

## MARKET NOTICE

**Number:** F7100  
**Date:** 01 July 2014

Johannesburg  
Stock Exchange

Tel: +27 11 520 7000  
Fax: +27 11 520 8584

[www.jse.co.za](http://www.jse.co.za)

### **Brett Kotze**

Designation Head of Operations – Clearing & Settlement  
Division Post trade services  
Tel +27 11 520 7587  
Fax +27 11 520 8587  
E-mail address: [brettk@jse.co.za](mailto:brettk@jse.co.za)

**Subject: Treatment of Intercontinental Hotels (IHG LN EQUITY) Corporate Action – Special Dividend and Consolidation 01<sup>st</sup> July 2014 (Ex-date)**

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](http://www.jse.co.za/ssf/contract_specifications.jsp)), which states:

### **13. Corporate Events**

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, 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, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalization issues and rights issues.

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

### **Special Dividend**

Intercontinental Hotels (IHG LN EQUITY) has declared a special dividend of R 31.46 (USD 2.92 \* 10.7725 dated 4<sup>th</sup> June 2014) per share. With regard to this corporate action, the following adjustments will be made to IHGG positions on Tuesday, 1<sup>st</sup> July 2014 (**Ex-date**). The adjustments will be made to the positions held in IHGG, as at close of business on Monday, 30<sup>th</sup> June 2014 (**LDT**).

### **Futures contracts**

The futures position will be increased by the following factor:

Calculation of futures factor:

**Spot price / adjusted price**

Where:

**Spot price** = the official closing price of the underlying share on Monday, 30<sup>th</sup> June 2014 (LDT)

**Adjusted price** = Spot price – 31.46 (special dividend).

The official closing price of the underlying share on Monday, 30<sup>th</sup> June 2014 (LDT) is R 436.82 the following would apply:-

Adjusted price = 436.82 – 31.46

= 405.36

Futures factor = 436.82 / 405.36

= 1.07761002565621

**I.e.** Current positions \* Factor (rounded to nearest whole contract) = the number of total contracts.  
Additional contracts will be created at an initial value of zero.

### **Consolidation**

Intercontinental Hotels (IHG LN EQUITY) has declared a consolidation of 0.92307 per share. With regard to this corporate action, the following adjustments will be made to IHGG positions on Tuesday, 1<sup>st</sup> July 2014 (**Ex-date**). The adjustments will be made to the positions held in IHGG as a result of the above Special Dividend adjustment.

### **Futures contracts**

The futures position will be adjusted by the following factor:

New Position after Special Dividend Adjustment \*0.92307 = New Position

Should you have any queries please contact André Koen on (011) 520-7469 or [andrek@jse.co.za](mailto:andrek@jse.co.za) / [safexops@jse.co.za](mailto:safexops@jse.co.za) / [idx@jse.co.za](mailto:idx@jse.co.za)