

Manage Your Greenhouse Gas Emissions

Eurex and the European Energy Exchange (EEX) successfully cooperate in emissions rights trading. We offer efficient access to European carbon markets, providing industrial market participants a platform to manage their greenhouse gas emissions and investors an effective diversification tool.

Our CO₂ products include derivatives on EU Emission Allowances (EUA) under the European Union Emissions Trading Scheme (EU ETS) as well as Certified Emission Reductions (CER), which are tradable instruments generated from Clean Development Mechanism (CDM) projects. Both instruments are currently the most liquid and widely traded emission products in a fast growing global carbon marketplace.

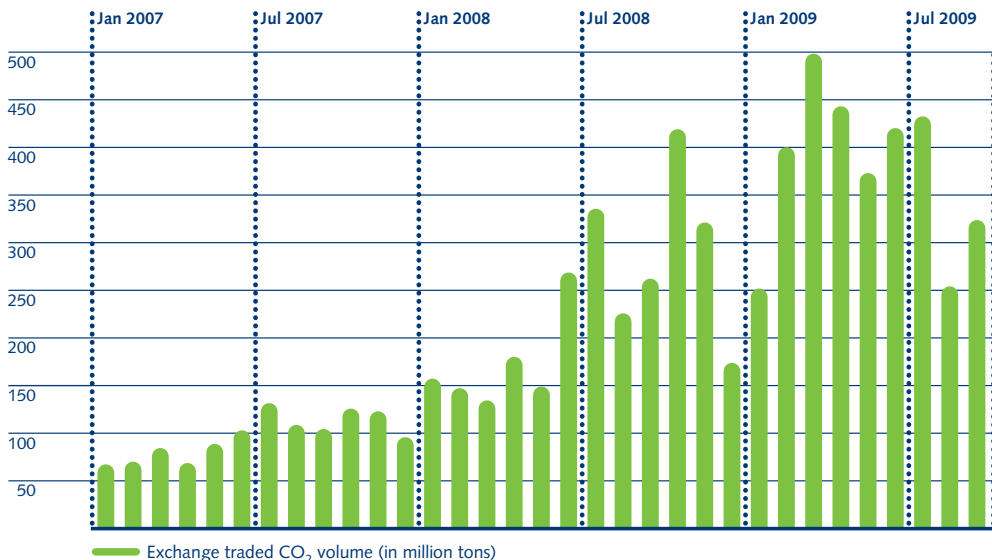
Currently, we offer EUA Futures and Options on EUA Futures as well as CER Futures until December 2012. This time frame is aligned with Phase II of the current EU ETS and the Kyoto compliance period. Post 2012 products will be introduced based on market requirements and regulatory developments.

Responding to market needs, we will offer additional EUA and CER Futures contracts with different maturities and delivery dates from October 27. The new contracts mature in mid-December, adding further trading opportunities.

Carbon Market Development

The EU ETS is regarded as the world-wide reference system for standardized trading in the global emissions market. With other countries such as the U.S., Australia, Japan and Korea likely to introduce their own national emissions trading schemes in the near future, it is conceivable that overall CO₂ trading volumes will reach trading levels equalling financial derivative products. The Regional Greenhouse Gas Initiative (RGGI) scheme in the U.S. has already developed into the third largest carbon market in the world and a federal U.S. cap-and-trade market could potentially reach three times the size of the emissions market in the European Union.

Total CO₂ Exchange Traded Volume (EUA & CER; Spot & Derivatives)



The maturing markets are increasingly sensitive to many factors which impact both spot and derivatives prices, as well as the spreads between the two. Some of the factors influencing EUA and CER prices are:

- Size of the gap between allowances and actual emissions
- Growing demand for energy
- Relative prices of power, coal, gas, and freight
- Level of substitution allowed by EU member states between EUAs and other emissions certificates
- Availability of CER carbon credits
- Expansion in the coverage of the EU ETS, such as into aviation and shipping
- Weather factors, such as temperatures and precipitation

OTC Block Trade Facility

Eurex Clearing adds value to the carbon market through its OTC facilities which combine bilateral trading, straight-through processing and central clearing on a single platform, thereby substantially mitigating counterparty and credit risk. There are no size restrictions to block trades in our CO₂ contracts. Furthermore OTC and order book positions in the products are fully fungible. With the recognition of Eurex Clearing as multilateral clearing organization in the United States in July 2009, our U.S.-based members with ECP status can now access the OTC trade entry facilities.

Benefit from Efficient Clearing and Cross Margining

You can clear your order book and OTC business either via Eurex Clearing or via European Commodity Clearing (ECC), the clearing house of EEX. By offering cross margining for all CO₂ derivatives, Eurex Clearing offsets opposing risks, thus significantly reducing margin requirements and operational costs while retaining the necessary security.

Easy Settlement

The physical settlement of maturing futures contracts is carried out by ECC, which offers fully electronic and integrated delivery management for spot and derivatives transactions. EUA can be transferred to any eligible European registry account whereas CER can be transferred to any eligible registry account worldwide.

CO₂ Derivatives – Futures: Contract Specifications

Contract	EUA Futures EarlyDec	EUA Futures MidDec*	CER Futures EarlyDec	CER Futures MidDec*
Underlying	Delivery or purchase of EU Emission Allowances (EUA) for the second trading period		Delivery or purchase of Certified Emission Reductions (CER), excluding credits generated from nuclear power projects, LULUCF and hydro power projects > 20 MW	
Product ID	F2PE	F2EA	FCER	F2CR
Product ISIN	DE000A0E4PY0	DE000A1A41K1	DE000A0SYUY8	DE000A1A41L9
Maturities	Annual futures 2009–2012		Annual futures 2009–2012	
Last Trading Day/ Maturity Date	Last exchange day in November	Year 2009: Dec 14, 2009 Year 2010: Dec 20, 2010 Year 2011: Dec 19, 2011 Year 2012: Dec 17, 2012	Last exchange day in November	Year 2009: Dec 14, 2009 Year 2010: Dec 20, 2010 Year 2011: Dec 19, 2011 Year 2012: Dec 17, 2012
Delivery Date	The respective first day in December of the years 2009 to 2012, if this is an exchange day; otherwise, the first exchange day succeeding the Last Trading Day	The second settlement day following the last trading day	The respective first day in December of the years 2009 to 2012, if this is an exchange day; otherwise, the first exchange day succeeding the Last Trading Day	The second settlement day following the last trading day
Contract Volume	1,000 EUA (one lot)		1,000 CER (one lot)	
Quotation	In EUR/EUA; with two decimal places		In EUR/CER; with two decimal places	
Settlement	Delivery versus payment		Delivery versus payment	

* Available for trading as of October 27, 2009

CO₂ Derivatives – Options: Contract Specifications

Contract	Second Period European Carbon Option
Underlying	EUA Futures EarlyDec
Product ID	O2PE
Product ISIN	DE000A0SYUX0
Contract Months	European-style call and put options for the years 2009–2012
Last Trading Day/ Expiry Date	Three exchange days before the final trading day of the underlying future
Exercise	Manual exercise until 15:00 CET on the Last Trading Day
Assignment	In-the-money options will be exercised automatically at the end of the Post-Trading Period of the exercise day.
Contract Volume	1 EUA Future (one lot)
Quotation	In EUR/EUA; to three decimal places
Fulfillment	Booking of the corresponding futures position at the respective exercise price after the option is exercised.

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The EUA and CER contracts are listed on EEX and cleared by ECC.

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