X-pand into the Future

e u r e x *circular 060/03*

Date: Frankfurt, June 4, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **High Priority**

Effects of the Holcim Ltd. Stock Split on the Corresponding Eurex Stock Options

Contact: Functional Help-desk Equity Products: Tel. +49-69-21 01-12 10

Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office	1. Contract Specifications – Stock Options on Swiss Shares 2. Contract Specifications – LEPOs on Swiss Shares 3. Market Maker Quote Obligations and Quote Spread Classification for Swiss Stock Options

Summary:

The Eurex stock options on Holcim Ltd (HOL) will be adjusted due to the conversion of Holcim bearer shares into registered shares in the ratio 5:1.

The Circular provides details of the adjustment procedure as well as the planned timescales

In future, Holcim exercise prices will be displayed with two decimal places. With effect from **June 6, 2003** two decimal digits will be inserted (thus 200 becomes 20000, signifying an exercise price of 200).

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Eurex Sales Support
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Alternative
Tel. +49-69-9770-1700
Fax +49-69-9770-1701

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz, Michael Widmer

Effects of the Holcim Ltd. Stock Split on the Corresponding Eurex Stock Options

The Administrative Council of Holcim Ltd. will propose to the Annual General Meeting on June 4, 2003 that a single registered share is created whereby the bearer shares with a nominal value of CHF 10.00 would be converted in the ratio of 5:1 into existing registered shares with a nominal value of CHF 2.00. Subject to the approval of the Annual General Meeting the conversion will take effect on June 10, 2003.

As the underlying securities for the Holcim Ltd. option at Eurex are the bearer shares, the options will be adjusted in the ratio given above, and will be identified via a new ISIN and a new Eurex code.

In future, Holcim exercise prices will be displayed with two decimal places. After the batch of June 5, 2003, and therefore with effect from June 6, two decimal digits will be inserted (thus 200 becomes 20000, signifying an exercise price of 200).

As June 9, 2003 is a holiday in Switzerland and Swiss products are closed at Eurex on that day, all split adjustments and new definitions will take place after close of trading on June 6, 2003, but will only take effect from June 10, 2003.

1. Split Procedure

Holcim option split ratio: 5:1

Effective Date of Change: June 10, 2003

	ISIN	Eurex Code
Old Bearer Shares	CH0012214067	HOL
New Registered Shares	CH0012214059	HOLN

Existing series will be adjusted by an R-factor of 0.2. As an example, this results in a series with an exercise price of 20000 and a contract size of 10 being converted into a series with an exercise price of 4000 and a contract size of 50. Position sizes therefore remain the same. All adjusted series will be given the Eurex code HOLN and version number 1.

The adjustments to the existing series will appear as shown below:

Old Exercise Price	Old Contract Size	New Exercise Price	New Contract Size
14000	10	2800	50
16000	10	3200	50
17000	10	3400	50
18000	10	3600	50
18500	10	3700	50
19000	10	3800	50
19500	10	3900	50
20000	10	4000	50
21000	10	4200	50
22000	10	4400	50
23000	10	4600	50
24000	10	4800	50
25000	10	5000	50
26000	10	5200	50
27000	10	5400	50
28000	10	5600	50
29000	10	5800	50
30000	10	6000	50
32000	10	6400	50
34000	10	6800	50
36000	10	7200	50
38000	10	7600	50

All outstanding orders and quotes will be deleted from the order book after close of trading on June 6, 2003.

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Eurex Sales Support
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz, Michael Widmer

New series with version number 0 will be introduced with a new standard contract size of 100 shares. The transaction fees for matching/recording of trades, exercise, and position transfer with cash amount will remain unchanged, despite the increase in the contract size.

2. Change to Market Maker Obligations

The new option on Holcim Ltd will be allocated to spread class 1. The maximum spreads will therefore be as follows:

Bid up to (CHF)	Maximum Spread (CHF)
0 –2.00	0.40
2.01 – 15.00	20%
> 15.00	3.00

The minimum quote quantity will remain unchanged at 20 contracts.

Attachment 3 contains the updated Market Maker Quote Obligations for Swiss stocks.

3. Adjustment to Position Limits

The new position limits will be 30,200 contracts or 90,600 contracts for market makers.

