X-pand into the Future

e u r e x *circular 092/10*

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors

Prudential PLC: Capital Increase

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Content may be most important for:	**Attachments:**
Ü Front Office/Trading Ü Middle + Backoffice Ü Auditing/Security Coordination	none

Summary:

On May 17, 2010, the company Prudential PLC announced the detailed conditions of the capital increase with subscription rights for the shareholders of Prudential PLC. Subscription ratio will be 2:11 and the subscription price of the new shares pence 104. Subscription period will start on June 8, 2010.

As a consequence of the capital increase, an adjustment to the Eurex options on shares of Prudential PLC (PRU) and the Eurex stock futures contract on Prudential (PRUF) will become necessary.

Ex date will be **June 8, 2010.**

This circular contains a description of the adjustment procedure.

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Prudential PLC: Capital Increase

Measure:
Capital increase with subscription rights for the shareholders of Prudential PLC

Subscription Ratio: 2:11
i.e. two old shares of Prudential PLC entitle to subscribe to eleven new shares of Prudential PLC

Subscription Price:
Pence 104

Last cum trading day:
June 7, 2010

Ex date:
June 8, 2010

Start of Subscription Period:
June 8, 2010

Affected Products:
PRU/PRUF

Reference to underlying Rules & Regulations:
Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Section 1.6.7 (3) and Section 2.6.10.1 (3).

ISIN:
The ISIN of the Prudential PLC share (GB0007099541) will remain unchanged.

Procedure

Determination of Adjustment Factor (R-Factor)

The official closing auction price of the Prudential PLC share at the London Stock Exchange on June 7, 2010 will be the basis for determination of the R-factor.

The R-factor will be determined with eight decimal places. It is calculated in the following way:

R = ((number of existing shares / number of new shares) * (1 - (issue price of new shares / closing auction price))) + (issue price of new shares / closing auction price)

R = ((2 / 13) * (1 - (104 / closing auction price))) + (104 / closing auction price)

Options

1. Adjustment of Strike Prices and Contract Sizes

All existing strike prices will be multiplied by the R-factor.

The contract size will be divided by the R-factor.

The version number of the existing series will be increased by 1.

Adjusted strike prices and contract sizes will be published via the **Market Supervision Messages** window immediately after close of trading on the last cum trading day.

New series with standard contract size 1000 and version number 0 will be introduced effective the June 8, 2010.

All existing orders and quotes will be deleted after close of trading on the last cum trading day.

The adjustment also refers to existing positions in OTC Flexible Options.

2. Exercises

Generally, upon exercise of an adjusted series, cash payment will be made for the fractional part of the new contract size.

For adjusted series as of version 2, deviations in the delivery process might occur. In report RPTTA111 (All Active / Inactive Series), those parts of the contract size are displayed for which cash settlement takes place upon exercise of an adjusted series.

Futures

1. Adjustment of Contract Size and Variation Margin

The adjustment will be effected with the same R-factor as for the options.

To adjust the calculation of the variation margin of the following exchange trading day, settlement prices of the last cum trading day will be multiplied by the R-factor.

The new contract size will be calculated as follows:

Contract size new = contract size old / R-factor

All outstanding orders and quotes will be deleted after close of trading on the last cum trading day.

The adjustment also refers to existing positions in OTC Flexible Futures.

2. Introduction of a new Contract

Currently, there is no open interest in the stock futures contract on Prudential PLC (PRUF). If there is open interest on June 7, 2010 after close of trading, an adjustment of this stock futures contract will take place.

signed: Jürg Spillmann signed: Manfred Weber

Frankfurt, May 20, 2010