



Market Notice

Number: F4406

Date: 11 August 2010

Treatment of Mvelaphanda Group Limited (MVGQ) Corporate Action – Unbundling 16 August 2010

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 Executive Committee reserves the right to adopt any procedure or to adjust any individual equity future or option on an individual equity future (Single Stock futures or options on Single Stock futures), 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, members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundling's, capitalisation issues and rights issues.”

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

UNBUNDLING.

Mvelaphanda Group Limited (MVG), shareholders will receive 33.45335 Health Strategic Investments Limited (HIS) shares for every 100 MVG shares held. With regard to this corporate action the following adjustments will be made to MVGQ positions on Monday, 16th August 2010 (Ex date). The adjustments will be made to the positions held in MVGQ, as on close of business on Friday, 13th August 2010 (**LDT**)

1. Futures positions.

- The JSE will list a new contract i.e. Mvelaphanda Group Limited /Health Strategic Investments Limited basket (MVXQ).
- Positions in MVGQ as held on close of business on Friday, 13th August 2010 (**LDT**) will be closed out at a value of zero and new positions will be created in the new contract at a value of zero.



JSE Limited Registration Number: 2005/022939/06

One Exchange Square, Gwen Lane, Sandown, South Africa.
Private Bag X991174, Sandton, 2146, South Africa. Telephone:
+27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

Member of the World Federation of Exchanges

Executive Directors: RM Loubser (CEO), JH Burke, FM Evans
NF Newton-King, LV Parsons **Non-Executive Directors:** HJ
Borkum (Chairman), AD Botha, MR Johnston, DM Lawrence, W
Luhabe, A Mazwai, NS Nematswerani, N Payne, G Serobe,
Company Secretary: GC Clarke

E.g. If you had 10 futures contracts in the MVGQ contract, the JSE will close out this position at a value of zero and open a new position of 10 futures contracts in the new contract (MVXQ).

- The new MVXQ future will comprise of a basket of MVG and HSI shares in the following ratio: -

$$\underline{1 \text{ New MVXQ future} = 100 \text{ MVG shares} + 33.45335 \text{ HSI shares.}}$$

- The MTM price of the new MVXQ basket will be determined by calculating the fair value of: -

$$\underline{(1 * \text{MVG share price}) + (0.3345335 * \text{HSI share price}).}$$

- At expiry date the future will be physically settled according to the following ratio: -

$$\underline{1 \text{ New MVXQ future} = 100 \text{ MVG shares} + 33.45335 \text{ HSI shares.}}$$

- The final settlement price of the MVXQ basket at expiry will be determined as follows: -

$$\underline{(1 * \text{MVG share price}) + (0.3345335 * \text{HSI share price}).}$$

2. Option positions.

- The JSE will make the same adjustments to option positions as made to futures positions above.
- Strike prices will remain unaffected.

Please note:

A new Single Stock Futures contract will also be listed for Health Strategic Investments Limited (HSIQ) on Monday, 16th August 2010.

Should you have any queries please contact Imraan Hendrix on (011) 520-7349

Allan Thomson

Director: Trading

Tel: +27 11 520 7082

Fax: +27 11 520 7551

E-mail Address allant@jse.co.za

Distributed by the Company Secretariat +27 11 520 7591