X-pand into the Future

e u r e x *circular 034/06*

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Recipients: All Eurex members and vendors
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⚠ **High Priority**

Syngenta AG: Issue of Free Put Options

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

Summary:

The company Syngenta AG announced on February 9, 2006 that it will issue to its shareholders a free put option per share at the value of CHF 1.50 on **February 22, 2006**. The put option entitles the shareholder to sell to Syngenta AG a certain amount of shares. As a result of the free put option issue an adjustment to Eurex options on Syngenta AG (SYNN) will be required. This circular contains a description of the adjustment procedure.

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Syngenta AG: Issue of Free Put Options

The company Syngenta AG announced on February 9, 2006 that it will issue to its shareholders a free put option per share at the value of CHF 1.50 on February 22, 2006. The put option entitles the shareholder to sell to Syngenta AG a certain amount of shares. As a result of the free put option issue an adjustment to Eurex options on Syngenta AG (SYNN) will be required pursuant to number 2.6.10.1. (2) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

Ex-date will be February 22, 2006. Consequently, the adjustment to the options will take place on February 21, 2006 after close of trading on the basis of the closing auction price of the Syngenta share at virt-x:

Value of the put option is CHF 1.50

The shareholder will receive one put option per share

Conversion ratio is 30:1 (30 put options will have a value of CHF 45.00)

The adjustment of the strike prices will be made by means of the R-factor. For its calculation the following formula can be used:

R = ((amount of old shares / amount of new shares) * (1 – (strike price put / closing auction price))) + (strike price put / closing auction price)

Amount of old shares: 30

Amount of new shares: 29

Strike price put: closing auction price + CHF 45,00

Example:

Closing auction price Syngenta CHF 200.00 (assumed)

R = ((30/29) * (1- (245/200))) + (245/200)

R = 0,9922

Adjustment of strike prices will be made by multiplying by the R-factor.

The new contract size will be calculated as follows:

(strike price old * contract size old) / strike price new

Strike prices and contract sizes resulting from the adjustment will be published immediately after close of trading on the last cum-trading day, February 21, 2006, via the **Market Supervision Messages** window. The version number of existing series will be increased by 1. New series with the standard contract size of 10 and version number 0 will be introduced with effect from the ex-day, February, 22. 2006. All outstanding orders and quotes will be deleted after close of trading on February 21, 2006.

On exercise of an adjusted series, a cash payment will be made for the fractional part of the new contract size.

On the days prior to the corporate action the **Contract Cover Assignment Entry** window should be used to delete all allocations of shares covering short call positions for the SYNN product.

Please contact the Functional Helpdesk Equity/Equity Index Products at tel. +49-69-211-1 12 10, should you have any further questions.

Frankfurt, February 17, 2006

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