X-pand into the Future

# e u r e x *circular 154/08*

**Date:** Frankfurt, June 20, 2008
**Recipients:** All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
**Authorized by:** Manfred Weber

## HBOS PLC: Capital Increase

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**Content may be most important for:**

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

**Attachments:**

none


**Summary:**

On June 26, 2008, the extraordinary general meeting of the company HBOS PLC will decide on a capital increase with subscription rights for shareholders of HBOS PLC in the ratio of 5:2. Subscription price will be 275 pence. The new shares will be entitled to dividend as of the business year 2008. The subscription period will start on June 27, 2008.

As a consequence of the capital increase, an adjustment to the Eurex stock futures contract on HBOS PLC (HBOF) will become necessary.

Ex date will be **June 27, 2008.**

This circular describes the adjustment procedure.



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# HBOS PLC: Capital Increase

**Measure:**
Capital increase with subscription rights for shareholders of HBOS PLC

**Subscription Ratio: 5:2**
i.e. five old shares of HBOS PLC entitle to subscribe to two new shares of HBOS PLC

**Subscription Price:**
275 pence

**Shares entitled to Dividend:**
as of business year 2008

**Last cum trading day:**
June 26, 2008

**Ex date:**
June 27, 2008

**Start of Subscription Period:**
June 27, 2008

**Affected Products:**
HBOF

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

The updated Contract Specifications will be available on the Eurex website as of the ex date under:

**www.eurexchange.com > Documents > Rules and Regulations**

**ISIN:**
The ISIN of the HBOS PLC share (GB0030587504) will remain unchanged.

## Procedure

**Determination of Adjustment Factor (R-Factor)**

The official closing auction price of the HBOS PLC share at the London Stock Exchange on June 26, 2008 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 = ((5 / 7) * (1-(275.00 / closing auction price))) + (275.00 / closing auction price)

## Futures

**1. Adjustment of Contract Size and Variation Margin**

To adjust the calculation of the Variation Margin of the following 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.

**2. Introduction of a new Contract**

On June 19, 2008 a new contract on HBOS PLC with standard contract size 1000, new product code HBOG and product ISIN DE000A0V8NM0 was set up in the Eurex® system.

Start of trading will be June 27, 2008.

As soon as the new contract is available for trading and there are no more series with open interest in the original contract on HBOS PLC (HBOF), trading in this contract will be set on “HALT” and discontinued.

signed: Thomas Lenz

signed: Manfred Weber

Frankfurt, June 20, 2008