

NEWS RELEASE

**For immediate release
Monday 26 January 2004**

LIFFE TO LIST GLOBAL EURODOLLAR CONTRACT FROM 18 MARCH

London, 26 January, 2004 -- The London International Financial Futures and Options Exchange (LIFFE), wholly owned by Euronext N.V, today announced it will offer three-month Eurodollar futures and options contracts beginning 18 March, 2004. This is a natural extension of LIFFE's short-term interest (STIR) contract franchise which already comprises LIFFE's successful euro-denominated short-term interest rate contract, EURIBOR and its Sterling, Swiss Franc and Yen STIRS, which trade over a million contracts a day. LIFFE CONNECT[®], the most advanced and widely distributed electronic derivatives trading system in the world, will be the electronic platform for trading the Eurodollar futures and options.

LIFFE -- a UK-regulated exchange operating under the jurisdiction of the UK's Financial Services Authority (FSA) -- is launching this initiative to meet the demand of its customers worldwide to trade EURIBOR and Eurodollar contracts side by side on the same electronic platform. This will enable the global community of interest-rate customers to gain the benefits of using LIFFE CONNECT[®]'s technology and distribution and of having all the short-term interest rate contracts cleared together by LCH.Clearnet, Europe's leading central counterparty, whose recent merger has resulted in ownership by a wider user group. Hugh Freedberg, LIFFE's CEO, said: "Today's announcement means we can now offer our customers a single, global market for the world's five major STIR contracts. Customers have been looking forward to the time when they can trade, clear, settle and cross margin all the major STIR contracts on the same electronic market. We will now meet that need."

Last year, trading volume in LIFFE's EURIBOR contracts grew by 43% while trading volume in Eurodollar contracts only grew by 0.5%, emphasizing the degree to which the LIFFE CONNECT[®] electronic platform, with its extensive distribution in Europe, the United States and the Far East promotes trading growth.

The LIFFE Eurodollar market will be:

- **A single, global marketplace** -- in excess of ten thousand traders from over 650 sites around the world access the system every day;
- **Immediate and direct** -- with all users having access to the same information at the same time;
- **Efficient** -- allowing a trader not only to trade complex short-term interest rate strategies, but also to be active in many more delivery months and strategies than traditional floor-based trading allows;
- **Cost-effective** -- avoiding many of the peripheral costs associated with traditional floor trading, while offering competitive exchange fees for trading Eurodollar contracts;

- **Capital efficient** -- with the opportunity to reduce margin costs through cross-margining between Eurodollar, EURIBOR and other STIR positions;
- **Proven** -- with the LIFFE CONNECT® trading system that is already host to EURIBOR, the largest electronically-traded STIR contract in the world;
- **Well-regulated** -- with strong investor protection rules and regulations, overseen by the FSA, and supported by LCH.Clearnet, Europe's leading central counterparty; and
- **Widely beneficial** -- not just to traders, but to end-users such as corporate treasurers and the wider economy.

As a further potential development, LIFFE recognizes that U.S. customers may wish to trade Eurodollar contracts on a wholly electronic U.S. exchange, using LIFFE CONNECT®, gaining benefits that include clearing in the U.S. In the coming months, LIFFE, working in partnership with its U.S. exchange, NQLX, will explore whether there is sufficient customer demand for these contracts to be made available through NQLX, subject to the approval of the Commodity Futures Trading Commission (CFTC).

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Notes to Editors

1. LIFFE's contracts are cleared in London through LCH.Clearnet Ltd.
2. LIFFE is the London-based international derivatives market, regulated by the UK's Financial Services Authority and part of Euronext.liffe. Euronext.liffe is the umbrella brand name for the seven derivatives markets, owned by Euronext NV, each regulated by their domestic regulator. The seven markets comprise: Euronext Amsterdam Financial Derivative Markets and Euronext Amsterdam Commodity Derivatives Markets which are regulated under Dutch Law; Euronext Brussels Derivatives Market, regulated under Belgian Law; Euronext Lisbon Futures and Options Market (Mercado de Futuros e Opções), regulated under Portuguese law, LIFFE Administration and Management, which is a Recognised Investment Exchange under English law; and Euronext Paris Futures and Options Markets (Matif and Monep) which are regulated markets under French law.
3. LIFFE's Eurodollar futures and options contracts will be available for trading throughout the US and European trading day: 07:00 hours to 20:00 hours London Time and 01:00 hours to 14:00 hours Chicago Time.

4. In 2003 volumes in EURIBOR grew by almost 43%, from 140m to 200m contracts. In that same period volumes in Eurodollar grew 0.5%, from 307m to 308m contracts.
5. LIFFE was granted a “no action letter” by the CFTC in 1999. The “no action” regime allows a non-US market to provide electronic trading facilities to US-based firms.

Attach: The contract specification for LIFFE’s Eurodollar futures and options contracts

**Summary Contract Specifications
Three Month Eurodollar Future**

Unit of Trading	Interest rate on three-month deposit of \$1,000,000
Delivery Months	20 Quarterly Months – on March, June September, December cycle 4 Serial Months – the nearest 6 consecutive calendar months will be available for trading
Quotation	100.000 minus rate of interest
Minimum Price Movement	0.005 for all delivery months
Value of Minimum Price Movement	\$12.50 for all delivery months
Last Trading Day	11:00 hours London Time 05:00 hours Chicago Time * 2 London business days prior to the 3rd Wednesday of the delivery month
Delivery Day	First business day following the Last Trading Day
Trading Hours	07:00 hours to 20:00 hours London Time 01:00 hours to 14:00 hours Chicago Time
Daily Settlement	Positions settled to the nearest 0.005 20:00 hours London time 14:00 hours Chicago time
EDSP	100.000 minus the British Bankers’ Association Eurodollar offered rate for three month dollar deposits at 11:00 hours London Time on the Last Trading Day EDSP will be rounded to the nearest 0.001, or in the case of equality to the nearest lower 0.001
Contract Standard	Cash settlement based on the EDSP

Option on Three Month Eurodollar Future

Unit of Trading	One Three-Month Eurodollar Futures Contract
Expiry Months	8 Quarterly Months – on March, June September, December cycle 2 Serial Months – the nearest 4 consecutive calendar months will be available for trading (serial options relate to following quarterly future)
Quotation	Percentage points
Minimum Price Movement	0.005 for all expiry months
Value of Minimum Price Movement	\$12.50 for all expiry months
Last Trading Day	11:00 hours London Time 05:00 hours Chicago Time * Two London business days prior to the third Wednesday of the expiry month
Exercise Day	Exercise by 20:00 hours London Time on any business day prior to the Last Trading Day Exercise by 11:45 hours London Time on the Last Trading Day
Delivery Day	First business day following the day of exercise
Trading Hours	07:02 hours to 20:00 hours London Time 01:02 hours to 14:00 hours Chicago Time
Daily Settlement	Positions settled to the nearest 0.005 20:00 hours London time
Exercise Price Interval	0.125 for serial months and first 4 quarterly months 0.250 for remaining quarterly months
Contract Standard	Delivery of futures contract at the exercise price

* Chicago times are for reference only