Enhancement of Eurex Wholesale Trading Facilities

Eurex provides extensive Wholesale facilities for the trading and clearing of larger size orders. Wholesale Trading allows for the entry of off-exchange trades for clearing and margining.

Within the Eurex Wholesale facility, you are able to trade **Exchange for Physicals (EFP)** – this is the simultaneous purchase of a fixed income future and sale of a corresponding basis instrument determined by Eurex Clearing AG and **Exchange for Swaps (EFS)**, which is the simultaneous purchase of a future and a sale of an interest rate swap or swaption denominated in the currency of the future.

As of **March 31, 2008** Eurex has extended the use of the **Exchange for Physicals (EFP) trade facility** to include Eurex and non-Eurex interest rate futures and of the **Exchange for Swaps (EFS) trade facility** to include interest rate swaptions on the reporting leg. The enhancements will apply for both the euro fixed income futures and the CONF Futures.

These innovations will permit maximum flexibility in putting together bond, swap and futures trades (that is duration weighted interest rate curve trades, interest rate spread trades between the Euro-Bund and the swap curve) in combination with Eurex fixed income futures without incurring any execution risk.

There are no block trade limits in the use of the EFP and EFS trade facility, for position generating transactions. The only requirement is the confirmation of an opposite transaction in an admitted underlying instrument (reporting transaction).

Extension of the Exchange for Physicals (EFP) Trade Facility to Include Eurex and Non-Eurex Interest Rate Futures

As of March 31, 2008, Eurex Clearing AG admitted the following combinations of underlying instruments and fixed income futures contracts for the EFP facility:

	Admitted Underlying Instruments
Position-Generating Transaction (futures will generate a position in Eurex Clearing)	**Reporting Transaction** (futures will **not** generate a position in Eurex Clearing)
Eurex fixed income futures	Debt securities[1]
Eurex fixed income futures	Eurex[2] or non-Eurex money market futures
Eurex fixed income futures	Eurex or non-Eurex fixed income futures[3]

1 All debt securities which feature price correlation to the exchanged futures contract so that the futures contract represents an appropriate hedge instrument for cash market transactions, may be used as a component for an EFP trade. The cash market transaction underlying to the EFP trade must be denominated in the currency of an OECD member state.

2 When the reporting transaction is executed on Eurex, these futures have to be traded through the order book or the block trade facility, these trades would then have to meet the minimum block trade size.

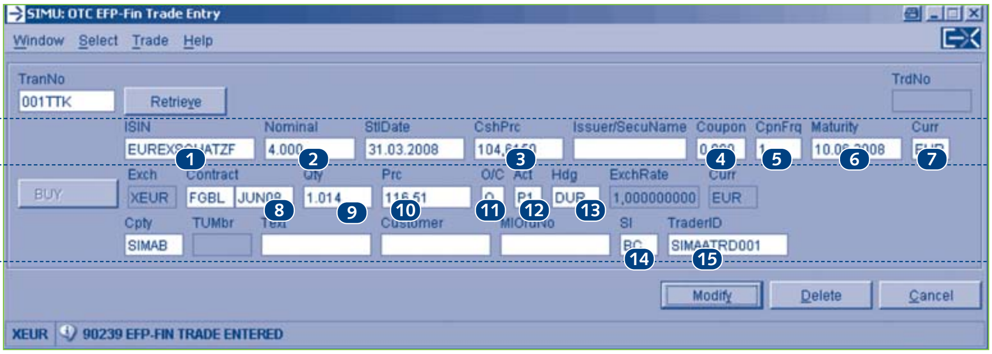
3 Non-Eurex fixed income futures in this context are all those fixed income futures transactions traded at another exchange or off-exchange, with a specification which does not fulfil the essential characteristics of fixed income futures transactions traded at the Eurex Exchanges.

Example 1[4] – Yield Curve Trade

Sale of 4,000 Eurex Euro-Schatz Futures (Jun08) versus the purchase of 1,014 Eurex Euro-Bund Futures (Jun08) are entered into the EFP trade facility as follows:

