X-pand into the Future

e u r e x *circular 069/04*

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

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

Groupe Danone Share Split

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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:

At the Annual General Meeting on April 15, 2004 Groupe Danone decided upon a share split of two new Groupe Danone shares to one old Groupe Danone share. New shares will be eligible for dividends from the the fiscal year 2004.

As a result, Eurex options on shares of Groupe Danone (BSN/BSN5) will be adjusted. This circular contains a description of the adjustment procedure.

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Groupe Danone Share Split

At the Annual General Meeting on April 15, 2004 Groupe Danone decided upon a share split of two new Groupe Danone shares to one old Groupe Danone share. New shares will be eligible for dividends from the fiscal year 2004.

The ex day is planned for June 15, 2004.

As a result of the share split, an adjustment to the Eurex options on shares of Groupe Danone (BSN/BSN5) pursuant to section 2.23.7 (4) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be required.

The adjustment will be made as part of the last batch run before the start of listing ex-split.

The R-factor is calculated as follows:

R = ((number of old shares = 1/number of new shares = 2) * (1 – (issue price of new shares/closing price))) + (issue price of new shares/closing price)

Consequently the R-factor is 0.5000.

The strike prices will be reduced by multiplying them by the R-factor. The position size will be divided by the R-factor. The contract size remains unchanged. The version number of existing series will be in creased by 1.

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

Old strike price	Old contract size	Old position size	New strike price	New contract size	New position size
10000	100	1	5000	100	2
10500	100	1	5250	100	2
11000	100	1	5500	100	2
11500	100	1	5750	100	2
12000	100	1	6000	100	2
12500	100	1	6250	100	2
13000	100	1	6500	100	2
13500	100	1	6750	100	2
14000	100	1	7000	100	2
14500	100	1	7250	100	2
15000	100	1	7500	100	2
15500	100	1	7750	100	2
16000	100	1	8000	100	2
16500	100	1	8250	100	2
17000	100	1	8500	100	2

The strike price of the Low Exercise Price Option remains unchanged, the position size will be divided by the R-factor and the contract size will be calculated on the basis of the closing auction price at Euronext Paris on June 14, 2004.

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Since the contract size for series with version number 1 remains unchanged, series with version number 0 will only be introduced if these do not tally with version 1. This will prevent the existence of identical series with version 0 and version 1.

Delivery will be as normal on exercise of an adjusted series.

All orders and quotes will be deleted after close of trading on June 14, 2004.

After the share split the new position limit will be 40,200 contracts and for Market Makers it will be 120,600 contracts.

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 products BSN and BSN5.

Pending deliveries in BSN/BSN5 shares will be cancelled after close of trading on June 14, 2004 and replaced by delivery instructions for the new, adjusted shares.

Collateral containing BSN/BSN5 shares will be rebooked in the Eurex system during the batch run on June 15, 2004.

Should there be any additional changes, such as to the ISIN, these will be published immediately via the Market Supervision Messages window.

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

Frankfurt, May 19, 2004

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