X-pand into the Future

eurex circular 118/14

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Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
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Time Warner Inc.: Spin-off

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Content may be most important for:

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

Attachments:
none

Summary:

On 8 May 2014, the company Time Warner Inc. decided a spin-off in a way that each shareholder will receive for each eight existing Time Warner Inc. shares one additional Time Inc. share. For more information on this transaction, please see the website of the company under the path: www.timewarner.com.

Effective date of the transaction will be **9 June 2014.**

The spin-off will result in an adjustment of the Eurex Single Stock Futures contract on Time Warner Inc. (TWXF).

The circular contains a description of the adjustment procedure.

Time Warner Inc.: Spin-off

On 8 May 2014, the company Time Warner Inc. decided a spin-off in a way that each shareholder will receive for each eight existing Time Warner Inc. shares one additional Time Inc. share

Effective date of the transaction will be 9 June 2014.

Pursuant to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Number 1.6.7 (8), the Eurex Single Stock Futures contract on shares of Time Warner Inc. (TWXF) will be adjusted by means of the basket method as follows:

As of 9 June 2014, this Single Stock Futures contract will be a basket consisting of one Time Warner Inc. share + 0.12500000 Time Inc. shares.

No technical adjustment will be made in this Single Stock Futures contract. Therefore, the contract size will remain unchanged. The necessary adjustment will be made via the daily settlement price at the New York Stock Exchange for the Time Warner Inc. share and the Time Inc. share.

With effect from the respective due date, only the ISIN of the underlying (to a dummy ISIN) and the name of this contract will change in Eurex Exchange's T7 as follows:

Product code old	Product ISIN old/new	ISIN of underlying old	ISIN of underlying new	Name old	Name new
TWXF	DE000A0XWZ26	US8873173038	DE000A11RRV6	Time Warner Inc.	Time Warner Inc. Basket

All open orders and quotes will be deleted after close of trading on 6 June 2014.

As soon as there are no more series with open interest in the Eurex Single Stock Futures contract on the Time Warner Inc. Basket, trading in this contract (TWXF) will be put on "HALT" and finally discontinued.

Also, as of 9 June 2014, no more new series will be introduced in this contract.

Existing series without open interest will be set on "HALT".

Furthermore, as of the respective due date, trading in the OTC Flex facilities will be set on "HALT".

Set-up of a new Single Stock Futures contract

After the spin-off has taken place, the Single Stock Futures contract on the Time Warner Inc. share will be set up again in T7 with standard contract size 100 and a new product code.

Details will be published in a separate Eurex circular.

Please note: The procedure described above will only take place if there is open interest in this contract effective the due date. If this is not the case, no adjustment will be made, trading in the Single Stock Futures contract on Time Warner Inc. (TWXF) will be continued as before and no new contract will be introduced.

6 June 2014