

MARKET NOTICE

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NOTICE NO. **022/2015**

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DATE: **13 January 2015**

SUBJECT: **Treatment of Next Plc (NXT LN EQUITY) Corporate Action – Special Dividend 15th January 2015 (Ex-date)**

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Designation: Head of Operations – Clearing & Settlement

Market: Post trade and information services

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Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications (http://www.jse.co.za/ssf/contract_specifications.jsp), which states:

13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundling, capitalization issues and rights issues.

The implication of this is that anybody trading in IDX Single Stock futures or options in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the IDX Single Stock futures and options.

Special Dividend

Next Plc (NXT LN EQUITY) has declared a special dividend of R 9.694046 (GBP 0.5555556) per share. With regard to this corporate action, the following adjustments will be made to NXTG positions on Thursday, 15th January 2015 (**Ex-date**). The adjustments will be made to the positions held in NXTG, as at close of business on Wednesday, 14th January 2015 (**LDT**).

Futures contracts

The futures position will be increased by the following factor:

Calculation of futures factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on Wednesday, 14th January 2015 (LDT)

Adjusted price = Spot price – 9.694046 (special dividend).

The official closing price of the underlying share on Wednesday, 14th January 2015 (LDT) is R 1 207.14 the following would apply:-

$$\begin{aligned} \text{Adjusted price} &= 1\,207.14 - 9.694046 \\ &= \underline{1\,197.445960} \end{aligned}$$

$$\begin{aligned} \text{Futures factor} &= 1\,207.14 / 1\,197.445960 \\ &= \underline{1.00809559706561} \end{aligned}$$

I.e. Current positions * Factor (rounded to nearest whole contract) = the number of total contracts. Additional contracts will be created at an initial value of zero.

Should you have any queries please contact (011) 520-7349 or Clearops@jse.co.za / structuredproducts@jse.co.za