

LONDON NOTICE No. 2734

ISSUE DATE: 27 January 2006
EFFECTIVE DATE: 31 January 2006

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

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

**UNIVERSAL STOCK FUTURES CONTRACT (CASH SETTLEMENT)
(EXCHANGE CONTRACT NO. 56)**

**INTRODUCTION OF NEW INDIVIDUAL EQUITY OPTION, EQUITY SHARES AND
UNIVERSAL STOCK FUTURES CONTRACTS BASED ON THE SHARES OF GUS PLC**

Executive Summary

This Notice provides details of the introduction of new Equity Option, Equity Shares and Universal Stock Futures Contracts based on the ordinary shares of GUS plc.

1. Introduction

- 1.1 The Exchange has determined that Equity Option, Equity Shares and Universal Stock Futures Contracts shall be made available for trading on the shares of GUS 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)), Exchange Contract No. 211 (Equity Shares Contract) and Exchange Contract No. 56 (Universal Stock Futures Contract (Cash Settlement));
 - (b) proposed market making arrangements and an invitation for members to apply for Primary Market Maker ("PMM") status in relation to the new Equity Option Contract; 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 Tuesday 31 January 2006, Equity Option and Equity Shares Contracts will be made available for trading in the Central Order Book (and also via the Block Trade Facility in the case of the Equity Option Contract) 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
GUS plc	25 pence	GB00B0NH0079	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
GUS plc	GSS	Nearest three of March, June, September and December	March 2006, June 2006 and September 2006

3. Details of the Universal Stock Futures Contract

- 3.1 The Exchange has determined to make the GUS plc Universal Stock Futures Contract available for trading via the MATCH Facility on and from Tuesday 31 January 2006.
- 3.2 Contract Details are set out in the Attachment to this Notice and will appear on the Euronext website (www.euronext.com) in due course.
- 3.3 The initial delivery months to be made available for trading shall be the March 2006, June 2006, September 2006 and December 2006 delivery months.

4. Market Making Arrangements

- 4.1 Members wishing to apply for PMM status in the new Equity Option Contract 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 the close of business on Friday 3 February 2006.** Incomplete applications will not be valid or accepted. Similarly, applications received after the application deadline will be rejected.
- 4.2 Members should refer to LIFFE Circular No. 05/04, issued on 8 March 2005, for a description of the PMM Scheme.
- 4.3 The monthly base volume threshold in respect of the calculation of compensation payments to PMMs shall be 500 in relation to the GUS plc Equity Option.

- 4.4 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.
- 4.5 The daily message allocation for a PMM who intends to use price injection models in respect of the GUS plc Equity Option will be 2,000. Members are reminded that daily message allocations are subject to revision (i.e. allocations may be increased or decreased) should the Exchange need to review the use of bandwidth capacity.
- 4.6 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.
- 4.7 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.

5. Offer and Sale in the United States

- 5.1 The new Equity Option Contract will be an "Approved Option" (as defined in LIFFE 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 LIFFE 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 Contract given that it has to be executed as part of a Stock Contingent Trade.
- 5.2 The full list of Approved Options on the Euronext website (www.euronext.com) will be updated in due course.

6. Block Trade Facility

- 6.1 The new Equity Option Contract shall be included in the Exchange's Block Trade Facility with effect from Tuesday 31 January 2006. The Block Trade minimum volume threshold for the new Equity Option Contract shall be 500 lots.

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

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Effective Date: 31 January 2006**ADDITION TO THE LIST OF CONTRACT DETAILS IN RESPECT OF
EXCHANGE CONTRACT NO. 56****UNIVERSAL STOCK FUTURES CONTRACT****(CASH SETTLEMENT)**Relevant Stock Exchange: **London Stock Exchange**

Company	GUS plc
Shares	£0.25
ISIN Code	GB00B0NH0079
TRS Code	GST
Relevant Stock Exchange	London Stock Exchange
Underlying Currency	£
Relevant Currency	£
Minimum Price Fluctuation	0.25 pence
Lot size (number of shares)	1000
Last Trading Day (“LTD”)	Third Friday of the delivery month
Last Trading Day: time trading ceases	16:30 hours (London time)
Reference Day	LTD
Relevant Reference Price	Official Closing Price
Conversion Rate	n/a
Settlement Day	Market day immediately following LTD