



Market Notice

Number: F4827
Date: 5 July 2011

Treatment of Mondi Limited (MND) Corporate Action – Unbundling 11 July 2011 (Ex. Date)

Members notice is drawn to section 13 of the JSE Derivatives Directives, the contract specifications of Individual Equity Futures and options, 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, unbundlings, 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.

Mondi Limited (MND) shareholders will receive 1 Mondi Packaging South Africa Limited (MPT) shares for every 1 MND shares held.

With regard to this corporate action the following adjustments will be made to positions on Monday, 11th July 2011 (**Ex date**). The adjustments will be made to the positions held in MNDQ, as at close of business on Friday, 08th July 2011 (**LDT**).



1. Futures positions.

- The JSE will list a new contract i.e. Mondi Limited (MND) / Mondi Packaging South Africa Limited (MPT) basket (MMMQ).
- Positions in MNDQ as held on close of business on Friday, 08th July 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.

E.g. If you had 10 futures contracts in the MNDQ 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 (MMMQ).

- The new MMMQ future will comprise of a basket of MND and MPT shares in the following ratio: -

$$\underline{1 \text{ New MMMQ future} = 100 \text{ MND shares} + 100 \text{ MPT shares.}}$$

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

$$\underline{(1 * \text{MND share price}) + (1 * \text{MPT share price}).}$$

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

$$\underline{1 \text{ New MMMQ future} = 100 \text{ MND shares} + 100 \text{ MPT shares.}}$$

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

$$\underline{(1 * \text{MND share price}) + (1 * \text{MPT share price}).}$$

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. Mondi Packaging South Africa Limited (MPTQ)

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

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