X-pand into the Future

e u r e x *circular 117/07*

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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U **High priority**

Veolia Environnement: Capital Increase

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

Summary:

By means of a press release on June 12, 2007, Veolia Environnement announced a capital increase with subscription rights for Veolia Environnement shareholders. Subscription ratio will be 8:1, subscription price for the new shares EUR 49.70. The new shares will be entitled to dividend as of the 2007 fiscal year. The subscription period will begin on June 14, 2007. As a consequence of the capital increase, an adjustment to the Eurex option on shares of Veolia Environnement (VVD) as well as to the Eurex stock futures contract on Veolia Environnement (VVDF) will become necessary.

Ex date will be **June 14, 2007**.

This circular describes the adjustment procedure.

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Veolia Environnement: Capital Increase

On June 12, 2007, Veolia Environnement announced a capital increase with subscription rights for Veolia Environnement shareholders.

As a consequence of the capital increase an adjustment to the Eurex option on shares of Veolia Environnement (VVD) pursuant to section 2.6.10.1 (3) as well as to the Eurex stock futures contract on Veolia Environnement (VVDF) pursuant to section 1.6.7 (3) of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will become necessary.

Ex date will be June 14, 2007.

The capital increase will be managed as follows:

- Eight existing Veolia Environnement shares entitle to subscribe to one new share of Veolia Environnement
- Subscription price for the new Veolia Environnement shares will be EUR 49.70
- The subscription period will start on June 14, 2007
- New Veolia Environnement shares will be entitled to dividend as of the fiscal year of 2007

The Eurex Exchanges will calculate the adjustment factor (R-factor) on the basis of the closing auction price at Euronext Paris on June 13, 2007. The exercise prices will be reduced by multiplying them by the R-factor (for options only). The contract size will be increased accordingly so that the original contract value will be maintained. The version number of existing series will be increased by 1 (for options only).

The R-factor will be determined with eight decimal places. It is calculated in the following way:

R = ((number of existing shares / number of new shares) * (1 - (issue price of new shares / closing auction price))) + (issue price of new shares / closing auction price)

R = ((8 / 9) * (1 - (49.70 / Cls.Price))) + (49.70 / Cls.Price)

The adjusted contract size will have four decimal places. It is calculated in the following way:

Contract size new = (Contract size old * exercise price old) / exercise price new

The adjusted series and the resulting new contract sizes will be published via the **Market Supervision Messages** window immediately after close of trading on June 13, 2007.

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

New series with version number 0 and a standard contract size of 100 will be introduced with effect from June 14, 2007 (for options only). All outstanding orders and quotes will be deleted after close of trading on June 13, 2007.

Adjustment to the Eurex stock futures contract on Veolia Environnement (VVDF) will be made by means of the same adjustment factor as for the options. To compensate for the calculation of the next day's variation margin the settlement prices of the Eurex stock futures contract on Veolia Environnement of June 13, 2007 will be multiplied by the R-factor.

The new contract size will be calculated as follows:

New contract size = old contract size / R-factor

After the adjustment a new Eurex stock futures contract on Veolia Environnement will be introduced with a standard contract size of 100 and new product code VVDG. The exact date of introduction will be communicated 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 Veolia Environnement (VVDF) will be set on hold and discontinued.

The ISIN of Veolia Environnement (FR0000124141) will remain unchanged.

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

www.eurexchange.com > Documents > Rules and Regulations

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

Frankfurt, June 13, 2007