X-pand into the Future

e u r e x *circular 097/07*

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Thomas Lenz

Kudelski SA: Extraordinary Dividend

Contact: Functional Helpdesk Equity- and Equity Index Products, tel. +49-69-211-1 12 10

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

Summary:

On May 24, 2007, the annual general meeting of Kudelski SA is expected to decide on the payment of an extraordinary dividend of CHF 0.30 for the bearer share in addition to the regular dividend of CHF 0.30 for the bearer share.

You were already informed on February 16, 2007 via the **Market Supervision Messages** window that an adjustment of the existing Eurex options series on the Kudelski SA share (KUD) and Eurex stock futures contracts on Kudelski SA (KUDF) would be required.

Ex date will be **May 30, 2007**.

This circular contains a description of the adjustment procedure.

Eurex Deutschland
Neue Börsenstraße 1
60487 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
customer.support@
eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Thomas Lenz,
Michael Peters, Andreas Preuß,
Peter Reitz, Jürg Spillmann

ARBN: 101 013 361

Kudelski SA: Extraordinary Dividend

On May 24, 2007, the annual general meeting of Kudelski SA is expected to decide on the payment of an extraordinary dividend of CHF 0.30 for the bearer share in addition to the regular dividend of CHF 0.30 for the bearer share.

Ex date will be May 30**,** 2007.

As a result of this extraordinary dividend, an adjustment of the Eurex options on Kudelski SA shares and the Eurex stocks futures contract on Kudelski SA shares pursuant to Section 2.6.10.1 (2) and Section 1.6.7 (2) 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 official closing auction price of the Kudelski SA share at virt-x on May 29, 2007 will be the basis for the adjustment. This price will be reduced by the regular dividend. The price resulting from this will be the basis for the determination of the adjustment factor (R-factor).

S1 = Closing auction price of the Kudelski SA share

S2 = S1 minus regular dividend

S3 = S2 minus extraordinary dividend

R-factor = S3 / S2

Adjustment of strike prices (only for options) 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 (only for options) and contract sizes resulting from the adjustment will be published immediately after close of trading on the last cum trading day, May 29, 2007, via the **Market Supervision Messages** window. The version number of existing series will be increased by 1 (only for options). New series with the standard contract size of 100 and version number 0 will be introduced with effect from the ex date (only for options). All outstanding orders and quotes will be deleted after close of trading on the last cum trading day, May 29, 2007.

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

The ISIN of the Kudelski SA share (CH0012268360) will remain unchanged.

Adjustment of the Eurex stock futures contract on Kudelski SA (KUDF) will be done by the same R-factor as for the options. To adjust the calculation of the Variation Margin of the following day, settlement prices of the Eurex stock futures contract on Kudelski SA of May 29, 2007 will be multiplied by the R-factor.

The new contract size will be calculated as follows:

Contract size new = contract size old / R-factor

After the adjustment, a new Eurex stock futures contract on Kudelski SA with standard contract size 100 and new product code KUDG will be introduced. The date of introduction will be published via the **Market Supervision Messages** window.

As soon as there are no more series with open interest, trading in the original Eurex stock futures contract on Kudelski SA (KUDF) will be discontinued.

Should there be no more open interest in the Eurex stock futures contract on Kudelski SA (KUDF) after close of trading on the last cum trading day, May 29, 2007, no adjustment will be made and no new Eurex stock futures contract on Kudelski SA will be introduced.

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

www.eurexchange.com > Documents > Rules and Regulations

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

Frankfurt, May 22, 2007