

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: September 25, 2007

Re: **Parker Hannifin Corporation (PH) - 3 for 2 Stock Split**

In an effort to avoid rounding strike prices, The Securities Committee has decided to employ a new adjustment methodology. The contract adjustment described below utilizes the new method of contract adjustment wherein strike prices, number of contracts, and premium/strike multipliers are unchanged for certain kinds of stock splits and stock dividends. It is important that option investors be aware that it will be necessary to calculate the current market value of the adjusted option deliverable to correctly determine the option's in-the-money status.

Parker Hannifin Corporation (PH) has declared a 3 for 2 stock split payable to shareholders of record on Monday, September 17, 2007. Distribution date for the stock split will be Monday, October 1, 2007. **Ex-distribution date for the stock split will be Tuesday, October 2, 2007.**

Adjusted Date: **Tuesday, October 2, 2007**  
 Symbol(s): **PH/ZXU/LWU becomes PXW/ZFX/WGF, respectively**  
 Strike Price: No Change  
 Pos/Exercise Limit: **375,000 contracts until January 2010 expiration; where limits become 250,000 contracts**  
 Multiplier: 100 (e.g., Premium of 1.00 = \$100)  
 New Deliverable: **1) 150 Parker-Hannifin Corporation (PH) Common Shares**

The resulting list of adjusted strike prices and symbols is as shown on the following pages:

Parker Hannifin Corporation (PH) (Before 10/2/2007) (100 shrs PH)					Parker Hannifin Corporation (PXW) (Beginning 10/2/2007) (See new deliverable above)				
			Calls	Puts			Calls	Puts	
PH	OCT	85	JQ	VQ	PXW	OCT	85	JQ	VQ
PH	OCT	90	JR	VR	PXW	OCT	90	JR	VR
PH	OCT	95	JS	VS	PXW	OCT	95	JS	VS
PH	OCT	100	JT	VT	PXW	OCT	100	JT	VT
PH	OCT	105	JA	VA	PXW	OCT	105	JA	VA
PH	OCT	110	JB	VB	PXW	OCT	110	JB	VB
PH	OCT	115	JC	VC	PXW	OCT	115	JC	VC
PH	OCT	120	JD	VD	PXW	OCT	120	JD	VD
PH	OCT	125	JE	VE	PXW	OCT	125	JE	VE
PH	OCT	130	JF	VF	PXW	OCT	130	JF	VF
PH	OCT	135	JG	VG	PXW	OCT	135	JG	VG
PH	NOV	70	KN	WN	PXW	NOV	70	KN	WN
PH	NOV	75	KO	WO	PXW	NOV	75	KO	WO
PH	NOV	80	KP	WP	PXW	NOV	80	KP	WP
PH	NOV	85	KQ	WQ	PXW	NOV	85	KQ	WQ
PH	NOV	90	KR	WR	PXW	NOV	90	KR	WR
PH	NOV	95	KS	WS	PXW	NOV	95	KS	WS

Parker Hannifin Corporation (PH)  
 (Before 10/2/2007)  
 (100 shrs PH)

			Calls	Puts
PH	NOV	100	KT	WT
PH	NOV	105	KA	WA
PH	NOV	110	KB	WB
PH	NOV	115	KC	WC
PH	NOV	120	KD	WD
PH	NOV	125	KE	WE
PH	NOV	130	KF	WF
PH	JAN	70	AN	MN
PH	JAN	75	AO	MO
PH	JAN	80	AP	MP
PH	JAN	85	AQ	MQ
PH	JAN	90	AR	MR
PH	JAN	95	AS	MS
PH	JAN	100	AT	MT
PH	JAN	105	AA	MA
PH	JAN	110	AB	MB
PH	JAN	115	AC	MC
PH	JAN	120	AD	MD
PH	JAN	125	AE	ME
PH	JAN	130	AF	MF
PH	JAN	135	AG	MG
PH	JAN	140	AH	MH
PH	JAN	145	AI	MI
PH	FEB	75	BO	NO
PH	FEB	80	BP	NP
PH	FEB	85	BQ	NQ
PH	FEB	90	BR	NR
PH	FEB	95	BS	NS
PH	FEB	100	BT	NT
PH	FEB	105	BA	NA
PH	FEB	110	BB	NB
PH	FEB	115	BC	NC
PH	FEB	120	BD	ND
PH	FEB	125	BE	NE
PH	FEB	130	BF	NF
PH	FEB	135	BG	NG
PH	FEB	140	BH	NH
PH	FEB	145	BI	NI
PH	MAY	105	EA	QA
PH	MAY	110	EB	QB
PH	MAY	115	EC	QC
PH	MAY	120	ED	QD
PH	MAY	125	EE	QE

Parker Hannifin Corporation (PXW)  
 (Beginning 10/2/2007)  
 (See new deliverable above)

