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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RWE AG: Capital Increase

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Content may be most important for:

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

Attachments:
none

Summary:

On December 5, 2011, RWE AG decided to realise the announced corporate action. For shareholders of ordinary or preference shares of RWE AG the following conditions will apply: Subscription price of the new ordinary shares will be EUR 26.00, subscription ratio will be 19:1. Subscription period will start on December 8, 2011.

As a consequence of the capital increase, an adjustment to the Eurex options, to the Eurex stock futures contract and to the stock dividend futures contracts on ordinary shares of RWE AG (RWE, RWEE, RWEF, R1WE, R2WE) and to the Eurex stock futures contract on preference shares of RWE AG (RW3F) will become necessary.

Ex date will be **December 8, 2011**.

This circular contains a description of the adjustment procedure.

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RWE AG: Capital Increase

Measure:
Capital increase with subscription rights for shareholders of RWE AG

Subscription Ratio:
19:1, i.e. 19 old ordinary or preference shares of RWE AG entitle to subscribe to one new ordinary share of RWE AG

Subscription Price:
EUR 26.00

Last cum trading day:
December 7, 2011

Ex date:
December 8, 2011

Start of Subscription Period:
December 8, 2011

Affected Products:
RWE, RWEE, RWEF, R1WE, R2WE, RW3F

Reference to underlying Rules & Regulations:
Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Sections 2.6.10.1 (3), 1.6.7 (3) and 1.15.8 (3).

ISIN:
The ISINs of the RWE AG shares (DE0007037129, DE0007037145) will remain unchanged.

Procedure

Determination of Adjustment Factor (R-Factor) for RWE AG - Ordinary Shares -

The official closing auction price of the RWE AG ordinary share on Xetra® 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 = ((19 / 20) * (1 - (26.00 / closing auction price))) + (26.00 / closing auction price)

Determination of Adjustment Factor (R-Factor) for RWE AG - Preference Shares -

As the subscription ratio is the same as for the ordinary shares, the same theoretical value of the subscription right will be used as for the ordinary shares.

For determination of the R-factor, the official closing auction price of RWE AG - preference shares - on Xetra® on December 7, 2011, will be considered in the calculation.

Closing auction price of RWE AG - preference shares	S1
S1 minus theoretical value of the subscription right for RWE AG - ordinary shares	S2
R-factor	S2 / S1

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 100 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/All 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 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 Futures.

2. Introduction of new Contracts

New futures contracts on ordinary shares of RWE AG will be introduced with new product codes RWEG (stock futures contract with standard contract size 100) and R3WE (stock dividend futures contract with standard contract size 1000) and on preference shares of RWE AG with product code RW3G (stock futures contract with standard contract size 100). A detailed Eurex circular with be published in due course.

As soon as the new contracts will be available for trading and no more contract months with open interest are available in the original contracts, trading in these contracts will be set on “HALT“ and finally discontinued.

Furthermore, as of December 8, 2011, no more new contracts months will be introduced in the original contracts. Existing contract months without open interest will be suspended from trading.

Please note that an adjustment will only take place if the subscription right has a positive value.

December 7, 2011