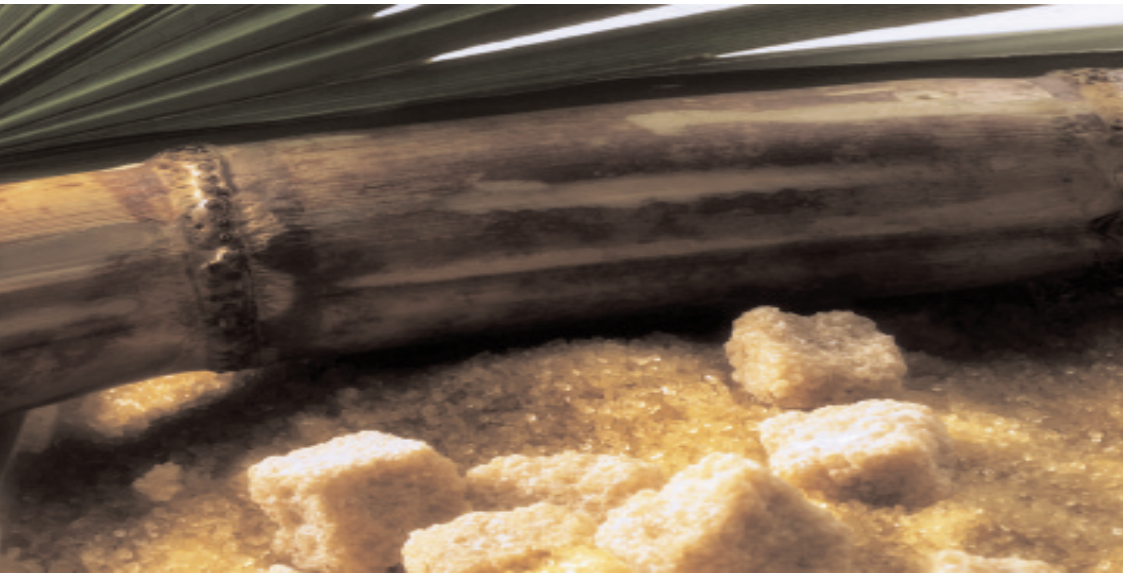


Commodity Portfolio

Raw Sugar futures and options summary



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Euronext.liffe refers to the combined derivatives operations of Euronext and LIFFE. It comprises:

- Euronext Amsterdam Derivative Markets, which is a regulated market under Dutch Law;
- Euronext Brussels Derivatives Market, which is a regulated market under Belgian Law;
- Euronext Lisbon Futures and Options Market, which is a regulated market under Portuguese Law;
- LIFFE Administration and Management, which is a Recognised Investment Exchange under English Law;
- MATIF and MONER, which are regulated markets under French Law.

All are regulated markets under the European Union's Investment Services Directive.

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Introduction

Euronext.liffe's Raw Sugar futures and options contracts are traded alongside the existing benchmark White Sugar derivative contracts on one of the world's most advanced electronic trading platforms LIFFE CONNECT®, meaning that market users are able to transact business seamlessly between the Raw Sugar and White Sugar markets, providing cost and execution efficiencies. In addition, the Raw Sugar contracts are cleared alongside the existing White Sugar contracts, by LCH.Clearnet Ltd, resulting in further cost efficiencies in the form of substantial margin discounts for market users who hold offsetting positions.

The advantages of trading Euronext.liffe's Raw Sugar contracts include:

- The contracts are available on LIFFE CONNECT® the electronic trading platform of choice for the soft commodity market.
- International distribution – LIFFE CONNECT® is the most widely distributed electronic trading system in the world.
- Market trading hours cover 3 major time zones.
- Margining efficiencies, capital and cost reductions.
- Delivery and distribution under the Sugar Association of London (SAL) Rules.

These contracts form part of a broad range of commodity products traded at Euronext.liffe, which also include Cocoa, Robusta Coffee, White Sugar, Feed Wheat, Milling Wheat, Rapeseed, Rapeseed Oil and Corn. Euronext.liffe is one of the world's leading markets for exchange-traded derivatives, also encompassing futures and options contracts on short-term interest rates, equities, indices; swaps and government bonds; and currencies.

