

Sector index dividend futures

In light of low bond yields, investing in dividends has become even more attractive because of higher present yields and the opportunity for dividend growth. At the same time, the importance to choose the right industry and consequently investing in selected issues from specific economic sectors has grown. With our expanding portfolio of sector and dividend derivatives, we meet global investors' demand for appropriate instruments.

Building on the success of our EURO STOXX 50® Index Dividend Futures and sector index derivatives, we extended our offering in March 2012 with futures on the dividends of Eurozone and pan-European sectors:

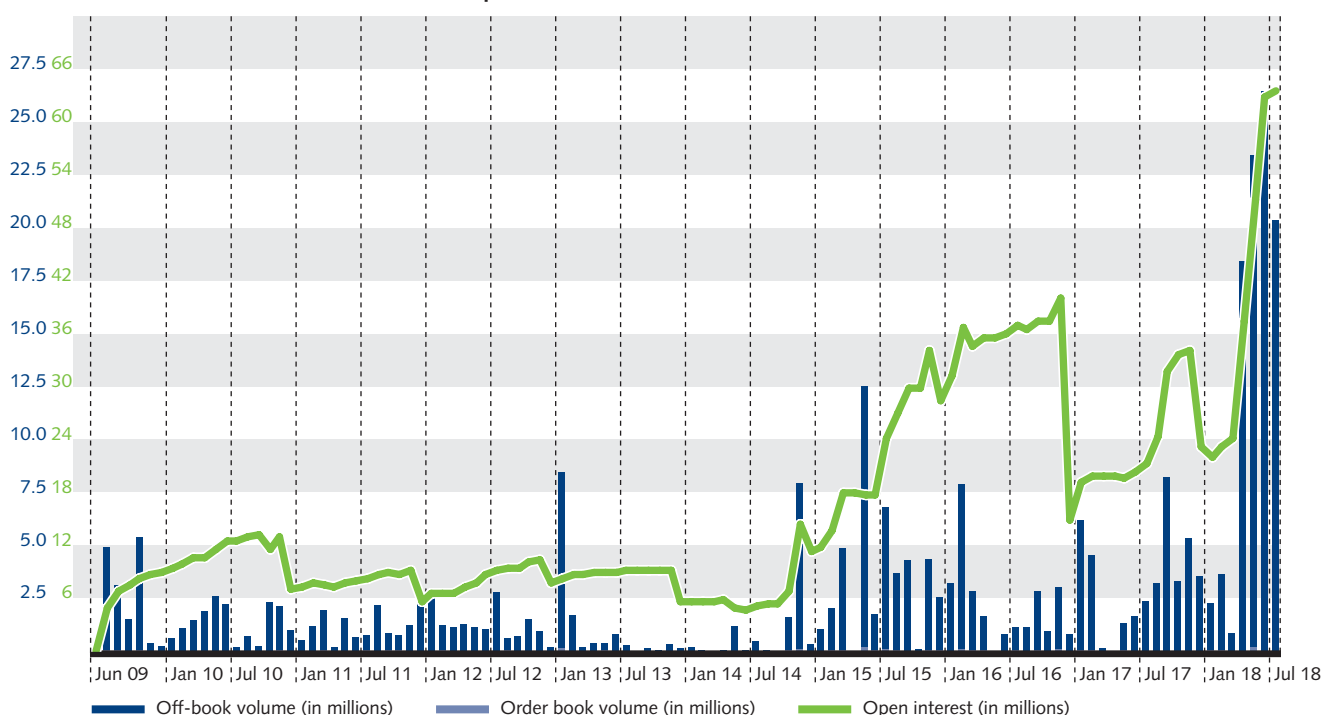
- EURO STOXX® and STOXX® Europe 600 Banks,
- EURO STOXX® and STOXX® Europe 600 Insurance,
- EURO STOXX® and STOXX® Europe 600 Oil & Gas,
- EURO STOXX® and STOXX® Europe 600 Telecommunications and
- EURO STOXX® and STOXX® Europe 600 Utilities Sector Indexes.

