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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors

Ericsson: Reverse Stock Split and Change of Standard Contract Size

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Content may be most important for:

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

Attachments:

none

Summary:

On April 9, 2008, the annual general meeting of the company Ericsson announced a reverse stock split at the ratio of 1:5. Accordingly, shareholders will receive one new Ericsson share for every five Ericsson shares they hold.

Ex date will be **June 2, 2008.**

As a consequence of the reverse stock split, an adjustment to the Eurex options on shares of Ericsson (ERCB) and the Eurex stock futures contract on Ericsson (ERCF) will become necessary.

Furthermore, effective ex date, the standard contract size for Eurex options and the Eurex stock futures contract on shares of Ericsson will be decreased from 500 to 100.

This circular describes the adjustment procedure.

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Ericsson: Reverse Stock Split and Change of Standard Contract Size

Measure:
Reverse stock split at the ratio one new share for every five old shares

Last cum trading day:
May 30, 2008

Ex date:
June 2, 2008

Affected Products:
ERCB / ERCF

Reference to underlying Eurex Rules & Regulations:
Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Sections 2.6.10.1 (5) and 1.6.7 (4).

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 Ericsson share (SE0000108656) will remain unchanged. Should the ISIN change, however, we will publish this via the **Market Supervision Messages** window.

Change of Standard Contract size:
Effective ex date, the standard contract size will be decreased from 500 to 100.

Procedure

Determination of Adjustment Factor (R-Factor)
Number of shares old = 5 / number of shares new = 1

Consequently, the R-factor is 5.00000000

Options

1. Adjustment of Strike Prices and Contract Sizes

Existing strike prices will be multiplied by the R-Factor.

The contract size will be decreased so that the original contract value will be maintained.

The version number of the existing series will be increased by 1.

Please find below a list of all currently existing series before and after the adjustment:

Strike Price old	Version old	Strike Price new	Version new	Contract size old	Contract size new
60	0	300	1	500	100
80	0	400	1	500	100
90	0	450	1	500	100
100	0	500	1	500	100
105	0	525	1	500	100
110	0	550	1	500	100

Strike Price old	Version old	Strike Price new	Version new	Contract size old	Contract size new
115	0	575	1	500	100
120	0	600	1	500	100
125	0	625	1	500	100
130	0	650	1	500	100
135	0	675	1	500	100
140	0	700	1	500	100
145	0	725	1	500	100
150	0	750	1	500	100
155	0	775	1	500	100
160	0	800	1	500	100
165	0	825	1	500	100
170	0	850	1	500	100
175	0	875	1	500	100
180	0	900	1	500	100
185	0	925	1	500	100
190	0	950	1	500	100
195	0	975	1	500	100
200	0	1000	1	500	100
220	0	1100	1	500	100
240	0	1200	1	500	100
260	0	1300	1	500	100
280	0	1400	1	500	100
300	0	1500	1	500	100
320	0	1600	1	500	100
340	0	1700	1	500	100
360	0	1800	1	500	100
380	0	1900	1	500	100
400	0	2000	1	500	100
480	0	2400	1	500	100

The new contract size for LEPOs will be published after close of trading on the last cum trading day, in case there is open interest. Otherwise, LEPOs will be deleted after close of trading on the last cum trading day.

All existing orders and quotes will be deleted after close of trading on the last cum trading day.

2. Introduction of new series

Since after the adjustment, the contract size of series with version number 1 will be equal to the new standard contract size, new series with version 0 will only be introduced if they are not identical with version 1. This is to make sure that no identical series exist with version 0 and version 1.

Futures

1. Adjustment of Contract Size and Variation Margin

The adjustment will be done by means of the same R-factor as for the options.

The new contract size will be calculated as follows:

Contract size old 500.000 / R-factor 5.00000000 = 100.0000 contract size new

To adjust the calculation of the variation margin of the following day, settlement prices from the last cum trading day will be multiplied by the R-factor.

All existing orders and quotes will be deleted after close of trading on the last cum trading day.

2. Introduction of a new Contract

A new contract on Ericsson will be introduced with new standard contract size 100 and new product code ERCG.

The exact date of introduction will be published via the **Market Supervision Messages** window.

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

Should there be no more open interest in the original contract on Ericsson (ERCF) after close of trading on the last cum trading day, no adjustment will be made.

signed: Thomas Lenz

signed: Manfred Weber

Frankfurt, May 23, 2008