X-pand into the Future

e u r e x *circular 220/06*

Date: Frankfurt, November 2, 2006
Recipients: All Eurex members and vendors
Authorized by: Daniel Gisler

⚠ **Action Required** ⚠ **High Priority**

Unilever NV: Extraordinary Dividend

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

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

Summary:

On November 2, 2006, the company Unilever NV announced to its shareholders to pay an extraordinary dividend of EUR 0.26 in addition to the interims dividend of EUR 0.23.

You were informed on November 2, 2006 via the **Market Supervision Messages** window that an adjustment of the existing Eurex options series on stocks of Unilever (UNI) and the stock futures contract on Unilever (UNIG) would be required.

Ex date will be **November 3, 2006.**

This circular contains a description of the adjustment procedure.

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

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Unilever NV: Extraordinary Dividend

On November 2, 2006, the company Unilever NV announced to its shareholders to pay an extraordinary dividend of EUR 0.26 in addition to the interims dividend of EUR 0.23.

You were informed on November 2, 2006 via the **Market Supervision Messages** window that an adjustment of the existing Eurex options series on stocks of Unilever (UNI) and the stock futures contract on Unilever (UNIG) would be required.

Ex date will be November 3, 2006.

As a result of this extraordinary dividend, an adjustment of the Eurex options on stocks of Unilever and the Eurex stocks futures contract on Unilever pursuant to Section 2.6.10.1 (1) (options) and Section 1.6.7 (2) (futures) 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 closing auction price of the Unilever share on November 2, 2006 will be the basis for the adjustment. First, this price will be reduced by the interims dividend. The resulting price will serve for determining the adjustment factor (R-factor):

S1 = Closing auction price of Unilever share

S2 = S1 minus interims 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, November 2, 2006, 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-day (only for options). All outstanding orders and quotes will be deleted after close of trading on the last cum trading day, November 2, 2006.

Upon exercise of an adjusted series, cash payment will be made for the number of shares in excess of the standard contract size (only for options).

On the day prior to the corporate action the **Contract Cover Assignment Entry** window should be used to delete all allocations of shares covering short call positions for the UNI product.

The ISIN of Unilever NV (NL0000009355) will remain unchanged.

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Adjustment of the Eurex stock futures contract on Unilever (UNIG) 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 stock futures contract on Unilever of November 2, 2006 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 stock futures contract on Unilever with standard contract size 100 and new product code UNIH will be introduced. Start of trading 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 Unilever (UNIG) will be discontinued.

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Frankfurt, November 2, 2006

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