X-pand into the Future

e u r e x *circular 028/02*

Date: Frankfurt, 22 March, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **Action Required** ⚠ **High Priority**

1. Lonza Group AG (LONN) Stock Split
2. Holiday Regulations for 28 March, 2002 – No Trading in Finnish Products

Related Eurex Circulars: 120/01 (Topic 2)

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Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office ➲ Auditing / Security Coordination	Regulations for 28 March, 2002 – Trading Holiday for Finnish Products

Summary:

1. Lonza Group AG (LONN) Stock Split

Due to a stock split in the ratio 10:1, an adjustment will be made to the options on the stock of Lonza AG (LONN). The adjustment procedure and the planned time-scales are described in the circular.

2. Holiday Regulations for 28 March, 2002 – No Trading in Finnish Products

Maundy Thursday, 28 March, 2002 is a holiday in Finland. The Finnish stock exchange - HEX Helsinki Exchanges - will be closed and there will be no trading in Finnish products on Eurex.

Detailed information concerning the holiday regulations for 28 March, 2002 as well as the special considerations for the first trading day after the Maundy Thursday holiday – 2 April, 2002 – can be found in the attachment.

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1. Lonza Group AG (LONN) Stock Split
2. Holiday Regulations for 28 March, 2002 – No Trading in Finnish Products

1. Lonza Group AG (LONN) Stock Split

The company Lonza Group AG has decided to split its stock in the ratio10:1. Subject to approval at the annual general meeting, Lonza Group will be quoted ex-split from 3 April, 2002 under a new ISIN. The adjustment to the Lonza option at Eurex will be carried out on 2 April, 2002 during the last batch run prior to the quotation ex-split.

The adjustment procedure will be as follows:

Lonza Option Split Ratio 10:1

Quotation ex-split: 3 April, 2002
Old ISIN: CH0009493658
New ISIN: CH0013841017
The WKN remains unchanged

With effect from 3 April, 2002, existing series will be adjusted with an R-factor of 0.1. For example, an exercise price of 1000 with a contract size of 10 will be adjusted to an exercise price of 100 with a contract size of 100. All adjusted series will be given the version number 1. After the stock split the standard contract size will be 100 shares. New series with version number 0 introduced after the split, due to price changes or introduction of new expirations, will also have a contract size of 100 shares. Consequently, there will be no difference between series with version number 1 or 0.

In future, exercise prices will be displayed to 2 decimal places. Firstly, before the split, **one** decimal place will be added with effect from **2 April, 2002** (i.e. 1000 will become 10000). The split will take effect from **3 April, 2002** (10000 will become 1000, where 1000 is equivalent to an exercise price of 100.0). **One further** decimal digit will be added with effect from **4 April, 2002** (e.g. 1000 becomes 10000, where 10000 corresponds to an exercise price of 100.00).

Additional changes valid from 3 April, 2002:

New ISIN: CH0013841017
Tick Size / Tick Value will change from CHF 0.10 to CHF 0.01
Minimum price change for all option prices will be CHF 0.01
Market Maker Maximum Spread (Class II):

Bid up to (CHF)	Spread (CHF)
0 -10	2.0
10.01 - 30.00	20%
> 30.00	6.0

- On the day prior to the split (2 April, 2002) all assignments to short call positions in LONN on screen I030 (Contract Cover Assignment Entry) should be cancelled.
- On the day prior to the split, open deliveries in LONN will be cancelled, and replaced in the delivery system on the ex-date with the new ISIN and adjusted number of shares to deliver.
- On the ex-date, collateral balances will be modified to the new values in the Eurex system.
- All outstanding orders and quotes in LONN will be deleted from the order book after close of trading on 2 April, 2002
- New position limits of 7,600 contracts, or 22,800 contracts for market makers, will be defined

Please take account of the changes described above.

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2. Holiday Regulations for 28 March, 2002 – No Trading in Finnish Products

Maundy Thursday, 28 March, 2002 is a holiday in Finland. The Finnish stock exchange - HEX Helsinki Exchanges - will be closed and there will be no trading in Finnish products on Eurex. It is also a non-value date in Finland, and settlement of Finnish products between Clearstream Banking AG and APK will not be possible. SIS - SegaInterSettle AG Zürich and Clearstream Banking AG are open as usual on that day, so deliveries in non-Finnish products (including cross-border settlement) can be carried out.

Detailed information concerning the holiday regulations for 28 March, 2002 as well as the special considerations for the day after the Maundy Thursday holiday – 2 April, 2002 – can be found in the attachment.

Frankfurt, 22 March, 2002

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Regulations for 28 March, 2002 – Trading Holiday for Finnish Products

1. Procedures for 28 March, 2002
2. Special Considerations for the Trading Day Following the Holiday – 2 April, 2002

1. Procedures for 28 March, 2002

Maundy Thursday, 28 March, 2002 is a holiday in Finland. The Finnish stock exchange - HEX Helsinki Exchanges - will be closed and there will be no trading in Finnish products on Eurex. It is also a non-value date in Finland, and settlement of Finnish products between Clearstream Banking AG and APK will not be possible. SIS - SegaInterSettle AG Zürich and Clearstream Banking AG are open as usual on that day, so deliveries in non-Finnish products (including cross-border settlement) can be carried out.

