

MEMORANDUM

TO: All Option Members, Member Organizations & ROTs

DATE: October 22, 2008

RE: **Changes 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)

181

The revised DFX divisor is: 636.7341

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