X-pand into the Future

e u r e x *circular 144/05*

Date: Frankfurt, August 18, 2005
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

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

Compagnie Financière Richemont SA - Extraordinary Dividend

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

Summary:

At the General Meeting of Compagnie Financière Richemont SA (CFR) on September 15, 2005 the payment of an extraordinary dividend will be suggested to the shareholders. This extraordinary dividend of EUR 0.50 is in addition to the ordinary dividend of EUR 0.50. You were already informed on June 9, 2005 via the **Market Supervision Messages** window that an adjustment to the Eurex option on shares of Compagnie Financière Richemont for existing series would be required.

This circular contains a description of the adjustment procedure.

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Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
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Compagnie Financière Richemont SA – Extraordinary Dividend

At the General Meeting of Compagnie Financière Richemont SA on September 15, 2005, the payment of an extraordinary dividend will be suggested to the shareholders. This extraordinary dividend of EUR 0.50 is in addition to the ordinary dividend of EUR 0.50.

The ex day will be September 19, 2005.

As a result of this extraordinary dividend, an adjustment to the Eurex option (CFR) on shares of Compagnie Financière Richemont pursuant to Section 2.6.10.1. of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be required.

Eurex already informed members on June 9, 2005 via the **Market Supervision Messages** window that an adjustment to the Eurex option on shares of Compagnie Financière Richemont for existing series would be required, if the proposal is passed at the General Meeting on September 15, 2005. The procedure is as follows:

The closing auction price of Compagnie Financière Richemont share on the last cum trading day, September 16, 2005, is the basis for the adjustment. This price will firstly be reduced by the amount of the regular dividend (converted into CHF by means of the reference price CHF/EUR on the last cum trading day). The resulting price will be used to calculate the adjustment factor (R-factor).

S1 = Closing auction price of Compagnie Financière Richemont share

S2 = S1 minus regular dividend

S3 = S2 minus extraordinary dividend (also converted into CHF by means of the reference price CHF/EUR on the last cum trading day)

R-factor = S3/S2

Adjustment of the strike price will be made by multiplying by the R-factor. The contract size will be increased accordingly, so that the original contract value is maintained.

C1 = old contract size

C2 = new contract size

X1 = old strike price

X2 = new strike price

C2 = (C1 * X1)/X2

The strike prices and contract sizes resulting from the adjustment will be published immediately after close of trading on the last cum trading day, September 16, 2005, via the **Market Supervision Messages** window. The version number of adjusted series will be increased by 1. New series with version number 0 and the standard contract size of 100 will be introduced with effect from September 19, 2005. All outstanding orders and quotes will be deleted after close of trading on September 16, 2005.

On exercise of an adjusted series, a cash payment will be made for the fractional part of the new contract size.

On the days before payment of the extraordinary dividend the **Contract Cover Assignment Entry** window should be used to delete all allocations of shares covering short call positions for the CFR product.

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

Frankfurt, August 18, 2005

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