



THE PHILADELPHIA BOARD OF TRADE TO BEGIN TRADING FUTURES ON BRITISH BANKERS' ASSOCIATION BBA LIBOR™

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[Product Specifications](#)

PHILADELPHIA – September 13, 2006 - The Philadelphia Stock Exchange (PHLX) and its wholly owned subsidiary Philadelphia Board of Trade (PBOT) announced today that it will list for trading products on British Bankers' Association (BBA) LIBOR reference rates on October 6 subject to final regulatory approval. Through an agreement with Derivative Designs, PBOT will become the global exchange host for an entirely new line of short-term interest rate futures products. PBOT's first product listing will be Daily Expiry™ US Dollar BBA LIBOR™ Futures with the initial listing of a daily maturity for every business day the U.S. Federal Reserve is open for eleven and a half years (for example, October 2006 through April 2018). The Options Clearing Corporation (OCC) will clear all PBOT trades.

"PBOT introduces a new market model for the benefit of traders seeking the opportunity to choose specific daily LIBOR maturity dates supported by PHLX streaming quote technology and OCC's AAA credit rating," said PHLX vice president of new products, Daniel Carrigan. "By partnering with Derivative Designs, the British Bankers' Association and the Options Clearing Corporation, PBOT is positioned to offer an exchange-traded alternative to the OTC interest rate swap market with each trading day covered for the next 11 ½ years," he said.

Ian Mullen, chief executive of the British Bankers' Association said: "I am delighted that the British Bankers' Association has been able to grant an exclusive license to Derivative Designs to enable this innovative product to be launched on the Philadelphia Board of Trade. The derivatives industry will now be able to provide a seamless hedge covering every single trading day of the year. This first product in a forthcoming range of new BBA LIBOR™ based derivatives offers increased efficiency to the financial markets and creates new opportunities for all participants."

"We are pleased to be the clearinghouse for the Philadelphia Board of Trade as it provides an innovative approach to interest rate futures," said Michael Cahill, president and chief operating officer of The Options Clearing Corporation. "The OCC stands ready to support the PBOT product launch with a fully functional, efficient and cost effective futures clearing system."

Pierre Wolf, a founding partner of Derivative Designs and Managing Director of the Derivative Products Group at Fimat, LLC states: "The futures market has waited years for this innovative solution - complete anonymity to trade LIBOR swaps and options, an exclusive BBA license to ensure credibility and symmetry with the over the counter market, an open platform to the entire industry ensures equality of access and liquidity, and a AAA credit counterparty with the OCC."

Todd McCormick, also a managing director of the DPG group at Fimat, LLC and founding partner of Derivative Designs, said, "We have designed a series of hybridized fixed income derivatives, taking the best aspects of both the OTC and listed worlds, while eliminating the counterpart credit management matrix. This solution is elegant in its simplicity. Subsequent to the product launch, we will roll out D.E.L.T.A., the Daily Expiry LIBOR Trading Assistant, a block-execution portal to replicate Fixed / Floating swaps for two or more reset periods. The portal will have innovative private negotiating tools for deal terms and execution. Further, executed trades will be reported to PBOT for straight through processing to OCC to clearing firms utilizing Sungard bookkeeping software. We believe this technology will streamline multi contract trading."

About the PHLX

The Philadelphia Stock Exchange was founded in 1790. The PHLX trades 1,943 stocks, 2,231 equity options, 19 sectors index options and currency options and futures. For more information about the PHLX and its products, visit www.phlx.com.

About the PBOT

The U.S. Commodity Futures Trading Commission certified the Philadelphia Board of Trade as a Designated Contract market on May 26, 2006. For more information about the PBOT and its products, visit www.phlx.com/pbot