Exchange New Product News

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EUREX CLEARING LOWERS CLEARING FEES FOR CASH MARKET TRANSACTIONS: CLEARING OF TRANSACTIONS FROM ALGORITHMIC XETRA TRADING EVEN MORE ATTRACTIVE

Eurex Clearing announced the lowering of fixed clearing fees for equity transactions on Xetra and the floor of the Frankfurt Stock Exchange by 25 per cent to €0.30 per order with effect from 1 April.

The volume-dependent clearing fee remains unchanged at 0.0015 per cent of the order value. The maximum fee per order is to be reduced accordingly by €0.10–€6.00.

The lower fixed fees per order make clearing small transactions from algorithmic trading on Xetra even more attractive. This form of trading already makes up 60 per cent of all orders executed. The clients who stand to benefit in particular are those who currently still have limited algorithmic trading activity on Xetra. Moreover, lowering the fees addresses the continuing decline in average order size in algorithmic trading. Eurex Clearing is thereby offering an incentive for the continued growth of particularly price-sensitive clearing activities.

DEUTSCHE BÖRSE LAUNCHES ADDITIONAL INDEX GROUPS: NEW INDICES DAXSUPERSECTOR AND DAX INTERNATIONAL; ADDITIONAL SECTOR INDICES FOR GENERAL STANDARD AND ENTRY STANDARD; REGULATIONS DEFINED FOR ADMISSION TO SELECTION INDICES

As of the index rebalancing date on 25 March, 2008, Deutsche Börse was due to expand its range of equity indices. This means aggregating a total of 18 sectors into nine new large supersectors: Utilities, Telecommunication, Financials, Industrials, Information Technology, Pharma and Healthcare, Basic Materials, Consumer Goods and Consumer Services.

Deutsche Börse will calculate the nine new indices under the name DAXsupersector. These will comprise the companies from Prime Standard with an average daily exchange turnover of at least €1 million. As a whole, the DAXsupersector indices are thus intended to enable investable access to sectors in Germany.

Furthermore, Deutsche Börse will calculate new indices in addition to its existing sector indices, which will consider all stocks from Prime Standard, General Standard and Entry Standard together. The sectoral divisions that previously applied only to Prime Standard equities will now also be transferred to General Standard and Entry Standard. The new sector indices with the names DAXsector All and DAXsubsector All will increase the visibility of the companies and thus also the attraction of a

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listing in Frankfurt. This in turn will increase transparency thereby improving comparability with international standards.

To facilitate uniform identification, Deutsche Börse is replacing the term 'Industry Group' with Subsektor respectively. The indices belonging to the 18 sectors will now use the name DAXsector, and the 63 subsector indices will take DAXsubsector.

Furthermore, Deutsche Börse has defined the criteria for admission to the DAX, MDAX, SDAX and TecDAX selection indices for foreign stocks. In future, Deutsche Börse will be able to leave out companies from admission to an index if their relationship to the German market is unclear. This could mean that foreign companies which, for example as holdings, officially have a registered office in Germany but with a clear majority of their business activity focused abroad, will not be included. In order to ensure continued transparency for admission to the selection indices, Deutsche Börse will make clear which companies qualify for a selection index in the February rankings.

Deutsche Börse publishes the rankings, which provide an up-to-date summary of the listed companies' market capitalisation and stock exchange turnover, on a monthly basis. They serve as a basis for decisions on the admission of stocks into a selection index. The changes came into effect on the next index rebalancing date, 25 March.

Deutsche Börse also launched the DAX International index family on 25 March. In so doing, it provided all domestic and foreign companies listed in Frankfurt with a platform for visibility, regardless of whether they meet the criteria for admission to the DAX, MDAX, SDAX or TexDAX selection indices. The new indices each comprise 100 companies — the DAX International 100 is followed by the DAX International Mid 100 with the next 100 companies. Each of the indices contains the most liquid national and international stocks from the Prime Standard, General Standard and Entry Standard. The selection of constituents from all segments is based on the last three months' order book turnover on Xetra and the Frankfurt Stock Exchange; each stock can be represented in the index with a maximum weighting of 15 per cent.

