

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER

NYMEX HOLDINGS, INC.

DELAWARE
(STATE OF INCORPORATION)

13-4098266
(I.R.S. ID.)

ONE NORTH END AVENUE
WORLD FINANCIAL CENTER
NEW YORK, NEW YORK 10282-1101
(212) 299-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
COMMON STOCK

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The number of shares of NYMEX Holdings, Inc. Capital Stock outstanding as of March 21, 2001 was 816. The aggregate market value of NYMEX Holdings, Inc. Capital Stock held by stockholders of NYMEX Holdings, Inc., as of March 21, 2001 was \$581,400,000, based upon the average of the bid and ask price for a NYMEX Holdings, Inc. share as of March 21, 2001.

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PART I

ITEM 1. BUSINESS.

Forward-Looking Information -- Safe Harbor Statement

Certain information set forth herein (other than historical data and information) constitute forward-looking statements regarding events and trends which may affect the Company's future operating results and financial position. The words "estimate," "expect," "intend" and "project," as well as other words or expressions of similar meaning, are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this annual report on Form 10-K. Such statements are based on current expectations. Assumptions, are inherently uncertain, and are subject to risks which should be viewed with caution. Actual results and experience may differ materially from forward-looking statements as a result of many factors, including: changes in general economic and industry conditions in various markets in which the Company's contracts are traded, increased competitive activity, fluctuations in prices of the underlying commodities as well as for trading floor supplies, pit cards and expenses related to trading and clearing contracts, the ability to control costs and expenses, and other unanticipated events and conditions. It is not possible to foresee or identify all such factors. The Company disclaims any intention, commitment or obligation to revise or update any forward-looking statement, or to disclose any facts, events or circumstances that occur after the date hereof which may affect the accuracy of any forward-looking statement.

Overview

Throughout this document NYMEX Holdings, Inc., will be referred to as NYMEX Holdings and, together with its subsidiaries, as the "Company." The two principal operating subsidiaries of NYMEX Holdings are New York Mercantile Exchange, Inc., ("NYMEX Exchange" or "NYMEX Division"), and Commodity Exchange Inc. ("COMEX" or "COMEX Division"), which is a wholly-owned subsidiary of NYMEX Exchange. Where appropriate, each division will be discussed separately and collectively will be discussed as the "Exchange".)

NYMEX Exchange is the largest exchange in the world for the trading of energy futures and options contracts, including contracts for crude oil, heating oil and natural gas. It is also the second largest exchange in the world for the trading of platinum group metals contracts. COMEX is the largest marketplace for gold and silver futures and options contracts, and is the largest exchange in North America for futures and options contracts for copper and aluminum. The participants in NYMEX Exchange and COMEX primarily include institutions involved in the production, consumption and trading of energy and metals products. These market participants use these exchanges for both hedging and speculative purposes.

Description of Business

NYMEX Exchange's predecessor, the New York Mercantile Exchange, was established in 1872 as the Butter and Cheese Exchange of New York to provide an organized forum for the trading of dairy products. Within a few years, the egg trade became an important part of the business and the name was modified to the Butter, Cheese and Egg Exchange of the City of New York. In order to attract traders of groceries, dried fruits, canned goods and poultry, the name was changed to New York Mercantile Exchange in 1882.

Energy futures trading was first established with the introduction of the heating oil contract in 1978, the world's first successful energy futures contract. Between 1981 and 1996, contracts followed for gasoline, crude oil, natural gas, propane, and electricity. The platinum futures contract is the world's longest continuously traded precious metals futures contract, and was the first industrial commodity traded on the NYMEX Division. It is considered one of the world's most valuable industrial metals. Palladium futures, the only exchange-traded instrument for that metal, were launched in 1956.

COMEX was founded in 1933 from the combination of four futures markets; the National Metal Exchange, the Rubber Exchange of New York, the National Raw Silk Exchange, and the New York Hide

Exchange. It initially traded six commodities: copper, hides, rubber, silk, silver and tin. In August 1994, with the acquisition of COMEX, the Exchange became the world's largest physical commodity futures exchange. In addition to the trading of the metals contracts noted above, COMEX also provides for trading of the FTSE Eurotop 100(R) stock index futures and options contracts and FTSE Eurotop 300(R) stock index futures contracts, which are contracts based on indices designed to measure the collective performance of a sector of the European equities market.

Corporate Reorganization - The Demutualization

On November 17, 2000, the New York Mercantile Exchange converted from a New York not-for-profit membership association into a Delaware for-profit stock corporation. NYMEX Holdings, Inc., and New York Mercantile Exchange Inc. were formed as a result of a two-step merger.

First Merger

In the first merger, the New York Mercantile Exchange merged into NYMEX Exchange, a newly formed, non-stock corporation organized under Delaware law. NYMEX Exchange survived this merger. In the first merger, each NYMEX Division member received one Class A membership and one Class B membership in NYMEX Exchange for each NYMEX Division membership that the member owned. The Class A membership represents the trading privileges associated with a NYMEX Division membership. The Class B membership represents an economic interest in NYMEX Exchange which includes a right to dividends and liquidation proceeds.

Second Merger

Immediately after the first merger was completed, NYMEX Exchange merged with a transitory merger subsidiary of NYMEX Holdings, a newly formed stock holding company also organized under Delaware law. NYMEX Exchange survived this merger and became a wholly-owned subsidiary of NYMEX Holdings.

In the second merger, each member's Class B membership was exchanged for one share of common stock in NYMEX Holdings. NYMEX Holdings' interest in its subsidiary was converted into the sole outstanding Class B membership in NYMEX Exchange.

Result

As a result of the two-step merger:

Each NYMEX Division membership became one Class A membership in NYMEX Exchange and one share of common stock of NYMEX Holdings; NYMEX Holdings holds the sole outstanding Class B membership in NYMEX Exchange; NYMEX Exchange is a subsidiary of NYMEX Holdings; and both NYMEX Exchange and NYMEX Holdings are organized under Delaware law.

By operation of law, NYMEX Exchange assumed all of the rights and obligations of the New York Mercantile Exchange. All contracts market designations previously held by the New York Mercantile Exchange with the Commodities Futures Trading Commission ("CFTC") have been transferred to NYMEX Exchange.

NYMEX Holdings, NYMEX Exchange and their subsidiaries were formed for the purpose of providing both open outcry and electronic trading facilities to foster the open outcry trading of commodities. NYMEX Exchange and COMEX are the principal operating subsidiaries of NYMEX Holdings. The Company's principal offices are located at One North End Avenue, World Financial Center, New York, NY 10282. Its telephone number is (212) 299-2000.

Intellectual Property

The Company presently maintains several trademarks and service marks on a domestic and international scale that protect the Company's name and its products.

Clearinghouse Function

In addition to providing the facilities necessary for commodities trading, the Company also serves a clearinghouse function. This means that the Exchange stands as a financial intermediary for transactions conducted on its exchanges, and thereby guarantees performance of obligations owed to both buyers and sellers. The Exchange also provides operational infrastructure to allow position matching, reporting and margining for all exchange-traded contracts. The Exchange's clearinghouses employ a margin system and a network of clearing member guarantees to manage default risk. This structure permits parties to trade with one another without individual credit determinations or counter-party credit risk, allows for the daily flow of market-to-market variation margin payments, and allows the Exchange to look to the financial strength of its clearing members as its only customers.

The Clearing 21(R) system was designed to replace the Company's trade management, data input and clearing systems. This system, a highly flexible, state-of-the-art, clearing system developed jointly with the Chicago Mercantile Exchange, was rolled out in 1999 and is expected to support any anticipated growth in volume or business expansion for the next five to ten years. The Clearing 21(R) system clears trades originating from two sources: the trade management system on the trading floor and NYMEX ACCESS(R) electronic trading. The system consists of the following six modules:

- Banking -- This module has the ability to handle multi-exchange requirements, as well as process bank transactions, including payments and receipts, and adjustments.
- Settlement -- Settlement processes and calculates the amounts applied to margin requirements and determines the payment or amount to be received on a transaction.
- Asset Management -- Asset management processes and calculates the asset inventories maintained by a member as well as values them based on settlement value.
- Deliveries -- This module handles delivery instructions as well as tracks confirmations of trades.
- Position Management -- Position management aggregates trades to the clearing member level.
- Performance Bond -- This module calculates margin based on both delivery and open positions.

Installation of the final subsystems of Clearing 21(R) is expected to be implemented for the COMEX Division in 2001.

The Exchange has an excellent risk management track record. No significant clearing member default has occurred since 1985. The 1985 default was at the COMEX Clearing Association ("CCA") prior to the COMEX acquisition, and was promptly resolved. NYMEX Exchange's clearing function enables the Company to guarantee the financial performance of all contracts traded on NYMEX Exchange.

NYMEX ACCESS(R)

The Company attempts to provide innovative, state-of-the-art trading systems and facilities to enable it to efficiently serve its customers. To support its expanding international business and product base, the Company has made sizable investments to upgrade the operational efficiency and functionality of both its clearing systems and global electronic trading platform.

The Exchange launched its NYMEX ACCESS(R) electronic trading system in June 1993. NYMEX ACCESS(R) permits the trading of futures and options contracts on crude oil, heating oil, unleaded gasoline, natural gas and platinum, and futures contracts on gold, silver, copper, aluminum, Middle East sour crude oil, propane, palladium and electricity, through a worldwide network. The system was originally active solely when NYMEX Exchange's trading floor was closed; however, the Exchange now trades its electricity and Middle East sour crude oil contracts exclusively on NYMEX ACCESS(R) throughout the daytime and night sessions. As of December 31, 2000, approximately 723 users were authorized to trade over the system and approximately 505 trader workstations were in place in the United States, United Kingdom, Australia, and Singapore.

Trading on NYMEX ACCESS(R), achieved a volume level during 2000 of approximately 2.1 million contracts, which accounted for 2% of the Exchange's total trading volume. Volume traded on NYMEX ACCESS(R) has grown at an average annual rate of approximately 25% during the period since its inception in 1993 through December 31, 2000. A new upgraded version of NYMEX ACCESS(R) was launched in November 1999. The new system retains the response time of its predecessor while expanding capacity, using a standard Windows NT interface, and is less costly to operate and easier to maintain than the previous system. The new system offers brokers and their customers a wider range of accounting and data tracking functions. Most importantly, NYMEX ACCESS(R) now allows for daytime trading as well as the potential to trade financial and other commodity products. Toward this end, in March 2000, NYMEX Exchange launched its electricity contracts for trading exclusively on NYMEX ACCESS(R) throughout the daytime and night sessions. Upgrading and modernizing daytime trade matching, and review and correction of clearing operations has also been the focus of a sustained effort by the Company.

Product Distribution

The Company provides the physical facilities necessary to conduct an open-outcry auction market, electronic trading systems and systems for the matching and clearing of all trades executed on the Exchange.

The Company also sells real-time market data relating to prices of contracts traded on the NYMEX Division and COMEX Division to third parties. The data is distributed to customers through information vendors. In addition, fees from customers are collected by these vendors and remitted to the Exchange. These information vendors include Reuters, Bridge, ILX Systems and CQG, who distribute the data to subscribers that receive real-time data on terminals at their business or personal locations.

Principal Products

NYMEX Division

NYMEX Exchange is the leading commodity exchange for trading energy futures and options contracts, including contracts for crude oil, heating oil, unleaded gasoline, propane, natural gas and electricity, and is a leading exchange for trading platinum group metals futures and options, including contracts for platinum and palladium. The aggregate trading volume in crude oil contributed 30%, 31%, and 28% of the Company's total consolidated revenues for the years ended December 31, 2000, 1999, and 1998, respectively. The aggregate trading volume in natural gas contributed 16%, 15%, and 14% of the Company's total consolidated revenues for the years ended December 31, 2000, 1999, and 1998, respectively.

COMEX Division

COMEX provides futures and options trading of precious metals including gold, silver, as well as base metals including copper and aluminum contracts, FTSE Eurotop 100(R) stock index futures and options contracts, and FTSE Eurotop 300(R) stock index futures contracts. The Company's gold and silver futures and options contracts are the world's principal exchange-traded instruments for these commodities.

The following is a list of the contracts traded and open interest in those contracts on both the NYMEX Division and COMEX Division:

NYMEX DIVISION CONTRACTS TRADED

	1996		1997		1998		1999	
	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS
Light Sweet Crude Oil.....	23,487,821	5,271,456	24,771,375	5,790,333	30,495,647	7,448,095	37,860,064	8,161,976
Henry Hub Natural Gas.....	8,813,867	1,234,691	11,923,628	2,079,607	15,978,286	3,115,765	19,165,096	3,849,454
N.Y. Heating Oil....	8,341,877	1,108,935	8,370,964	1,147,034	8,863,764	669,725	9,200,703	695,558
New York Harbor Unleaded Gasoline.....	6,312,339	655,965	7,475,145	1,033,778	7,992,269	730,421	8,701,216	600,009
Platinum.....	802,468	36,175	698,597	31,139	528,269	14,183	567,268	11,146
Palladium.....	205,610	N/A	238,716	N/A	131,250	N/A	75,394	N/A
California-Oregon Border Electricity.....	52,340	7,650	120,896	13,495	128,423	19,989	52,032	3,761
Palo Verde Electricity.....	17,548	3,964	155,977	19,328	139,738	28,597	51,852	4,419
Heating Oil-Crude Oil Spread Options.....	N/A	45,920	N/A	18,657	N/A	36,615	N/A	46,482
Gasoline-Crude Oil Spread Options.....	N/A	31,743	N/A	41,867	N/A	22,575	N/A	46,281
Propane.....	53,903	N/A	40,255	N/A	43,868	N/A	37,544	N/A
Cinergy Electricity.....	N/A	N/A	N/A	N/A	48,483	2,597	34,367	1,419
Entergy Electricity.....	N/A	N/A	N/A	N/A	42,580	1,855	20,528	105
PJM Electricity.....	N/A	N/A	N/A	N/A	N/A	N/A	3,254	N/A
Permian Basin Natural Gas.....	8,811	0	15	0	0	0	0	N/A
Alberta Natural Gas.....	2,876	15	110	0	0	0	0	N/A
Middle East Sour Crude Oil.....	0	N/A	0	N/A	1	N/A	0	N/A
Gulf Coast Unleaded Gasoline.....	0	N/A	0	N/A	0	N/A	0	N/A
Total.....	48,099,460	8,396,514	53,795,678	10,175,238	64,392,578	12,090,417	75,769,318	13,420,610

2000

	FUTURES	OPTIONS
Light Sweet Crude Oil.....	36,882,692	7,460,052
Henry Hub Natural Gas.....	17,875,013	5,335,800
N.Y. Heating Oil....	9,631,376	1,385,968
New York Harbor Unleaded Gasoline.....	8,645,182	1,012,460
Platinum.....	320,924	7,065
Palladium.....	50,766	N/A
California-Oregon Border Electricity.....	7,060	0
Palo Verde Electricity.....	21,477	0
Heating Oil-Crude Oil Spread Options.....	N/A	42,363
Gasoline-Crude Oil Spread Options.....	N/A	16,348
Propane.....	26,075	N/A
Cinergy Electricity.....	461	0
Entergy Electricity.....	34	0
PJM Electricity.....	188	N/A
Permian Basin Natural Gas.....	0	N/A
Alberta Natural Gas.....	0	N/A
Middle East Sour Crude Oil.....	25	N/A
Gulf Coast Unleaded Gasoline.....	0	N/A
Total.....	73,461,273	15,260,056

"N/A" means contract was either not in existence at the time or was declared dormant and therefore not available for trading.

"0" means contract was available for trading but no trades were executed.

NYMEX DIVISION OPEN INTEREST*

	DECEMBER 31, 1996		DECEMBER 31, 1997		DECEMBER 31, 1998		DECEMBER 31, 1999		DECEMBER 31, 2000	
	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS
Light Sweet Crude Oil.....	364,170	439,536	413,045	363,639	483,327	420,962	501,819	557,221	407,646	532,965
Henry Hub Natural Gas.....	143,846	120,431	186,815	221,849	222,576	242,379	246,629	369,520	353,093	513,901
N.Y. Heating Oil....	95,408	104,877	152,476	86,415	176,361	66,632	135,259	58,593	124,664	147,976
New York Harbor Unleaded Gasoline.....	59,806	32,886	100,742	25,965	100,465	26,859	89,804	45,854	90,242	38,791
Platinum.....	25,990	3,276	10,983	1,141	11,543	413	11,953	326	8,429	305
Palladium.....	7,995	N/A	3,565	N/A	2,861	N/A	2,869	N/A	1,848	N/A
California-Oregon Border Electricity.....	3,196	1,743	5,336	2,904	2,401	268	1,974	1	0	0
Palo Verde Electricity.....	1,218	899	4,515	2,191	1,537	10	1,769	0	73	0
Heating Oil-Crude Oil Spread Options.....	N/A	2,655	N/A	1,998	N/A	4,845	N/A	5,235	N/A	4,488
Gasoline-Crude Oil Spread Options.....	N/A	1,645	N/A	2,521	N/A	977	N/A	1,411	N/A	1,625
Propane.....	3,222	N/A	2,019	N/A	4,068	N/A	2,408	N/A	907	N/A
Cinergy Electricity.....	N/A	N/A	N/A	N/A	2,087	1,490	193	0	25	0
Entergy Electricity.....	N/A	N/A	N/A	N/A	2,653	50	25	0	0	0
PJM Electricity.....	N/A	N/A	N/A	N/A	N/A	N/A	372	N/A	0	N/A
Permian Basin Natural Gas.....	50	0	0	0	0	0	0	N/A	0	N/A
Alberta Natural Gas.....	162	0	0	0	0	0	0	N/A	0	N/A
Middle East Sour Crude Oil.....	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Gulf Coast Unleaded Gasoline.....	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Total.....	705,063	707,948	879,496	708,623	1,009,879	764,885	995,074	1,038,161	986,927	1,240,051

"N/A" means contract was either not in existence at the time or was declared dormant and therefore not available for trading.

"0" means contract was available for trading but no trades were executed.

* Open Interest as recorded on the last business day of the years 1996 to 2000.

COMEX DIVISION CONTRACTS TRADED

	1996		1997		1998		1999	
	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS
Gold.....	8,902,179	2,079,663	9,541,904	2,064,883	8,990,094	1,945,366	9,575,788	2,815,831
Silver.....	4,870,808	949,239	4,893,520	842,923	4,094,616	818,053	4,157,500	725,885
High Grade Copper...	2,311,919	150,339	2,356,170	133,603	2,483,610	153,332	2,852,962	160,857
Aluminum.....	N/A	N/A	N/A	N/A	N/A	N/A	27,978	642
FTSE Eurotop 100(R) Index.....	38,925	0	47,427	0	50,619	0	25,181	0
FTSE Eurotop 300(R) Index.....	N/A	N/A	N/A	N/A	N/A	N/A	6,279	N/A
5 Day Gold Option...	N/A	150	N/A	N/A	N/A	N/A	N/A	N/A
5 Day Silver Option.....	N/A	96	N/A	N/A	N/A	N/A	N/A	N/A
5 Day High Grade Copper Option.....	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A
Total.....	16,123,831	3,179,487	16,839,021	3,041,409	15,618,939	2,916,751	16,645,688	3,703,215

	2000	
	FUTURES	OPTIONS
Gold.....	6,643,464	2,083,414
Silver.....	3,117,017	579,085
High Grade Copper...	2,778,124	65,043
Aluminum.....	46,099	0
FTSE Eurotop 100(R) Index.....	4,800	0
FTSE Eurotop 300(R) Index.....	36,863	N/A
5 Day Gold Option...	N/A	N/A
5 Day Silver Option.....	N/A	N/A
5 Day High Grade Copper Option.....	N/A	N/A
Total.....	12,626,367	2,727,542

"N/A" means contract was either not in existence at the time or was declared dormant and therefore not available for trading.

"0" means contract was available for trading but no trades were executed.

COMEX DIVISION OPEN INTEREST*

	DECEMBER 31, 1996		DECEMBER 31, 1997		DECEMBER 31, 1998		DECEMBER 31, 1999		DECEMBER 31, 2000	
	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS	FUTURES	OPTIONS
Gold.....	189,805	328,367	177,770	404,403	162,912	432,256	155,914	629,296	111,307	302,517
Silver.....	84,693	59,319	98,906	106,258	75,353	60,858	76,387	64,209	72,121	62,417
High Grade Copper...	49,176	12,637	70,078	15,214	71,975	19,960	71,753	12,142	69,752	5,190
Aluminum.....	N/A	N/A	N/A	N/A	N/A	N/A	571	0	1,907	0
FTSE Eurotop 100(R) Index.....	2,461	0	2,200	0	1,811	0	387	0	215	0
FTSE Eurotop 300(R) Index.....	N/A	N/A	N/A	N/A	N/A	N/A	552	N/A	899	N/A
5 Day Gold Option...	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5 Day Silver Option.....	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5 Day High Grade Copper Option.....	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total.....	326,135	400,323	348,954	525,875	312,051	513,074	305,564	705,647	256,201	370,124

"N/A" means contract was either not in existence at the time or was declared dormant and therefore not available for trading.

"0" means contract was available for trading but no trades were executed.

* Open Interest as recorded on the last business day of the years 1996 to 2000.

Competitive Environment

According to information provided by the Futures Industry Association ("FIA"), based on 2000 trading volume of approximately 104.1 million contracts,

the Exchange is the largest physical commodity based futures exchange in the world and the third largest futures exchange in the United States. Physical commodity based futures exchanges are exchanges that primarily trade futures contracts based upon a physical commodity, such as crude oil or gold. Futures exchanges include physical commodity based futures exchanges as well as exchanges that primarily trade futures contracts based upon financial instruments. The two U.S. futures exchanges with greater volume, the Chicago Board of Trade and the Chicago Mercantile Exchange, trade primarily futures contracts based upon financial instruments, such as stock indices or fixed income products. Similarly, on a worldwide level, those futures exchanges that had greater trading volume in 2000, including the Chicago Board of Trade and the Chicago Mercantile Exchange, traded primarily equity based and fixed income based financial instruments.

The marketplace for the Exchange's contracts exists both in the physical format of open-outcry ring trading, which takes place on the trading floor facilities, and electronically through the technological

innovations described herein. Exchanges designated as "contract markets" can compete with the Exchange in offering market trading of futures and options contracts in both of these formats. In addition, over-the-counter ("OTC") trading of similar contracts, which consists of the direct negotiation between two parties as to the terms of a contract, represents a principal source of competition for the Exchange and is expected to be a significant factor affecting the Exchange's trading volumes and operating revenues. Nevertheless, given the Company's belief that OTC products and exchange-traded futures and options are, in certain aspects, complementary risk management tools, the Company views the OTC derivatives market as a "quasi-competitor."

The Company encounters competition in all aspects of its businesses. The futures industry includes approximately 70 exchanges located in 27 countries, including 10 principal futures exchanges in the United States. According to the FIA statistics for 2000, the Exchange is the sixth largest principal futures exchange in the world. International exchanges upon which contracts that are the same or similar to those traded on the Exchange include, without limitation, the International Petroleum Exchange, United Kingdom (solely in respect of its crude oil products), the London Metal Exchange, United Kingdom (copper and aluminum) and the Tokyo Commodity Exchange, Japan (platinum, palladium, aluminum and certain energy products). Nevertheless, other futures exchanges that do not have contracts relating to commodities traded on the Exchange, by trading different contracts in different niches, essentially reduce product diversification opportunities. In addition, the Exchange potentially competes with all exchanges with respect to potential new products and for investors' speculative funds.

Volume on foreign futures and options exchanges is growing rapidly, which potentially may take away volume from the Company. The Company also faces the threat of competition from the activity of foreign exchanges in the United States. For example, the London Metal Exchange's decision to open copper warehouses in the United States could have an adverse impact on arbitrage opportunities of copper market participants.

Shown below is a list of the largest principal futures exchanges in the world and their country of location, 2000 total contract volumes and the three most actively traded products on each of them as reported by the FIA.

2000 TOTAL CONTRACT VOLUMES AND MOST ACTIVE PRODUCTS

EUREX, Germany and Switzerland.....	364,833,663	Euro-BUND futures, Euro-BOBL futures, DAX options
Chicago Board of Trade, U.S.....	233,528,558	U.S. T-Bond futures, U.S. T-Bond options, Ten Year T-Note future
Chicago Mercantile Exchange, U.S.....	231,114,296	3 Month Eurodollar futures, S&P 500 Index futures, 3 Month Eurodollar options
Paris Bourse, SA.....	147,065,643	Euro Notional Bond Futures, CAC 40 Index (Long Term) options, all options on individual equities, CAC 40 10 Euro futures
London International Financial Futures Exchange, U.K.....	125,569,936	3 Month Euribor futures, 3 Month Sterling futures, FTSE 100(R) Index futures
New York Mercantile Exchange, U.S.....	104,075,238	Crude Oil futures, Natural Gas futures, Heating Oil futures
B, M & F, Brazil.....	82,945,277	Interest Rate futures, U.S. Dollar futures, Interest Rate swap futures
London Metal Exchange, U.K.....	66,445,247	High Grade Primary Aluminum futures, Copper-Grade A futures, Special High Grade Zinc futures
Tokyo Commodity Exchange, Japan.....	50,851,882	Gasoline, Platinum, and Gold
Sydney Futures Exchange, Australia.....	31,299,021	3 Year Treasury Bonds, 90 day Bank Bills, and 10 Year Treasury Bonds

Historically, the futures industry has been characterized by significant concentration, with exchanges generally developing niches in product categories that, for the most part, have not substantially competed with futures and options contracts traded on other exchanges, despite the lack of significant regulatory obstacles to doing so. The liquidity provided by trading in a particular contract on an exchange, as described above, typically creates a competitive advantage for such exchange as compared to other exchanges considering offering rival contracts. With certain exceptions, most of the trading conducted in a futures product occurs on a single futures exchange.

The Exchange, like other commodity and financial exchanges, is directly affected by such factors as national and international economic and political conditions, broad trends in business and finance, legislation and regulations affecting the national and international financial and business communities (including taxes), currency values, the level and volatility of interest rates, fluctuation in the volume and price levels in the commodities markets and perception of stability in the commodities and financial markets. From time to time, the federal government has considered imposing a transaction tax on futures and options contracts, which would increase the costs of trading the Exchange's contracts. These and other factors can affect the Exchange's volume of trading and the stability and liquidity of the commodities markets. A reduced volume of commodity transactions and reduced market liquidity would result in lower revenues for the Company from transaction and clearing fees. In periods of reduced transactions, the Company's profitability would also likely be adversely affected because certain of its expenses are relatively fixed.

The Company is attempting to internationalize its customer base, in large part by undertaking a large-scale marketing effort to introduce risk management analysis and techniques to potential customers abroad. Toward achieving that end, the Company has placed terminals for trading NYMEX ACCESS(R), the Company's electronic trading system, in the United Kingdom and in Australia, through a linkage with the Sydney Futures Exchange. In addition, the Company concluded an agreement in 1999 with the Singapore International Monetary Exchange, now known as the Singapore Exchange Derivatives Trading Limited, to install NYMEX ACCESS(R) terminals on the desks of experienced traders in that country. The design and introduction of products aimed specifically at global markets make up a key component of the Company's international strategy. While a number of the Company's contracts such as gold and crude oil have long had a global following, the Middle East Sour Crude oil futures and options contracts marked the first product designed primarily for a regional overseas market and to trade exclusively on NYMEX ACCESS(R). The Company anticipates that the soon to be launched Central Appalachian coal contract will draw strong interest from the growing international coal market.

Recent Business Developments

Demutualization Transaction

On May 12, 2000, the Company's Form S-4 Registration Statement, with respect to its plan to demutualize, was declared effective by the Securities and Exchange Commission. On June 20, 2000, the NYMEX Division members voted and approved the Company's demutualization plan. On July 26, 2000, the Company received approval from the CFTC to transfer its "contract market" designations from the Exchange to NYMEX Exchange upon consummation of the demutualization transaction. On October 23, 2000, the Company received a favorable private letter ruling from the Internal Revenue Service that there would be no adverse tax consequence to the Company, or any of its members as a result of the demutualization transaction. On November 2, 2000, the Board of Directors of the Company voted to implement the demutualization transaction. This transaction was successfully completed on November 17, 2000.

