

MEMORANDUM

To: All Option Members, Member Organizations and ROTs  
 From: Market Watch  
 Date: November 8, 2007  
 Re: **Carpenter Technology Corporation (CRS/CWS) - 2 for 1 Stock Split**

Carpenter Technology Corporation (CRS) has declared a 2 for 1 stock split payable to share holders of record on Tuesday, November 6, 2007. Distribution date for the stock split will be Thursday, November 15, 2007. **Ex-distribution date for the stock split will be Friday, November 16, 2007.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional CRS option contract for each option contract held. Further, on the ex-distribution date each CRS/CWS series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each CRS/CWS series existing on the business day preceding the ex-distribution date. For example, beginning on Friday, November 16, 2007 an account holding (2) CRS NOV 110 calls (CRS KB) will hold (4) CRS NOV 55 calls (CRS KK). Customers should be advised that (1) contract in the adjusted CRS/CWS series will still represent 100 shares of CRS common shares.

**POSITION/EXERCISE LIMITS:**

Position and exercise limits will change from 200,000 to 400,000 contracts until the expiration date of June 21, 2008

**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:

| Carpenter Technology Corporation (CRS/CWS)<br>(Before 11/16/2007)<br>(1 Contract) |     |     |       |      | Carpenter Technology Corporation (CRS/CWS)<br>(Beginning 11/16/2007)<br>(2 Contracts) |     |        |       |      |
|---|-----|-----|-------|------|---|-----|--------|-------|------|
|   |     |     | Calls | Puts |   |     |        | Calls | Puts |
| CRS   | NOV | 110 | KB    | WB   | CRS   | NOV | 55     | KK    | WK   |
| CRS   | NOV | 115 | KC    | WC   | CRS   | NOV | 57 1/2 | KD    | WD   |
| CRS   | NOV | 120 | KD    | WD   | CRS   | NOV | 60     | KL    | WL   |
| CRS   | NOV | 125 | KE    | WE   | CRS   | NOV | 62 1/2 | KZ    | WZ   |
| CRS   | NOV | 130 | KF    | WF   | CRS   | NOV | 65     | KM    | WM   |
| CRS   | NOV | 135 | KG    | WG   | CRS   | NOV | 67 1/2 | KU    | WU   |
| CRS   | NOV | 140 | KH    | WH   | CRS   | NOV | 70     | KN    | WN   |
| CRS   | NOV | 145 | KI    | WI   | CRS   | NOV | 72 1/2 | KV    | WV   |
| CRS   | NOV | 150 | KJ    | WJ   | CRS   | NOV | 75     | KO    | WO   |
| CRS   | NOV | 155 | KK    | WK   | CRS   | NOV | 77 1/2 | KW    | WW   |
| CRS   | DEC | 85  | LQ    | XQ   | CRS   | DEC | 42 1/2 | LA    | XA   |
| CRS   | DEC | 90  | LR    | XR   | CRS   | DEC | 45     | LI    | XI   |
| CRS   | DEC | 95  | LS    | XS   | CRS   | DEC | 47 1/2 | LB    | XB   |
| CRS   | DEC | 100 | LT    | XT   | CRS   | DEC | 50     | LJ    | XJ   |
| CRS   | DEC | 105 | LA    | XA   | CRS   | DEC | 52 1/2 | LC    | XC   |
| CRS   | DEC | 110 | LB    | XB   | CRS   | DEC | 55     | LK    | XK   |
| CRS   | DEC | 115 | LC    | XC   | CRS   | DEC | 57 1/2 | LD    | XD   |
| CRS   | DEC | 120 | LD    | XD   | CRS   | DEC | 60     | LL    | XL   |
| CRS   | DEC | 125 | LE    | XE   | CRS   | DEC | 62 1/2 | LZ    | XZ   |
| CRS   | DEC | 130 | LF    | XF   | CRS   | DEC | 65     | LM    | XM   |
| CRS   | DEC | 135 | LG    | XG   | CRS   | DEC | 67 1/2 | LU    | XU   |
| CRS   | DEC | 140 | LH    | XH   | CRS   | DEC | 70     | LN    | XN   |
| CRS   | DEC | 145 | LI    | XI   | CRS   | DEC | 72 1/2 | LV    | XV   |
| CRS   | DEC | 150 | LJ    | XJ   | CRS   | DEC | 75     | LO    | XO   |
| CRS   | DEC | 155 | LK    | XK   | CRS   | DEC | 77 1/2 | LW    | XW   |

Carpenter Technology Corporation (CRS/CWS)  
 (Before 11/16/2007)  
 (1 Contract)

|     |     |     | Calls | Puts |
|-----|-----|-----|-------|------|
| CRS | DEC | 160 | LL    | XL   |
| CRS | DEC | 165 | LM    | XM   |
| CRS | DEC | 170 | LN    | XN   |
| CRS | DEC | 175 | LO    | XO   |
| CWS | DEC | 180 | LP    | XP   |
| CWS | DEC | 185 | LQ    | XQ   |
| CWS | DEC | 190 | LR    | XR   |

