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>> Market activity

January was a good month for Euronext.

The cash and the derivatives markets recorded a healthy increase in trading volumes. Daily average share turnover increased 39.9%, while the total volume of derivatives traded was up 56.1% on last month.

On the **cash markets**, the average daily volume of trading in all products – ie bonds, shares, trackers and warrants - amounted to 665,200 transactions. The total trading volume for the month came to 14 million transactions, an increase of 21% compared with December 2003 and 13.2% compared with the same period last year.

Almost 32,000 transactions in **trackers** were recorded in January, up 33.3% on the previous month.

The **derivatives markets** of Euronext.liffe also saw record volumes in January. A total of 71.3 million contracts, representing a daily average of 3.4 million contracts, were traded, making it Euronext.liffe's busiest January ever and second busiest month on record. Volumes rose across the entire product range. The highest growth was recorded in individual equity products, such as equity futures, equity options and options on trackers, where trading volumes jumped 79.7% compared with December 2003 to 31.3 million contracts. Volumes in short-term interest rate products also increased sharply to 25 million contracts, and commodity products were also up, showing an increase of 13.7% on the same period last year.

Finally, Euronext.liffe's new **FLEX® options** facility had an encouraging start, with turnover reaching 43,427 contracts on the first day of trading (26 January).

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>> Highlights

Iliad IPO great success

Iliad's admission to Euronext's Premier Marché in Paris on 30 January proved a great success. The company placed 6.4 million shares on the market in the first new listing of the year on a regulated market operated by Euronext. The IPO, which raised a total of €104.32 million, was 25 times oversubscribed. Private investors were given priority, and were allotted 25% of the shares they had subscribed for. Iliad's initial offering price was €16.30, at the top of the indicative price range. The shares opened at €21.51 at 10.45 CET and ended their first day of trading at €21.25, up 30.37% on the initial offering price, bringing the company's capitalization to €1.12 billion. Total turnover in Iliad shares came to nearly €99 million for the day.

The Iliad group's expertise in telecommunications networks has made it France's second-largest high-speed internet service provider (through its subsidiary Free), and a powerful landline operator (One.Tel and Kertel brands). Free has 440,000 ADSL customers and wants to increase this to 700,000 by the end of the year. The funds raised by the overwhelmingly successful IPO will pay for Free's expansion, and for investments in equipment to enlarge its network. It is hoped that the great success of Iliad's flotation will encourage other IPOs.

For more information, visit www.iliad.fr.

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CBOT's electronically-traded futures and options move to LIFFE CONNECT®

In 2003, the Chicago Board of Trade announced its intention to use LIFFE CONNECT® as the trading platform for its electronically-traded products. On 24 November 2003 the new platform went live, and trading in CBOT DJIASM futures and options, CBOT mini-sized DowSM futures, DowSM Jones-AIG Commodity Index, 5-Year and 10-Year Swap futures and options, Fed Funds futures and options, and 10-Year Municipal Note Index futures started without a hitch. The migration was completed on 2 January 2004, when 2-, 5-, 10- and 30-Year U.S. Treasury futures and options, 5-Year and 10-Year Agency futures and options, and all screen-based agricultural futures and options were transferred to LIFFE CONNECT® (renamed e-CBOT for the CBOT contracts).

With the CBOT's migration, almost all of the world's major financial services time zones now have an exchange that uses the advanced technology of LIFFE CONNECT® to support derivatives trading.

LIFFE CONNECT® is the most widely available electronic trading platform for derivatives in the world, and is available to users in over 900 locations in 26 countries.

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>> Highlights (contd.)

Launch of first bond tracker on EuroMTS Global index

On 22 January 2004, Lyxor Asset Management launched the EuroMTS Global Master Unit - the first tracker (exchange traded fund - ETF) to track the euro-zone government bond market. This tracker, which is listed on Euronext Premier Marché in Paris and is denoted in euros, is a highly innovative new product based on the EuroMTS Global index, a euro-denominated index that follows trends in the euro-zone government bond yield curve. The index was launched in May 2003 by a joint venture between Euronext and EuroMTS. The EuroMTS index, formerly known as the CNO Etrix, is the only independent, real-time euro-zone government bond index that is calculated using tradable prices, and comprises the EuroMTS Global index and six maturity bands ranging from 1-3 years to 15+ years.

