

To: All Option Members, Member Organizations & ROTs
 From: Market Watch
 Date: January 18, 2008
 Subject: PHLX Defense SectorSM (DFXSM) Quarterly Rebalancing

The Philadelphia Stock Exchange, Inc. (PHLX) has determined to make the following changes to the PHLX Defense SectorSM (DFXSM), before the open of business on Tuesday, January 22, 2008.

<u>Company Name</u>	<u>Stock Symbol</u>		<u>Shares</u>
Alliant Techsystems, Inc.	ATK	99.64	100
Boeing Company	BA	78.36	128
Rockwell Collins, Inc.	COL	50.4	163
DRS Technologies, Inc.	DRS	#NT/FND	199
Embraer Emp. Brasileira de Aero	ERJ	56	238
Esterline Technologies Corp.	ESL	42.07	221
Flir Systems, Inc.	FLIR	45.22	319
General Dynamics Corp.	GD	80.8	124
General Electric Co	GE	34.42	291
Gencorp, Inc.	GY	9.92	1008
ITT Corporation	ITT	56	178
L3 Communications, Inc.	LLL	103.45	97
Lockheed Martin Corp.	LMT	101.8	98
Northrop Grumman Corp.	NOC	78.68	127
Raytheon Company	RTN	60.42	165
Teledyne Technologies, Inc.	TDY	52.14	192
United Technologies Corp.	UTX	68.17	147

The revised DFXSM divisor is: 473.1531 #NT/FND

Questions concerning this release should be directed to Market Watch at 1-800-THE-PHLX, choice #2 or (215) 496-1508.

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