Reduction-In-Workforce

On August 1, 2000, the Company implemented a Reduction-In-Workforce program resulting in the elimination of 10% of the Company's staff. This program was adopted in an effort to establish a more cost-efficient business structure in response to competition. These staff reductions encompassed various professional and clerical positions throughout the Company. Restructuring and related costs recorded in fiscal 2000 totaled \$1.9 million pretax or \$2,328 per share. \$1.8 million of these charges were for severance payments to affected employees, \$100,000 of which is owed as of December 31, 2000. The remaining \$100,000 of the program's costs represents benefits payments made to employees for the rest of the 2000 year.

enymex(SM) Trading Platform

enymex(SM) combines the Company's 129 years of market expertise and leadership with state-of-the-art technology to create a powerful electronic trading platform that will provide users with a comprehensive system for commodity risk management. enymex(SM) is an Internet-based trading platform that will be open to all clearing member approved participants. enymex(SM) will initially accommodate trading in energy products that naturally complement NYMEX Division's existing liquid benchmark energy contracts. In the future, trading on enymex(SM) is expected to expand to include contracts in electricity, precious and base metals and possibly bandwidth, weather and emissions. enymex(SM) will enable its users to trade commodity products that previously could only be traded over-the-counter, in an environment that is neutral and centralized and that is supported by the Exchange's clearing operations and more than a century of experience in exchange management.

To assist in the development and project management of enymex(SM), the Company has retained Accenture (formerly Andersen Consulting) in these endeavors. Initially, Accenture was retained to assist the Company in the creation of the enymex(SM) business plan. Currently, Accenture is being retained as overall systems integrator for the project. enymex(SM) is a business endeavor approved by the Company's Board of

Directors in May 2000 and expected to be operational in the second quarter of 2001, although there can be no assurance that enymex(SM) will be launched within this time frame. enymex(SM) is expected to become the premier, global exchange for trading and clearing a wide range of standardized physical commodity contracts, with an initial focus in the energy markets. The Company plans to integrate enymex(SM) with its proven clearing infrastructure to provide counter-party risk management and net margining of positions across derivatives markets, and to combine the interface of an electronic derivatives market with order routing to the Company's established futures and options market. On February 15, 2001, the Company executed agreements with Kiorex, Inc., an application service provider of risk management solutions for the commodity and derivatives markets, to use its trade engine platform as the order-matching system for enymex(SM). This platform is an automated, scalable, fault-tolerant order-matching system that will enable customers to enter orders for derivative commodity products and receive executions and confirmations. On March 14, 2001, the Company announced an agreement with Global View Software, Inc., a provider of software solutions and integrated information for commodities markets, to develop the infrastructure for the enymex(SM) customer interface. The Company is currently in discussions with several potential alliance partners to provide third party network connectivity to enymex(SM), content and pricing information for the enymex(SM) web site, and clearing services to external organizations. It is anticipated that agreements with these potential alliance partners will be finalized in the near term. On November 2, 2000, a letter of intent was signed with Platts, a division of the McGraw-Hill Companies, Inc., to enable the Company to license all Platts energy and metals pricing data for use in the development of new energy and metals products.

Termination of the Members' Retention and Retirement Plan

On October 4, 2000, the Company's Board of Directors voted to terminate the NYMEX Division's Members' Retention and Retirement Plan. The assets of this Plan were distributed in January 2001.

Financial Information about Segments

Financial information relating to NYMEX Holdings' "Segments" for each of the three years for the period ended December 31, 2000 appears in Note 14 captioned "Segment Reporting" of the Notes to the Consolidated Financial Statements set forth in Item 8 of the Annual Report, at pages F-18 through F-19 and is incorporated herein by specific reference.

Risk Factors

This section discusses the material risks for the Company that are associated with being a contract market in the futures industry:

The Company may face competition from exchanges or other electronic transaction facilities which provide services similar to our Company.

Other exchanges designated as "contract markets" or "derivatives transaction facilities" (a new regulatory designation under the recently enacted Commodity Futures Modernization Act of 2000 ("CFMA") by the CFTC and foreign exchanges permitted by the CFTC to do business in this country) can compete with the Company in offering market trading of futures and options contracts in both the open outcry and electronic trading formats. In addition, over-the-counter, or OTC, trading of physical commodity instruments, such as swaps, forward contracts and NYMEX Exchange "look alike" contracts, traded in the voice brokered market or on electronic transaction facilities represent a significant source of existing and potential competition for NYMEX Exchange.

Failure to adapt to rapid technological and other changes could have a material adverse effect on our business.

The markets in which we compete are characterized by rapidly changing technology, evolving industry standards, frequent enhancements to existing services and products, the introduction of new services and products and changing customer demands. These market characteristics are heightened by the increasing use

of the Internet and the trend for companies from many industries to offer Internet-based products and services. The widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require us to incur substantial expenditures to modify or adapt our services or infrastructure. Our future success will depend on our ability to respond to changing technologies on a timely and cost-effective basis. Our operating results may be adversely affected if we cannot successfully develop, introduce or market new services and products. In addition, any failure by us to anticipate or respond quickly to changes in technology and customer preferences, or any significant delays in other product development efforts, could have a material adverse effect on our business, financial condition and operating results.

There may potentially be limited access to the Company's enymex(SM) Internet-based trading platform.

If the Company is unable to execute contracts with key back-office service providers to modify their system to accommodate enymex(SM) trades, then clearing members may be limited in their ability to process trades executed through enymex(SM).

The trend toward electronic trading and away from open outcry trading could divert volume away from the Exchange's open outcry trading system.

Both newly-formed organizations and established exchanges are increasingly employing electronic trading systems that provide fast, low cost execution of trades. These organizations and exchanges are routing order flow away from exchanges employing traditional open-outcry trading systems. Many market participants believe that these electronic trading systems represent a threat to the continued viability of the open-outcry method of trading. Futures exchanges such as the London International Financial Futures Exchange, Hong Kong Exchanges and Clearing, and the Sydney Futures Exchange have closed traditional trading systems and replaced them with electronic systems. The Company provides electronic trading of its futures and options contracts through the NYMEX ACCESS(R) system. Electronic trading systems may divert volume away from the Exchange's open-outcry trading system. If there is a migration of business to a competitor, we may experience reduced volume on our open-outcry trading system and, therefore, incur lower clearing and transaction fees.

The Company may not be successful in executing our international strategy.

To date, we have taken steps to internationalize our customer base. There can be no assurance that we will be able to succeed in marketing and operating our products and developing localized services in international markets. We may experience difficulty in managing our international operations because of competitive conditions overseas, difficulties in supervising foreign operations, managing currency risk, language and cultural differences, political instability and unexpected changes in regulatory requirements or the failure to obtain requested regulatory approvals overseas. Any of these could have a material adverse effect on the success of our international operations and, consequently, on our business.

The loss of our largest market data vendors could have a material adverse effect on our business, financial condition and result of operations.

Of the 64 vendors through whom we distribute market data, nine represented approximately 80% of our market data revenue in 2000. Market data revenue represented approximately 26% of our consolidated operating revenues for 2000. The termination of some or all of our agreements with these vendors without customers entering new subscription agreements with another vendor could have a material adverse effect on our business, financial condition and results of operations.

Our revenues may be adversely impacted if the value of our market data declines or if we become subject to legislation or regulation limiting the prices that we can charge for our market data.

We derive a significant percentage of our revenues from sales of market data. The proliferation of competing trading systems may result in competing streams of similar market data which may diminish the value of our market data and the prices that we can charge for it. We could also become subject to legislation

or regulation limiting the prices that we can charge for market data. Any limitations on the prices we may charge for market data could have a material adverse effect on our business, financial condition and operating results.

A decline in the trading volume of Light Sweet Crude Oil or Henry Hub Natural Gas contracts could adversely affect our results of operations.

Light Sweet Crude Oil futures and options and Henry Hub Natural Gas Futures and options accounted for 50% and 26%, respectively, of the NYMEX Division's total 2000 trading volume. Therefore, we are particularly affected by declines in trading volumes of these contracts. Downturns in trading volumes of these contracts could have a material adverse effect on our revenues and, therefore, on our profitability and results of operations.

System limitations and failures could harm our business.

Our business depends on the integrity and performance of the computer and communications systems supporting it. If our systems cannot be expanded to keep pace with increased demand or fail to perform, we could experience: (1) unanticipated disruptions in service; (2) slower response times; and (3) delays in the introduction of new products and services. These consequences could result in lower trading volumes, financial losses, decreased customer service and satisfaction, litigation or customer claims and regulatory sanctions. We have experienced occasional systems failures and delays in the past and could experience systems failures and delays in the future. Our systems and operations also are vulnerable to damage or interruption from human error, natural disasters, power loss, sabotage, computer viruses, intentional acts of vandalism and similar events. Any system failure that causes an interruption in service or decreases the responsiveness of service could impair our reputation, damage our brand name and negatively impact our revenues. We also rely on a number of third parties for systems support. Any interruption in these third-party services or a deterioration in the performance of these services could also be disruptive to our business and have a material adverse effect on our business, financial condition and operating results.

Amendments to the Commodity Exchange Act or amendments to CFTC regulations may adversely affect our ability to conduct our business.

We are regulated by the CFTC under the authority given by the federal Commodity Exchange Act ("CEA"). It is possible that Congress could amend the Commodity Exchange Act or that the CFTC could amend its regulations in a manner which will adversely affect our ability to conduct our business by changing regulatory requirements or by reducing regulatory requirements and thereby permitting additional competition from existing or new markets or from dealers in derivative instruments. On December 21, 2000, President Clinton signed the CFMA, which reauthorized the CFTC for a five-year period and which extensively revised the CEA. The legislation will result in reducing and, in some instances, eliminating entirely the regulatory requirements to engage in activities currently engaged in by futures exchanges, including the clearing of futures-like OTC instruments and the establishment of multilateral trading facilities. Consequently, there exists a risk that the legislation will result in increased competition.

We may not be able to maintain our self-regulatory responsibilities.

It is uncertain whether the CFTC will change its regulatory scheme in response to the demutualization of exchanges. It is possible that the CFTC will take the position that exchanges, organized as for-profit corporations, are not as capable as membership organizations in maintaining adequate compliance and surveillance programs. This position could lead to new CFTC regulations that would require us to modify or restructure our regulatory functions. We believe that our regulatory programs and capabilities contribute significantly to our brand name and reputation. Although we believe that we will retain these responsibilities, we cannot assure you that we will not be required to rely on a third party to perform these responsibilities. If we are required to rely on a third party to perform regulatory and oversight functions, we may incur substantial expenses and suffer severe harm to our reputation if the regulatory and oversight services are inadequate.

The Company is also currently engaged in a number of projects designed to improve the operational efficiency of the open-outcry method of trading and to enable the Company to compete effectively in an increasingly electronic and Internet-based trading environment.

The underlying principle is to apply as many technological innovations to the open-outcry method of trading as possible so that the open-outcry method can compete openly and efficiently with electronic methods. The Company is in the process of evaluating a number of feasibility studies as to the implementation of these innovations as well as wireless voice and data transmission.

Lower Average Rate per Contract

The average rate per contract on the NYMEX Division declined for the year 2000. The Exchange differentiates between members and nonmembers in its rate structure as members are charged lower rates. If the proportion of member trades increases, the Company's rate per contract declines. If this trend should continue, revenue may decline even though overall volume remains constant or increases.

Seasonal and Other Conditions

The Company believes that its business, in the aggregate, is not seasonal. Certain of its contracts listed on the NYMEX Division, however, trade more heavily in some seasons than in others. For example, heating oil futures and options trade more heavily in the late fall and winter months, while higher trading in unleaded gasoline futures and options usually occurs in the late spring and summer months. Where appropriate, the Company manages its trading floor personnel and expenses appropriately to address the seasonal variations in demand for these contracts.

Working Capital Requirements

The Company believes its working capital of \$74.9 million is adequate to meet its current obligations. Although no assurances can be made, the Company believes it has adequate cash flows from operations to fund future operations and capital expenditure requirements for the next twelve months. In addition, the Company has the ability, and may seek, to raise capital through issuances of stock in the private and public capital markets. For additional information on working capital, reference is made to "Management's Discussion and Analysis of Consolidated Results of Operations and Financial Condition -- Liquidity and Capital Resources" beginning on page 19 of this document.

Government Approvals and Regulation

The Company's operations are subject to extensive regulation by the CFTC under the CEA. The CEA requires that, with certain exceptions, futures trading in commodities be conducted on a commodity exchange designated as a "contract market" or "derivatives transaction facility" by the CFTC, and establishes certain non-financial criteria for an exchange to be designated to list futures contracts is non-exclusive; the CFTC may designate additional exchanges as "contract markets" for trading the contracts. The NYMEX and COMEX Divisions have been separately designated by contract markets by the CFTC (see below, the "Business -- Products Traded on NYMEX Exchange" and "-- Products Traded on the COMEX"). Additional legislation and regulation, including changes in rules promulgated by the CFTC or other governmental regulatory and self-regulatory authorities or changes in the interpretation or enforcement of existing laws and rules, may directly affect the manner of operations and profitability of the Company.

Research and Development

The Company expends significant amounts each year on research for the development and improvement of existing commodity contracts, as well as on trading and clearing systems.

During the years ended December 31, 2000, 1999 and 1998, the Company expended, directly or indirectly, \$11 million, \$12 million, and \$6 million, respectively, on research, development and certain software engineering activities relating to the design, development, improvement and modification of new and

existing contracts, as well as the formulation and design of new processes, systems and improvements to existing ones. The Company anticipates that it will continue to have significant research and development expenditures to maintain its competitive position during 2001.

Effects of Environmental Regulations

The Company's services are not subject to environmental regulations.

Number of Employees

At December 31, 2000, NYMEX Holdings had 544 full-time employees. No employees are covered by labor unions.

Foreign Sales

The Company's foreign revenues from market data services were \$1.3 million, \$1.3 million, and \$1.0 million, in 2000, 1999 and 1998, respectively.

ITEM 2. PROPERTIES.

The Company's state-of-the-art trading facilities and corporate headquarters are located in a 16-story building in downtown Manhattan. This building, which is on land leased from the Battery Park City Authority for a term expiring on June 17, 2069, is one of five office buildings in a complex known as the World Financial Center. Construction of the 502,000 square foot building was completed in 1997. Each of the NYMEX and COMEX Divisions has its own 25,000 square foot trading floor in the facility. The facility also contains all of the Company's back office support functions. The Company leases approximately 100,000 square feet at this facility to 31 tenants who are member firms, two non-commercial tenants, and three non-member retail tenants.

The Company also leases 17,000 square feet of space at 22 Cortlandt Street in New York, New York. This space is used as the backup data center for the One North End facility.

The Company also leases office space in Washington, D.C., at which it conducts government relations activities, as well as office space in Houston, Texas and London, England, at which it conducts marketing activities. These offices are used to promote awareness of the Company's products.

The Company's management believes its properties are adequate and suitable for its business as presently conducted and are adequately maintained for the immediate future. The Company's facilities are effectively utilized for current operations of all segments and suitable additional space is available to accommodate expansion needs. For further information concerning leases, see Note 15 of the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, the Company is involved in legal proceedings and litigation arising in the ordinary course of business. Set forth below are descriptions of legal proceedings and litigation to which the Company is a party as of December 31, 2000. Although there can be no assurance as to the ultimate outcome, the Company has denied, or believes it has a meritorious defense and will deny liability, in all significant cases pending against it including the matters described below, and intends to defend vigorously each such case. While the ultimate result of the proceedings against the Company cannot be predicted with certainty, it is the opinion of management, after consultation with outside legal counsel, that the resolution of these matters, in excess of amounts already recognized, will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

The Company has been named as a defendant in the following legal actions:

Electronic Trading Systems Corporation v. New York Mercantile Exchange. This action was originally filed in the United States District Court for the Northern District of Texas (Dallas Division) and is now

pending in United States District Court for the Southern District of New York. NYMEX Exchange was served with a summons and complaint on or about May 10, 1999. This is a patent infringement case. Plaintiff alleges that it is the owner of United States Patent No. 4,903,201 entitled "Automated Futures Trade Exchange" and that NYMEX Exchange is infringing this patent through use of its electronic trading system. Plaintiff seeks an unspecified amount of royalties. On September 15, 2000, the Court granted NYMEX Exchange's motion to sever and transfer venue to the Southern District of New York. This case is in discovery. Mediation is pending in this matter.

Enrique Rivera and Edith Rivera v. New York Mercantile Exchange, Mark Kessloff, Les Faison, Brian Bartichek and John Does "1-10." This action is pending in New York State Supreme Court (Bronx County). NYMEX Exchange was served with the summons and complaint on or about April 22, 1999. This is an ethnic discrimination case. Plaintiff alleges that throughout his employment with NYMEX Exchange he was subjected to a hostile work environment and discrimination regarding his ethnic origin. Plaintiff seeks an unspecified amount of compensatory and punitive damages. The case is in discovery.

Western Capital Design, LLC On Its Own Behalf and on behalf of those similarly situated v. New York Mercantile Exchange and John Does "1-50." This action is pending in United States District Court for the Southern District of New York. NYMEX Exchange was served with the summons and complaint on or about February 17, 1999. This action relates to alleged wrongful conduct by NYMEX Exchange and certain members regarding the execution of heating oil and natural gas options. Plaintiff alleges that the prices it was charged for heating oil and natural gas options were improper and that these improper transactions affected the market price at which plaintiff transacted its trading. Plaintiff seeks compensatory damages and \$75,000,000 in punitive damages. This action was commenced in State Court in Florida. It was removed to Federal Court by notice of removal filed March 8, 1999. Venue was transferred to the Southern District of New York by an order dated May 11, 1999. NYMEX Exchange's motion to dismiss was filed on November 12, 1999 and granted on March 31, 2000. NYMEX Exchange was served with an amended complaint on or about April 26, 2000. NYMEX Exchange's motion to dismiss the amended complaint was granted and the complaint was dismissed with prejudice on February 16, 2001.

Luxembourg Henry and Jose Terrero v. NY Mercantile Exchange. This action is pending in New York State Supreme Court (New York County). NYMEX Exchange was served with a summons and complaint on January 24, 2001. Plaintiffs are former employees who were terminated as part of the 10% reduction in force that occurred in July 2000. Plaintiffs allege harassment and discrimination because of race (Henry) and national origin (Terrero) and that they were improperly terminated. Henry seeks reinstatement to his former position; compensatory damages in the amount of \$9,320,000 for lost wages, fringe benefits and emotional distress; and costs and disbursements. Terrero seeks reinstatement to his former position; compensatory damages in the amount of \$4,500,000 for lost wages, fringe benefits and emotional distress; and costs and disbursements. NYMEX Exchange served its answer on February 13, 2001.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Stock Trading Symbol -- Not applicable.

Stock Exchange Listings -- At present, there is no established public trading market for the Company's common stock. None of the Company's common stock is listed on any Exchange or automated quotation system.

Stock (Membership) Prices -- Shares and NYMEX Division trading rights are stapled together. They are purchased from existing members at prevailing market prices. These prices are established through a bid-and-ask system. An applicant must meet certain financial requirements and have two members sponsor such applicant in order to become a member. All membership applicants are subjected to a thorough review process in order to be approved. The Exchange conducts a background investigation of each membership applicant focusing on the applicant's credit standing, financial responsibility, character and integrity.

The high and low sale prices for a share of NYMEX Holdings Common Stock are reflected in the following seat sale prices for each quarter of 2000 and 1999, and were as follows (in dollars): (See Note below)

2000	HIGH	LOW
- - - - -	-----	-----
First Quarter.....	725,000	600,000
Second Quarter.....	650,000	550,000
Third Quarter.....	700,000	601,000
Fourth Quarter.....	700,000	650,000

1999		
- - - - -		
First Quarter.....	600,000	565,000
Second Quarter.....	610,000	570,000
Third Quarter.....	580,000	551,000
Fourth Quarter.....	630,000	567,000

- - - - -
Source: NYMEX Membership Department Records. For the 1st quarter of 2001, a record high sale price was recorded at 735,000.

Note: On November 17, 2000, the Company's demutualization transaction was completed. Each existing NYMEX Division membership was exchanged for a share of common stock. In addition, each NYMEX Division membership was converted into a Class A membership in NYMEX Exchange.

Dividend Policy -- The Company has never paid cash dividends on its common stock and currently has no plans to do so in the foreseeable future. The Company, however, has no restrictions on its ability to pay dividends.

Approximate Number of Holders of Common Stock -- There were 612 holders of record of the Company's common stock as of March 27, 2001.

ITEM 6. SELECTED FINANCIAL DATA (UNAUDITED).

The following table sets forth selected consolidated financial and other information for the Company. The balance sheet and operating data as of and for each of the years in the five-year period ended December 31, 2000 have been derived from the audited consolidated financial statements and notes thereto. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Consolidated

Results of Operations and Financial Condition" beginning on page 19, the consolidated financial statements and the notes thereto, and other financial information, included in this report.

	YEAR ENDED DECEMBER 31,				
	2000	1999	1998	1997	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
OPERATING DATA					
Revenues					
Clearing and transaction fees(1)....	\$ 92,500	\$ 105,206	\$ 90,764	\$ 80,773	\$ 76,826
Market data fees.....	33,622	34,689	34,858	33,457	33,232
Other(2).....	4,747	4,540	4,961	3,557	2,532
Operating revenues.....	130,869	144,435	130,583	117,787	112,590
Expenses					
General and administrative.....	99,092	89,139	86,992	83,933	73,170
Rent and facility.....	15,736	12,877	12,760	17,116	14,415
Depreciation and amortization(3)....	13,862	10,966	9,901	5,215	7,642
Demutualization expense(4).....	4,281	593	--	--	--
Marketing.....	2,446	2,537	2,403	4,813	2,534
Amortization of goodwill.....	2,153	2,153	2,153	2,153	2,153
Loss on disposition of property and equipment.....	857	1,298	2,814	1,234	--
Operating expenses.....	138,427	119,563	117,023	114,464	99,914
Operating (loss) income.....	(7,558)	24,872	13,560	3,323	12,676
Other income and expenses					
Investment income, net.....	9,355	3,942	6,739	8,288	4,860
Interest expense.....	(7,718)	(7,721)	(7,958)	(6,967)	(1,781)
(Loss) income before income taxes...	(5,921)	21,093	12,341	4,644	15,755
Income tax (benefit) expense.....	(3,140)	8,903	6,263	3,495	8,000
Net (loss) income.....	\$ (2,781)	\$ 12,190	\$ 6,078	\$ 1,149	\$ 7,755
BALANCE SHEET DATA					
Total assets.....	\$ 387,138	\$ 392,494	\$ 375,282	\$ 372,327	\$ 329,515
Total liabilities.....	302,479	299,292	289,049	285,762	237,728
Short-term borrowings.....	2,815	--	--	5,043	5,043
Long-term borrowings.....	97,185	100,000	100,000	100,000	90,043
Total equity.....	84,659	93,202	86,233	86,565	91,787
OTHER DATA					
(Loss) earnings per share/membership(5).....	\$ (3,408)	\$ 14,939	\$ 7,449	\$ 1,408	\$ 9,504
Book value per share/membership(5)....	\$ 103,749	\$ 114,218	\$ 105,678	\$ 106,085	\$ 112,484
Current ratio(6).....	2.3	6.6	8.1	5.1	4.9
Working capital.....	\$ 74,892	\$ 111,300	\$ 112,839	\$ 102,002	\$ 122,438
Capital expenditures.....	\$ 12,797	\$ 20,022	\$ 18,175	\$ 82,795	\$ 109,375
Cash provided by (used in) operations.....	\$ 11,501	\$ 44,310	\$ 26,151	\$ 40,355	\$ (43,315)
Times interest earned(7).....	0.2	3.7	2.6	1.7	9.8
Number of employees at end of period.....	544	609	594	587	528
Sales price per share/membership(8)					
High.....	\$ 725,000	\$ 630,000	\$ 705,000	\$ 675,000	\$ 585,000
Low.....	\$ 550,000	\$ 551,000	\$ 430,000	\$ 525,000	\$ 410,000
Total trading volume.....	104,075,238	109,538,831	95,018,685	83,851,346	75,799,292
Total open interest.....	2,853,303	3,044,446	2,599,889	2,462,948	2,139,469

(1) Clearing and transaction fees are presented net of member fee rebates which were \$13,727, \$13,065, \$11,272, \$10,012 and \$8,510 for the years ended December 31, 2000, 1999, 1998, 1997 and 1996, respectively.

(2) Beginning in 1998, NYMEX Division introduced various other rebate programs. These costs reduced other revenue for the years ended December 31, 2000, 1999 and 1998 by \$2,831, \$2,399 and \$1,364, respectively.

(3) Depreciation and amortization expense is net of amortization of deferred credit for building construction of \$2,145, \$2,145, \$1,930 and \$1,287 for the years ended December 31, 2000, 1999, 1998 and 1997,

respectively. There was no amortization of deferred credit for building construction for the year ended 1996.

- (4) On May 12, 2000, the Company's Form S-4 Registration Statement, with respect to its plan to demutualize, was declared effective by the SEC. Expenses incurred for the demutualization were accounting, investment banking, legal, printing and SEC filing fees, and are shown as a separate line item on the Consolidated Statements of Operations and Retained Earnings/Members' Equity.
- (5) NYMEX Holdings has 816 shares authorized, issued and outstanding for the year ended December 31, 2000. NYMEX Exchange had 900 memberships authorized and 816 memberships outstanding for each of the years ended December 31, 1999, 1998, 1997 and 1996, respectively. The per share (membership) amounts in the table are based on the 816 shares (memberships) issued and outstanding at the end of each of the periods shown. The 84 NYMEX memberships which were issued but not outstanding were cancelled upon demutualization.
- (6) Equals current assets divided by current liabilities. Current assets and liabilities at December 31, 2000 includes \$33.2 million in NYMEX Division member retention benefits which were paid out subsequent to year end. Had this payment been made at December 31, 2000, the current ratio would have been 4.3.
- (7) Equals income before income taxes and interest expense divided by interest expense.
- (8) Shares are purchased from existing members at prevailing market prices. These prices are established through a bid-and-ask system coordinated by the Company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITION (IN THOUSANDS, EXCEPT PER SHARE DATA).

Introduction

This discussion summarizes the significant factors affecting the results of operations and financial condition of the Company during the years ended December 31, 2000, 1999 and 1998. This discussion is provided to increase the understanding of, and should be read in conjunction with, the audited consolidated financial statements, accompanying notes and tables included in this annual report.

Forward Looking and Cautionary Statements and Factors That May Affect Future Results

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. Except for the historical information and discussions contained herein, statements contained in this Form 10-K may constitute "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has attempted, wherever possible, to identify such statements by using words such as "anticipate," "believes," "expects" and words and terms of similar substance in connection with any discussion of future operating or financial performance. These statements involve a number of risks, uncertainties and other factors that may cause actual results to differ materially, including; the Company's ability to continue to develop and market new innovative products and services and to keep pace with technological change; failure to continue to develop and market a new electronic trading system; failure to obtain or protect intellectual property rights; competitive pressures; financial condition or results of operations; quarterly fluctuations in revenues and volatility of commodity prices; changes in financial or business conditions; ability to attract and retain key personnel; ability to successfully manage acquisitions and alliances; and legal and economic changes and other risks, uncertainties and factors discussed elsewhere in this Form 10-K, in the Company's other filings with the SEC, or in materials incorporated therein by reference.

FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

Results of Operations

The Company reported a net loss of \$2,781, which was a loss of \$3,408 per share, a decrease of \$14,971 compared to the prior year. This decrease was primarily the result of the following factors:

- a decrease in realized rates on cleared contracts on the NYMEX Division;
- a significant decrease in trading volume on the COMEX Division, particularly in the gold contract. Overall trading volume decreased by 25% for this division when compared with the previous year;
- costs associated with professional services rendered in connection with the demutualization plan, the new NYMEX ACCESS(R) system, and the development of an e-commerce business;
- payroll costs associated with the special compensation awarded to the heirs of the Company's late president, and the Company's implementation of the reduction-in-workforce program.

The following discussion provides additional information about the components of the Company's operating results for the year ended 2000:

Revenues

Total operating revenues were \$130,869 during 2000, down \$13,566, or 9%, from the same period in 1999.

Clearing and transaction fees represent the core business of the Exchange and are directly affected by volume. Changes in volume are affected by various external factors such as:

- shifts in supply and demand of the underlying commodities;
- market perception of price volatility in the commodities and financial markets;
- weather conditions affecting certain energy commodities;
- national and international economic and political conditions.

