CFE Information Circular IC07-03

Date: March 7, 2007

To: CFE Trading Privilege Holders

From: Research Department

Re: Rescaling of VIX and VXD Futures Contracts

CBOE Futures Exchange (CFE) is rescaling the CBOE Volatility Index (VIX) and the CBOE DIJA Volatility Index (VXD) futures contracts in order to bring the traded futures contract prices in line with the underlying index values published by the Chicago Board Options Exchange (CBOE). The rescaling will not change the dollar value of the VIX and VXD futures contracts, and it will not change the dollar value of each tick.

The rescaling will be effective March 26, 2007 and will apply to all VIX and VXD futures contracts. Specifically, the rescaling will apply to all then existing VIX and VXD futures contracts, including those contracts first listed for trading on or before March 26, 2007, and will also apply to all future VIX and VXD futures contracts that are first listed for trading after March 26, 2007.

CFE will rescale VIX and VXD futures contracts in two ways, as reflected in the example below. First, CFE will divide the VIX and VXD futures contracts by 10, thereby eliminating the Increased Value VIX (VBI) associated with VIX futures and the Increased Value VX D (DVB) associated with VXD futures. Instead of using VBI and DVB, CFE will base VIX and VXD futures contracts directly on the underlying index value. Second, CFE will increase the current multiplier for the VIX and VXD futures contracts from $100 to $1,000. As a result, the traded futures price will be reduced by a factor of ten and the minimum tick will be reduced from $0.10 to 0.01 index point, but the dollar value of both will remain the same.

<table>
<thead>
<tr>
<th></th>
<th>Futures Price</th>
<th>Contract Multiplier</th>
<th>Contract Value (Price x Multiplier)</th>
<th>Minimum Tick</th>
<th>Value Per Tick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Practice</td>
<td>103.90</td>
<td>$100</td>
<td>$10,390</td>
<td>$0.10</td>
<td>$10</td>
</tr>
<tr>
<td>Rescaled Practice</td>
<td>10.39</td>
<td>$1,000</td>
<td>$10,390</td>
<td>0.01 index point</td>
<td>$10</td>
</tr>
</tbody>
</table>

The final settlement value for VIX and VXD futures contracts will continue to be rounded to the nearest $0.01. There is a potential rounding differential at final settlement between the current practice and the rescaled practice of no more than $5.00 per contract. CFE believes that the impact of this potential rounding differential will be random and that it will not be systematically biased in favor of or to the detriment of any group of contract holders.

Please contact Bill Speth in Research at (312) 786-7141 or spethw@cboe.com or Darius Zakeri in Trading Operations at (312) 786-8749 or zakeri@cboe.com if you have any questions regarding the rescaling.