The EuroMTS Global Master Unit has been approved by the AMF (French Financial Markets Authority). It offers investors a simple way of diversifying their portfolios with just one transaction, and provides an easier way to invest in government bonds and futures than direct purchases. Liquidity is ensured by two liquidity providers: CDC IXIS Capital Markets and SG (through, respectively, CDC Securities and SG Securities).

Lyxor Asset Management, a wholly-owned subsidiary of Société Générale, is a major player in the rapidly developing European trackers industry, with over €3.6 billion in assets under management in its Master Unit range at the end of December 2003. Its CAC 40 Master Unit, which is listed on Euronext, was the leading tracker in Europe at the end of December 2003.

For further information, visit www.euronext.com (trading/equities/trackers) and www.masterunit.com (products).

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NextEconomy & NextPrime segments: quarterly reports as best practice

Since 1 January 2004, companies belonging to the NextEconomy and NextPrime segments have no longer been required to publish quarterly reports. This obligation has instead become best practice, which means that quarterly reports are now voluntary.

While companies can now publish their results for the first and third quarters on a voluntary basis, the half-yearly financial report remains mandatory. The information that has to be published in the half-yearly report is specified in the rules governing the NextEconomy and NextPrime segments.

Euronext will reconsider this best practice status if a European Directive requiring quarterly reporting is adopted and subsequently implemented in the member states where its regulated markets operate.

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>> Highlights (contd.)

Eurodollar derivatives contracts on Euronext.liffe

On 18 March 2004, Euronext.liffe will launch three-month Eurodollar futures and options contracts. The introduction of the Eurodollar contract is a natural extension of Euronext.liffe's short-term interest rate franchise. Currently, over a million EURIBOR, Sterling, Swiss Franc and Yen short-term interest rate contracts are traded every day, and EURIBOR is the leading electronically-traded short-term interest rate in the world. All contracts are traded on LIFFE CONNECT®.

According to Euronext.liffe's CEO, Hugh Freedberg, "The introduction of the Eurodollar contracts means we can now offer our customers a single, global market for the world's five major short-term interest rate contracts. Customers have been looking forward to the time when they can trade, clear, settle and cross-margin all the major short-term interest rate contracts on the same electronic market. Euronext.liffe will now meet that need."

Euronext.liffe's Eurodollar futures and options contracts will be available for trading throughout the European and US trading day, from 07.00 to 20.00 London time (from 01.00 to 14.00 Chicago time), and will be cleared by LCH.Clearnet in the same way as all contracts traded on Euronext.liffe's markets.

In a related development, Euronext.liffe has become aware that some US customers may wish to trade Eurodollar contracts on a wholly-electronic US exchange using LIFFE CONNECT®, subject to the approval of the Commodity Futures Trading Commission (CFTC), and thus gain benefits that include clearing in the US. In the coming months, Euronext.liffe and NQLX, its US exchange, will study whether there is sufficient customer demand for the contracts to be made available through NQLX.

For more information, go to www.liffe.com/eurodollar.

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>> Highlights (contd.)

SmartNotes listed on Euronext

SmartNotes are medium term fixed-rated debt securities specially designed for retail investors. They are issued by the General Motors Acceptance Corporation (GMAC), which is active in more than 40 countries in the areas of car finance, insurance, real estate and mortgages. GMAC's €3,000,000,000 European SmartNotes programme was admitted to listing on Euronext's Amsterdam marketplace at the beginning of February, and the first two series of bonds (see below) were listed on Euronext on 4 February.

Coupon rate	Fixed rate period	Price
3 ⁵ / ₈	15 February 2007	100
4 ¹ / ₄	15 February 2009	100

Another two series were listed on 14 February, and between two and six new series will be listed every week. Subscribing for new series starts every Monday and closes on Friday, when the total amount invested during the week is published. Listing starts the following Wednesday. The system guarantees a minimum of 100 new debt securities a year with terms of 3, 5 and 7 years.

European SmartNotes are distributed through the EuroDANS platform of ABN AMRO bank in Germany, the Netherlands, Switzerland, and the UK, and are available in €1,000 denominations. GMAC SmartNotes were first introduced in the US in September 1996. In 2003 a major record was set when the amount invested in these bonds reached more than US\$ 29 million.

More information about the SmartNotes programme is available at www.gmacfs.com.