FWB AND EUREX EXCHANGE COUNCILS ELECT CHAIRMEN: LUTZ RAETTIG CONFIRMED AS CHAIRMAN OF FWB EXCHANGE COUNCIL, GUSTAV GAß NEW CHAIRMAN OF EUREX EXCHANGE COUNCIL

The Exchange Council of Eurex Deutschland and the Exchange Council of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse — FWB) were reconstituted on 18 January, 2008. The current members of both Exchange Councils were elected on 21 November, 2007. Each council consists of 18 members elected for a period of three years.

The members of the FWB Exchange Council re-elected Dr Lutz Raettig (Morgan Stanley) as Chairman. The new Vice Chairman is Dr Andre Carls (comdirect Bank AG), who replaces Hermann-Josef Lamberti. Hermann-Josef Lamberti will continue to be a member of the council. Heinz-Jürgen Schäfer (DVFA Deutsche Vereinigung für Finanzanalyse und Asset Management e.V.) and Professor Wolfgang Gerke (University of Erlangen-Nuremberg) were re-elected as investor representatives.

The new Chairman of the Eurex Exchange Council is Gustav R. Gaß (Gass Capital Markets

GmbH), who served as Vice Chairman in the last period of office. He replaces the previous Chairman, Hermann-Josef Lamberti (Deutsche Bank AG), who will remain a member of the council. The new Vice Chairman is Lars Hille (DZ Bank AG). Professor Lutz Johanning (WHU — Otto Beisheim School of Management) and John Mathias (Merrill Lynch) were elected as investor representatives.

The exchange council is the highest controlling and supervisory body of a stock exchange. Primary duties include appointing and monitoring the exchange management as well as issuing the exchange regulations, the fee scale and the terms and conditions for exchange transactions.

ISE AND EUREX ANNOUNCE JOINT TECHNOLOGY INITIATIVE

The International Securities Exchange (ISE) and Eurex announced they will jointly develop a new Options Trading System for ISE. This step marks the first joint initiative following the merger of the two companies, which was completed on 19 December, 2007.

The development of the new system will be a multi-year effort that will draw upon the significant expertise of both ISE and the entire Deutsche Börse Group's technology teams. While the new system is under development, ISE's options exchange will continue to operate on the OMX CLICK technology platform, and ISE will continue to work with OMX to support as well as enhance the current system. Eurex and ISE are currently finalising plans for the joint development effort and expect the new platform to launch in early 2011.

EUREX ACHIEVES NEW TRADING RECORDS

The international derivatives exchange Eurex saw new trading records in January 2008: on 22 January, turnover reached a new record with roughly 17 million contracts, the previous record was 15.5 million contracts (achieved on 6th June, 2007). On 23 January, another 15.3 million contracts were traded.

Average daily volume in January 2008 stands at approximately 9.4 million contracts, in 2007 it was 7.5 million contracts. This results in overall volume of 150 million contracts as of 23 January, 2008, compared with a total monthly volume of 132.2 million contracts in January 2007.

On 21 January, 2008, a new daily record was also achieved in trading of EUA futures on the market for emission allowances operated by European Energy Exchange AG (EEX) and Eurex: for the first time, 400,000 EUAs were traded. Total monthly volume in December 2007 was roughly 1.4 million EUAs.

In conjunction with the trading records, the Eurex system recorded a remarkable rise in order and quotes volumes. Average daily quotes volume in 2007 was around 200 million, this figure more than doubled and set a new record in January with 550 million quotes. Despite these record volumes, round-trip-times remained stable.

EEX/EUREX: NEW DAILY RECORD IN EUA FUTURES

On 18 January, 2008, a new daily record was achieved in trading of EUA futures on the market for emission allowances operated by European Energy Exchange AG (EEX) and

Eurex AG: 301,000 EUAs were traded. In January, a total of 2,081,000 EUAs have already been traded.

