



LONDON NOTICE No. 2715

ISSUE DATE: 14 December 2005
EFFECTIVE DATE: 19 December 2005

**OPTION CONTRACT ON EQUITY SHARES
(DENOMINATED IN STERLING)
(EXCHANGE CONTRACT NO. 201)**

**EQUITY SHARES CONTRACT
(EXCHANGE CONTRACT NO. 211)**

**INTRODUCTION OF NEW INDIVIDUAL EQUITY OPTION AND EQUITY SHARES
CONTRACTS**

Executive Summary

This Notice provides details of the introduction of new Equity Option and Equity Shares Contracts based on the ordinary shares of British Energy Group plc, Wolseley plc and Xstrata plc.

1. Introduction

1.1 The Exchange has determined that Equity Option and Equity Shares Contracts shall be made available for trading in the Central Order Book and, in relation to the Equity Option Contract, also via the Block Trade Facility, on the shares of the following companies:

- (a) British Energy Group plc;
- (b) Wolseley plc; and
- (c) Xstrata plc.

1.2 This Notice includes information in respect of:

- (a) arrangements for the necessary additions to the lists of company shares in respect of Exchange Contract No. 201 (Option Contract on Equity Shares (Denominated in Sterling)) and Exchange Contract No. 211 (Equity Shares Contract).

Web site: www.euronext.com/derivatives

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- (b) proposed market making arrangements and an invitation for members to apply for Primary Market Maker (“PMM”) status in relation to the new Equity Options; and
- (c) the procedure for offering and selling the new Equity Option and Equity Shares Contracts in the United States.

2. Additions to the Lists of Company Shares

- 2.1 On and from Monday 19 December 2005, Equity Option and Equity Shares Contracts will be made available for trading under the terms of Exchange Contracts No. 201 and No. 211, respectively, on the following shares:

Company	Share	ISIN Code	Underlying Stock Exchange	Option Lot Size
British Energy Group plc	10 pence	GB00B04QKW59	London Stock Exchange	1,000
Wolseley plc	25 pence	GB0009764027	London Stock Exchange	1,000
Xstrata plc	USD 0.50	GB0031411001	London Stock Exchange	1,000

- 2.2 An updated list of company shares in respect of Exchange Contracts No. 201 and No. 211 will be made available on the Euronext website (www.euronext.com) in due course.

- 2.3 The following table provides further details of the expiry months that will initially be made available for trading:

Option	Contract Code	Expiry Cycle	Initial Expiry Months
British Energy Group plc	BEG	Nearest three of March, June, September and December	March 2006, June 2006 and September 2006
Wolseley plc	WSY	Nearest three of March, June, September and December	March 2006, June 2006 and September 2006
Xstrata plc	XST	Nearest three of March, June, September and December	March 2006, June 2006 and September 2006

3. Market Making Arrangements

- 3.1 Members wishing to apply for PMM status in the new Equity Option Contracts should complete LIFFE Form 148 (for existing PMMs) or LIFFE Form 149 (for members who are not currently PMMs), both of which are available from Justin Matijasevich at Euronext.liffe. **Applications must be submitted in confidence to Justin Matijasevich as sealed bids no later than by close of business on Friday 16 December 2005.** Incomplete applications will not be valid or accepted. Similarly, applications received after the application deadline will be rejected.
- 3.2 Members should refer to LIFFE Circular No. 05/04, issued on 8 March 2005, for a description of the PMM Scheme.

- 3.3 Details of the applicable monthly base volume thresholds in respect of the calculation of compensation payments to PMMs are as follows:

Option	Contract Code	Base Volume Threshold
British Energy Group plc	BEG	500
Wolseley plc	WSY	500
Xstrata plc	XST	500

- 3.4 Members are reminded that, as detailed in LIFFE Circular No. 05/04, the current PMM Scheme in respect of Equity Option Contracts will be in place until the close of business on 31 March 2006.

- 3.5 The daily message allocations for PMMs who intend to use price injection models will be as follows:

Contract Code	Allocation
BEG	4,000
WSY	4,000
XST	4,500

Members are reminded that daily message allocations are subject to revision (i.e. allocations may be increased or decreased by the Exchange) should the Exchange need to review the use of bandwidth capacity.

- 3.6 Further information on the use of Automated Price Injection Models and the daily message allocation for PMMs is available in LIFFE Circular No. 05/04.
- 3.7 Members are reminded that the appointment of a PMM will be subject to a binding contract (“the Agreement”) between the successful applicant and the Exchange. A completed application does not constitute such an Agreement. Furthermore, a successful applicant’s PMM status, and therefore the period for which he may receive financial benefits, may not be deemed to have commenced until such Agreement is completed, signed and returned to the Exchange.

4. Offer and Sale in the United States

- 4.1 The new Equity Option Contracts will be “Approved Options” (as defined in General Notice No. 436, issued on 16 June 1992) in respect of the transaction of business with certain U.S. entities. Members should refer to General Notices No. 436 and No. 1754, issued on 16 June 1992 and 31 January 2001 respectively, which explain the procedure for offering and selling Approved Options in the United States. By extension, such arrangements also apply to the offer and sale in the United States of the corresponding Equity Shares Contracts given that they have to be executed as part of a Stock Contingent Trade.
- 4.2 The list of Approved Options on the Euronext website (www.euronext.com) will be updated in due course.

5. Block Trade Facility

5.1 The new Equity Option Contracts shall be included in the Exchange's Block Trade Facility with effect from Monday 19 December 2005. The Block Trade minimum volume thresholds for the new Equity Option Contracts shall be as follows:

Option	Contract Code	Block Trade minimum volume threshold
British Energy Group plc	BEG	500
Wolseley plc	WSY	500
Xstrata plc	XST	500

For further information in relation to this Notice, members should contact:

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