We were the first exchange to offer listed derivatives on the dividends of these five most important sectors.

The underlying sector indexes

- The STOXX® Europe and EURO STOXX® Sector Dividend Point (DVP) Indexes, launched in December 2011, provide pure dividend data of the respective indexes and increase the investor's ability to focus on the fundamentals that determine equity values.
- The indexes track gross cumulative cash dividends (i.e. the sum of the individual cash dividends) that are paid by the constituents of the STOXX® Europe 600 and EURO STOXX® Sector Indexes during the annual period. STOXX Limited determines according to its rules which dividends will be included in the calculation, the amount of the dividend to be considered and the time of consideration of the dividend payment.

Sector Index Dividend Futures: volume and open interest (in millions)



Key benefits

- Ability to fine tune pricing
- Execute fundamental and technical trades between sector dividends and the index equivalent
- Hedging dividend exposure down to a sector level will allow precise investing based on earnings fundamentals in specific industries
- More diversification opportunities through an extended product range
- Taking pure dividend exposure by avoiding the underlying equity risk and having the ability to structure individual sector baskets versus index dividend trades
- New ways to hedge dividend exposure from structured products and derivatives

Product features

- Transparency and valuation through standardized product features
- Settlement to the dividend payments of the constituents
- EUR-denominated
- Easy entering of off-book trades via Eurex Trade Entry Services: the Block Trade size is 50 contracts
- Fungibility of off-book and on-screen trades
- Portfolio-based Margining (Eurex Clearing Prisma)
- Mitigated central counterparty risk

Market contacts

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Contract specifications: sector index dividend futures on EURO STOXX®/STOXX® Europe 600

	Banks	Insurance	Oil & Gas	Telecommunications	Utilities
Underlying	EURO STOXX®/ STOXX® Europe 600 Banks DVP	EURO STOXX®/ STOXX® Europe 600 Insurance DVP	EURO STOXX®/ STOXX® Europe 600 Oil & Gas DVP	EURO STOXX®/ STOXX® Europe 600 Telecommunications DVP	EURO STOXX®/ STOXX® Europe 600 Utilities DVP
Product ID	FEBD/FSBD	FEID/FSID	FEED/FSED	FETD/FSFD	FEUD/FSUD
Vendor codes Bloomberg	DBEA Index <GO>/ DBIA Index <GO>	DIEA Index <GO>/ DISA Index <GO>	DEEA Index <GO>/ DESA Index <GO>	DTEA Index <GO>/ DTSA Index <GO>	DUEA Index <GO>/ DUSA Index <GO>
Vendor codes Thomson/Reuters	<0#FEBD:>/ <0#FSBD:>	<0#FEID:>/ <0#FSID:>	<0#FEED:>/ <0#FSFD:>	0#FETD:>/ <0#FSFD:>	0#FEUD:>/ <0#FSUD:>
Contract value	EUR 500 per index dividend point.				
Price quotation	In points, with two decimal places.				
Minimum price change	0.01 points, equivalent to a value of EUR 5.				
Settlement	Cash settlement, payable on the first exchange day following the final settlement day.				
Contract months	The five nearest successive annual months of the December cycle.				
Final settlement day	The third Friday of each maturity month, if this is an exchange day; otherwise the exchange day immediately preceding that day.				
Final settlement price	Cumulative total of the relevant gross dividends declared and paid by the individual constituents of the underlying index for the relevant contract period as calculated in the form of index points by STOXX Ltd.				
Contract (dividend) period	The contract period, for purposes of dividends declared and paid, will be from, but excluding the third Friday of December of the year preceding the maturity year until the third Friday of the December of the maturity year, provided that these are exchange days.				
Trading hours	08:30–17:30 CET; Block Trading: 08:30–19:00 CET (12:00 CET on the last trading day).				

For further information please visit www.eurexchange.com > products > dividend derivatives or contact

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