X-pand into the Future

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Recipients: All Eurex members and vendors
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Salzgitter AG: Extraordinary Dividend

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

Summary:

On **June 8, 2006**, the company's annual general meeting will suggest to its shareholders the payment of an extraordinary dividend of EUR 0.50 in addition to the ordinary dividend of EUR 0.50.

You were already informed on May 4, 2006 via the **Market Supervision Messages** window that an adjustment to the existing series of Eurex options on shares of Salzgitter AG (SZG) would be required. This applies as well to the stock futures contract on Salzgitter AG (SZGF).

This circular contains a description of the adjustment procedure.

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Salzgitter AG: Extraordinary Dividend

On June 8, 2006, the annual general meeting of SALZGITTER AG will suggest to its shareholders the payment of an extraordinary dividend of EUR 0.50 in addition to the ordinary dividend of EUR 0.50.

Ex date will be June 9, 2006.

As a result of this extraordinary dividend, an adjustment to Eurex options and futures on shares of Salzgitter AG pursuant to Section to 2.6.10.1 (1) (options) and 1.6.7 (2) (futures) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be required.

The procedure will be as follows:

The closing auction price of the Salzgitter AG share on the last cum trading day, June 8, 2006, will be the basis for the adjustment. First, this price will be reduced by the ordinary dividend. The resulting price will serve for determining the adjustment factor (R-factor):

S1 = Closing auction price of the Salzgitter AG share

S2 = S1 minus ordinary dividend

S3 = S2 minus extraordinary dividend

R-factor = S3/S2

Adjustment of strike prices (for options only) 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

Strike prices and contract sizes resulting from the adjustment (for options only) will be published immediately after close of trading on the last cum trading day, June 8, 2006, via the **Market Supervision Messages** window. The version number of existing series will be increased by 1 (for options only). New series with the standard contract size of 100 and version number 0 will be introduced with effect from the ex date (for options only). All outstanding orders and quotes will be deleted after close of trading on the last cum trading day.

Upon exercise of an adjusted series, a cash payment will be made for the number of shares in excess of the standard contract size (for options only).

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 SZG product.

The ISIN code of Salzgitter AG (DE0006202005) will remain unchanged.

Adjustment of the stock futures contract on Salzgitter AG (SZGF) will be carried out by means of the same R-factor as for the options. To adjust the calculation of the variation margin on the following day, settlement prices of the stock futures contract on Salzgitter AG (SZGF) from June 8, 2006 will be multiplied by the R-factor.

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The new contract size will be calculated as follows:

Contract size new = contract size old / R-factor

After the adjustment, a new stock futures contract on Salzgitter AG with standard contract size 100 and new product code SZGG will be introduced. Start of trading will be published via the **Market Supervision Messages** window.

As soon as there are no more series with open interest, trading in the original stock futures contract on Salzgitter AG (SZGF) will be discontinued.

Should there be no open interest for the stock futures contract on Salzgitter AG (SZGF) after close of trading on the last cum trading day on June 8, 2006, no adjustment will be carried out.

Should you have any further questions, please contact the Functional Helpdesk Equity and Equity Index Products at tel. +49-69-211-1 12 10.

Frankfurt, June 2, 2006

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