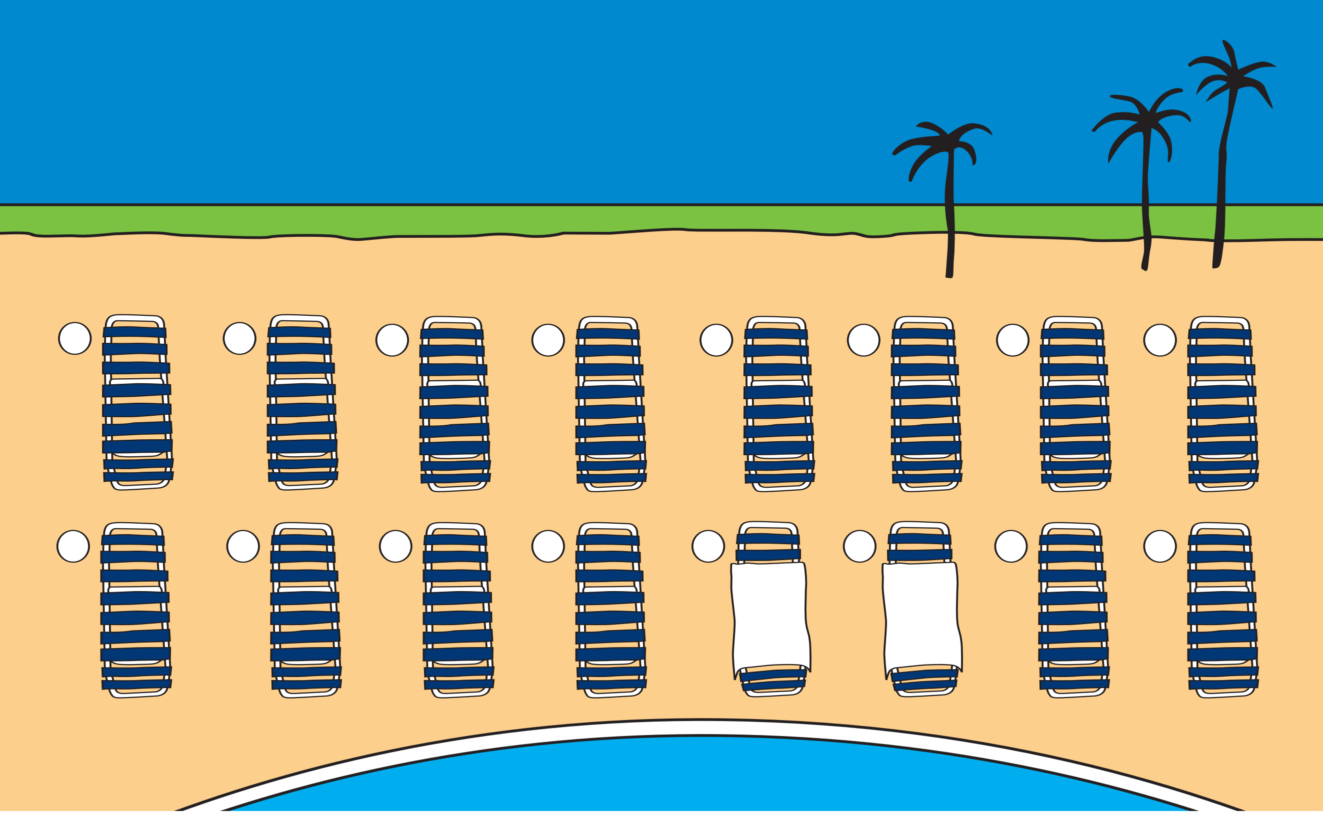

Always... **first out**

X-pand into the **Future**

eurex

The Credit Derivatives Market: Explosive Growth…

The global credit derivatives market has been growing exponentially over the last ten years, increasing from approximately USD 1 trillion in 1996 to more than USD 20 trillion in 2006, and is estimated to have reached USD 33 trillion by 2008[1]. One reason for this substantial growth is the rising demand of end-customers for alternative asset classes and return enhancement.