4. Clearing Measures

On the days prior to the adjustments on June 6, 2003, the "Contract Cover Assignment" window of the Clearing GUI should be used to delete all allocations of HOL shares covering short call positions.

All outstanding deliveries in HOL shares will be cancelled after close of trading on June 6, 2003 and replaced by delivery instructions for the new ISIN with the adjusted number of shares.

Collateral balances involving HOL will also be changed in the Eurex system in the batch of June 6, 2003.

5. Other Considerations

Please note that in the trading GUI as well as the Clearing GUI, any user-specific entries involving HOL (e.g. profiles, limit quantity configuration, net-position configuration) will not be modified automatically.

Frankfurt, June 4, 2003

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Eurex Sales Support
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz, Michael Widmer

Contract Specifications for:
Stock Options on Swiss Shares (OSTK)

Contract Size

Generally, an options contract gives the buyer of a call the right to buy - or, in the case of a put, the right to sell - 100 shares of the underlying security, except for options on the shares below.

Options on Ciba Spezialitätenchemie, Givaudan, Julius Bär, Nestlé, Swiss Life Holding, Schweizer Rückversicherung, Serono, SGS Surveillance, Sulzer, Swisscom, Syngenta, Unaxis and Zurich Financial Services have a contract size of 10 shares.

Minimum Price Movement

The minimum price change for options is CHF 0.01.

Settlement

Physical delivery of 100 shares or 10 shares, respectively, of the underlying instrument.

Settlement Day

Three exchange trading days after exercise.

Last Trading Day

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

Daily Settlement Price

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, Eurex will establish the official settlement price.

Exercise Period

American style, i.e. an option can be exercised until 7:00 p.m. CET on any exchange trading day during the lifetime of the option.

Expiration Months

Options are available with terms up to and including:

Group A shares: the three nearest calendar months, as well as the three following months within the March, June, September and December cycle thereafter (i.e. up to a maximum lifetime of 12 months).

Group B shares: the three nearest calendar months, as well as the three following months within the March, June, September and December cycle thereafter, and the two following months of the June and December cycle thereafter (i.e. up to a maximum lifetime of 24 months).

Exercise Prices

Options series may have the following exercise prices:

Exercise Prices in CHF	Exercise Price Intervals in CHF
0 - 5	0.20
5.50 - 10	0.50
11 - 20	1
22 - 50	2
*52.50 - 100**	*2.50*
55 - 200	5
*210 - 400**	*10*
220 - 400	20
*425 – 1,000**	*25*
450 – 1,000	50
*1,050 – 2,000**	*50*
1,100 – 2,000	100
*2,100 – 5,000**	*100*
2,200 – 5,000	200
*above 5,000**	*200*
above 5,000	400

*only for at-the-money options for the nearest 6 calendar months

For each expiration month, there are at least three call and three put series, providing an in-the-money, at-the-money and out-of-the-money exercise price.

Underlying Instruments

Eurex equity options on Swiss shares are traded in the following groups according to their expiration months:

Group A 1, 2, 3, 6, 9 and 12 months	Group B 1, 2, 3, 6, 9, 12, 18 and 24 months	Group C 1, 2, 3, 6, 9, 12, 18, 24, 30, 36, 48 and 60 months
Adecco N (ADEN)	ABB N (ABB2)	None
Baloise Holding (BALN)	Ciba Spezialitätenchemie Holding N (CIBN)	
Givaudan (GIVN)	Clariant N (CLN)	
Holcim N (HOLN)	Credit Suisse Group N (CSGN)	
Julius Bär (BAER)	Lonza Group (LONN)	
Kudelski (KUD)	Nestlé N (NESN)	
Richemont (CFR)	Novartis N (NOVN)	
Serono (SEO)	Roche Holding GS (ROG)	
SGS Surveillance (SGSN)	Schweizer Rückversicherung N (RUKN)	
Sulzer N (SUN)	Swisscom (SCMN)	
Swiss Life Holding N (SLHN)	UBS (UBSN)	
Syngenta (SYNN)	Zurich Financial Services N (ZURN)	
The Swatch Group N (UHRN)		
Unaxis (UNAX)		

Option Premium

Payable in full on the exchange trading day immediately following the buy date.