			Calls	Puts
PXW	NOV	100	KT	WT
PXW	NOV	105	KA	WA
PXW	NOV	110	KB	WB
PXW	NOV	115	KC	WC
PXW	NOV	120	KD	WD
PXW	NOV	125	KE	WE
PXW	NOV	130	KF	WF
PXW	JAN	70	AN	MN
PXW	JAN	75	AO	MO
PXW	JAN	80	AP	MP
PXW	JAN	85	AQ	MQ
PXW	JAN	90	AR	MR
PXW	JAN	95	AS	MS
PXW	JAN	100	AT	MT
PXW	JAN	105	AA	MA
PXW	JAN	110	AB	MB
PXW	JAN	115	AC	MC
PXW	JAN	120	AD	MD
PXW	JAN	125	AE	ME
PXW	JAN	130	AF	MF
PXW	JAN	135	AG	MG
PXW	JAN	140	AH	MH
PXW	JAN	145	AI	MI
PXW	FEB	75	BO	NO
PXW	FEB	80	BP	NP
PXW	FEB	85	BQ	NQ
PXW	FEB	90	BR	NR
PXW	FEB	95	BS	NS
PXW	FEB	100	BT	NT
PXW	FEB	105	BA	NA
PXW	FEB	110	BB	NB
PXW	FEB	115	BC	NC
PXW	FEB	120	BD	ND
PXW	FEB	125	BE	NE
PXW	FEB	130	BF	NF
PXW	FEB	135	BG	NG
PXW	FEB	140	BH	NH
PXW	FEB	145	BI	NI
PXW	MAY	105	EA	QA
PXW	MAY	110	EB	QB
PXW	MAY	115	EC	QC
PXW	MAY	120	ED	QD
PXW	MAY	125	EE	QE

Parker Hannifin Corporation - 2009 Leap (ZXU)  
 (Before 10/2/2007)  
 (100 shrs PH)

			Calls	Put
ZXU	JAN	75	AO	MO
ZXU	JAN	80	AP	MP
ZXU	JAN	85	AQ	MQ
ZXU	JAN	90	AR	MR
ZXU	JAN	95	AS	MS
ZXU	JAN	100	AT	MT
ZXU	JAN	105	AA	MA
ZXU	JAN	110	AB	MB
ZXU	JAN	115	AC	MC
ZXU	JAN	120	AD	MD
ZXU	JAN	125	AE	ME
ZXU	JAN	130	AF	MF
ZXU	JAN	135	AG	MG
ZXU	JAN	140	AH	MH
ZXU	JAN	145	AI	MI
ZXU	JAN	150	AJ	MJ
ZXU	JAN	155	AK	MK

Parker Hannifin Corporation - 2009 Leap (ZFX)  
 (Beginning 10/2/2007)  
 (See new deliverable above)

			Calls	Put
ZFX	JAN	75	AO	MO
ZFX	JAN	80	AP	MP
ZFX	JAN	85	AQ	MQ
ZFX	JAN	90	AR	MR
ZFX	JAN	95	AS	MS
ZFX	JAN	100	AT	MT
ZFX	JAN	105	AA	MA
ZFX	JAN	110	AB	MB
ZFX	JAN	115	AC	MC
ZFX	JAN	120	AD	MD
ZFX	JAN	125	AE	ME
ZFX	JAN	130	AF	MF
ZFX	JAN	135	AG	MG
ZFX	JAN	140	AH	MH
ZFX	JAN	145	AI	MI
ZFX	JAN	150	AJ	MJ
ZFX	JAN	155	AK	MK

Parker Hannifin Corporation - 2010 Leap (LWU)  
 (Before 10/2/2007)  
 (100 shrs PH)

			Calls	Put
LWU	JAN	80	AP	MP
LWU	JAN	90	AR	MR
LWU	JAN	100	AT	MT
LWU	JAN	110	AB	MB
LWU	JAN	120	AD	MD
LWU	JAN	130	AF	MF

Parker Hannifin Corporation - 2010 Leap (WGF)  
 (Beginning 10/2/2007)  
 (See new deliverable above)

			Calls	Put
WGF	JAN	80	AP	MP
WGF	JAN	90	AR	MR
WGF	JAN	100	AT	MT
WGF	JAN	110	AB	MB
WGF	JAN	120	AD	MD
WGF	JAN	130	AF	MF

Any additional PH series that are added prior to the ex-date will also be adjusted in the manner described above.

With this new method of adjustment, it is no longer possible to determine if an adjusted option is in- or out-of-the-money by simply comparing the stock price to the option strike price. When the new method is used, the stock price must always be adjusted by the appropriate factor(s) in order to correctly determine in-the-money amounts or premiums. Option investors must be aware of the number of shares (and possible cash amounts) in the deliverable and the fact that the multiplier used for premium and strike dollar extensions remains unchanged.

The new PH option contracts representing 100 shares of PH, will be admitted to trading on Wednesday, October 3, 2007. Strike prices and expiration months will be announced on a separate release prior to that date.

Customers should be advised that Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

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