

THANK YOU INDIA for believing in us and making us India's 1st listed exchange.

We extend our gratitude to everyone who believed in us. And we take this moment to assure you that the very values of good governance, transparency and openness to scrutiny that have brought us to this momentous occasion, shall continue to guide us as we move forward together into the future.

Dear Well-wishers,

In the life span of an institution, achieving the first decade of successful functioning is a cause for celebration and a major milestone. We wish to express our warm appreciation and sincere gratitude for your outstanding support to the Initial Public Offering of MCX, which was listed on the BSE on March 9, 2012. The maiden issue of MCX makes it the first ever exchange in India to get listed. And the MCX IPO also set new benchmarks: it was subscribed to the tune of US\$7 billion for an issue size of US\$135 million; it was 54 times oversubscribed with subscribers ranging across a broad spectrum of investors from both India and abroad. Moreover, within a fortnight of the closure of the issue, the allotment basis was decided and the shares listed.

We take this opportunity to thank all the investors who believed in our vision, and all the well-wishers who stood by us throughout our journey of growth. And with all humility, we also thank all those who have tested our strengths and capabilities by creating innumerable roadblocks and impediments in our path as these have only helped reinforce our commitment to growth and strengthened our resolve to place the Indian exchange industry amongst the best in the world.

The vision that we shared when we started MCX in November 2003—to make MCX one of the top ten commodity exchanges in the world in a span of 10 years—was considered audacious at the time. But, we were a young and energetic team. We believed in ourselves and in the values of trust and transparency that were embedded in our business model. We had focus, faith and commitment. We shared the dream of creating an Indian exchange that could match the best in the world; an exchange that would showcase the prowess and potential of India. And today, we have succeeded in taking MCX to the global league of the top three commodity exchanges in less than a decade.

When we look back at the progress of MCX, it gives us a sense of great satisfaction that, while creating an institution of global standing and stature, we have also been successful in fostering the principle of 'of India, for India and by India'. MCX is one of the very few institutions in India that are completely driven by an Indian enterprise, benefit Indian businesses and trade, and generate direct employment and self-employment for a large number of people across the country. MCX has 2,000+ members and 3,00,000+ terminals spread across 1,500+ cities, which is estimated to have generated employment opportunities for over 1 million people.

MCX, on its way towards further progress and performance, will continue to uphold the values and standards that it has set in the realm of institution-building and pursue excellence in growth and diversity in which India can take pride. We take this opportunity to briefly mention a few of the best practices that make MCX receive the admiration it enjoys in India and abroad.

1) Listing: Exchange being a frontline regulator, MCX has taken a step which no other exchange in India has even considered. We believe, making MCX a listed company takes it to the pinnacle of high standards in transparency and disclosure, with greater scrutiny of its progress and performance by analysts and investors. Walk the Talk has been the guiding principle of MCX since its inception. Being India's 1st listed exchange, MCX has put the Indian exchange industry at par with the developed countries including the United States of America (CME, NYSE, NASDAQ), the United Kingdom (LSE), Germany (Deutsche Börse), Hong Kong (HKEx), Singapore (SGX), Japan (OSE) and Australia (ASX).

2) Diversified Ownership: MCX is promoted by Financial Technologies (India) Limited, which is listed on the public equity markets and has more than 40,000 shareholders. Indian banks and public institutions hold 35% of the shareholding of MCX—making this the largest group of investors, followed by international institutional investors who hold 33% of the shares. Post listing, 74% of the MCX stock is held by non-promoter shareholders. A total of 3% of the stock has been earmarked for the employees of MCX across the entire hierarchy of the organisation, distributed right from the beginning by way of multiple ESOPs, so that they are also a part of the growth story. The listing of MCX makes it one of the most progressive companies with diversified shareholding, representing domestic and international investors.

An important aspect of the ownership is that both Mr. Jignesh Shah and Mr. Dewang Neralla, co-founders of the Financial Technologies, do not hold MCX's shares in their individual capacities.

