

LETTER FROM THE CHAIRMAN AND PRESIDENT

The year 2000 presented many challenges to all of us at the New York Board of Trade (NYBOT®). Despite these challenges, the organization was able to exceed its business goals in a climate of declining prices for our global commodities. A solid performance for the year of 20,462,693 total contracts traded demonstrated once again the durability of our core markets.

During 2000, the New York Board of Trade committed itself to an effort to provide a foundation for longer-term growth. Our goal is to protect our competitive position as the world's premier futures marketplace for sugar, cotton, coffee, cocoa and orange juice, and also to position us for opportunities with exciting new products in the future. We're developing trading environments that will allow us to promote and expand the use of our markets, thereby increasing order flow for our membership.

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As an important step looking forward, the NYBOT established the groundwork for launching an array of new products in the next 12 to 18 months. These products range from "mini" contracts in selected agriculturals and the Russell 1000® and NYSE Composite® indexes to the introduction of a family of innovative new products that could bring additional investors to our markets. The success of our new product development efforts will be enhanced by our implementation of electronic order routing to the ring and execution notification back to the customer.

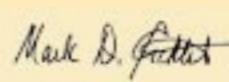
Our cooperative relationships with the underlying industries in our core markets have led to promising negotiations with several internet-based Business-to-Business (B2B) companies to establish alliances. We are also pursuing product and geographic alliances with other exchanges to explore new product areas.

Internally, the New York Board of Trade implemented measures to strengthen the financial security and safety of its markets. We established a new division of market regulation and our clearinghouse, the New York Clearing Corporation (NYCC), led the entire industry in raising financial requirements for clearing members. Enhancing our historically strong safeguards and regulatory mechanisms is an important part of our competitive strategy to expand the recognition of futures markets as attractive investments.

As was the case last year, the New York Board of Trade will face significant challenges in the months ahead, but by drawing upon the strength of its primary resources—its core markets and its membership—the organization can reinforce its role in the marketplace and build its prospects for continued growth.



Charles H. Falk
Chairman



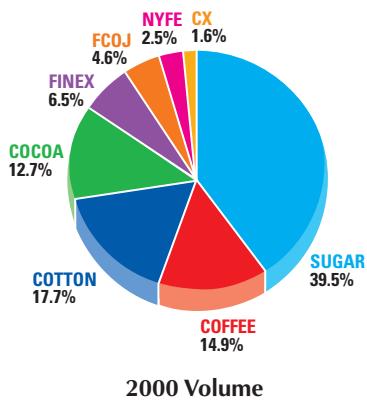
Mark D. Fichtel
President and CEO

markets

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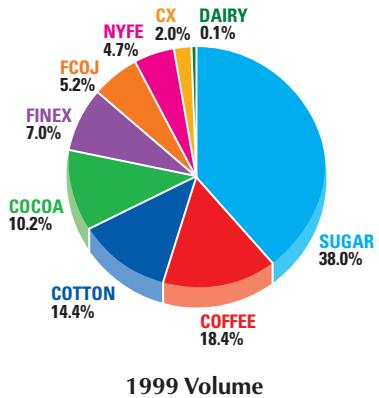
Trade depend heavily on the continued vitality of the core agricultural markets through the various historical economic cycles.

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The year 2000 was characterized by increased volume in two traditional markets (cocoa and cotton) and depressed commodity prices (and less trading activity) in other areas. The combined New York Board of Trade and Cantor Financial Futures Exchange total volume for the year was 20,462,693 futures and options contracts traded, a 7% decline from the 1999 total volume of 21,915,924 contracts. Excluding Cantor's numbers, the NYBOT futures and options trading totaled 20,137,154 contracts, a 6% decline from the 1999 figure of 21,477,856. Futures trading of 15,214,528 contracts (not including Cantor) marked a 5% decline over the 1999 figure of 15,958,237 futures contracts traded. Options recorded a 10% decline, with 4,922,626 puts and calls traded in 2000 as opposed to 5,519,619 in 1999.

