

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: May 4, 2007

Re: **Volvo AB (VGQ/VOLV) - 5 for 1 Stock Split**

On April 4, 2007, shareholders of AB Volvo approved a six-for-one (6 for 1) stock split, of which one of the shares will be designated as a redemption share. This redemption share will be automatically redeemed at a price of 25.00 SEK (or **approximately \$3.136475 USD**). The ex-distribution date for the redemption share was Thursday, April 26, 2007. **As a result of this distribution, VQY options were adjusted to call for 100 shares VOLV plus approximately \$313.65 cash upon delivery/receipt of all VGQ contracts.**

The remaining five (5) shares will be distributed by way of a 5 for 1 stock split. The record date for the stock split is Monday, April 30, 2007. The payable date for the split is Wednesday, May 9, 2007. **The NASDAQ has set the ex-distribution date for the stock split as Thursday, May 10, 2007.**

**EFFECTIVE DATE:** Thursday, May 10, 2007  
**SYMBOL(s):** VGQ remains unchanged  
**STRIKE PRICE:** No Change  
**MULTIPLIER:** 100 \* (e.g., premium of 1.00 = \$100)  
**NEW DELIVERABLE:** 1) 500 Shares of AB Volvo (VOLV)  
 2) Approximately \$313.65 cash (\$3.136475 x 100)

**\*\*\* NOTE: VGQ options were PREVIOUSLY adjusted for the redemption share on April 26, 2007 and are being FURTHER adjusted to account for the 5 for 1 stock split. This represents the complete 6 for 1 share split enacted by AB Volvo (VOLV).**

**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:

Volvo AB (VOLV/VGQ) (Before 5/10/2007) (100 shrs VOLV + cash)					Volvo AB (VOLV/VGQ) (Beginning 5/10/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
VGQ	MAY	75	EO	QO	VGQ	MAY	75	EO	QO
VGQ	MAY	80	EP	QP	VGQ	MAY	80	EP	QP
VGQ	MAY	85	EQ	QQ	VGQ	MAY	85	EQ	QQ
VGQ	MAY	90	ER	QR	VGQ	MAY	90	ER	QR
VGQ	MAY	95	ES	QS	VGQ	MAY	95	ES	QS
VGQ	MAY	100	ET	QT	VGQ	MAY	100	ET	QT
VGQ	MAY	105	EA	QA	VGQ	MAY	105	EA	QA
VGQ	MAY	110	EB	QB	VGQ	MAY	110	EB	QB
VGQ	JUN	85	FQ	RQ	VGQ	JUN	85	FQ	RQ
VGQ	JUN	90	FR	RR	VGQ	JUN	90	FR	RR
VGQ	JUN	95	FS	RS	VGQ	JUN	95	FS	RS
VGQ	JUN	100	FT	RT	VGQ	JUN	100	FT	RT
VGQ	JUN	105	FA	RA	VGQ	JUN	105	FA	RA
VGQ	JUN	110	FB	RB	VGQ	JUN	110	FB	RB

VGQ	JUL	60	GL	SL	VGQ	JUL	60	GL	SL
VGQ	JUL	65	GM	SM	VGQ	JUL	65	GM	SM
VGQ	JUL	70	GN	SN	VGQ	JUL	70	GN	SN
VGQ	JUL	75	GO	SO	VGQ	JUL	75	GO	SO
VGQ	JUL	80	GP	SP	VGQ	JUL	80	GP	SP
VGQ	JUL	85	GQ	SQ	VGQ	JUL	85	GQ	SQ
VGQ	JUL	90	GR	SR	VGQ	JUL	90	GR	SR
VGQ	JUL	95	GS	SS	VGQ	JUL	95	GS	SS
VGQ	JUL	100	GT	ST	VGQ	JUL	100	GT	ST
VGQ	JUL	105	GA	SA	VGQ	JUL	105	GA	SA
VGQ	JUL	110	GB	SB	VGQ	JUL	110	GB	SB
VGQ	OCT	70	JN	VN	VGQ	OCT	70	JN	VN
VGQ	OCT	75	JO	VO	VGQ	OCT	75	JO	VO
VGQ	OCT	80	JP	VP	VGQ	OCT	80	JP	VP
VGQ	OCT	85	JQ	VQ	VGQ	OCT	85	JQ	VQ
VGQ	OCT	90	JR	VR	VGQ	OCT	90	JR	VR
VGQ	OCT	95	JS	VS	VGQ	OCT	95	JS	VS
VGQ	OCT	100	JT	VT	VGQ	OCT	100	JT	VT
VGQ	OCT	105	JA	VA	VGQ	OCT	105	JA	VA
VGQ	OCT	110	JB	VB	VGQ	OCT	110	JB	VB

**The new VQY option contracts representing 100 shares of VOLV, will be admitted to trading on Friday, May 11, 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.