

To: All Option Members, Member Organizations & ROTs
 From: Market Watch
 Date: October 19, 2007
 Subject: PHLX Defense SectorSM (DFXSM) Quarterly Rebalancing

The Philadelphia Stock Exchange, Inc. (PHLX) has determined to make the following changes to the PHLX Defense SectorSM (DFXSM), before the open of business on Monday, October 22, 2007.

<u>Company Name</u>	<u>Stock Symbol</u>	<u>Shares</u>
Alliant Techsystems, Inc.	ATK	93
Boeing Company	BA	106
Rockwell Collins, Inc.	COL	136
DRS Technologies, Inc.	DRS	184
EDO Corp.	EDO	178
Embraer Emp. Brasileira de Aero	ERJ	209
Esterline Technologies Corp.	ESL	191
General Dynamics Corp.	GD	117
General Electric Co	GE	250
Gencorp, Inc.	GY	861
ITT Corporation	ITT	159
L3 Communications, Inc.	LLL	96
Lockheed Martin Corp.	LMT	94
Northrop Grumman Corp.	NOC	127
Raytheon Company	RTN	159
Teledyne Technologies, Inc.	TDY	204
United Technologies Corp.	UTX	132

The revised DFXSM divisor is: 437.1523

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