



# NEWS RELEASE

Friday 17 June 2005

## **EURONEXT.LIFFE INTRODUCES PACK AND BUNDLE TRADING ON EURIBOR AND SHORT STERLING CONTRACTS**

*Amsterdam, Brussels, Lisbon, London, Paris, Friday 17<sup>th</sup> June 2005* - Euronext.liffe, the international derivatives business of Euronext N.V., today announced the introduction of Pack and Bundle trading, from 1 September 2005, in the Three Month EURIBOR and Three Month Sterling contracts. New strategy pricing for Pack and Bundle trading in these contracts will be introduced, and is supported by LCH.Clearnet

The new package rate for each Pack and Bundle strategy will replace the existing structure of charging for individual outright delivery months, and will offer customers substantial reductions. All other pricing for trading both in outright delivery months and other strategies will remain unchanged.

Pack and Bundle strategies have a wide range of uses, in particular offering an efficient alternative for hedging shorter term bonds and swaps. The new Pack and Bundle pricing structure will mean customers can enjoy the greater accuracy and flexibility offered by Packs and Bundles at much lower cost.

Amanda Sudworth, Director of Interest Rate Products, Euronext.liffe said “This new package pricing, along with planned market maker and liquidity provider programmes, will offer our customers, for the first time, cost effective access to longer term interest rates via our EURIBOR and Short Sterling contracts.”

### **For more information, please contact:**

Amsterdam	+31 20 550 4488	Brussels	+32 2 509 1392
London	+44 (0) 207 379 2789		
Lisbon	+351 217 900 000		
Paris	+331 4927 1133		

### Euronext.liffe Pricing for Packs and Bundles from 1<sup>st</sup> September 2005

	Euronext.liffe Transaction Fee (from 01/09/05)	LCH.Clearnet Clearing Charge (from 01/09/05)	Euronext.liffe and LCH.Clearnet Charge (from 01/09/05)	Saving Over Current Pricing Structure (%)
White Pack	£0.82	£0.08	£0.90	20%
Red Pack	£0.62	£0.08	£0.70	38%
Green Pack	£0.42	£0.08	£0.50	55%
Blue Pack	£0.00	£0.08	£0.08	93%
Gold Pack	£0.00	£0.08	£0.08	93%
Two Year Bundle	£1.04	£0.16	£1.20	46%
Three Year Bundle	£0.96	£0.24	£1.20	64%
Four Year Bundle	£0.88	£0.32	£1.20	73%
Five Year Bundle	£0.80	£0.40	£1.20	79%

**Ends**

#### **Notes to Editors:**

1. Packs and Bundles are standardised strip transactions and are recognised strategies on LIFFE CONNECT<sup>®</sup>. These flexible strategies allow the user to execute a simultaneous transaction in a series of consecutive quarterly delivery months, removing the legging risk associated with executing separate trades in each of the constituent delivery months.
2. A **Pack** comprises four consecutive quarterly months in the same colour grouping. As with a Strip, you would either buy each leg of the strategy or sell each leg to go long or short the Pack. However, Packs are more standardised in that each constituent leg must be of the same volume (e.g. a long five lot White Pack position consists of five lots long White Dec, five lots long White Mar, five lots long White Jun and five lots long White Sep).
3. A **Bundle** comprises consecutive quarterly months, starting from the front month, and covering two or more years. It also requires equal volume per leg, e.g. a Two Year Bundle would consist of equal numbers of lots - all long or all short - in each of White Dec, White Mar, White Jun, White Sep, Red Dec, Red Mar, Red Jun and Red Sep.