

**SERIES ADJUSTMENTS 2005-033  
ONN INFORMATION CIRCULAR # 918  
March 24, 2005**

**Sears, Roebuck and Co. (S) Merger with Kmart Holding Corporation (KMRT) EFFECTIVE**

On Thursday, March 24, 2005, the Shareholders of Sears, Roebuck and Co. (S) voted on the proposed merger with Kmart Holding Corporation (KMRT). The merger was approved and consummated. As a result, a new, combined Company renamed "Sears Holdings Corporation" (SHLD) will be formed.

**The Merger: Aggregate Terms**

Approximately 45% of all outstanding S Common Shares will be converted into \$50.00 in cash ("Cash Consideration")  
Approximately 55% of all outstanding S Common Shares will be converted into .50 Sears Holdings Corporation Common Shares ("Stock consideration"). Cash will be paid in lieu of fractional shares.

**The Merger: Individual Share Elections**

S shares will be converted as follows:

Within the terms of the aggregate merger, individual S shareholders may:

elect to receive \$50.00 cash, for each S Common Share (Cash Election), OR  
elect to receive .50 Sears Holdings Company Common Shares for each S Common Share (Stock Election), OR  
register no preference by not electing to receive the Cash or Stock Consideration (Non- Election)

Under the terms of the election, shares which are not subject to an effective election will automatically be considered "non-electing" shares.

**Non-electing S Shares will receive either Cash, Sears Holding Corporation Common Stock, or a combination of Cash and Stock as determined by the pro-ration formulae described in the Agreement and Plan of Merger and the Proxy Statement/Prospectus.**

**Pending Contract Adjustments**

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding Sears Roebuck & Co. options will be adjusted as follows:

<b>Adjustment Date:</b>	Effective the opening of business Monday March 28, 2005.
<b>ISE Underlying Symbol</b>	S becomes SRU
<b>OPRA Option Symbols:</b>	S Becomes SRU
	VRS Becomes OTV
	WSI Becomes WUQ
<b>Strike Prices:</b>	No Change
<b>No. Of Contracts:</b>	No Change
<b>Multiplier:</b>	100*(eg., Premium of 1.00 = \$100)
<b>New Deliverable/Contract:</b>	<b>The deliverable for adjusted Sears, Roebuck and Co. options will be based on the merge accrues to non electing S shareholders (Stated in terms of a current 100 share S deliverable the adjusted deliverable may be cash, Sears Holdings Corporation Shares, or a combination of cash and shares)</b>

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the*

proxy statement for the authoritative description of the merger terms and conditions.

**GTC Order Cancellation:**

Immediately after the ISE close on the effective date of the merger, all resting orders in the S order book will be cancelled.

**ADJUSTED EXERCISE PRICES:**

Effective with the opening of business, on the day after the merger is consummated, trading in S series will be on an adjusted basis. The strike price adjustments below are expected based on the current outstanding series. Any additional S series added prior to the merger date will also be adjusted in the manner outlined below.

Sears Roebuck & Co. (S)  
(Before 3/28/2005)  
100 shares S

Sears Roebuck & Co. (SRU)  
(3/28/2005)  
(See New Deliverable Above)

