

Market Notice

Number: F4605

Date: 26 January 2011

Treatment of Mobile Industries Limited (MOBQ) Corporate Action – Unbundling 31 January 2011

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.

Mobile Industries Limited (MOB), shareholders will receive 0.08117 Trecor Limited (TRE) shares for every 1 MOB shares held.

With regard to this corporate action the following adjustments will be made to positions on Monday, 31st January 2011 (Ex date). The adjustments will be made to the positions held in MOBQ, as at close of business on Friday, 28th January 2011 (**LDT**).

1. Futures positions.

- The JSE will list a new contract i.e. Mobile Industries Limited (MOB)/ Trecor Limited (TRE) basket (MBXQ).
- Positions in MOBQ as held on close of business on Friday, 28th January 2011 (**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.



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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

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E.g. If you had 10 futures contracts in the MOBQ 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 (MBXQ).

- The new MBXQ future will comprise of a basket of MOB and TRE shares in the following ratio: -

$$\underline{1 \text{ New MBXQ future} = 100 \text{ MOB shares} + 8.117 \text{ TRE shares.}}$$

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

$$\underline{(1 * \text{MOB share price}) + (0.08117 * \text{TRE share price}).}$$

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

$$\underline{1 \text{ New MBXQ future} = 100 \text{ MOB shares} + 8.117 \text{ TRE shares.}}$$

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

$$\underline{(1 * \text{MOB share price}) + (0.08117 * \text{TRE share price}).}$$

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

In addition to the above changes, the JSE will list a new futures contract i.e. Trencor Limited (TRE)

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