

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Listings Administration

Date: March 17, 2008

Subject: Respironics, Inc. (RESP/RBQ) MERGER EFFECTIVE

A tender offer by Moonlight Merger Sub, Inc., a wholly owned subsidiary of Philips Holding USA Inc., a wholly owned subsidiary of Philips Koninklijke Philips Electronics N.V., to acquire all of the outstanding Common shares of Respironics, Inc. (RESP) expired on March 6, 2008. **A short form merger became effective on Friday, March 14, 2008**. As a result, each existing RESP share will be converted into the right to receive \$66.00 in cash.

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX 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.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding RBQ options will be adjusted as follows:

EFFECTIVE DATE: Monday, March 17, 2008
NEW DELIVERABLE: \$6,600.00 cash per contract (\$66.00 x 100)

Existing open interest in all RBQ options will remain until options are exercised or expire. Since they are American style options, they are exercisable at the option of the holder.

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