

LONDON NOTICE No. 3260

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**OPTION CONTRACT ON FTSE 100 INDEX (EUROPEAN-STYLE EXERCISE)
(EXCHANGE CONTRACT NO. 129E)****ENHANCEMENT OF THE SERIES POLICY FOR FTSE 100 INDEX OPTION CONTRACTS****Executive Summary**

This Notice informs Members of the Exchange's intention to enhance the series policy for initially introduced series in the FTSE 100 Index Option Contract (Exchange code: ESX) with effect from Monday 8 March 2010.

1. This Notice informs Members of the Exchange's intention to enhance the series policy for initially introduced series in the FTSE 100 Index Option Contract (Exchange code: ESX) with effect from Monday 8 March 2010. This will entail the introduction of additional series for the short term expiry months. The number of expiry months listed will not change.
2. In response to market feedback and after continuous monitoring of the ESX series policy, NYSE Liffe will adjust the number of initially introduced series as well as the series intervals available in respect of the FTSE 100 Index Option Contract, offering market participants more trading opportunities.
3. As a result of the adjustment, the expiry months will cover a wider range of in- and out-of-the-money series which will lead to a higher variety of delta series.
4. A revised version of Annexe One – Part III of the NYSE Liffe Trading Procedures is set out in the Attachment to this Notice and will appear on the NYSE Euronext website (www.nyx.com/liffe) in due course.

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

Equity Derivatives Product +44 (0) 20 7379 2200 equities@liffe.com
Management

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets** comprise 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 is part of the NYSE Euronext group.

ANNEXE ONE – Part III**Series Policy for the FTSE 100 Index Option Contract**

Introduction: 8 March 2010

1. FTSE 100 Index Option Contracts will be split up into different groups depending on the remaining lifetime of the expiry month:

FTSE 100 Index Options		
Cycle	Expiry months	Remaining Lifetime (months)
Front Month	Every month	1
Short term	Every month	2, 3, 4
First year quarterly	March, June, September, December	6, 9, 12
Second year quarterly	March, June, September, December	15, 18, 21, 24

2. The exercise price of each series is fixed in accordance with the following scheme:

FTSE 100 Index Interval Scheme					
Interval Scales					
Scale A	Scale B	Scale C	Scale D	Scale E	Scale F
25	50	100	200	400	800

3. The initially introduced series will always be multiples of the intervals e.g. the 5500 series is not a multiple of 200 and will therefore not initially be introduced according to Scale D. The series can be initially introduced according to the other scales. However, if the need to have this series listed is valid and is in accordance with the Series On Request policy, the series can be requested and become available intra day. Series can be requested by calling the NYSE Liffe Market Services department on +44 (0)20 7379 2001. The Exchange reserves the right to decide whether or not to grant a request for a series.
4. The revised series policy will introduce a minimum number of series per expiry month depending on the remaining lifetime of the expiry month. The minimum number of in-the-money (ITM), at-the-money (ATM¹) and out-of-the-money (OTM) series to be introduced initially will be as follows:

≤ 1 month to expiry

For expiry months with a remaining lifetime of up to and including 1 month:

At least 27 series

- 7 series around the money - Interval Scale A: 1st ITM+2nd ITM+3rd ITM+ATM+1st OTM+2nd OTM+3rd OTM
- 14 series - Interval Scale B: 4th ITM to 10th ITM+4th OTM to 10th OTM
- 4 series - Interval Scale C: 11th ITM+12th ITM+11th OTM+12th OTM
- 2 series - Interval Scale D: 13th ITM+13th OTM

¹ The option series whose price differs the least from the price of the underlying index is considered to be the at-the-money series. There will be no at-the-money series in a situation where the market price of the underlying security is exactly halfway between two series.

> 1 to ≤ 4 months to expiry

For expiry months with a remaining lifetime exceeding 1 month and up to and including 4 months:
At least 27 series

- 15 series around the money - Interval Scale B: 1st ITM to 7th ITM+ATM+1st OTM to 7th OTM
- 6 series - Interval Scale C: 8th ITM to 10th ITM+8th OTM to 10th OTM
- 4 series - Interval Scale D: 11th ITM+12th ITM+11th OTM+12th OTM
- 2 series - Interval Scale E: 13th ITM+13th OTM

> 4 to ≤ 12 months to expiry

For expiry months with a remaining lifetime exceeding 4 months and up to and including 12 months:
At least 21 series

- 9 series around the money - Interval Scale C: 1st ITM to 4th ITM+ATM+1st OTM to 4th OTM
- 6 series - Interval Scale D: 5th ITM to 7th ITM+5th OTM to 7th OTM
- 4 series - Interval Scale E: 8th ITM+9th ITM+8th OTM+9th OTM
- 2 series - Interval Scale F: 10th ITM+10th OTM

> 12 to ≤ 24 months to expiry

For expiry months with a remaining lifetime exceeding 12 months and up to and including 24 months:
At least 21 series

- 7 series around the money - Interval Scale C: 1st ITM+2nd ITM+3rd ITM +ATM+1st OTM+2nd OTM+3rd OTM
- 6 series - Interval Scale D: 4th ITM to 6th ITM+4th OTM to 6th OTM
- 4 series - Interval Scale E: 7th ITM+8th ITM+7th OTM+8th OTM
- 4 series - Interval Scale F: 9th ITM+10th ITM+9th OTM+10th OTM

5. The following tables provide a summary of the exercise prices per expiry month at time of listing:

Time to maturity	1 month	2,3,4 months	6,9,12 months	15,18,21,24 months
	XIII Scale D	XIII Scale E		
	XII Scale C	XII Scale D		
	XI Scale C	XI Scale D		
	X Scale B	X Scale C	X Scale F	X Scale F
	IX Scale B	IX Scale C	IX Scale E	IX Scale F
	VIII Scale B	VIII	VIII Scale E	VIII Scale E
	VII Scale B	VII	VII Scale D	VII Scale E
	VI Scale B	VI	VI Scale D	VI Scale D
	V Scale B	V	V	V Scale D
	IV Scale B	IV	IV	IV
	III Scale A	III	III	III
	II Scale A	II	II	II
	I Scale A	I	I	I
	ATM Scale A	ATM Scale B	ATM Scale C	ATM Scale C
	I Scale A	I	I	I
	II Scale A	II	II	II
	III Scale A	III	III	III
	IV Scale B	IV	IV	IV
	V Scale B	V	V	V Scale D
	VI Scale B	VI	VI Scale D	VI
	VII Scale B	VII	VII	VII Scale E
	VIII Scale B	VIII Scale C	VIII Scale E	VIII Scale E
	IX Scale B	IX Scale C	IX Scale E	IX Scale F
	X Scale B	X	X Scale F	X Scale F
	XI Scale C	XI Scale D		
	XII Scale C	XII Scale E		
	XIII Scale D	XIII Scale E		

6. A price established on a trading day (T) will be the reference price used to determine the introduction of additional series on the next trading day (T+1) in order to have at least the minimum number of in- and out-of-the-money series listed.