During 2000, clearing and transaction fees, net of member fee rebates, were \$92,500 compared to \$105,206 earned during the previous year. This 12% decrease was the result of the following two conditions: a lower average rate realized per contract cleared on the NYMEX Division as more trades were billed at the lower member rate, and a substantial decline in trading volume on the COMEX Division. Member fee rebates, which apply only to NYMEX Division members, amounted to \$13,727 and \$13,065 for the years ended December 31, 2000 and 1999, respectively. In December 2000 the Company's board of directors approved a 50% reduction in the rebate rate for the first half of 2001. As a result, these fee rebates are expected to decrease during the next year.

The NYMEX Division's clearing and transaction fees, net of member fee rebates, were \$73,609 in 2000, a 7% decrease over the previous year.

Overall trading activity at the Exchange continued at near record levels last year. For the period 1995 through 2000, overall options and futures volume has risen at a compound rate of 7.5% a year for the combined COMEX and NYMEX Divisions, although it was down 5% overall from 1999's record level. This small decrease, however, masks highly divergent trends within the Exchange's metals and energy complex.

Energy Markets

In the energy markets, competitive pressures from new trading platforms and industry consolidation left overall futures and options volume flat compared to the prior record year. Crude oil, the Exchange's single most heavily traded contract, traded about 37 million futures contracts, down about 3% from 1999. Still, this represents 9.3% compound annual growth since 1995. Increased volatility and uncertainty has maintained that contract as the single most heavily traded physical commodity futures contract in the world. Crude Oil Option volume fell 9% from 1999. The years 1999 and 2000 were characterized by rising crude oil prices. The relative

scarcity in energy supplies increased volatility and uncertainty in the oil industry. The annualized daily volatility of the month closest to delivery crude oil contract increased to 45% last year compared to 1999's 35% and 1998's 32%. In addition, uncertainty can be measured by the term structure of the crude oil futures market. On average the difference between the first and second month contract prices in crude oil was \$0.83 in 2000. This compares with the average difference in the previous four years of only \$0.13. The growth rates over the past five years can be mostly attributed to the increased hedging needs of the industry.

Growth in volume during 2000 may have been dampened by consolidation within the energy industry. Mergers among major oil companies may have lessened their need to hedge outside the company. Moreover, the increased presence of alternative crude oil derivatives trading platforms may also have contributed to the limited growth.

While down nearly 7% since 1999, Natural Gas futures volume has risen at a 17.2% compound annual rate since 1995. Natural Gas options have experienced even greater growth. Since 1995, volume has grown at a compound annual rate of 42.1%, including 39% over 1999. Extraordinary volatility and sharply higher prices in the latter part of 2000 accounted for most of the decline in 2000's futures contract trading. The average nominal value of the front month Natural Gas Contract in 2000 was \$43,000 compared to the average from 1996 to 1999 of \$23,100. The near doubling in contract value, along with the related rise in performance bond requirements, necessitated a substantial increase in the capital requirements needed to hedge physical natural gas production and consumption. The capital required to trade Natural Gas can also be measured by the rise in uncertainty. The annualized volatility of the daily changes in the front month contract was 75.5% in 2000. This compares to 48.9% in 1999 and the average of 59.1% since 1996. The wide daily swings in contract value during November and December led trading interests to curtail somewhat their futures trading activity due to the higher potential for losses. The average difference between the first and second month contracts was \$0.011. This compares to an average of \$0.006 in 1999. The higher this number, the greater the perception of supply shortage. This perception induced a great deal of the volatility in the market. This increased volatility has perhaps in turn led to a significant shift from futures trading to more options trading because of an option's limited loss potential.

The Heating Oil market was also characterized by highly volatile markets in 2000. As a result the Exchange saw trading activity increase, particularly in its options markets. Futures trading was up 4.6% last year. Over the five year period since 1996, futures trading has grown on average 3.1% per year. Options trading increased by nearly 100% from 1999 and at a rate of 14.5% on average from 1996. Stimulating trading activity was the sharp increase in the price differential between Heating Oil and Crude Oil based on the front month settlement prices. In 2000, this differential averaged \$5.11, sharply higher than the \$1.44 average for 1999 and the \$3.00 average of the past five years. The widening of this spread attracted more hedging activity into the market.

Growth in Unleaded Gasoline activity has also shifted from futures to options. In 2000, futures volume was unchanged from 1999, while options volume grew 68%. Since 1995, options volume has grown at a compound rate of 5.7% per year, compared to futures growth of 4.1% over the same period. As with the other energy commodities, Unleaded Gasoline experienced higher volatility in 2000. The front month contract had an annualized standard deviation of nearly 40% in 2000 compared to only 35% in 1999 and a recent low of 27% in 1997. Like Heating Oil, hedging activity was stimulated by the widening spread with Crude Oil. In 2000, the average differential was \$7.40. This compares to \$4.35 in 1999 and an average of \$5.30 since 1995.

Metals Markets

The COMEX Division's clearing and transaction fees were \$18,891 during 2000, down 25% from the previous year. The overall trading volume for this division experienced its weakest trading in eight years, and its third weakest annual volume since 1985. Volume on this division decreased by 25% in 2000 when compared with the previous year.

In the metals markets, trading volume fell from the year earlier period primarily due to the drop-off in volatility in the underlying commodity markets. In the gold market, prices, as well as the volatility of prices, drifted lower. The annualized standard deviation of the first active month in Gold fell to 16.2% in 2000 from

17.6% in 1999. There was a sharp drop-off in trading activity. Futures volume fell 26% while options volume fell 51%. In the silver market, futures volume fell about 25% while options trading was off 20%. Correspondingly, volatility as measured by the first active month contract fell to 16% last year from 23% the previous year. Under these market conditions, some producers have decided they would no longer hedge all of their output. In the copper market, a trendless market, combined with low volatility contributed to the decline in volume. The first active month experienced a standard deviation of price returns of only 18% in 2000, as the market hovered in the mid \$.80 range. This is substantially less than the 25% volatility recorded in 1999. Accordingly, futures volume fell by 3% while options volume was down approximately 60%. While annualized volatility rose for the palladium and platinum markets, persistent fears of delivery problems kept volume low. Platinum and palladium futures volume fell 68% and 23% respectively.

Market data fees, which represent 26% of the Company's total operating revenues for the 2000 year, decreased by 3% due primarily to additional allowances for amounts determined to be potentially uncollectible as a result of the voluntary bankruptcy filing of a major market data vendor.

Other income increased by 5% during 2000 when compared to 1999 and was primarily the result of the additional rental income received from new tenants.

Operating Expenses

Total operating expenses were \$138,427 during the fiscal year 2000, up 16% from the previous year. A significant portion of the \$18,864 increase from the previous year reflected the Company's considerable expenditures for e-commerce initiatives, costs associated with the demutualization transaction, special compensation awarded to the heirs of the Company's late president, and the implementation of the Reduction-In-Workforce plan.

Salaries and employee benefits, which constituted 35% of total operating expenses for 2000, rose 6% from the previous year. This increase is the result of the following:

- a \$1.8 million special compensation award to the heirs of the Company's late president R. Patrick Thompson, to be paid out over a three-year period. During his tenure as president of the Exchange, Mr. Thompson helped to transform the Exchange into a recognized global leader in the commodities markets. He was instrumental in the successful launch of the Natural Gas futures contract in 1990, one of the largest energy contracts presently traded. The Exchange had become the sixth largest futures exchange in the world at the time of his death.
- a Reduction-In-Workforce program resulting in the elimination of 10% of the Company's staff. These employees were notified and terminated by the end of the year. These staff reductions encompassed various professional and clerical positions throughout the Company. The total cost of this program was \$1.9 million, of which \$1.8 million was for severance payments to affected employees and were made by December 31, 2000. The remaining \$100,000 of the program's cost represents benefit payments to be made on the affected employee's behalf through the rest of 2001. This \$100,000 is reflected in accrued salaries and related liabilities on the Consolidated Balance Sheet as of December 31, 2000. This program is expected to save approximately \$3.6 million annually in salaries and related payroll taxes and benefits.

Professional services, exclusive of demutualization, increased by \$7,201, or 86%, during 2000 when compared with the previous year. Consulting services related to the post-implementation phase of the new NYMEX ACCESS(R) system as well as professional services in connection with the Company's e-commerce initiatives substantially contributed to this increase in 2000.

General and administrative expenses increased by \$1,051, or 8%, during 2000 when compared with the previous year. The primary reasons for the increase were litigation and impaired investment allowances incurred during the year. A 10% increase in software licensing and maintenance fees due to new acquisitions of software also contributed to this increase.

Telecommunications, equipment rentals and maintenance decreased by \$965, or 6%, during 2000 when compared to the previous year. In 1999, significant costs were incurred due to the fact that prior to its November 1999 launch, the updated version of NYMEX ACCESS(R) was being tested at the same time that the previous version was operational. After its launch, the previous version of NYMEX ACCESS(R) was maintained as a backup capacity through the end of 1999.

Rent and facility expenses increased by \$2,859, or 22%, during 2000 when compared to the previous year. A significant increase in real estate taxes due to reduced abatements was the primary reason for this increase. Light, heat, and power costs also rose, increasing 42% during 2000 as a result of rising rates charged for electricity.

Depreciation and amortization of property and equipment, net of deferred credit amortization, increased by \$2,896, or 26%, during 2000 when compared to the previous year. This increase is primarily the result of amortization expense on internally developed software costs. These costs were incurred on software development projects that were placed into service during the 4th quarter of 1999 and, therefore, no amortization expense was incurred on these projects prior to the last quarter of 1999.

Demutualization fees incurred during 2000 totaled \$4,281, or 3% of the total operating expenses. These fees consisted of accounting, investment banking, legal, printing and SEC filing fees incurred during the for-profit conversion, or demutualization, of the Company.

Losses from the disposition of property and equipment were \$857 during 2000 and consisted primarily of computer equipment taken out of service during the year as the Exchange continued to update its technology on the trading floor as well as in the back office support areas.

Other Income

Investment income, net of investment advisory fees, increased by \$5,413, or 137%, during 2000 when compared with the previous year. Unrealized gains on its fixed income portfolio represented more than half of this increase. The Company primarily held investments in municipal bonds at the end of the 2000 year. The high demand for municipal bonds during the fourth quarter caused yields to fall and market values to increase. Interest income from the Company's investments accounted for \$2.5 million of the increase.

FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

The Company reported net income of \$12,190, which represented earnings of \$14,939 per NYMEX Division membership, an increase of \$6,112 compared to the prior year. This increase was primarily the result of the following factors:

- a substantial increase in trading volume on the NYMEX Division, predominantly in the crude oil and natural gas contracts. Overall trading volume increased by 17% for this division when compared with the previous year.
- a significant increase in trading volume on the COMEX Division, particularly in the gold and copper contracts. Overall trading volume increased by 10% for this division when compared with the previous year.
- a considerable decline in investment income from the Company's fixed income portfolio during 1999 when compared with the previous year.

The following discussion provides additional information about the components of the Company's operating results for the year ended 1999:

Revenues

Total 1999 operating revenues were \$144,435, up \$13,852, or 11%, from the same period in 1998. During 1999, clearing and transaction fees, net of member fee rebates, were \$105,206 compared to \$90,764 earned during the previous year. This 16% increase was the result of the substantial increases in trading volume on

both the NYMEX and COMEX Divisions. Member fee rebates, which apply only to NYMEX Division members, amounted to \$13,065 and \$11,272 for the years ended December 31, 1999 and 1998, respectively.

The NYMEX Division's clearing and transaction fees, net of member fee rebates, were \$79,867 in 1999, an 18% increase over the previous year. The overall trading volume for the NYMEX Division experienced a significant increase when compared with the same period a year ago.

- Crude oil futures and options commodity trading volume increased 21% in 1999 compared with the previous year, primarily due to several OPEC cuts in oil production, which lowered world oil inventory supplies.
- Natural gas futures and options, the NYMEX Division's second largest contract traded, experienced a 21% increase in trading volume during 1999 when compared with the previous year. Higher demand for this commodity during 1999 due to warmer weather conditions than the previous year was the prime reason for this increase.
- Unleaded gasoline futures and options commodity trading volume moderately increased by 7% during 1999 when compared with the previous year. The price of the underlying unleaded gasoline commodity increased, which led to higher options on futures contracts trading during 1999, particularly in the fourth quarter, when compared with the previous year. Price volatility, primarily during the second half of 1999, led to this volume increase.

The COMEX Division's clearing and transaction fees were \$25,339 during 1999, up 9% from the previous year. The overall trading volume for this division experienced strong growth when compared with the previous year.

- Commodity trading volume for gold futures and options, the COMEX Division's most active contract, experienced a 13% increase during 1999 when compared with the previous year. The COMEX gold contract has been used as a hedge against inflation. The existence of inflationary pressures in the U.S. as well as abroad led to strong commodity trading in gold during 1999. Inflation was a major concern for the Federal Reserve during 1999 as they raised interest rates on several occasions during the year.
- Copper futures and options commodity trading volume increased by 14% during 1999 when compared with the previous year. A shortage in copper supplies, particularly during the third quarter of 1999, was the primary reason for this volume increase.

Other income decreased by 8% during 1999 when compared with the previous year primarily the result of the introduction of new incentive rebate programs. These programs reduced various other revenue sources such as office rentals and booth license fees.

Operating Expenses

Total operating expenses were \$119,563 during 1999, up only 2% from the previous year. This \$2,540 increase from the previous year primarily reflected the Exchange's expenses incurred for legal services related to demutualization efforts during the fourth quarter of 1999 as well as the costs associated with the parallel operations in connection with the upgrade of the on-line trading systems.

Salaries and employee benefits, which constituted 38% of total operating expenses for 1999, rose 3% from the previous year and for the most part reflected the effect of employee merit increases.

Professional services increased by \$938, or 13%, during 1999 when compared with the previous year and was largely the result of legal services in connection with a patent infringement case.

Telecommunications, equipment rentals and maintenance increased by \$1,290, or 8%, during 1999 when compared to the previous year. In 1999, significant costs were incurred due to the fact that prior to its November 1999 launch, the updated version of NYMEX ACCESS(R) was being tested at the same time that the previous version was operational. After its launch, the previous version of NYMEX ACCESS(R) was maintained as a backup capacity through to the end of 1999.

Depreciation and amortization of property and equipment, net of deferred credit amortization, increased by \$1,065, or 11%, during 1999 when compared to the previous year. 70% of this increase was due to depreciation expense on new computer and trading floor equipment acquired during 1999. The remaining 30% of the increase was for the amortization of internally developed software costs for projects placed in service during the fourth quarter of 1999.

General and administrative expenses decreased by \$971, or 6%, during 1999 when compared with the previous year. 60% of this decrease was the result of costs incurred by the Company during 1998 to settle a business dispute concerning the NYMEX ACCESS(R) trading system, which was successfully resolved. The balance of this decrease was primarily the result of higher travel costs incurred during the fourth quarter of 1998 as a result of the Company's pursuit of several international business ventures. International business ventures were not as actively pursued during 1999 as the Company concentrated its efforts on demutualization.

Other Income

Investment income, net of investment advisory fees, decreased by \$2,797, or 42%, during 1999 when compared with the previous year. A significant portion of the Company's investment portfolio was held in fixed income instruments. During 1999, the Federal Reserve raised interest rates on three occasions. This resulted in a significant decline in market value for the Company's investment portfolio.

FINANCIAL CONDITION AND CASH FLOWS

Liquidity and Capital Resources

The Company has made, and expects to continue to make, significant investments in technology to fund its future growth and increase shareholder value. A total of \$12,797 was invested in capital expenditures during 2000 as the Company continued to update and enhance its computer software applications. The Company had \$110,607 in cash, cash equivalents, and marketable securities at December 31, 2000.

Cash Flow

	(IN THOUSANDS)	
	YEAR ENDED DECEMBER 31,	
	2000	1999
Net cash (used in) provided by:		
Operating activities.....	\$ 11,501	\$ 44,310
Investing activities.....	(13,801)	(20,965)
Financing activities.....	(1,313)	(1,106)
	-----	-----
Net (decrease) increase in cash and cash equivalents.....	\$ (3,613)	\$ 22,239
	=====	=====

Working Capital

	(IN THOUSANDS)	
	AT DECEMBER 31,	AT DECEMBER 31,
	2000	1999
	-----	-----
Current assets.....	\$131,166	\$131,307
Current liabilities.....	56,274	20,007
	-----	-----
Working capital.....	\$ 74,892	\$111,300
	=====	=====
Current ratio.....	2.33:1	6.56:1

Current assets at December 31, 2000 decreased by \$141 from year-end 1999 primarily as a result of cash flows from net income before depreciation and amortization, offset by payments for capital expenditures. The primary changes in current assets consisted of an increase of \$10,838 in marketable securities, offset by declines of \$6,846 in clearing and transaction fees receivable, and \$3,613 in cash and cash equivalents. The decline in receivables was attributable to collection of higher year-end balances. The decrease in cash and cash

equivalents was due to repurchase agreements maturing prior to year-end; these proceeds were reinvested in marketable securities.

Current liabilities at December 31, 2000 increased by \$36,267, or 181% from year-end 1999, and is primarily the result of the termination of the NYMEX members' retention program which was paid out in January 2001. At December 31, 2000 \$33.2 million, or 92% of the increase, was payable to participants in this plan and was reported as a current liability on the Consolidated Balance Sheet.

Future Cash Requirements

As of December 31, 2000, the Company had debt of \$100,000, including \$2.8 million of short term debt. This debt consisted of the following:

- \$31,000 of 7.48% notes with an eleven-year principal payout beginning in 2001,
- \$54,000 of 7.75% notes with an eleven-year principal payout beginning in 2011, and
- \$15,000 of 7.84% notes with a five-year principal payout beginning in 2022.

The Company would incur a redemption premium should it choose to pay off any series of notes prior to its maturity. These notes contain certain limitations on the Company's ability to incur additional indebtedness.

enymex(SM), the Company's e-commerce initiative, is currently in the detailed design phase of development. A leading consulting firm has been retained as system integrator and will be responsible for ensuring that the complex systems, including trade matching software, are integrated into NYMEX Exchange's back-office systems, including its state-of-the-art clearing system, Clearing 21(R). It is anticipated that enymex(SM) will be introduced during the second quarter of 2001. Given the technical complexity of the system, it is anticipated that there will be significant capital and operating expenditures associated with the development and launch of enymex(SM).

The Company believes that its cash flows from operations will be sufficient to meet its needs for the foreseeable future. In addition, following its demutualization, the Company will have the ability, and may seek, to raise capital through issuances of stock in the private and public capital markets.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which was later amended by SFAS No. 138. Among other provisions, it requires that entities recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Gains and losses resulting from changes in the fair values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting treatment. The effective date of this standard was delayed via the issuance of SFAS No. 137. The effective date of SFAS No. 133 is now for fiscal years beginning after June 15, 2000, though earlier adoption is encouraged and retroactive application is prohibited. Effective January 1, 2001, the Company adopted this statement. Upon adoption, SFAS No. 133 had no impact on the Company's financial position or results of operations.

In September 2000, the FASB issued SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities -- a Replacement of FASB Statement No. 125, which revises the standards of accounting for securitizations and other transfers of financial assets and collateral. The provisions of SFAS No. 140 carry over most of the guidance outlined in SFAS No. 125 and further establish accounting and reporting standards with a financial-components approach that focuses on control. Under this approach, financial assets or liabilities are recognized when control is established and derecognized when control has been surrendered or the liability has been extinguished. In addition, specific implementation guidelines have been established to further distinguish transfers of financial assets that are sales from transfers that are secured borrowings. SFAS No. 140 is effective prospectively, for transfers occurring after March 31, 2001 and for disclosures relating to securitization transactions and collateral for fiscal years ended after

December 15, 2000. The Company has adopted the provisions of SFAS No. 140 that relate to disclosures of securitization transactions and collateral in the preparation of its consolidated financial statements for the year ended December 31, 2000. The Company will adopt the remaining provisions of SFAS No. 140 as required in 2001 and is currently assessing their impact.

Recent Developments

For a discussion of the Company's recent business developments see Item 1. Business. Recent Business Developments beginning on page 10.

Responsibility for Financial Reporting

Management is responsible for the preparation, integrity and objectivity of the audited consolidated financial statements and related notes, and the other financial information contained in this Form 10-K. Such financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are considered by management to present fairly the Company's consolidated financial position, results of operations and cash flows. These audited consolidated financial statements include some amounts that are based on management's best estimates and judgements, giving due consideration to materiality.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The table below provides information about the Company's marketable securities, excluding equity securities, including expected principal cash flows for the years 2001 through 2006 and thereafter (in thousands). These securities are classified as trading.

PRINCIPAL AMOUNTS BY EXPECTED MATURITY AT DECEMBER 31, 2000

	2001	2002	2003	2004	2005	2006 AND THEREAFTER	TOTAL PRINCIPAL CASH FLOWS	FAIR MARKET VALUE AS OF DECEMBER 31, 2000
Municipal Bonds.....	\$2,633	\$3,777	\$1,133	\$3,397	\$9,785	\$49,914	\$70,639	\$73,037
Weighted average interest rate.....	6.19%	5.86%	4.62%	5.02%	5.07%	4.77%		
Total Portfolio, excluding equity securities.....	\$2,633	\$3,777	\$1,133	\$3,397	\$9,785	\$49,914	\$70,639	\$73,037

PRINCIPAL AMOUNTS BY EXPECTED MATURITY AT DECEMBER 31, 1999

	2000	2001	2002	2003	2004	2005 AND THEREAFTER	TOTAL PRINCIPAL CASH FLOWS	FAIR MARKET VALUE AS OF DECEMBER 31, 1999
Government Bonds, Federal Agency Issues.....	\$ 2,157	\$ --	\$2,351	\$ --	\$ 992	\$ --	\$ 5,500	\$ 5,518
Weighted average interest rate.....	2.50%	--	5.50%	--	6.50%	--		
U.S. Treasury issues.....	--	--	--	--	3,948	974	4,922	4,893
Weighted average interest rate.....	--	--	--	--	5.88%	6.00%		
Municipal Bonds.....	2,959	95	3,946	898	7,352	43,012	58,262	54,319
Weighted average interest rate.....	4.37%	3.57%	5.53%	4.50%	5.88%	4.80%		
Total Portfolio, excluding equity securities.....	\$ 5,116	\$ 95	\$6,297	\$ 898	\$12,292	\$43,986	\$68,684	\$64,730

Interest Rate Risk

Current Assets. In the normal course of business, the Company invests primarily in fixed income securities. Marketable securities bought by the Company are typically held for the purpose of selling them in

the near term and are classified as trading securities. Unrealized gains and losses are included in earnings. For the years ended December 31, 2000 and 1999, the Company had net investment income of \$9.4 million and \$3.9 million, respectively. Accordingly, a substantial portion of the Company's income depends upon its ability to continue to invest monies in these instruments at prevailing interest rates and market prices. The fair value of these securities at December 31, 2000 and 1999 was \$78 million and \$67 million. The change in fair value, using a hypothetical 10% decline in prices, is estimated to be a \$7.8 million and \$6.7 million loss for December 31, 2000 and 1999, respectively. The Company also invests in U.S. government securities and repurchase agreements and maintains interest-bearing balances in its trading accounts with its investment managers. Financial instruments with maturities of three months or less when purchased are classified as cash equivalents in the consolidated financial statements.

Debt. The interest rate on the Company's long-term indebtedness is a weighted average fixed rate of 7.68%. The Company's fixed rate debt is exposed to the risk that the fair market value of its debt will increase in a declining interest rate environment. This would result in the Company paying a redemption premium if it should choose to refinance this debt. Management has not deemed it necessary to employ any market or interest risk management strategies, such as interest rate swap agreements. In the future, as the Company pursues its market strategy, it may become subject to a higher degree of interest rate sensitivity if it is required to borrow at higher or at variable rates. This could significantly increase the Company's future sensitivity to interest rate fluctuations and materially affect, in a negative manner, the Company's future financial position and results of operations. There have been no material changes in the Company's outstanding debt since December 31, 2000.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See Index to Financial Information on page F-2.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT AND THE EXCHANGE.

Set forth below are: (1) the names and ages of all directors (including directors who are also executive officers) of the Company at March 28, 2001, (2) all positions with the Company presently held by each such person and (3) the positions held by, and principal areas of responsibility of, each such person during the last five years.

NAME OF DIRECTOR -----		TERM EXPIRATION DATE -----
Vincent Viola.....	45 Chairman	2004
Mitchell Steinhouse.....	53 Vice Chairman	2002
Richard Schaeffer.....	48 Director, Treasurer	2002
Madeline Boyd.....	48 Director	2004
Robert Coakley.....	37 Director	2002
John Conheaney.....	71 Director	2003
J. Robert Collins, Jr.....	35 Director	2004
Kenneth Garland.....	52 Director	2004
Anthony George Gero.....	64 Director	2002
David Greenberg.....	36 Director	2003
E. Bulkeley Griswold.....	62 Director	2003
Jesse B. Harte.....	42 Director	2003
Scott Hess.....	44 Director	2003
Steven Karvellas.....	41 Director	2002
Harley Lippman.....	46 Director	2004
Kevin McDonnell.....	41 Director	2002
Gary Rizzi.....	46 Director	2004
Gordon Rutledge.....	47 Director	2004
Richard Saitta.....	51 Director	2003
Robert Steele.....	62 Director	2004
Neal L. Wolkoff, Esq.....	45 Executive Vice President	
David Keller.....	40 Chief Information Officer	
Christopher K. Bowen, Esq.....	40 Senior Vice President and General Counsel	
Patrick F. Conroy.....	44 Senior Vice President -- Finance and Administration	
Robert Levin.....	45 Senior Vice President -- Planning and Development	
Bernard Purta.....	57 Senior Vice President -- Regulatory Affairs and Operations	
Stuart A. Smith.....	53 Senior Vice President -- Operations	

The Board of Directors of the Company is comprised of 22 members. There are currently two vacancies on the Board. On March 20, 2001, the stockholders of NYMEX Holdings and the Class A members of NYMEX Exchange voted to increase the size of their respective Boards of Directors by three members to include those persons who have leased out their last or sole membership in NYMEX Exchange. This change will become effective after the filing of the appropriate corporate documentation with the CFTC and the State of Delaware.

 CLASS I DIRECTORS - TERMS THAT EXPIRE IN THE YEAR 2004

VINCENT VIOLA -- CHAIRMAN

Director since 1982

Age 45

Mr. Viola was elected Chairman in 2001. Mr. Viola formed the First Bank Group. From 1993 to 1996 he served as Vice Chairman of the Board. During his board service, Mr. Viola served as chairman of the strategic planning committee and was instrumental in developing the NYMEX ACCESS(R) electronic trading platform. In 1990, he formed a proprietary futures and options trading group on the NYMEX Division and the International Petroleum Exchange.

MADLINE BOYD

Director since 1998

Age 48

Ms. Boyd has been a member of the Exchange since 1984, trading gasoline for her own account for more than 16 years. She was elected to the Board of Directors in 1998. Ms. Boyd is Chairman of the Charitable Foundation Committee. Ms. Boyd also serves as a director of the Commodity Floor Brokers and Traders Association and Futures and Options for Kids.

J. ROBERT COLLINS, JR.

Director since 2001

Age 35

Mr. Collins is Senior Vice President of natural gas trading at El Paso Merchant Energy-Gas, LP., a division of El Paso Energy Corp. Mr. Collins directs the natural gas derivatives portfolio. Before joining El Paso in 1997, Mr. Collins was a natural gas and crude oil options market-maker with Pioneer Futures on the floor of the Exchange. Mr. Collins has been a member since 1996.

KENNETH GARLAND

Director since 2001

Age 52

Mr. Garland began trading at NYMEX Division as a local trader in 1981. In 1982 and 1983, he also acted as a floor broker. Since 1983, he has traded exclusively as a local trader. In 1994, he was recommended by the Exchange to represent the National Futures Association membership appeals subcommittee, a position he holds to this day.

HARLEY LIPPMAN

Public Director since 1999

Age 46

Mr. Lippman is the founder and owner of the information technology consulting company Genesis 10 which he founded in 1999. He was also the founder and sole owner of Triad Data Inc., an information technology consulting firm sold in 1998 which made the Inc. 500(C) list. He also serves on the advisory board of the Columbia University School of International and Public Affairs.

GARY RIZZI

Director since 1983

Age 46

Mr. Rizzi has been a director since 1995. Mr. Rizzi is presently a Vice President of A.G. Edwards. Mr. Rizzi has served on the Board of Directors for the past six years and on the Executive Committee for the past year. He is also a member of the COMEX Division and both divisions of the New York Board of Trade.

GORDON RUTLEDGE

Director since 2001

Age 47

Mr. Rutledge began his career as the commodity newswire editor at Merrill Lynch in 1976. He became a broker in 1981. In 1991, Mr. Rutledge started Onyx Brokerage Inc. He has been a Vice President of AAA Capital Management since December 1997.