S5APR22.5C/P	S	APR	22 1/2	DX/PX	SRU5APR22.5CX/PX	SRU	APR	22 1/2	DX/PX
S5APR25.0C/P	S	APR	25	DE/PE	SRU5APR25.0CX/PX	SRU	APR	25	DE/PE
S5APR27.5C/P	S	APR	27 1/2	DY/PY	SRU5APR27.5CX/PX	SRU	APR	27 1/2	DY/PY
S5APR30.0C/P	S	APR	30	DF/PF	SRU5APR30.0CX/PX	SRU	APR	30	DF/PF
S5APR32.5C/P	S	APR	32 1/2	DZ/PZ	SRU5APR32.5CX/PX	SRU	APR	32 1/2	DZ/PZ
S5APR35.0C/P	S	APR	35	DG/PG	SRU5APR35.0CX/PX	SRU	APR	35	DG/PG
S5APR37.5C/P	S	APR	37 1/2	DU/PU	SRU5APR37.5CX/PX	SRU	APR	37 1/2	DU/PU
S5APR40.0C/P	S	APR	40	DH/PH	SRU5APR40.0CX/PX	SRU	APR	40	DH/PH
S5APR42.5C/P	S	APR	42 1/2	DT/PT	SRU5APR42.5CX/PX	SRU	APR	42 1/2	DT/PT
S5APR45.0C/P	S	APR	45	DI/PI	SRU5APR45.0CX/PX	SRU	APR	45	DI/PI
S5APR47.5C/P	S	APR	47 1/2	DS/PS	SRU5APR47.5CX/PX	SRU	APR	47 1/2	DS/PS
S5APR50.0C/P	S	APR	50	DJ/PJ	SRU5APR50.0CX/PX	SRU	APR	50	DJ/PJ
S5APR55.0C/P	S	APR	55	DK/PK	SRU5APR55.0CX/PX	SRU	APR	55	DK/PK
S5APR60.0C/P	S	APR	60	DL/PL	SRU5APR60.0CX/PX	SRU	APR	60	DL/PL
S5APR65.0C/P	S	APR	65	DM/PM	SRU5APR65.0CX/PX	SRU	APR	65	DM/PM
S5APR70.0C/P	S	APR	70	DN/PN	SRU5APR70.0CX/PX	SRU	APR	70	DN/PN
S5APR75.0C/P	S	APR	75	DO/PO	SRU5APR75.0CX/PX	SRU	APR	75	DO/PO
S5APR80.0C/P	S	APR	80	DP/PP	SRU5APR80.0CX/PX	SRU	APR	80	DP/PP
S5APR85.0C/P	S	APR	85	DQ/PQ	SRU5APR85.0CX/PX	SRU	APR	85	DQ/PQ
S5JUL32.5C/P	S	JUL	32 1/2	GZ/SZ	SRU5JUL32.5CX/PX	SRU	JUL	32 1/2	GZ/SZ
S5JUL35.0C/P	S	JUL	35	GG/SG	SRU5JUL35.0CX/PX	SRU	JUL	35	GG/SG
S5JUL37.5C/P	S	JUL	37 1/2	GU/SU	SRU5JUL37.5CX/PX	SRU	JUL	37 1/2	GU/SU
S5JUL40.0C/P	S	JUL	40	GH/SH	SRU5JUL40.0CX/PX	SRU	JUL	40	GH/SH
S5JUL42.5C/P	S	JUL	42 1/2	GT/ST	SRU5JUL42.5CX/PX	SRU	JUL	42 1/2	GT/ST
S5JUL45.0C/P	S	JUL	45	GI/SI	SRU5JUL45.0CX/PX	SRU	JUL	45	GI/SI
S5JUL47.5C/P	S	JUL	47 1/2	GS/SS	SRU5JUL47.5CX/PX	SRU	JUL	47 1/2	GS/SS
S5JUL50.0C/P	S	JUL	50	GJ/SJ	SRU5JUL50.0CX/PX	SRU	JUL	50	GJ/SJ
S5JUL55.0C/P	S	JUL	55	GK/SK	SRU5JUL55.0CX/PX	SRU	JUL	55	GK/SK
S5JUL60.0C/P	S	JUL	60	GL/SL	SRU5JUL60.0CX/PX	SRU	JUL	60	GL/SL
S5JUL65.0C/P	S	JUL	65	GM/SM	SRU5JUL65.0CX/PX	SRU	JUL	65	GM/SM
S5JUL70.0C/P	S	JUL	70	GN/SN	SRU5JUL70.0CX/PX	SRU	JUL	70	GN/SN
S5JUL75.0C/P	S	JUL	75	GO/SO	SRU5JUL75.0CX/PX	SRU	JUL	75	GO/SO
S5JUL80.0C/P	S	JUL	80	GP/SP	SRU5JUL80.0CX/PX	SRU	JUL	80	GP/SP
S5JUL85.0C/P	S	JUL	85	GQ/SQ	SRU5JUL85.0CX/PX	SRU	JUL	85	GQ/SQ
S5OCT35.0C/P	S	OCT	35	JG/VG	SRU5OCT35.0CX/PX	SRU	OCT	35	JG/VG
S5OCT37.5C/P	S	OCT	37 1/2	JU/VU	SRU5OCT37.5CX/PX	SRU	OCT	37 1/2	JU/VU
S5OCT40.0C/P	S	OCT	40	JH/VH	SRU5OCT40.0CX/PX	SRU	OCT	40	JH/VH
S5OCT42.5C/P	S	OCT	42 1/2	JT/VT	SRU5OCT42.5CX/PX	SRU	OCT	42 1/2	JT/VT
S5OCT45.0C/P	S	OCT	45	JI/VI	SRU5OCT45.0CX/PX	SRU	OCT	45	JI/VI
S5OCT47.5C/P	S	OCT	47 1/2	JS/VS	SRU5OCT47.5CX/PX	SRU	OCT	47 1/2	JS/VS
S5OCT50.0C/P	S	OCT	50	JJ/VJ	SRU5OCT50.0CX/PX	SRU	OCT	50	JJ/VJ
S5OCT55.0C/P	S	OCT	55	JK/VK	SRU5OCT55.0CX/PX	SRU	OCT	55	JK/VK
S5OCT60.0C/P	S	OCT	60	JL/VL	SRU5OCT60.0CX/PX	SRU	OCT	60	JL/VL
S5OCT65.0C/P	S	OCT	65	JM/VM	SRU5OCT65.0CX/PX	SRU	OCT	65	JM/VM
S5OCT70.0C/P	S	OCT	70	JN/VN	SRU5OCT70.0CX/PX	SRU	OCT	70	JN/VN