Summary of Contract Specifications

Raw Sugar Futures Contract	
Unit of Trading	112,000 lb (50 long tons)
Quality	Sound raw centrifugal cane sugar based on 96 degrees average polarisation
Delivery Months	March, May, July and October such that a total of eight delivery months are available for trading
Price Basis	US cents per lb delivered in bulk, free on board and stowed in vessel's hold in the customary port of export from one of the following countries of origin: Argentina, Australia, Barbados, Belize, Brazil, Colombia, Costa Rica, Dominican Republic, El Salvador, Ecuador, Fiji Islands, French Antilles, Guatemala, Honduras, India, Jamaica, Malawi, Mauritius, Mexico, Mozambique, Nicaragua, Peru, Philippines, South Africa, Swaziland, Taiwan, Thailand, Trinidad, USA, Zimbabwe
Last Trading Day	Trading shall cease at 17:30 hours on the last full New York business day of the month preceding the delivery month. (If the LIFFE market is not open on that day, the Last Trading Day shall be the immediately preceding market day)
Tender Day	The first day of the delivery month (if such day is not a business day, the following business day shall be the Tender Day)
Minimum Price Movement (Tick Size and Value)	0.01 cents per lb (\$11.20)
Delivery Period	The two calendar months and the first 15 calendar days of the third calendar month following the cessation of trading
Trading Hours	09.45 to 17:30 hours

Euronext.liffe market: London.

Trading Platform:

LIFFE CONNECT®.

- **Algorithm:** central order book applies a pro-rata trading algorithm, but with priority given to the first order at the best price subject to a minimum order volume and limited to a maximum volume cap.
- **Wholesale Trading Facilities:** Against Actuals.

Contract standard: Delivery may be made of Raw Sugar meeting the contract requirements. Please refer to the full contract specification on the Euronext.liffe web site at www.euronext.com/commodities.

Clearing: LCH.Clearnet Ltd.

All times are London times.

Option on the Raw Sugar Futures Contract

Unit of Trading	One Raw Sugar Futures Contract
Expiry Months	March, May, July and October such that a total of eight expiry months are available for trading, subject to the option expiring before the underlying future
Price Basis	US cents per lb
Minimum Price Movement (Tick Size and Value)	0.01 cents per lb (\$11.20)
Expiry Day	Trading shall cease at 12.15 hours on the second Friday of the calendar month immediately preceding the expiry month. (If this is not a business day, trading shall normally cease on the preceding business day)
Trading Hours	09.47 to 17.30

Euronext.liffe market: London.

Trading Platform:

- LIFFE CONNECT®.
- Algorithm: central order book applies a pro-rata trading algorithm, but with priority given to the first order at the best price subject to a minimum order volume and limited to a maximum volume cap.
- Wholesale trading facilities: none apply.

Exercise Price increments: 0.25 cents per lb.

Contract Standard: Assignment of one Raw Sugar futures contract for the expiry month at the exercise price.

Option Exercise: All options are 'American' style i.e. may be exercised at any time prior to expiry.

Option Premium: The contract price is not paid at the time of purchase. Option positions, as with futures positions, are marked-to-market daily giving rise to positive or negative variation margin flows. If an option is exercised by the Buyer (or abandoned at expiry), the Buyer is required to pay the original contract price to the Clearing House and the Clearing House will pay the original contract price to the Seller on the following business day. Such payment will be netted against the variation margin balances of Buyer and Seller by the Clearing House

Clearing: LCH.Clearnet Ltd.

All times are London times.

Statement in relation to the Tender Process

The Exchange draws the following statement to the attention of potential users of the Raw Sugar Futures Contract. Members should ensure that their clients are made aware of the statement.

"Statement in relation to the Tender Process

Potential users of the Raw Sugar Futures Contract should familiarise themselves with the Contract Terms and Administrative Procedures. Amongst other things, potential users should be aware that the objective of the tender process for the Raw Sugar Futures Contract is to seek to ensure that, to the extent possible, no less than a total of 80 lots of sugar will be tendered for delivery at any port of loading.

In order to seek to achieve that objective, the Exchange has requested LCH.Clearnet Ltd ("the Clearing House") to reject, in accordance with the Contract Terms, a Seller's Notice of Tender which relates to a port of loading for which tenders of less than 80 lots in aggregate have been received. In such case, such Seller will be provided with an opportunity to re-tender at a port of loading where, in aggregate, a minimum of 80 lots will be tendered. If the Seller's revised tender is not in respect of such a port of loading, such Seller will be required to deliver the sugar in a port or ports of loading prescribed by the Exchange. Accordingly, Sellers should note that they may be required to make delivery from a port of loading other than their preferred port.

