X-pand into the Future

e u r e x *circular 060/02*

Date: Frankfurt, 19 July, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

Swisscom (SCMN) Share Capital Reduction

Related Eurex Circulars: 085/01, 021/02

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- Auditing / Security Coordination

Attachments: None

Summary:

At their Annual General Meeting on 30 April, 2002 the shareholders of Swisscom AG approved a reduction of nominal value per share by CHF 8.00 with a corresponding pay back to shareholders.

The treatment of related options contracts under such circumstances is covered in the contract specifications for Swiss Stock options (see Section 2.2.15.7 (5) of the Eurex Trading Conditions).

The capital reduction pay-out will take place on **13 August, 2002**.

The adjustment to SCMN options will take place after close of trading on **12 August, 2002** according to the procedure described in the Circular.

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Swisscom AG (SCMN) Share Capital Reduction

At their Annual General Meeting on 30 April, 2002 the shareholders of Swisscom AG approved a reduction of nominal value per share by CHF 8.00 with a corresponding pay back to shareholders.

The treatment of related options contracts in such circumstances is covered in the contract specifications for Swiss Stock options. Section 2.2.15.7 (5) of the Eurex Trading Conditions includes the following:

> "In the case of capital reductions by way of a reduction of the par value of the shares with the purpose of paying back share capital to the shareholders, the number of shares underlying a contract shall be increased relative to the proportion of the reduction in share capital to the extent such reductions are implemented independently of or in addition to the payment of a dividend. The exercise price shall be simultaneously reduced by a value such that the original value of the contract remains unchanged."

The CHF 8.00 capital reduction pay-out will take place on **13 August, 2002**. The adjustment to SCMN options will take place after close of trading on **12 August, 2002.**

The adjustment factor (R-factor) will be calculated as follows:

S1 = SCMN closing price on 12 August, 2002
S2 = S1 - CHF 8.00
R = S2/S1

Adjustment of SCMN exercise prices will take place through multiplication by the R-factor.

New SCMN contract sizes will be calculated as follows:

New contract size = (old exercise price * old contract size) / new exercise price

All adjusted series will have their version number increased by 1. New series with version number 0 and a contract size of 10 will be introduced on **13 August, 2002**. Consequently, from 13 August, 2002 SCMN option series with version numbers 0, 1, 2 and 3 will be available.

Outstanding orders and quotes for SCMN options will be deleted from the system after close of trading on 12 August, 2002. There will be no change to the ISIN code or WKN.

The adjusted exercise prices and contract sizes, as well as the new ones, will be published via the "Market Supervision Messages" window immediately after close of trading on **12 August, 2002**.

Please take the changes described above into account on the appropriate dates

Frankfurt, 19 July, 2002

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