X-pand into the Future

e u r e x *circular 067/04*

Date: Frankfurt, May 19, 2004
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Swiss Life Holding (SLHN) – Capital Increase

Contact: Eurex Help Desk Equity Products: Tel. +49-69-211-1 12 10

Content may be most important for:

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

Attachments:
None

Summary:

At the Annual General Meeting on May 18, 2004, Swiss Life Holding announced a capital increase protecting subscription rights of existing Swiss Life Holding shareholders. The subscription ratio is 3:1. The subscription price for the new Swiss Life Holding shares will be CHF 100. The subscription period will begin on May 24, 2004 and end on June 1, 2004. As a result of the capital increase an adjustment to the Eurex options on shares of Swiss Life Holding (SLHN) is required.

This circular contains a description of the adjustment procedure.

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Swiss Life Holding (SLHN) – Capital Increase

At the Annual General Meeting on May 18, 2004, Swiss Life Holding announced a capital increase protecting subscription rights of existing Swiss Life Holding shareholders. Swiss Life Holding shareholders will be offered one new share at a price of CHF 100 for every three old shares held. The subscription period is planned from May 24, 2004 to June 1, 2004.

The capital increase will be managed as follows:

- Three old Swiss Life Holding shares give the right to subscribe to one new Swiss Life Holding share
- The price of new Swiss Life Holding shares is CHF 100
- The subscription period will be from May 24, 2004 until June 1, 2004
- New Swiss Life Holding shares will attract dividends from the fiscal year 2004 onwards

As a result of the capital increase, an adjustment to the Eurex option on shares of Swiss Life Holding 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 21, 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.

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 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 fractional portions of the new standard contract size.

New series with the version number 0 and a standard contract size of 10 will be introduced with effect from May 24, 2004. All outstanding orders and quotes will be deleted after close of trading on May 21, 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 SLHN.

The new position limit will be published via the Market Supervision Messages window once the capital increase has been concluded.

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

Frankfurt, May 19, 2004

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