X-pand into the Future

e u r e x *circular 065/05*

Date: Frankfurt, April 29, 2005
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Share Buy-back by Issuing Subscription Rights in TeliaSonera (TLSN)

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

Summary:

The Annual General Meeting of the company TeliaSonera has authorized the management to buy back own shares. The buy-back will take place by issuing one subscription right per share. Every 25 rights will entitle the shareholders to resell one share to the company for the exchange value of SEK 55. In conjunction with the issuance of the subscription rights an adjustment to the Eurex options on shares of TeliaSonera will be required with effect from **May 2, 2005**.

This circular contains a description of the adjustment procedure.

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Management Board:
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Share Buy-back by Issuing Subscription Rights in TeliaSonera (TLSN)

The Annual General Meeting of the company TeliaSonera has authorized the management to buy back own shares. The buy-back will take place by issuing one subscription right per share. Every 25 rights will entitle the shareholders to resell one share to the company for the exchange value of SEK 55 (approximately EUR 6.01). The issuance of subscription rights will require an adjustment to the Eurex options on shares of TeliaSonera pursuant to Section 2.6.10.1 (3) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich. According to the press release of TeliaSonera the share of TeliaSonera will list ex subscription rights as of May 2, 2005. The adjustment to the options will take place on April 29, 2005 after close of trading on the basis of the closing auction price of the TeliaSonera share at the Helsinki Stock Exchange.

Adjustment of the exercise price will be made by using the R-factor. This will be calculated as follows:

> Value of the subscription right per share =
> (buy-back value of the share in EUR ./. closing price of the TLSN share) / (25 ./. 1)
>
> R-factor = (closing price of the TLSN share ./. Value of the subscription right per share) / closing price of the TLSN share

Example:

> EUR – SEK exchange rate 9.1403 (using the reference price determined by EZB)
>
> 55 / 9.1403 = 6.0173 (price will be rounded to the fourth decimal place)
>
> Closing price of TeliaSonera EUR 4.20 (anticipated)
>
> Value of the subscription right per share = (6.0173 ./. 4.20) / 24 = 0.075720833
>
> R-factor = (4.20 ./. 0.075720833) / 4.20 = 0.9820 (rounded to the fourth decimal place)

The new contract size will be calculated as follows:

> (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 on the last cum trading day on April 29, 2005. The version number of existing series will be increased by 1. New series with the standard contract size 500 and version number 0 will be introduced with effect from the ex day on May 2, 2005. All outstanding orders and quotes will be deleted after close of trading on April 29, 2005.

On exercise of an adjusted series, a cash payment will be made for the number of shares in excess of the standard contract size.

On the days preceding the corporate action, the **Contract Cover Assignment Entry** window should be used to delete all allocations of shares covering short call positions for the TLSN product.

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

Frankfurt, April 29, 2005

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