S5OCT75.0C/P S OCT 75 JO/VO  
 S5OCT80.0C/P S OCT 80 JP/VP

SRU5OCT75.0CX/PX SRU OCT 75 JO/VO  
 SRU5OCT80.0CX/PX SRU OCT 80 JP/VP

Sears Roebuck & Co. - 2007 Leap (S/VRS)  
 (Before 3/28/2005)  
 100 shares S

Sears Roebuck & Co. - 2007 Leap (SRU/OTV)  
 (3/28/2005)  
 (See New Deliverable Above)

ISESeries	OPRA	Month	Strike	Calls/Puts
S7JAN20.0C/P	VRS	JAN	20	AD/MD
S7JAN30.0C/P	VRS	JAN	30	AF/MF
S7JAN35.0C/P	VRS	JAN	35	AG/MG
S7JAN40.0C/P	VRS	JAN	40	AH/MH
S7JAN45.0C/P	VRS	JAN	45	AI/MI
S7JAN50.0C/P	VRS	JAN	50	AJ/MJ
S7JAN60.0C/P	VRS	JAN	60	AL/ML
S7JAN65.0C/P	VRS	JAN	65	AM/MM
S7JAN70.0C/P	VRS	JAN	70	AN/MN
S7JAN75.0C/P	VRS	JAN	75	AO/MO
S7JAN80.0C/P	VRS	JAN	80	AP/MP
S7JAN85.0C/P	VRS	JAN	85	AQ/MQ

