royce plc	0.49%	
	SHA	Royal Dutch Shell plc A share	0.01%	
	WPP	WPP Group plc	0.51%	

Group Number	LIFFE TRS Code	Underlying Share	Average monthly volume in 2005 as a % of total volume	Group Total
12	C+W	Cable & Wireless plc	2.28%	6.23%
	GNS	Diageo plc	1.13%	
	GSS	GUS plc	0.75%	
	ICI	Imperial Chemical Industries plc	0.29%	
	EMG	Man Group plc	0.45%	
	MWR	Morrison (WM) Supermarkets plc	0.84%	
	ULV	Unilever plc	0.49%	
13	LEI	Alliance & Leicester plc	0.24%	6.28%
	CUA	Aviva plc	1.16%	
	AWS	British Airways plc	1.30%	
	LS	Land Securities plc	0.38%	
	LGE	Legal & General Group plc	0.79%	
	PRU	Prudential plc	1.18%	
	RYL	Royal & Sun Alliance Insurance Group plc	1.23%	

Guidelines for expected obligation levels in respect of an average² equity option

Subject to the exemptions contained in Attachment 4 to this Circular, participation is mandatory throughout each and every trading day.

The “benchmark” obligations expected from PMMs are as follows:

- Ensure that continuous bids and offers are maintained by the PMM in the LIFFE CONNECT[®] Trading Host in five consecutive call and five consecutive put series, including the at-the-money (“ATM”) series, in both the first and second standard quarterly expiry months and in the ATM series and one series either side of it in the third quarterly expiry month, again for both calls and puts.
- Ensure that a minimum size of 7 lots in the first quarterly expiry month, 5 lots in the second quarterly expiry month and 3 lots in the third quarterly expiry month is available from the PMM in the market at no worse than the PMM’s obligated bid/offer spread.
- Ensure that all bid/offer spreads of the PMM are quoted no wider than those listed in the spread table below for the relevant contract month.
- Ensure that all outright and 50% of strategy RFQs in all options in which the member is the PMM are responded to, within 30 seconds of submission, according to the PMM’s maximum bid/offer spread and minimum lot size with a quote made available for a minimum of 10 seconds (unless traded with). Where the RFQ is for a greater size than the PMM’s minimum obligation, the PMM may respond on a “Best Endeavours” basis.
- Ensure that strategies are quoted by responding to RFQs in no worse a spread than the aggregate of the outright spread for the relevant options.

Benchmark maximum bid/offer spread limits for the PMM

Option offer price (pence)	First standard quarterly month	Second standard quarterly month	Third standard quarterly month
2.5p – 14.75p	2p	2.5p	3p
15p – 29.75p	3p	4p	5p
30p – 59.75p	4p	5p	6p
60p – 99.75p	5p	6p	8p
100p – 149.75p	6p	7p	12p
150p – 199.75p	7p	9p	15p
200p+	5%	10%	10%

² An “average” equity option contract may be considered as an option on a stock with a share price of around 300p to 500p, a medium to good level of activity in the underlying stock against the FTSE 100 Index, a consistent depth of orders on the SETS trading system, and without extreme volatility.

