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Clearing *Sector-based Cross Margining*

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As of June 2, 2003 Eurex Clearing will implement new sector-based margin groups in order to offer cross margining between stock options of the same sector and their related sector index futures and options.

Eurex Risk Based Margining supports the hierarchical concepts of margin classes and margin groups in which classes showing a high degree of correlation can be bundled into a group for purposes of combined risk evaluation. The process of offsetting opposing risks within a group of instruments showing similar risk characteristics allows Eurex to reduce margin requirements significantly while still retaining the necessary security.

Benefits for Eurex Members

- Decreased cost of capital
- Increased liquidity availability
- Improved collateral management
- Lower operational costs

In future, the composition of margin groups will be continuously monitored and adapted as necessary in line with market characteristics. This means that in case of a positive development of correlations, additional margin classes can be included in a related margin group. If certain correlations develop in a negative sense, margin classes can be eliminated from their respective group. The situation as of June 2, 2003 is shown in the table.

Sixteen sector-based margin groups have been created, composed of the margin classes of the Eurex sector index derivatives and the Eurex stock options in those sectors which show a high degree of correlation with the indexes.

The Eurex Risk Based Margining brochure gives detailed information about the calculation of margin requirements and is available for download on the Eurex website:

www.eurexchange.com/clearing/rbm/download.html

Sector	Margin Group	Margin Classes*	Offset Factor
Automobiles	STXA	ESA, BMW, DCX, VOW	100%
Banks	STXB	ESB, STB, AAR, HVM, CBK, DBK, BAER, CSGN, UBSN	100%
Basic Resources	STXS	ESS, RPL, TKA	100%
Chemicals	STXC	ESC, BAS, BAY, AKU, DSM, LIN	100%
Construction	STXN	ESN, CIL	100%
Energy	STXE	ESE, ROY, TOTB	100%
Financial Services	STXF	ESF, FO4, MLP, VMH	100%
Food & Beverage	STXO	ESO, HNK, NUT, BSN	100%
Healthcare	STXH	ESH, STH, AVE, FME, QIA, ROG, SEO	100%
Insurance	STXI	ESI, STI, AEN, ALV, INN, MUV2	100%
Media	STXM	ESM, VVU, VNU, WOS	100%
Non-Cyclical Goods & Services	STXZ	ESZ, LOR, CAJ	100%
Retail	STXR	ESR, CFR, GUCN, PPX	100%
Technology	STXY	ESY, STY, ASM, GTO, IFX, KUD, NOA3, SAP, SIE, TTEB	100%
Telecommunications	STXT	EST, STT, DTE, EIA, FTE, OAG, SET	100%
Utilities	STXU	ESU, STU, EOA, RWE	100%

* A margin class can contain individual stock options, Dow Jones EURO STOXX derivatives and Dow Jones STOXX 600 derivatives.

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