Transaction Reporting **SELL**

Position Generating Transaction **BUY**



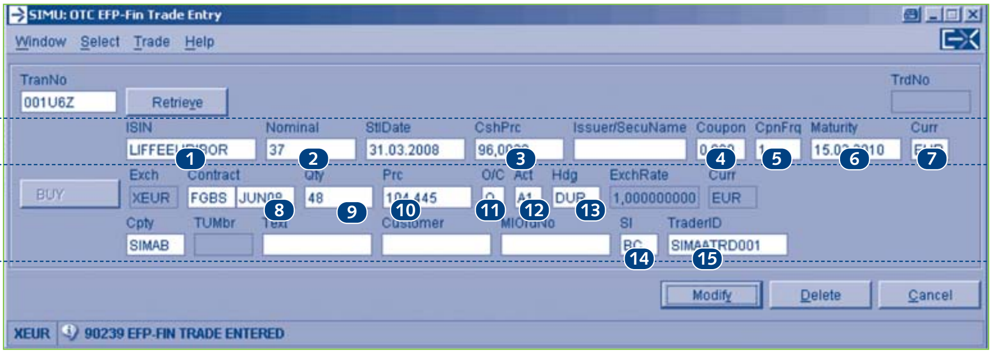
1 Free format but has to be 12 digits
2 Futures Quantity
3 Price of futures contract
4 Not applicable; shall be set to "0"
5 Coupon frequency;
Not applicable; shall be set to "1"
6 Maturity of futures contract
7 Currency of futures contract
8 Futures contract month
9 Futures quantity
10 Price of futures contract
11 Open or close
12 A, P or M
13 Hedging method shall be set to "DUR"
14 Not applicable; select one out of the menu
15 Trader ID

Example 2 – Spread Trade Between Eurex Fixed Income Futures and Swap Curve

Sale of a strip of EURIBOR Futures (8 maturity months; total number traded contracts is 37) versus the purchase of 48 Eurex Euro-Schatz Futures (Jun 08) are entered into the EFP trade facility as follows:

Transaction Reporting **SELL**

Position Generating Transaction **BUY**



1 Free format but has to be 12 digits
2 Futures Quantity
3 Price of futures contract
4 Not applicable; shall be set to "0"
5 Coupon frequency;
Not applicable; shall be set to "1"
6 Maturity of last futures contract in the strip
7 Currency of futures contract
8 Futures contract month
9 Futures quantity
10 Price of futures contract
11 Open or close
12 A, P or M
13 Hedging method shall be set to "DUR"
14 Not applicable; select one out of the menu
15 Trader ID

[4] Since the trade entry window of the EFP facility was primarily developed for debt securities, please be aware that the trade entry fields for reporting futures transactions are not displayed with their correct names. For further examples of field mapping for reporting futures please refer to number 8.11 of the General Conditions for Participation.

Extension of the Exchange for Swaps (EFS) Facility to Include Interest Rate Swaptions

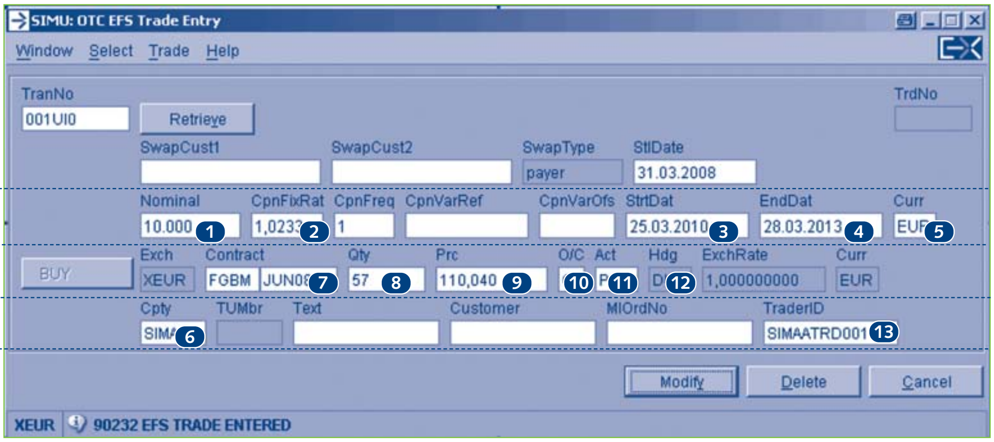
In addition to all interest rate swaps, as of March 31, 2008 the extended EFS trade facility will also accept interest rate swaptions as possible instruments in the scope of an EFS trade.

Example 3[5] – Swaption Versus Eurex Fixed Income Futures

2yr × 3yr 10 M Payer Swaption hedged with the purchase of duration weighted Eurex Euro-Bobl Futures are entered into the EFS trade facility as follows:

Transaction Reporting **PAY**

Position Generating Transaction **BUY**



1 Nominal is in thousands
2 Options Premium
3 Options start date
4 Options end date
5 Currency of swap
6 Counterparty
7 Futures contract month
8 Futures quantity
9 Price of futures contract
10 Open or close
11 A, P or M
12 Hedging method shall be set to "DUR"
13 Trader ID

For further information on the EFP and EFS enhancements, follow the link to the Eurex Circular:
http://www.eurexchange.com/download/documents/circulars/cf0552008e.pdf

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[5] Since the trade entry window of the EFS facility was primarily developed for interest rate swaps, please be aware that trade entry fields for interest rate swaptions do not comply with field names of the trade entry window. For further examples of field mapping for interest rate swaptions please refer to number 8.3.1 of the General Conditions for Participation.

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