…Fired up for Exchange Traded Contracts

Another reason for the explosive growth lies in the increasing standardization in the credit derivatives market, which has reduced risks and attracted more market participants. Exchange-traded credit derivatives will improve operational efficiency and risk management for existing credit market participants even further. At the same time, exchange-traded contracts will facilitate market entry of participants that may currently be restricted from trading these products over the counter (OTC) or that are familiar with exchange-traded futures contracts. Consequently, a strong market demand for listed credit derivatives emerged. And this demand has grown even stronger since we announced the first European credit futures contracts at Eurex.

The Eurex iTraxx® Credit Futures Contracts

The market share of credit default swap (CDS) indexes grew from nine percent in 2004 to 30 percent of the whole credit derivatives market in 2006[1]. Our new Eurex iTraxx® Credit Futures are based on the unfunded (CDS) form of the iTraxx® Europe, iTraxx® Europe Hi Vol and iTraxx® Europe Crossover 5-year Index Series. The iTraxx® Europe 5-year Index Series is the benchmark for the European credit market. The iTraxx® Europe Hi Vol Index is an equally weighted portfolio of the 30 entities with the highest spread from the iTraxx® Europe Index. The iTraxx® Europe Crossover Index is an equally weighted portfolio of 45 European sub-investment grade entities.

[1] Source: BBA Credit Derivatives Report 2006

The Eurex iTraxx® Credit Futures will closely mimic the risk structure of credit default swaps traded in the OTC market. The contracts will be based on the 5-year series, with a fixed coupon and semi annual maturity dates in March and September. The contract size is EUR 100,000; the tick size for the iTraxx® Europe 5-year Index Futures is set at 0.005 percent, for the iTraxx® Europe Hi Vol and iTraxx® Europe Crossover 5-year Index Futures at 0.01 percent, translating into 5 and 10 euros per tick respectively. The products will be cash settled, with reference to the iTraxx® index values of IIC.

The Benefits of Standardization

Trading Eurex iTraxx® Credit Futures allows you to reduce operational costs and risks significantly. You will benefit from an unmatched efficiency, regarding the whole process chain – from liquid order book trading to clearing and settlement. With Eurex iTraxx® Credit Futures as standardized, exchange-traded contracts we can guarantee a high degree of market transparency, which encourages competitive pricing.

Double Risk Reduction

Until now, traders of credit derivatives had to face two kinds of risk: the credit risk as well as the settlement risk. Aside from reducing operational and legal risks, the Eurex iTraxx® Credit Futures contracts considerably reduce counterparty risk, with Eurex Clearing acting as central counterparty and thereby guaranteeing fulfilment of all trades.

Easy Access to the Credit Derivatives Market

At Eurex, you benefit from open, and low-cost electronic access, with many order routing facilities in place. The Eurex iTraxx® Credit Futures contracts are designed in line with our product standards, and therefore easy to implement in your current front and back office systems.

A Large Liquidity Pool – Right from the Start

Our large bank and broker base with nearly 400 direct Eurex members will enable a strong distribution network. In addition, market makers will be permanently quoting prices in the new Eurex iTraxx® Credit Futures contracts and hence providing sufficient liquidity right from the product launch date.

Contract Specifications

Contract	Product ID	Underlying	Currency
iTraxx® Europe 5-year Index Futures	F5E0	The current iTraxx® Europe 5-year Index Series	EUR
iTraxx® Europe Hi Vol 5-year Index Futures	F5H0	The current iTraxx® Europe Hi Vol 5-year Index Series	EUR
iTraxx® Europe Crossover 5-year Index Futures	F5C0	The current iTraxx® Europe Crossover 5-year Index Series	EUR

Contract Value

EUR 100,000

Settlement

Cash settlement, payable on the first exchange day following the Final Settlement Day.

Price Quotation

In percentage, with three decimal places for the iTraxx® Europe 5-year Index Futures and with two decimal places for the iTraxx® Europe Hi Vol and iTraxx® Europe Crossover 5-year Index Futures. This percentage is calculated as the sum of:

- the basis, determined as the Σn_i, whereby n_i represents the weight of the i^{th} reference entity in the underlying index series, which has not experienced an actual credit event (basis = 100, as long as no credit event has occured);
- the present value change calculated on the basis;
- the accrued premium since the effective date of the underlying index series based on the coupon fixed for the underlying index series;
- and, if applicable, the proportional recovery rate of the i^{th} reference entity in the underlying index series which experienced an actual credit event.