Potential users should also be aware that, notwithstanding the objective of the tender process, where the aggregate of all tenders is less than 80 lots, the Buyers will be required to take delivery of such lots of sugar from a single port of loading."

Summary of Allowances

No sugar below 95 degrees mean polarisation shall be deliverable. Sugar above and below 96 degrees mean polarisation shall be deliverable at the premium or discount shown below:

- (a) For sugar at 97 degrees add 1.50% to the EDSP.
- (b) For every full degree:
 - (i) Above 97 degrees to and including 98 degrees, add an additional 1.25% to (a), making a total of 2.75% to be added to the EDSP. Tenths and hundredths of a degree above 97 degrees up to and including 98 degrees polarisation shall be calculated in the same proportion.
 - (ii) Above 98 degrees to and including 99 degrees, add an additional 1% to (b)(i), making a total of 3.75% to be added to the EDSP. Tenths and hundredths of a degree above 98 degrees up to and including 99 degrees polarisation shall be calculated in the same proportion.
- (c) For each full tenth of a percentage degree above 99 degrees to and including 99.3 degrees, add an additional 0.1% to (b)(ii), making a total of 4.05% to be added to the EDSP in the case of polarisation at 99.3%. Hundredths of a degree above 99 degrees up to and including 99.3 degrees polarisation shall be calculated in the same proportion.
- (d) For the full degree below 96 degrees to and including 95 degrees deduct 5.50% from the EDSP. Tenths and hundredths of a degree below 96 degrees down to and including 95 degrees shall be calculated in the same proportion.

For further information on the Raw Sugar futures and options contracts please refer to the relevant contract terms.

Summary of Delivery Requirements

Raw Sugar shall be subject to delivery requirements including:

- (a) Delivery to take place at any port of loading in the deliverable origin of the sugar. However, in the case of landlocked countries and sugar originating from a country within the European Union, delivery shall be made at any customary port of loading for the purposes of export from such country.
- (b) Loading to take place at the average rate of 4000 tons calculated on gross weight provided vessel can receive at this rate, basis four or more hatches (if less than four, pro-rata), per weather working day of twenty four consecutive hours.
- (c) The Seller shall be responsible for all expenses pertaining to delivery and loading of sugar into the vessel on a free on board and stowed basis, including any existing or future taxes, or levies in the nature of taxes of the country of origin or loading.
- (d) The Buyer shall be responsible for all expenses pertaining to pilotage, wharfage charges, customs fees and similar charges pertaining to the entry and exit of the vessel at the port of loading.
- (e) The port at which the sugar is to be delivered shall be capable of providing a berth or anchorage that will enable vessels drawing 30 feet (9.2 metres) salt water and with length overall (LOA) of up to 190 metres to proceed to and depart from such berth or anchorage always safely afloat. If the draft of the vessel nominated to load the sugar so permits, a berth of less than 9.2 metres salt water and/or length overall of up to 190 metres may be provided.

Please see the “Statement in relation to the Tender Process” on page 3.

For further information on the Raw Sugar futures and options contracts please refer to the relevant contract terms.

Summary of Documentation

Subject to whether final quantity and quality is to be determined at port of loading or at port of destination, the Seller shall present the following documents:

- (i) Where final quantity and quality is determined at port of loading:
 - (a) a signed commercial invoice, basis actual polarisation
 - (b) a complete set of original signed clean on board bills of lading
 - (c) an original certificate of origin and
 - (d) an original certificate of quantity and quality (polarisation), by an internationally recognised independent supervision firm.
- (ii) Where quantity and quality is determined at a port of destination:
 - (a) a signed commercial provisional invoice for 100% of the value of the sugar basis 96 degrees mean polarisation made out on the bill of lading weight at the Contract price
 - (b) a complete set of original signed clean on board bills of lading
 - (c) an original certificate of origin.

For further information on the Raw Sugar futures and options contracts please refer to the relevant contract terms.

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Further information on commodity products can be found at the commodities section of the Euronext.liffe website www.euronext.com/commodities

For market information on commodity products including grading, tender and stock reports, please see: www.euronext.com/commodities/reports

For details of Euronext.liffe commodities brokers, please see our broker list at www.euronext.com/commodities/publications

Web: www.euronext.com

Free 15-minute delayed futures prices: www.liffe-commodities.com

Historical data: www.databyeuronext.com

For information about Quote Vendors providing Euronext.liffe data, please email market.dataservices@liffe.com

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