Cotton options registered the largest NYBOT agricultural options gain, at 45%, with 1,027,002 contracts trading in 2000 against 706,589 in 1999. Cotton futures trading, at 2,597,757 total contracts, was up 6% over the 1999 total of 2,448,087. With 2,110,048 cocoa futures trading in 2000, that market recorded a 13% gain over the 1999 total of 1,868,036. Cocoa options trading was also up, with 495,221 puts and calls trading in 2000 against 364,450 in 1999, a 36% increase. The cocoa options total represented a new annual record.



Sugar, the NYBOT's largest market, was basically even on the futures side, with 6,056,826 total sugar futures (Sugar #11 and Sugar #14) trading in 2000 against a 1999 total volume of 6,049,960 contracts. Sugar options were off by 11%, as 2,027,581 puts and calls traded in 2000, down from 2,280,904 options in 1999.

Coffee "C" futures, trading at some of the lowest prices in twenty years, experienced a 20% decline in volume with 2,134,961 contracts in 2000 against 2,659,233 in 1999. The coffee options market in 2000 saw a total of 909,251 puts and calls traded, a 34% decline from the 1999 total of 1,369,021. FCOJ options, at 237,673 contracts in 2000, were down 32% from the 1999 total of 351,763. FCOJ futures were down more than 10% in the year, at 713,409 against 794,850 in 1999.

The FINEX currency division total volume of 1,310,100 futures and options was 14% under the 1999 total volume of 1,532,034. The NYFE index products recorded a total volume of 506,024 futures and options, a 50% decline from the 1999 total of 1,020,026.

TECHNOLOGY

technology

The NYBOT has undertaken several technology-based projects to add efficiencies and cost savings, such as "modernized" open outcry and web-based initiatives that can improve information management and dissemination.

Handheld Devices

The NYBOT has made a strong commitment to the technological enhancement of open outcry by making customer access to the broker possible through a variety of technologies.



Rapid development of the electronic order routing and processing—the electronic order routing and order book management system (EOR and OBMS)—is well underway. The system will provide a real-time environment for trade matching, trade reconciliation and straight-through processing of trades executed in the ring by our members. The OBMS component is in the development and testing phase and the EOR/OBMS will soon see its first full deployment in the New York Futures Exchange (NYFE) index product markets. Numerous floor brokers and FCMs have demonstrated considerable interest in bringing the EOR/OBMS to the floor, and testing of the internet-based EOR system and installation of necessary equipment is making this possible. Further focus on the Automated Trading Card (ATC) will occur after EOR/OBMS has been deployed.

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The NYBOT electronic entry and processing system generated a favorable response from a number of entities, including the Commodity Futures Trading Commission (CFTC) and NYMEX, which has



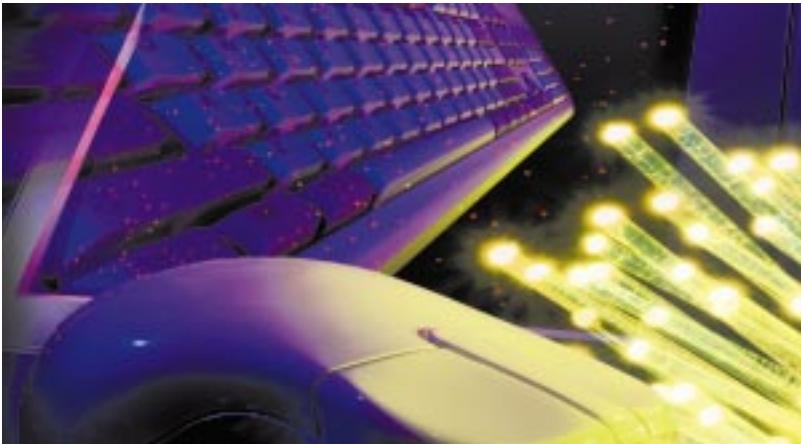
expressed interest in the installation of the NYBOT technology on their floor.

