



Memo #: 759-07

Memorandum

TO: All Options Members and Member Organizations
FROM: Walt Smith, Vice President
SUBJECT: Quarterly Sector Index Options
DATE: March 28, 2007

The Philadelphia Stock Exchange (“PHLX”) is planning to launch the trading of Quarterly Options Series in addition to the currently trading options series on the KBW Bank Index (BKX), the PHLX Gold and Silver SectorSM (XAUSM), the PHLX Oil Service SectorSM (OSXSM) and the PHLX Semiconductor SectorSM (SOXSM), beginning Monday, April 9, 2007. Quarterly Options Series are options series that may be opened for trading on any business day and expire at the close of business on the last business day of a calendar quarter.

PHLX currently lists Quarterly options on five Exchange-Traded Funds (ETFs): iShares Russell 2000 Index Fund (IWM), Nasdaq-100 Index Tracking Stock (QQQQ), Standard & Poor's Depository Receipts/SPDRs (SPY), DIAMONDS Trust, Series 1 (DIA), and Energy Select SPDR (XLE).

Information regarding strike prices and symbology of the Quarterly Options Series on indices will be forthcoming.

If you have any questions concerning the above notice, please feel free to call Dan Carrigan at 215-496-5017 or myself at 215-496-5532.