ROBERT STEELE

Public Director since 1999

Age 62

Mr. Steele was a Public Director from 1988 to 1994 and re-appointed to the board in 1999. He is also Vice Chairman of John Ryan Company and a Director of the Merlin Retail Financial Center. Mr. Steele has also served as President and Chief Executive Officer of the Norwich Savings Society from 1975 to 1981, and as President and Chief Executive Officer of Dollar Dry Dock Bank of New York from 1985 to 1990. Mr. Steele also served as a Representative in the United States Congress from 1970 to 1974. In addition, Mr. Steele serves on the Board of Directors of SmartServ Online, Scan Optics, Inc., NLC Insurance Companies and is Chairman of the Board of Moore Medical Corp.

Mr. Schaeffer has been NYMEX Exchange's Treasurer since March 1993. Prior to 1990, he was Senior Vice President/Director of the Chicago Corp., which was a clearing member of both the NYMEX and COMEX Divisions from 1997 until its merger with ABN AMRO, Inc.

ROBERT COAKLEY

Director since March 1999 Age: 37

Mr. Coakley has been a member of the NYMEX Division since 1990. Pursuant to a settlement agreement reached with Mr. Coakley, the National Futures Association restricted Mr. Coakley's registration as a floor broker for two years effective July 28, 1999. This restriction on registration will be removed after this two-year period if Mr. Coakley is not charged with a violation of the Commodity Exchange Act, National Futures Association requirements, self-regulatory organization rules or any statute rule or regulation of any law enforcement or regulatory agency.

ANTHONY GEORGE GERO

Director since March 1999 Age: 64

Senior Vice President of investments, senior spokesman for the futures division, and a President's Council member of Prudential Securities, Inc.

Mr. Gero has served as a director for an aggregate of 20 years and a member of the NYMEX Division since 1966. He is also the Chairman of the NYMEX PAC and Chairman of the Commodity Floor Brokers and Traders Association. Mr. Gero is currently a board member of the New York Futures Exchange and FINEX and was previously a director of the Commodity Clearing Corporation.

STEVEN J. KARVELLAS

Director since March 1996 Age: 41

Presently an independent floor broker.

Mr. Karvellas has been a member of both the NYMEX and COMEX Divisions since 1990. He began his career as a clerk on COMEX in 1984 and was elected to the board of directors of COMEX Division in 1987.

KEVIN MCDONNELL

Director since March 1999 Age: 41

Presently an independent floor broker.

Mr. McDonnell has been a member of NYMEX Division since 1984.

Committees of the Board

The NYMEX Holdings Board of Directors is authorized to designate from among its members an executive committee, which will have all the authority of the board of directors, and other committees, each consisting of two or more directors. The Chairman of the Board will be an ex officio member of all committees.

Executive Committee

The Executive Committee shall have and may exercise the authority of the Board. The Executive Committee shall have the power to perform other duties as are specified by the Board or as are provided in the Bylaws and Rules.

Audit Committee

The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the scope and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees and reviews the adequacy of the Company's internal accounting controls.

Finance Committee

The Finance Committee shall exercise general supervision over the financial affairs of the Company. It shall examine and cause to be audited the accounts of the Company by such certified accountant or accountants as may, upon its recommendation, be approved by the Board; and shall prescribe the methods and

procedures of keeping the accounts of the Company. It shall supervise all investments authorized by the Board. It shall recommend to the Board the financial institutions in which the Company's funds may be deposited and the separate accounts to be opened, maintained and designated for deposits and disbursements for various purposes.

Bylaws Committee

The Bylaws Committee may, in its discretion, propose to the Board such amendments or additions to the Bylaws as it may from time to time consider necessary or advisable.

Compensation Committee

Compensation levels for the Company's President and Executive Vice President are determined by the Executive Committee of the Board and compensation for the Chairman and Vice Chairman are determined by the Board.

Set forth below are: (1) the names and ages of all executive officers (including executive officers who are also directors) of the Company at March 27, 2001, (2) all positions with the Company presently held by each such person, and (3) the positions held by, and principal areas of responsibility of, each such person during the last five years.

NAME - - - - -	POSITION(S) HELD -----	AGE ---
VINCENT VIOLA	CHAIRMAN	45

Mr. Viola was elected Chairman in 2001. Mr. Viola formed the First Bank Group. From 1993 to 1996 he served as Vice Chairman of the Board. During his board tenure, Mr. Viola served as chairman of the strategic planning committee and was instrumental in developing the NYMEX ACCESS(R) electronic trading platform. In 1990 he formed a proprietary futures and options trading group on the NYMEX Division and the International Petroleum Exchange.

MITCHELL STEINHAUSE	VICE CHAIRMAN	53
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Mr. Steinhouse is presently an independent floor broker. He was elected Vice Chairman of the Board in March 2000. He has previously served as Corporate Secretary and has been a member of NYMEX Division since 1975 as both a floor broker and a local trader.

RICHARD SCHAEFFER	TREASURER	48
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Mr. Schaeffer is presently a Senior Vice President and Director of Global Energy Futures for ABN AMRO, Inc. He has been NYMEX Exchange's Treasurer since March 1993. Prior to 1990, he was Senior Vice President/Director of the Chicago Corp., which was a clearing member of both the NYMEX and COMEX Divisions from 1997 until its merger with ABN AMRO Inc.

NEAL L. WOLKOFF	EXECUTIVE VICE PRESIDENT	45
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Mr. Wolkoff serves as Executive Vice President of NYMEX Holdings and has been Executive Vice President of the NYMEX Exchange since July 1993 and was Senior Vice President - Operations and Regulatory Affairs from November 1989 to July 1993. Mr. Wolkoff also serves as Executive Vice President of the COMEX Division. He previously served as a director of Enersoft Inc. Earlier in his career, he served as a trial attorney with the CFTC. Mr. Wolkoff has assumed the duties and responsibilities of the President of the Company until a successor has been duly elected and qualified.

CHRISTOPHER K. BOWEN SENIOR VICE PRESIDENT AND GENERAL COUNSEL 40

Mr. Bowen serves as Senior Vice President and General Counsel of NYMEX Holdings and has been Senior Vice President and General Counsel of the NYMEX Exchange since 1997. Mr. Bowen has held positions of Associate General Counsel and Senior Associate General Counsel. He has also served as Counsel/Manager of Futures Compliance at Morgan Stanley & Co., Inc. and as an attorney at the CFTC. Mr. Bowen serves as Senior Vice President and General Counsel of COMEX and CCA.

DAVID KELLER CHIEF INFORMATION OFFICER 40

Mr. Keller serves as Chief Information Officer of NYMEX Holdings and has been Chief Information Officer of NYMEX Exchange since May 2000. Prior to joining NYMEX Exchange, Mr. Keller was the Chief Information and Technology Officer of Sempra Energy Trading Corp. and prior to that was President, Chief Executive Officer and Founder of Enersoft Corporation. Mr. Keller also serves as Chief Information Officer of COMEX and CCA.

PATRICK F. CONROY SENIOR VICE PRESIDENT - FINANCE & ADMINISTRATION 44

Mr. Conroy serves as Senior Vice President - Finance & Administration of NYMEX Holdings and has been Senior Vice President - Finance & Administration of NYMEX Exchange since January 1993. Mr. Conroy also serves as Senior Vice President - Finance of COMEX and CCA.

ROBERT LEVIN SENIOR VICE PRESIDENT - PLANNING AND DEVELOPMENT 45

Mr. Levin serves as Senior Vice President - Planning and Development of NYMEX Holdings and has been Senior Vice President - Planning and Development of NYMEX Exchange since June 1993. Mr. Levin was Vice President - Product Development of NYMEX Exchange from July 1991 until June 1993. Mr. Levin also currently serves as Senior Vice President - Planning and Development of COMEX.

BERNARD J. PURTA SENIOR VICE PRESIDENT - REGULATORY AFFAIRS AND OPERATIONS 57

Mr. Purta serves as Senior Vice President - Operations and Regulatory Affairs of NYMEX Holdings and has been Senior Vice President - Operations and Regulatory Affairs of NYMEX Exchange since December 1993. He also serves as Senior Vice President - Operations and Regulatory Affairs of COMEX and the CCA (of which he is also Treasurer) and as Treasurer of NYMEX PAC. He currently is a director of the FIA Futures Services Division (N.Y.). Earlier in his career he served as a staff member at the CFTC.

STUART A. SMITH SENIOR VICE PRESIDENT - OPERATIONS 52

Mr. Smith serves as Senior Vice President - Operations of NYMEX Holdings and has been Senior Vice President - Operations of the NYMEX Exchange since May 1992. Mr. Smith currently serves as Senior Vice President - Operations of COMEX. Mr. Smith previously served as Vice President of Trading Floor Operations from 1986 to 1996.

None of the directors, except for the Chairman, currently is or has ever been an officer or employee of the Company or any of its subsidiaries, nor were there any Executive Committee interlocks or other relationships during 2000 requiring disclosure under interim 402(j) of Regulation S-K of the SEC.

ITEM 11. EXECUTIVE OFFICER COMPENSATION.

The Summary Compensation Table below sets forth information in respect of the compensation of the Chief Executive Officer of the Company during 2000 and the persons who were, at December 31, 2000, the other four most highly compensated executive officers of the Company and its subsidiaries during 1998, 1999, and 2000.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION (1), (2)		
		SALARY	BONUS	ALL OTHER COMPENSATION
Daniel Rappaport, Chairman(5)	2000	\$588,462	\$ 700,000	--
	1999	--	1,500,000	\$ 100,000(3)
	1998	--	850,000	100,000(3)
R. Patrick Thompson, Esq., President	2000	299,194	--	1,800,000(4)
	1999	412,500	200,000	--
	1998	360,699	200,000	--
Neal Wolkoff, Esq., Executive Vice President	2000	422,803	250,000	--
	1999	342,500	130,000	--
	1998	289,699	130,000	--
David Keller, Chief Information Officer	2000	221,646	200,000	--
	1999	N/A	N/A	N/A
	1998	N/A	N/A	N/A
Christopher Bowen, Esq., Senior Vice President and General Counsel	2000	223,608	80,956	--
	1999	198,450	76,923	--
	1998	180,339	51,030	--

(1) Includes amounts deferred under the Company's 401(k) and deferred compensation plans.

(2) Perquisites and other personal benefits aggregating the lower of \$50,000 or 10% of the sum of salary and bonus are not reported.

(3) Represents stipend payments for serving as the Chairman of the Board of Directors.

(4) Represents special compensation payable to the late president's heirs.

(5) Vincent Viola was elected Chairman of the Company on March 20, 2001.

Corporate Tax Deduction on Compensation in Excess of \$1 Million a Year

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1 million paid to the Company's Chief Executive Officer or any of the four other most highly compensated officers. Certain performance-based compensation is specifically exempt from the deduction limit. The Company plans to ensure that any award granted to a covered employee will qualify as performance-based compensation under Section 162(m).

Other Compensation Plan Information

Savings Plan

The Company sponsors a defined contribution plan known as the "Savings and Investment Plan" for all eligible domestic employees. This plan qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Participating employees may elect to defer up to 15% of their base salary, subject to the annual Internal Revenue Code limit. The Company matches pre-tax contributions up to a maximum of 3% of base salary. A participant may also make after-tax contributions. The Company does not match these

contributions. This amount may be reduced to comply with applicable Internal Revenue Code requirements. The Company also makes a year end contribution ranging from 2% to 7% of base salary based upon tenure for each eligible plan member provided the Company attains certain minimum corporate profitability thresholds. Participants are immediately vested in their before-tax and after-tax contributions and actual earnings on their contributions. Participants become vested in the matching and year end contributions at a rate of 40% of such contribution after two full years of service, and then 20% per year up to 100% after five years of service. Participants may receive the full value of their accounts generally only upon termination of employment. The plan allows earlier receipt of a participant's share in the plan, subject to certain limitations and conditions as set forth in the plan document.

Deferred Compensation Plan

The Company's Deferred Compensation Plan for executives provides that an eligible employee may elect to defer receipt of current compensation in order to provide retirement benefits on behalf of these employees. The Company may provide a matching and year-end contribution to the plan. Matching contribution percentages follow the same guidelines as the Company's defined contribution plan. The deferred compensation plan is not intended to be a qualified plan under the provisions of the Internal Revenue Code. It is intended to be unfunded and, therefore, all compensation under this plan is held by the Company and commingled with its general assets. The participating employees are general creditors of the Company with respect to these benefits. The Company has the right to amend, modify or terminate the deferred compensation plan at any time.

Employment Agreement

The Company has an employment and compensation agreement with Neal L. Wolkoff, Esq., one of its executive officers. This agreement provides for the named officer to earn a minimum of \$500,000 per year through 2003. In addition to his stated annual salary, the executive shall have the opportunity to receive an annual bonus in an amount to be determined by the Board of Directors, but in no event less than \$250,000 per year.

Compensation of Directors

The Company maintains the following standard compensation arrangements with its directors:

Chairman Stipend -- Effective January 1, 2000, the Chairman receives an annual stipend of \$600,000. The Chairman is also eligible to receive a year-end bonus in an amount to be determined and approved by the Board of Directors.

Vice Chairman Stipend -- Effective April 1, 2000, the Vice Chairman receives an annual stipend of \$100,000, as well as a fee of \$1,000 for each board meeting attended. The Vice Chairman is also eligible to receive a year-end bonus in an amount to be determined and approved by the Board of Directors.

Director Stipend -- Directors receive a monthly stipend of \$2,500, or \$30,000 a year. Effective April 1, 2000, directors receive an additional fee of \$1,000 for each board meeting attended. In addition, effective April 1, 2000, directors serving on the executive committee receive an additional annual stipend of \$20,000 and are also eligible to receive a year-end bonus in an amount to be determined and approved by the Board of Directors.

Member Retention Plan

On October 4, 2000 the Board of Directors voted to terminate the NYMEX Division's Members' Retention and Retirement Plan. The assets of this plan were distributed in January 2001. The value of the assets and related liability as of December 31, 2000 was \$33.2 million and is classified as a current liability on the balance sheet. Certain directors of the board were participants in this plan.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table shows how many NYMEX Holdings common shares certain individuals beneficially owned on March 27, 2001. These individuals include: (a) our current directors, (b) the three executive officers named in the compensation tables on page 35 and (c) all current directors and executive officers as a group. A person has beneficial ownership over shares if the person has voting or investment power over the shares.

As of March 27, 2001, no director or executive officer of the Company owned more than 1% of all the outstanding shares of common stock at December 31, 2000. No person is the beneficial owner of 5% or more of the shares of common stock of the Company.

NAME OF BENEFICIAL OWNER -----	SHARES OF COMMON STOCK BENEFICIALLY OWNED -----	PERCENT OF COMMON STOCK BENEFICIALLY OWNED -----
(a)		
Vincent Viola.....	1	*
Mitchell Steinhouse.....	1	*
Richard Schaeffer.....	4	*
Madeline Boyd.....	1	*
Robert Coakley.....	1	*
John Conheaney.....	0	*
J. Robert Collins, Jr. (1).....	3	*
Kenneth Garland.....	1	*
Anthony George Gero.....	2	*
David Greenberg.....	1	*
E. Bulkeley Griswold.....	0	*
Jesse B. Harte (2).....	1	*
Scott Hess.....	1	*
Steven Karvellas.....	1	*
Harley Lippman.....	0	*
Kevin McDonnell.....	1	*
Gary Rizzi (3).....	1	*
Gordon Rutledge.....	1	*
Richard Siatta.....	1	*
Robert Steele.....	0	*
(b)		
Neal L. Wolkoff, Esq.....	0	*
Christopher K. Bowen, Esq.....	0	*
David Keller.....	0	*
(c)		
All directors and executive officers as a group.....	22	2.6 %

* Less than one percent

ABC Agreement

An "ABC Agreement" is an agreement in which a member designates an individual to exercise voting rights and other membership privileges, but does not give the individual the power to dispose of a membership. The provisions of an ABC Agreement also apply to the common stock of NYMEX Holdings shown to be beneficially owned by the director. The following directors currently have an ABC Agreement:

- (1) Mr. Collins has entered into an ABC Agreement with El Paso Merchant Energy -- GAS LP.
- (2) Mr. Harte has entered into an ABC Agreement with Duke Energy Trading and Marketing, LLC.
- (3) Mr. Rizzi has entered into an ABC Agreement with AGE Commodity Clearing Corp.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Pioneer Futures, Inc., of which the Chairman of the Board of the Company is the sole shareholder, currently leases from the Exchange approximately 41,768 square feet of space at the One North End facility. Pioneer has nine leases as follows: (1) 5,019 square feet expiring on November 2, 2002; (2) 10,360 square feet expiring on December 4, 2002; (3) 2,840 square feet expiring on December 15, 2002; (4) 561 square feet expiring on January 1, 2003; (5) 1,372 square feet expiring on June 1, 2003; (6) 792 square feet expiring on August 1, 2003; (7) 1,213 square feet expiring on September 1, 2003; (8) 718 square feet expiring on December 1, 2003; (9) 18,893 square feet expiring on July 1, 2005. The current aggregate annual rent for these spaces is \$1,601,162.

Sterling Commodities Corp., of which a Company board member is president, currently leases from the Exchange approximately 6,253 square feet of space at the One North End facility. The lease expires on November 23, 2002. The current annual rent for this space is \$225,108. The president's father is CEO and 100% owner of the company.

Genesis 10, of which a Company board member is the founder and chief executive officer, is an information technology consulting firm. This public board member owns 90% of the equity interest of Genesis 10. In addition, the Company has entered into a written contractual relationship with Genesis 10 under which Genesis 10 provides the services of one temporary Senior Developer/Architect. Approximately \$395,000 has been paid by the Company to Genesis 10 for services rendered from October 1999 to the present. Furthermore, if the Senior Developer/Architect is hired on a permanent basis, the Exchange will be obligated to pay Genesis 10 a fee of 30% of annual compensation.

The Company has provided financial guarantees and pledged collateral relating to a membership seat financing program with one of its banks. Pursuant to this program, the member remains primarily liable for the loan which is used to purchase an interest in the Company. The Company's guarantee is limited to the lesser of \$500,000 or 50% of the purchase price of the membership interest, and the Company has the right to liquidate the interest if the member defaults on the loan. Under the program, the Company may issue guarantees totaling, in the aggregate, up to \$11 million. As of March 10, 2001, the following directors had loan balances relating to this program of greater than \$60,000: Robert Coakley (\$322,910) and Stephen Karvellas (\$232,750).

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE AND REPORTS ON FORM 8-K.

1. Consolidated Financial Statements

The consolidated financial statements required to be filed hereunder are listed on page F-2 hereof by reference to the corresponding page number in the Annual Report.

2. Financial Statement Schedule

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits

Certain of the following exhibits were previously filed as exhibits to other reports or registration statements filed by NYMEX Holdings and are incorporated herein by reference to such reports or registration statements as indicated parenthetically below by the appropriate report reference date or registration statement number.

EXHIBITS

- 2.2 Form of Agreement and Plan of Merger by and among New York Mercantile Exchange, Inc., NYMEX Holdings, Inc. and NYMEX Merger Sub, Inc. (incorporated herein by reference to Exhibit 2.2 of Form S-4 (file no. 333-30332))
- 3.1 Amended and Restated Certificate of Incorporation of NYMEX Holdings, Inc.
- 3.2 Bylaws of NYMEX Holdings, Inc. (incorporated herein by reference to Exhibit 3.2 of Form S-4 (file no. 333-30332)).
- 4 Note Purchase Agreement among NYMEX and each of Purchasers listed in Schedule A attached thereto dated October 15, 1996 (incorporated herein by reference to Exhibit 10.5 of Form S-4 (file no. 333-30332)).
- 10.1 NYMEX Amended and Restated Members' Retention and Retirement Plan effective December 31, 1997. (incorporated herein by reference to Exhibit 10.1 of Form S-4 (file no. 333-30332)).
- 10.2 Trust under the NYMEX Members' Retention and Retirement Plan dated December 31, 1997. (incorporated herein by reference to Exhibit 10.2 of Form S-4 (file no. 333-30332)).
- 10.3 Ground Lease between Battery Park City Authority and NYMEX dated May 18, 1995. (incorporated herein by reference to Exhibit 10.3 of Form S-4 (file no. 333-30332)).
- 10.4 Funding Agreement among New York State Urban Development Corporation, Battery Park City Authority and NYMEX dated May 18, 1995. (incorporated herein by reference to Exhibit 10.4 of Form S-4 (file no. 333-30332)).
- 10.5 NYMEX Holdings, Inc. Executive Income Deferral Program.
- 10.6 Network License Order Form between Oracle Corporation and NYMEX, accompanying Payment Plan Agreement and Payment Schedule between Oracle Credit Corporation and NYMEX (incorporated herein by reference to Exhibit 10.6 of Form S-4 (file no. 333-30332)).
- 10.7 Network License Order Form between Oracle Corporation and NYMEX, accompanying Payment Schedule between Oracle Credit Corporation and NYMEX and Amendment 1 to the Network License Order Form (incorporated herein by reference to Exhibit 10.7 of Form S-4 (file no. 333-30332)).

- 10.8 Network License Order Form between Oracle Corporation and NYMEX and accompanying Payment Schedule between Oracle Credit Corporation and NYMEX. (incorporated herein by reference to Exhibit 10.8 of Form S-4 (file no. 333-30332)).
- 10.8.1 Software License and Services Agreement between Oracle Corporation and NYMEX effective January 6, 1995 (incorporated herein by reference to Exhibit 10.8.1 of Form S-4 (file no. 333-30332)).
- 10.9 Smartnet Agreement between Cisco Systems, Inc. and NYMEX dated May 21, 1996. (incorporated herein by reference to Exhibit 10.9 of Form S-4 (file no. 333-30332)).
- 10.10 Network Supported Account Agreement between Cisco Systems, Inc. and NYMEX dated May 21, 1996 (incorporated herein by reference to Exhibit 10.10 of Form S-4 (file no. 333-30332)).
- 10.11 COMEX Members' Retention and Retirement Plan.
- 10.12 Employment Agreement between NYMEX Holdings and Neal L. Wolkoff, Esq.
- 21.1 Subsidiaries of NYMEX Holdings, Inc. (incorporated herein by reference to Exhibit 21.1 of Form S-4 (file no. 333-30332)).
- 99 Published report regarding the demutualization vote by Security holders on June 20, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, NYMEX Holdings, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 27, 2001

NYMEX HOLDINGS, INC.

BY: /s/ VINCENT VIOLA

VINCENT VIOLA
Chairman of the Board of Directors
(Principal Executive Officer)

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BY THE FOLLOWING PERSONS ON BEHALF OF NYMEX HOLDINGS, INC. AND IN THE CAPACITIES AND ON THE DATE INDICATED.

SIGNATURE -----	TITLE -----	DATE ----
/s/ VINCENT VIOLA ----- VINCENT VIOLA	Chairman of the Board	March 27, 2001
/s/ MITCHELL STEINHAUSE ----- MITCHELL STEINHAUSE	Vice Chairman	March 27, 2001
/s/ RICHARD SCHAEFFER ----- RICHARD SCHAEFFER	Treasurer	March 27, 2001
/s/ MADELINE BOYD ----- MADELINE BOYD	Director	March 27, 2001
/s/ ROBERT COAKLEY ----- ROBERT COAKLEY	Director	March 27, 2001
/s/ JOHN CONHEENEY ----- JOHN CONHEENEY	Director	March 27, 2001
J. ROBERT COLLINS, JR. ----- /s/ KENNETH GARLAND ----- KENNETH GARLAND	Director	March 27, 2001
/s/ ANTHONY GEORGE GERO ----- ANTHONY GEORGE GERO	Director	March 27, 2001
/s/ DAVID GREENBERG ----- DAVID GREENBERG	Director	March 27, 2001
E. BULKELEY GRISWOLD ----- JESSE B. HARTE	Director	March 27, 2001

SIGNATURE

TITLE

DATE

SCOTT HESS

Director

March 27, 2001

/s/ STEVEN KARVELLAS

Director

March 27, 2001

STEVEN KARVELLAS

Director

March 27, 2001

HARLEY LIPPMAN

Director

March 27, 2001

KEVIN MCDONNELL

/s/ GARY RIZZI

Director

March 27, 2001

GARY RIZZI

/s/ GORDON RUTLEDGE

Director

March 27, 2001

GORDON RUTLEDGE

Director

March 27, 2001

RICHARD SAIITTA

Director

March 27, 2001

ROBERT STEELE

/s/ NEAL L. WOLKOFF

Executive Vice
President

March 27, 2001

NEAL L. WOLKOFF

/s/ PATRICK F. CONROY

Senior Vice
President-Finance and
Administration

March 27, 2001

PATRICK F. CONROY

/s/ JOSEPH FILKO

Controller

March 27, 2001

JOSEPH FILKO

NYMEX HOLDINGS, INC. AND SUBSIDIARIES
FINANCIAL INFORMATION
FOR INCLUSION IN ANNUAL REPORT ON FORM 10-K
FISCAL YEAR ENDED DECEMBER 31, 2000
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NYMEX HOLDINGS, INC. AND SUBSIDIARIES
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ITEM 14(1) FINANCIAL STATEMENTS

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All other financial statements and schedules have been omitted since the required information is not applicable or is included in Item 14(1) Financial Statements.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NYMEX Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of NYMEX Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2000 and 1999, and the related consolidated statements of operations and retained earnings/members' equity and of cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of NYMEX Holdings, Inc. and subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New York, New York
March 9, 2001

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

To Our Stockholders:

Management is responsible for the reliability of the consolidated financial statements and related notes. The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and include amounts based upon our estimates and assumptions, as required. The consolidated financial statements have been audited by our independent auditors, Deloitte & Touche LLP, who were given free access to all financial records and related data, including minutes of the meetings of the Board of Directors and Committees of the Board. We believe that our representations to the independent auditors are valid and appropriate.

Management maintains a system of internal accounting controls designed to provide reasonable assurance as to the reliability of the financial statements, as well as to safeguard assets from unauthorized use or disposition. The system is supported by formal policies and procedures. Our internal audit function monitors and reports on the adequacy of and compliance with the internal control system, and appropriate actions are taken to address significant control deficiencies and other opportunities for improving the system as they are identified. The Audit Committee consists of the Chairman of the Board and three Public Directors appointed by the Board. One of the Public Directors serves as chairman of the committee. The Audit Committee meets several times each year with representatives of management, including the Chief Financial Officer, the Vice President of Internal Audit and the independent auditors to review the financial reporting process and controls in place to safeguard assets. Both our independent auditors and internal auditor have unrestricted access to the Audit Committee.

Although no cost-effective internal control system will preclude all errors and irregularities, we believe our controls as of December 31, 2000 provide reasonable assurance that the Consolidated Financial Statements are reliable and that our assets are reasonably safeguarded.

/s/ VINCENT VIOLA

Chairman of the Board

/s/ PATRICK F. CONROY

Senior Vice President -- Finance and
Administration

Date: March 27, 2001

NYMEX HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2000 AND 1999
(IN THOUSANDS, EXCEPT PER SHARE/MEMBERSHIP AMOUNTS)

	2000	1999
	-----	-----
ASSETS		
Cash and cash equivalents.....	\$ 32,979	\$ 36,592
Marketable securities, at market (cost of \$75,637 and \$70,703).....	77,628	66,790
Clearing and transaction fees receivable, net.....	7,575	14,421
Market data fees receivable, net.....	4,039	4,647
Prepaid taxes and expenses.....	4,468	4,209
Deferred income taxes.....	1,188	476
Other current assets.....	3,289	4,172
	-----	-----
Total current assets.....	131,166	131,307
Property and equipment, net.....	224,547	228,613
Goodwill, net.....	18,482	20,635
Security deposits.....	10,240	10,250
Other assets.....	2,703	1,689
	-----	-----
TOTAL ASSETS.....	\$387,138	\$392,494
	=====	=====
LIABILITIES AND STOCKHOLDERS'/MEMBERS' EQUITY		
LIABILITIES:		
NYMEX Division members' retention program.....	\$ 33,221	\$ --
Accounts payable and accrued liabilities.....	11,285	12,053
Accrued salaries and related liabilities.....	3,869	2,848
Notes payable.....	2,815	--
Deferred credit -- grant for building construction.....	2,145	2,145
Accrued interest payable.....	1,920	1,920
Other current liabilities.....	1,019	1,041
	-----	-----
Total current liabilities.....	56,274	20,007
Deferred income taxes.....	10,875	12,568
Postemployment and postretirement benefits.....	7,075	6,770
Deferred rent expense.....	1,236	833
Other non-current liabilities.....	1,586	--
Notes payable.....	97,185	100,000
Deferred credit -- grant for building construction.....	119,035	121,179
Subordinated commitment -- members' retention program.....	9,213	37,935
	-----	-----
Total liabilities.....	302,479	299,292
	-----	-----
COMMITMENTS AND CONTINGENCIES (See Note 15)		
STOCKHOLDERS'/MEMBERS' EQUITY:		
Common stock, at \$0.01 par value, 816 shares authorized, issued and outstanding.....	--	--
Additional paid-in capital.....	84,415	--
Retained earnings.....	244	--
Members' equity.....	--	93,202
	-----	-----
Total stockholders'/members' equity.....	84,659	93,202
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS'/MEMBERS' EQUITY.....	\$387,138	\$392,494
	=====	=====

The accompanying notes are an integral part of these statements.

