



MEMORANDUM

To: All Members, Participants and Related Parties

From: BOX Market Operations Center

Date: July 26, 2007

Subject: Armor Holdings, Inc (AH) - Cash Merger

On July 25, 2007, shareholders of Armor Holdings, Inc. (AH) voted and approved the proposed merger with BAE Systems. Pursuant to the terms of the merger each AH Common Share will be converted into the right to receive \$88.00 cash per share based on the merger considerations.

The merger will become effective Wednesday, August 1, 2007.

EFFECTIVE DATE: Wednesday, August 1, 2007
MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)
NEW DELIVERABLE: \$8,800.00 cash per contract (\$88.00 x 100), subject to adjustment

PLEASE NOTE:

BOX will cease trading on Armor Holdings, Inc. (AH) options on Wednesday, August 1, 2007. All resting orders for AH options in the BOX order book will be cancelled by the BOX Market Operations Center after the close on Tuesday, July 31, 2007.

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

Questions regarding this release may be directed to the BOX Market Operations Center at 1-617-235-2248, or 1-866-768-8845 Toll Free.