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Simplifying European equity derivatives markets

Euronext is standardizing its equity derivative contract specifications in order to simplify cross-border trading in equity derivatives. Standardization is a key requirement for customers who actively trade European equity derivatives.

The changes are designed to help customers trade across borders efficiently, thus avoiding confusion and uncertainty at the point of trade. Furthermore, because a large proportion of equity derivatives trading in Europe is done on a sector basis, not on a country basis, standardizing expiry cycles and last trading days simplifies trading for customers who trade internationally, and reduces expiry convergence risk.

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>> Highlights (contd.)

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Important changes

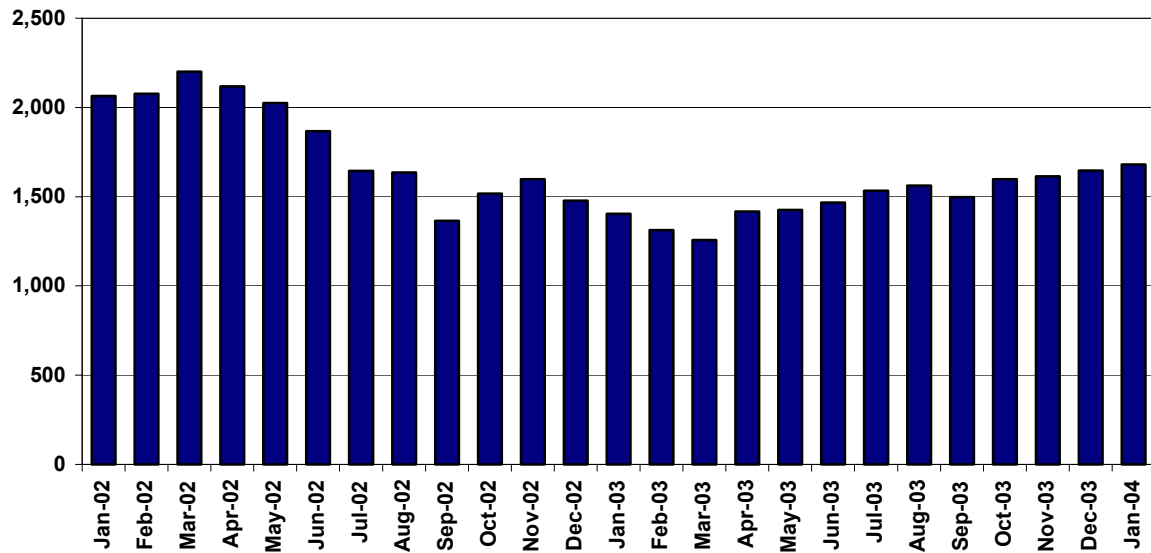
All contracts will follow the standard March/June/September/December cycle and will expire on the third Friday of the month. As most markets already have the third Friday of the month as the last trading day, only French and UK equity options are affected. As from October 2004, all expiry months for American-style and European-style French equity options, including CAC 40 index options, will have their last trading day on the third Friday of the month. In the UK, equity options already made the switch with effect from January 2004. Additional short-dated and long-dated expiry months will be made available for certain products.

Much of the harmonization process, including many of the changes aimed at unifying last trading days and expiry dates, has already been done. However, there are still a number of issues that need to be addressed.

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>> Cash market statistics

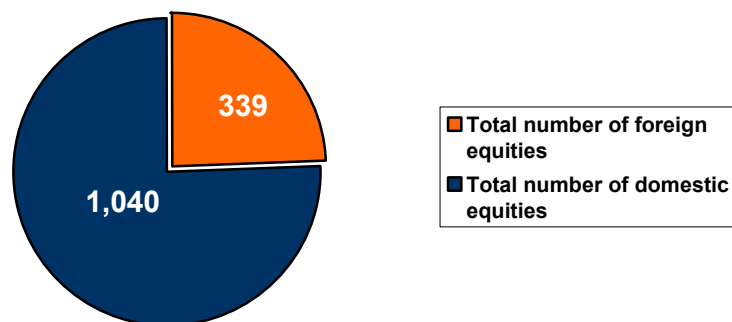
Market capitalization (€ billion)



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Breakdown of foreign and domestic companies*

