



INTERNATIONAL SECURITIES EXCHANGE

**SERIES ADJUSTMENTS - 2005-005**  
**ONN INFORMATION CIRCULAR # 831**  
**January 14, 2005**

**Ceradyne Inc. (CRDN)**  
**3 for 2 Stock Split**  
**Ex-Distribution Date: 1/19/2005**

Ceradyne Inc. (AUE/CRDN) has declared a 3 for 2 stock split payable to shareholders of record on January 10, 2005. Distribution date for the stock split will be Tuesday, January 18, 2005. Ex-distribution date for the stock split will be Wednesday, January 19, 2005.

**Contract Adjustments:**

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all Ceradyne Inc. options will be adjusted as follows:

**Adjustment Date:** Effective with exercises of Wednesday, January 19, 2005 and thereafter  
**ISE Underlying Symbol(s):** Unchanged - CRDN  
**OPRA Option Symbol(s):** AUE becomes ANE  
**Size of Contract:** 150 shares  
**Strike Prices:** Reduced by dividing existing strikes by 1.5 and rounding to the nearest eighth  
**Multiplier:** 150 (e.g., Premium of 1.00 = \$150)  
**New Deliverable/Contract:** 150 Shares of Ceradyne Inc.

**GTC Order Cancellation:**

On Tuesday, January 18, 2005, immediately after the ISE close, all resting orders in the CRDN order book will be cancelled

**Position and Exercise Limits:**

The ISE Surveillance Department has determined that position and exercise limits following this stock split, and until June 18, 2005 expiration will be any combination of AUE and ANE options not to exceed 9,000,000 shares of CRDN through the June 18, 2005, at which time it will revert to its standard limit of 6,000,000 shares.

**Unadjusted New Shares:**

New CRDN series with a contract unit of 100 shares will be introduced on Thursday, January 20, 2005. Strike prices and expiration months will be announced on a separate release

**Adjusted Exercise Prices:**

On Wednesday, January 19, 2005, the ex-distribution date, trading in CRDN series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series. Any additional CRDN series added prior to the ex-date will also be adjusted in the manner outlined below

Ceradyne Inc. (CRDN/AUE) (Before 1/19/2005) (100 shrs CRDN)					Ceradyne Inc. (CRDN/ANE) (Beginning 1/19/2005) (150 shrs CRDN)				
ISE Series	OPRA	Month	Strike	Calls/Puts	ISE Series	OPRA	Month	Strike	Calls/Puts
CRDN5JAN40.0C/P	AUE	JAN	40	AH/MH	CRDN5JAN26.6CX/PX	ANE	JAN	26 5/8	AT/MT
CRDN5JAN45.0C/P	AUE	JAN	45	AI/MI	CRDN5JAN30.0CX/PX	ANE	JAN	30	AF/MF
CRDN5JAN50.0C/P	AUE	JAN	50	AJ/MJ	CRDN5JAN33.4CX/PX	ANE	JAN	33 3/8	AU/MU
CRDN5JAN55.0C/P	AUE	JAN	55	AK/MK	CRDN5JAN36.6CX/PX	ANE	JAN	36 5/8	AV/MV
CRDN5JAN60.0C/P	AUE	JAN	60	AL/ML	CRDN5JAN40.0CX/PX	ANE	JAN	40	AH/MH
CRDN5JAN65.0C/P	AUE	JAN	65	AM/MM	CRDN5JAN43.4CX/PX	ANE	JAN	43 3/8	AW/MW
CRDN5JAN70.0C/P	AUE	JAN	70	AN/MN	CRDN5JAN46.6CX/PX	ANE	JAN	46 5/8	AX/MX
CRDN5JAN75.0C/P	AUE	JAN	75	AO/MO	CRDN5JAN50.0CX/PX	ANE	JAN	50	AJ/MJ
CRDN5JAN80.0C/P	AUE	JAN	80	AP/MP	CRDN5JAN53.4CX/PX	ANE	JAN	53 3/8	AY/MY
CRDN5JAN85.0C/P	AUE	JAN	85	AQ/MQ	CRDN5JAN56.6CX/PX	ANE	JAN	56 5/8	AZ/MZ

Ceradyne Inc. (CRDN/AUE)  
(Before 1/19/2005)  
(100 shrs CRDN)

Ceradyne Inc. (CRDN/ANE)  
(Beginning 1/19/2005)  
(150 shrs CRDN)

