X-pand into the Future

e u r e x *circular 036/04*

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Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Heineken N.V. (HNK) – Share Split

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

Summary:

Heineken N.V. announced on February 25, 2004, that it will suggest a share split of five new shares to four old shares at the Annual General Meeting on April 29, 2004. As a result, Eurex options on shares of Heineken N.V. (HNK) will be adjusted. This circular contains a description of the adjustment procedure.

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Heineken N.V. (HNK) – Share Split

Heineken N.V. announced on February 25, 2004, that it will suggest a share split of five new shares to four old shares at the Annual General Meeting on April 29, 2004. New shares will be eligible for dividends from the fiscal year 2004.

The ex day is planned for either May 3, 2004 or May 4, 2004.

As a result of the share split, an adjustment to the Eurex option on shares of Heineken N.V. pursuant to section 2.19.7 (4) of the Contract Specifications for Futures Contracts and options Contracts at Eurex Deutschland and Eurex Zürich will be required.

The R-factor is calculated as follows:

R = ((number of old shares = 4/number of new shares = 5) * (1 – (issue price of new shares/closing price))) + (issue price of new shares/closing price)

Consequently the R-factor is 0.8000.

The strike prices will be reduced by multiplying them by the R-factor. The contract size will be increased correspondingly, so that the original contract value is maintained. The version number of existing series will be increased by 1.

Changes to existing series will be as shown in the table below:

Old Strike Price	New Strike Price	Old Contract Size	New Contract Size
2200	1760	100.0000	125.0000
2400	1920	100.0000	125.0000
2600	2080	100.0000	125.0000
2800	2240	100.0000	125.0000
3000	2400	100.0000	125.0000
3200	2560	100.0000	125.0000
3400	2720	100.0000	125.0000
3600	2880	100.0000	125.0000
3800	3040	100.0000	125.0000
4000	3200	100.0000	125.0000
4200	3360	100.0000	125.0000
4600	3680	100.0000	125.0000
5000	4000	100.0000	125.0000
6000	4800	100.0000	125.0000

The contract size of Low Exercise Price Options (LEPO) will be calculated on the last cum trading day, after close of trading, on the basis of the closing price of Heineken N.V. shares at Euronext Amsterdam and will be published on the Market Supervision Messages window

On exercise of an adjusted series, a cash payment will be made for the figure after the decimal point of the new contract size.

New series with version number 0 and a standard contract size of 100 will be introduced and available for trading from the ex day, which is planned for either May 3, 2004 or May 4, 2004. All outstanding orders and quotes will be deleted after close of trading on the last cum trading day.

On the days preceding the share split the Contract Cover Assignment Entry window should be used to delete all allocations of shares covering short call positions for the product HNK.

There are no plans to change the ISIN and the Eurex code.

After the share split, normal position limits will be revised to 36,800 contracts. Market Maker position limits will be set at 110,400 contracts.

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

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