X-pand into the Future

e u r e x *circular 027/04*

Date: Frankfurt, March 8, 2004
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Intershop Communications AG – Capital Increase

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- IT /System Administration
- Auditing / Security Coordination

Attachments:
None

Summary:

On March 5, 2004, Intershop Communications AG has announced a capital increase protecting subscription rights of Intershop Communications AG shareholders. The subscription ratio will be 11.5 : 1. The subscription price for the new Intershop Communications AG shares will be EUR 2. The subscription period will begin on March 10, 2004 and end on March 24, 2004. As a result of the capital increase an adjustment to the Eurex options on shares of Intershop Communications AG (ISH1) is required. This circular contains a description of the adjustment procedure.

Currently there is no open interest in the Eurex option on Intershop Communications AG shares. The adjustment will only be carried out if there is open interest until March 9, 2004, after the close of trading.

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Intershop Communications AG – Capital Increase

On March 5, 2004, Intershop Communications AG has announced a capital increase protecting subscription rights of Intershop Communications AG shareholders. 11.5 old shares in Intershop Communications AG give the right to subscribe to 1 new Intershop Communications AG share. The subscription price for the new Intershop Communications AG shares will be EUR 2. The subscription period will begin on March 10, 2004 and end on March 24, 2004.

The capital increase will be managed as follows:

- 11.5 old shares of Intershop Communications AG give the right to subscribe to 1 new share of Intershop Communications AG
- The subscription period will be from March 10, 2004 until March 24, 2004
- The subscription price for new Intershop Communications AG shares will be EUR 2.

As a result of the capital increase, an adjustment to the Eurex option on shares of Intershop Communications AG pursuant to Section 2.1.7 (3) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be required. The Eurex Exchanges will calculate the adjustment factor (R-factor) on the basis of the Xetra closing auction price on March 9, 2004. 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 the adjusted series will be increased by 1.

The R-factor is calculated as follows:

R = ((number of old shares / number of new shares) * (1 - (issue price of new shares / closing auction price))) + (issue price of new shares / closing auction price)

The adjusted series and the resulting new contract sizes will be published on March 9, 2004 via the Market Supervision Messages window, immediately after the close of trading.

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

New series with version number 0 and the standard contract size of 100 will be introduced with effect from March 10, 2004. All outstanding orders and quotes will be deleted after close of trading on March 10, 2004.

On the days before the capital measure the Contract Cover Assignment Entry window should be used to delete all allocations of shares covering short call positions for the product ISH1.

After the capital measure has been concluded, the new normal position limit will be 3,600 contracts, the position limit for Market Makers will be 10,800 contracts.

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

Frankfurt, March 8, 2004

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