

Date: March 16, 2007

MEMORANDUM

To: All Option Members, Member Organizations & ROTs

From: Market Watch

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

The following is an updated list of the outstanding shares of the issues comprising this sector. The Base Divisor will be announced prior to the open of business, on the effective date, March 19, 2007.

<u>COMPANY NAME</u>	<u>SECURITY SYMBOL</u>	<u>OUTSTANDING SHARES</u>
American Standard Companies	ASD	144,598,685 **
Beazer Homes USA, Inc.	BZH	86,566,284 **
Champion Enterprises, Inc.	CHB	383,409,888 **
Centex Corp.	CTX	84,225,756 **
DR Horton, Inc.	DHI	238,735,228 **
Hovnanian Enterprises, Inc.	HOV	203,568,342 **
KB Home	KBH	83,183,856 **
Lennar Corp.	LEN	129,784,428 **
Masco Corp.	MAS	279,552,606 **
MDC Holdings, Inc.	MDC	84,700,257 **
Meritage Homes Corporation	MTH	18,561,806 **
Pulte Homes	PHM	194,738,483 **
PMI Group, Inc.	PMI	110,995,349 **
Radian Group, Inc.	RDN	66,149,508 **
Ryland Group, Inc.	RYL	63,797,875 **
Standard Pacific Corp.	SPF	143,895,023 **
Temple Inland, Inc.	TIN	127,576,855 **
Toll Brothers, Inc.	TOL	223,298,917
Vulcan Materials Company	VMC	69,385,489 **
Weyerhaeuser Company	WY	173,182,026 **

**Indicates a change in outstanding shares

The revised HGX divisor is: 472,473,234

Questions concerning this release should be directed to Market Watch at (215) 496-1508.