

Market Notice

Number: F4374

Date: 12 July 2010

Re-Weighting of Telkom SA Limited and Vodacom Group Basket (TXVQ).

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.

Re-Weighting of TXVQ.

With regard to the corporate action on Telkom SA Limited (TKG), the TXVQ contract will be re-weighted on Monday, 12th July 2010.

The number of TKG shares will be increased by the factor as calculated for the corporate action on Telkom SA Limited (TKG). With reference to notice F4368 the factor was calculated as follows:



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

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Executive Directors: RM Loubser (CEO), JH Burke, FM Evans
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Borkum (Chairman), AD Botha, MR Johnston, DM Lawrence, W
Luhabe, A Mazwai, NS Nematswerani, N Payne, G Serobe,
Company Secretary: GC Clarke

$$\begin{aligned}\text{Spot price} &= 37.60 - 1.25 \\ &= \underline{36.35}\end{aligned}$$

$$\begin{aligned}\text{Adjusted price} &= 36.35 - 1.75 \\ &= \underline{34.60}\end{aligned}$$

$$\begin{aligned}\text{Futures factor} &= 36.35 / 34.60 \\ &= 1.05057803468208\end{aligned}$$

The current TXVQ contract is made up as follows:

- 1 TXVQ future = 100 VOD shares + 158.350340903 TKG shares.
- The MTM price of the current basket is determined by calculating the fair value of: -
(1 * VOD share price) + (1.58350340903 * TKG share price).

The TXVQ contract will be amended and be made up as follows:

- 1 TXVQ future = 100 VOD shares + 166.359389937111 TKG shares.
- The MTM price of the new basket is determined by calculating the fair value of: -
(1 * VOD share price) + (1.66359389937111 * TKG share price).

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

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