X-pand into the Future

eurex circular 276/08

Date: Frankfurt, November 10, 2008

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

⚠ **High priority**

Banco Santander: Capital Increase

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Content may be most important for:	**Attachments:**
➲ Front Office/Trading ➲ Middle + Backoffice ➲ Auditing/Security Coordination	none

Summary:

On November 10, 2008, the company Banco Santander announced a capital increase. The capital increase will take place by means of issuing subscription rights to the shareholders of Banco Santander. Shareholders will be entitled to one new Banco Santander share for each four shares they hold. Subscription price for the new shares will be EUR 4.50.

As a consequence of the capital increase, an adjustment to the Eurex options and Eurex stock futures contract on shares of Banco Santander (BDS2/SANF) will become necessary.

Ex date will be **November 13, 2008.**

This circular describes the adjustment procedure.

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Banco Santander: Capital Increase

Measure:
Capital increase with subscription rights for shareholders of Banco Santander

Subscription Ratio: 4:1
i.e. four old shares of Banco Santander entitle to subscribe to one new share of Banco Santander

Subscription Price:
EUR 4.50

Last cum trading day:
November 12, 2008

Ex date:
November 13, 2008

Start of Subscription Period:
November 13, 2008

Affected Products:
BSD2 /SANF

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) and 2.6.10 (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 Banco Santander share (ES0113900J37) will remain unchanged.

Procedure

Determination of Adjustment Factor (R-Factor)

The official closing auction price of the Banco Santander share at Bolsa de Madrid on November 12, 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 = ((4 / 5) * (1 - (4.50 / closing auction price))) + (4.50 / closing auction price)

Existing strike prices of the Banco Santander options are multiplied with the R-factor. Contract sizes of each options series are divided by the R-factor.

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

A new contract on Banco Santander will be introduced with standard contract size 100 and new product code SANG.

The exact date of introduction will 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 Banco Santander (SANF), trading in this contract will be set on “HALT” and discontinued.

signed: Thomas Lenz

signed: Manfred Weber

Frankfurt, November 10, 2008