X-pand into the Future

e u r e x *circular 064/05*

Date: Frankfurt, April 26, 2005
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Swiss Life Holding (SLHN) – Reduction in Nominal Value

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

Summary:

The General Meeting of Swiss Life Holding on May 10, 2005 will suggest a reduction in nominal value of CHF 4.00 to its shareholders. As already informed on April 5, 2005 via the **Market Supervision Messages** window, an adjustment to the Eurex option on shares of Swiss Life Holding for existing series by the amount exceeding the previous fiscal year's dividend will be required.

This circular contains a description of the adjustment procedure.

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Management Board:
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Swiss Life Holding (SLHN) – Reduction in Nominal Value

The General Meeting of Swiss Life Holding on May 10, 2005 will suggest a reduction in nominal value of CHF 4.00 to its shareholders. As already informed on April 5, 2005 via the **Market Supervision Messages** window the reduction in nominal value will require an adjustment to the Eurex options on shares of Swiss Life Holding pursuant to Section 2.6.10.2 (5) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich. This adjustment amounts to CHF 4.00, being the difference to the previous fiscal year's dividend (CHF 0.00).

The reduction in nominal value is planned for July 2005.

The basis for the adjustment will be the closing auction price of the Swiss Life Holding share on the last cum trading day. This price will firstly be reduced by the amount of the previous year's dividend. The resulting price will be used to calculate the adjustment factor (R-factor).

S1 = Closing auction price of the SLHN share

S2 = S1 – CHF 0.00 (previous year's dividend)

S3 = S2 – CHF 4.00 (difference to the previous year's dividend)

R-factor = S3/S2

The new contract size will be calculated as follows:

New contract size = (old exercise price * old contract size) / new exercise price

The exercise prices and contract sizes resulting from the adjustment will be published in the **Market Supervision Messages** window immediately after close of trading on the last cum trading day. The version number of existing series will be increased by 1. New series with the standard contract size 10 and version number 0 will be introduced with effect from the ex day.

All outstanding orders and quotes will be deleted after close of trading on the last cum trading day.

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

On the days preceding the reduction in nominal value, the **Contract Cover Assignment Entry** window should be used to delete all allocations of shares covering short call positions for the SLHN product.

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

Frankfurt, April 26, 2005

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