Minimum Price Change

iTraxx® Europe 5-year Index Futures
The Minimum Price Change is 0.005 percent, equivalent to a value of EUR 5.

iTraxx® Europe Hi Vol 5-year Index Futures and iTraxx® Europe Crossover 5-year Index Futures
The Minimum Price Change is 0.01 percent, equivalent to a value of EUR 10.

Contract Months

The nearest semi-annual month of the March and September cycle will be available for trading.

Last Trading Day

The 5th exchange day following the 20th of the respective contract month.

Final Settlement Price

The Final Settlement Price is established at 17:00 CET on the Last Trading Day in percent as the sum of:

- the basis determined as the $\Sigma\, n_i$, whereby n_i represents the weight of the i^{th} reference entity in the underlying index series, which has not experienced an actual credit event (basis = 100, as long as no credit event has occured);
- the present value change of the underlying index series resulting from the change of the credit spread in relation to the coupon. The present value calculation on the final settlement day is based on the official iTraxx® Index levels as published by IIC at 17:00 CET and the deal spread (coupon) of the underlying index. The mid spread reflecting the mid point between the bid and ask spreads of the official iTraxx® Index levels are considered for the present value calculation;
- the accrued premium calculated from the effective date of the underlying index series based on the coupon fixed for the underlying index series;
- and, if applicable, the proportional recovery rate of the reference entity in the underlying index series, which experienced an actual credit event; The calculated Final Settlement Price will be determined with four decimal places and commercially rounded to the next possible interval (0.0005; 0.001 or a multiple thereof).

Attractive Pricing

Order book transaction fees for an iTraxx® Europe 5-year Index Futures contract, an iTraxx® Europe Hi Vol 5-year Index Futures contract or an iTraxx® Europe Crossover 5-year Index Futures are EUR 0.40, and include trading and clearing fees (corresponding to EUR 100 per EUR 25,000,000 notional). No minimum transaction amounts are required at Eurex.

Occurrence of a Credit Event

The announcement of a CDS protocol by ISDA will be used as the sole trigger for an actual credit event. Upon occurrence of a credit event, e.g. the iTraxx® Europe 5-year Index futures contract will continue to trade in its original form including the reference entity subject to the credit event. In addition, Eurex will list a futures contract based on the new version of the underlying index (e.g. 124 reference entities).

For all details, please refer to the full contract specifications published on www.eurexchange.com.

Your Sales Contacts

Frankfurt
Neue Börsenstraße 1
60487 Frankfurt/Main
Germany

Key Account Austria, Denmark, Finland, Germany, Netherlands, Norway, Portugal, Spain, Sweden
Gabriele Ristau
T +49-69-211-157 41
F +49-69-211-144 77

Key Account Asia/Pacific
Jianhong Wu
T +49-69-211-1 55 34
F +49-69-211-1 44 38

Zurich
Selnaustrasse 30
8021 Zurich
Switzerland

Key Account Greece, Italy, Switzerland, Turkey
Markus-Alexander Flesch
T +41-58-854-29 48
F +41-58-854-24 66

London
One Canada Square
Floor 42
Canary Wharf
London E14 5DR
Great Britain

Key Account Gibraltar, Great Britain, Ireland
Vassily Pascalis
T +44-20-7862-7211
F +44-20-7862-9211

Paris
17, rue de Surène
75008 Paris
France

Key Account Belgium, France, Luxembourg
Laurent Ortiz
T +33-1-5527-6772
F +33-1-5527-6750

Chicago
Sears Tower
233 South Wacker Drive
Suite 2450
Chicago, IL 60606
USA

Key Account Canada, USA
Lothar Kloster
T +1-312-544-1095
F +1-312-544-1557

Institutional Investors
Byron Baldwin
T +44-20-7862-7232
F +44-20-7862-7297

Published by
Eurex Frankfurt AG
Neue Börsenstraße 1
60487 Frankfurt/Main
Germany

Eurex Zürich AG
Selnaustrasse 30
8021 Zurich
Switzerland

www.eurexchange.com

Order Number
E5E-302-0107

ARBN Number
Eurex Frankfurt AG
ARBN 100 999 764