

CORPORATE EVENTS

MEMO # 06-254 REVISED

DATE: 10/13/06

ACTION: Bellsouth Corporation (BLS) **Anticipated Adjustment** due to merger. **The effective date has been postponed.** Once the FCC votes on the proposed merger, the effective date will be determined. This corporate action will be coordinated with the Options Clearing Corporation.

CATEGORY: Contract Adjustment

EQUITY SYMBOL: BLS (Bellsouth Corporation)

ONECHICAGO SYMBOL: BLS1C will not be re-listed

CME FUTURES SYMBOL: 0B will not be re-listed

NUMBER OF CONTRACTS: No Change

EFFECTIVE DATE: To be determined

MULTIPLIER: 100 will remain unchanged.

DELIVERABLE PER CONTRACT:

- 1) 132 AT&T Inc. (T) Common Shares
- 2) Cash in lieu of .5 fractional T shares*

* The cash portion of the deliverable remains permanently fixed as part of the futures contract deliverable and does not vary with price changes of securities also included in the deliverable.

APPLICABLE CONTRACT MONTHS: October, November, December, March 2007

SETTLEMENT PRICES: Unchanged

PRICING: The underlying price for the BLS2C futures contract deliverable, expressed in terms of current market value, will be calculated as follows:

$$\text{BLS2C} = 1.32(\text{T}) + \text{cash in lieu of .5 T shares}$$

Please note that the valuation would apply only to the BLS2C deliverable in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include the cost of money carrying charges, adjustment for dividends, and other factors.

BACKGROUND: On July 21, 2006, Shareholders of Bellsouth Corporation (BLS) will vote concerning a proposed merger with AT&T Inc. (T). If the merger is approved and consummated, each existing BLS Common Share will be converted into the right to receive 1.325 T Common Shares. Cash will be paid in lieu of fractional T shares.

NOTES: The forecasted effect of the upcoming corporate event on each clearing firms' positions can be viewed in infopac in the Corporate Event Initial Forecast Report (ONE712), the Corporate Event Final Forecast Report (ONE713), and the Corporate Event Forecast Audit Report (CPDBU710).

If you have any questions regarding the information provided in the document, please call CME Clearing risk management hotline at (312) 648-3888.