

LIFFE GENERAL NOTICE NO: 2595

ISSUE DATE: 14 January 2005

EFFECTIVE: 31 January 2005

**UNIVERSAL STOCK FUTURES CONTRACT
(EXCHANGE CONTRACT NO. 56)**

BAYER AG

CORPORATE ACTION: SPIN OFF

This General Notice is issued pursuant to the Corporate Actions Policy (LIFFE General Notice No. 2540, issued on 22 October 2004, refers). It requires the immediate attention of members' staff involved with the trading and settlement of LIFFE Universal Stock Futures Contracts. Members should ensure that clients are made aware of the arrangements detailed in this Notice.

1. **Contract:** Bayer AG Universal Stock Futures Contract (TRS code BYR).
2. **Background:** Bayer AG has announced its intention to spin off part of its chemicals and polymers business into a separately listed company called Lanxess AG. Under the terms of the spin off, Bayer shareholders will receive one Lanxess AG share for every 10 Bayer AG shares held.
3. **Effective Date:** Monday 31 January 2005.
4. **Contracts Adjustments:** Bayer AG Universal Stock Futures Contracts shall be adjusted using the package approach. No adjustment shall be made to reference prices or to the lot size.
5. **Package:** On and from Monday 31 January 2005, those Bayer AG Universal Stock Futures Contracts available for trading on that day will become a package of 100 Bayer AG shares and 10 Lanxess AG shares.
6. **EDSP:** On the Last Trading Day of those Bayer AG Universal Stock Futures Contracts available for trading on 31 January 2005, the Exchange Delivery Settlement Price ("EDSP") shall be determined using the official closing price on Deutsche Börse of Bayer AG and Lanxess AG shares, and shall be calculated as follows (subject to the rounding conventions stipulated in the Contract Terms):
$$\text{EDSP} = (0.1 \times \text{Lanxess AG share price}) + (\text{Bayer AG share price})$$
7. **Further delivery months:** On and from 31 January 2005, no further delivery months shall be made available for trading.
8. **ISIN Code:** The ISIN code of the Lanxess AG shares will be announced in due course.

9. Further Information: Please e-mail DerivativesCorporateActions@euronext.com or contact Quality of Derivative Markets (+31 (0) 20 550 4296) at Euronext.liffe, or e-mail LCHOperations-Equities@lchclearnet.com or contact Business Operations (+44 (0)20 7426 7062) at LCH.Clearnet for further information about this General Notice.

BY ORDER OF THE BOARD

N E Carew Hunt
Market Secretary