X-pand into the Future

e u r e x *circular 041/03*

Date: Frankfurt, April 8, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

Swisscom (SCMN) Nominal Value Reduction

Related Eurex Circulars: 060/02
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Content may be most important for:	**Attachments:** None
➲ Front Office / Trading ➲ Middle + Back Office ➲ Auditing / Security Coordination	

Summary:

At their Annual General Meeting on May 6, 2003, in addition to payment of a normal dividend of CHF 12.00, the shareholders of Swisscom AG will vote on a CHF 8.00 reduction in nominal value and corresponding repayment. As already announced on March 26, 2003 via the Market Supervision Messages window, subject to approval at the Annual General Meeting an adjustment to the Swisscom option at Eurex will be made with effect from the time of the nominal value repayment. The nominal value reduction is foreseen for August 2003. The precise date will be communicated via the Market Supervision Messages window in good time.

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Swisscom (SCMN) Nominal Value Reduction

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The adjustment factor (R-factor) will be calculated as follows:

S1= closing price of SCMN shares on the day prior to the Ex-day
S2 = S1- CHF 8.00

R = S2/S1

Adjustment of SCMN option exercise prices will be made through multiplication by the R-factor

New contract sizes will be calculated as follows:

New contract sizes = (Old Exercise Price * Old Contract Size / New Exercise Price)

All adjusted series will have their version number increased by 1. New series with version number 0 and a contract size of 10 will be introduced on the Ex-day. From that date, therefore, series with version numbers 0, 1, 2, 3 and 4, will be available.

Outstanding orders and quotes will be deleted from the system after close of trading on the last Cum-day

The adjusted exercise prices and contract sizes, as well as those for the new series, will be published via the 'Market Supervision Messages' window immediately after close of trading on the last Cum-day.

According to the Swisscom media announcement of March 26, 2003 this year's nominal value reduction will be the last, as the par value of Swisscom shares following the next payment will be CHF 1.00. However, in future, in addition to dividend payments, Swisscom is also planning to distribute further freely-available funds. In the first place this could be via a possible share buy-back which need not take place at the same time as the dividend distribution. Depending on the transaction, particularly where the distribution would be made in the form of subscription rights or a similar issue, this would lead to an adjustment of the option according to the option contract specifications.

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