X-pand into the Future

e u r e x *circular 154/07*

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Hypo Real Estate Holding AG: Intended Acquisition of DEPFA Bank plc

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

Summary:

The Management Board of Hypo Real Estate Holding AG and the Board of Directors of DEPFA Bank plc, Dublin have agreed on Hypo Real Estate Holding's acquisition of DEPFA Bank. The takeover will be implemented by means of a so-called scheme of arrangement in accordance with Irish law. Accordingly, Hypo Real Estate Holding AG will acquire 100 percent of the shares of DEPFA Bank plc. The holding will offer to the shareholders of DEPFA Bank EUR 6.80 in cash per DEPFA share and 0.1890 new shares of Hypo Real Estate Holding AG.

This circular contains a detailed description of the effects this intended takeover will have on the Eurex options and the Eurex stock futures contract on shares of DEPFA Bank plc (DEP/DEPF) in case the offer will be accepted.

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Hypo Real Estate Holding AG: Intended Acquisition of DEPFA Bank plc

The Management Board of Hypo Real Estate Holding AG and the Board of Directors of DEPFA Bank plc, Dublin have agreed on Hypo Real Estate Holding's acquisition of DEPFA Bank. The takeover will be implemented by means of a so-called scheme of arrangement in accordance with Irish law. Accordingly, Hypo Real Estate Holding AG will acquire 100 percent of the shares of DEPFA Bank plc.

To become effective, the scheme requires, amongst other things, approval of a majority of 75 percent of DEPFA shareholders to be reached in an extraordinary general meeting. The holding will offer to the shareholders of DEPFA Bank EUR 6.80 in cash per DEPFA share and 0.1890 new shares of Hypo Real Estate Holding AG (according to the press release of Hypo Real Estate Holding AG, the cash component and proportion of stocks are regarded as calculated indemnification claims. For simplification reasons, they are rounded).

Pursuant to the Contract Specifications for Futures Contracts and Options at Eurex Deutschland and Eurex Zürich Contracts, number 2.6.10.1 (7) and number 1.6.7 (7), Eurex options and the Eurex stock futures contract on shares of DEPFA Bank plc (DEP/DEPF) will be adjusted as follows, provided the transaction has taken effect:

Since the cash component does not exceed 67 percent (42 percent cash component and 58 percent stock component), the underlying instruments of the Eurex option and the Eurex stock futures on DEPFA Bank plc (DEP/DEPF) will be replaced by Hypo Real Estate stocks (ISIN DE0008027707) under consideration of the corresponding conversion ratio. The exact date of the adjustment has not been determined, yet.

The adjustment will take place by means of the R-factor method. The R-factor will be calculated from the published conversion ratio of 0.1890 Hypo Real Estate shares plus the cash component per one DEPFA share mentioned above:

As a first step, the cash component will be converted into Hypo Real Estate shares (closing price on the last trading day before the adjustment).

The following example will illustrate the adjustment procedure:

- Closing price: EUR 47.00*
- Cash component: EUR 6.80
- Cash component converted into Hypo Real Estate shares: 6.80 / 47.00 = 0.1447
- Accordingly, for each DEPFA share, shareholders will receive 0.3337 Hypo Real Estate shares (0.1890 + 0.1447)

(* dates quoted are valid only for the example)

In this example, the R-factor would be as follows:

R = 1 / 0.3337 = 2.99670363

Eurex Stock Options on DEPFA Bank plc (DEP)

Strike prices will be multiplied by the R-factor. The new contract size will be calculated as follows:

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

The version number of the existing series will increase by one. Effective adjustment day, Hypo Real Estate shares need to be delivered for the integral part of the new contact size upon exercise of an option. For the decimal places cash settlement will take place upon exercise. The cash settlement amount will be calculated from the difference of the closing price of the Hypo Real Estate share determined in Xetra on the exercise day and the respective strike price multiplied by the fractional part of the contract size.

All existing orders and quotes will be deleted before the adjustment after close of trading on the last trading day. The adjusted series and associated contract sizes will be published immediately after close of trading via the **Market Supervision Messages** window. After the adjustment, no new strike prices and maturities will be introduced. As soon as there are no more series with open interest, trading will be suspended and discontinued.

Product code and product ISIN will remain unchanged.

Eurex Stock Futures Contract on DEPFA Bank plc (DEPF):

The new contract size will be calculated as follows:

Contract size new = contract size old / R-factor

The new contract size resulting from the adjustment will be published via the **Market Supervision Messages** window immediately after close of trading on the last trading day before the adjustment. All existing orders and quotes will be deleted after close of trading on the last trading day before the adjustment.

To adjust the calculation of the Variation Margin of the following day, settlement prices of the Eurex stock futures contract on DEPFA Bank plc will be multiplied by the R-factor after close of trading on the last trading day before the adjustment.

As soon as there are no more series with open interest in the original Eurex stock futures contract on DEPFA Bank plc (DEPF), trading in this contract (DEPF) will be put on hold and discontinued.

If there is no open interest for the original Eurex stock futures contract on DEPFA Bank plc (DEPF) on the last trading day before the adjustment, no adjustment will be carried out and trading in this contract will be put on hold and discontinued with immediate effect.

Product code and product ISIN will remain unchanged.

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be available as of the ex date on the Eurex website under:

www.eurexchange.com > Documents > Rules and Regulations

Further information, such as details on the schedule will be published via the **Market Supervision Messages** window.

If you have any questions, please contact the Functional Helpdesk Equity and Equity Index Products at tel. +49-69-211-1 12 10.

Frankfurt, 1. August, 2007