X-pand into the Future

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Groupe Lactalis: Planned Takeover Offer to the Shareholders of Parmalat S.p.A.

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Content may be most important for:

- Front Office/Trading
- Middle + Backoffice
- Auditing/Security Coordination

Attachments:

none

Summary:

On April 26, 2011, Groupe Lactalis announced in a press release that it will offer the shareholders of Parmalat S.p.A. in a voluntary public takeover offer to buy the shares held by them. Shareholders of Parmalat S.p.A. shall receive EUR 2.60 in cash for each share they hold.

This circular describes the potential effects this transaction will have on the existing Eurex options (P4I) and the Eurex stock futures contract (P4IG) on shares of Parmalat S.p.A.

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Groupe Lactalis: Planned Takeover Offer to the Shareholders of Parmalat S.p.A.

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Pursuant to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, number 1.6.7 (7) and number 2.6.10.1 (7), positions in the respective contracts will be settled at the theoretical fair value, provided the transaction is regarded as having taken effect. The transaction is regarded as having taken effect if Groupe Lactalis acquired more than 50 percent of the outstanding shares of Parmalat S.p.A. after the conversion period or a possible extended conversion period and declared the offer irrevocably concluded. Should these conditions not be met after close of the offer, trading in Parmalat S.p.A. contracts will be continued without change. For calculation of the theoretical fair value, the following applies:

Basis for the calculation of the theoretical fair value will be the final offering price.

Implied Volatility:

Currently, only one series with open interest exists after the estimated conclusion of the transaction. The same volatility will be used for this call and put. It is calculated from the average implied volatility of the daily settlement prices on the ten exchange days preceding the announcement of the offer (April 8, 2011 to April 21, 2011), whereby both the highest and lowest values were discarded.

The implied volatility for this series is as follows:

Implied volatility Parmalat S.p.A. option			
Expiration year	Expiration month	Strike price	Implied volatility
2011	9	200	41.91

Effective immediately, no more new series will be introduced for now for the Eurex options and the Eurex stock futures contract on Parmalat S.p.A. Series without open interest with maturity after June 2011 have already been deleted.

The following dividend data were or will be applied for determination of the implied volatility, as the case may be:

Dividend amount in euro	**Ex date**
0.036	July 18, 2011

With exception of the September series, all other expirations before the estimated conclusion of the transaction will expire regularly. These series are still available for trading.

Interest Rate:

For calculation of the fair value, EURIBOR interest rates will be used.

If there is no open interest in the Eurex stock futures contract on Parmalat S.p.A. on the last trading day before the adjustment, trading in this contract will be set on “HALT” and discontinued.

We will keep you informed about the further procedure, whenever changes or new information in the course of the transaction will render this necessary.

May 19, 2011