X-pand into the Future

eurex circular 018/15

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Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
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KB Holding GmbH: Planned takeover offer to the shareholders of Vossloh AG

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- Front Office/Trading
- Middle + Backoffice
- Auditing/Security Coordination

Attachment:
Implied volatilities of the option on Vossloh AG

Summary:

On 20 January 2015, the company KB Holding GmbH announced a planned takeover offer to the shareholders of Vossloh AG. According to this, shareholders of Vossloh AG shall receive an amount according to the weighted average domestic exchange price during the last three months in cash for each ordinary share they hold. The price is expected to be EUR 48 to EUR 49 for each Vossloh AG share. For further information regarding this transaction, please refer to the website of the company at www.vossloh.com.

This circular describes the potential effects this transaction will have on the existing Eurex options (VOS) and the Eurex Single Stock Futures contract (VOSF) on shares of Vossloh AG.

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KB Holding GmbH: Planned takeover offer to the shareholders of Vossloh AG

On 20 January 2015, the company KB Holding GmbH announced a planned takeover offer to the shareholders of Vossloh AG. According to this, shareholders of Vossloh AG shall receive an amount according to the weighted average domestic exchange price during the last three months in cash for each ordinary share they hold. The price is expected to be EUR 48 to EUR 49 for each Vossloh AG share. For further information regarding this transaction, please refer to the website of the company at www.vossloh.com.

Eurex options and the Eurex Single Stock Futures contract on shares of Vossloh AG (VOS, VOSF) will be settled at the theoretical fair value, provided the conditions defined in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, number 1.6.7 (7) for futures contracts, number 2.6.10.1 (7) for options contracts, are met. If these conditions are not met, trading in Vossloh AG contracts will continue without any changes. The following parameters will be defined for calculation of the theoretical fair value:

Implied volatility

For each series an implied volatility is defined. This volatility is calculated on the basis of the average implied volatility of the daily settlement prices on the ten exchange days preceding the announcement of the offer (6 January to 19 January 2015). The same volatility will be used for call and put.

The following dividend data are applied for calculation of the implied volatility and are used for determination of the fair values, provided the settlement date of the contracts precedes the ex-date:

Dividend amount in EUR	Ex-date
0.50	20 May 2015
2.00	26 May 2016
2.00	26 May 2017
2.00	26 May 2018
2.00	26 May 2019

Generally and effective immediately, no more new series in the Eurex options on Vossloh AG (VOS) will be introduced. Series without open interest will be deleted.

Interest rate

For calculation of the fair value, implied interest rates will be used.

If there is no open interest in aforementioned contract, trading in this contract will be set on “HALT” and discontinued.

We will keep you informed about the further procedure whenever changes or new information in the course of the transaction will render this necessary.

27 January 2015

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Implied volatilities of the option on Vossloh AG

Expiration	Expiration	Strike Price	Implied Volatility
2015	3	3400	**51,82**
2015	3	3600	**48,43**
2015	3	3800	**45,97**
2015	3	4000	**43,80**
2015	3	4200	**41,93**
2015	3	4400	**40,23**
2015	3	4600	**38,96**
2015	3	4800	**37,92**
2015	3	4900	**37,28**
2015	3	5000	**36,95**
2015	3	5100	**36,42**
2015	3	5200	**36,13**
2015	3	5400	**35,53**
2015	3	5600	**35,12**
2015	3	5800	**34,94**
2015	3	6000	**35,03**
2015	3	6200	**35,33**
2015	3	6400	**35,55**
2015	3	6800	**36,67**
2015	3	7200	**38,24**
2015	3	7600	**40,01**
2015	3	8000	**42,03**
2015	3	8800	**44,81**
2015	4	4800	**37,00**
2015	4	4900	**36,51**
2015	4	5000	**36,22**
2015	4	5100	**35,83**
2015	4	5200	**35,59**
2015	4	5400	**35,12**
2015	4	5600	**34,78**
2015	4	5800	**34,64**
2015	4	6000	**34,68**
2015	6	3400	**41,80**
2015	6	3600	**40,77**
2015	6	3800	**39,22**
2015	6	4000	**38,15**
2015	6	4200	**37,24**
2015	6	4400	**36,29**
2015	6	4600	**35,75**
2015	6	4800	**35,16**
2015	6	5000	**34,75**
2015	6	5200	**34,50**
2015	6	5600	**34,08**
2015	6	6000	**33,99**
2015	6	6400	**34,18**
2015	6	6800	**34,66**
2015	6	7200	**35,36**
2015	6	7600	**35,91**
2015	6	8000	**36,66**
2015	6	8400	**37,22**
2015	6	8800	**37,69**
2015	9	3400	**38,64**
2015	9	3600	**37,61**
2015	9	3800	**36,69**
2015	9	4000	**36,00**
2015	9	4200	**35,16**