1.1 Finnish Products

No trading will be possible in Finnish products on 28 March, 2002. No Trade Adjustments or historical transactions on trades from 27 March, 2002 will be possible, and no Exercises, Give-ups, Take-ups, or Position Adjustments can be performed.

1.2 Trading in non-Finnish products

All non-Finnish products can be traded as normal within their defined trading periods. There are no related restrictions, which means that Trade Adjustments, including historical transactions, Exercises, Give-ups, Take-ups, and Position Adjustments can be carried out.

1.3 Access to the Eurex System

All Trading members will have access to the Eurex system and will be able to trade all non-Finnish options and futures products.

1.4 CHF Payments

The cash-calls calculated in CHF from the overnight batch processing of 27 March, 2002 (Premium and Variation Margin for non-Swiss Clearing members, Premium, Variation Margin, and Additional Margin for Swiss Clearing members) will be transferred to the SIC system on 28 March, 2002 as on any normal day. The amounts will debited or credited to the members' SIC accounts on the same day.

1.5 Euro Payments

The cash amounts (Cash Calls) calculated in euro for Premium and Variation Margin, as well as possible Margin Calls for non-Swiss Clearing members, and Premium, Variation Margin for Swiss Clearing members, from the batch of 27 March, 2002 will be credited or debited to members' LZB cash accounts at on 28 March, 2002, as on any normal day.

1.6 Clearstream and SIS Deliveries

The business operations of Clearstream and SIS are not affected by the holiday in Finland, and delivery instructions in German, Swiss, Italian, French, Dutch and US products can be executed. Cross-border settlement is also possible. Finnish products will be settled one day later than normal (plus one day). For all deliveries of Finnish products due on or across 28 March, 2002 (exercises from 21 March to 27 March, 2002) the value date will be extended by the system by one day to T+5. Value dates shown on Eurex reports will be automatically adjusted correctly.

Finnish Products:

Thursday 21.03.2002	Friday 22.03.2002	Monday 25.03.2002	Tuesday 26.03.2002	Wednesday 27.03.2002	Thursday 28.03.2002	Tuesday 02.04.2002	Wednesday 03.04.2002	Thursday 04.04.2002	Friday 05.04.2002	Monday 08.04.2002
Exercise/ Assignment Day T	Day T + 1	Day T + 2	Day T + 3	Delivery at Clearstream Day T + 4						
	Exercise/ Assignment Day T	Day T + 1	Day T + 2	Day T + 3	plus 1 Day	Delivery at Clearstream Day T + 5				
		Exercise/ Assignment Day T	Day T + 1	Day T + 2	plus 1 Day	Day T + 4	Delivery at Clearstream Day T + 5			
			Exercise/ Assignment Day T	Day T + 1	plus 1 Day	Day T + 3	Day T + 4	Delivery at Clearstream Day T + 5		
				Exercise/ Assignment Day T	plus 1 Day	Day T + 2	Day T + 3	Day T + 4	Delivery at Clearstream Day T + 5	
					No Exercise/ Assignment	Exercise/ Assignment Day T	Day T + 1	Day T + 2	Day T + 3	Delivery at Clearstream Day T + 4

1.7 Margin Calculations

On 28 March, 2002 the Eurex Clearing House will levy margin requirements for all Eurex products. Additional Margin will be calculated for Finnish products, although the products cannot be traded. On 28 March, 2002 it is foreseen to use the settlement prices from the previous trading day (27 March, 2002) for Finnish products, with the value for the Days-to-Expiration decreased by one day. The theoretical prices for all products will be re-calculated. For Finnish products the theoretical prices will show only a small change as a result of the holiday.

1.8 BOF Information VALUES Broadcasts

On 28 March, 2002 complete BOF Information VALUES Broadcasts will be sent to members as appropriate.

1.9 Trading Hours for non-Finnish Products

Normal trading hours for non-Finnish products will apply on 28 March, 2002, and their post-trading periods will end as on normal days. Exercises can be carried out until the usual times.

1.10 Settlement Prices for Finnish Products

Settlement prices for Finnish products will be fixed during the course of the morning of 28 March, 2002 and will be sent to members as corresponding messages in the BOF Information broadcast stream. These settlement prices will be identical to those of the previous exchange trading day (27 March, 2002).

1.11 Netting of Finnish Positions on 27 March and 2 April, 2002

Finnish positions from 26 March, 2002 can be closed out on 27 March, 2002 until 13.30 CET without incurring any late closing charges. By close of trading, positions from 27 March, 2002 can also be closed without charges. No historical transactions in Finnish products are possible on 2 April, 2002. On 2 April, 2002 positions from trading in Finnish products on 27 March may be closed out until 13.30 CET without incurring late closing fees.

2. Special Considerations for the Trading Day Following the Holiday - 2 April, 2002

2.1 Trading in Finnish Products

Due to the Easter holidays, the next date on which Finnish products can be traded is 2 April, 2002. All Finnish products can be traded again on 2 April, 2002 but no historical trade transactions can be carried out on that date. However, for Finnish products, it will be possible to close positions from 27 March, 2002 until 13.30 CET on 2 April, 2002 without incurring late closing fees.

2.2 SIC and LZB Accounting

All Eurex Clearing members' SIC and LZB accounts will receive one invoice or payment advice from the batch processing of 28 March, 2002.

2.3 Open Delivery Instructions at Clearstream

On 2 April, 2002 delivery instructions in Finnish products can be executed again between all Clearing members.

Frankfurt, 22 March, 2002