



LONDON NOTICE No. 2677

ISSUE DATE: 22 August 2005
EFFECTIVE DATE: 5 September 2005

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

**EQUITY SHARES CONTRACT (DENOMINATED IN STERLING)
(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 PartyGaming plc and William Hill plc.

1. Introduction

1.1 The Exchange has determined that Equity Option and Equity Shares Contracts shall be made available for trading on the shares of the following companies:

- (a) PartyGaming plc; and
- (b) William Hill 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 (Denominated in Sterling));
- (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.

Web site: www.euronext.com/derivatives

The Euronext Derivatives Markets ("Euronext.liffe") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.

Euronext NV, PO Box 19163, 1000 GD Amsterdam, The Netherlands

2. Additions to the Lists of Company Shares

- 2.1 On and from Monday 5 September 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
PartyGaming plc	Depositary Interest in respect of Ordinary 0.0015 pence share	GI000A0ERMF2	London Stock Exchange	1,000
William Hill plc	Ordinary 10 pence share	GB0031698896	London Stock Exchange	1,000

- 2.2 Exercise Notices submitted in relation to the PartyGaming plc Equity Option Contract shall be satisfied by the delivery through CREST of Depositary Interests in respect of the PartyGaming plc Ordinary 0.0015 pence shares.
- 2.3 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.
- 2.4 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
PartyGaming plc	PTG	Nearest three of March, June, September and December	September 2005, December 2005 and March 2006
William Hill plc	WHL	Nearest three of March, June, September and December	September 2005, December 2005 and March 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 26 August 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 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
PartyGaming plc	PTG	500
William Hill plc	WHL	500

- 3.4 Members are reminded that, as detailed in Circular No. 05/04, the current PMM Scheme in respect of Individual 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
PTG	5,000
WHL	5,000

Members are reminded that daily message allocations are subject to revision (i.e. allocations maybe increased or decreased) 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 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(s) 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 full 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 5 September 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
PartyGaming plc	PTG	500 lots
William Hill plc	WHL	500 lots

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

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