e u r e x *circular 39/99*

To: All Eurex members and vendors

Date: Frankfurt, 4th May 1999

New Single-class Registered Shares 'ABB Ltd'

Dear Sir or Madam,

At the ordinary General Meetings of ABB AG and ABB AB on 18th March 1999 the shareholders expressed their support for the introduction of the new single-class registered shares, ABB Ltd. The new single-class shares will be created by means of a share split. Through this, ABB shares can be exchanged during the Exchange Offer period from 31st March 1999 until 4th May 1999 (the right to extend the period is reserved) as well as during a subsequent acceptance period of 10 exchange trading days from 11th May 1999 until 26th May 1999.
The general meeting of ABB AG also decided to distribute a special dividend of CHF 30 (gross) per ABB AG bearer share, provided the ABB AG Exchange Offer is completed.

1. Eurex Underlying ABB

Provided the Exchange Offer is completed the share split will also affect the Eurex ABB options. The adjustment to the ABB options will be carried out in three stages:

- Change of the underlying following expiry of the Exchange Offer period
- Payment of the special dividend
- Split/exchange

The current exchange symbol 'ABB' will probably be changed to 'ABBN' from 14th June 1999 and we will inform you via the Newsboard (D050) as soon as it is definitive.

Change of the underlying following expiry of the offer period

After the expiry of the official Exchange Offer period on 4th May 1999, in the overnight batch processing, the Eurex options on ABB will be given a new underlying with the 'ABB AG bearer shares notified for exchange' (ISIN CH0003845838). At that time, no change will be made to either the exercise price or the contract size.

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Distribution of the CHF 30 Special Dividend on ABB AG Bearer Shares

In the event that the special dividend is paid out, the outstanding ABB contracts will be adjusted in the overnight processing of 10th June 1999 by a factor in accordance with Section 2.2.15.7 para. 3 of the Conditions for Trading at Eurex Deutschland and Eurex Zurich. For the existing contract months, no new series with version number 0 will be opened for the trading day of 11th June 1999.

Split/Exchange of ABB AG Bearer Shares (1:16.210)

Due to the conversion factor for the ABB AG bearer shares of 1: 16.210, the various Eurex ABB options will undergo a further change on the following trading day. The existing contracts and their contract size and exercise price will be brought into line again. In addition, new contracts will be opened for each expiry month with three exercise prices and a standard contract size of 10 (version 0) for the trading day 14th June 1999. The basis for the new exercise prices will be the end of day closing price on the Swiss Exchange (SWX) of the current 'ABB AG bearer shares notified for exchange' (ISIN No. CH0003845838) of 11th June 1999 multiplied by the conversion factor.

Furthermore, no LEPOs for JUN99 and SEP99 with the standard contract size of 10 (version 0) will be opened on the day after the split (14th June 1999) but will first be available for trading on 15th June 1999.

Expected Timescale

31st March 1999	Start of offer period
4th May 1999	16.00 CET, end of offer period*****
11th May 1999	Start of additional acceptance period*****
26th May 1999	16.00 CET, end of additional acceptance period
11th June 1999	Ex-date of ABB AG special dividend / Last trading day for the registered ABB AG Bearer shares
14th June 1999	Effective conversion of 'ABB AG bearer shares notified for exchange' / First trading day for ABB Ltd registered shares

***** The administrative board of New ABB Ltd reserves the right to extend the offer period one or more times.

Calculation of the SMI

If the split is completed, the largest part of the liquidity is likely to be in the 'ABB AG bearer shares notified for exchange' (ISIN No. CH0003845838). As a result, the SMI index calculation will be adjusted from 5th May 1999 to include the 'ABB AG bearer shares notified for exchange' (ISIN No. CH0003845838).

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2. Delivery of ABB Shares

Exercise of ABB Options up to and including 4th May 1999

For pending deliveries and deliveries from exercises of ABB options up to and including 4th May 1999, the old 'ABB AG bearer shares not notified for exchange' with CHF 50 nominal value (ISIN No. CH0006254327) must be delivered.

Exercise of ABB Options from 5th May up to and including 11th June 1999

For pending deliveries and deliveries from exercises of ABB options from 5th May up to and including 11th June 1999, 'ABB AG bearer shares notified for exchange' with CHF 50 nominal value (ISIN No. CH0003845838) must be delivered. SEGA will settle all pending deliveries with ISIN No. CH0003845838 up to and including the processing day 16th June as long as the member has a sufficient security account balance, or cash in CHF on his SIC account.

Exercise of ABB Options from 14th June 1999

For pending deliveries on exercise of ABB Options from 14th June 1999, the new registered shares of New ABB Ltd with CHF 10 nominal value (ISIN No. CH0003846620) must be delivered.

Effective Conversion at SEGA before the Processing Day 17th June 1999

The SEGA transfer will take place on 17th June 1999 before the daily processing. Pending deliveries from exercises up to and including 11th June 1999, which may have not been settled, will be rejected by the SEGA system and must be transmitted to the CSDs by Eurex. SEGA will convert existing 'ABB AG bearer shares notified for exchange' (ISIN No. CH0003845838) in the SEGA security account into registered shares of New ABB Ltd (ISIN No. CH0003846620) in the ratio of 1:16.210 (only whole shares).

Fraction Compensation

The fractions will valued by the average closing price (unweighted) of the registered shares of New ABB Ltd from 14th June to 18th June 1999 with value date 25th June 1999. The binding rate will be announced by Credit Suisse First Boston on 21st June 1999. On 25th June 1999, before the day's processing, SEGA will book the balance on ISIN No. CH0003846729 'New ABB Ltd, (fractions)', and credit the counter-value with a value date of 25th June 1999 to the member's SIC account. The ISIN No. will subsequently be deleted.

LEPOs

LEPOs will be adjusted differently from normal. On this occasion, holders of Long positions in ABB LEPOs will receive no cash credit (Premium adjustment). Holders of Short positions will receive no corresponding charge. The exercise price for the LEPO will remain unchanged at 1 CHF, but the contract size will be adjusted by the new adjustment factor.

For further information, please refer to the Rules and Regulations ‘Conditions for Trading at Eurex Deutschland and Eurex Zurich ‘ as well as our Newsboard (D050) and information vendor contributor pages on which we will publish more detailed information (corrected and new exercise price, new contract size, new weighting in the SMI, and new SMI capital factor).

If there are any changes to this information over time, we will inform you via the Eurex Newsboard (D050).

If you have any questions, the Stock Products Help-desk, Tel +49-(0)69-2101-1210 will be pleased to assist you.

Yours sincerely,



Otto E. Nägeli



Hartmut Klein

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