

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: August 24, 2007

**Subject: Biomet, Inc. (BMET/BIQ) Pending Merger With LVB Acquisition, Inc.**

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The Tender Offer by LVB Acquisition, Inc., an entity sponsored by The Blackstone Group, Goldman Sachs & Co., Texas Pacific Group & Kohlberg Kravis & Roberts, to purchase all the outstanding shares of Biomet, Inc. (BMET) for \$46.00 per common share expired on July 11, 2007. After the expiration of the tender offer, there will be a short-form merger. **The merger is anticipated to become effective as quickly as possible, following the special meeting of shareholders on Wednesday, September 5, 2007.**

*\*\*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 BIQ options will be adjusted as follows:

**EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced**  
**NEW DELIVERABLE: \$4,600.00 cash per contract (\$46.00 x 100)**

**Existing open interest in all BIQ 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 Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.