

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: March 20, 2007

Re: CarMax, Inc. (KMX) - 2 for 1 Stock Split

CarMax, Inc. (KMX) has declared a 2 for 1 stock split payable to share holders of record on Monday, March 19, 2007. Distribution date for the stock split will be Monday, March 26, 2007. **Ex-distribution date for the stock split will be Tuesday, March 27, 2007.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional KMX option contract for each option contract held. Further, on the ex-distribution date each KMX series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each KMX series existing on the business day preceding the ex-distribution date. For example, beginning on Tuesday, March 27, 2007 an account holding (2) KMX APR 17 1/2 calls (KMX DW) will hold (4) KMX APR 8 3/4 calls (KMX DA). Customers should be advised that (1) contract in the adjusted KMX series will still represent 100 shares of KMX common shares.

POSITION/EXERCISE LIMITS:

Position and exercise limits will change from 250,000 to 500,000 contracts until the expiration date of October 20, 2007

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:

CarMax, Inc. (KMX) (Before 3/27/2007) (1 Contract)					CarMax, Inc. (KMX) (Beginning 3/27/2007) (2 Contracts)				
			Calls	Puts			Calls	Puts	
KMX	APR	17 1/2	DW	PW	KMX	APR	8 3/4	DA	PA
KMX	APR	20	DD	PD	KMX	APR	10	DB	PB
KMX	APR	22 1/2	DX	PX	KMX	APR	11 1/4	DI	PI
KMX	APR	25	DE	PE	KMX	APR	12 1/2	DV	PV
KMX	APR	30	DF	PF	KMX	APR	15	DC	PC
KMX	APR	35	DG	PG	KMX	APR	17 1/2	DW	PW
KMX	APR	40	DH	PH	KMX	APR	20	DD	PD
KMX	APR	45	DI	PI	KMX	APR	22 1/2	DX	PX
KMX	APR	50	DJ	PJ	KMX	APR	25	DE	PE
KMX	APR	55	DK	PK	KMX	APR	27 1/2	DY	PY
KMX	APR	60	DL	PL	KMX	APR	30	DF	PF
KMX	APR	65	DM	PM	KMX	APR	32 1/2	DZ	PZ
KMX	APR	70	DN	PN	KMX	APR	35	DG	PG
KMX	APR	75	DO	PO	KMX	APR	37 1/2	DU	PU
KMX	MAY	25	EE	QE	KMX	MAY	12 1/2	EV	QV
KMX	MAY	30	EF	QF	KMX	MAY	15	EC	QC
KMX	MAY	35	EG	QG	KMX	MAY	17 1/2	EW	QW
KMX	MAY	40	EH	QH	KMX	MAY	20	ED	QD
KMX	MAY	45	EI	QI	KMX	MAY	22 1/2	EX	QX
KMX	MAY	50	EJ	QJ	KMX	MAY	25	EE	QE

CarMax, Inc. (KMX) (Before 3/27/2007) (1 Contract)					CarMax, Inc. (KMX) (Beginning 3/27/2007) (2 Contracts)				
			Calls	Puts				Calls	Puts
KMX	MAY	55	EK	QK	KMX	MAY	27 1/2	EY	QY
KMX	MAY	60	EL	QL	KMX	MAY	30	EF	QF
KMX	MAY	65	EM	QM	KMX	MAY	32 1/2	EZ	QZ
KMX	MAY	70	EN	QN	KMX	MAY	35	EG	QG
KMX	MAY	75	EO	QO	KMX	MAY	37 1/2	EU	QU
KMX	JUL	22 1/2	GX	SX	KMX	JUL	11 1/4	GI	SI
KMX	JUL	25	GE	SE	KMX	JUL	12 1/2	GV	SV
KMX	JUL	30	GF	SF	KMX	JUL	15	GC	SC
KMX	JUL	35	GG	SG	KMX	JUL	17 1/2	GW	SW
KMX	JUL	40	GH	SH	KMX	JUL	20	GD	SD
KMX	JUL	45	GI	SI	KMX	JUL	22 1/2	GX	SX
KMX	JUL	50	GJ	SJ	KMX	JUL	25	GE	SE
KMX	JUL	55	GK	SK	KMX	JUL	27 1/2	GY	SY
KMX	JUL	60	GL	SL	KMX	JUL	30	GF	SF
KMX	JUL	65	GM	SM	KMX	JUL	32 1/2	GZ	SZ
KMX	JUL	70	GN	SN	KMX	JUL	35	GG	SG
KMX	OCT	30	JF	VF	KMX	OCT	15	JC	VC
KMX	OCT	35	JG	VG	KMX	OCT	17 1/2	JW	VW
KMX	OCT	40	JH	VH	KMX	OCT	20	JD	VD
KMX	OCT	45	JI	VI	KMX	OCT	22 1/2	JX	VX
KMX	OCT	50	JJ	VJ	KMX	OCT	25	JE	VE
KMX	OCT	55	JK	VK	KMX	OCT	27 1/2	JY	VY
KMX	OCT	60	JL	VL	KMX	OCT	30	JF	VF
KMX	OCT	65	JM	VM	KMX	OCT	32 1/2	JZ	VZ
KMX	OCT	70	JN	VN	KMX	OCT	35	JG	VG
KMX	OCT	75	JO	VO	KMX	OCT	37 1/2	JU	VU
KMX	OCT	80	JP	VP	KMX	OCT	40	JH	VH

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

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.