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Julius Baer: Stock Split / Change of Standard Contract Size and Margin Parameters

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

Summary:

On April 17, 2007, the annual general meeting of Julius Baer will decide on a stock split at the ratio of 1:2.

Accordingly, one existing Julius Baer stock will be divided into two new Julius Baer stocks.

Ex date has not been determined yet**.**

The stock split results in an adjustment of the Eurex options on shares of Julius Baer (BAER) and the Eurex stock futures contract on Julius Baer (BAEF).

Besides, the standard contract size of Eurex options and the Eurex stock futures contract on shares of Julius Baer will be increased from 10 to 50 and margin parameters will be adjusted.

This circular contains a description of the adjustment procedure.

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Julius Baer: Stock Split / Change of Standard Contract Size and Margin Parameters

Stock Split

On April 17, 2007, the annual general meeting of Julius Baer will decide on a stock split at the ratio of 1:2.

Accordingly, one existing Julius Baer stock will be divided into two new Julius Baer stocks.

Ex date has not been determined yet.

Due to the stock split, an adjustment of Eurex options (BAER) and futures on shares of Julius Baer (BAEF) will be carried out pursuant to Section 2.6.10.1 (6) (options) and 1.6.7 (5) (futures) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

Stock Option (BAER):

After close of trading on the last cum trading day existing series will be adjusted by an R-factor of 0.50. By multiplying by the R-factor, strike prices will be reduced. Contract size will be increased accordingly so that the original contract value will be maintained. Version number of existing series will be increased by 1.

Please find below a list of all currently existing series before and after the adjustment:

Strike price old	Version old	Strike price new	Version new	Contract size old	Contract size new
4236	1	2118	2	11,8036	23,6072
5083	1	2542	2	11,8041	23.6036
5800	0	2900	1	10	20.0000
5930	1	2965	2	11,8044	23.6088
6000	0	3000	1	10	20.0000
6777	1	3389	2	11,8046	23.6057
6800	0	3400	1	10	20.0000
7000	0	3500	1	10	20.0000
7600	0	3800	1	10	20.0000
7624	1	3812	2	11,8048	23.6096
8000	0	4000	1	10	20.0000
8200	0	4100	1	10	20,0000
8400	0	4200	1	10	20,0000
8471	1	4236	2	11,8050	23,6073
8800	0	4400	1	10	20,0000
9000	0	4500	1	10	20,0000
9200	0	4600	1	10	20,0000
9600	0	4800	1	10	20,0000
9800	0	4900	1	10	20,0000
10000	0	5000	1	10	20,0000
10165	1	5083	2	11,8052	23,6081
10600	0	5300	1	10	20,0000
11000	0	5500	1	10	20,0000

Strike price old	Version old	Strike price new	Version new	Contract size old	Contract size new
11400	0	5700	1	10	20,0000
11859	1	5930	2	11,8054	23,6088
12000	0	6000	1	10	20,0000
12200	0	6100	1	10	20,0000
13000	0	6500	1	10	20,0000
13500	0	6750	1	10	20,0000
14000	0	7000	1	10	20,0000
14500	0	7250	1	10	20,0000
15000	0	7500	1	10	20,0000
15500	0	7750	1	10	20,0000
16000	0	8000	1	10	20,0000
16500	0	8250	1	10	20,0000
17000	0	8500	1	10	20,0000
17500	0	8750	1	10	20,0000
18000	0	9000	1	10	20,0000
18500	0	9250	1	10	20,0000
19000	0	9500	1	10	20,0000
20000	0	10000	1	10	20,0000
22000	0	11000	1	10	20,0000
24000	0	12000	1	10	20,0000
28000	0	14000	1	10	20,0000

The new contract size for LEPOs will be published after close on the last cum trading day, in case there is open interest. Otherwise, LEPOs will be deleted after close of trading on the last cum trading day.

Change of Standard Contract Size

Effective the ex date the standard contract size of Eurex options on Julius Baer will be increased from presently 10 to 50 in the future.

Therefore, new series with version number 0 and the new standard contract size of 50 will be introduced as of the ex date. All existing 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 fractional part of the new contract size.

Adjustment of Position Limit

After the stock split the new position limit will be 4,426,060 contracts

The ISIN of Julius Baer (CH0012083017) will remain unchanged.

Clearing Measures:

- Collateral that contains BAER shares will be rebooked in the Eurex® system during the batch run on the last cum trading day.

Eurex Stock Futures Contract (BAEF):

Adjustment 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 Eurex stock futures contract on Julius Baer (BAEF) from the last cum trading day will be multiplied by the R-factor.

The new contract size will be calculated as follows:

Contract size old 10 / R-factor 0.50 = 20,0000 contract size new

All existing orders and quotes will be deleted after close of trading on the last cum trading day.

As soon as there are no more series with open interest after the adjustment, trading in the original Eurex stock futures contract on Julius Baer (BAEF) will be discontinued.

If there is no open interest for the original Eurex stock futures contract on Julius Baer (BAEF) after close of trading on the last cum trading day, no adjustment will be carried out and trading will be discontinued.

The new Eurex stock futures contract on Julius Baer with the new standard contract size of 50 and the new product code BAEG (product ISIN DE000A0MEV09) which already exists in the Eurex® system will be admitted to trading as of the ex date.

Besides, margin parameters for this product will change:

Margin Parameter old (absolute)	Margin Parameter new (absolute)	Spot/Back Rate old/new
15.00	7.00	45

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be published on the Eurex website as of the ex date under:

www.eurexchange.com > Documents > Rules & Regulations

The exact date of the stock split will be published as soon as possible via the **Market Supervision Messages** window.

For details please feel free to contact the Functional Helpdesk Equity and Equity Index Products at tel. +49-69-211-12 10.

Frankfurt, March 8, 2007