

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: December 20, 2007

**Subject: Saifun Semiconductors Ltd. (SFUN/UQF) Pending Merger With Spansion Inc. (SPSN) \*\*\*UPDATE\*\*\***

On Thursday, December 20, 2007, the shareholders of Saifun Semiconductors Ltd. (SFUN) voted to approve the proposed merger with Spansion Inc. (SPSN). Pursuant to the merger terms each SFUN share will be converted into the right to receive 0.7429 SPSN Class A Common Stock, and approximately \$6.05 cash. Cash will be paid in lieu of fractional shares. **The merger is anticipated to become effective during the first quarter of 2008.**

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding UQF options will be adjusted as follows:

**EFFECTIVE DATE:** Option changes are expected to become effective on a date to be announced  
**SYMBOL(s):** UQF becomes FWK  
**POS/EXERCISE LIMIT:** No Change  
**MULTIPLIER:** 100\*(eg., Premium of 1.00 = \$100)  
**NEW DELIVERABLE:** 1) 74 SPSN Class A Common Shares.  
 2) Cash in lieu of 0.29 fractional SPSN Class A Common Shares  
 3) Approximately \$605.00 cash per contract (\$6.05 x 100)

Saifun Semiconductors Ltd. (SFUN/UQF) (Before - Date To Be Announced) 100 shares SFUN					Saifun Semiconductors Ltd. (SFUN/FWK) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
UQF	JAN	7 1/2	AU	MU	FWK	JAN	7 1/2	AU	MU
UQF	JAN	10	AB	MB	FWK	JAN	10	AB	MB
UQF	JAN	12 1/2	AV	MV	FWK	JAN	12 1/2	AV	MV
UQF	FEB	7 1/2	BU	NU	FWK	FEB	7 1/2	BU	NU
UQF	FEB	10	BB	NB	FWK	FEB	10	BB	NB
UQF	FEB	12 1/2	BV	NV	FWK	FEB	12 1/2	BV	NV
UQF	FEB	15	BC	NC	FWK	FEB	15	BC	NC
UQF	MAY	7 1/2	EU	QU	FWK	MAY	7 1/2	EU	QU
UQF	MAY	10	EB	QB	FWK	MAY	10	EB	QB
UQF	MAY	12 1/2	EV	QV	FWK	MAY	12 1/2	EV	QV

**Any additional UQF series added prior to completion will also be adjusted in the manner described above.**

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

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