

SERIES ADJUSTMENTS - 2006-196
ONN INFORMATION CIRCULAR #1696
October 11, 2006

Bellsouth Corporation (BLS) Pending Merger with AT&T Inc. (T)

On Friday, July 21, 2006, the shareholders of Bellsouth Corporation (BLS) voted concerning a proposed merger with AT&T Inc. (T). The merger was approved and, when consummated, each existing BLS share will be converted into the right to receive 1.325 T Common Shares. Cash will be paid in lieu of Fractional T Shares.

Pending Contract Adjustments

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding Bellsouth Corporation options will be adjusted as follows:

Adjustment Date: Contract adjustment is expected to occur on October 13, 2006
ISE Underlying Symbol BLS becomes BLY
Commodity Code BLY- 4835
OPRA Option Symbols: BLS Becomes BLY
WBL Becomes LZW
VBL Becomes ZGL
Strike Prices: No Change
No. Of Contracts: No Change
Multiplier: 100*(eg., Premium of 1.00 = \$100)
New Deliverable/Contract: 1) 132 AT&T Inc. (T) Common Shares
2) Cash in lieu of .5 fractional T share

***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 BLS order book will be cancelled.

ADJUSTED EXERCISE PRICES:

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

Bellsouth Corporation (BLS)
(Before - Date To Be Announced)
100 shares BLS

Bellsouth Corporation (BLY)
(Beginning - Date To Be Announced)
(See New Deliverable Above)

ISESeries	OPRA	Month	Strike	Calls/Puts	ISESeries	OPRA	Month	Strike	Calls/Puts
BLS6OCT22.5C/P	BLS	OCT	22 1/2	JX/VX	BLY6OCT22.5CX/PX	BLY	OCT	22 1/2	JX/VX
BLS6OCT25.0C/P	BLS	OCT	25	JE/VE	BLY6OCT25.0CX/PX	BLY	OCT	25	JE/VE
BLS6OCT27.5C/P	BLS	OCT	27 1/2	JY/VY	BLY6OCT27.5CX/PX	BLY	OCT	27 1/2	JY/VY
BLS6OCT30.0C/P	BLS	OCT	30	JF/VF	BLY6OCT30.0CX/PX	BLY	OCT	30	JF/VF
BLS6OCT32.5C/P	BLS	OCT	32 1/2	JZ/VZ	BLY6OCT32.5CX/PX	BLY	OCT	32 1/2	JZ/VZ
BLS6OCT35.0C/P	BLS	OCT	35	JG/VG	BLY6OCT35.0CX/PX	BLY	OCT	35	JG/VG
BLS6OCT37.5C/P	BLS	OCT	37 1/2	JU/VU	BLY6OCT37.5CX/PX	BLY	OCT	37 1/2	JU/VU
BLS6OCT40.0C/P	BLS	OCT	40	JH/VH	BLY6OCT40.0CX/PX	BLY	OCT	40	JH/VH

BLS6OCT42.5C/P	BLS	OCT	42 1/2	JV/VV	BLY6OCT42.5CX/PX	BLY	OCT	42 1/2	JV/VV
BLS6OCT45.0C/P	BLS	OCT	45	JI/VI	BLY6OCT45.0CX/PX	BLY	OCT	45	JI/VI
BLS6NOV35.0C/P	BLS	NOV	35	KG/WG	BLY6NOV35.0CX/PX	BLY	NOV	35	KG/WG
BLS6NOV37.5C/P	BLS	NOV	37 1/2	KU/WU	BLY6NOV37.5CX/PX	BLY	NOV	37 1/2	KU/WU
BLS6NOV40.0C/P	BLS	NOV	40	KH/WH	BLY6NOV40.0CX/PX	BLY	NOV	40	KH/WH
BLS6NOV42.5C/P	BLS	NOV	42 1/2	KV/WV	BLY6NOV42.5CX/PX	BLY	NOV	42 1/2	KV/WV
BLS6NOV45.0C/P	BLS	NOV	45	KI/VI	BLY6NOV45.0CX/PX	BLY	NOV	45	KI/VI
BLS6NOV50.0C/P	BLS	NOV	50	KJ/WJ	BLY6NOV50.0CX/PX	BLY	NOV	50	KJ/WJ
BLS7JAN15.0C/P	BLS	JAN	15	AC/MC	BLY7JAN15.0CX/PX	BLY	JAN	15	AC/MC
BLS7JAN17.5C/P	BLS	JAN	17 1/2	AT/MT	BLY7JAN17.5CX/PX	BLY	JAN	17 1/2	AT/MT
BLS7JAN20.0C/P	BLS	JAN	20	AD/MD	BLY7JAN20.0CX/PX	BLY	JAN	20	AD/MD
BLS7JAN22.5C/P	BLS	JAN	22 1/2	AX/MX	BLY7JAN22.5CX/PX	BLY	JAN	22 1/2	AX/MX
BLS7JAN25.0C/P	BLS	JAN	25	AE/ME	BLY7JAN25.0CX/PX	BLY	JAN	25	AE/ME
BLS7JAN27.5C/P	BLS	JAN	27 1/2	AY/MY	BLY7JAN27.5CX/PX	BLY	JAN	27 1/2	AY/MY
BLS7JAN30.0C/P	BLS	JAN	30	AF/MF	BLY7JAN30.0CX/PX	BLY	JAN	30	AF/MF
BLS7JAN32.5C/P	BLS	JAN	32 1/2	AZ/MZ	BLY7JAN32.5CX/PX	BLY	JAN	32 1/2	AZ/MZ
BLS7JAN35.0C/P	BLS	JAN	35	AG/MG	BLY7JAN35.0CX/PX	BLY	JAN	35	AG/MG
BLS7JAN37.5C/P	BLS	JAN	37 1/2	AU/MU	BLY7JAN37.5CX/PX	BLY	JAN	37 1/2	AU/MU
BLS7JAN40.0C/P	BLS	JAN	40	AH/MH	BLY7JAN40.0CX/PX	BLY	JAN	40	AH/MH
BLS7JAN42.5C/P	BLS	JAN	42 1/2	AV/MV	BLY7JAN42.5CX/PX	BLY	JAN	42 1/2	AV/MV
BLS7JAN45.0C/P	BLS	JAN	45	AI/MI	BLY7JAN45.0CX/PX	BLY	JAN	45	AI/MI
BLS7JAN47.5C/P	BLS	JAN	47 1/2	AW/MW	BLY7JAN47.5CX/PX	BLY	JAN	47 1/2	AW/MW
BLS7APR32.5C/P	BLS	APR	32 1/2	DZ/PZ	BLY7APR32.5CX/PX	BLY	APR	32 1/2	DZ/PZ
BLS7APR35.0C/P	BLS	APR	35	DG/PG	BLY7APR35.0CX/PX	BLY	APR	35	DG/PG
BLS7APR37.5C/P	BLS	APR	37 1/2	DU/PU	BLY7APR37.5CX/PX	BLY	APR	37 1/2	DU/PU
BLS7APR40.0C/P	BLS	APR	40	DH/PH	BLY7APR40.0CX/PX	BLY	APR	40	DH/PH
BLS7APR42.5C/P	BLS	APR	42 1/2	DV/PV	BLY7APR42.5CX/PX	BLY	APR	42 1/2	DV/PV
BLS7APR45.0C/P	BLS	APR	45	DI/PI	BLY7APR45.0CX/PX	BLY	APR	45	DI/PI
BLS7APR47.5C/P	BLS	APR	47 1/2	DW/PW	BLY7APR47.5CX/PX	BLY	APR	47 1/2	DW/PW

