

FORECAST REPORT - NON-INTEGRAL SPLITS

Will show the Firm's positions affected by Corporate Events occurring within the next five (5) business days before the effective date. One (1) business day before the effective date, the Final Forecast Report will show the projected position and price changes. This report is produced daily.

CPM713
 BUSINESS DATE: 10/28/2002
 CYCLE: RTH

CHICAGO MERCANTILE EXCHANGE
 CORPORATE EVENT FINAL FORECAST REPORT
 ***** DETAIL *****

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FIRM: 000 ABC SECURITIES ORIGIN: CUST POSITION ACCOUNT: 000

ATTENTION: HOME DEPOT, INC. FUTURE HAS A CORPORATE EVENT - 3 FOR 2 SPLIT - WHICH IS EFFECTIVE ON OCT 30, 2002

CORPORATE EVENT DESCRIPTION: HOME DEPOT NON-INTEGRAL SPLIT

HAD OCT 28, 2002 BEEN THE EFFECTIVE DATE, THE FOLLOWING POSITIONS WOULD CHANGE AS INDICATED BELOW:

CONTRACT INFORMATION		PRE-SPLIT OCT 28, 2002				***** FORECASTED AMOUNT *****					
		LONG	SHORT	SHARES/CTRCT	SETTLE PRICE	VALUE	LONG	SHORT	SHARES/CTRCT	SETTLE PRICE	VALUE
HD1C	HD DEC 02	1010	0	100	30.34 USD	3,064,340.00					
HD2C	HW DEC 02						1010	0	150	20.23 USD	3,064,845.00

Non-integral Splits

For stock splits or stock distributions, the split ratio is the number of shares that a holder of the stock would have after the split, divided by the number of shares that the holder had before. A non-integral split is one where the split ratio is not an integer. Simple examples are three for two splits (split ratio = 3/2) and four for three splits (split ratio = 4/3). Another example is a reverse split. For example, three shares become one share – a “one for three” split, with split ratio = 1/3. A stock dividend – for example, for every 100 shares you had, you get 5 more – is another example of a non-integral split.

In this example, a three for two non-integral split (split ratio = 3/2) is handled as follows:

- The symbol is changed. HD1C became HD2C. Analogously, the two-byte clearing code changed -- HD became HW.*
- The position quantity is not affected, but the underlying deliverable of this new symbol is determined by multiplying the underlying deliverable (100) of the original symbol by the split ratio (3/2), and truncating any fractional part of this result. This new value for underlying deliverable becomes the new value for the contract value factor (150).*
- The start-of-day price for the new symbol (HW) is determined by dividing the end-of-day price (30.34 USD) for the old symbol (HD) by the inverse of split ratio (2/3), and rounding the result normally to the nearest tick (20.23 USD).*