Floor Renovations

During 2000, the Floor Facilities Renovation Committee made progress in the design, approval and construction planning of the NYBOT floor renovation project. A basic floor plan was approved that established ring size, relationship between futures and options pits, ring access and general layout for booth configuration. Construction of the new trading floor to date has consisted of wall-to-wall demolition of half of the old trading floor, which was recently completed. The Committee and Staff have worked to adjust the project plan to meet the present and future needs of the organization, the members and their customers.

Information Systems

All the technological advances did not take place on the floor. The NYBOT continued to add web capabilities and reduce its reliance on paper-based methods of communication. As part of the NYBOT's initiative to provide members and their clients with crucial information in a timely,



convenient, less costly and more efficient manner, the NYBOT web site at www.nybot.com introduced "My NYBOT Page"—a package of new services that allows users to customize a screen as a single on-site access point for up-to-the-minute news, information and analytical tools that track the specific NYBOT agricultural and financial products. Members and customers can now access and manage their information flow through one resource. Specific password-protected web pages were also designed and developed for the NYBOT members, and the annual trading calendar was introduced in electronic

form on the web. The innovative and interactive *Live on the Web* series continued to provide access to the knowledge, insights and experience of some of today's leading investment practitioners in a variety of web seminars focused on the NYBOT markets. Live web casts were expanded to include major crop-related announcements and market analysis presentations.

Business Recovery Plan (BRP) Emergency Procedures

As the major component of its emergency plan, the NYBOT provides a fully-functional backup trading facility, which, in the event of a declared emergency, can be available with little inconvenience and down-time. As the first-ever contingency trading floor, our back-up facility in Long Island City allows the NYBOT and its subsidiaries to continue operating futures and options markets in the event a situation at Four World Trade Center creates inoperable or unsafe trading conditions. The site has everything needed to continue trading, including a complete back-up computer facility for Exchange processing functions.

Logistical details of the plan were also finalized and put in place.

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regulation

REGULATION & LEGISLATION

After the merger of the Coffee, Sugar and Cocoa Exchange and the New York Cotton Exchange in 1998, the NYBOT in 2000 continued implementing a variety of organizational changes designed to harmonize the rules of the two exchanges, and streamline various procedures and committee functions. A new division of market regulation was established to strengthen our regulatory environment and ensure that our markets continue to reflect the highest standards of integrity.



An unexpected challenge brought to us in the year 2000 was the default of a clearing member, which resulted in new capital and risk management requirements for NYCC clearing members. In response, NYCC took the lead in the futures industry by implementing new capital standards for clearing members. The plan, developed by a NYCC/NYBOT Financial Review Committee and approved by both Boards, called for a three-phase increase in the capital requirements for clearing members. By the end of 2000, the requirement was increased to \$3 million, and the overall capital requirements will go to \$4 million by June 30, 2001 and \$5 million by December 31, 2001. In addition, each member will be required to have appropriate risk programs installed and utilized for the business they clear.

The Commodity Futures Modernization Act passed in December 2000 created an entirely new, more relaxed regulatory framework in which new products can be brought to the market on demand. The new law also legalizes the trading of single stock futures. The NYBOT was active in presenting the Exchange's views to Congress and the CFTC to ensure that our positions were protected under the new law.

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THE FUTURE

As the futures trading world continues to become more technology-based, the NYBOT will strive to increase participation by all current and potential participants in our markets. We will provide more ways for those using our markets to access them, while still retaining the essential and proven benefits of open outcry. Off the floor, new alliances and product initiatives are moving closer to reality. All the diligence, persistence and flexibility that have been demonstrated in the past year by the project team and the member user group in developing the electronic order entry and automated trading card units will be required to keep the New York Board of Trade fully competitive in the global arena. Successful collaborative development of the NYBOT's technology, product and alliance initiatives are crucial to our long-term prospects. With the groundwork we have laid in the past year in each of these areas, we are optimistic about our prospects and the outlook for our members' equity values and earnings potential.