NYMEX HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND
RETAINED EARNINGS/MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS, EXCEPT PER SHARE/MEMBERSHIP AMOUNTS)

	2000	1999	1998
	-----	-----	-----
OPERATING REVENUES:			
Clearing and transaction fees, net of member fee rebates of \$13,727, \$13,065 and \$11,272 in 2000, 1999 and 1998.....	\$ 92,500	\$105,206	\$ 90,764
Market data fees.....	33,622	34,689	34,858
Other, net of rebates of \$2,831, \$2,399, and \$1,364 in 2000, 1999 and 1998.....	4,747	4,540	4,961
	-----	-----	-----
Total operating revenues.....	130,869	144,435	130,583
	-----	-----	-----
OPERATING EXPENSES:			
Salaries and employee benefits.....	48,547	45,802	44,552
Rent and facility.....	15,736	12,877	12,760
Professional services.....	15,625	8,424	7,486
General and administrative.....	15,063	14,012	14,983
Telecommunications, equipment rentals and maintenance....	14,952	15,917	14,627
Depreciation and amortization of property and equipment, net of deferred credit amortization.....	13,862	10,966	9,901
Demutualization expenses.....	4,281	593	--
Marketing.....	2,446	2,537	2,403
Amortization of goodwill.....	2,153	2,153	2,153
Loss on disposition of property and equipment.....	857	1,298	2,814
Other.....	4,905	4,984	5,344
	-----	-----	-----
Total operating expenses.....	138,427	119,563	117,023
	-----	-----	-----
(LOSS) INCOME FROM OPERATIONS.....	(7,558)	24,872	13,560
OTHER INCOME (EXPENSES):			
Investment income, net.....	9,355	3,942	6,739
Interest expense.....	(7,718)	(7,721)	(7,958)
	-----	-----	-----
(LOSS) INCOME BEFORE (BENEFIT) PROVISION FOR INCOME TAXES...	(5,921)	21,093	12,341
(BENEFIT) PROVISION FOR INCOME TAXES.....	(3,140)	8,903	6,263
	-----	-----	-----
NET (LOSS) INCOME.....	(2,781)	12,190	6,078
MEMBERS' EQUITY, BEGINNING OF YEAR.....	93,202	86,233	86,565
LESS: DEMUTUALIZATION ADJUSTMENTS AND NET TRANSFER TO MEMBERS' RETENTION PROGRAM:			
NYMEX Division.....	(4,959)	(4,017)	(5,255)
COMEX Division.....	(803)	(1,204)	(1,155)
Allocation of members' equity and pre-demutualization loss to additional paid-in capital.....	(84,415)	--	--
	-----	-----	-----
RETAINED EARNINGS/MEMBERS' EQUITY, END OF YEAR.....	\$ 244	\$ 93,202	\$ 86,233
	=====	=====	=====
(Loss) earnings per share/NYMEX Division membership (based on 816 shares/NYMEX Division memberships).....	\$ (3,408)	\$ 14,939	\$ 7,449
	=====	=====	=====

The accompanying notes are an integral part of these statements.

NYMEX HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998
(IN THOUSANDS)

	2000	1999	1998
	----	----	----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income.....	\$(2,781)	\$12,190	\$ 6,078
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization of property and equipment, net of deferred credit amortization.....	13,862	10,966	9,901
Amortization of goodwill.....	2,153	2,153	2,153
Deferred income taxes.....	(2,405)	2,979	8,262
Loss on disposition of property and equipment.....	857	1,298	2,814
Net changes in operating assets and liabilities:			
(Increase) decrease in marketable securities:			
Corporate funds.....	(12,330)	9,029	2,167
Members' retention funds.....	1,492	6,238	(5,398)
Decrease (increase) in clearing and transaction fees receivable.....	6,846	(8,346)	2,042
Decrease (increase) in market data fees receivable....	608	(1,007)	(154)
(Increase) decrease in prepaid taxes and expenses....	(259)	5,024	2,398
Decrease (increase) in other current assets.....	883	(1,378)	(366)
(Decrease) increase in accounts payable and accrued liabilities.....	(768)	4,224	(4,954)
Increase (decrease) in accrued salaries and related liabilities.....	1,021	(76)	1,078
Decrease in accrued interest payable.....	--	--	(1,196)
(Decrease) increase in other current liabilities.....	(22)	831	906
Increase in postemployment and postretirement benefits.....	305	185	420
Increase in other non-current liabilities.....	1,586	--	--
Increase in deferred rent expense.....	403	--	--
Other.....	50	--	--
Net cash provided by operating activities.....	11,501	44,310	26,151
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures.....	(12,797)	(20,022)	(18,175)
Decrease in security deposits.....	10	--	--
(Increase) decrease in other assets.....	(1,014)	(943)	50
Net cash used in investing activities.....	(13,801)	(20,965)	(18,125)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
COMEX acquisition note repayments.....	--	--	(5,043)
Distributions under NYMEX Division members' retention program.....	(1,313)	(1,106)	(1,012)
Net cash used in financing activities.....	(1,313)	(1,106)	(6,055)
	-----	-----	-----
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(3,613)	22,239	1,971
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	36,592	14,353	12,382
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$32,979	\$36,592	\$14,353
	=====	=====	=====
SUPPLEMENTAL INFORMATION			
Cash paid for:			
Interest.....	\$ 7,680	\$ 7,680	\$ 9,130
	=====	=====	=====
Income taxes.....	\$ 39	\$ 704	\$ --
	=====	=====	=====
Cash received from:			
Income tax refunds.....	\$ --	\$ --	\$ 3,461
	=====	=====	=====
Noncash members' equity transactions -- transfer to subordinated commitment -- members' retention program:			
NYMEX Division.....	\$ 4,959	\$ 4,017	\$ 5,255
	=====	=====	=====
COMEX Division.....	\$ 803	\$ 1,204	\$ 1,155
	=====	=====	=====

The accompanying notes are an integral part of these statements.

NYMEX HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS -- NYMEX Holdings, Inc. ("NYMEX Holdings") was incorporated in 2000 as a stock corporation in Delaware, and is the successor to the New York Mercantile Exchange which was established in 1872. Under these laws, NYMEX Holdings has the right to pay dividends. The two principal operating subsidiaries of NYMEX Holdings are the New York Mercantile Exchange, Inc. ("NYMEX Exchange" or "NYMEX Division") and the Commodity Exchange, Inc. ("COMEX" or "COMEX Division"), which is organized as a wholly-owned subsidiary of NYMEX Exchange. Where appropriate, each NYMEX Exchange operating division, NYMEX Division and COMEX Division, will be discussed separately, and collectively will be referred to as the "Exchange." When discussing NYMEX Holdings together with its subsidiaries, reference is being made to the "Company."

The Company demutualized on November 17, 2000 at which time the book value of the assets and liabilities of NYMEX carried over to NYMEX Exchange. After the demutualization, all the assets and liabilities of NYMEX Exchange were consolidated into the parent company, NYMEX Holdings.

As a Company which has subsidiaries designated for trading futures contracts and options on futures contracts by the Commodity Futures Trading Commission, the Company has the primary objective of creating and maintaining an orderly market for contracts that are traded on the Exchange. Through its in-house clearing units, the Exchange stands as buyer to every seller and seller to every buyer. To manage the risk of financial nonperformance, the Exchange requires members to post margin, in the form of cash, U.S. government securities or irrevocable letters of credit. The Exchange also requires guaranty fund deposits from clearing members which would be available to cover financial nonperformance. (See Notes 12 and 13.) The Exchange has extensive surveillance and compliance operations and procedures to monitor and enforce the rules pertaining to trading, position limits and financial condition of its members.

BASIS OF PRESENTATION -- The accompanying consolidated financial statements are presented on an accrual basis in conformity with accounting principles generally accepted in the United States of America.

PRINCIPLES OF CONSOLIDATION -- The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries NYMEX Exchange, COMEX, COMEX Clearing Association, Inc. ("CCA"), and NYMEX Technology Corp. (which became inactive in November 1996). Intercompany balances and transactions have been eliminated in consolidation.

USE OF ESTIMATES -- The preparation of the accompanying consolidated financial statements and related notes in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and the disclosure of contingent liabilities. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS -- Cash and cash equivalents consist of cash and all highly-liquid investments with maturities of three months or less when purchased. The fair value of cash and cash equivalents approximates their carrying amounts. The Company set aside \$17.7 million and \$10.4 million in cash and cash equivalents for the members' retention plan as of December 31, 2000 and 1999, respectively.

Securities purchased under agreements to resell are treated as cash equivalents and are carried at contract value, as specified in the agreements. The market value of securities purchased under agreements to resell is monitored by the Company and additional collateral is obtained as necessary to protect against credit exposure. At December 31, 2000 and 1999, U.S. government securities held in a segregated account by a U.S. money-center bank collateralized the securities purchased under agreements to resell.

MARKETABLE SECURITIES -- The Company invests primarily in high-grade tax-exempt municipal bonds and direct obligations of the U.S. government and its agencies. The Company has classified all of its investments in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

debt and equities as trading. Management determines the appropriate classification of debt and equity securities at the time of purchase and re-evaluates such classification at each balance sheet date.

Trading securities are bought and held principally for the purpose of selling them in the near future and are carried at fair value based on quoted market prices. The resulting unrealized gains or losses are recognized currently in the Consolidated Statements of Operations and Retained Earnings/Members' Equity. Realized gains or losses from the sales of marketable securities are determined on the specific identification basis and are included in Investment Income, Net in the Consolidated Statements of Operations and Retained Earnings/Members' Equity.

REVENUE RECOGNITION -- The largest source of the Company's operating revenues are clearing and transaction fees. These fees are recognized as revenue in the same period that trades are effectuated on the Exchange. Clearing and transaction fees receivable are monies due the Exchange from clearing member firms. Exposure to losses on receivables is principally dependent on each member firm's financial condition. Fees owed to the Exchange are collateralized by members' interests. At the end of December 31, 2000 and 1999, no clearing and transaction fees receivable balance was greater than the member's interests. Management does not believe that a concentration of credit risk exists from these receivables. The Company retains the right to liquidate a member's interests in order to satisfy its receivable.

Clearing and transaction fees receivable are carried at amounts that approximate fair value, net of allowances for member credits which are based upon expected billing adjustments. An allowance for member credits of \$1,000,000 and \$1,500,000 has been established based on historical recording of these subsequent credits and has been applied as a reduction of clearing and transaction fees receivable at December 31, 2000 and 1999, respectively. The Company believes the allowances are adequate to cover member credits. The Company also believes the likelihood of incurring material losses due to collectibility is remote and therefore no allowance for doubtful accounts is necessary.

Effective January 1, 1996, the NYMEX Division adopted a fee reduction program, pursuant to which certain clearing fees of NYMEX Division members are substantially reduced. The Exchange adopted a fee reduction program for futures commission merchants (FCMs) effective January 1, 1998 and similar fee reduction programs for local owners and floor brokerage operations effective January 1, 1999. These programs have been established to reduce various operating costs to these participants such as telephone, rent and marketing expenses.

The Company provides real time information to subscribers regarding prices of futures and options contracts traded on the Exchange. As is common business practice in the industry, fees are remitted to the Exchange by market data vendors on behalf of subscribers. Revenues are accrued for the current month based on the last month reported. The Company conducts periodic audits of the information provided. At December 31, 2000, four vendors represented a receivable balance greater than 5% of the total balance. An allowance for uncollectible receivables of \$1,600,000 and \$500,000 has been applied as a reduction to the December 31, 2000 and 1999 market data fees receivable balances, respectively.

PROPERTY AND EQUIPMENT -- Property and equipment are stated at cost, less allowances for depreciation and amortization. Depreciation and amortization are provided utilizing the straight-line method over the estimated useful lives of the assets or lease terms, whichever is shorter. (See Note 4.)

The following table summarizes the years over which significant assets are generally depreciated or amortized:

Building and improvements.....	20 to 60 years
Information system equipment.....	4 to 10 years
Furniture, fixtures, office machinery and other.....	3 to 15 years
Leasehold improvements.....	15 to 40 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Where different depreciation methods or lives are used for tax purposes, deferred income taxes are recorded. The Company capitalizes purchases of software and amortizes these costs using the straight-line method over a period of three years. Beginning in 1999, the Company capitalized internally developed software and implementation costs based on a project-by-project analysis. All capitalized internally developed software costs are amortized using the straight-line method over the estimated useful lives of the software, not exceeding five years.

The carrying value of property and equipment is assessed annually and/or when factors indicating an impairment may be present. The Company determines such impairment by measuring undiscounted future cash flows. If an impairment is present, the assets are reported at the lower of carrying value or fair value. There were no impairments recognized for the years ended December 31, 2000 and 1999. The loss on disposition of assets included in the Consolidated Statements of Operations and Retained Earnings/Members' Equity for these years represents the net book value of property retired from service.

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized and depreciated. Fully depreciated assets are retained in property and accumulated depreciation accounts until removed from service. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations.

GOODWILL -- Goodwill, representing the excess of the purchase price over the fair value of the net assets of COMEX (acquired in August 1994), is being amortized on a straight-line basis over the period of expected benefit of 15 years. The accumulated amortization balance as of December 31, 2000, and 1999 was \$13,817,000 and \$11,663,000, respectively. Periodically, the Company reviews the recoverability of goodwill. The measurement of possible impairment is based on the ability to recover the balance of the goodwill from expected future operating cash flows on an undiscounted basis. There were no impairments recognized during any of the periods presented.

INCOME TAXES -- The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting For Income Taxes. SFAS No. 109 requires that deferred taxes be established based upon the temporary differences between financial statement and income tax bases of assets and liabilities using the enacted statutory rates. A valuation allowance is recognized if it is anticipated that some or all of a deferred tax asset may not be realized. (See Note 10.)

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS -- The Company accounts for certain postretirement benefits in accordance with SFAS No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions. SFAS No. 106 requires the Company to accrue the estimated cost of retiree benefit payments other than pensions during the employees' active service lives. For the Company, such benefits consist principally of health care benefits. (See Note 9.)

POSTEMPLOYMENT BENEFITS -- The Company has certain postemployment benefit plans covering its employees. The benefit plans provide severance, disability, supplemental health care, life insurance or other welfare benefits. The Company accrues the cost of certain benefits provided to former or inactive employees during the employee's active years of service.

SEGMENT REPORTING -- Management reports on two segments: the NYMEX Division, providing futures and options trading of energy product contracts and platinum group metals contracts, and the COMEX Division, providing futures and options trading of precious metals contracts, copper and aluminum contracts, and the FTSE Eurotop 100(R) stock index futures and options contracts and FTSE Eurotop 300(R) futures contracts. Management is currently using revenues of these two divisions as a measurement of operating performance. (See Note 14.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

DEFERRED CREDIT -- GRANT FOR BUILDING CONSTRUCTION

By agreement dated May 18, 1995, the Company secured a grant from the New York City Economic Development Corporation (EDC) and the Empire State Development Corporation (ESDC, formerly called the New York State Urban Development Corporation) for approximately \$128.7 million for construction of a new facility. The grant is being recognized in income on the same basis as and matched to the depreciation of the facility. (See Note 15.) The 2000, 1999 and 1998 amortization of the deferred credit is recorded as a reduction to depreciation and amortization expense.

MARKETING COSTS

Marketing costs include costs incurred for producing and communicating advertising and other marketing activities. These costs are expensed when incurred.

EARNINGS PER SHARE

The Company has only one type of earnings per share calculation, basic earnings per share. In accordance with SFAS No. 128, Earnings per Share, basic earnings per common share are based on the weighted average number of common shares outstanding in each year. There are no common stock equivalents and thus, no dilution of earnings per share.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which was later amended by SFAS No. 138. Among other provisions, it requires that entities recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Gains and losses resulting from changes in the fair values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting treatment. The effective date of this standard was delayed via the issuance of SFAS No. 137. The effective date of SFAS No. 133 is now for fiscal years beginning after June 15, 2000, though earlier adoption is encouraged and retroactive application is prohibited. Effective January 1, 2001, the Company adopted this statement. Upon adoption, SFAS No. 133 had no impact on the Company's financial position or results of operations.

In September 2000, the FASB issued SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities -- a Replacement of FASB Statement No. 125, which revises the standards of accounting for securitizations and other transfers of financial assets and collateral. The provisions of SFAS No. 140 carry over most of the guidance outlined in SFAS No. 125 and further establish accounting and reporting standards with a financial-components approach that focuses on control. Under this approach, financial assets or liabilities are recognized when control is established and derecognized when control has been surrendered or the liability has been extinguished. In addition, specific implementation guidelines have been established to further distinguish transfers of financial assets that are sales from transfers that are secured borrowings. SFAS No. 140 is effective prospectively, for transfers occurring after March 31, 2001 and for disclosures relating to securitization transactions and collateral for fiscal years ended after December 15, 2000. The Company has adopted the provisions of SFAS No. 140 that relate to disclosures of securitization transactions and collateral in the preparation of its consolidated financial statements for the year ended December 31, 2000. The Company will adopt the remaining provisions of SFAS No. 140, as required in 2001, and is currently assessing their impact.

RECLASSIFICATIONS -- Certain reclassifications have been made to the 1999 and 1998 consolidated financial statements to conform to the 2000 presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

2. COLLATERIZATION

At December 31, 2000, the Company had accepted collateral in the form of United States treasury bills that it is permitted by contract or industry practice to sell or repledge, although it is not the Company's policy to do so. This collateral was received in connection with reverse repurchase agreements with and is held in custody by its banks. The fair value of such collateral at December 31, 2000 was approximately \$30,108,000.

3. DEMUTUALIZATION

On May 12, 2000, the Company's Form S-4 Registration Statement, with respect to its plan to demutualize, was declared effective by the Securities and Exchange Commission. As a result, NYMEX Holdings owns all of the equity of the Exchange and current NYMEX Division members received all of the stock of NYMEX Holdings, while retaining their trading privileges in NYMEX Exchange. This plan was subsequently approved by the members. The previous contract market designations of pre-demutualization New York Mercantile Exchange were transferred to NYMEX Exchange. A favorable IRS letter ruling was received on October 23, 2000 stating that there would be no adverse tax consequences resulting from the demutualization transaction. The demutualization was completed on November 17, 2000.

Expenses incurred for demutualization consisted of accounting, investment banking, legal printing and SEC filing fees, are shown as a separate line item on the Consolidated Statements of Operations and Retained Earnings/Members' Equity.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at cost, less related accumulated depreciation and amortization of \$44,932,000 at December 31, 2000 and \$31,323,000 at December 31, 1999.

PROPERTY AND EQUIPMENT (IN THOUSANDS)

	DECEMBER 31, 2000		DECEMBER 31, 1999	
	NET	GROSS	NET	GROSS
Building and improvements.....	\$167,821	\$179,536	\$170,420	\$178,780
Information system equipment.....	28,288	50,384	32,742	50,188
Furniture, fixtures, office machinery and other.....	27,982	38,376	24,937	29,760
Leasehold improvements.....	456	1,183	514	1,208
	-----	-----	-----	-----
	\$224,547	\$269,479	\$228,613	\$259,936
	=====	=====	=====	=====

Depreciation and amortization expense of property and equipment is presented net of amortization of the deferred credit. This amortization of deferred credit was \$2.1 million, \$2.1 million, and \$1.9 million in 2000, 1999 and 1998, respectively.

In 2000, the Company retired from service capital assets and their related accumulated amortization and depreciation totaling \$3.2 million and \$2.4 million, respectively. The resulting loss (remaining net book value) of \$0.8 million was recognized in current earnings. In 1999, a similar loss of \$1.3 million was recognized and included in the Consolidated Statement of Operations and Retained Earnings/Members' Equity. For the year ended December 31, 1998, \$2.8 million for disposed assets was recognized in the Consolidated Statement of Operations and Retained Earnings/Members' Equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

5. NOTES PAYABLE

Notes payable consisted of the following at December 31:

	(IN THOUSANDS)	
	2000	1999
	-----	-----
Private Placement Notes:		
7.48%, Senior Notes, Series A, due 2011.....	\$ 31,000	\$ 31,000
7.75%, Senior Notes, Series B, due 2021.....	54,000	54,000
7.84%, Senior Notes, Series C, due 2026.....	15,000	15,000
	-----	-----
	100,000	100,000
Less current maturities.....	2,815	--
	-----	-----
Long-term debt.....	\$ 97,185	\$100,000
	=====	=====

The Company issued a private offering of debt during 1996 and 1997, totaling \$100 million to provide completion financing for the new Company trading facility and headquarters. This issue contained three series each with different maturities, interest rates, and required repayment schedules. Series A notes require annual principal repayments from 2001 to 2010, and a final payment of principal in 2011. Series B notes require annual principal repayments from 2011 to 2020, and a final payment of principal in 2021. Series C notes require annual principal repayments from 2022 to 2025, and a final payment of principal in 2026. The notes represent senior unsecured obligations of the Company and are not secured by the facility, the Company's interest therein, or any other collateral.

Long-term debt that becomes due during the next five years is as follows:

	(IN THOUSANDS)

2002.....	\$2,815
2003.....	2,815
2004.....	2,815
2005.....	2,815
2006.....	2,815

6. MEMBERS' RETENTION PROGRAMS

On October 4, 2000, the Company's Board of Directors voted to terminate the NYMEX Division Members' Retention and Retirement Plan. The Company had maintained a Retention Program under which qualified NYMEX Division members, based on long-term and continuous membership, as defined, may receive payments of \$25,000 per year for 10 years. The program was amended to increase the scheduled payment by three percent each year, commencing July 1, 1996, and then remain fixed for each recipient at each respective level. The assets of this Plan were distributed in January 2001. The value of the assets and related liability, as of December 31, 2000, was \$33.2 million. The liability is classified as current on the Consolidated Balance Sheet. Program commitments were recognized by a transfer from members' equity to a subordinated commitment to the membership. For each of the years ended December 31, 2000, 1999, and 1998, \$3,600,000 was transferred.

The Company also maintains a Retention Program for members of the COMEX Division. The program is similar to the terminated NYMEX Division program, except that the annual benefit payments are \$12,500 (\$2,000 for options members) for vested participants and no new participants were permitted after the date of the merger. No payments may be made prior to January 1, 2002. In addition, under the terms of the COMEX merger agreement, the COMEX Division program will be funded at a minimum of \$400,000 annually. In any year in which the Company funds the NYMEX Division program or makes a distribution to NYMEX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Division members, the funding shall be \$800,000. Such amounts may be reduced if actuarial assumptions indicate that full funding can be achieved without making the entire funding contributions indicated above. Prior to the demutualization of the Company on November 17, 2000, corporate contributions to the plan were recognized as direct transfers from members' equity. After demutualization, corporate contributions are charged against current operations.

All benefits to be paid under the COMEX Division program shall be based upon reasonable actuarial assumptions which, in turn, are based upon the amounts that are available and are expected to be available to pay benefits, except that the benefits paid to any individual will not exceed the amounts stated above. Subject to the foregoing, the Board of Directors of the Company reserves the right to amend or terminate the program upon an affirmative vote of 60% of the eligible COMEX Division plan participants.

7. DEFINED CONTRIBUTION PLAN

The Company sponsors a defined contribution plan (the "Plan") for all eligible domestic employees. The Plan qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Plan, participating employees may defer up to 15 % of their pre-tax earnings, subject to the annual Internal Revenue Code contribution limit. The Company matches contributions up to a maximum of 3 % of salary. In addition, the Company makes annual contributions ranging from 2% to 7% based upon tenure for each eligible Plan member. Employees vest immediately in their contribution and vest in the Company's contribution at a rate of 40 % after two full years of service, and then 20 % per year until fully vested at 100 % after five years of service. The Company's total contributions to the Plan were \$1.8 million, \$1.6 million and \$1.6 million for each of the years ended December 31, 2000, 1999 and 1998, respectively.

8. DEFERRED COMPENSATION

Effective July 1, 1997, the Company instituted a nonqualified deferred compensation plan (the "Deferred Plan") for key employees to permit them to defer receipt of current compensation in order to provide retirement benefits on behalf of such employees. The Company may provide a matching and a regular year-end contribution to the Deferred Plan. Matching and year-end contribution percentages follow the same guidelines as the Company's defined contribution plan. The Deferred Plan is not intended to be a qualified plan under the provisions of the Internal Revenue Code. It is intended to be unfunded and, therefore, all compensation deferred under the Deferred Plan is held by the Company and commingled with its general assets. The participating employees are general creditors of the Company with respect to these benefits. The Company has the right to amend, modify, or terminate the Deferred Plan at any time.

9. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

In addition to providing pension benefits, the Company provides certain health care and life insurance benefit plans for qualifying retired employees. Substantially all of the Company's employees may become eligible for these benefits if they reach specified age and years of service criteria while working for the Company. The benefits are provided through certain insurance companies. The Company expects to fund its share of such benefit costs principally on a pay-as-you-go basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The following table presents the funded status of such plans reconciled with amounts recognized in the Company's consolidated financial statements at December 31 (in thousands):

	2000	1999
	----	----
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation, beginning of year.....	\$ 3,761	\$ 4,168
Service cost.....	339	446
Interest cost.....	311	248
Actuarial loss (gain).....	429	(942)
Benefits paid.....	(183)	(159)
	-----	-----
Accumulated postretirement benefit obligation, end of year.....	\$ 4,657	\$ 3,761
	=====	=====
Funded status.....	\$(4,657)	\$(3,761)
Unrecognized transition obligation.....	1,355	1,452
Unrecognized prior service cost.....	(1,494)	(1,613)
Unrecognized net gain.....	(1,241)	(1,733)
	-----	-----
Accrued postretirement benefit cost, end of year.....	\$(6,037)	\$(5,655)
	=====	=====

	2000	1999	1998
	----	----	----
Net periodic postretirement benefit cost consists of the following components for the years ended December 31 (in thousands):			
Service cost.....	\$ 339	\$ 446	\$ 461
Interest cost.....	331	248	239
Amortization of:			
Transition obligation.....	97	96	96
Prior service cost.....	(119)	(118)	(118)
Net gain.....	(62)	(57)	(43)
	-----	-----	-----
Net periodic postretirement benefit cost.....	\$ 586	\$ 615	\$ 635
	=====	=====	=====

The weighted-average discount rates used in determining the accumulated postretirement benefit obligation were 7.50% and 7.75% at December 31, 2000 and 1999, respectively.

The weighted-average annual assumed rates of increase in the per capita cost to cover benefits (i.e., health care cost trend rate) is 10.0% for 2000 and is assumed to decrease gradually to 5% by 2005 and remain level thereafter.

