

Date: September 20, 2007

MEMORANDUM

To: All Option Members, Member Organizations & ROTs

From: Market Watch

Subject: QUARTERLY SHARES UPDATE FOR THE PHLX HOUSING SECTOR INDEX (HGX)

The following is an updated list of the outstanding shares of the issues comprising this sector. The Base Divisor will be announced prior to the open of business, on the effective date, September 24, 2007.

<u>COMPANY NAME</u>	<u>SECURITY SYMBOL</u>	<u>OUTSTANDING SHARES</u>
American Standard Companies	ASD	146,830,204 **
Beazer Homes USA, Inc.	BZH	86,440,275 **
Champion Enterprises, Inc.	CHB	384,706,342 **
Centex Corp.	CTX	84,598,081 **
DR Horton, Inc.	DHI	238,940,625 **
Hovnanian Enterprises, Inc.	HOV	204,978,670 **
KB Home	KBH	83,314,159 **
Lennar Corp.	LEN	131,201,481 **
Masco Corp.	MAS	262,091,276 **
MDC Holdings, Inc.	MDC	86,212,325 **
Meritage Homes Corporation	MTH	18,612,197 **
Pulte Homes	PHM	194,655,572 **
PMI Group, Inc.	PMI	109,863,858 **
Radian Group, Inc.	RDN	65,991,085 **
Ryland Group, Inc.	RYL	62,662,745 **
Standard Pacific Corp.	SPF	144,146,203 **
Temple Inland, Inc.	TIN	128,575,369 **
Toll Brothers, Inc.	TOL	228,050,608 **
Vulcan Materials Company	VMC	69,779,115 **
Weyerhaeuser Company	WY	176,994,000 **

**Indicates a change in outstanding shares

The revised HGX divisor will be announced on a separate release following the close of business on Friday, September 21, 2007.

Questions concerning this release should be directed to the Market Watch at (215) 496-1508.