X-pand into the Future

e u r e x *circular 046/05*

Date: Frankfurt, March 22, 2005
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Clariant (CLN) – Reduction in Nominal Value

Contact: Functional Helpdesk Equity Products, Tel.: +49-69-211-1 12 10

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

Summary:

At the Annual General Meeting on April 7, 2005 the Clariant Group will suggest a reduction in nominal value of CHF 0.25 to its shareholders. You were already informed on March 8, 2005 and March 14, 2005 via the **Market Supervision Messages** window that an adjustment to the Eurex options on shares of Clariant Group for existing series, by the amount exceeding the previous fiscal year's adjusted dividend, would be required.

This circular contains a description of the adjustment procedure.

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Customer Support
Tel. +49-69-211-1 17 00
Fax +49-69-211-1 17 01

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz

Clariant (CLN) – Reduction in Nominal Value

At the Annual General Meeting on April 7, 2005 the Clariant Group will suggest a reduction in nominal value of CHF 0.25 to its shareholders. You were already informed on March 8, 2005 and March 14, 2005 via the **Market Supervision Messages** window, that the reduction in nominal value would require an adjustment to the Eurex option on shares of Clariant Group pursuant to Section 2.15.7 (5) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich. This adjustment amounts to CHF 0.072345, being the difference between the nominal value reduction and the previous fiscal year's adjusted dividend of CHF 0.177655.

The reduction in nominal value is planned for June 23, 2005.

The basis for the adjustment will be the closing auction price of the CLN share on the last cum trading day, presumably on June 22, 2005. This price will firstly be reduced by the amount of the previous year's adjusted dividend. The resulting price will be used to calculate the adjustment factor (R-factor).

S1 = Closing auction price of the CLN share

S2 = S1 – CHF 0.177655 (previous year's adjusted dividend)

S3 = S2 – CHF 0.072345 (difference to the previous year's adjusted dividend)

R-factor = S3/S2

The strike price is adjusted by multiplying it by the R-factor.

The new contract size will be calculated as follows:

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

The strike 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, presumably on June 22, 2005. The version number of existing series will be increased by 1. New series with the standard contract size 100 and version number 0 will be introduced with effect from the ex day, presumably on June 23, 2005.

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 figure after the decimal point in the new standard 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 CLN product.

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

Frankfurt, March 22, 2005

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