|     |     |     |    |    |
|-----|-----|-----|----|----|
| CRS | MAR | 85  | CQ | OQ |
| CRS | MAR | 90  | CR | OR |
| CRS | MAR | 95  | CS | OS |
| CRS | MAR | 100 | CT | OT |
| CRS | MAR | 105 | CA | OA |
| CRS | MAR | 110 | CB | OB |
| CRS | MAR | 115 | CC | OC |
| CRS | MAR | 120 | CD | OD |
| CRS | MAR | 125 | CE | OE |
| CRS | MAR | 130 | CF | OF |
| CRS | MAR | 135 | CG | OG |
| CRS | MAR | 140 | CH | OH |
| CRS | MAR | 145 | CI | OI |
| CRS | MAR | 150 | CJ | OJ |
| CRS | MAR | 155 | CK | OK |
| CRS | MAR | 160 | CL | OL |
| CRS | MAR | 165 | CM | OM |
| CRS | MAR | 170 | CN | ON |
| CRS | MAR | 175 | CO | OO |
| CWS | MAR | 180 | CP | OP |
| CWS | MAR | 185 | CQ | OQ |
| CWS | MAR | 190 | CR | OR |

|     |     |     |    |    |
|-----|-----|-----|----|----|
| CRS | JUN | 90  | FR | RR |
| CRS | JUN | 95  | FS | RS |
| CRS | JUN | 100 | FT | RT |
| CRS | JUN | 105 | FA | RA |
| CRS | JUN | 110 | FB | RB |
| CRS | JUN | 115 | FC | RC |
| CRS | JUN | 120 | FD | RD |
| CRS | JUN | 125 | FE | RE |
| CRS | JUN | 130 | FF | RF |
| CRS | JUN | 135 | FG | RG |
| CRS | JUN | 140 | FH | RH |
| CRS | JUN | 145 | FI | RI |
| CRS | JUN | 150 | FJ | RJ |

Carpenter Technology Corporation (CRS/CWS)  
 (Before 11/16/2007)  
 (1 Contract)

|     |     |     | Calls | Puts |
|-----|-----|-----|-------|------|
| CRS | JUN | 155 | FK    | RK   |
| CRS | JUN | 160 | FL    | RL   |
| CRS | JUN | 165 | FM    | RM   |
| CRS | JUN | 170 | FN    | RN   |
| CRS | JUN | 175 | FO    | RO   |

Carpenter Technology Corporation (CRS/CWS)  
 (Beginning 11/16/2007)  
 (2 Contracts)

|     |     |        | Calls | Puts |
|-----|-----|--------|-------|------|
| CRS | DEC | 80     | LP    | XP   |
| CRS | DEC | 82 1/2 | LX    | XX   |
| CRS | DEC | 85     | LQ    | XQ   |
| CRS | DEC | 87 1/2 | LY    | XY   |
| CWS | DEC | 90     | LR    | XR   |
| CWS | DEC | 92 1/2 | LE    | XE   |
| CWS | DEC | 95     | LS    | XS   |

|     |     |        |    |    |
|-----|-----|--------|----|----|
| CRS | MAR | 42 1/2 | CA | OA |
| CRS | MAR | 45     | CI | OI |
| CRS | MAR | 47 1/2 | CB | OB |
| CRS | MAR | 50     | CJ | OJ |
| CRS | MAR | 52 1/2 | CC | OC |
| CRS | MAR | 55     | CK | OK |
| CRS | MAR | 57 1/2 | CD | OD |
| CRS | MAR | 60     | CL | OL |
| CRS | MAR | 62 1/2 | CZ | OZ |
| CRS | MAR | 65     | CM | OM |
| CRS | MAR | 67 1/2 | CU | OU |
| CRS | MAR | 70     | CN | ON |
| CRS | MAR | 72 1/2 | CV | OV |
| CRS | MAR | 75     | CO | OO |
| CRS | MAR | 77 1/2 | CW | OW |
| CRS | MAR | 80     | CP | OP |
| CRS | MAR | 82 1/2 | CX | OX |
| CRS | MAR | 85     | CQ | OQ |
| CRS | MAR | 87 1/2 | CY | OY |
| CWS | MAR | 90     | CR | OR |
| CWS | MAR | 92 1/2 | CE | OE |
| CWS | MAR | 95     | CS | OS |

|     |     |        |    |    |
|-----|-----|--------|----|----|
| CRS | JUN | 45     | FI | RI |
| CRS | JUN | 47 1/2 | FB | RB |
| CRS | JUN | 50     | FJ | RJ |
| CRS | JUN | 52 1/2 | FC | RC |
| CRS | JUN | 55     | FK | RK |
| CRS | JUN | 57 1/2 | FD | RD |
| CRS | JUN | 60     | FL | RL |
| CRS | JUN | 62 1/2 | FZ | RZ |
| CRS | JUN | 65     | FM | RM |
| CRS | JUN | 67 1/2 | FU | RU |
| CRS | JUN | 70     | FN | RN |
| CRS | JUN | 72 1/2 | FV | RV |
| CRS | JUN | 75     | FO | RO |

Carpenter Technology Corporation (CRS/CWS)  
 (Beginning 11/16/2007)  
 (2 Contracts)

|     |     |        | Calls | Puts |
|-----|-----|--------|-------|------|
| CRS | JUN | 77 1/2 | FW    | RW   |
| CRS | JUN | 80     | FP    | RP   |
| CRS | JUN | 82 1/2 | FX    | RX   |
| CRS | JUN | 85     | FQ    | RQ   |
| CRS | JUN | 87 1/2 | FY    | RY   |

**Any additional CRS 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) 496-5380.