

LIFFE CIRCULAR NO: 04/42

24 June 2004

To All Members

EURONEXT AMSTERDAM LIQUIDITY PROVIDER SCHEME

Executive Summary

This Circular informs members of the availability of some additional liquidity provider roles on the Euronext Amsterdam market. It may be of particular interest to LIFFE members who intend to join the Euronext Amsterdam market once it has migrated to LIFFE CONNECT®.

1. On 18 June 2004, Euronext Amsterdam issued the notice which forms the Attachment to this Circular. The notice explains that Euronext.liffe intends to allocate a number of additional liquidity provider roles to new participants in the Amsterdam market. This may be of particular interest to LIFFE members who intend to join the Euronext Amsterdam market through the fast track membership process, but who will not have access to that market until Euronext Amsterdam has migrated to LIFFE CONNECT®.
2. Members should note that the equivalents of this LIFFE Circular will be issued simultaneously in Brussels, Lisbon and Paris and therefore members may receive duplicate information.
3. Members seeking further information in relation to this Circular should contact their Account Manager at Euronext.liffe.

N E Carew Hunt
Market Secretary

EURONEXT ANNOUNCEMENT 2004-076

EURONEXT.LIFFE AMSTERDAM LIQUIDITY PROVIDER SCHEME

The selection procedure for Liquidity Providers ended on 8 June 2004. A list of market participants that were selected as Primary Market Maker (PMM) and Competitive Market Maker (CMM) in the various combinations of option classes (ECCs) is available on our website www.euronext.com > For our clients > Connect the exchange > Trading engines > Switch > follow this link > ELPS 2004-2005. Here, you will also find the conditions that apply to liquidity providing on the Amsterdam derivative markets of Euronext.liffe. These conditions are set out in a document called Euronext.liffe Liquidity Provider System for trading at Euronext.liffe Amsterdam (the "ELPS III document").

In the ELPS III document we announced that 30 additional CMM roles will be made available. The roles were set aside to accommodate market makers who have not been able to participate in the ELPS III auctions or who have only been able to establish a limited track record of market making in the Amsterdam market ahead of the auction. After the allocation of the additional roles, the total of CMM roles shall not exceed 15 per ECC for stock classes and 20 for the AEX. Furthermore, it should be noted that the newly appointed CMMs will fulfil their role under the same conditions as the CMMs that were recently selected in the relevant ECC.

This announcement sets out the manner in which Euronext.liffe intends to allocate these 30 additional CMM roles. Potential candidates will be categorised as follows:

Category A:

New participants in the Amsterdam market who may have joined as part of the fast track membership process, but will not have access to the market until after the migration to LIFFE CONNECT®. Such members will have no track record in the Amsterdam market, but may have a track record on other Euronext.liffe markets. Euronext.liffe intends to allocate approximately 65% of the total number of roles within this category.

Category B:

Recent participants in the Amsterdam market who may have joined as part of the fast track membership process and have invested in Switch technology to access the market ahead of the migration to LIFFE CONNECT®. Such members will have a limited track record on the Amsterdam market, but have a fuller track record on other Euronext.liffe markets.

Category C:

Recently established market making firms (not belonging to a group of existing market maker firms), who are members of the Amsterdam market, but have accordingly only been able to establish a limited track record.

Euronext.liffe intends to allocate approximately 35% of the total number of roles within categories B and C in aggregate.

Category A market participants are invited to contact Sales and Account management by 30 July 2004 to register their interest for CMM roles.

Category B and C market participants are invited to contact Sales and Account management as soon as possible and in any event no later than 25 June 2004 to register their interest for CMM roles. Once selected, category B and C participants will be invited to take up their position directly.

Also, please note that Liquidity Provider roles that were not spoken for during the recent selection procedure will only be made available after 30 July 2004. An exception is made for ECCs in which no PMM will be active as from 21 June 2004. Here, participants will be invited to take up their position directly.

Members seeking further information regarding this announcement are requested to contact their account manager.

18 June 2004