



**TFS Energy, a Subsidiary of Compagnie Financière Tradition,  
Successfully Hosts a Weather Derivatives Dutch Auction**

**NEW YORK, June 12, 2007** – TFS Energy, LLC, a global leader in interdealer broking, today announced its weather derivatives division completed a successful Dutch auction on behalf of an end-user wishing to hedge their risk. The auction was over subscribed in terms of the capacity that was available in the market. The auction solicited two scenarios: 1) an aggregate premium transfer for a set of two CDD (Cold Degree Day) Swaps and 2) an aggregate premium for two Put Options. Both scenarios were for the period of June 2007 through August 2007 for Cedar Rapids, IA, and Madison, WI. The combined CDD value per degree was \$105,000. To date this is by far the largest successful transaction size in the weather market; the typical transaction size is between \$1,000 and \$5,000. This large volume did not move the swap markets in the highly correlated city of Chicago, IL, indicating the depth that is now present in the weather market. The maximum payout was set at \$10.9MM. All formal offers came directly through TFS Energy and had to be received by 2:00 P.M. EST, Wednesday, May 30, 2007.

TFS Energy has hosted numerous auctions, which ranged in magnitude from \$1MM to upwards of \$70MM of transferred risk. Its weather desks are located in Stamford, London, and Sydney.

**Editor Notes on the Auction**

Offers were accepted in minimums and multiples of a 1/3 of a tick increment. The first scenario, a cumulative CDD Swap with a premium transfer, had 100 tick increments of \$70,000 per CDD Swap with a corresponding cap of \$7MM for Cedar Rapids, IA, and \$39,000 per CDD Swap with a corresponding cap of \$3.9MM for Madison, WI. The second scenario, a cumulative CDD Put Option, had a 100 tick increments of \$70,000 per CDD Option with a corresponding cap of \$7MM for Cedar Rapids, IA, and \$39,000 per CDD Option with a corresponding cap of \$3.9MM for Madison, WI. In the event there were three levels, all clearing prices received the clearing level for their price.

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**About TFS**

Founded in 1985, TFS is a market leader in the brokering of financial and non-financial products. With offices worldwide, the Company covers currency options, equity and property derivatives, freight, precious metals, energy and pulp & paper markets. TFS Energy brokers a full spectrum of OTC energy and energy-related physical and derivative products, including electricity, natural gas, crude oil and refined products, coal, environmental products, weather derivatives, and exchange-traded futures and options. TFS Energy was awarded 'Broker of the Year-Asia' by *Energy Risk* in 2007. In the 2007 *EnergyRisk/Risk's* Commodity Rankings, TFS won 15 1<sup>st</sup> places, including best broker of weather derivatives. In *Commodities Now's* 2006 broker rankings, TFS Energy was awarded 'The Energy Broker of the Year' for the second successive year. In *Energy Risk's* 2006 commodity rankings, TFS Energy was ranked in 36 categories with nine No. 1 places, including first in US and European weather. In *Environmental Finance's* 2006 survey, TFS Energy won seven 1<sup>st</sup> places, including best broker in weather derivatives globally. TFS is a subsidiary of Compagnie Financière Tradition (CFT), one of the world's top three interdealer brokers in financial and commodity-related products with a presence in 21 countries and 2,200 employees. CFT is listed on the Swiss Exchange (Symbol: CFT). For further information, please visit [www.tfsenergy.com](http://www.tfsenergy.com).

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