

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: June 12, 2007

Re: The Walt Disney Company (DIS) - Stock Distribution
FINAL DISTRIBUTION RATIO

The Walt Disney Company (DIS) has declared a distribution of Common Shares of Citadel Broadcasting Corp. (CDL) to DIS shareholders of record, June 6, 2007. Distribution will be Tuesday, June 12, 2007. **Ex-distribution is June 13, 2007.** The distribution will be .0767961315158343 shares of Citadel Broadcasting Corp. per share of The Walt Disney Company.

Accordingly, pursuant to OCC By-Laws, all DIS options on the ex-distribution date must be adjusted as follows:

Adjustment Date: **Effective Wednesday, June 13, 2007.**
Symbol(s): **DIS/VDS/WDS becomes HFW/HCG/UCW**
Strike Price: Unchanged
Multiplier: 100 (e.g., Premium of 1.00 = \$100)
New Deliverable: **1) 100 Shares of The Walt Disney Company (DIS)**
2) 7 Shares of Citadel Broadcasting Corp. (CDL)
3) Cash in lieu of fractional .67961315158343 CDL shares

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 Walt Disney Company (DIS) (Before 6/13/2007) (100 shrs DIS)					The Walt Disney Company (HFW) (Beginning 6/13/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
DIS	JUN	22 1/2	FX	RX	HFW	JUN	22 1/2	FX	RX
DIS	JUN	25	FE	RE	HFW	JUN	25	FE	RE
DIS	JUN	27 1/2	FY	RY	HFW	JUN	27 1/2	FY	RY
DIS	JUN	30	FF	RF	HFW	JUN	30	FF	RF
DIS	JUN	32 1/2	FZ	RZ	HFW	JUN	32 1/2	FZ	RZ
DIS	JUN	35	FG	RG	HFW	JUN	35	FG	RG
DIS	JUN	37 1/2	FU	RU	HFW	JUN	37 1/2	FU	RU
DIS	JUN	40	FH	RH	HFW	JUN	40	FH	RH
DIS	JUN	42 1/2	FV	RV	HFW	JUN	42 1/2	FV	RV
DIS	JUN	45	FI	RI	HFW	JUN	45	FI	RI
DIS	JUN	47 1/2	FW	RW	HFW	JUN	47 1/2	FW	RW
DIS	JUL	22 1/2	GX	SX	HFW	JUL	22 1/2	GX	SX
DIS	JUL	25	GE	SE	HFW	JUL	25	GE	SE
DIS	JUL	27 1/2	GY	SY	HFW	JUL	27 1/2	GY	SY
DIS	JUL	30	GF	SF	HFW	JUL	30	GF	SF
DIS	JUL	32 1/2	GZ	SZ	HFW	JUL	32 1/2	GZ	SZ
DIS	JUL	35	GG	SG	HFW	JUL	35	GG	SG
DIS	JUL	37 1/2	GU	SU	HFW	JUL	37 1/2	GU	SU
DIS	JUL	40	GH	SH	HFW	JUL	40	GH	SH
DIS	JUL	42 1/2	GV	SV	HFW	JUL	42 1/2	GV	SV

The Walt Disney Company (DIS)
(Before 6/13/2007)
(100 shrs DIS)

			Calls	Puts
DIS	OCT	22 1/2	JX	VX
DIS	OCT	25	JE	VE
DIS	OCT	27 1/2	JY	VY
DIS	OCT	30	JF	VF
DIS	OCT	32 1/2	JZ	VZ
DIS	OCT	35	JG	VG
DIS	OCT	37 1/2	JU	VU
DIS	OCT	40	JH	VH
DIS	OCT	42 1/2	JV	VV
DIS	OCT	45	JI	VI
DIS	OCT	47 1/2	JW	VW
DIS	JAN	20	AD	MD
DIS	JAN	25	AE	ME
DIS	JAN	30	AF	MF
DIS	JAN	32 1/2	AZ	MZ
DIS	JAN	35	AG	MG
DIS	JAN	37 1/2	AU	MU
DIS	JAN	40	AH	MH
DIS	JAN	42 1/2	AV	MV
DIS	JAN	45	AI	MI

The Walt Disney Company (HFW)
(Beginning 6/13/2007)
(See new deliverable above)

			Calls	Puts
HFW	OCT	22 1/2	JX	VX
HFW	OCT	25	JE	VE
HFW	OCT	27 1/2	JY	VY
HFW	OCT	30	JF	VF
HFW	OCT	32 1/2	JZ	VZ
HFW	OCT	35	JG	VG
HFW	OCT	37 1/2	JU	VU
HFW	OCT	40	JH	VH
HFW	OCT	42 1/2	JV	VV
HFW	OCT	45	JI	VI
HFW	OCT	47 1/2	JW	VW
HFW	JAN	20	AD	MD
HFW	JAN	25	AE	ME
HFW	JAN	30	AF	MF
HFW	JAN	32 1/2	AZ	MZ
HFW	JAN	35	AG	MG
HFW	JAN	37 1/2	AU	MU
HFW	JAN	40	AH	MH
HFW	JAN	42 1/2	AV	MV
HFW	JAN	45	AI	MI

Walt Disney Corp. - 2009 Leap (VDS)
(Before 6/13/2007)
(100 shrs DIS)

			Calls	Put
VDS	JAN	20	AD	MD
VDS	JAN	25	AE	ME
VDS	JAN	30	AF	MF
VDS	JAN	35	AG	MG
VDS	JAN	40	AH	MH
VDS	JAN	45	AI	MI
VDS	JAN	50	AJ	MJ

Walt Disney Corp. - 2009 Leap (HCG)
(Beginning 6/13/2007)
(See new deliverable above)

			Calls	Put
HCG	JAN	20	AD	MD
HCG	JAN	25	AE	ME
HCG	JAN	30	AF	MF
HCG	JAN	35	AG	MG
HCG	JAN	40	AH	MH
HCG	JAN	45	AI	MI
HCG	JAN	50	AJ	MJ

Walt Disney Corp. - 2010 Leap (WDS)
(Before 6/13/2007)
(100 shrs DIS)

			Calls	Put
WDS	JAN	25	AE	ME
WDS	JAN	30	AF	MF
WDS	JAN	35	AG	MG
WDS	JAN	40	AH	MH
WDS	JAN	45	AI	MI

Walt Disney Corp. - 2010 Leap (UCW)
(Beginning 6/13/2007)
(See new deliverable above)

			Calls	Put
UCW	JAN	25	AE	ME
UCW	JAN	30	AF	MF
UCW	JAN	35	AG	MG
UCW	JAN	40	AH	MH
UCW	JAN	45	AI	MI

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

The new DIS option contracts representing 100 shares of DIS, will be admitted to trading on Thursday, June 14, 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) 496-1508.