

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: December 7, 2007

Re: Temple-Inland, Inc. (TIN) - Special Cash Dividend

Temple-Inland, Inc. (TIN) has declared a special cash dividend of \$10.25 payable to share holders of record on Wednesday, December 12, 2007. Distribution date for the special cash dividend will be Friday, December 21, 2007. **Ex-distribution date for the special cash dividend will be Monday, December 10, 2007.**

EFFECTIVE DATE: Monday, December 10, 2007
SYMBOL(s): TIN/ZSM/YDE becomes TKZ/ZDK/WHC
POSITION LIMITS: No Change
STRIKE PRICE: No Change
NEW DELIVERABLE: 1) 100 Temple-Inland, Inc. (TIN) Common Shares
 2) \$1,025.00 cash (\$10.25 x 100)

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:

Temple-Inland, Inc. (TIN) (Before 12/10/2007) (100 shrs TIN)					Temple-Inland, Inc. (TKZ) (Beginning 12/10/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
TIN	DEC	30	LF	XF	TKZ	DEC	30	LF	XF
TIN	DEC	35	LG	XG	TKZ	DEC	35	LG	XG
TIN	DEC	40	LH	XH	TKZ	DEC	40	LH	XH
TIN	DEC	45	LI	XI	TKZ	DEC	45	LI	XI
TIN	DEC	50	LJ	XJ	TKZ	DEC	50	LJ	XJ
TIN	DEC	55	LK	XK	TKZ	DEC	55	LK	XK
TIN	DEC	60	LL	XL	TKZ	DEC	60	LL	XL
TIN	DEC	65	LM	XM	TKZ	DEC	65	LM	XM
TIN	DEC	70	LN	XN	TKZ	DEC	70	LN	XN
TIN	DEC	75	LO	XO	TKZ	DEC	75	LO	XO
TIN	DEC	80	LP	XP	TKZ	DEC	80	LP	XP
TIN	JAN	25	AE	ME	TKZ	JAN	25	AE	ME
TIN	JAN	30	AF	MF	TKZ	JAN	30	AF	MF
TIN	JAN	35	AG	MG	TKZ	JAN	35	AG	MG
TIN	JAN	40	AH	MH	TKZ	JAN	40	AH	MH
TIN	JAN	45	AI	MI	TKZ	JAN	45	AI	MI
TIN	JAN	50	AJ	MJ	TKZ	JAN	50	AJ	MJ
TIN	JAN	55	AK	MK	TKZ	JAN	55	AK	MK
TIN	JAN	60	AL	ML	TKZ	JAN	60	AL	ML
TIN	JAN	65	AM	MM	TKZ	JAN	65	AM	MM
TIN	JAN	70	AN	MN	TKZ	JAN	70	AN	MN
TIN	JAN	75	AO	MO	TKZ	JAN	75	AO	MO
TIN	JAN	80	AP	MP	TKZ	JAN	80	AP	MP

Temple-Inland, Inc. (TIN)
(Before 12/10/2007)
(100 shrs TIN)

			Calls	Puts
TIN	FEB	35	BG	NG
TIN	FEB	40	BH	NH
TIN	FEB	45	BI	NI
TIN	FEB	50	BJ	NJ
TIN	FEB	55	BK	NK
TIN	FEB	60	BL	NL
TIN	FEB	65	BM	NM
TIN	FEB	70	BN	NN
TIN	FEB	75	BO	NO
TIN	FEB	80	BP	NP
TIN	FEB	85	BQ	NQ
TIN	MAY	30	EF	QF
TIN	MAY	35	EG	QG
TIN	MAY	40	EH	QH
TIN	MAY	45	EI	QI
TIN	MAY	50	EJ	QJ
TIN	MAY	55	EK	QK
TIN	MAY	60	EL	QL
TIN	MAY	65	EM	QM
TIN	MAY	70	EN	QN
TIN	MAY	75	EO	QO
TIN	MAY	80	EP	QP

Temple-Inland, Inc. (TKZ)
(Beginning 12/10/2007)
(See new deliverable above)

			Calls	Puts
TKZ	FEB	35	BG	NG
TKZ	FEB	40	BH	NH
TKZ	FEB	45	BI	NI
TKZ	FEB	50	BJ	NJ
TKZ	FEB	55	BK	NK
TKZ	FEB	60	BL	NL
TKZ	FEB	65	BM	NM
TKZ	FEB	70	BN	NN
TKZ	FEB	75	BO	NO
TKZ	FEB	80	BP	NP
TKZ	FEB	85	BQ	NQ
TKZ	MAY	30	EF	QF
TKZ	MAY	35	EG	QG
TKZ	MAY	40	EH	QH
TKZ	MAY	45	EI	QI
TKZ	MAY	50	EJ	QJ
TKZ	MAY	55	EK	QK
TKZ	MAY	60	EL	QL
TKZ	MAY	65	EM	QM
TKZ	MAY	70	EN	QN
TKZ	MAY	75	EO	QO
TKZ	MAY	80	EP	QP

Temple-Inland, Inc. - 2009 Leap (ZSM)
(Before 12/10/2007)
(100 shrs TIN)

			Calls	Put
ZSM	JAN	20	AD	MD
ZSM	JAN	30	AF	MF
ZSM	JAN	40	AH	MH
ZSM	JAN	50	AJ	MJ
ZSM	JAN	60	AL	ML
ZSM	JAN	65	AM	MM
ZSM	JAN	70	AN	MN
ZSM	JAN	80	AP	MP

Temple-Inland, Inc. - 2009 Leap (ZDK)
(Beginning 12/10/2007)
(See new deliverable above)

			Calls	Put
ZDK	JAN	20	AD	MD
ZDK	JAN	30	AF	MF
ZDK	JAN	40	AH	MH
ZDK	JAN	50	AJ	MJ
ZDK	JAN	60	AL	ML
ZDK	JAN	65	AM	MM
ZDK	JAN	70	AN	MN
ZDK	JAN	80	AP	MP

Temple-Inland, Inc. - 2010 Leap (YDE)
(Before 12/10/2007)
(100 shrs TIN)

			Calls	Put
YDE	JAN	20	AD	MD
YDE	JAN	30	AF	MF
YDE	JAN	40	AH	MH
YDE	JAN	50	AJ	MJ
YDE	JAN	60	AL	ML
YDE	JAN	70	AN	MN
YDE	JAN	80	AP	MP

Temple-Inland, Inc. - 2010 Leap (WHC)
(Beginning 12/10/2007)
(See new deliverable above)

			Calls	Put
WHC	JAN	20	AD	MD
WHC	JAN	30	AF	MF
WHC	JAN	40	AH	MH
WHC	JAN	50	AJ	MJ
WHC	JAN	60	AL	ML
WHC	JAN	70	AN	MN
WHC	JAN	80	AP	MP

The new TIN option contracts representing 100 shares of TIN, will be admitted to trading on Tuesday, December 11, 2007. Strike prices and expiration months will be announced on a separate release prior to that date.

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