

X-pand into the Future



eurex circular 112/09

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors

Banca Popolare di Milano: Issue of Bond coupled with Warrants

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

Content may be most important for:

- Front Office/Trading
- Middle + Backoffice
- Auditing/Security Coordination

Attachments:

none

Summary:

On April 25, 2009, the annual general meeting of the company Banca Popolare di Milano decided to issue the bond "Mandatory Convertible BPM 2009/2013 – 6,75%" coupled with warrants on shares of Banca Popolare di Milano with pre-emptive rights for shareholders of Banca Popolare di Milano.

The issue of this bond will result in an adjustment of the existing Eurex options on shares of Banca Popolare di Milano (BPM) and the Eurex stock futures contract on shares of Banca Popolare di Milano (BPMF).

Furthermore, the standard contract size of the Eurex stock futures contract on Banca Popolare di Milano will be increased from 100 to 1000.

Ex date will be **June 15, 2009**.

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

Banca Popolare di Milano: Issue of Bond coupled with Warrants**Measure:**

Issue of a bond with pre-emptive rights. Shareholders of Banca Popolare di Milano will receive the right to subscribe for one bond with nominal value of EUR 100 for each 63 shares they hold. Each bond is coupled with a warrant by means of which nine shares of Banca Popolare di Milano can be purchased at a price of EUR 8.00 between May 1, 2013 and June 1, 2013.

Last Cum Trading Day:

June 12, 2009

Ex Date:

June 15, 2009

Affected Products:

BPM/BPMF

Reference to underlying Rules & Regulations:

Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Sections 1.6.7 (2) and 2.6.10.1. (2).

The updated Contract Specifications will be available on the Eurex website as of the ex date under:

www.eurexchange.com > Documents > Rules and Regulations

Adjustment of ISIN:

The ISIN of the Banca Popolare di Milano share (IT0000064482) will remain unchanged.

Change of Standard Contract Size:

As of the ex date, the standard contract size of the Eurex stock futures contract on shares of Banca Popolare di Milano will be increased from currently 100 to 1000.

Procedure:**Determination of Adjustment Factor (R-Factor)**

Basis for the adjustment is the closing auction price of the Banca Popolare di Milano share at the Borsa Italiana on the last cum trading day, June 12, 2009.

Closing auction price of the Banca Popolare di Milano share	S1
S1 minus theoretical value of the options right*	S2
R-Factor	S2 / S1

*The theoretical value of the options right will be published after close of trading in the **Market Supervision Messages** window.

Options

1. Adjustment of Strike Prices and Contract Sizes

All existing strike prices will be multiplied by the R-factor.

The contract size will be divided by the R-factor.

The version number of the existing series will be increased by 1.

Adjusted strike prices and contract sizes will be published via the **Market Supervision Messages** window immediately after close of trading on the last cum trading day.

New series with standard contract size 500 and version number 0 will be introduced effective ex date.

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

2. Exercises

Generally, upon exercise of an adjusted series, cash payment will be made for the fractional part of the new contract size. For adjusted series as of version 2, deviations in the delivery process might occur. In report RPTTA111 (All Active / Inactive Series), those parts of the contract size are displayed for which cash settlement will take place upon exercise of an adjusted series.

The adjustment also refers to existing positions in OTC Flexible Options.

Futures

1. Adjustment of Contract Size and Variation Margin

The adjustment will be done by means of the same R-factor as for the options.

To adjust the calculation of the variation margin of the following exchange trading day, settlement prices of the last cum trading day will be multiplied by the R-factor.

The new contract size will be calculated as follows:

$$\text{Contract size new} = \text{contract size old} / \text{R-factor}$$

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

The adjustment also refers to existing positions in OTC Flexible Futures.

2. Introduction of a new Contract

A new contract on Banca Popolare di Milano shares will be introduced with new standard contract size 1000 and new product code BPMG.

The exact date of introduction will be published via the **Market Supervision Messages** window.

As soon as the new contract is available for trading and there are no more series with open interest in the original contract on Banca Popolare di Milano share (BPMF), trading in this contract will be put on "HALT" and finally discontinued.

signed: Thomas Lenz

signed: Manfred Weber

Frankfurt, June 12, 2009