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BHP STEEL LIMITED SPECIAL DIVIDEND - ACTION IN RESPECT OF BHP STEEL LIMITED INDIVIDUAL SHARE FUTURES CONTRACTS

1.0 Introduction

- 1.1 On 28 August 2003, BHP Steel Limited announced their intention to pay a special dividend, amounting to 7 cents per share. The ex-dividend date for the special dividend is Wednesday, 10 September 2003.
- 1.2 As a consequence of the special dividend, the Exchange will adjust all existing BHP Steel Limited Individual Share Futures contracts (BSL ISF) with open interest. **The Effective Date for these adjustments will be Wednesday, 10 September 2003.**

2.0 Contract Adjustments

- 2.1 To accurately reflect the payments made to holders of BHP Steel Limited shares, the Exchange will adopt a similar approach to the adjustment of BSL ISFs. This will occur as per the following formula:

$$\begin{aligned}\text{Debit/Credit per ISF open position} &= \text{Special Dividend} \times \text{number of Underlying Shares per BSL ISF} \\ &= \$0.07 \times 1,000 \text{ shares} \\ &= \$70.00\end{aligned}$$

All holders of BSL ISF positions at the close of business on Tuesday 09 September 2003 will therefore be affected in the following way;

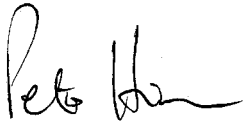
- 2.1.1 Long position holders will be **credited** with the value of the special dividend consistent with the formula above;
- 2.1.2 Short position holders will be **debited** with the value of the special dividend consistent with the formula above;

3 Further Information

3.1 Participants seeking further information in relation to this Bulletin should contact:

3.1.1 Effie Tsiaousis in SFE Business Development (02 9256 0596) for issues relating to changes to contract specifications; or

3.1.2 Greg Fitzpatrick in SFE Business Operations (02 9256 0642) for settlement and clearing issues.

A handwritten signature in black ink, appearing to read 'Peter Hiom', with a stylized flourish at the end.

Peter Hiom
General Manager, Strategy and Business Development

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