Trading Hours

9:00 a.m. until 5:20 p.m. CET.

Contract Specifications for:
Low Exercise Price Options (LEPOs) on **Swiss Shares** *(OSTK)*

Underlying Swiss Shares with LEPO contracts

ABB N (ABB2)	Swiss Life Holding N (SLHN)
Adecco N (ADEN)	Richemont (CFR)
Baloise Holding N (BALN)	Roche Holding (ROG)
Ciba Spezialitätenchemie Holding N (CIBN)	Schweizer Rückversicherung N (RUKN)
Clariant N (CLN)	Serono (SEO)
Credit Suisse Group N (CSGN)	SGS Surveillance Holding N (SGSN)
Givaudan (GIVN)	Sulzer N (SUN)
Holcim N (HOLN)	Swisscom (SCMN)
Julius Bär (BAER)	Syngenta (SYNN)
Kudelski (KUD)	The Swatch Group N (UHRN)
Lonza Group AG (LONN)	UBS AG N (UBSN)
Nestle N (NESN)	Unaxis (UNAX)
Novartis N (NOVN)	Zurich Financial Services (ZURN)

Contract Size

Each contract is generally based on 100 shares of the underlying instrument, except for options on the shares below:

Options on Ciba Spezialitätenchemie, Givaudan, Julius Bär, Nestlé, Swiss Life Holding, Schweizer Rückversicherung, Serono, SGS Surveillance, Sulzer, Swisscom, Syngenta, Unaxis and Zurich Financial Services have a contract size of 10 shares.

Minimum Price Movement

The minimum price change for options is CHF 0.01.

Delivery

Physical delivery of 100 shares or 10 shares, respectively, of the underlying instrument.

Delivery Day

Three exchange trading days after exercise.

Last Trading Day

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

Daily Settlement Price

CHF 1 below the last-paid price of the underlying security on any given trading day.

Exercise Period

American style, i.e. an option can be exercised until 7:00 p.m. CET on any exchange trading day during the lifetime of the option.

Expiration Months

The two nearest months within the cycle March, June, September, December.

Exercise Prices

All LEPO contracts have an exercise price of CHF 1.

Option Premium

Payable in full on the exchange trading day immediately following the buy date.

Trading Hours

9:00 a.m. until 5:20 p.m. CET.

Market Maker Quote Obligations

And Quote Spread Classification of Stock Options on Swiss Shares

1. Obligations for Quotation on Request on Stock Options on Swiss Shares

Minimum Size: 20 contracts on the bid and ask side in all option series, except for the following which have a minimum size of 50 contracts:

Credit Suisse Group N, Nestlé N, Novartis N, Swisscom, Schweizer Rückversicherung N, UBS N, Roche Holding

Maximum Spread:

Class I		**Class II**		**Class III**	
Bid up to (CHF)	*Spread (CHF)*	*Bid up to (CHF)*	*Spread (CHF)*	*Bid up to (CHF)*	*Spread (CHF)*
0 - 2.00	0.40	0 - 5.00	1.00	0 - 10.00	2.00
2.01-15.00	20%	5.01-30.00	20%	10.01 - 50.00	20%
>15.00	3.00	> 30.00	6.00	> 50.00	10.00

Response to quote requests: At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day):

- within 1 minute
- with a minimum holding time of 10 seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50%, the minimum quote size will be reduced by 50%.

2. Quote Spread Classification – Stock Options on Swiss Shares

Class I		**Class II**		**Class III**	
ABB	ABB2	Julius Bär Holding	BAER	Givaudan	GIVN
Adecco	ADEN	Nestlé	NESN	Serono	SEO
Baloise	BALN	Swiss Life Holding	SLHN	SGS Surveillance	SGS
Ciba Spezialitätenchemie	CIBN	Schweiz. Rückversicher.	RUKN		
Holcim	**HOLN**	Sulzer	SUN		
Richemont	CFR	Swisscom	SCMN		
Clariant	CLN	Unaxis Holding	UNAX		
Credit Suisse Group	CSGN	Zurich Fin. Services	ZURN		
Kudelski	KUD				
Lonza	LONN				
Novartis	NOVN				
Roche Holding	ROG				
Syngenta	SYNN				
The Swatch Group	UHRN				
UBS	UBSN				