

**SERIES ADJUSTMENTS 2001-043**  
**ONN INFORMATION CIRCULAR # 224**  
**September 4, 2001**

**Internet Infrastructure HOLDRS Trust**  
**Special Cash Distribution**  
**Ex-Distribution Date: 9/5/2001**

A special cash distribution has been declared for Internet Infrastructure HOLDRS Trust (IIH) due to the completion of the takeover by Cable & Wireless of Digital Island (ISLD). Prior to the merger, Internet Infrastructure HOLDRS Trust contained 2 ISLD shares per IIH HOLDRS. As part of the merger consideration, \$0.008 will be distributed per IIH.

**Contract Adjustments:**

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all Internet Infrastructure HOLDRS Trust options will be adjusted as follows:

**Adjustment Date:** Effective with exercises of September 5, 2001 and thereafter.  
**ISE Underlying Symbol:** IIH becomes AID  
**OPRA Option Symbol(s):** IIH becomes AID  
**No. of Contracts:** Unchanged  
**Multiplier:** 100 (e.g., Premium of 1.00 = \$100)  
**New Deliverable/Contract:** 1) 100 Shares of Internet Infrastructure HOLDRS (IIH) plus  
 2) 80 cents

**GTC Order Cancellation:**

On September 4, 2001, immediately after the ISE close, all resting orders in the IIH order book will be cancelled.

**Unadjusted New Shares:**

New IIH series with a contract unit of 100 shares will be introduced on Thursday, September 8, 2001. Strike prices and expiration months will be announced on a separate release.

**Adjusted Exercise Prices:**

On September 5, 2001, the ex-distribution date, trading in IIH series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series.

| Internet Infrastructure HOLDRS Trust (IIH)<br>(Before 9/5/2001)<br>100 shares IIH |      |       |        |            | Internet Infrastructure HOLDRS Trust (AID)<br>(Beginning 9/5/2001)<br>(See New Deliverable Above) |      |       |        |            |
|---|------|-------|--------|------------|---|------|-------|--------|------------|
| ISE Series  | OPRA | Month | Strike | Calls/Puts | ISE Series  | OPRA | Month | Strike | Calls/Puts |
| IIH1SEP5.0C/P   | IIH  | SEP   | 5      | IA/UA      | AID1SEP5.0CX/PX   | AID  | SEP   | 5      | IA/UA      |
| IIH1SEP7.5C/P   | IIH  | SEP   | 7.5    | IU/UU      | AID1SEP7.5CX/PX   | AID  | SEP   | 7.5    | IU/UU      |
| IIH1SEP10.0C/P  | IIH  | SEP   | 10     | IB/UB      | AID1SEP10.0CX/PX  | AID  | SEP   | 10     | IB/UB      |
| IIH1SEP12.5C/P  | IIH  | SEP   | 12.5   | IV/UV      | AID1SEP12.5CX/PX  | AID  | SEP   | 12.5   | IV/UV      |
| IIH1SEP15.0C/P  | IIH  | SEP   | 15     | IC/UC      | AID1SEP15.0CX/PX  | AID  | SEP   | 15     | IC/UC      |
| IIH1OCT5.0C/P   | IIH  | OCT   | 5      | JA/VA      | AID1OCT5.0CX/PX   | AID  | OCT   | 5      | JA/VA      |
| IIH1OCT7.5C/P   | IIH  | OCT   | 7.5    | JU/VU      | AID1OCT7.5CX/PX   | AID  | OCT   | 7.5    | JU/VU      |
| IIH1OCT10.0C/P  | IIH  | OCT   | 10     | JB/VB      | AID1OCT10.0CX/PX  | AID  | OCT   | 10     | JB/VB      |
| IIH1OCT12.5C/P  | IIH  | OCT   | 12.5   | JV/VV      | AID1OCT12.5CX/PX  | AID  | OCT   | 12.5   | JV/VV      |
| IIH1OCT15.0C/P  | IIH  | OCT   | 15     | JC/VC      | AID1OCT15.0CX/PX  | AID  | OCT   | 15     | JC/VC      |

Internet Infrastructure HOLDRS Trust (IIH)  
 (Before 9/5/2001)  
 100 shares IIH

Internet Infrastructure HOLDRS Trust (AID)  
 (Beginning 9/5/2001)  
 (See New Deliverable Above)

| <i>ISE Series</i> | <i>OPRA</i> | <i>Month</i> | <i>Strike</i> | <i>Calls/Puts</i> | <i>ISE Series</i> | <i>OPRA</i> | <i>Month</i> | <i>Strike</i> | <i>Calls/Puts</i> |
|-------------------|-------------|--------------|---------------|-------------------|-------------------|-------------|--------------|---------------|-------------------|
| IIH1NOV5.0C/P     | IIH         | NOV          | 5             | KA/WA             | AID1NOV5.0CX/PX   | AID         | NOV          | 5             | KA/WA             |
| IIH1NOV7.5C/P     | IIH         | NOV          | 7.5           | KU/WU             | AID1NOV7.5CX/PX   | AID         | NOV          | 7.5           | KU/WU             |
| IIH1NOV10.0C/P    | IIH         | NOV          | 10            | KB/WB             | AID1NOV10.0CX/PX  | AID         | NOV          | 10            | KB/WB             |
| IIH1NOV12.5C/P    | IIH         | NOV          | 12.5          | KV/WV             | AID1NOV12.5CX/PX  | AID         | NOV          | 12.5          | KV/WV             |
| IIH1NOV15.0C/P    | IIH         | NOV          | 15            | KC/WC             | AID1NOV15.0CX/PX  | AID         | NOV          | 15            | KC/WC             |
| IIH1NOV17.5C/P    | IIH         | NOV          | 17.5          | KW/WW             | AID1NOV17.5CX/PX  | AID         | NOV          | 17.5          | KW/WW             |
| IIH1FEB5.0C/P     | IIH         | FEB          | 5             | BA/NA             | AID1FEB5.0CX/PX   | AID         | FEB          | 5             | BA/NA             |
| IIH1FEB7.5C/P     | IIH         | FEB          | 7.5           | BU/NU             | AID1FEB7.5CX/PX   | AID         | FEB          | 7.5           | BU/NU             |
| IIH1FEB10.0C/P    | IIH         | FEB          | 10            | BB/NB             | AID1FEB10.0CX/PX  | AID         | FEB          | 10            | BB/NB             |
| IIH1FEB12.5C/P    | IIH         | FEB          | 12.5          | BV/NV             | AID1FEB12.5CX/PX  | AID         | FEB          | 12.5          | BV/NV             |
| IIH1FEB15.0C/P    | IIH         | FEB          | 15            | BC/NC             | AID1FEB15.0CX/PX  | AID         | FEB          | 15            | BC/NC             |
| IIH1FEB17.5C/P    | IIH         | FEB          | 17.5          | BW/NW             | AID1FEB17.5CX/PX  | AID         | FEB          | 17.5          | BW/NW             |

Questions regarding this release may be directed to Barbara Wheeler at (212) 897-0252.