Since 5 December, 2007, EEX and Eurex have offered their customers trading of CO_2 emission allowances (EUA futures) via a joint platform. Ten new trading participants were connected in the framework of the cooperation, while another eight are in the process of licensing. This means a total of 110 trading participants have now been licensed for trading in EUA futures on EEX. Since the launch of the cooperation on 5 December, 2007, more than three million EUA futures have been traded. Moreover, the trading participants also benefit from the development of the spreads — the differences between the buying and the selling rate. On average, these have fallen to five to nine cents.

In order to promote trading, since the start of the cooperation, EEX has reduced the trading fee for exchange transactions in emission products to EUR 0.001 per t of CO_2. Moreover, the exchange also charges a fee of 0.001 per t of CO_2 for the registration of OTC transactions on EEX. The price reduction was valid until the end of March 2008.

COLLATERAL MANAGEMENT: CLEARSTREAM INTRODUCES TRADE SIMULATION ENGINE

For the first time in the Collateral Management sector, Clearstream is offering collateral givers the opportunity to simulate their trades and actively manage via a dynamic allocation simulator, CmaXDirect.

Seven leading firms have agreed to participate to the pilot phase prior to the general release to the market in the first quarter.

CmaXDirect is a pioneering dedicated report reader/trade simulator. It is an MS Access-based module with a reader for the daily-exposure forecast report and a dynamic allocation simulator for collateral-givers. The Forecast simulator summarises the available collateral position for each of the counterparties and allows a collateral giver to enter simulated trades to see the effect of these trades on his collateral position with all counterparties.

CmaXDirect includes pending deliveries and purchases from main trading account as well as trades awaiting allocation. Concentration limits including dynamic margining are also taken into account. The quality of the data on ratings and pricing has also been substantially increased in order to give collateral management professionals the best possible knowledge of their portfolios and exposures.

This functionality will be possible across all Collateral Management Services where Clearstream acts as triparty agent including Triparty Repo, Triparty Securities Lending and any other exposure covered by more generic Triparty Collateral Management agreements. This new functionality is one in a series of product and service improvements to Cleastream's Triparty Collateral Management suite.

The European repurchase agreement ('repo') market is one of Europe's premier financing tool for both banks and broker dealers with a size of over €6.7 trillion in June 2007 according to the International Capital Markets Association (ICMA).

Clearstream pioneered the development of collateral management services, including triparty repo, in Europe by launching the world's first such multi-currency service in 1993 and is now a key part of the infrastructure for the settlement and collateralisation of repo and securities lending trades.

Clearstream's Global Securities Financing services, which include triparty repo, collateral management and securities lending, collectively experienced a rise of over 28 per cent in 2007 compared to 2006.

HEDGE FUND WORKING GROUP FOCUSES ON VALUATION AND RISK MANAGEMENT STANDARDS

The Hedge Fund Working Group (HFWG) published its best practice standards for hedge fund managers following widespread consultation with the industry and other interested parties.

The body of voluntary standards includes recommendations for managers to adopt an independent process for valuing portfolios and to put in hand robust governance of funds. In each case this is to handle conflicts of interest between managers and investors. The report also recommends enhanced disclosure to investors and that managers should have a comprehensive framework to manage risk — an important area in the context of financial stability.

The HFWG, comprising 14 leading hedge fund managers based mainly in London, was set up last year in response to concerns both about the growing impact of hedge funds and financial stability. The standards aim to address these and other issues through increased disclosure to investors and other counterparties.

Compliance with the hedge fund standards will be voluntary and will operate on a 'comply or explain' basis. A new Hedge Fund Standards Board (HFSB) is being set up to act as custodian of the standards. The trustees of the HFSB will be responsible for updating the standards in the future and also for encouraging convergence to take place with the similar initiative currently being taken by the President's Working Group in the US.

Members of the HFWG will initially act as interim trustees of the new HFSB and Sir Andrew Large as interim chairman until permanent trustees are appointed. Christopher Fawcett, chairman of The Alternative Investment Management Association (AIMA), will become a trustee of the HFSB.

AIMA will also have a key role developing aspects of the recommendations included in the report and in acting as a channel for guidance for the industry as well as consultations on future changes.