X-pand into the Future

e u r e x *circular 093/02*

Date: Frankfurt, October 15, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

High Priority

Capital Increase in Zurich Financial Services (ZURN)

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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 October 11, 2002 the shareholders of Zurich Financial Services approved a capital increase by granting of subscription rights in a ratio of 3:2. The trading in subscription rights will begin on October 17, 2002 and will end on October 24, 2002. As a result of the capital increase, an adjustment to the ZURN option at Eurex is required. The Circular contains a description of the adjustment procedure.

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Management Board:
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Capital Increase in Zurich Financial Services (ZURN)

At their Annual General Meeting on October 11, 2002 the shareholders of Zurich Financial Services approved a capital increase by granting of subscription rights in a ratio of 3:2. Thus, for every three exiting shares held, every shareholder has the right to purchase two new shares at a price of CHF 65.00 each. Zurich Financial shares will be quoted ex-rights with effect from October 17, 2002.

Details of the capital increase are as follows:

- Ownership of every three shares gives the right to purchase two new shares
- The offer price of the new shares will be CHF 65.00
- The rights trading period will run from October 17, 2002 until October 24, 2002
- The rights exercise period will run from October 17, 2002 until October 25, 2002

As a result of the capital increase, an adjustment to the ZURN option at Eurex is required. Eurex will establish the adjustment factor (R-factor) on the basis of the Zurich Financial Services stock closing auction price at virt-x on October 16, 2002. Multiplication by the R-factor will lead to reduced exercise prices. Contracts sizes will be increased so that the original contract value is maintained. The version number of the existing options will be increased by 1.

The R-factor will be calculated as follows:
R = ((3/5) * (1-(65/Closing price))) + (65/Closing price)

On exercise of an adjusted series, the fractional part of the new contract size will be settled in cash.

The adjusted series and the new contract sizes resulting from the adjustment will be published immediately after close of trading on October 16, 2002 via the Market Supervision Messages window.

All outstanding orders and quotes for ZURN will be deleted after close of trading on October 16, 2002.

New series with version number 0 and a standard contract size of 10 will be introduced with effect from October 17, 2002.

In addition please note that, during the overnight batch on October 15, 2002, one decimal place will be added to the exercise prices of options on Zurich Financial Services. Therefore, from October 16, 2002, the exercise prices of ZURN options will be displayed with one decimal digit.

Please take note of the changes outlined above on the appropriate dates.

Frankfurt, October 15, 2002

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