Expiration	Expiration	Strike Price	Implied Volatility
2015	9	4400	**34,76**
2015	9	4600	**34,07**
2015	9	4800	**33,81**
2015	9	5000	**33,33**
2015	9	5200	**33,19**
2015	9	5600	**32,82**
2015	9	6000	**32,73**
2015	9	6400	**32,78**
2015	9	6800	**33,13**
2015	9	7200	**33,63**
2015	12	2800	**41,13**
2015	12	3200	**38,50**
2015	12	3600	**36,61**
2015	12	4000	**35,19**
2015	12	4400	**34,11**
2015	12	4600	**33,53**
2015	12	4800	**33,27**
2015	12	5000	**32,76**
2015	12	5200	**32,67**
2015	12	5600	**32,18**
2015	12	6000	**31,86**
2015	12	6400	**31,81**
2015	12	6800	**31,97**
2015	12	7200	**32,00**
2015	12	7600	**32,28**
2015	12	8400	**32,87**
2015	12	9200	**33,38**
2016	6	2800	**42,28**
2016	6	3200	**39,53**
2016	6	3600	**37,54**
2016	6	4000	**36,17**
2016	6	4400	**35,07**
2016	6	4800	**34,18**
2016	6	5200	**33,67**
2016	6	6000	**33,08**
2016	6	6800	**33,17**
2016	6	7600	**33,69**
2016	6	8400	**34,41**
2016	6	9200	**34,92**
2016	6	10000	**35,04**
2016	12	3200	**39,56**
2016	12	3600	**37,52**
2016	12	4000	**36,07**
2016	12	4400	**35,12**
2016	12	4800	**34,13**
2016	12	5200	**33,64**
2016	12	6000	**33,05**
2016	12	6800	**33,18**
2016	12	7600	**33,78**
2016	12	8400	**34,43**
2016	12	9200	**34,76**
2016	12	10000	**35,08**
2016	12	12000	**35,08**
2017	6	3200	**40,34**
2017	6	3600	**38,67**
2017	6	4000	**37,10**
2017	6	4400	**36,04**
2017	6	4800	**35,42**

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Expiration	Expiration	Strike Price	Implied Volatility
2017	6	5200	**34,75**
2017	6	6000	**34,40**
2017	6	6800	**34,65**
2017	6	7600	**35,44**
2017	6	8400	**36,10**
2017	6	9200	**36,32**
2017	12	3200	**40,41**
2017	12	3600	**38,55**
2017	12	4000	**37,17**
2017	12	4400	**36,00**
2017	12	4800	**35,43**
2017	12	5200	**34,75**
2017	12	6000	**34,39**
2017	12	6800	**34,71**
2017	12	7600	**35,39**
2017	12	8400	**35,94**
2017	12	9200	**36,44**
2017	12	10000	**36,44**
2017	12	12000	**36,44**
2018	12	3200	**41,63**
2018	12	3600	**39,57**
2018	12	4000	**38,32**
2018	12	4400	**37,25**
2018	12	4800	**36,58**
2018	12	5200	**36,13**
2018	12	6000	**35,88**
2018	12	6800	**36,29**
2018	12	7600	**37,21**
2018	12	8400	**37,66**
2018	12	9200	**37,98**
2018	12	10000	**37,98**
2019	12	4000	**39,46**
2019	12	4400	**38,63**
2019	12	4800	**37,89**
2019	12	5200	**37,65**
2019	12	6000	**37,59**
2019	12	6800	**38,10**
2019	12	7600	**38,60**