

CBOE Research Circular #RS13-014

Date: January 8, 2013

To: Permit Holders

From: Scott Speer

RE: Titanium Metals Corporation ("TIE"):
Merger Completed -- Cash Settlement

The NYSE has informed the CBOE that effective for January 7, 2013, a Merger has been completed between Titanium Metals Corporation ("TIE") and ELIT Acquisition Sub Corp., a wholly owned subsidiary of Precision Castparts Corp. ("PCP"). According to the terms of the Merger, each outstanding Share of TIE Common Stock was converted into the right to receive **\$16.50 cash**, without interest, per TIE share. Please be aware that Titanium Metals Corporation had been the subject of a tender offer by ELIT Acquisition Sub Corp. to purchase all outstanding Shares of TIE Common Stock at \$16.50 per TIE Share, net to the seller in cash, which expired on January 4, 2013 (see CBOE Research Circular #RS13-006, dated January 3, 2013, for more information).

Contract Adjustment

Pursuant to Article VI, Section 11 and 11A of The Options Clearing Corporation's By-Laws, all outstanding TIE options as of Tuesday, January 8, 2013, will be adjusted to require, upon exercise, the per-contract delivery or receipt of **\$1,650.00 in cash**. Strike prices will remain the same, and the option symbol will remain **TIE**. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Please be aware that trading in the adjusted TIE options will be suspended as of Tuesday, January 8, 2013. There are no restrictions on the exercise of the adjusted TIE options.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series.

All series of Titanium Metals Corporation options whose expiration dates are after January 19, 2013 will have their expiration dates advanced to Saturday, January 19, 2013. Expiration dates occurring before January 19, 2013 (e.g., Flex options) will remain unchanged.

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>