

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: December 13, 2007

Re: BorgWarner, Inc., Inc. (BWA) - 2 for 1 Stock Split

BorgWarner, Inc., Inc. (BWA) has declared a 2 for 1 stock split payable to share holders of record on Thursday, December 6, 2007. Distribution date for the stock split will be Monday, December 17, 2007. Ex-distribution date for the stock split will be Tuesday, December 18, 2007.

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional BWA option contract for each option contract held. Further, on the ex-distribution date each BWA series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each BWA series existing on the business day preceding the ex-distribution date. For example, beginning on Tuesday, December 18, 2007 an account holding (2) BWA DEC 80 calls (BWA LP) will hold (4) BWA DEC 40 calls (BWA LH). Customers should be advised that (1) contract in the adjusted BWA series will still represent 100 shares of BWA common shares.

POSITION/EXERCISE LIMITS:

Position and exercise limits will change from 75,000 to 150,000 contracts until the expiration date of January 16, 2010

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:

BorgWarner, Inc., Inc. (BWA) (Before 12/18/2007) (1 Contract)					BorgWarner, Inc., Inc. (BWA) (Beginning 12/18/2007) (2 Contracts)				
			Calls	Puts			Calls	Puts	
BWA	DEC	80	LP	XP	BWA	DEC	40	LH	XH
BWA	DEC	85	LQ	XQ	BWA	DEC	42 1/2	LV	XV
BWA	DEC	90	LR	XR	BWA	DEC	45	LI	XI
BWA	DEC	95	LS	XS	BWA	DEC	47 1/2	LW	XW
BWA	DEC	100	LT	XT	BWA	DEC	50	LJ	XJ
BWA	DEC	105	LA	XA	BWA	DEC	52 1/2	LX	XX
BWA	DEC	110	LB	XB	BWA	DEC	55	LK	XK
BWA	DEC	115	LC	XC	BWA	DEC	57 1/2	LY	XY
BWA	JAN	30	AF	MF	BWA	JAN	15	AC	MC
BWA	JAN	35	AG	MG	BWA	JAN	17 1/2	AQ	MQ
BWA	JAN	40	AH	MH	BWA	JAN	20	AD	MD
BWA	JAN	45	AI	MI	BWA	JAN	22 1/2	AR	MR
BWA	JAN	50	AJ	MJ	BWA	JAN	25	AE	ME
BWA	JAN	55	AK	MK	BWA	JAN	27 1/2	AS	MS
BWA	JAN	60	AL	ML	BWA	JAN	30	AF	MF
BWA	JAN	65	AM	MM	BWA	JAN	32 1/2	AT	MT
BWA	JAN	70	AN	MN	BWA	JAN	35	AG	MG
BWA	JAN	75	AO	MO	BWA	JAN	37 1/2	AU	MU
BWA	JAN	80	AP	MP	BWA	JAN	40	AH	MH
BWA	JAN	85	AQ	MQ	BWA	JAN	42 1/2	AV	MV
BWA	JAN	90	AR	MR	BWA	JAN	45	AI	MI
BWA	JAN	95	AS	MS	BWA	JAN	47 1/2	AW	MW
BWA	JAN	100	AT	MT	BWA	JAN	50	AJ	MJ

