

CORPORATE EVENTS

MEMO # 05-178

DATE: 08/17/05

ACTION: Nextel Communications, Inc. (NXTL) – **Determination of exact deliverable.** This corporate action will be coordinated with the Options Clearing Corporation.

CATEGORY: Contract Adjustment

SECURITY FUTURE: NXTL (Nextel Communications, Inc.)

ONECHICAGO SYMBOL: NXTL1C changed to NXTL2C

CME SYMBOL: NT changed to L6

NUMBER OF CONTRACTS: No Change

EFFECTIVE DATE: Monday, August 15, 2005

MULTIPLIER: 100 multiplier remains the same

DELIVERABLE PER CONTRACT: 1) 126 Sprint Nextel Corporation Series 1 Common Shares ("S")
2) \$104.25 Cash*

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

APPLICABLE CONTRACT MONTHS: August, September, December and March

SETTLEMENT PRICES AND POSITIONS: The underlying price of NXTL2C futures contract deliverable, expressed in terms of current market value, will be calculated as follows:

$$\text{NXTL2C} = 1.26 (S) + 1.0425.$$

For example if S closes at \$26.00, the NXTL2C price would be: $\text{NXTL2C} = 1.26 (26.00) + 1.0425 = \$33.80.$

Please note that the valuation would apply only to the NXTL2C 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 cost of money carrying charges, adjustment for dividends, and other factors.

BACKGROUND:

On July 13, 2005, Shareholders of Nextel Communications, Inc. ("NXTL") voted concerning a proposed merger with Sprint Corporation ("FON"). The merger was approved and subsequently consummated on August 12, 2005. As a result, each existing NXTL Common Share will be converted into the right to receive 1.26750218 Series 1 Common Shares of the new combined company, "Sprint Nextel Corporation", plus \$0.84629198 cash. Cash will be paid in lieu of fractional 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 this document, please call CME Clearing Risk Management hotline at (312) 648-3888.