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To: All NZFOE Dealers
No: 2/00

INL Announcement

INL has announced a corporate action effective this evening 17 March 2000 whereby for every share issued in INL, 2 additional shares will be created.

The NZFOE's Equity Options Contract Specifications clearly lay out the course of action that the Exchange should follow in such situations. As can be seen in the attached Contract Specifications:

- split or consolidation: in the event of a split, consolidation or other similar action in respect of the Underlying Security:
 - (i) the Unit Size will thereafter relate to the new shares resulting; and
 - (ii) the Exercise Price will be adjusted proportionately by the ratio of the old shares to the new shares; and
 - (iii) the Unit Size will be adjusted proportionately by the ratio of the new shares to the old shares

For example a current \$9 strike price will be divided by 3 giving a \$3 strike price and the current 1,000 shares per option will be multiplied by 3 to give 3,000 shares per option. It is assumed that where the strike price is divided by 3 and the answer is a third of a whole number then the strike price would be rounded down to the nearest whole number and where it is two-thirds it will be rounded up to the next highest number e.g. a \$9.10 strike will become a \$3.03 strike and a \$9.20 strike will become a \$3.07 strike:

Contract	Current Strike Price	New Strike Price
INH0	07400	02470
	07500	02500
	07600	02530
	07700	02570
	07800	02600
	07900	02630
	08000	02670
	08100	02700
	08200	02730

08300	02770
08400	02800
08500	02830
08600	02870
08700	02900
08800	02930
08900	02970
09000	03000
09100	03030
09200	03070
09300	03100
09400	03130
09500	03170
09600	03200
09700	03230
09800	03270
09900	03300
01000	00330

NZFOE will delist far month (December only) INL options in which there is no open interest. NZFOE would then list a new option (with the mnemonic NL) which will have 25c strike price intervals and 1,000 shares per option. The contract specifications for the new option are attached.

Greg Boland
General Manager; NZFOE

17/03/2000