

MEMORANDUM

To: All Option Members, Member Organizations & ROTs

From: Market Watch

Date: December 21, 2007

Subject: QUARTERLY SHARES UPDATE FOR THE PHLX HOUSING SECTOR INDEX (HGX)

Below is an updated list of the outstanding/modified shares of components of this index. The revised divisor will be announced prior to the open of business, on the effective date, December 24, 2007.

<u>COMPANY NAME</u>	<u>STOCK SYMBOL</u>	<u>OUTSTANDING/MODIFIED SHARES</u>
Beazer Homes USA, Inc.	BZH	86,440,275
Champion Enterprises, Inc.	CHB	386,182,998 **
Centex Corp.	CTX	85,721,401 **
DR Horton, Inc.	DHI	242,375,330 **
Hovnanian Enterprises, Inc.	HOV	204,978,670
KB Home	KBH	83,360,696 **
Lennar Corp.	LEN	131,148,270 **
Masco Corp.	MAS	263,276,305 **
MDC Holdings, Inc.	MDC	86,206,683 **
Meritage Homes Corporation	MTH	18,629,940 **
Pulte Homes	PHM	194,749,132 **
PMI Group, Inc.	PMI	109,863,858
Radian Group, Inc.	RDN	65,993,548 **
Ryland Group, Inc.	RYL	63,022,153 **
Standard Pacific Corp.	SPF	144,346,258 **
Temple Inland, Inc.	TIN	128,691,842 **
Toll Brothers, Inc.	TOL	228,050,608
Trane Inc.	TT	146,830,204
Vulcan Materials Company	VMC	69,896,690 **
Weyerhaeuser Company	WY	171,807,780 **

**Indicates a change in outstanding/modified shares

The revised HGX divisor is: 450,411,438

Questions concerning this release should be directed to Market Watch at (215) 496-5380.