Euronext capitalization: €1,680 billion

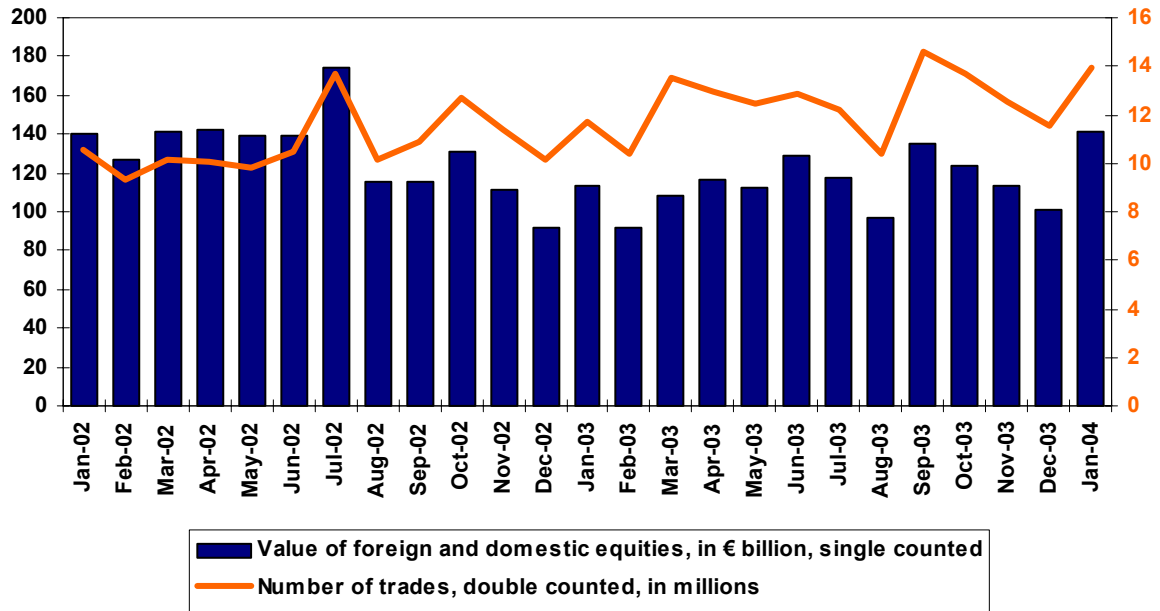


At 30 January 2004

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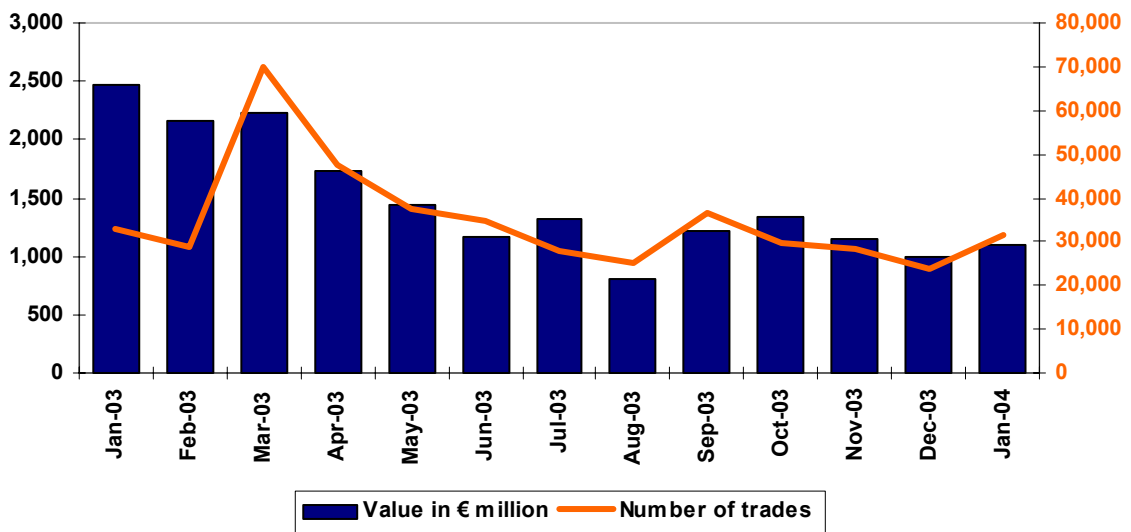
>> Cash market statistics (contd.)