BellSouth Corp. - 2008 Leap (BLS/WBL)
(Before - Date To Be Announced)
100 shares BLS

BellSouth Corp. - 2008 Leap (BLY/LZW)
(Beginning - Date To Be Announced)
(See New Deliverable Above)

ISESeries	OPRA	Month	Strike	Calls/Puts	ISESeries	OPRA	Month	Strike	Calls/Puts
BLS8JAN15.0C/P	WBL	JAN	15	AC/MC	BLY8JAN15.0CX/PX	LZW	JAN	15	AC/MC
BLS8JAN20.0C/P	WBL	JAN	20	AD/MD	BLY8JAN20.0CX/PX	LZW	JAN	20	AD/MD
BLS8JAN25.0C/P	WBL	JAN	25	AE/ME	BLY8JAN25.0CX/PX	LZW	JAN	25	AE/ME
BLS8JAN27.5C/P	WBL	JAN	27 1/2	AY/MY	BLY8JAN27.5CX/PX	LZW	JAN	27 1/2	AY/MY
BLS8JAN30.0C/P	WBL	JAN	30	AF/MF	BLY8JAN30.0CX/PX	LZW	JAN	30	AF/MF
BLS8JAN35.0C/P	WBL	JAN	35	AG/MG	BLY8JAN35.0CX/PX	LZW	JAN	35	AG/MG
BLS8JAN40.0C/P	WBL	JAN	40	AH/MH	BLY8JAN40.0CX/PX	LZW	JAN	40	AH/MH
BLS8JAN45.0C/P	WBL	JAN	45	AI/MI	BLY8JAN45.0CX/PX	LZW	JAN	45	AI/MI
BLS8JAN50.0C/P	WBL	JAN	50	AJ/MJ	BLY8JAN50.0CX/PX	LZW	JAN	50	AJ/MJ

Bellsouth Corp. - 2009 Leap (BLS/VBL)
(Before - Date To Be Announced)
100 shares BLS

Bellsouth Corp. - 2009 Leap (BLY/ZGL)
(Beginning - Date To Be Announced)
(See New Deliverable Above)

ISESeries	OPRA	Month	Strike	Calls/Puts	ISESeries	OPRA	Month	Strike	Calls/Puts
BLS9JAN25.0C/P	VBL	JAN	25	AE/ME	BLY9JAN25.0CX/PX	ZGL	JAN	25	AE/ME
BLS9JAN27.5C/P	VBL	JAN	27 1/2	AY/MY	BLY9JAN27.5CX/PX	ZGL	JAN	27 1/2	AY/MY
BLS9JAN30.0C/P	VBL	JAN	30	AF/MF	BLY9JAN30.0CX/PX	ZGL	JAN	30	AF/MF
BLS9JAN35.0C/P	VBL	JAN	35	AG/MG	BLY9JAN35.0CX/PX	ZGL	JAN	35	AG/MG
BLS9JAN40.0C/P	VBL	JAN	40	AH/MH	BLY9JAN40.0CX/PX	ZGL	JAN	40	AH/MH
BLS9JAN45.0C/P	VBL	JAN	45	AI/MI	BLY9JAN45.0CX/PX	ZGL	JAN	45	AI/MI
BLS9JAN50.0C/P	VBL	JAN	50	AJ/MJ	BLY9JAN50.0CX/PX	ZGL	JAN	50	AJ/MJ

Questions regarding this release may be directed to ISE Market Data Control at (212) 897-0264.