The following shows the impact of a 1% change in the trend rate:

	1% POINT INCREASE	1% POINT DECREASE
	-----	-----
Effect on total of service and interest cost.....	\$ 52,058	\$ (48,678)
Effect on accumulated postretirement benefit obligation.....	\$339,484	\$(314,803)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

10. INCOME TAXES

The (benefit) provision for income taxes in the Consolidated Statements of Operations and Retained Earnings/Members' Equity for the years ended December 31, 2000, 1999 and 1998, respectively, consisted of the following (in thousands):

	2000	1999	1998
	----	----	----
Current:			
Federal.....	\$(1,475)	\$4,391	\$(2,024)
State and local.....	844	1,533	25
	-----	-----	-----
	(631)	5,924	(1,999)
	-----	-----	-----
Deferred:			
Federal.....	(1,804)	2,844	5,717
State and local.....	(705)	135	2,545
	-----	-----	-----
	(2,509)	2,979	8,262
	-----	-----	-----
Total (benefit) provision.....	\$(3,140)	\$8,903	\$ 6,263
	=====	=====	=====

Reconciliation of the statutory U.S. federal income tax rate to the effective tax rate on income before tax is as follows:

	2000	1999	1998
	----	----	----
Statutory U.S. federal tax rate.....	34.0%	34.0%	35.0%
State and local taxes, net of federal benefit.....	(0.2%)	13.6%	0.1%
Member benefits.....	5.8%	--%	12.2%
Amortization of goodwill.....	(12.4%)	4.7%	6.1%
Deferred credit amortization--grant for building construction.....	12.3%	(4.7%)	(5.5%)
Tax-exempt income.....	18.5%	(5.1%)	(6.4%)
Nondeductible expenses.....	(3.4%)	1.5%	2.1%
Valuation allowance.....	(2.0%)	--%	--%
Rate change.....	12.4%	--%	--%
Change in estimate.....	(16.2%)	--%	--%
Other, net.....	4.2%	(1.8%)	7.1%
	-----	-----	-----
Effective tax rate.....	53.0%	42.2%	50.7%
	=====	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

At December 31, the components of net deferred tax assets (liabilities) were as follows (in thousands):

	2000	1999
	----	----
Current		
Assets:		
Unrealized losses on marketable securities.....	\$ --	\$ 304
Accrued expenses.....	156	89
Federal net operating loss carryforwards.....	166	41
State and city net operating losses.....	365	--
Suspended charitable contributions.....	453	--
Demutualization costs.....	447	--
Other.....	--	103
	-----	-----
	1,587	537
	-----	-----
Liabilities:		
Unrealized gains on marketable securities.....	(297)	--
Other.....	(102)	(61)
	-----	-----
	(399)	(61)
	-----	-----
Total current net deferred tax assets.....	\$ 1,188	\$ 476
	=====	=====
Noncurrent		
Assets:		
Postretirement benefits.....	\$ 3,262	\$ 3,177
Deferred compensation.....	318	237
Suspended capital loss.....	--	134
Suspended charitable contributions.....	774	607
Federal net operating loss carryforwards.....	325	440
Demutualization costs.....	1,711	--
AMT credit carryforwards.....	943	943
Market data reserve.....	229	--
Other.....	103	98
	-----	-----
	7,665	5,636
	-----	-----
Liabilities:		
Depreciation and amortization.....	(18,422)	(18,204)
	-----	-----
Total noncurrent deferred tax liabilities.....	(10,757)	(12,568)
Less valuation allowance.....	(118)	--
	-----	-----
Total net noncurrent deferred tax liabilities.....	\$(10,875)	\$(12,568)
	=====	=====

A valuation allowance of \$118 was established in 2000 in accordance with provisions of SFAS No. 109. The allowance has been established due to the uncertainty of realizing certain tax loss carryforwards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

11. REDUCTION-IN-WORKFORCE

On August 1, 2000, the Company implemented a reduction-in-workforce program resulting in the elimination of 10% of the Company's staff. These employees were notified and terminated by the end of the year. This program was adopted in an effort to establish a more cost-efficient business structure in response to competition. These staff reductions encompassed various professional and clerical positions throughout the Company. Restructuring and related costs recorded in fiscal 2000 totaled \$1.9 million pretax or \$2,328 per share. \$1.8 million of these charges were for severance payments to affected employees, \$100,000 of which is owed as of December 31, 2000. The remaining \$100,000 of the program's costs represents benefits payments made to employees for the rest of the 2000 year.

12. SEGREGATED FUNDS

The Company is required under the Commodity Exchange Act to segregate cash and securities that are deposited by clearing members at banks approved by the Company as margin for house and customer accounts; such assets belong to members and thus are not included in the accompanying consolidated financial statements. At December 31, 2000 and 1999, \$8,615 and \$1,872,134 of cash, \$5,435,298,000 and \$2,832,567,000 of U.S. Treasury obligations, and \$111,970,000 and \$24,200,000 of U.S. Treasury bills purchased under agreements to resell, respectively, were segregated pursuant to such regulations by the NYMEX Division. In addition, at December 31, 2000 and 1999, the NYMEX Division held irrevocable letters of credit amounting to \$452,652,000 and \$248,089,600, respectively, which are used by members to meet their obligations to the Company for margin requirements on both open futures and options positions, as well as delivery obligations in lieu of depositing cash and/or securities. The Company invests cash deposits and earns interest thereon. All income earned on deposits of U.S. government securities accrue to the member firms depositing such securities.

At December 31, 2000 and 1999, the COMEX Division's segregated funds consisted of \$572 and \$2,984,384 in cash, \$507,545,000 and \$763,650,000 in U.S. Treasury bills, and \$1,700,000 and \$4,150,000 of U.S. Treasury bills purchased under agreements to resell, respectively. The COMEX Division also holds irrevocable letters of credit aggregating \$30,450,000 and \$89,650,000 as of December 31, 2000 and 1999, respectively.

13. GUARANTY FUND

Each clearing member is required to maintain a security deposit, in the form of cash or U.S. Treasury securities, ranging from \$100,000 to \$2,000,000, depending upon such clearing member's reported regulatory capital, in a fund known as a "Guaranty Fund" for the respective clearing division (NYMEX and/or COMEX). Separate and distinct Guaranty Funds, held by the Company, are maintained for the NYMEX and COMEX Divisions. These funds may be used by the respective divisions for any loss sustained by the Company as a result of the failure of a clearing member to discharge their obligations.

At December 31, 2000 and 1999, the total deposits maintained in the NYMEX Division Guaranty Fund were \$79,276,000 and \$83,966,000, respectively. At December 31, 2000 and 1999, the total deposits for the COMEX Division Guaranty Fund were \$77,812,000 and \$76,944,141, respectively.

14. SEGMENT REPORTING

The Company has two operating segments: the NYMEX Division, providing futures and options trading of energy product contracts and platinum group metals contracts, and the COMEX Division, providing for futures and options trading of precious metals contracts, copper and aluminum contracts, and FTSE Eurotop 100(R) stock index futures and options and FTSE Eurotop 300(R) futures contracts. At present, the Company does not consider enymex(SM) to be a business segment. The Company believes this will be a segment to be

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

reported on in 2001. enymex(SM) is an internet-based trading platform that will be open to all clearing member approved participants. A summary by business segment follows (in thousands):

	NYMEX -----	COMEX -----	TOTAL -----
Year Ended December 31, 2000			
OPERATING REVENUES:			
Clearing and transaction fees			
Regular trading hours(1).....	\$ 80,986	\$18,257	\$ 99,243
NYMEX ACCESS(R)(2).....	6,350	634	6,984
Market data fees.....	18,566	15,056	33,622
Other.....	4,540	207	4,747
Member fee rebates.....	(13,727)	--	(13,727)
	-----	-----	-----
Total operating revenues.....	\$ 96,715	\$34,154	\$130,869
	=====	=====	=====
Year Ended December 31, 1999			
OPERATING REVENUES:			
Clearing and transaction fees			
Regular trading hours(1).....	\$ 85,512	\$24,313	\$109,825
NYMEX ACCESS(R)(2).....	7,420	1,026	8,446
Market data fees.....	18,997	15,692	34,689
Other.....	4,327	213	4,540
Member fee rebates.....	(13,065)	--	(13,065)
	-----	-----	-----
Total operating revenues.....	\$103,191	\$41,244	\$144,435
	=====	=====	=====
Year Ended December 31, 1998			
OPERATING REVENUES:			
Clearing and transaction fees			
Regular trading hours(1).....	\$ 73,199	\$22,332	\$ 95,531
NYMEX ACCESS(R)(2).....	5,668	837	6,505
Market data fees.....	18,864	15,994	34,858
Other.....	4,196	765	4,961
Member fee rebates.....	(11,272)	--	(11,272)
	-----	-----	-----
Total operating revenues.....	\$ 90,655	\$39,928	\$130,583
	=====	=====	=====

(1) Clearing and transaction fees generated from trading on the open outcry system during regular business hours.

(2) Clearing and transaction fees generated from trading on the NYMEX ACCESS(R) system.

15. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in legal proceedings and litigation arising in the ordinary course of business. Set forth below are descriptions of legal proceedings and litigation to which the Company is a party as of December 31, 2000. Although there can be no assurance as to the ultimate outcome, the Company believes that it has a meritorious defense and will deny liability in all significant cases pending against it, including the matters described below, and intends to defend vigorously each such case. While the ultimate result of the proceedings against the Company cannot be predicted with certainty, it is the opinion of management, after consultation with outside legal counsel, that the resolution of these matters, in excess of amounts already recognized, will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Company has been named as a defendant in the following legal actions:

Electronic Trading Systems Corporation v. New York Mercantile Exchange. This action was originally filed in the United States District Court for the Northern District of Texas (Dallas Division) and is now pending in United States District Court for the Southern District of New York. NYMEX Exchange was served with a summons and complaint on or about May 10, 1999. This is a patent infringement case. Plaintiff alleges that it is the owner of United States Patent No. 4,903,201 entitled "Automated Futures Trade Exchange" and that NYMEX Exchange is infringing this patent through use of its electronic trading system. Plaintiff seeks an unspecified amount of royalties. On September 15, 2000, the Court granted NYMEX Exchange's motion to sever and transfer venue to the Southern District of New York. This case is in discovery. Mediation is pending in this matter.

Enrique Rivera and Edith Rivera v. New York Mercantile Exchange, Mark Kessloff, Les Faison, Brian Bartichek and John Does "1-10." This action is pending in New York State Supreme Court (Bronx County). NYMEX Exchange was served with the summons and complaint on or about April 22, 1999. This is an ethnic discrimination case. Plaintiff alleges that throughout his employment with NYMEX Exchange he was subjected to a hostile work environment and discrimination regarding his ethnic origin. Plaintiff seeks an unspecified amount of compensatory and punitive damages. The case is in discovery.

Western Capital Design, LLC On Its Own Behalf and on behalf of those similarly situated v. New York Mercantile Exchange and John Does "1-50." This action is pending in United States District Court for the Southern District of New York. NYMEX Exchange was served with the summons and complaint on or about February 17, 1999. This action relates to alleged wrongful conduct by NYMEX Exchange and certain members regarding the execution of heating oil and natural gas options. Plaintiff alleges that the prices it was charged for heating oil and natural gas options were improper and that these improper transactions affected the market price at which plaintiff transacted its trading. Plaintiff seeks compensatory damages and \$75,000,000 in punitive damages. This action was commenced in State Court in Florida. It was removed to Federal Court by notice of removal filed March 8, 1999. Venue was transferred to the Southern District of New York by an order dated May 11, 1999. NYMEX Exchange's motion to dismiss was filed on November 12, 1999 and granted on March 31, 2000. NYMEX Exchange was served with an amended complaint on or about April 26, 2000. NYMEX Exchange's motion to dismiss the amended complaint was granted and the complaint was dismissed with prejudice on February 16, 2001.

Luxembourg Henry and Jose Terrero v. NY Mercantile Exchange. This action is pending in New York State Supreme Court (New York County). NYMEX Exchange was served with a summons and complaint on January 24, 2001. Plaintiffs are former employees who were terminated as part of the 10% reduction in force that occurred in July 2000. Plaintiffs allege harassment and discrimination because of race (Henry) and national origin (Terrero) and that they were improperly terminated. Henry seeks reinstatement to his former position; compensatory damages in the amount of \$9,320,000 for lost wages, fringe benefits and emotional distress; and costs and disbursements. Terrero seeks reinstatement to his former position; compensatory damages in the amount of \$4,500,000 for lost wages, fringe benefits and emotional distress and costs and disbursements. NYMEX Exchange served its answer on February 13, 2001.

The Company occupies premises under leases with various lessors which expire in 2001 through 2069. For the years ended December 31, 2000, 1999 and 1998, rental expense for the premises amounted to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

\$2,019,950, \$1,998,996 and \$2,242,665, respectively. At December 31, 2000, the Company was obligated for future minimum rental payments required under the noncancelable terms of various leases as follows:

	(IN THOUSANDS)
2001.....	\$ 1,640
2002.....	1,506
2003.....	1,506
2004.....	1,756
2005.....	2,070
2006 and thereafter.....	13,264

Total.....	\$21,742
	=====

The Company began sub-leasing space in its headquarters during 1997. Rents earned from these rentals were \$3,385,882, \$3,159,875 and \$1,879,656 during 2000, 1999 and 1998, respectively.

The leases on the Company's corporate headquarters, as well as the back-up data center, include scheduled base rent increases over the term of the lease. The total amount of the base rent payments is being charged to expense on the straight-line method over the term of the lease. The Company has recorded a deferred credit to reflect the excess of rent expense over cash payments since inception of the lease.

In 1994, the Company entered into a Letter of Intent with Battery Park City Authority ("BPCA"), the New York City Economic Development Corporation ("EDC"), and the Empire State Development Corporation ("ESDC," formerly called the New York State Urban Development Corporation) to construct a new trading facility and office building on a site in Battery Park City. By agreement dated May 18, 1995, EDC and ESDC agreed to provide funding of \$128.7 million to construct the facility. The Company is liable for liquidated damages on a declining scale, with an initial maximum of up to \$75 million, if it violates terms of the occupancy agreement at any time prior to the 15 years from the date of occupancy.

In May 1995, the Company signed a ground lease (expiring June 2069) with BPCA for the new trading facility. The lease establishes payments in lieu of taxes ("PILOTS") due to New York City, as follows: for the trading portion of the facility, PILOTS are entirely abated for the first 20 years after occupancy and, thereafter, at an amount equal to assessment; for the office portion of the facility, PILOTS are entirely abated for one year after occupancy, at a percentage of assessment (ranging from 25% to 92.5%) for the next 10 years and, thereafter, at an amount equal to assessment. Sub-let space is not eligible for abatements.

EMPLOYMENT AGREEMENTS

The Company has an employment and compensation agreement with one of its executive officers. This agreement provides for the named officer to earn a minimum of \$500,000 per year through 2003. In addition to the stated annual salary, the executive shall have the opportunity to receive an annual bonus in an amount to be determined by the Board of Directors, but in no event less than \$250,000 per year.

16. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following are descriptions of material transactions involving the Company and its directors:

Pioneer Futures, Inc., of which the Chairman of the Board of the Company is the sole shareholder, currently leases from the Exchange approximately 41,768 square feet of space at the One North End facility. Pioneer has nine leases as follows: (1) 5,019 square feet expiring on November 2, 2002; (2) 10,360 square feet expiring on December 4, 2002; (3) 2,840 square feet expiring on December 15, 2002; (4) 561 square feet

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

expiring on January 1, 2003; (5) 1,372 square feet expiring on June 1, 2003; (6) 792 square feet expiring on August 1, 2003; (7) 1,213 square feet expiring on September 1, 2003; (8) 718 square feet expiring on December 1, 2003; (9) 18,893 square feet expiring on July 1, 2005. The current aggregate annual rent for these spaces is \$1,601,162.

Sterling Commodities Corp., of which a Company board member is president, currently leases from the Exchange approximately 6,253 square feet of space at the One North End facility. The lease expires on November 23, 2002. The current annual rent for this space is \$225,108. The president's father is CEO and 100% owner of the company.

Genesis 10, of which a Company board member is the founder and chief executive officer, is an information technology consulting firm. This board member owns 90% of the equity interest of Genesis 10. In addition, the Company has entered into a written contractual relationship with Genesis 10 under which Genesis 10 provides the services of one temporary Senior Developer/Architect. Approximately \$395,000 has been paid by the Company to Genesis 10 for services rendered from October 1999 to the present. Furthermore, if the Senior Developer/Architect is hired on a permanent basis, the Exchange will be obligated to pay Genesis 10 a fee of 30% of annual compensation.

Seat Financing Program

The Company has provided financial guarantees and pledged collateral relating to a membership seat financing program with one of its banks. Pursuant to the program, the member remains primarily liable for the loan which is used to purchase an interest in the Company. The Company's guarantee is limited to the lesser of \$500,000 or 50% of the purchase price of the membership interest, and the Company has the right to liquidate the interest if the member defaults on the loan. Under the program, the Company may issue guarantees totaling, in the aggregate, up to \$11 million. As of March 10, 2001, the following directors had loan balances relating to this program of greater than \$60,000: Robert Coakley (\$322,910) and Stephen Karvellas (\$232,750).

17. SUBSEQUENT EVENT

The assets of the NYMEX Division Members' Retention and Retirement Plan held in a trust were distributed in January 2001. The value of the assets and related liability, as of December 31, 2000 was \$33.2 million and is classified as a current liability on the Consolidated Balance Sheet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

18. QUARTERLY FINANCIAL DATA (UNAUDITED)

(In thousands, except per share data)

Quarter Ended	2000			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

Volumes				
NYMEX Division.....	22,463	22,055	22,514	21,689
COMEX Division.....	4,828	4,072	3,240	3,213
Summarized financial data				
Net revenues.....	\$34,637	\$32,425	\$32,819	\$30,988
Income (loss) from operations.....	2,597	(4,021)	(4,739)	(1,395)
Provision (benefit) for income taxes.....	1,417	(3,910)	(2,051)	1,404
Net income (loss).....	1,535	(1,970)	(1,898)	(448)
Net income (loss) per common share.....	1,881	(2,414)	(2,326)	(549)
Dividends per common share.....	--	--	--	--
Common stock prices				
High.....	\$725,000	\$650,000	\$700,000	\$700,000
Low.....	\$600,000	\$550,000	\$601,000	\$650,000

Note: On November 17, 2000, the Company's demutualization transaction was completed. Each existing NYMEX Division membership was exchanged for a share of common stock and a Class A membership in NYMEX Exchange. Common stock prices presented for the quarters in 1999 and through the third quarter of 2000 relate to membership interests, not common stock.

Quarter Ended	1999			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

Volumes				
NYMEX Division.....	20,636	22,138	24,278	22,137
COMEX Division.....	5,085	5,005	5,482	4,777
Summarized financial data				
Net revenues.....	\$35,098	\$35,701	\$38,188	\$35,448
Income from operations.....	7,038	6,918	8,847	2,069
Provision (benefit) for income taxes.....	3,089	2,600	4,098	(884)
Net income.....	3,346	2,816	4,440	1,588
Net income per common share.....	4,100	3,451	5,441	1,947
Dividends per common share.....	--	--	--	--
Common stock prices				
High.....	\$600,000	\$610,000	\$580,000	\$630,000
Low.....	\$565,000	\$570,000	\$551,000	\$567,000

State of Delaware

PAGE 1

Office of the Secretary of State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "NYMEX HOLDINGS, INC.", FILED IN THIS OFFICE ON THE EIGHTH DAY OF JANUARY, A.D. 2001, AT 9 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

3175181 8100

010010882

[SEAL]

/s/ Harriet Smith Windsor

Secretary of State

3175181 8100

AUTHENTICATION: 0902101

010010882

DATE: 01-08-01

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 01/08/2001
010010882 - 3175181

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
NYMEX HOLDINGS, INC.

The undersigned, Daniel Rappaport and Neil Citrone, do hereby certify that:

1. They are the duly elected and acting Chief Executive Officer and Secretary, respectively, of NYMEX Holdings, Inc. (the "Corporation"), a Delaware corporation.

2. In accordance with Section 242 and 245 of the General Corporation Law of Delaware, the Board of Directors hereby amends and restates the Certificate of Incorporation of the Corporation.

3. The Certificate of Incorporation of the Corporation, originally filed February 10, 2000, is hereby amended and restated to read in its entirety as follows:

FIRST: The name of the Corporation is NYMEX Holdings, Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The name of the registered agent at such address is Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

FOURTH: The Corporation shall have the authority to issue 816 shares of common stock, \$.01 par value per share.

FIFTH:

(a) Subject to paragraph (b) of this Article FIFTH, upon surrender to the Corporation or to any transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation or its transfer agent

shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the Corporation's books.

(b) Until such time as this Certificate of Incorporation is duly amended to eliminate the restriction on transfer contained in this paragraph (b), the shares of common stock of the Corporation shall be transferable only together with Class A memberships (each an "Exchange Membership") issued by New York Mercantile Exchange, Inc., a Delaware nonstock corporation (the "Exchange"). Accordingly, notwithstanding the provisions of paragraph (a) of this Article FIFTH, so long as this paragraph (b) remains in effect: (i) the shares of common stock of the Corporation shall not be transferable, and shall not be transferred on the books of the Corporation, unless a simultaneous transfer is made by the same transferor to the same transferee of a number of Exchange Memberships equal to the number of shares of common stock being transferred; (ii) each certificate evidencing ownership of shares of common stock of the Corporation shall be deemed to evidence the same number of Exchange Memberships and shall bear a legend prominently noting that fact and the restrictions on transfer contained in this Article FIFTH; and (iii) any attempted or purported transfer in violation of the provisions of this Article FIFTH shall be void. For purposes of the restrictions on transfer contained in this Article FIFTH, the term "transfer" shall be deemed not to include a lease of an Exchange Membership made in accordance with the Bylaws and rules of the Exchange.

SIXTH: Until such time as this Certificate of Incorporation is duly amended to eliminate the restriction on transfer contained in paragraph (b) of Article FIFTH:

(a) The Board of Directors shall consist of 22 members. The names and addresses (and designations as Class I, Class II or Class III directors for purposes of paragraph (b) of this Article SIXTH, as Chairman or Vice Chairman for purposes of paragraph (c) of this Article SIXTH, as members of categories (i) through (v) for purposes of paragraph (d) of this ARTICLE SIXTH and as Public Directors for purposes of paragraph (e) of this Article SIXTH) of the persons who are to serve as directors until their successors have been elected and qualified are as follows:

Name -----	Address -----	Class(1) -----	Category(2) -----
Daniel Rappaport	One North End Ave. New York, NY 10282	I	Chairman
Stephen Ardizzone	One North End Ave. New York, NY 10282	I	Floor Broker
Madeline Boyd	One North End Ave. New York, NY 10282	I	At Large
Thomas Costantino	Union Oil Company of Calif. 14141 Southwest Freeway Sugar Land, TX 77478	I	Trade
Robert Halper	One North End Ave. New York, NY 10282	I	Local
Harley Lippman	Genesis 10 950 3rd Ave., 26th Floor New York, NY 10022	I	Public
Gary Rizzi	A.G.E. Commodity Clearing, Corporation 125 Broad St., 40th Fl. New York, NY 10005	I	FCM
Robert Steele	138 River Road Essex, CT 06426	I	Public
Mitchell Steinhouse	One North End Ave. New York, NY 10282	II	Vice Chairman
Richard Schaeffer	ABN AMRO Inc. 2 WFC., 35th Fl. New York, NY 10281	II	FCM
Robert Coakley	Win Futures, Inc. One North End Ave. New York, NY 10282	II	At Large
John Conheaney	c/o One North End Ave. New York, NY 10282	II	Public
A. George Gero	Prudential Securities, Inc. One Liberty Plaza, 46th Floor New York, NY 10006	II	Trade

(1) I, II or III.

(2) Chairman/Vice Chairman/Floor Broker/FCM/Trade/Local/At Large/Public.

E. Bulkeley Griswold	L&L Capital Partners, LLC 274 Riverside Ave. Westport, CT 06880	II	Public
Steven Karvellas	Steven J. Karvellas & Co. One North End Ave. New York, NY 10282	II	Floor Broker
Kevin McDonnell	One North End Ave. New York, NY 10282	II	Local
Neil Citrone	Pioneer Futures, Inc One North End Ave. New York, NY 10282	III	FCM
David Greenberg	Sterling Commodities, Corp. One North End Ave. New York, NY 10282	III	Local
Jesse Harte	Duke Energy Trading and Marketing, LLC. One North End Ave. New York, NY 10282	III	Trade
Scott Hess	G&H Trading One North End Ave. New York, NY 10282	III	At Large
Richard Saitta	Star Futures Corporation One North End Ave. New York, NY 10282	III	Floor Broker

(b) The directors shall be divided into three classes, designated Class I, Class II and Class III (the designations of the initial directors at the time this Certificate of Incorporation takes effect being as specified in paragraph (a) of this Article SIXTH). Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The terms of the Class I directors shall first expire at the annual meeting of stockholders held in 2001; the terms of the Class II directors shall first expire at the annual meeting of stockholders held in 2002; and the terms of the Class III directors shall first expire at the annual meeting of stockholders held in 2003. At each annual meeting of stockholders, the successors to the class of directors whose term expires shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned so as to maintain the number of directors in each class as nearly equal as possible and any

additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting of stockholders for the year in which the director's term expires and until the director's successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

(c) The Board of Directors shall have a Chairman and a Vice Chairman who shall be designated as Chairman or Vice Chairman by the stockholders of the Corporation and who shall, when so designated, become members of the At Large category of Directors as described below. The Chairman shall be a member of Class I and the Vice Chairman shall be a member of Class II. The term of each of them shall expire at the expiration of the term of the applicable class. Successors to each of them shall be elected at the annual meeting of stockholders at which his or her term expires. In order to be designated as Chairman or Vice Chairman, a candidate for election to the Board must be designated in accordance with the procedures determined by the Board of Directors. The initial designations of the Chairman and Vice Chairman are set forth in paragraph (a) of this Article SIXTH. The Chairman and the Vice Chairman each shall have the power, authority and responsibilities provided in the Bylaws of the Corporation.

(d) Each Class of directors shall consist of at least one member from each of the categories indicated below;

(i) Floor Broker Group ("Floor Broker"), which consists of holders or lessees of Exchange Memberships whose principal commodity-related business is acting as a floor broker on the floor of the Exchange;

(ii) Futures Commission Merchant Group ("FCM"), which consists of holders or lessees of Exchange Memberships who are either officers, directors or partners of a corporation, partnership, association or sole proprietorship, the principal commodity-related business of which is the solicitation or acceptance of orders for commodity

futures and/or options transactions from customers, and in connection therewith accepts money, securities or other property to margin or guarantee such transactions and, which is registered with the Commodity Futures Trading Commission as a Futures Commission Merchant;

(iii) Trade Group ("Trade"), which consists of holders or lessees of Exchange Memberships who are either officers, directors or partners of a corporation, partnership, association or sole proprietorship, the principal commodity-related business of which is the production, processing or commercial use of, or is a merchant dealing in, one or more commodities traded on the Exchange;

(iv) Local Trader Group ("Local"), which consists of holders or lessees of Exchange Memberships whose principal commodity-related business is executing trades in Exchange contracts on the floor of the Exchange for their personal accounts; and

(v) At Large Group ("At Large"), which consists of holders or lessees of Exchange Memberships.

In addition, the directors designated as the Chairman and Vice Chairman of the Board shall become members of the At Large category of directors.

The initial designations to the categories described in clauses (i) through (v) above are set forth in paragraph (a) of this Article SIXTH. In order to be elected at a meeting of stockholders held after this provision first becomes effective to one of the categories described in clauses (i) through (v) above, a candidate for election to the Board must be nominated in accordance with procedures determined by the Board of Directors whereupon that candidate will be eligible for election at the applicable meeting of stockholders only as a member of the category determined in accordance with the procedures implemented by the Board of Directors. If, by reason of a change in the business of a Director, such Director no longer falls within the category set forth in subclauses (i) through (v) above in which he was elected, the term of such Director shall automatically expire effective at the next annual meeting of stockholders and a successor to such Director shall thereupon be elected for the remainder of the term of

the class to which such successor Director succeeds. In the event of a dispute as to the category of any Director, the Board of Directors shall make a final determination upon such data as it, in its discretion, determines is necessary, relevant or material.

(e) The Board of Directors shall also have five Public Directors who shall be directly elected by the stockholders. Two Public Directors shall be members of Class I, one Public Director shall be a member of Class II and two Public Directors shall be members of Class III. The term of each Public Director shall expire at the expiration of the term of the applicable class. Successors to each of them shall be elected at the annual meeting of Stockholders at which his or her term expires. In order to qualify as a Public Director, a person must be knowledgeable of futures trading or financial regulation or otherwise capable of contributing to the deliberations of the Board of Directors and may not be a member of the Exchange or affiliated with any member of the Exchange or an employee of the Exchange. No Public Director who has served as a Public Director for two consecutive terms shall be eligible for election as a Public Director until one year has elapsed from the date of the expiration of such person's last term. The initial designations of the Public Directors are set forth in paragraph (a) of Article SIXTH.