Total trade value of equities (electronic orderbook transactions)



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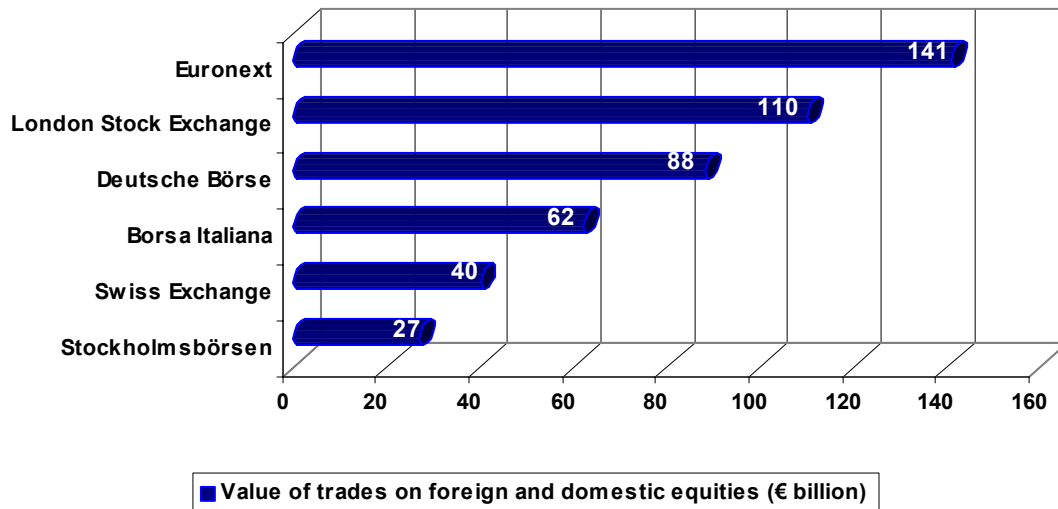
Total trade value of trackers



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>> This month's statistical comparisons

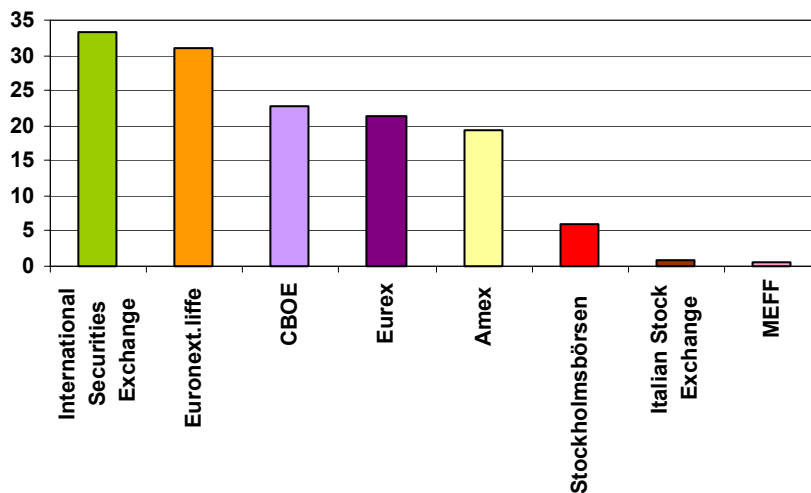
Central orderbook volumes of European exchanges*



For January 2004

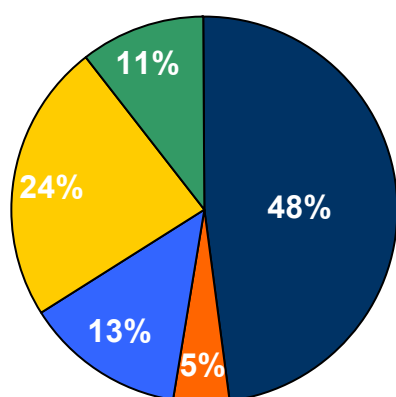
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Leading equity options markets worldwide (in January – in millions of contracts)



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Breakdown of FTSEurofirst 80 by market capitalization



Number of listings:

