

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
 From: Market Watch
 Date: April 25, 2007
 Re: **Volvo AB (VQY/VOLV) - Special Cash Distribution**

On April 4, 2007, shareholders of AB Volvo approved a six-for-one (6 for 1) stock split, of which one of the shares will be designated as a redemption share. This redemption share will be automatically redeemed at a price of 25.00 SEK. The stock split for the remaining five shares (5 for 1 stock split) will occur on **Thursday, May 10, 2007**.

The proceeds from the sale of the redemption shares shall be given to ADS holders of AB Volvo (VOLV) in the form of cash. The cash amount that shareholders will receive is approximately \$3.136475 cash (the US Dollar equivalent of 25 SEK). **The record date for these cash proceeds will be April 30, 2007. The payable date has yet to be determined. NASDAQ has set the ex-distribution date for this distribution as Thursday, April 26, 2007.**

EFFECTIVE DATE: Thursday, April 26, 2007
SYMBOL(s): VQY becomes VGQ
STRIKE PRICE: Unchanged
MULTIPLIER: 100 * (e.g., premium of 1.00 = \$100)
NEW DELIVERABLE: 1) 100 Shares of AB Volvo (VOLV)
 2) Approximately \$313.65 cash (\$3.136475 x 100)

***** NOTE: VGQ options are being adjusted for the redemption share at this time and shall be FURTHER adjusted to account for the 5 for 1 stock split on Thursday, May 10, 2007. New options, under the symbol VQY, that represent 100 shares of VOLV, will not be available for trading until AFTER the upcoming stock split.**

GOOD-TILL-CANCELLED (GTC) ORDERS:

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

The resulting list of adjusted strike prices and symbols is as follows:

Volvo AB (VOLV/VQY) (Before 4/26/2007) (100 shrs VOLV)					Volvo AB (VOLV/VGQ) (Beginning 4/26/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
VQY	MAY	75	EO	QO	VGQ	MAY	75	EO	QO
VQY	MAY	80	EP	QP	VGQ	MAY	80	EP	QP
VQY	MAY	85	EQ	QQ	VGQ	MAY	85	EQ	QQ
VQY	MAY	90	ER	QR	VGQ	MAY	90	ER	QR
VQY	MAY	95	ES	QS	VGQ	MAY	95	ES	QS
VQY	MAY	100	ET	QT	VGQ	MAY	100	ET	QT
VQY	MAY	105	EA	QA	VGQ	MAY	105	EA	QA
VQY	MAY	110	EB	QB	VGQ	MAY	110	EB	QB
VQY	JUN	85	FQ	RQ	VGQ	JUN	85	FQ	RQ
VQY	JUN	90	FR	RR	VGQ	JUN	90	FR	RR
VQY	JUN	95	FS	RS	VGQ	JUN	95	FS	RS
VQY	JUN	100	FT	RT	VGQ	JUN	100	FT	RT
VQY	JUN	105	FA	RA	VGQ	JUN	105	FA	RA
VQY	JUN	110	FB	RB	VGQ	JUN	110	FB	RB

VQY	JUL	60	GL	SL	VGQ	JUL	60	GL	SL
VQY	JUL	65	GM	SM	VGQ	JUL	65	GM	SM
VQY	JUL	70	GN	SN	VGQ	JUL	70	GN	SN
VQY	JUL	75	GO	SO	VGQ	JUL	75	GO	SO
VQY	JUL	80	GP	SP	VGQ	JUL	80	GP	SP
VQY	JUL	85	GQ	SQ	VGQ	JUL	85	GQ	SQ
VQY	JUL	90	GR	SR	VGQ	JUL	90	GR	SR
VQY	JUL	95	GS	SS	VGQ	JUL	95	GS	SS
VQY	JUL	100	GT	ST	VGQ	JUL	100	GT	ST
VQY	JUL	105	GA	SA	VGQ	JUL	105	GA	SA
VQY	JUL	110	GB	SB	VGQ	JUL	110	GB	SB
VQY	OCT	70	JN	VN	VGQ	OCT	70	JN	VN
VQY	OCT	75	JO	VO	VGQ	OCT	75	JO	VO
VQY	OCT	80	JP	VP	VGQ	OCT	80	JP	VP
VQY	OCT	85	JQ	VQ	VGQ	OCT	85	JQ	VQ
VQY	OCT	90	JR	VR	VGQ	OCT	90	JR	VR
VQY	OCT	95	JS	VS	VGQ	OCT	95	JS	VS
VQY	OCT	100	JT	VT	VGQ	OCT	100	JT	VT
VQY	OCT	105	JA	VA	VGQ	OCT	105	JA	VA
VQY	OCT	110	JB	VB	VGQ	OCT	110	JB	VB

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.