(f) Not more than one partner, officer, director, employee or affiliate of a member of the Exchange or of any member firm of the Exchange, or of any affiliate of a member of the Exchange or of a member firm of the Exchange, shall be eligible to serve as a Director at one time. If, by reason of a change its affiliation of a Director, election of a Director at any time, or by reason of merger, sale or consolidation of two or more member firms of the Exchange, more than one officer, director, employee, partner, or affiliate of a member firm of the Exchange is a Director, at least one such Director shall resign so that there shall be only one Director who is an officer, director, employee, partner, affiliate of such member of the Exchange or member firm of the Exchange or of its affiliate. If one such Director shall fail to resign the term of all such Directors shall automatically expire and the vacancy or vacancies shall thereafter be filled by the Board, provided, however, that if one such Director is the Chairman or the Vice Chairman, only the term of the other such Director or Directors shall expire; further provided, that if two of such Director are Chairman and Vice Chairman, respectively, the term of the Vice Chairman shall

expire as aforesaid. No person shall be permitted to stand for election to the Board of Directors if the election and qualification of such person could result in more than one person who is a partner, officer, director, employee or affiliate of a member of the Exchange or of any member firm of the Exchange or any affiliate of a member of the exchange or of a member firm of the Exchange serving on the Board of Directors

The term "affiliate" as used in this clause (f) shall include the power, whether directly or indirectly, to control a firm or other business entity as well as the direct or indirect ownership of 10% or more of the voting securities of a corporation or ownership of a partnership interest in a partnership.

In the event that there is a controversy as to the status of the business affiliation of a Director, Director elect, or Director nominee, at the written request of the Chairman or the President, the Executive Committee of the Board shall make a final determination upon such data as it, in its discretion, determines is necessary, relevant or material.

(g) No person shall be permitted to stand for election for more than one position on the Board at a single meeting of stockholders.

SEVENTH: The Board of Directors shall not adopt, amend or delete any bylaw without the approval of the stockholders of the Corporation in the manner provided by the Bylaws of the Corporation.

EIGHTH: No director will have any personal liability to the Corporation or its members for monetary damages for any breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, as amended or (iv) for any transaction from which the director obtained an improper personal benefit.

NINTH: Pursuant to Section 211(e) of the DGCL, directors shall not be required to be elected by written ballot.

TENTH: Any or all of the directors may be removed for cause or without cause by vote of the holders of a majority of the outstanding shares of each class of voting stock of the Corporation voting as a class.

ELEVENTH: In the event that a holder of an Exchange membership is expelled from membership in the Exchange pursuant to the rules of the Exchange, then all shares of common stock of the Corporation held by such holder shall be automatically redeemed at a redemption price per share payable in cash equal to \$.01; provided, that immediately following any such redemption, the Corporation has outstanding one or more shares of common stock.

Each of us declares under penalty of perjury under the Laws of the State of Delaware that the foregoing is true and correct.

In Witness Whereof, the undersigned have executed this Amended and Restated Certificate of Incorporation on January 4, 2001.

/s/ Daniel Rappaport

Chief Executive Officer

/s/ Daniel Rappaport

Corporate Secretary

New York Mercantile Exchange

DEFERRED COMPENSATION PLAN
FOR KEY EMPLOYEES

1. Name and Purpose. The name of this plan is the New York Mercantile Exchange Deferred Compensation Plan for Key Employees (the "Plan"). The purpose of the Plan is to permit each key employee of the Company (the "Company") or any subsidiary thereof (a "Subsidiary") who is designated by the New York Mercantile Exchange Deferred Compensation Plan Committee of the Company (in either case, a "Participant") to elect to defer all or a portion of his or her compensation from the Company until such Participant ceases to be an Employee or is no longer designated by the New York Mercantile Exchange Deferred Compensation Plan Committee of the Company as being eligible to participate in the Plan. The Plan is intended to be a "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and shall be interpreted and administered to the extent possible in a manner consistent with that intent.

2. Right to Defer. For the calendar year, each Participant may elect to defer payment of up to 15%, less the percentage deferred into the New York Mercantile Exchange Savings and Investment Plan as of January 1st of that plan year, of such participant's base compensation otherwise payable for services rendered in such year ("Salary"). For the calendar year, each Participant may also elect to defer payment of up to 100% of their annual bonus otherwise payable for services rendered in such year ("Bonus"). Notwithstanding the foregoing, for calendar year starting July 1, 1997, a Participant may elect to defer up to 30%, less the percentage deferred into the New York Mercantile Exchange Savings and Investment Plan as of July 1, 1997, of such Participant's Salary otherwise payable for services rendered on or after July 1, 1997.

3. Deferral Elections. A Participant's election to defer payments hereunder (a "Deferral Election") shall be in writing and shall be deemed to have been made upon receipt and acceptance by the Company. In order to be effective hereunder, a Deferral Election for any calendar year must be made not later than December 31 of the preceding calendar year and shall specify the time and method of payment pursuant to Section 5(a) and 5(c) below applicable to the amount(s) deferred thereunder.

Notwithstanding the foregoing, (a) any Deferral Election for calendar year July 1, 1997 may be made no later than June 30, 1997 and (b) a person who becomes a Participant during a calendar

year may make Deferral Elections with respect to Salary to be earned during the remainder of such calendar year or before the thirtieth (30th) day after the date he or she becomes a Participant. A Deferral Election made for a calendar year may not be revised after the last date on which it could have been made, except that any Deferral Election made with respect to a Participant's Salary may be revoked in its entirety by the Participant at any time by filing a written notice of revocation with the Company, but only as to Salary which has not yet been earned and which is payable after receipt and acceptance by the Company of such revocation.

4. Accounts; Crediting Earnings & Losses.

(a) All amounts deferred by a Participant under this Plan shall be credited by the Company or Subsidiary, whichever is the employer of the Participant, to a book account (a "Deferred Compensation Account) in the name of such Participant as of the dates such amounts would have been paid to the Participant but for his or her Deferral Election.

(b) The Company shall, from time to time and in its sole discretion, select one or more investment vehicles (which may, but need not be, comparable to investment vehicles offered as investment options under the New York Mercantile Exchange Deferred Compensation 401(k) Plan) to be made available as the measuring standards for crediting earnings or losses to those sub-accounts described in Section 4(a) within each Participant's Deferred Compensation Account. A Participant may select from such investment vehicles in a manner established by the Company, the investment vehicle or vehicles to apply to his or her sub-accounts and may change such selections, all in accordance with such rules as the Company may establish. The earnings or losses to be credited to the portion of any Participant's sub-account under this Section 4(b) for any period shall be equivalent to the amount of earnings or losses which would have been credited to the sub-account if such portion of such sub-account had actually been invested in such investment vehicles during such period in the manner selected by the Participant.

(c) Notwithstanding the foregoing, the Committee may change the method for crediting earnings or losses to sub-accounts under (b) by written notice to each Participant (including former Participants who then have a Deferred Compensation Account which would be affected by such change), which notice shall specify the new method for crediting earnings or losses to be used under (b), the effective date of such change and the Deferred Compensation Accounts to which such new method shall apply.

5. Time and Method of Payment.

(a) Amounts standing to the credit of each sub-account within a Participant's Deferred Compensation Account shall be paid, or commence to be paid, on the March first following the calendar year in which the Participant ceases to be an employee of the Company and its

Subsidiaries for any reason whatsoever. The amount of each such payment shall be determined by the amount credited to such sub-account as of the preceding December 31.

(b) All amounts credited to each sub-account within the Participant's Deferred Compensation Account shall be distributed in cash and shall be made by the Company or the Subsidiary which credited such amounts to the Participant's Deferred Compensation Account.

(c) All amounts credited to a sub-account within the Participant's Deferred Compensation Account shall be paid in either a single lump sum or in annual installments over a period of up to 5 years, as the Participant has specified in the Deferral Election(s) applicable to such sub-account; however, the Company reserves the right, at any time, to accelerate payments being made in annual installments, by making a single lump sum payment of the amount standing to the credit of the Participant without the consent of the Participant. In the case of installment payments, (i) interest on any sub-account shall continue to be credited in accordance with Section 4 during the payment period, and (ii) the amount of each payment shall be equal to the amount credited to the Deferred Compensation Account as of the preceding December 31 divided by the number of annual payments remaining to be made, including the current payment.

(d) All amounts credited to a Participant's Deferred Compensation Account shall be paid as they become due to the Participant if then living. All amounts credited to a Participant's Deferred Compensation Account at the time of his or her death shall be paid pursuant to Section 6.

(e) Notwithstanding any provision hereof to the contrary, if a Participant believes he or she is suffering from a "hardship," an application may be made to the Company for an acceleration of payments from one or more sub-accounts within such Participant's Deferred Compensation Account. "Hardship" for this purpose shall mean a need for financial assistance in meeting real emergencies which would cause substantial hardship to the Participant or any member of the Participant's immediate family, and which are beyond the Participant's control. If the Company determines, in its sole discretion, that the Participant is suffering from a "hardship," the Company may accelerate payment to the Participant of such portion of such sub-account(s) within the Participant's Deferred Compensation Account as the Company may determine is required to alleviate such hardship, and each such sub-account shall be charged with the amount paid therefrom as of the date of payment.

(f) If a Participant is required to pay federal (or state) income tax on all or any portion of the amount credited to his Deferred Compensation Account prior to the time it is actually received or made available, such portion of his Deferred Compensation Account shall be paid to him under the Plan upon written request.

6. Payments after Death. Each Participant may designate, from time to time, a beneficiary or beneficiaries (who may be named contingently or successively) to whom any amounts which remain credited to the Participant's Deferred Compensation Account at the time of his or her

death shall be paid. All such amounts shall be paid in a single lump sum or in any other method permitted by the Company in accordance with Section 5(b) as soon as practicable after such Participant's death. Each such designation shall revoke all prior designations by the same Participant, except to the extent otherwise specifically noted, shall be in a form prescribed by the Company, and shall be effective only when filed by the Participant in writing with the Company during his or her lifetime. Any amounts which remain credited to a Participant's Deferred Compensation Account at the time of his or her death which are not payable to a designated beneficiary shall be paid to the estate of such Participant in a single lump sum in accordance with Section 5(b) as soon as practicable after the death of such Participant.

7. Claims Procedure. In the event any person is denied benefits by the New York Mercantile Exchange Deferred Compensation Plan Committee, such person shall be notified in writing within ninety (90) days (or one hundred eighty (180) days if special circumstances require an extension of time) after receipt of this claim by the Committee of:

(a) the specific reason(s) for the denial;

(b) specific references to pertinent Plan provisions on which the denial is based;

(c) a description of any additional material or information necessary for the claimant to perfect his or her claim, and the reason why such material or information is necessary; and

(d) the procedure for submitting his or her claim for review. After the denial of the claim, the claimant shall be entitled to review pertinent documents and to submit to the Committee in writing any issues to comments the claimant may have regarding his or her claim for benefits under the Plan.

If the claimant cannot settle his or her dispute with a representative of the Committee, the claimant may request a review of his or her claim by the Committee. Such requests must be made by the claimant in writing within sixty (60) days after receipt of notice that his or her claim has been rejected and may include a request that he or she be granted a hearing before the Committee; in which case, if the Committee shall deem appropriate, such hearing shall be held as soon as practicable thereafter. The Committee shall advise the claimant in writing of the disposition of his or her appeal within sixty (60) days after the request for a review of the claim is first received by the Committee (or within one hundred twenty (120) days if a review with a hearing is requested) and shall give specific references to the pertinent Plan provisions on which the decision is based.

8. No Funding Required.

(a) Nothing in this Plan will be construed to create a trust or to obligate the Company, any Subsidiary or any other person to segregate a fund, purchase an insurance contract, or in any other way to fund currently the future payment of any benefits hereunder, nor will anything herein be construed to give any Participant or any other person rights to any specific assets of the

Company, any Subsidiary or of any other person. Except as provided in 8(b) below, any benefits which become payable hereunder shall be paid from the general assets of the Company or Subsidiary, whichever is applicable, in accordance with the terms hereof.

(b) The Company in its sole discretion may establish a grantor or other trust of which it is treated as the owner under Subpart E of Subchapter J, Chapter 1 of the Internal Revenue Code of 1986, as amended, to provide for the payment of benefits hereunder, subject to such other terms and conditions as the Company may deem necessary or advisable to ensure (i) that benefits are not includible, by reason of the establishment or funding of the grantor trust, in the income of trust beneficiaries prior to actual distribution and (ii) that the existence of the grantor trust does not cause the Plan or any other arrangement to be considered "funded" for purposes of Title I of ERISA.

9. Plan Administration and Interpretation. The Company shall have complete control over the administration of the Plan and complete control and authority to determine, in its sole discretion, the rights and benefits and all claims, demands and actions arising out of the provisions of the Plan of any Participant, beneficiary, or other person having or claiming to have any interest under the Plan and the Company's determinations shall be conclusive and binding on all such parties. The Company shall be deemed to be the Plan Administrator with the responsibility for complying with any reporting and disclosure requirements of ERISA. The rights of the Company hereunder shall be exercised by the New York Mercantile Exchange Deferred Compensation Plan Committee of the Company.

10. Non-Assignable. Amounts payable under this Plan shall not be subject to alienation, assignment, garnishment, execution or levy of any kind, and any attempt to cause any such amount to be so subjected shall be null, void and of no effect and shall not be recognized by the Company or its Subsidiaries.

11. Termination and Modification. The Company may terminate this Plan by written notice to each Participant participating therein. A termination of the Plan shall have no effect other than to eliminate the right of each Participant to defer further compensation. Except for such "prospective" termination, neither the Plan nor any Deferral Election in effect hereunder may be amended, modified, waived, discharged or terminated, except by mutual consent of the Company and the Participant or Participants affected thereby, which consent shall be evidenced by an instrument in writing, signed by the party against which enforcement of such amendment, modification, waiver, discharge or termination is sought.

12. Parties. The terms of this Plan shall be binding upon the Company, its Subsidiaries and their successors or assigns and each Participant participating herein and his or her beneficiaries, heirs, executors and administrators.

13. Liability of Company. Subject to its obligation to pay the amount credited to the Participant's Deferred Compensation Account at the time distribution is called for by the payment

option in effect, none of the Company, its Subsidiaries nor any person acting in behalf of the Company or its Subsidiaries shall be liable to any Participant or any other person for any act performed or the failure to perform any act with respect to the Plan.

14. Notices. Notices, elections or designations by a Participant to the Company hereunder shall be addressed to the Company to the attention of the New York Mercantile Exchange Deferred Compensation Plan Committee of the Company. Notices by the Company to a Participant shall be addressed to the Participant at his or her most recent home address as reflected in the records of the Company.

15. Unsecured General Creditors. No Participant or his or her legal representative or any beneficiary designated by him or her shall have any right, other than the right of any unsecured general creditor, against the Company or any Subsidiary in respect of the Deferred Compensation Account of such Participant established hereunder.

16. Effective Date. This Plan shall be effective as of July 1, 1997, and shall continue in existence thereafter until terminated pursuant to Section 10.

17. Governing Law. This Plan shall be construed and enforced in accordance with, and governed by, the laws of the State of New York.

06/23/97

RECOGNITION AND RETENTION PLAN
FOR MEMBERS OF
THE COMEX DIVISION OF
NEW YORK MERCANTILE EXCHANGE

ARTICLE I
PURPOSE

The purpose of the Recognition and Retention Plan (the "Plan") for Members of the COMEX Division of New York Mercantile Exchange ("NYMEX") is to promote continuity and stability among the membership of Commodity Exchange, Inc. (together with Commodity Exchange, Inc. (as constituted prior to _____, 1994) for periods before _____, 1994, and the COMEX Division of NYMEX for any period after such date after which NYMEX has succeeded to substantially all of the assets of Commodity Exchange, Inc. (as constituted as of _____, 1994, "COMEX"), and to thereby increase economic activity of COMEX, by rewarding members of COMEX for long-term and continuous membership.

ARTICLE II
DEFINITIONS

1. "Account" shall mean the account established pursuant to Section 1 of Article V of the Plan to fund the payment of benefits to Qualified Participants and Beneficiaries.

2. "Beneficiary" shall mean any person or persons designated by a Participant in writing to the Committee to receive any payments of benefits due after his death, or in the absence of a designation, the legal representative of the estate of the Participant. No Beneficiary shall have any right to a benefit under the Plan unless he shall survive the Participant.

3. "Board" shall mean the Board of Directors of NYMEX.

4. "COMEX" shall mean Commodity Exchange, Inc. (as constituted as of the Effective Date), except that (i) for periods before the Effective Date, "COMEX" shall mean Commodity Exchange, Inc. (as constituted prior to the Effective Date), and (ii) for any period after such date and on or after the date on which NYMEX has succeeded to substantially all of the assets of Commodity Exchange, Inc. (as constituted as of the Effective Date), "COMEX" shall mean the COMEX Division of NYMEX.

5. "Committee" shall mean the committee appointed by the Board pursuant to the provisions of Section 1 of Article VI to administer the Plan.

6. "Continuous Service" of a Participant shall mean the period commencing on the later of January 1, 1987 or the date a Member becomes a Participant and during which such Participant's membership in COMEX in a single membership category is not interrupted by a cumulative total of more than 365 days. With respect to a natural person who is a Member as of the Effective Date, Continuous Service shall not exclude service merely because such service was performed after January 1, 1987 and prior to the Effective Date. Membership need not be owned and need not be for or on behalf of the same firm or entity to count toward Continuous Service. Any period of time during which a member is suspended or otherwise not in good standing shall be deemed an interruption of Continuous Service, as will (as reflected in the description of the Plan (as formerly constituted) provided to Members by letter dated July 16, 1992 from M. Dawn Lowe, Vice President and Corporate Secretary of Commodity Exchange, Inc.) any time period in which the Member ceased to be a Member, switched membership category, was suspended from membership or leased an original membership seat.

7. "Effective Date" shall mean [_____, 1994].

8. "Full Member" shall mean any member of record of COMEX, except a licensee, who is a natural person and who holds one or more of the authorized and outstanding 772 full memberships in COMEX as of the Effective Date and as thereafter may from time to time have been, or be, transferred, whether the member owns his or her membership or holds such membership pursuant to an A-B-C Agreement.

9. "Member" shall mean a Full Member or an Option Member.

10. "NYMEX" shall mean New York Mercantile Exchange.

11. "Option Member" shall mean any member of record of COMEX who is a natural person and who holds one or more of the authorized and outstanding 238 option memberships in COMEX as of the Effective Date, and as thereafter may from time to time have been, or be, transferred, whether the member owns his or her membership or holds such membership pursuant to an A-B-C Agreement.

12. "Participant" shall mean all Members who become Participants in accordance with Section 1 of Article III of the Plan.

13. "Plan" shall mean the Recognition and Retention Plan for Members of the COMEX Division of New York Mercantile Exchange.

14. "Qualified Participant" shall mean a Member who has satisfied the requirements of Section 2 of Article III thereby entitling him, subject to the terms to the Plan, to the payment of a benefit under the Plan.

ARTICLE III
PARTICIPATION

1. Admission as a Participant

(a) All Members on the effective date of the Plan shall become Participants effective on such date.

(b) Unless otherwise provided herein, all Members who become Members subsequent to the effective date of the Plan shall become Participants effective on the date such Participant first becomes a Member.

2. Eligibility to Receive Benefits

All Participants who complete fifteen (15) years of Continuous Service shall be Qualified Participants, and thereby shall be entitled, subject to the terms and conditions of the Plan, to the receipt of a benefit hereunder. Benefits under the Plan are payable only to a Qualified Participant or, in the event of such Qualified Participant's death, his Beneficiary. Benefits shall be payable to a Qualified Participant individually, and not to a Qualified Participant's firm or affiliation.

ARTICLE IV
BENEFITS

1. Benefit Commencement Date

Subject to the provisions of Article V hereof, the payment of benefits to a Qualified Participant shall commence on the first business day of the first calendar quarter following the later of (i) the date such Qualified Participant attains the age of 59-1/2 years of age, whether or not such Qualified Participant is a Member on such date; or (ii) the date such Qualified Participant completes fifteen (15) years of Continuous Service, whether or not such Qualified Participant is a Member on the benefit commencement date.

2. Amount of Benefits

(a) Subject to the limitations provided in Article V hereof, (i) each Qualified Participant who is a Full Member shall be entitled to receive the sum of \$12,500 per year for ten years, and (ii) each Qualified Participant who is an Option Member shall be entitled to receive the sum of \$2000 per year for ten years. Such annual payment to each Qualified Participant shall be paid in equal quarterly installments, with payment being made on the first business day of each calendar quarter during the ten-year period.

(b) Each Qualified Participant is entitled to only one benefit under the Plan, regardless of the number of memberships such Qualified Participant owns or holds pursuant to an A-B-C

Agreement. If a Qualified Participant is both a Full Member and an Option Member, such Qualified Participant shall be entitled to receive the Full Member benefit.

(c) Payment of Benefits in the Event of Death

In the event of a Qualified Participant's death prior to having commenced receiving or receiving in full his or her benefit as provided in Section 2 above, the present value of the benefit or the unpaid portion thereof, as the case may be, shall be payable in a lump sum to his Beneficiary. Such lump sum payment shall be made on the first business day of the second calendar quarter after the Committee receives notice of the Qualified Participant's death from the Beneficiary or the Qualified Participant's personal representative. In calculating the present value of the unpaid portion of a benefit, the Committee shall in its sole discretion, in good faith, determine the applicable interest rate to be used in making its calculation. Such determination shall be conclusive and binding upon all parties. Such determination shall not be deemed to have been made by the Committee in a fiduciary capacity.

ARTICLE V
LIMITATION ON BENEFITS;
OTHER LIMITATIONS

1. Funding of the Plan

(a) COMEX shall establish the Account to fund the payment of benefits under Article IV of the Plan. COMEX shall deposit in the Account such amounts as it shall determine in its sole and absolute discretion to contribute for the payment of such benefits.

(b) The amounts held in the Account shall be invested in, or committed to, such instruments or transactions as the Committee deems appropriate.

(c) The amounts of any benefits paid pursuant to Article IV of the Plan shall be charged against the value of the Account.

(d) COMEX shall have no obligation to contribute any assets or otherwise to fund benefits under the Plan other than such assets as it shall, in its sole and absolute discretion, contribute to the Account. Benefits shall be payable only from the Account. If on any date on which a benefit is payable to a Qualified Participant or Beneficiary only a portion of the aggregate benefits due and payable to all Qualified Participants and Beneficiaries may be paid because of an insufficiency of assets in the Account, the aggregate amount that may be paid on such date shall be apportioned among all such Qualified Participants and Beneficiaries in proportion to the amounts then otherwise payable to each of them. Any amount unpaid because of insufficiency of assets in the Account

shall be forfeited and no Qualified Participant, Beneficiary, or any other person shall have any claim against COMEX for any unpaid amount.

(e) Subject to Section 3 of this Article V, the Board may, upon the affirmative vote of a majority of the Board members voting, determine to discontinue future contributions to the Account provided for in subsection (a) or to remove funds placed in the Account to use for its general corporate purposes or otherwise. No Member, Participant, Qualified Participant or Beneficiary shall be entitled to challenge any such determination and the Board shall be under no obligation to replace any amounts removed from the Account.

(f) COMEX does not guarantee, or undertake to ensure, that at any time there will be adequate funds in the Account to satisfy benefits.

2. Limitation Due to Insolvency; NYMEX Not to Have Certain Obligations

(a) The Account shall be subject to claims of creditors of COMEX and, for any period during which COMEX comprises a portion of NYMEX that is not a separate entity, NYMEX, and no Qualified Participant or Beneficiary shall have any right, title, interest, or claim in or to the Account or any other assets of COMEX or NYMEX. NYMEX (other than such portion of NYMEX as constitutes COMEX while COMEX does not exist as an entity distinct from NYMEX) shall have no obligation hereunder regarding contributions, benefits or otherwise, except as may be otherwise expressly and specifically provided hereunder.

(b) No benefits under the Plan may be paid while COMEX (or, while COMEX does not exist as an entity distinct from NYMEX, NYMEX) is insolvent or would, by reason of making such payments, be made insolvent or rendered unable to carry on its corporate purposes, or when the fair value of COMEX's (or, while COMEX is not separately subject to the New York Not-for-Profit Corporation Law, NYMEX's) assets remaining after such payment would be insufficient to meet its liabilities, within the meaning of Sections 515 and 1410 of the New York Not-for-Profit Corporation Law, as said sections may from time to time be hereafter amended, or any successor provisions or comparable provisions of any other applicable law.

(c) If on any date on which a benefit is payable to a Qualified Participant or a Beneficiary only a portion of the aggregate benefits due and payable to all Qualified Participants and Beneficiaries may be paid because of the provisions of subsection (b) above, the aggregate amount that may be paid on such date shall be apportioned among all such Qualified Participants and Beneficiaries in proportion to the amounts then otherwise payable to each of them. In the event that all or part of a benefit otherwise due and payable is not paid to a Qualified Participant or

Beneficiary for the foregoing reason, the unpaid amount thereof shall cumulate and shall be added to the amount due and payable to such Qualified Participant or Beneficiary on the first business day of the next succeeding calendar quarter subject to the provisions of subsection (b) above.

3. Other Limitations

(a) This Section 3 shall apply notwithstanding any other provision of the Plan to the contrary.

(b) No new Participants shall be admitted to the Plan on or after the Effective Date.

(c) The Plan shall remain in full force and effect until full payment has been made of all benefits (the amounts of which are to be calculated under the applicable terms of the Plan other than this sentence, and other than any provision permitting an early termination of the Plan inconsistent with this Section 3) to which the Participants (who have become such before the Effective Date) become entitled on or before the day after the fifteenth anniversary of the Effective Date. In each year in which NYMEX funds its Members Retention and Retirement Plan, NYMEX shall cause COMEX to (or NYMEX shall) fund the Plan's Account in an amount equal to \$800,000. In each year in which NYMEX does not fund its Members Retention and Retirement Plan and does not make any distribution or pay any dividend permitted by law to its members, NYMEX shall cause COMEX to (or NYMEX shall) fund the Plan's Account in an amount equal to \$400,000. In each year in which NYMEX does not fund its Members Retention and Retirement Plan but does make any distribution or pays any dividend permitted by law to its members, NYMEX shall fund the Plan's Account in an amount equal \$800,000. The annual net earnings on the assets in the Plan's Account shall be accumulated and added to (or subtracted from, as the case may be) the principal thereof. Except to the extent that the following provisions of this sentence would cause the Plan to be deemed to be funded for tax purposes, as long as the Plan is in effect no withdrawals shall be made from the Plan's Account other than to pay the Plan benefits (except as a result of the Plan's Account being subject to claims of creditors as otherwise provided herein). Notwithstanding the foregoing, any amount required to be paid by NYMEX or COMEX as set forth in this paragraph for the year ending November 30, 1994 shall be equal to the product of (i) such amount and (ii) 365 minus the number of days from (and including) December 1, 1993 to (and including) the Closing Date divided by 365.

(d) For the year 2002 and each year thereafter, all benefits to be paid under the Plan shall be based on the amounts that as of January 1, 2002 and from time to time thereafter will be expected, as determined under reasonable actuarial assumptions, to be available thereunder to pay benefits; provided that in no event shall benefits payable to any individual under the Plan exceed the benefits that would be payable under the Plan without regard to

this Section 3; and provided, further, that the applicable actuarial assumptions shall be reviewed at least once in each calendar year to follow 1993. For the year 2002 and each year thereafter, if the actuary for CONEX or NYMEX determines that the Plan is overfunded (provided that the interest rate used to make this determination shall be the Chemical prime rate), the Board may, upon the affirmative vote of a majority of the Board members voting, determine, to the extent of such overfunding, to remove funds placed in the Account to use for its general corporate purposes or otherwise; provided that, to the extent that additional benefits would otherwise have been ultimately payable under the Plan had such amounts not been so removed and interest at the Chemical prime rate as in effect from time to time had been earned on such amounts, such amounts with such interest shall be returned to the Plan's Account as soon as practicable where, and to the extent that, the absence of such return would result in a delay or reduction in such benefits. Any amounts remaining in the Plan's Account after the satisfaction of all liabilities under the Plan shall be removed for general corporate purposes or otherwise.

