

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: October 3, 2007

Subject: Cytoc Corporation (CYTC/YQK) Pending Merger With Hologic Inc. (HOLX)

On Thursday, October 18, 2007, the shareholders of Cytoc Corporation (CYTC) will vote to approve the proposed merger with Hologic Inc. (HOLX). Pursuant to the merger terms each CYTC share will be converted into the right to receive 0.52 HOLX common shares and \$16.50 cash. **The merger is expected to become effective in mid-October.**

***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 YQK options will be adjusted as follows:

EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced
SYMBOL(S): YQK/XXM/ZRR becomes CZX/XUA/KCZ respectively
STRIKE PRICE: No change
POS/EXERCISE LIMIT: 500,000 contracts until January 2010 expiration; where the limits revert to 250,000 contract
MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)
NEW DELIVERABLE: 1) 52 HOLX common shares.
 2) \$1,650.00 cash (\$16.50 x 100)

Cytoc Corporation (CYTC/YQK) (Before a date to be announced) 100 shares CYTC					Cytoc Corporation (CYTC/CZX) (Beginning on a date to be announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
YQK	OCT	35	JG	VG	CZX	OCT	35	JG	VG
YQK	OCT	40	JH	VH	CZX	OCT	40	JH	VH
YQK	OCT	45	JI	VI	CZX	OCT	45	JI	VI
YQK	OCT	50	JJ	VJ	CZX	OCT	50	JJ	VJ
YQK	NOV	30	KF	WF	CZX	NOV	30	KF	WF
YQK	NOV	35	KG	WG	CZX	NOV	35	KG	WG
YQK	NOV	40	KH	WH	CZX	NOV	40	KH	WH
YQK	NOV	45	KI	WI	CZX	NOV	45	KI	WI
YQK	NOV	50	KJ	WJ	CZX	NOV	50	KJ	WJ
YQK	JAN	35	AG	MG	CZX	JAN	35	AG	MG
YQK	JAN	40	AH	MH	CZX	JAN	40	AH	MH
YQK	JAN	45	AI	MI	CZX	JAN	45	AI	MI
YQK	JAN	50	AJ	MJ	CZX	JAN	50	AJ	MJ
YQK	FEB	35	BG	NG	CZX	FEB	35	BG	NG
YQK	FEB	40	BH	NH	CZX	FEB	40	BH	NH
YQK	FEB	45	BI	NI	CZX	FEB	45	BI	NI
YQK	FEB	50	BJ	NJ	CZX	FEB	50	BJ	NJ
YQK	MAY	40	EH	QH	CZX	MAY	40	EH	QH
YQK	MAY	45	EI	QI	CZX	MAY	45	EI	QI
YQK	MAY	50	EJ	QJ	CZX	MAY	50	EJ	QJ

Cytec Corp. - 2009 Leap (CYTC/XXM)
 (Before a date to be announced)
 100 shares CYTC

			Call	Put
XXM	JAN	35	AG	MG
XXM	JAN	40	AH	MH
XXM	JAN	45	AI	MI
XXM	JAN	50	AJ	MJ

Cytec Corp. - 2009 Leap (CYTC/XUA)
 (Beginning on a date to be announced)
 (See New Deliverable Above)

			Call	Put
XUA	JAN	35	AG	MG
XUA	JAN	40	AH	MH
XUA	JAN	45	AI	MI
XUA	JAN	50	AJ	MJ

Cytec Corp. - 2010 Leap (CYTC/ZRR)
 (Before a date to be announced)
 100 shares CYTC

			Call	Put
ZRR	JAN	20	AD	MD
ZRR	JAN	30	AF	MF
ZRR	JAN	40	AH	MH
ZRR	JAN	50	AJ	MJ
ZRR	JAN	60	AL	ML

Cytec Corp. - 2010 Leap (CYTC/KCZ)
 (Beginning on a date to be announced)
 (See New Deliverable Above)

			Call	Put
KCZ	JAN	20	AD	MD
KCZ	JAN	30	AF	MF
KCZ	JAN	40	AH	MH
KCZ	JAN	50	AJ	MJ
KCZ	JAN	60	AL	ML

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.