X-pand into the Future

e u r e x *circular 114/03*

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Recipients: All Eurex members and vendors
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⚠ **High Priority**

Münchener Rückversicherungs-Gesellschaft AG – Capital Increase

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

Summary:

The Board of Management of Münchener Rückversicherungs-Gesellschaft AG decided, with the approval of the Supervisory Board, a capital increase raised through a subscription rights offer to the Münchener Rück shareholders. The subscription ratio will be 7:2. The new shares with dividend entitlement for the fiscal year 2003 and all following fiscal years will be offered to the shareholders at a subscription price of EUR 78 per share. The subscription period for the new shares will begin on October 28, 2003 and is expected to end on November 10, 2003. As a result of the capital increase an adjustment to the Eurex options on the shares of Münchener Rückversicherungs-Gesellschaft AG (MUV2) is required. The circular contains a description of the adjustment procedure.

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Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
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Münchener Rückversicherungs-Gesellschaft AG – Capital Increase

As announced by Münchener Rückversicherungs-Gesellschaft AG on October 17, 2003, its Board of Management decided, with the approval of the Supervisory Board, a capital increase raised through a subscription rights offer to Münchener Rück shareholders. For every seven old shares of Münchener Rück the shareholders will be offered rights to subscribe to two new shares of Münchener Rück with dividend entitlement for the fiscal year 2003 and all following fiscal years. According to Münchener Rückversicherungs-Gesellschaft AG the subscription price for the new Münchener Rück shares shall be EUR 78 per share. The subscription period for the new Münchener Rück shares will begin on October 28, 2003 and is expected to end on November 10, 2003.

The capital increase will therefore be managed as follows:

- Seven old shares of Münchener Rück give the right to subscribe to two new shares of Münchener Rück
- The subscription price for the new Münchener Rück shares will be EUR 78
- Subscription period will begin on October 28, 2003 and is expected to end on November 10, 2003
- The new Münchener Rück shares will have dividend rights from fiscal year 2003.

As a result of the capital increase, an adjustment to the Eurex option on shares of Münchener Rückversicherungs-Gesellschaft 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 on October 27, 2003.

S1 = Subscription price of the new shares
S2 = Closing price of Münchener Rückversicherungs-Gesellschaft AG on October 27, 2003
R = ((7 / 9) * (1-(S1 / S2))) + (S1 / S2)

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.

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

The adjusted series and the resulting new contract sizes will be published immediately after the close of trading on October 27, 2003 via the Market Supervision Messages window.

New series with version number 0 and the standard contract size of 10 will be introduced with effect from October 28, 2003. All outstanding orders and quotes will be deleted after the close of trading on October 27, 2003.

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 Münchener Rück shares covering short call positions.

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

Frankfurt, October 24, 2003

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