“Benchmark” exemptions for PMMs

1. There is no requirement to quote continuously option series with deltas above (below) 0.70 (−0.70)¹. However, the PMM must still respond to RFQs.
2. No requirement to quote continuously option series where the offer price of the option would be quoted by the PMM at 5 pence or lower, or the delta of the option is below (above) 0.05 (−0.05). However, the PMM must still respond to RFQs.
3. No requirement to quote continuously option series during first 30 minutes of the trading day. However, RFQs must be responded to on a “best endeavours” basis.
4. Subject to the prior approval of the Exchange, no requirement to meet the maximum bid/offer spreads in an option in which the stock is deemed to be unavailable or difficult/prohibitively expensive to borrow. RFQs must still be responded to on a best endeavours basis.
5. No requirement to quote continuously option series that are subject to a “package” delivery approach, from the Effective Date as published in relation to such Corporate Action by the Exchange. The PMM must still respond to RFQs.
6. No requirement to quote an option series, either continuously or in response to RFQs, in which the underlying stock is subject to a trading halt or is suspended by the London Stock Exchange.
7. When the PMM has had a quote “hit” or “lifted” in three or more series, he may “pull” his quotes in all series in that particular option and refresh his quotes up to 20 seconds later.
8. No requirement to quote continuously option series for the three business days up to and including the expiry day in those relevant expiring series. Nonetheless, RFQs must still be answered. The exemption for the three business days up to and including the expiry day constitutes a maximum exemption and PMMs may not extend this period.
9. The PMM may, subject to the prior approval of the Exchange, relax his commitment if he has breached internal trading limits. In such circumstances the Exchange may require evidence to support such action and may, at its discretion, review and/or amend benefits accordingly.
10. The PMM may, where the standard contract size of an option is increased from 100 to 1,000 shares (or such other number), reduce the quote size in the option by the appropriate ratio. Similarly, where the standard contract size of an option is decreased from 1,000 to 100 shares (or such other number), the PMM must increase the quote size in the option by the appropriate ratio.

¹ Reference deltas will be those calculated by Euronext.liffe’s Autoquote model, subject to a +/-0.03 leeway.

Base Volume Thresholds for the calculation of compensation payments to PMMs

For a PMM to qualify for compensation payments, the relevant option must trade in excess of its monthly base volume threshold during the month (all member volume).

LIFFE TRS Code	Threshold (lots)	LIFFE TRS Code	Threshold (lots)	LIFFE TRS Code	Threshold (lots)
AAM	1,900	GSS	2,300	RR	1,500
AER	2,400	GXO	15,400	RTO	2,200
APT	900	HAX	4,200	RTZ	2,800
ARM	1,300	HSB	32,000	RUT	2,800
AVZ	2,300	HSN	500	RYL	3,700
AWS	4,000	ICI	900	SAB	700
AZA	14,400	IHG	500	SAN	12,200
BBL	20,300	III	500	SCB	1,600
BEG	500	IMP	600	SCN	1,300
BGG	1,500	IPR	1,300	SGE	500
BLT	3,800	KGF	16,200	SHA	3,000
BOC	800	LDB	3,400	SHL	15,800
BOT	3,400	LEI	700	SHP	600
BP	30,200	LGE	2,400	SNP	1,200
BRT	1,000	LOG	1,400	SPW	10,800
BSK	7,900	LS	1,200	SSE	1,000
BTG	20,000	LSE	3,600	STL	16,900
C+W	10,400	M+S	11,600	TAB	2,700
CAD	1,300	MAB	500	TCO	9,600
CPG	3,500	MWR	2,600	TMK	600
CPI	500	NGG	900	TSB	19,300
CTM	1,000	NKR	500	ULV	1,500
CTR	3,700	NXT	1,300	UUL	700
CUA	3,500	PO	800	WHL	500
DIX	3,000	POC	500	WPP	1,500
EMA	500	PRU	3,600	WSY	500
EMG	1,400	PSO	500	WTB	800
EMI	2,600	PTG	500	XST	500
GAL	900	RB	500		
GME	17,100	RBS	15,400		
GNS	3,500	REI	500		

