



MEMO: 1956-07

MEMORANDUM

TO: All Option Members, Member Organizations & ROTs  
FROM: Market Watch  
DATE: August 7, 2007  
RE: **Change in the PHLX Sports Sector (SXP<sup>SM</sup>)**

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The Philadelphia Stock Exchange, Inc. (PHLX) has received notification that K2 Inc. (KTO), a member of the SXP<sup>SM</sup> Sector, is expected to be acquired on Wednesday, August 8, 2007.

As a result, the PHLX has determined that the following changes will take place in the PHLX Sports Sector before the open of business **on the day following the effectiveness of the merger (anticipated to be Thursday, August 9, 2007):**

**DELETIONS:**

K2 Inc. (KTO)

**ADDITIONS:**

**Index Shares**

Anheuser-Busch Companies Inc. (BUD)

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**The revised SXP<sup>SM</sup> divisor and BUD shares will be announced on a separate release following the close of business on the day the merger becomes effective, which is expected to be Wednesday, August 8, 2007.**

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