3) Pedigree of Investors: Investors in MCX consist of such pedigree institutions as the State Bank of India, Bank of Baroda, Corporation Bank, GLG Financials Fund, Alexandra Mauritius Ltd., ICICI Lombard General Insurance Company, Fidelity (FID Funds Mauritius Ltd.), Aginix Enterprises Ltd., Intel Capital (Mauritius) Ltd., IGSB-STAD I, LLC, Euronext N.V., New Vernon Private Equity Limited, Passport Capital LLC (A/c Passport India Investments (Mauritius) Ltd.), Merrill Lynch Holdings (Mauritius) and Financial Technologies (India) Ltd. The listing has added 3,00,000 more shareholders to the MCX family, placing it among the top 50 companies in India in terms of shareholder base on the first day of listing.

4) Governance and Management: MCX has been able to establish strong precedents in governance and management. It has completed a 360 degree institutionalisation of the entire organisation, including change management and succession planning. MCX is now headed by Mr. Lamon Rutten, who in the past has worked with international organisations such as UNCTAD. He took over from Mr. Joseph Massey in 2009**, who in turn took over from Mr. Jignesh Shah who was its head in the initial years. The entire process of management transition is smooth, in that every Chief Executive Officer at the time of taking over the responsibility is already groomed and made fully conversant with various responsibilities and obligations towards stakeholders and constituents as well as the compliance standards of the institution.

5) Financial Discipline: Since the very first year of its operations, MCX has been paying dividends. The cumulative dividend paid by MCX amounts to four times the size of its paid-up capital contributed by shareholders. Additionally, MCX has issued bonus equity amounting to 20% of its current capital. A share of ₹10 paid-up capital was subscribed at ₹1,032 (top of the price band) at the time of listing, thus generating huge value in a short span of 8 years, with Indian banks being the biggest beneficiaries.

6) Exchange Ombudsman: MCX is the first and the only exchange in India to appoint a former High Court judge as the Exchange Ombudsman.

7) RTI : Unlike other exchanges, MCX has expressed an affirmative vote for RTI on exchanges, which will be adhered to as and when the authorities decide.

8) A Green Exchange: As an electronic exchange, MCX has a very small carbon footprint. By incorporating the best global practices on energy conservation in our exchange building, we became India's first Green Exchange. To further India's role in the global combat against greenhouse gas emissions, in January 2008, MCX launched carbon credit futures trading.

9) Corporate Social Responsibility: Since its inception, MCX has made corporate social responsibility a business priority. To reach out to the constituency of the vast Indian countryside, together with India Post, we launched Gramin Suvidha Kendra as a unique experiment to empower rural people and farmers through market information. Beyond this, we disseminate and distribute information to stakeholders in the commodity markets ecosystem in 13 regional languages, to assist market participants in taking decisions, trading and hedging.

10) Awards and Recognitions: A select few of the awards and recognitions conferred on MCX for its outstanding performance are:

- EMPI-Indian Express Indian Innovation Award 2006 (given by Shri A.P.J. Abdul Kalam, the then President of India)
- Golden Peacock Eco-Innovation Award 2008 by the Institute of Directors
- Award for Agriculture & Rural Innovation 2009 by the Sankalp Forum
- FICCI Socio Economic Development Foundation (SEDF) Corporate Social Responsibility Award - 2009 and 2010
- NASSCOM Foundation Social Innovation Honours 2010
- SKOCH Foundation Financial Inclusion Award 2011
- Indy's Award - Best in Corporate Social Responsibility Practices 2011
- Best Commodity Exchange of the Year (Bombay Bullion Association) (every year since 2008)
- Selected as the Best Superbrand - 2010 and 2011

MCX endeavours to continue to progress and perform well in all spheres that help it gain national and international recognition.