(e) Notwithstanding anything to the contrary contained in this Section 3, the \$800,000 and \$400,000 figures wherever used above shall be reduced at COMEX's or NYMEX's request from time to time (but not more often than monthly), and whether for an entire year or for the prorated portion of any year, in any case in which the assumptions attached to the Plan as Exhibit A (as adjusted from time to time under this Section 3(e)) can be shown not to be reflective of the actual facts as they develop or otherwise can be adjusted for changes that may reasonably be made to such assumptions from time to time (provided that the interest rate used to make this adjustment shall be the Chemical prime rate). If -

(i) under the foregoing sentence (A) actuarial assumptions are adjusted for changes that may reasonably be made to such assumptions from time to time and (B) the \$800,000 or \$400,000 figure (as applicable) is consequently reduced, and

(ii) (A) subsequent actual facts as they further develop are inconsistent with such adjustment and consequent reduction or (B) the revised actuarial assumptions underlying the reduced contribution requirement can be shown not to be reflective of the actual facts as they develop or otherwise can be shown to be unreasonable (provided that the interest rate used to make this determination shall be the Chemical prime rate),

then, as soon as practicable, (x) in the case of clause (ii) (A) above, NYMEX shall cause COMEX to (or NYNEX shall) fund the Plan by the amount of the excessive reduction, with interest at the Chemical prime rate as in effect from time to time; provided that the funding requirement of this sentence shall in no event exceed the amount of a corresponding reduction that had been made under the foregoing sentence, with interest at the Chemical prime rate as in effect from time to time; and (y) in the case of clause (ii) (B) above, the actuarial assumptions to be used prospectively shall be

adjusted so as to be reasonable (provided that the interest rate used to make this adjustment shall be the Chemical prime rate); provided that the in no event shall the funding requirements of this Section 3 ever exceed the \$800,000 and \$400,000 figures otherwise set forth in this Section 3.

(f) On and after the Effective Date, the Plan shall not be amended or terminated to the detriment of the benefits of any Participant (who has become such before the Effective Date), except as may be required by law, or in accordance with the written consent of sixty percent (60%) of the Participants (who have become such before the Effective Date) then living.

(g) On and after the Effective Date, benefits which may become payable under the Plan shall be payable solely from the Plan's Account, and in no circumstances shall such amounts be payable from the general corporate funds of COMEX or NYNEX (except inasmuch as amounts in the Plan's Account are themselves considered general corporate funds of COMEX or NYNEX, respectively, or if and to the extent NYNEX shall have failed (and shall have failed to cause COMEX) to fund the Plan's Account in accordance with this Section 3).

(h) If (i) NYNEX enters into or effects any transaction involving the merger or consolidation of NYNEX or COMEX (or a successor to COMEX) with or into another entity, the sale, transfer or lease of all or substantially all of the assets of NYNEX or COMEX (or a successor to COMEX) to another entity or any similar transaction (the "Transaction"), (ii) NYNEX is not then in violation of this Section 3 (provided that, for these purposes any contributions or actions required to be made or taken "as soon as practicable" shall have been made prior to the consummation of the Transaction) and (iii) the surviving or acquiring entity agrees to be substituted for NYNEX in the Plan (or if COMEX (or a successor to COMEX) upon the consummation of the Transaction neither is a member of an affiliated group of companies nor comprises a portion of an acquiring company), then, upon the consummation of the Transaction and the transfer of the Plan's Account to, or continued maintenance of the Account by, as applicable, the post-Transaction sponsor of the Plan, this Section 3 and any other terms of the Plan imposing obligations, responsibilities or other liabilities upon NYNEX shall be of no force or effect with respect to, and shall not otherwise be binding on, NYNEX.

ARTICLE VI MISCELLANEOUS

1. Administration

The Plan shall be administered by a committee (the "Committee") to be appointed by the Board. The Committee shall have such powers as may be specifically delegated to it by the Board as well as all other powers incident to the administration of

the Plan. Members of the Committee shall serve at the pleasure of the Board, and may be removed at any time, with or without cause, by a majority of the members of the Board voting thereon. Actions taken by the Committee pursuant to the powers granted to it shall be conclusive and binding upon COMEX, Participants, Qualified Participants and Beneficiaries. Committee members shall be indemnified and held harmless by NYMEX from and against any and all claims, proceedings, actions, damages, liabilities or expenses incurred by, or asserted against, them arising out of, or relating to, their actions in their capacity as members of the Committee, to the maximum extent provided by law and by the By-laws of NYMEX. In furtherance of such indemnification, COMEX or NYNEX may purchase such insurance policies therefor as may be lawful under, and consistent with, the laws of the State of New York.

2. Nonassignment of Rights

No Member, Participant, Qualified Participant or Beneficiary may assign any of his or her rights under the Plan without the prior written consent thereto of the Board.

3. Amendments and Termination

The Board may at any time amend or terminate the Plan, in whole or in part, upon the affirmative vote of a majority of the Board members voting. Incident to any such termination or amendment, the Board in its sole discretion may determine that amounts in the Account which would otherwise have been used to make benefit payments to Qualified Participants or Beneficiaries are required for the conduct of other corporate purposes of COMEX and may permanently suspend the payment of benefits of all Qualified Participants and Beneficiaries then receiving benefits and/or determine that no future benefit payments shall be made to any Qualified Participants or Beneficiaries.

4. Governing Law

The Plan shall be governed by and construed and interpreted under and in accordance with the laws of the State of New York without regard to the conflict of laws provisions thereof.

5. Authorization of The Plan

This restatement of the Plan shall become effective upon the Effective Date, following the approval of a majority of the Board members voting thereon, and the affirmative vote of a majority of the Full Members of COMEX entitled to vote thereon at a meeting duly called and held for that purpose.

EXHIBIT A

Interest Rate:	6.00%
Withdrawal:	20% per year to age 45; zero thereafter
Mortality:	1983 Group Annuity Mortality Table
Retirement Age:	The later of age 59-1/2 or 15 years of service

STRICTLY CONFIDENTIAL

Execution Copy

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of November 16, 2000, by and between NEW YORK MERCANTILE EXCHANGE, which has its principal place of business at One North End Avenue, New York, New York 10282 (the "Company"), and NEAL L. WOLKOFF (the "Executive").

WHEREAS, the parties wish to amend and restate the terms on which the Executive is employed by the Company;

NOW, THEREFORE, the parties agree as follows:

1. Term. The Company hereby employs the Executive, and the Executive hereby accepts such employment, for a term commencing as of July 1, 2000 and ending on December 31, 2003, unless sooner terminated in accordance with the provisions of Section 4 or Section 5 (the "Initial Term"); with such employment to continue thereafter for successive one-year periods (each an "Extension Term") in accordance with the terms of this Agreement (subject to termination as aforesaid) unless either party notifies the other party of non-renewal in writing prior to 30 days before the expiration of the Initial Term or an Extension Term, as applicable (the period during which the Executive is employed hereunder, including the Initial Term and each Extension Term, being hereinafter referred to as the "Term").

2. Duties. During the Term, the Executive shall be employed by the Company as Executive Vice President of the Company, and, as such, the Executive shall faithfully perform for the Company the duties of said office and shall perform such other duties of an executive, managerial or administrative nature, consistent with his office, as shall be specified and designated from time to time by the Board of Directors of the Company (the "Board"). The Executive shall devote substantially all of his business time and effort to the performance of his duties hereunder.

3. Compensation.

3.1 Salary. The Company shall pay the Executive during the Term a salary at the rate of \$500,000 per year (the "Annual Salary"). For each Extension Term, the Annual Salary shall be equal to the product of (x) \$500,000, multiplied by (y) a fraction, the numerator of which is the CPI Index (as hereinafter defined) most recently published prior to the first day of the Extension Term and the denominator of which is the CPI Index most recently published prior to the date of this Agreement. As used in this Agreement, the "CPI Index" means the Consumer Price Index for All Urban Consumers, all items index (1982-84=100), U.S. city average, published by the U.S. Bureau of Labor Statistics, or any successor index; provided, however, that the adjustment provided for in this sentence shall not be made if it otherwise would result in a reduction of the Annual Salary. The Annual Salary shall be payable in accordance with the customary payroll practices of the Company applicable to its senior executives.

3.2 Bonus.

(a) In addition to the Annual Salary, for each calendar year ending during the Initial Term, the Executive shall have the opportunity to receive an annual bonus (the "Annual Bonus") in an amount to be determined by the Board, but in no event less than \$250,000 per year. The Executive's minimum bonus entitlement for the year ending December 31, 2000 shall be \$250,000 and shall not be

prorated. For each Extension Term, the minimum Annual Bonus shall be equal to the product of (x) \$250,000, multiplied by (y) a fraction, the numerator of which is the CPI Index most recently published prior to the first day of the Extension Term and the denominator of which is the CPI Index most recently published prior to the date of this Agreement; provided, however that the adjustment provided for in this sentence shall not be made if it otherwise would result in a reduction of the Annual Bonus.

(b) In addition to the bonus payable for the year ending December 31, 2003, an additional bonus payment in the amount of \$300,000 shall be payable on that date if the Company (or a successor entity or holding company) shall not by that time have completed an initial public offering or private placement of equity securities and in connection therewith granted stock options to the Executive in accordance with Section 3.4.

(c) The Annual Bonus shall be deemed first earned and accrued on, but shall be payable not later than, December 31 of each year during the Term.

3.3 Benefits.

(a) The Executive shall be permitted during the Term to participate in any group life, hospitalization or disability insurance plans, health programs, retirement plans, fringe benefit programs and similar benefits that may be available to other senior executives of the Company generally, on the same terms as such other executives, in each case to the extent that the Executive is eligible under the terms of such plans or programs.

(b) Notwithstanding the provisions of Section 3.3(a):

(i) the Company shall provide \$4,950 per year towards the cost of term life insurance coverage to be obtained by the Executive (providing for aggregate payments in the event of the Executive's death to the beneficiaries named by the Executive of approximately \$3,000,000), payable when the Executive provides satisfactory evidence of such coverage and the cost thereof;

(ii) the Executive shall be entitled to first class air travel when traveling at the Company's request, but, if requested by the Company, the Executive shall be required to use upgrades and similar cost control techniques, if available;

(iii) the Executive shall be permitted to be accompanied by family members when travelling on the Company's business so long as the cost of the Executive's travel and accommodations is not thereby rendered more expensive for the Company, in which case the Executive shall bear such additional expense; and

(iv) the Company shall provide \$2,500 per year toward the cost of disability insurance coverage to be obtained by the Executive, payable when the Executive provides satisfactory evidence of such coverage and the cost thereof.

3.4 Grant of Option.

(a) The Company is pursuing a corporate reorganization and anticipates that, following the completion of the reorganization, it may seek to pursue an initial public offering (or private placement) of the equity securities of a newly formed holding company. The Executive acknowledges that either or both of the corporate reorganization and the initial public offering (or private placement) might not be completed, and the Company has not promised that either will in fact occur. The Company

reserves the right to change its plans in this regard at any time and will incur no liability to the Executive if it does so.

(b) If and when the Company completes a corporate reorganization and the Company or its successor in interest or a holding company thereof completes an initial public offering or private placement of its equity securities, effective not later than the closing of the initial public offering or private placement, the Executive shall be granted an option (the "Option"), which shall not be required to be qualified under Section 422 of the Internal Revenue Code of 1986, as amended, to purchase common stock of the issuer of the equity securities in the initial public offering or private placement at a per-share price not greater than the price at which the securities first are offered to the public. The number of securities subject to such option shall be consistent with the number of securities issuable pursuant to options granted to other officers and executives of the Company of comparable seniority.

(c) Except as otherwise provided in this Agreement (including without limitation Section 5.2(a)), (i) the Option, to the extent that it has not become exercisable (and does not otherwise become exercisable) at the time the Executive's employment terminates, shall never become exercisable and shall be forfeited upon such termination, and (ii) the term of the Option (subject to early expiration, termination or forfeiture) shall be 10 years.

(d) The Option shall be subject to such other terms and conditions (including without limitation provisions relating to method of exercise and payment, vesting, withholding, limited periods after termination of employment within which the Option may be exercised, nontransferability and rights of repurchase and first refusal) as may be determined by the Board of Directors (or comparable governing body) of the entity granting the Option, which shall be comparable to the provisions of options granted to other officers and executives of the Company of comparable seniority.

3.5 Expenses. The Company shall pay or reimburse the Executive for all ordinary and reasonable out-of-pocket expenses actually incurred (and, in the case of reimbursement, paid) by the Executive during the Term in the performance of the Executive's services under this Agreement; provided that the reimbursement requests are in compliance with expense reimbursement policies adopted from time to time by the Board.

4. Termination upon Death or Disability. If the Executive dies during the Term, the Term shall terminate as of the date of death, and the obligations of the Company to or with respect to the Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 4. If the Executive by virtue of ill health or other disability is unable (including with reasonable accommodation) to perform substantially and continuously the duties assigned to him for more than 180 consecutive or non-consecutive days out of any consecutive 12-month period, the Company shall have the right, to the extent permitted by law, to terminate the employment of the Executive upon notice in writing to the Executive. Upon termination of employment due to death or disability, in addition to any insurance benefits that may be payable, (i) the Executive (or the Executive's estate or beneficiaries in the case of the death of the Executive) shall be entitled to receive any Annual Salary and other benefits earned and accrued under this Agreement prior to the date of termination (and reimbursement under this Agreement for expenses incurred prior to the date of termination), (ii) in the case of disability, the outstanding, unvested options that are due to vest in that calendar year shall vest and become immediately exercisable, and (iii) the Executive (or, in the case of his death, his estate and beneficiaries) shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

5. Certain Terminations of Employment.

5.1 Termination for Cause; Voluntary Termination of Employment by the Executive

- (a) For purposes of this Agreement, "Cause" shall mean the Executive's:
- (i) commission of a felony, or commission of any other crime that involves dishonesty or breach of trust,
 - (ii) violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation that results in sanctions against the Executive or the Company;
 - (iii) deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement;
 - (iv) failure to devote substantially all of his business time and efforts to the Company and failure to cure such breach within ten business days following the Executive's receipt of written notice from the Company specifying such breach;
 - (v) material breach of any of the provisions of Section 6; or
 - (vi) breach in any material respect of the terms and provisions of this Agreement and failure to cure such breach within ten business days following the Executive's receipt of written notice from the Company specifying such breach;

provided, that any termination pursuant to clauses (iv) through (vi) above must be by written notice given to the Executive not more than 90 days following (x) the occurrence of any of the events described in clauses (iv) through (vi) above or (y) if later and arising out of the Executive's bad faith, willful misconduct or dishonesty, the Board's knowledge thereof.

(b) The Company may terminate the Executive's employment hereunder for Cause at any time.

(c) The Executive may terminate his employment, for Good Reason or otherwise, on at least 30 days' and not more than 60 days' written notice given to the Company. For purposes of this Agreement, "Good Reason" shall mean:

- (i) relocation by the Company of the Executive's principal place of employment by more than 50 miles; or
- (ii) a material breach by the Company of the terms of this Agreement and failure to cure such breach within ten business days following the Company's receipt of written notice from the Executive specifying such breach.

(d) If the Company terminates the Executive for Cause, or upon any other termination not covered by Section 4 or Section 5.2 (including voluntary termination by the Executive other than for Good Reason), (i) the Executive shall be entitled to receive Annual Salary and other benefits (but, in all events, and without increasing the Executive's rights under any other provision hereof, excluding any bonuses not yet paid) earned and accrued under this Agreement prior to the termination of employment (and reimbursement under this Agreement for expenses incurred prior to the termination of employment); and (ii) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

5.2 Termination by the Company without Cause; Termination by the Executive for Good Reason.

(a) The Company may terminate the Executive's employment at any time for any reason or no reason. If the Company terminates the Executive's employment (including by giving notice of non-renewal of the Term pursuant to Section 1) other than for Cause, or if the Executive terminates his employment for Good Reason in accordance with Section 5.1(c), and in either such case the termination is not covered by Section 4, (i) the Executive shall receive Annual Salary and other benefits earned and accrued under this Agreement prior to the termination of employment (and reimbursement under this Agreement for expenses incurred prior to the termination of employment); (ii) the Executive shall receive (A) a cash payment equal to 200% of the sum of (x) the Executive's Annual Salary and (y) the Executive's minimum Annual Bonus and of this cash payment, one-third will be payable within five business days after the date of termination; one-third will be payable in equal bi-weekly installments through the applicable Restricted Period; and one-third will be payable within five business days following the end of the applicable Restricted Period; (B) if the termination occurs prior to December 31, 2003 and at a time when no Option described in Section 3.4 has been granted, a prorated amount of the bonus described in Section 3.2(b) (such proration to be based on a fraction, the numerator of which shall be the number of months elapsed from July 1, 2000 through the date of termination and the denominator of which shall be 41 (the number of months from July 1, 2000 through December 2003)); and (C) for a period equal to the shortest of (i) twelve months after termination of employment, (ii) until the Executive commences full-time employment and then or subsequently receives health insurance benefits or (iii) until 90 days after the Executive commences full-time employment, such continuing coverage under the group health plans as the Executive would have received under this Agreement (and at such costs to the Executive) as would have applied in the absence of such termination; (iii) all outstanding unvested options held by the Executive shall vest and become immediately exercisable, and the Executive shall become fully vested in any pension or other deferred compensation other than pension or deferred compensation under a plan intended to be qualified under Section 401(a) or 403(a) of the Internal Revenue Code of 1986, as amended; and (iv) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

(b) Nothing herein shall restrict the ability of the Company to amend or terminate the plans and programs referred to in Section 5.2(a)(ii)(C) from time to time in its sole discretion, and the Company shall in no event be required to provide any benefits otherwise required by such clause 5.2(a)(ii)(C) after such time as the Executive becomes entitled to receive benefits of the same type from another employer or recipient of the Executive's services (such entitlement being determined without regard to any individual waivers or other similar arrangements). The Executive's right to the payments and other benefits described in this Section 5.2 is conditioned on his continued compliance with the provisions of Section 6, whether or not those provisions otherwise are enforceable.

5.3 Right to Payments Unaffected by Subsequent Employment. Except as otherwise expressly provided in this Agreement (including in Section 5.2(a)(ii)(C)) the Executive's rights to the payments and other benefits described in Section 5.2 shall not be affected by the commencement of other employment or by any delay or failure in seeking other employment.

6. Covenants of the Executive.

6.1 Covenant Against Competition; Other Covenants. The Executive acknowledges that (i) the principal business of the Company (which expressly includes for purposes of this Section 6, its successors and assigns, any holding or parent company and the direct and indirect subsidiaries of the Company, its successors and assigns and any such holding or parent company) is the operation of a

commodities exchange for the trading of futures and options contracts, risk management or other derivative instruments on commodities in the energy and metals sectors (such business, together with the trading of any other futures or options contracts that may in the future, during the pendency of executive's employment, be listed by the Company or any entity that is then an affiliate of the Company, herein being collectively referred to as the "Business"); (ii) the Company is one of the limited number of entities that have developed such a business; (iii) the Company's Business is, in part, national in scope; (iv) the Executive's work for the Company has given and will continue to give him access to certain confidential, proprietary information of the Company; (v) the covenants and agreements of the Executive contained in this Section 6 are essential to the business and goodwill of the Company; and (vi) the Company would not have entered into this Agreement but for the covenants and agreements set forth in this Section 6. Accordingly, the Executive covenants and agrees that:

(a) By and in consideration of the salary and benefits to be provided by the Company hereunder, including the severance arrangements set forth herein, and further in consideration of the Executive's exposure to the proprietary information of the Company, the Executive covenants and agrees that, during the applicable Restricted Period (as hereinafter defined), he shall not in the continental United States, directly or indirectly, (i) engage in any material element of the Business, (ii) render any services to any person, corporation, partnership or other entity (other than the Company or its affiliates) engaged in any material element of the Business, or (iii) become interested in any such person, corporation, partnership or other entity (other than the Company or its affiliates) as a partner, shareholder, principal, agent, employee, consultant or in any other relationship or capacity; provided, however, that, notwithstanding the foregoing, the Executive may invest in securities of any entity, solely for investment purposes and without participating directly in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System, (B) the Executive is not a controlling person of, or a member of a group which controls, such entity and (C) the Executive does not, directly or indirectly, own 1% or more of any class of securities of such entity. As used in this Agreement, the "Restricted Period" means the period beginning on the date of this Agreement and ending (x) if the Executive's employment is terminated by the Company for Cause, six months after the date of termination; (y) if the Executive's employment is terminated voluntarily by him other than for Good Reason, nine months after the date of termination; provided, however, starting July 1, 2002 and thereafter through the term of the Agreement, if the Executive's employment is terminated voluntarily by him, and not for Good Reason, three months after the date of termination; and (z) if the Executive's employment is terminated by the Company without Cause, or by the Executive for Good Reason, one year after the date of termination.

(b) From the date hereof and for a period of two years after the termination of the Executive's employment with the Company, the Executive shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, except in connection with the business and affairs of the Company and its affiliates, all confidential matters relating to the Company's Business and the business of any of its affiliates and to the Company and any of its affiliates, learned by the Executive heretofore or hereafter directly or indirectly from the Company or any of its affiliates (the "Confidential Company Information"), and shall not disclose such Confidential Company Information to anyone outside of the Company except with the Company's express written consent and except for Confidential Company Information which is at the time of receipt or thereafter becomes publicly known through no wrongful act of the Executive or is received from a third party not under an obligation to keep such information confidential and without breach of this Agreement.

(c) From the date hereof and for a period of one year after the termination of the Executive's employment with the Company, the Executive shall not, without the Company's prior written consent, directly or indirectly, (i) solicit or encourage to leave the employment or other service of the Company, or any of its affiliates, any employee or independent contractor thereof or (ii) hire (on behalf of

the Executive or any other person or entity) any employee or independent contractor who has left the employment or other service of the Company or any of its affiliates within the one-year period which follows the termination of such employee's or independent contractor's employment or other service with the Company and its affiliates. From the date hereof and for a period of one year after the termination of the Executive's employment with the Company, the Executive will not, whether for his own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with the Company's or any of its affiliates' relationship with, or endeavor to entice away from the Company or any of its affiliates, any person who during the Term is or was a customer or client of the Company or any of its affiliates. During the Restricted Period, the Executive shall not publish any statement or make any statement under circumstances reasonably likely to become public that is critical of the Company or any of its affiliates, or in any way adversely affecting or otherwise maligning the Business or reputation of the Company or any of its affiliates.

(d) All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof), whether visually perceptible, machine-readable or otherwise, made, produced or compiled by the Executive or made available to the Executive concerning the business of the Company or its affiliates, (i) shall at all times be the property of the Company (and, as applicable, any affiliates) and shall be delivered to the Company at any time upon its request, and (ii) upon the Executive's termination of employment, shall be immediately returned to the Company.

6.2 Rights and Remedies upon Breach.

The Executive acknowledges and agrees that any breach by him of any of the provisions of Section 6.1 (the "Restrictive Covenants") would result in irreparable injury and harm for which money damages would not provide an adequate remedy. Therefore, if the Executive breaches, or threatens to commit a breach of, any of the provisions of Section 6.1, the Company and its affiliates shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company and its affiliates under law or in equity (including, without limitation, the recovery of damages):

(i) The right and remedy to have the Restrictive Covenants specifically enforced (without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry against the Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants; and

(ii) The right and remedy to require the Executive to account for and pay over to the Company and its affiliates all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by him as the proximate result of any actions constituting a breach of the Restrictive Covenants, and the Executive shall account for and pay over such Benefits to the Company and, if applicable, its affected affiliates.

The Executive agrees that in any action seeking specific performance or other equitable relief, he will not assert or contend that any of the provisions of this Section 6 are unreasonable or otherwise unenforceable. The existence of any claim or cause of action by the Executive, whether predicated on this Agreement or otherwise, shall not limit the Company's right to enforce the Restrictive Covenants.

7. Other Provisions.

7.1 Severability. The Executive acknowledges and agrees that (i) he has had an opportunity to seek advice of counsel in connection with this Agreement and (ii) the Restrictive Covenants are reasonable in geographical and temporal scope and in all other respects. If it is determined that any of the provisions of this Agreement, including, without limitation, any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the provisions of this Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

7.2 Duration and Scope of Covenants. If any court or other decision-maker of competent jurisdiction determines that any of the Executive's covenants contained in this Agreement, including, without limitation, any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, then, after such determination has become final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

7.3 Enforceability; Jurisdiction. The Company and the Executive intend to and hereby confer jurisdiction to enforce the Restrictive Covenants set forth in Section 6 any Federal or State court sitting in the State of New York. The parties hereby agree to waive any right to a trial by jury for any and all disputes hereunder (whether or not relating to the Restricted Covenants).

7.4 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if mailed, five days after the date of deposit in the United States mails as follows:

(i) If to the Company, to:

New York Mercantile Exchange
One North End Avenue
New York, New York 10282
Attention: General Counsel

(ii) If to the Executive, to him at:

63 Glenview Road
South Orange, New Jersey 07079

Any such person may by notice given in accordance with this Section 7.4 to the other parties hereto designate another address or person for receipt by such person of notices hereunder.

7.5 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

7.6 Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of

any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

7.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

7.8 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive; any purported assignment by the Executive in violation hereof shall be null and void. In the event of any sale, transfer or other disposition of all or substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, the Company may assign this Agreement and its rights hereunder.

7.9 Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by law.

7.10 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

7.11 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof, each signed by one of the parties hereto.

7.12 Survival. Anything contained in this Agreement to the contrary notwithstanding, the provisions of Sections 6, 7.3 and 7.9, and the other provisions of this Section 7 (to the extent necessary to effectuate the survival of Sections 6, 7.3 and 7.9), shall survive termination of this Agreement and any termination of the Executive's employment hereunder.

7.13 Existing Agreements. The Executive represents to the Company that he is not subject or a party to any employment or consulting agreement, non-competition covenant or other agreement, covenant or understanding which might prohibit him from executing this Agreement or limit his ability to fulfill his responsibilities hereunder.

7.14 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

7.15 Parachutes. If all, or any portion, of the payments provided under this Agreement, either alone or together with other payments and benefits which the Executive receives or is entitled to receive from the Company or an affiliate, would constitute an excess "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the payments and benefits provided under this Agreement shall be reduced to the extent necessary so that no portion thereof shall fail to be tax-deductible under Section 280G of the Code.

7.16 Costs of Litigation. In any legal proceeding brought for enforcement or interpretation of this Agreement, each party shall bear its own costs and expenses, including legal fees and expenses incurred in the proceeding, and the costs of investigation and preparation.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

NEW YORK MERCANTILE EXCHANGE

By: /s/ Daniel Rappaport

Daniel Rappaport
Chairman

EXECUTIVE

/s/ Neal L. Wolkoff

Neal L. Wolkoff

Press Releases

Release Date: 06/20/00

Exchange Members Approve Demutualization Plan

FOR IMMEDIATE RELEASE

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NEW YORK, NEW YORK, June 20, 2000 - The members of the New York Mercantile Exchange voted 97.5% in favor of a demutualization plan which will make the Exchange the first in New York to convert from a not-for-profit membership structure to a for-profit organization.

The demutualization plan calls for the equity in the Exchange to remain with the seat-owners of its NYMEX Division.

Exchange Chairman Daniel Rappaport said, "Today's approval, is just the first step in repositioning the Exchange as a 21st century business enterprise that will create and pursue profitable new opportunities, react rapidly and decisively in an increasingly competitive marketplace, and explore interest by outside investors."

The plan has already received approval from the Securities and Exchange Commission and the Exchange anticipates approval shortly from the Commodity Futures Trading Commission. It is also seeking a favorable tax ruling from the Internal Revenue Service.

In order to pass, it required approval by at least two-thirds of the votes cast at today's special membership meeting with at least 150 members voting. The voting results were 430 in favor and 11 opposed.

As a result of today's vote, the Exchange, a not-for-profit membership corporation under New York law, will be reorganized as a for-profit membership corporation under Delaware law and will be renamed New York Mercantile Exchange, Inc. A new stock-holding company named NYMEX Holdings, Inc., will be formed to own all of the economic interests and most of the voting control in the for-profit membership corporation. Each existing NYMEX Division membership will be converted into one share of common stock in NYMEX Holdings, representing equity in the overall organization, and one membership in the Exchange representing trading privileges.

The common stock and trading privileges will not be separable until a majority of stockholders vote to permit separate trading of the common stock and trading rights. Until that time, the boards of directors of NYMEX Holdings and New York Mercantile Exchange, Inc., will be identical 22-person boards drawn from the same membership categories and in the same proportions as currently apply. Eligibility for membership will continue to be subject to the current rules.

Mr. Rappaport added, "The Board considered a number of alternate demutualization plans and determined that a holding company structure would best enable us to reposition the Exchange and provide it with the opportunity to raise capital or complete strategic transactions at the holding company level, while at the same time dealing with purely Exchange-related matters at the Exchange level."

The Exchange is the largest physical commodity exchange in the world, with volume reaching close to 110 million contracts in 1999. The futures and options contracts traded at the Exchange are based on such strategic commodities as oil, gold, silver, natural gas, electricity, copper, and aluminum.

Editor's Note: A copy of the demutualization prospectus presented to the Exchange members is available on the Exchange website, www.nymex.com, or by calling the Exchange press office at (212) 299-2436.