

Market Notice

Number: F4396

Date 30 July 2010

Root Cause of Equity Market Trading Disruption on 27 July 2010

The JSE and its service provider MTN Business have established the root cause of the problem that prompted the halt of the cash equities market on 27 July 2010.

Just after 09h00 on 27 July, the JSE stopped receiving multi-cast public trading data through the exchange's international network links which are managed by MTN Business. This caused the JSE to halt trading in the cash equities market. The JSE worked with MTN Business throughout the period during which the market was halted to diagnose the problem and restore the flow of public trading data to clients. The cash equities market moved to an opening auction at 15h05 and continuous trading began at 15h20. Trading hours were extended by one hour and the market closed at 18h00. Almost 70,000 trades took place on the day.

MTN Business provides the JSE with a managed network service which consists of multiple international network links to the JSE and which include multiple levels of redundancy, both submarine and terrestrial. These networks carry public and private trading data between the exchange and its equity trading engine hosted and managed in London by the London Stock Exchange.

MTN Business and the JSE have determined that on 27 July, multiple transmission failures across the MTN network, combined with an inability to support multi-cast public trading data on a path in the network effectively at the fourth level of redundancy, caused the multi-cast public data not to reach the JSE with the result that trade could not take place in the JSE's cash equities market.

MTN Business has taken remedial action to resolve the technical issue and will take further action in the following weeks based on its analysis of the cause, including an enhanced monitoring system.

Though a network issue also caused the closure of the cash equities market for 90 minutes on 12 July 2010, the JSE and MTN have not yet been able to determine the root cause of the 12 July incident but do not at this stage believe the two incidents to be related. The findings of the independent experts appointed in this regard are awaited and will be communicated once the investigation has concluded.

Although the nature of the network failure was extreme and left the JSE with no option but to halt the equities market, we sincerely regret halting the cash equities market at all given our firm commitment to operate markets that at all times meet the requirements of our clients.



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Company Secretary: GC Clarke

Equity Derivatives Market Extended

Due to the Equity Market Trading Disruption on 27 July 2010, the Equity Derivatives Market trading times were extended as follows:

Market Closed : 18h30
Admin Period : 18h30 – 19h00
Market Offline : 19h00

Kindly contact Customer Support on 011 520 7777 or e-mail customersupport@jse.co.za for further information or any queries in this regard.

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