ISESeries	OPRA	Month	Strike	Calls/Puts
SRU7JAN20.0CX/PX	OTV	JAN	20	AD/MD
SRU7JAN30.0CX/PX	OTV	JAN	30	AF/MF
SRU7JAN35.0CX/PX	OTV	JAN	35	AG/MG
SRU7JAN40.0CX/PX	OTV	JAN	40	AH/MH
SRU7JAN45.0CX/PX	OTV	JAN	45	AI/MI
SRU7JAN50.0CX/PX	OTV	JAN	50	AJ/MJ
SRU7JAN60.0CX/PX	OTV	JAN	60	AL/ML
SRU7JAN65.0CX/PX	OTV	JAN	65	AM/MM
SRU7JAN70.0CX/PX	OTV	JAN	70	AN/MN
SRU7JAN75.0CX/PX	OTV	JAN	75	AO/MO
SRU7JAN80.0CX/PX	OTV	JAN	80	AP/MP
SRU7JAN85.0CX/PX	OTV	JAN	85	AQ/MQ

Sears, Roebuck and Co. - 2006 Leap (S/WSI)  
 (Before 3/28/2005)  
 100 shares S

Sears, Roebuck and Co. - 2006 Leap (SRU/WUQ)  
 (3/28/2005)  
 (See New Deliverable Above)

ISESeries	OPRA	Month	Strike	Calls/Puts
S6JAN10.0C/P	WSI	JAN	10	AB/MB
S6JAN15.0C/P	WSI	JAN	15	AC/MC
S6JAN20.0C/P	WSI	JAN	20	AD/MD
S6JAN22.5C/P	WSI	JAN	22 1/2	AX/MX
S6JAN25.0C/P	WSI	JAN	25	AE/ME
S6JAN30.0C/P	WSI	JAN	30	AF/MF
S6JAN35.0C/P	WSI	JAN	35	AG/MG
S6JAN40.0C/P	WSI	JAN	40	AH/MH
S6JAN45.0C/P	WSI	JAN	45	AI/MI
S6JAN50.0C/P	WSI	JAN	50	AJ/MJ
S6JAN55.0C/P	WSI	JAN	55	AK/MK
S6JAN60.0C/P	WSI	JAN	60	AL/ML
S6JAN65.0C/P	WSI	JAN	65	AM/MM
S6JAN70.0C/P	WSI	JAN	70	AN/MN
S6JAN75.0C/P	WSI	JAN	75	AO/MO
S6JAN80.0C/P	WSI	JAN	80	AP/MP
S6JAN85.0C/P	WSI	JAN	85	AQ/MQ

ISESeries	OPRA	Month	Strike	Calls/Puts
SRU6JAN10.0CX/PX	WUQ	JAN	10	AB/MB
SRU6JAN15.0CX/PX	WUQ	JAN	15	AC/MC
SRU6JAN20.0CX/PX	WUQ	JAN	20	AD/MD
SRU6JAN22.5CX/PX	WUQ	JAN	22 1/2	AX/MX
SRU6JAN25.0CX/PX	WUQ	JAN	25	AE/ME
SRU6JAN30.0CX/PX	WUQ	JAN	30	AF/MF
SRU6JAN35.0CX/PX	WUQ	JAN	35	AG/MG
SRU6JAN40.0CX/PX	WUQ	JAN	40	AH/MH
SRU6JAN45.0CX/PX	WUQ	JAN	45	AI/MI
SRU6JAN50.0CX/PX	WUQ	JAN	50	AJ/MJ
SRU6JAN55.0CX/PX	WUQ	JAN	55	AK/MK
SRU6JAN60.0CX/PX	WUQ	JAN	60	AL/ML
SRU6JAN65.0CX/PX	WUQ	JAN	65	AM/MM
SRU6JAN70.0CX/PX	WUQ	JAN	70	AN/MN
SRU6JAN75.0CX/PX	WUQ	JAN	75	AO/MO
SRU6JAN80.0CX/PX	WUQ	JAN	80	AP/MP
SRU6JAN85.0CX/PX	WUQ	JAN	85	AQ/MQ

**Any additional (S/WSI/VRS) series added prior to the ex date will also be adjusted in the same manner.**

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264.