■ Euronext	40
■ Germany	18
■ Italy	11
■ Spain	9
■ Finland	3

At 30 January 2004

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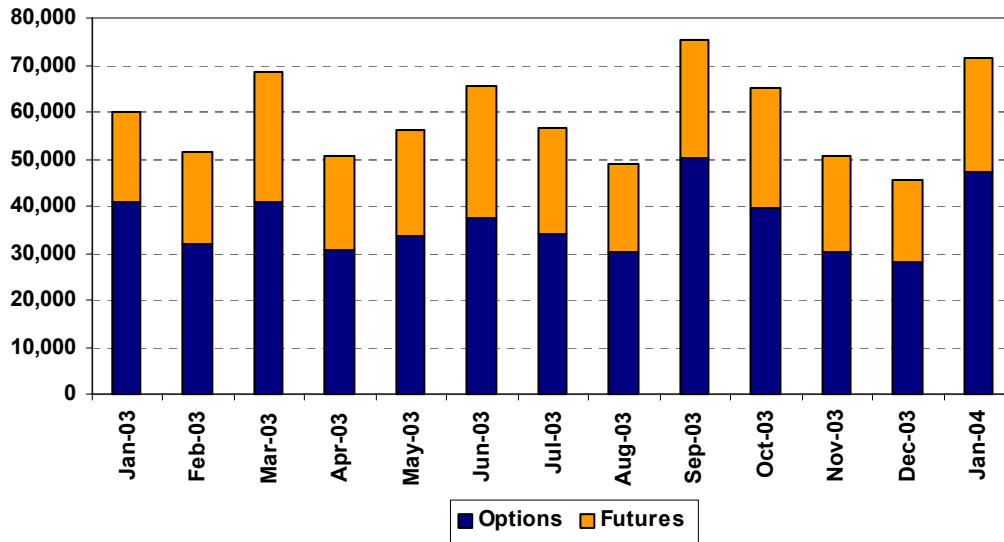
Euronext monthly indices

Index	Value at 30 January 2004	% change on previous month	% change since 31/12/2003
Euronext 100 (base 1,000 at 31/12/99)	623.74	2.43%	2.43%
Next 150 (base 1,000 at 31/12/99)	929.41	8.22%	8.22%
FTSEurofirst 80 (base 3,000 at 31/12/02)	3535.65	2.78%	2.78%
FTSEurofirst 100 (base 3,000 at 31/12/02)	3333.40	1.44%	1.44%
AEX (base 45.38 at 02/01/83)	353.31	4.64%	4.64%
BEL 20 (base 1,000 at 31/12/90)	2383.76	6.22%	6.22%
CAC 40 (base 1,000 at 31/12/87)	3638.44	2.26%	2.26%
PSI 20 (base 3,000 at 31/12/92)	7011.72	3.92%	3.92%

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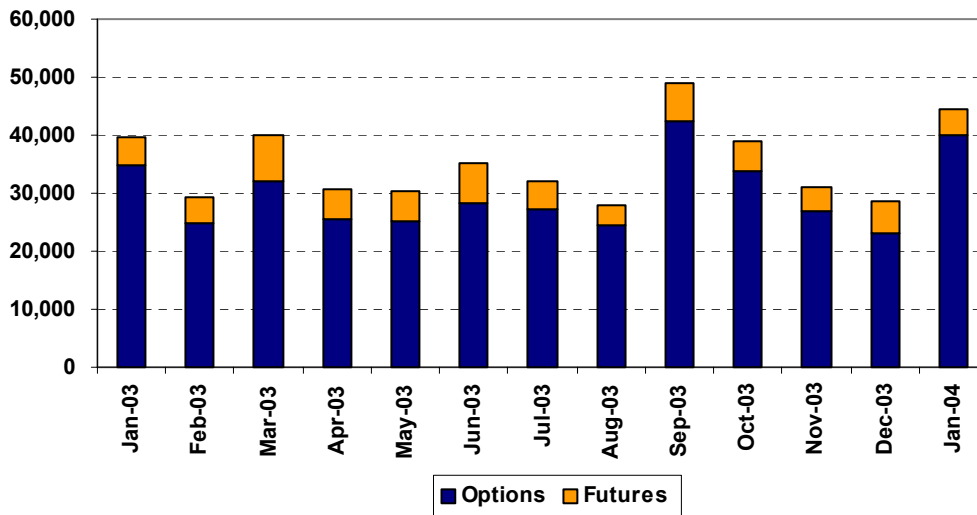
>> Derivatives market statistics

Total derivative products (in thousands of contracts)



