X-pand into the Future

e u r e x *circular 092/06*

Date: Frankfurt, May 12, 2006
Recipients: All Eurex members and vendors
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⚠ **Action Required** ⚠ **High Priority**

Holcim: Capital Increase

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

Summary:

On May 12, 2006 Holcim announced detailed conditions for the planned capital increase with subscription rights for Holcim shareholders. Subscription ratio will be 11:1, subscription price for the new Holcim shares CHF 83.00. The new shares will be entitled to dividend as of the 2006 fiscal year. The subscription period will begin on **May 16, 2006**. As a consequence of the capital increase an adjustment to the Eurex option on shares of Holcim (HOLN) as well as to the stock futures contract on Holcim (HOLF) will become necessary.

This circular describes the adjustment procedure.

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Holcim: Capital Increase

On May 12, 2006 Holcim announced detailed conditions for the planned capital increase with subscription rights for Holcim shareholders. Subscription ratio will be 11:1, subscription price for the new Holcim shares CHF 83.00. The new shares will be entitled to dividend as of the 2006 fiscal year. The subscription period will begin on May 16, 2006.

Ex-day will be May 16, 2006.

As a consequence of the capital increase an adjustment to the Eurex option on shares of Holcim (HOLN) pursuant to section 2.6.10.1 (2) as well as to the stock futures contract on Holcim (HOLF) pursuant to section 1.6.7. (3) will become necessary.

The capital increase will be managed as follows:

- Eleven existing Holcim shares entitle to subscribe to one new share of Holcim
- Subscription price for the new Holcim shares will be CHF 83.00
- Subscription period will start on May 16, 2006
- New Holcim shares will be entitled to dividend as of the fiscal year of 2006

The Eurex Exchanges will calculate the adjustment factor (R-factor) on the basis of the closing auction price at virt-x on May 15, 2006. The exercise prices will be reduced by multiplying them with the R-factor (for options only). The contract size will be increased accordingly so that the original contract value will be maintained. The version number of the existing series will be increased by 1 (for options only).

The R-factor is calculated as follows:

> R = ((number of existing shares / number of new shares) * (1- (issue price of new shares plus a dividend disadvantage of CHF 1.65 / closing auction price))) + (issue price of new shares plus a dividend disadvantage of CHF 1.65 / closing auction price)

The adjusted series and the resulting new contract sizes will be published via the **Market Supervision Messages** window immediately after close of trading on May 15, 2006.

Upon exercise of an adjusted series, a cash payment will be made for the non-integral part of the new contract size (for options only).

New series with the version number 0 and a standard contract size of 100 will be introduced with effect from May 16, 2006 (for options only). All outstanding orders and quotes will be deleted after close of trading on May 15, 2006.

The adjustment to the stock futures contract on Holcim (HOLF) will be executed by the same R-factor as for the options. In order to compensate the calculation for the variation margin of the following day the settlement prices of Holcim of May 15, 2006 for the stock futures contract will be multiplied by the R-factor.

The new contract size is calculated as follows:

> Contract size new = existing contract size / R-factor

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After the adjustment, a new stock futures contract on Holcim with a standard contract size 100 and a new short code HOLG will be introduced. Start of trading will be May 24, 2006. Further details will be published in a separate circular.

As soon as there will be no series with open positions left, trading in the original stock futures contract on Holcim (HOLF) will be discontinued.

If after close of trading on the last cum trading day on May 15, 2006, there will be no open positions for the stock futures contract on Holcim (HOLF), no adjustment will be made.

On the days prior to the corporate action the **Contract Cover Assignment Entry** window should be used to delete all allocations of shares covering short call positions for the HOLN product.

The product ISIN of Holcim (CH0012214059) will remain unchanged.

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

Frankfurt, May 12, 2006

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