

# CORPORATE EVENTS

MEMO # 06-305

DATE: 12/12/06

**ACTION:** Walter Industries Inc. (WLT) has announced a distribution of Mueller Water Products Inc. (MWA) common stock. **The effective date is Friday, December 15, 2006.** This corporate action is being coordinated with the Options Clearing Corporation.

**CATEGORY:** Contract Adjustment

**EQUITY SYMBOL:** WLT (Walter Industries Inc.)

**ONECHICAGO SYMBOL:** WLT1C changes to WLT2C

**CME FUTURES SYMBOL:** WLT changes to WL2  
WLT1C will be re-listed on Monday, December 18, 2006 with standard 100 share contract specifications.

**NUMBER OF CONTRACTS:** No Change

**EFFECTIVE DATE:** Contract adjustment effective on December 15, 2006.

**MULTIPLIER:** 100 multiplier will remain the same.

**DELIVERABLE PER CONTRACT:**

- 1) 100 Walter Industries Inc. (WLT)
- 2) 165 Mueller Water Products Inc. (MWA) common shares
- 3) Cash in lieu of 0.24432 fractional MWA shares\*

\* 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:** December, January, March, and June 2007

**SETTLEMENT PRICES AND POSITIONS:**

The underlying price for the WLT2C futures contract deliverable, expressed in terms of current market value, would be calculated as follows:

$$\text{WLT2C} = \text{WLT} + 1.65 \text{ MWA} + \text{Cash in lieu of } 0.24432 \text{ (MWA)}$$

Please note that the valuation would apply only to the WLT2C 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, adjustments for dividends, and other factors.

**BACKGROUND:**

Walter Industries Inc. (WLT) has announced a distribution of Mueller Water Products Inc. (MWA) common stock. The distribution ratio is 1.6524432 MWA common shares for each WLT common share. The record date is December 6, 2006 and the mail date is December 14, 2006. The New York Stock Exchange (NYSE) has set December 15, 2006 as the ex-distribution date.

The NYSE has determined due-bills for the MWA distribution must accompany each WLT share delivered after December 19, 2006 in settlement of WLT transactions made prior to the ex-distribution date.

Western Union Company (WU) common stock commenced trading "when-distributed" on the NYSE on December 6, 2006, under symbol "MWA".

**NOTES:**

This 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 the CME Clearing risk management hotline at (312) 648-3888.