

To: All Option Members, Member Organizations & ROTs  
 From: Market Watch  
 Date: October 19, 2007  
 Subject: PHLX Retail Index<sup>SM</sup> (XRE<sup>SM</sup>) Quarterly Rebalancing

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The Philadelphia Stock Exchange, Inc. (PHLX) has determined to make the following changes to the PHLX Retail Index<sup>SM</sup> (XRE<sup>SM</sup>), before the open of business on Monday, October 22, 2007.

<u>Company Name</u>	<u>Stock Symbol</u>	<u>Shares</u>
American Eagle Outfitters, Inc.	AEO	441
Abercrombie & Fitch Co.	ANF	131
Ann Taylor Stores Corporation	ANN	315
Bed Bath & Beyond Inc.	BBBY	302
Best Buy Co., Inc.	BBY	213
BJ's Wholesale Club, Inc.	BJ	289
Barnes & Noble, Inc.	BKS	271
Costco Wholesale Corporation	COST	152
CVS/Caremark Corporation	CVS	255
Dillard's Inc.	DDS	480
Dick's Sporting Goods	DKS	315
DSW Inc.	DSW	434
The Gap, Inc.	GPS	563
The Home Depot, Inc.	HD	325
J.C. Penney Company, Inc.	JCP	181
Nordstrom, Inc.	JWN	259
Kohl's Corporation	KSS	182
Lowe's Companies, Inc.	LOW	383
Limited Brands, Inc.	LTD	468
Macy's Inc.	M	331
Office Depot, Inc.	ODP	501
RadioShack Corporation	RSH	516
Sears Holding Corporation	SHLD	76
Staples, Inc.	SPLS	464
Target Corporation	TGT	165
The TJX Companies, Inc.	TJX	353
The Talbot, Inc.	TLB	659
Walgreen Co.	WAG	264
Wal-Mart Stores, Inc.	WMT	222
Williams-Sonoma	WSM	342

The revised XRE<sup>SM</sup> divisor is: **1,415.3874**

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

