

SFE CIRCULAR NO. 188/00

ISSUE DATE: **23 October 2000**
EFFECTIVE: **23 October 2000**

BROKEN HILL PROPRIETARY LTD – REVISED CONTRACT SIZE FOR
EXISTING BHP INDIVIDUAL SHARE FUTURES CONTRACTS

1. Introduction and Executive Summary

1.1 Following Court and Shareholder approval, the proposed Broken Hill Proprietary Limited (“BHP”) Spin-out has become effective today, 23 October 2000.

1.2 **Further to the information provided in Circular 186/00, issued 13 October 2000, the purpose of this Circular is to provide SFE Participants with the adjusted Contract Size of all existing BHP Individual Share Futures Contracts (Commodity Code ‘BH’).**

2. Individual Share Future Adjustments

2.1 Further to Circular 186/00, the BH Contract Size Multiplier has been calculated as follows:

$$\text{CSM} = \frac{[(m \times \text{VWAP}_{\text{BHP}}) + (n \times \text{VWAP}_{\text{OST}})]}{m \times \text{VWAP}_{\text{BHP}}}$$

Where:

Ex-date = 23 October 2000.
m = Ex-date number of BHP shares held.
n = Ex-date number of OneSteel shares to be received.
VWAP_{BHP} = Ex-date volume weighted average price of BHP.
VWAP_{OST} = Ex-date volume weighted average price of OneSteel.

$$\text{CSM} = \frac{[(4 \times 18.6108) + (1 \times 0.9725)]}{4 \times 18.6108}$$

$$\text{CSM} = 1.01306365$$

As a result, the Contract Size for all existing BH series will be adjusted to **1,013 shares per lot**. The Commodity Code will remain unchanged at ‘BH’.

3. New and Existing BH positions

- 3.1 SFE Participants are reminded that whilst it was not possible for SFE to advise Participants of the adjusted Contract Size prior to open of business trade date 23 October 2000, **all BH positions outstanding as at and subsequent to close of business trade date 23 October 2000 will be marked-to-market using the adjusted tick-size of \$10.13.**

4. New Series

- 4.1 SFE Participants are requested to refer to Circular 187/00, issued 20 October 2000 for further information regarding the introduction of additional BHP Individual Share Futures contracts.

5. Further Information

- 5.1 Members seeking further information in relation to this Circular should contact Martyn Wild at SFE (02 9256 0178) or Kyrra Grunnsund (02 9256 0430) at SFECH.

BARBARA JONES
COMPANY SECRETARY

23 OCTOBER 2000