Individual Equity Option Contracts: Daily Message Allocations

Group Number	LIFFE TRS Code	Underlying Share	Allocation	Group Total
1	APT	BAA plc	9,000	44,100
	M+S	Marks & Spencer plc	5,000	
	NKR	Northern Rock plc	8,000	
	PTG	PartyGaming plc	5,000	
	SAN	Sainsbury (J) plc	5,000	
	SHP	Shire plc	6,000	
	SCB	Standard Chartered plc	6,100	
2	AZA	AstraZeneca plc	12,900	49,900
	DIX	DSG International plc	5,000	
	GME	ITV plc	5,000	
	NGG	National Grid plc	5,300	
	SNP	Smith & Nephew plc	5,000	
	TMK	Tomkins plc	5,000	
	WSY	Wolseley plc	11,700	
3	EMA	EMAP plc	5,000	37,000
	HSB	HSBC Holdings plc	5,000	
	IHG	InterContinental Hotels Group plc	5,000	
	LSE	London Stock Exchange plc	7,000	
	MAB	Mitchells & Butlers plc	5,000	
	REI	Reed Elsevier plc	5,000	
	SCN	Scottish & Newcastle plc	5,000	
4	III	3I Group plc	6,000	50,000
	BP	BP plc	6,700	
	BEG	British Energy Group plc	5,000	
	CTM	Colt Telecom Group plc	5,000	
	GAL	Gallaher Group plc	5,000	
	RB	Reckitt Benckiser plc	7,300	
	XST	Xstrata plc	15,000	
5	BBL	Barclays plc	6,600	37,200
	BOT	Boots Group plc	5,000	
	HAX	HBOS plc	5,600	
	RTO	Rentokil Initial plc	5,000	
	SGE	Sage Group plc	5,000	
	UUL	United Utilities plc	5,000	
	WHL	William Hill plc	5,000	
6	BLT	BHP Billiton plc	7,700	39,100
	BSK	British Sky Broadcasting Group plc	5,000	
	CTR	Centrica plc	5,000	
	GXO	GlaxoSmithKline plc	6,400	
	HSN	Hanson plc	5,000	
	LOG	LogicaCMG plc	5,000	
	SPW	Scottish Power plc	5,000	

Group Number	LIFFE TRS Code	Underlying Share	Allocation	Group Total
7	AER	BAE Systems plc	6,200	62,600
	BRT	Invensys plc	5,000	
	PSO	Pearson plc	5,000	
	PO	Peninsular & Oriental Steam Navig. Co	6,200	
	RTZ	Rio Tinto plc	18,400	
	SHL	Royal Dutch Shell plc B share	16,800	
	WTB	Whitbread Holdings plc	5,000	
8	CAD	Cadbury Schweppes plc	5,000	38,500
	EMI	EMI Group plc	5,000	
	IMP	Imperial Tobacco Group plc	6,300	
	TSB	Lloyds TSB Group plc	7,000	
	NXT	Next plc	5,200	
	SSE	Scottish & Southern Energy plc	5,000	
	TCO	Tesco plc	5,000	
9	ARM	ARM Holdings plc	5,000	46,600
	BTG	BT Group plc	5,000	
	CPI	Capita Group plc	5,000	
	POC	Carnival plc	16,600	
	CPG	Compass Group plc	5,000	
	IPR	International Power plc	5,000	
	LDB	Ladbrokes plc	5,000	
10	BGG	BG Group plc	10,900	43,200
	TAB	British American Tobacco plc	5,300	
	STL	Corus Group plc	5,000	
	RUT	Reuters Group plc	8,400	
	RBS	Royal Bank of Scotland plc	7,700	
	SAB	SABMiller plc	5,900	
11	AVZ	Amvescap plc	5,000	79,100
	AAM	Anglo American plc	18,600	
	BOC	BOC Group plc	22,600	
	KGF	Kingfisher plc	5,000	
	RR	Rolls-Royce plc	5,600	
	SHA	Royal Dutch Shell plc A share	17,300	
	WPP	WPP Group plc	5,000	
12	C+W	Cable & Wireless plc	5,000	43,100
	GNS	Diageo plc	5,000	
	GSS	GUS plc	5,500	
	ICI	Imperial Chemical Industries plc	5,000	
	EMG	Man Group plc	12,600	
	MWR	Morrison (WM) Supermarkets plc	5,000	
	ULV	Unilever plc	5,000	

Group Number	LIFFE TRS Code	Underlying Share	Allocation	Group Total
13	LEI	Alliance & Leicester plc	6,200	
	CUA	Aviva plc	5,000	
	AWS	British Airways plc	5,000	
	LS	Land Securities plc	9,600	
	LGE	Legal & General Group plc	5,000	
	PRU	Prudential plc	6,500	
	RYL	Royal & Sun Alliance Insurance Group plc	5,000	
				42,300