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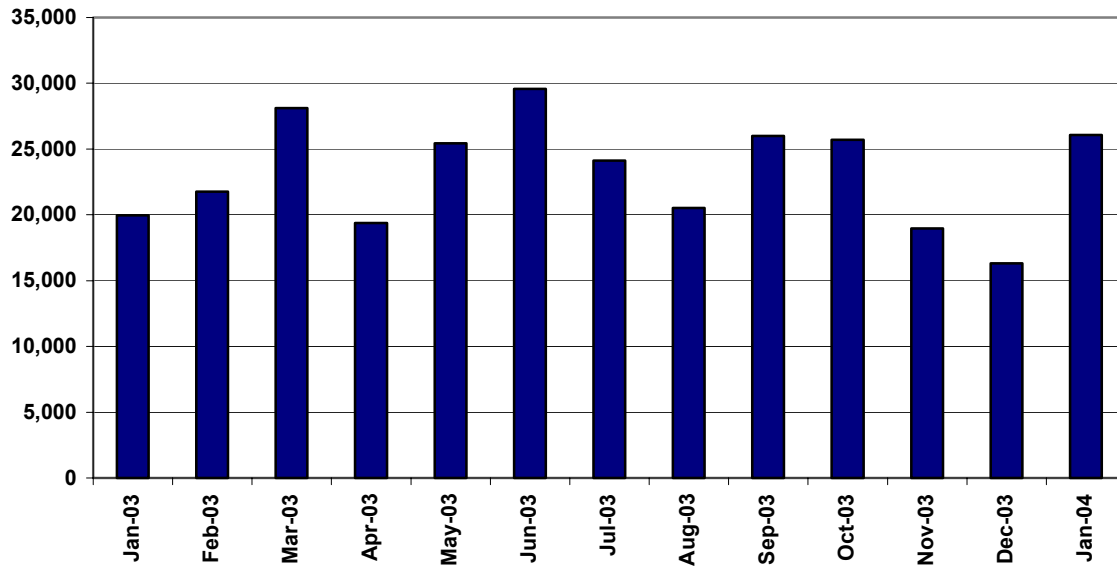
Equity/index derivatives (in thousands of contracts)



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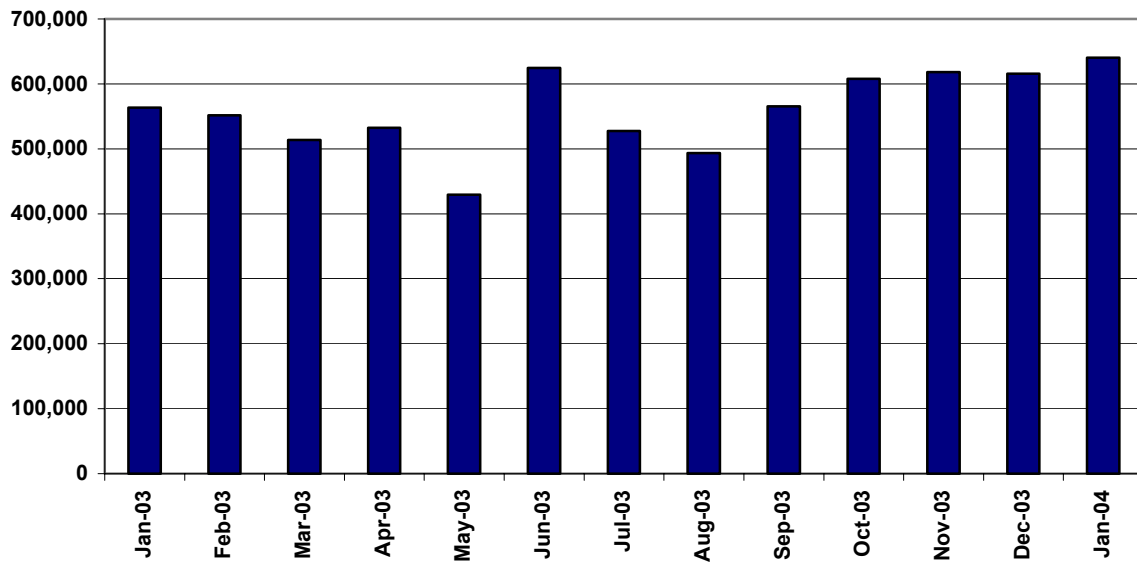
>> Derivatives market statistics (contd.)

Interest rate derivatives (in thousands of contracts)



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Commodity derivatives (in number of contracts)



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