11) Concurrent Evaluation: To guide MCX in its growth strategy, we believe in continuous assessment and evaluation of our contribution to the key sectors and constituencies of the economy. As a part of this process, we have engaged Tata Institute of Social Sciences (TISS) to conduct a study to assess the impact of exchange operations in creating infrastructure, employment and income among local businesses and other communities. The pilot study, covering the two states of Maharashtra and Gujarat, is now complete, and a much larger study is in progress. MCX is the only commodity exchange in the world to report its sustainability performance.

12) Aspirations and the road ahead: We aspire to make MCX an epicentre of global commodity markets, and empower the Indian economy by:

- Creating a platform for price-setting in key commodities in which India has strong presence
- Helping large corporates and SMEs to hedge risks
- Facilitating the development of financial market intermediaries in India
- Enabling India to become one of the leaders in the global financial markets

Thank you for making this journey so fulfilling . . .

Yours sincerely,


Venkat Chary
Chairman, MCX


Jignesh Shah
Vice Chairman, MCX


Lamon Rutten
MD & CEO, MCX

... and most deservedly India wins this
prestigious global award..

Award to be conferred on February 5, 2013 at Hong Kong

FinanceAsia

Awards MCX IPO as the “Best Midcap Equity Deal” in the Entire Asia Pacific for 2012.

1st Exchange in the Asia Pacific to receive this recognition

■ Asia Pacific Region:
Australia | Bangladesh | China | Hong Kong | India | Indonesia | Japan | Korea | Malaysia | Myanmar
New Zealand | Pakistan | Philippines | Sri Lanka | Singapore | Thailand | Vietnam
-Partial list in alphabetical order

Key Selection Criteria

- The IPO was oversubscribed 54 times excluding the 15% anchor tranche
- Retail portion of the IPO was oversubscribed 24 times
- Qualified Institutional Buyers (QIBs) segment was oversubscribed 49 times
- HNI tranche was oversubscribed 150 times

- FinanceAsia, a leading publication in the Asia Pacific region, presents FinanceAsia Achievement Awards every year in recognition of Asia-Pacific's best deals for the last 15 years.

* Midcap in the Asia Pacific context.

Highlights

- MCX is the key and critical institutional framework for commodities trading in India complementing equity, debt and currencies, leading to a complete and comprehensive Financial Infrastructure of Organised Regulated Markets (FIORM), that makes India at par with the FIORM of the developed economies.
- MCX has 2,000+ members and 3,00,000+ terminals spread across 1,500+ cities, which is estimated to have generated employment opportunities for over 1 million people.
- MCX, being India's 1st listed exchange, has put the Indian exchange industry at par with the developed countries including the United States of America (CME, NYSE, NASDAQ), the United Kingdom (LSE), Germany (Deutsche Börse), Hong Kong (HKEx), Singapore (SGX), Japan (OSE) and Australia (ASX).
- MCX's listing has added 3,00,000 more shareholders to the family, placing it among the top 50 companies in India in terms of shareholder base on the first day of listing.
- MCX has been paying dividends since the very first year of its operations.
- MCX is the first and the only exchange in India to appoint a former High Court judge as the Exchange Ombudsman.
- MCX is the first Indian Exchange to express an affirmative vote for RTI.
- MCX is the only commodity exchange in the world to report its Sustainability performance.


MCX
METAL & ENERGY
Trade with Trust
www.mcxindia.com

**This copy is the text of the advertisement released on 11th March 2012, upon listing of MCX on the BSE. MCX is now headed by Mr. Shreekanth Javalgekar, continuing the tradition of dynamic leadership and succession management of the exchange.

India's no. 1 commodity futures exchange* | World's no. 1 in gold and silver* | World's no. 2 in natural gas* | World's no. 3 in crude oil* | World's no. 3 commodity futures exchange**

Source: *Derived based on data maintained by FMC. #Based on the comparison of trading volumes (in terms of the number of commodity futures contracts traded) for the calendar year 2011 sourced from the websites of exchanges and FIA. ##Data published for the calendar year 2011 on the websites of exchanges and FIA Annual Volume Survey released in March 2012.