X-pand into the Future

e u r e x *circular 064/04*

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

⚠ **High Priority**

Holcim Ltd (HOLN) – Capital Increase

Related Eurex Circulars: 060/03

Contact: Eurex Helpdesk Equity Products: +49-69-211-1 12 10

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

Summary:

The Board of Directors of Holcim Ltd will submit to the Annual General Meeting of May 14, 2004 a capital increase of CHF 1.5 billion with subscription rights for its present shareholders. The subscription ratio will be 7:1, the subscription price is expected to be CHF 52.00 for each new share. Trading in purchase rights is scheduled to begin on May 18, 2004 and to end on May 25, 2004.

As a result of the capital increase an adjustment of the Eurex option on shares of Holcim Ltd (HOLN) will be required. This circular contains a description of the adjustment procedure.

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Daniel Gisler, Thomas Lenz,
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Holcim Ltd (HOLN) – Capital Increase

The Board of Directors of Holcim Ltd will submit to the Annual General Meeting of May 14, 2004 a capital increase of up CHF 1.5 billion with subscription rights for its present shareholders.

Shareholders of Holcim Ltd will be offered, expected as from May 18, 2004, one new share for every seven old shares at a subscription price of at least CHF 52.00. Trading in purchase rights is scheduled to begin on May 18, 2004 and to end on May 25, 2004.

The capital increase will thus be managed as follows:

- Seven old shares of Holcim Ltd give the right to subscribe to one new share of Holcim Ltd
- The subscription price for the new Holcim Ltd share is expected to be at least CHF 52.00
- Trading in purchase rights is scheduled to begin on May 18, 2004 and to end on May 25, 2004
- The new shares of Holcim Ltd are fully entitled to dividend for the present business year

As a result of the capital increase, an adjustment to the Eurex option on shares of Holcim Ltd pursuant to Section 2.15.7 (4) 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 closing auction price on May 17, 2004 (minus a dividend of CHF 1.15, as HOLN will be traded ex-dividend on May 18, 2004). Exercise prices will be reduced through multiplication by the R-factor. Contract sizes will be increased accordingly so that the original contract value is maintained. The version number of adjusted series will be increased by 1.

The R-factor is calculated as follows:

> R = ((amount old shares / amount new shares) * (1- (subscription prise of new shares / closing auction price minus dividend))) + (subscription price new shares / closing auction price minus dividend)

The adjusted series and the resulting new contract sizes will be published immediately after the close of trading via the “Market Supervision Messages” window.

On exercise of an adjusted series, cash settlement will be made for any fractional shares the new contract size may cover.

New series with version number 0 and the standard contract size of 100 will be introduced with effect from May 18, 2004. All outstanding orders and quotes will be deleted after the close of trading on May 17, 2004.

On the days prior to the capital measure, the “Contract Cover Assignment Entry” window in the Clearing-GUI should be used to delete all allocations of Holcim Ltd shares covering short call positions.

Further information about possible changes to the capital increase planned by Holcim Ltd will be published in the “Market Supervision Messages” window directly after announcement. This window will also be used for publishing the new position limit after completion of the capital increase.

Should you have any questions, please contact the Eurex helpdesk for equity products at tel. +49-69-211-1 12 10.

Frankfurt, Mai 13, 2004

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