X-pand into the Future

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Jürg Spillmann

Banca Popolare di Milano: Capital Increase

Contact: Derivatives Trading Operations, tel. +49-69-211-1 12 10

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

Summary:

On October 27, 2011, the Management Board of the company Banca Popolare di Milano announced the detailed conditions of the capital increase with subscription rights for the shareholders of Banca Popolare di Milano decided by the extraordinary general meeting of the company Banca Popolare di Milano on June 25, 2011. Subscription ratio for the new shares will be 25:138. Subscription price of the new shares will be EUR 0.30. Subscription period will start on October 31, 2011.

As a consequence of the capital increase, an adjustment to the Eurex options on shares of Banca Popolare di Milano (BPM) and the Eurex stock futures contract on shares of Banca Popolare di Milano (BPMG) will become necessary.

Ex date will be **October 31, 2011**.

This circular contains a description of the adjustment procedure.

Eurex Deutschland
Börsenplatz 4
60313 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
customer.support@
eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Michael Peters,
Andreas Preuss, Peter Reitz,
Jürg Spillmann

ARBN: 101 013 361

Banca Popolare di Milano: Capital Increase

Measure:
Capital increase with subscription rights for shareholders of Banca Popolare di Milano

Subscription Ratio: 25:138
i.e. 25 old shares of Banca Popolare di Milano entitle to subscribe to 138 new shares of Banca Popolare di Milano

Subscription Price:
EUR 0.30

Last cum trading day:
October 28, 2011

Ex date:
October 31, 2011

Start of Subscription Period:
October 31, 2011

Affected Products:
BPM, BPMG

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

ISIN:
The ISIN of the Banca Popolare di Milano share (IT0000064482) will remain unchanged.

Procedure

Determination of Adjustment Factor (R-Factor)

The official closing auction price of the Banca Popolare die Milano share at the Borsa Italiana on the last cum trading day 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 = ((25 / 163) * (1 - (0.30 / closing auction price))) + (0.30 / 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.

The 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 500 and version number 0 will be introduced effective the ex date.

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

Upon exercise of an adjusted series cash settlement will be made for the fractional part of the new contract size. For exercise of adjusted series as of version 2, differences may occur in the delivery process. In report RPTTA111 (All Active/Inactive Series), the parts of the contract size are listed for which cash settlement will take place in case of exercise of an adjusted series.

Futures

1. Adjustment of Contract Size and Variation Margin

The adjustment will be made 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.

Please note: Currently, there is no open interest. An adjustment will only take place if there is open interest after close of trading on the last cum trading day.

October 28, 2011