BWA	JAN	105	AA	MA	BWA	JAN	52 1/2	AX	MX
BWA	JAN	110	AB	MB	BWA	JAN	55	AK	MK
BWA	JAN	115	AC	MC	BWA	JAN	57 1/2	AY	MY
BWA	JAN	120	AD	MD	BWA	JAN	60	AL	ML
BWA	APR	60	DL	PL	BWA	APR	30	DF	PF
BWA	APR	65	DM	PM	BWA	APR	32 1/2	DT	PT
BWA	APR	70	DN	PN	BWA	APR	35	DG	PG
BWA	APR	75	DO	PO	BWA	APR	37 1/2	DU	PU
BWA	APR	80	DP	PP	BWA	APR	40	DH	PH
BWA	APR	85	DQ	PQ	BWA	APR	42 1/2	DV	PV
BWA	APR	90	DR	PR	BWA	APR	45	DI	PI
BWA	APR	95	DS	PS	BWA	APR	47 1/2	DW	PW
BWA	APR	100	DT	PT	BWA	APR	50	DJ	PJ
BWA	APR	105	DA	PA	BWA	APR	52 1/2	DX	PX
BWA	APR	110	DB	PB	BWA	APR	55	DK	PK
BWA	APR	115	DC	PC	BWA	APR	57 1/2	DY	PY
BWA	APR	120	DD	PD	BWA	APR	60	DL	PL
BWA	APR	125	DE	PE	BWA	APR	62 1/2	DZ	PZ
BWA	APR	130	DY	PY	BWA	APR	65	DM	PM
BWA	APR	135	DZ	PZ	BWA	APR	67 1/2	DA	PA
BWA	JUL	70	GN	SN	BWA	JUL	35	GG	SG
BWA	JUL	75	GO	SO	BWA	JUL	37 1/2	GU	SU
BWA	JUL	80	GP	SP	BWA	JUL	40	GH	SH
BWA	JUL	85	GQ	SQ	BWA	JUL	42 1/2	GV	SV
BWA	JUL	90	GR	SR	BWA	JUL	45	GI	SI
BWA	JUL	95	GS	SS	BWA	JUL	47 1/2	GW	SW
BWA	JUL	100	GT	ST	BWA	JUL	50	GJ	SJ
BWA	JUL	105	GA	SA	BWA	JUL	52 1/2	GX	SX
BWA	JUL	110	GB	SB	BWA	JUL	55	GK	SK
BWA	JUL	115	GC	SC	BWA	JUL	57 1/2	GY	SY
BWA	JUL	120	GD	SD	BWA	JUL	60	GL	SL
BWA	JUL	125	GE	SE	BWA	JUL	62 1/2	GZ	SZ
BWA	JUL	130	GY	SY	BWA	JUL	65	GM	SM
BWA	JUL	135	GZ	SZ	BWA	JUL	67 1/2	GA	SA
BWA	JUL	140	GU	SU	BWA	JUL	70	GN	SN

BorgWarner, Inc., Inc. - 2009 Leap (VCE)
(Before 12/18/2007)
(1 Contract)

			Calls	Put
VCE	JAN	40	AH	MH
VCE	JAN	50	AJ	MJ
VCE	JAN	60	AL	ML
VCE	JAN	70	AN	MN
VCE	JAN	80	AP	MP
VCE	JAN	85	AQ	MQ
VCE	JAN	90	AR	MR
VCE	JAN	95	AS	MS
VCE	JAN	100	AT	MT
VCE	JAN	105	AA	MA
VCE	JAN	110	AB	MB
VCE	JAN	115	AC	MC
VCE	JAN	120	AD	MD
VCE	JAN	125	AE	ME
VCE	JAN	130	AF	MF
VCE	JAN	135	AG	MG
VCE	JAN	140	AU	MU
VCE	JAN	145	AI	MI
VCE	JAN	150	AV	MV

BorgWarner, Inc., Inc. - 2009 Leap (VCE)
(Beginning 12/18/2007)
(2 Contracts)

			Calls	Put
VCE	JAN	20	AD	MD
VCE	JAN	25	AE	ME
VCE	JAN	30	AF	MF
VCE	JAN	35	AG	MG
VCE	JAN	40	AH	MH
VCE	JAN	42 1/2	AV	MV
VCE	JAN	45	AI	MI
VCE	JAN	47 1/2	AW	MW
VCE	JAN	50	AJ	MJ
VCE	JAN	52 1/2	AX	MX
VCE	JAN	55	AK	MK
VCE	JAN	57 1/2	AY	MY
VCE	JAN	60	AL	ML
VCE	JAN	62 1/2	AZ	MZ
VCE	JAN	65	AM	MM
VCE	JAN	67 1/2	AA	MA
VCE	JAN	70	AN	MN
VCE	JAN	72 1/2	AB	MB
VCE	JAN	75	AO	MO

BorgWarner, Inc., Inc. - 2010 Leap (WWL)
 (Before 12/18/2007)
 (1 Contract)

			Calls	Put
WWL	JAN	60	AL	ML
WWL	JAN	70	AN	MN
WWL	JAN	80	AP	MP
WWL	JAN	90	AR	MR
WWL	JAN	100	AT	MT
WWL	JAN	105	AA	MA
WWL	JAN	110	AB	MB

BorgWarner, Inc., Inc. - 2010 Leap (WWL)
 (Beginning 12/18/2007)
 (2 Contracts)

			Calls	Put
WWL	JAN	30	AF	MF
WWL	JAN	35	AG	MG
WWL	JAN	40	AH	MH
WWL	JAN	45	AI	MI
WWL	JAN	50	AJ	MJ
WWL	JAN	52 1/2	AX	MX
WWL	JAN	55	AK	MK

Any additional BWA series that are added prior to the ex-date will also be adjusted in the manner described above.

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