

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: June 1, 2007

Re: Companhia de Bebidas das Americas (ABV) - Special Cash Distribution

Companhia de Bebidas das Americas (ABV) has declared a special cash distribution of \$0.0396 payable to ADS holders of record on Thursday, June 7, 2007. Distribution date for the special cash dividend will be Sunday, June 17, 2007. The distribution is the cash proceeds from selling the Rights in the home market (as they were not registered in the US). **Ex-distribution date for the special cash dividend will be Tuesday, June 5, 2007.**

Adjustment Date: **Effective Tuesday, June 5, 2007.**

Symbol(s): **ABV becomes ABZ**

Strike Price: Unchanged

Multiplier: 100 (e.g., Premium of 1.00 = \$100)

New Deliverable: **1) 100 Companhia de Bebidas das Americas ADS's (ABV)**
2) \$3.96 cash (\$0.0396 x 100)

POSITION/EXERCISE LIMITS:

Position and exercise limits will not change and premiums and strike-price amounts for the adjusted ABV will continue to be calculated on the basis of a multiplier of 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:

Companhia de Bebidas das Americas (ABV) (Before 6/5/2007) (100 shrs ABV)					Companhia de Bebidas das Americas (ABZ) (Beginning 6/5/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
ABV	JUN	50	FJ	RJ	ABZ	JUN	50	FJ	RJ
ABV	JUN	55	FK	RK	ABZ	JUN	55	FK	RK
ABV	JUN	60	FL	RL	ABZ	JUN	60	FL	RL
ABV	JUN	65	FM	RM	ABZ	JUN	65	FM	RM
ABV	JUN	70	FN	RN	ABZ	JUN	70	FN	RN
ABV	JUL	35	GG	SG	ABZ	JUL	35	GG	SG
ABV	JUL	40	GH	SH	ABZ	JUL	40	GH	SH
ABV	JUL	45	GI	SI	ABZ	JUL	45	GI	SI
ABV	JUL	50	GJ	SJ	ABZ	JUL	50	GJ	SJ
ABV	JUL	55	GK	SK	ABZ	JUL	55	GK	SK
ABV	JUL	60	GL	SL	ABZ	JUL	60	GL	SL
ABV	JUL	65	GM	SM	ABZ	JUL	65	GM	SM
ABV	JUL	70	GN	SN	ABZ	JUL	70	GN	SN
ABV	OCT	45	JI	VI	ABZ	OCT	45	JI	VI
ABV	OCT	50	JJ	VJ	ABZ	OCT	50	JJ	VJ
ABV	OCT	55	JK	VK	ABZ	OCT	55	JK	VK
ABV	OCT	60	JL	VL	ABZ	OCT	60	JL	VL
ABV	OCT	65	JM	VM	ABZ	OCT	65	JM	VM
ABV	OCT	70	JN	VN	ABZ	OCT	70	JN	VN

Companhia de Bebidas das Am (ABV)
 (Before 6/5/2007)
 (100 shrs ABV)

			Calls	Puts
ABV	JAN	50	AJ	MJ
ABV	JAN	55	AK	MK
ABV	JAN	60	AL	ML
ABV	JAN	65	AM	MM
ABV	JAN	70	AN	MN
ABV	JAN	75	AO	MO

Companhia de Bebidas das Am (ABZ)
 (Beginning 6/5/2007)
 (See new deliverable above)

			Calls	Puts
ABZ	JAN	50	AJ	MJ
ABZ	JAN	55	AK	MK
ABZ	JAN	60	AL	ML
ABZ	JAN	65	AM	MM
ABZ	JAN	70	AN	MN
ABZ	JAN	75	AO	MO

The new ABV option contracts representing 100 ABV ADS's, will be admitted to trading on Wednesday, June 6, 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.