

MEMORANDUM

TO: All Option Members, Member Organizations & ROTs
DATE: October 22, 2008
RE: **Upcoming change to the PHLX Defense SectorSM (DFX)**

Due to the recent acquisition of DRS Technologies, Inc. (DRS) by Finmeccanica SpA, DRS will be replaced in the DFX index by Precision Castparts Corp. (PCP). As a result, the following changes will occur in the DFX index prior to the opening of business on Thursday, October 23, 2008:

DELETIONS:

DRS Technologies, Inc. (DRS)

ADDITIONS:

Index Shares

Precision Castparts Corp. (PCP)

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The revised DFX divisor & PCP index shares amount will be announced on a separate release prior to the opening of business on Thursday, October 23, 2008.

Questions concerning this release should be directed to Global Financial Products at 1-800-THE-PHLX, choice #2 or (215) 496-1508.