

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: June 25, 2007

Re: Tyco International, Ltd. (TYC) - **1 for 4 Reverse Stock Split/Stock Distribution**

Tyco International, Ltd. (TYC) has declared a distribution of Common Stock of Covidien Ltd. (COV) **AND** Tyco Electronics Ltd. to TYC shareholders of record, June 18, 2007. Distribution will be Friday, June 29, 2007. **The distribution will be .25 shares of Covidien Ltd. AND .25 shares of Tyco Electronics Ltd. per share of Tyco International, Ltd. held. In conjunction with the stock distribution, Tyco International Ltd will also have a 1 for 4 reverse stock split. The NYSE has set the ex-distribution date for both events as Monday, July 2, 2007.**

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

Adjustment Date: **Effective Monday, July 2, 2007.**

Symbol(s): **TYC/TYE/VPA/WPA becomes TYB/TYU/XML/KMO**

Strike Price: Unchanged

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

New Deliverable: **1) 25 Shares of (New) Tyco International, Ltd. (TYC)
2) 25 Shares of Covidien Ltd. (COV)
3) 25 Shares of Tyco Electronics Ltd. (TEL)**

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.

Tyco International, Ltd. (TYC/TYE) (Before 7/2/2007) (100 shrs TYC)					Tyco International, Ltd. (TYB/TYU) (Beginning 7/2/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
TYC	JUL	20	GD	SD	TYB	JUL	20	GD	SD
TYC	JUL	22 1/2	GX	SX	TYB	JUL	22 1/2	GX	SX
TYC	JUL	25	GE	SE	TYB	JUL	25	GE	SE
TYC	JUL	27 1/2	GY	SY	TYB	JUL	27 1/2	GY	SY
TYC	JUL	30	GF	SF	TYB	JUL	30	GF	SF
TYE	JUL	32 1/2	GZ	SZ	TYU	JUL	32 1/2	GZ	SZ
TYE	JUL	35	GG	SG	TYU	JUL	35	GG	SG
TYE	JUL	37 1/2	GU	SU	TYU	JUL	37 1/2	GU	SU
TYE	JUL	40	GH	SH	TYU	JUL	40	GH	SH
TYC	AUG	22 1/2	HX	TX	TYB	AUG	22 1/2	HX	TX
TYC	AUG	25	HE	TE	TYB	AUG	25	HE	TE
TYC	AUG	27 1/2	HY	TY	TYB	AUG	27 1/2	HY	TY
TYC	AUG	30	HF	TF	TYB	AUG	30	HF	TF
TYE	AUG	32 1/2	HZ	TZ	TYU	AUG	32 1/2	HZ	TZ
TYE	AUG	35	HG	TG	TYU	AUG	35	HG	TG
TYE	AUG	37 1/2	HU	TU	TYU	AUG	37 1/2	HU	TU
TYE	AUG	40	HH	TH	TYU	AUG	40	HH	TH
TYE	AUG	42 1/2	HV	TV	TYU	AUG	42 1/2	HV	TV
TYE	AUG	45	HI	TI	TYU	AUG	45	HI	TI

Tyco International, Ltd. (TYC/TYE)
(Before 7/2/2007)
(100 shrs TYC)

			Calls	Puts
TYC	OCT	22 1/2	JX	VX
TYC	OCT	25	JE	VE
TYC	OCT	27 1/2	JY	VY
TYC	OCT	30	JF	VF
TYE	OCT	32 1/2	JZ	VZ
TYE	OCT	35	JG	VG
TYE	OCT	37 1/2	JU	VU
TYE	OCT	40	JH	VH
TYE	OCT	42 1/2	JV	VV
TYC	JAN	15	AC	MC
TYC	JAN	20	AD	MD
TYC	JAN	22 1/2	AX	MX
TYC	JAN	25	AE	ME
TYC	JAN	27 1/2	AY	MY
TYC	JAN	30	AF	MF
TYE	JAN	32 1/2	AZ	MZ
TYE	JAN	35	AG	MG
TYE	JAN	40	AH	MH

Tyco International, Ltd. - 2009 LEAP (TYC/VPA)
(Before 7/2/2007)
(100 shrs TYC)

			Calls	Put
VPA	JAN	15	AC	MC
VPA	JAN	20	AD	MD
VPA	JAN	25	AE	ME
VPA	JAN	30	AF	MF
VPA	JAN	35	AG	MG
VPA	JAN	40	AH	MH
VPA	JAN	45	AI	MI
VPA	JAN	50	AJ	MJ

Tyco International, Ltd. - 2010 LEAP (TYC/WPA)
(Before 7/2/2007)
(100 shrs TYC)

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

Tyco International, Ltd. (TYB/TYU)
(Beginning 7/2/2007)
(See new deliverable above)

			Calls	Puts
TYB	OCT	22 1/2	JX	VX
TYB	OCT	25	JE	VE
TYB	OCT	27 1/2	JY	VY
TYB	OCT	30	JF	VF
TYU	OCT	32 1/2	JZ	VZ
TYU	OCT	35	JG	VG
TYU	OCT	37 1/2	JU	VU
TYU	OCT	40	JH	VH
TYU	OCT	42 1/2	JV	VV
TYB	JAN	15	AC	MC
TYB	JAN	20	AD	MD
TYB	JAN	22 1/2	AX	MX
TYB	JAN	25	AE	ME
TYB	JAN	27 1/2	AY	MY
TYB	JAN	30	AF	MF
TYU	JAN	32 1/2	AZ	MZ
TYU	JAN	35	AG	MG
TYU	JAN	40	AH	MH

Tyco International, Ltd. - 2009 LEAP (TYC/XML)
(Beginning 7/2/2007)
(See new deliverable above)

			Calls	Put
XML	JAN	15	AC	MC
XML	JAN	20	AD	MD
XML	JAN	25	AE	ME
XML	JAN	30	AF	MF
XML	JAN	35	AG	MG
XML	JAN	40	AH	MH
XML	JAN	45	AI	MI
XML	JAN	50	AJ	MJ

Tyco International, Ltd. - 2009 LEAP (TYC/KMO)
(Beginning 7/2/2007)
(See new deliverable above)

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

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

The new TYC option contracts representing 100 shares of (New) TYC (with CUSIP: 902-124-106), will be admitted to trading on Tuesday, July 3, 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.