X-pand into the Future

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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Merck KGaA: Bonus Dividend

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Content may be most important for:

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

Attachments:
none

Summary:

On March 28, 2008, the annual general meeting of Merck KGaA will decide on the payment of a bonus dividend of EUR 2.00 in addition to the regular dividend of EUR 1.20.

You were already informed on February 19, 2008 via the **Market Supervision Messages** window that an adjustment of the existing Eurex options series on the Merck KGaA shares (MRK) and Eurex stock futures contracts on Merck KGaA (MRKF) would be required.

Ex date will be **March 31, 2008**.

This circular contains a description of the adjustment procedure.

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Merck KGaA: Bonus Dividend

On March 28, 2008, the annual general meeting of Merck KGaA will decide on the payment of a bonus dividend of EUR 2.00 in addition to the regular dividend of EUR 1.20.

Ex date will be March 31, 2008.

As a result of this bonus dividend, an adjustment of the Eurex options on Merck KGaA shares pursuant to Section 2.6.10.1 (2) and the Eurex stock futures contracts on Merck KGaA shares pursuant to Section 1.6.7 (2) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be required.

The procedure will be as follows:

The official closing auction price of the Merck KGaA share on Xetra on March 28, 2008 will be the basis for the adjustment. This price will be reduced by the regular dividend. The price resulting from this will be the basis for the determination of the adjustment factor (R-factor).

S1 = Closing auction price of the Merck KGaA share

S2 = S1 minus regular dividend

S3 = S2 minus bonus dividend

R-factor = S3/S2

Adjustment of strike prices (only for options) will be made by multiplying by the R-factor. The contract size will be increased accordingly, so that the original contract value is maintained.

C1 = old contract size

C2 = new contract size

X1 = old strike price

X2 = new strike price

C2 = (C1*X1)/X2

Strike prices (only for options) and contract sizes resulting from the adjustment will be published immediately after close of trading on the last cum trading day, March 28, 2008, via the **Market Supervision Messages** window. The version number of existing series will be increased by 1 (only for options). New series with the standard contract size of 100 and version number 0 will be introduced with effect from the ex date (only for options). All existing orders and quotes will be deleted after close of trading on the last cum trading day, March 28, 2008.

Upon exercise of an adjusted series, cash payment will generally be made for the fractional part of the new contract size (only for options). For adjusted series starting with version 2, changes in the delivery process may occur. In report RPTTA111 (All Active / Inactive Series), those parts of the contract size will be displayed for which cash settlement will be made upon exercise of an adjusted series.

The ISIN of the Merck KGaA share (DE0006599905) will remain unchanged.

The adjustment of the Eurex stock futures contracts on Merck KGaA shares (MRKF) will be done with the same R-factor which is used for options. To adjust the calculation of the Variation Margin of the following day, settlement prices of the Eurex stock futures contract on Merck KGaA of March 28, 2008 will be multiplied by the R-factor.

The new contract size will be calculated as follows:

Contract size new = contract size old / R-factor

After the adjustment, a new Eurex stock futures contract on Merck KGaA shares with standard contract size 100 and the new product code MRKG will be introduced. The exact introduction date will be announced via the **Market Supervision Messages** window.

As soon as the new Eurex stock futures contract on Merck KGaA (MRKG) will be available for trading and there are no more series with open interest in the original Eurex stock futures contract on Merck KGaA (MRKF), trading in this contract (MRKF) will be set on “HALT” and finally discontinued.

Should there be no more open interest in the Eurex stock futures contract on Merck KGaA (MRKF) after close of trading on the last cum trading day, March 28, 2008, no adjustment will be made and no new Eurex stock futures contract on Merck KGaA will be introduced.

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be available on the Eurex website under:

www.eurexchange.com > Documents > Rules and Regulations

Please contact the Functional Helpdesk Equity and Equity Index Products at telephone +49-69-211-1 12 10, should you have any further questions.

Frankfurt, March 17, 2008