<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>	<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>
CRDN5FEB40.0C/P	AUE	FEB	40	BH/NH	CRDN5FEB26.6CX/PX	ANE	FEB	26 5/8	BT/NT
CRDN5FEB45.0C/P	AUE	FEB	45	BI/NI	CRDN5FEB30.0CX/PX	ANE	FEB	30	BF/NF
CRDN5FEB50.0C/P	AUE	FEB	50	BJ/NJ	CRDN5FEB33.4CX/PX	ANE	FEB	33 3/8	BU/NU
CRDN5FEB55.0C/P	AUE	FEB	55	BK/NK	CRDN5FEB36.6CX/PX	ANE	FEB	36 5/8	BV/NV
CRDN5FEB60.0C/P	AUE	FEB	60	BL/NL	CRDN5FEB40.0CX/PX	ANE	FEB	40	BH/NH
CRDN5FEB65.0C/P	AUE	FEB	65	BM/NM	CRDN5FEB43.4CX/PX	ANE	FEB	43 3/8	BW/NW
CRDN5FEB70.0C/P	AUE	FEB	70	BN/NN	CRDN5FEB46.6CX/PX	ANE	FEB	46 5/8	BX/NX
CRDN5FEB75.0C/P	AUE	FEB	75	BO/NO	CRDN5FEB50.0CX/PX	ANE	FEB	50	BJ/NJ
CRDN5FEB80.0C/P	AUE	FEB	80	BP/NP	CRDN5FEB53.4CX/PX	ANE	FEB	53 3/8	BY/NY
CRDN5FEB85.0C/P	AUE	FEB	85	BQ/NQ	CRDN5FEB56.6CX/PX	ANE	FEB	56 5/8	BZ/NZ
CRDN5MAR17.5C/P	AUE	MAR	17 1/2	CW/OW	CRDN5MAR11.6CX/PX	ANE	MAR	11 5/8	CP/OP
CRDN5MAR20.0C/P	AUE	MAR	20	CD/OD	CRDN5MAR13.4CX/PX	ANE	MAR	13 3/8	CQ/OQ
CRDN5MAR22.5C/P	AUE	MAR	22 1/2	CX/OX	CRDN5MAR15.0CX/PX	ANE	MAR	15	CC/OC
CRDN5MAR25.0C/P	AUE	MAR	25	CE/OE	CRDN5MAR16.6CX/PX	ANE	MAR	16 5/8	CR/OR
CRDN5MAR30.0C/P	AUE	MAR	30	CF/OF	CRDN5MAR20.0CX/PX	ANE	MAR	20	CD/OD
CRDN5MAR35.0C/P	AUE	MAR	35	CG/OG	CRDN5MAR23.4CX/PX	ANE	MAR	23 3/8	CS/OS
CRDN5MAR40.0C/P	AUE	MAR	40	CH/OH	CRDN5MAR26.6CX/PX	ANE	MAR	26 5/8	CT/OT
CRDN5MAR45.0C/P	AUE	MAR	45	CI/OI	CRDN5MAR30.0CX/PX	ANE	MAR	30	CF/OF
CRDN5MAR50.0C/P	AUE	MAR	50	CJ/OJ	CRDN5MAR33.4CX/PX	ANE	MAR	33 3/8	CU/OU
CRDN5MAR55.0C/P	AUE	MAR	55	CK/OK	CRDN5MAR36.6CX/PX	ANE	MAR	36 5/8	CV/OV
CRDN5MAR60.0C/P	AUE	MAR	60	CL/OL	CRDN5MAR40.0CX/PX	ANE	MAR	40	CH/OH
CRDN5MAR65.0C/P	AUE	MAR	65	CM/OM	CRDN5MAR43.4CX/PX	ANE	MAR	43 3/8	CW/OW
CRDN5MAR70.0C/P	AUE	MAR	70	CN/ON	CRDN5MAR46.6CX/PX	ANE	MAR	46 5/8	CX/OX
CRDN5MAR75.0C/P	AUE	MAR	75	CO/OO	CRDN5MAR50.0CX/PX	ANE	MAR	50	CJ/OJ
CRDN5MAR80.0C/P	AUE	MAR	80	CP/OP	CRDN5MAR53.4CX/PX	ANE	MAR	53 3/8	CY/OY
CRDN5MAR85.0C/P	AUE	MAR	85	CQ/OQ	CRDN5MAR56.6CX/PX	ANE	MAR	56 5/8	CZ/OZ
CRDN5JUN25.0C/P	AUE	JUN	25	FE/RE	CRDN5JUN16.6CX/PX	ANE	JUN	16 5/8	FR/RR
CRDN5JUN30.0C/P	AUE	JUN	30	FF/RF	CRDN5JUN20.0CX/PX	ANE	JUN	20	FD/RD
CRDN5JUN35.0C/P	AUE	JUN	35	FG/RG	CRDN5JUN23.4CX/PX	ANE	JUN	23 3/8	FS/RS
CRDN5JUN40.0C/P	AUE	JUN	40	FH/RH	CRDN5JUN26.6CX/PX	ANE	JUN	26 5/8	FT/RT
CRDN5JUN45.0C/P	AUE	JUN	45	FI/RI	CRDN5JUN30.0CX/PX	ANE	JUN	30	FF/RF
CRDN5JUN50.0C/P	AUE	JUN	50	FJ/RJ	CRDN5JUN33.4CX/PX	ANE	JUN	33 3/8	FU/RU
CRDN5JUN55.0C/P	AUE	JUN	55	FK/RK	CRDN5JUN36.6CX/PX	ANE	JUN	36 5/8	FV/RV
CRDN5JUN60.0C/P	AUE	JUN	60	FL/RL	CRDN5JUN40.0CX/PX	ANE	JUN	40	FH/RH
CRDN5JUN65.0C/P	AUE	JUN	65	FM/RM	CRDN5JUN43.4CX/PX	ANE	JUN	43 3/8	FW/RW
CRDN5JUN70.0C/P	AUE	JUN	70	FN/RN	CRDN5JUN46.6CX/PX	ANE	JUN	46 5/8	FX/RX
CRDN5JUN75.0C/P	AUE	JUN	75	FO/RO	CRDN5JUN50.0CX/PX	ANE	JUN	50	FJ/RJ
CRDN5JUN80.0C/P	AUE	JUN	80	FP/RP	CRDN5JUN53.4CX/PX	ANE	JUN	53 3/8	FY/RY
CRDN5JUN85.0C/P	AUE	JUN	85	FQ/RQ	CRDN5JUN56.6CX/PX	ANE	JUN	56 5/8	FZ/RZ

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264