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Marc A. Brenner
Vice Chairman of the Board

Alfred J. Mascia
Treasurer

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Adrian DeYoung
Peter F. Karpen
Hugh R. Lamle
Terrence F. Martell

STAFF MEMBER

Mark D. Fichtel
President & CEO

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Richard P. Esposito
W.C. Hay
Brian Kurtzer
Michael J. Nugent
Daniel Rosenblum
Frederick W. Schoenhet
William J. Shaughnessy
Roger Corrado
Richard S. Dewling
W.B. Dunavant, Jr.
Woods E. Eastland
Herman S. Kohlmeyer, Jr.
Joseph Nicosia
Patrick J. O'Shea
Stephen J. Place

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President & CEO

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Executive Vice President,
Technology & Floor Operations

James E. Goodwin
Senior Vice President,
Market Regulation

Matt Gordon
Senior Vice President,
Market Development

Walter J. Hines
Senior Vice President,
Finance & Administration

Audrey R. Hirschfeld
Senior Vice President,
Legal & Regulatory Affairs and
General Counsel

Joseph J. O'Neill
Senior Executive Vice President,
Strategic Planning

George Haase
President,
NYCC

MEMBER FIRMS

ABN AMRO Incorporated	Copia Trading Company, Ltd.	Interboro Commodities LLC	Mitsubishi International Corp.	South African Sugar Association
ADM Investor Services, Inc.	Corcom Commodities, Inc.	Invictus Trading, Inc.	Mitsui & Co. (U.S.A.), Inc.	Spartan Mills
AGE Commodity Clearing Corp.	Credit Agricole Futures, Inc.	Itochu International, Inc.	Mitsui & Co., Ltd.	Spear, Leeds & Kellogg
AIG International Inc.	Credit Lyonnais Rouse (USA)	J&F Commodities, Inc.	Montgomery Co., Inc.	Stahel Hardmeyer AG
Albrecht, Muller Pearse & Co.	Limited	J&J Sugar Traders, Inc.	Morgan Stanley & Co., Inc.	Staple Cotton Cooperative
Alco Commodities Inc.	CSR Commodities, Inc.	J. Aron & Company	Nabisco Brands, Inc.	Association
Allenberg Brokerage Co.	Czarnikow-Rionda Sugar Trading, Inc.	J.G. Commodities	Nestle Foods Corporation	Sterling Commodities Corp.
Allgrain International Export	Inc.	J.L. Trading, Inc.	Nichimen America, Inc.	Sucden (U.K.) Ltd.
Alliance Coffee Trading, Inc.	D & A Commodities, Inc.	J.P. Morgan Futures, Inc.	Nissho-Iwai American Corporation	Sucden S.A.
Amerop Sugar Corporation	D.E.L.T.A., Inc.	J.S. Chapman, Inc.	Noble Americas Corp.	Sumitomo Corporation of America
Andre & Cie, SA	Daiva Securities America, Inc.	Jean Lion & Cie	NYAM LLC	SWIG Cotton Growers Assn.
Armenia Coffee Corporation	Dan River Cotton Co., Inc.	JMF Futures, Inc.	Orbit II Partners, LLC	Taiyo (USA) Inc.
Atlantic (USA), Inc.	Dapco Brokerage Ltd.	Joseph D. Heard Jr., LLC	Pappas Futures, Inc.	Tate & Lyle Industries Limited
Atlantic Capital Consultants, LLC	DBL Commodities, Inc.	Joyco Trading, Inc.	Parkdale Mills, Inc.	Term Commodities, Inc.
August Topfer & Co., GMBH	Deutsche Bank Futures, Inc.	JSG Futures, LLC	Patel Brothers	The Blommer Chocolate Co.
B&D Commodities Corp.	Domino Sugar Corporation	Kanematsu Corporation	Paul Reinhart AG	Theta Brokerage, Inc.
B&M Commodities, Inc.	Dunavant Commodity Corp.	Kempner, H. (Unincorporated)	Phibro Inc.	Tomen America, Inc.
Banc of America Futures, Inc.	Dunavant Enterprises Inc.	Kerry Foodstuffs Co., Ltd.	Pioneer Futures, Inc.	Top Glory Sugar Company, Ltd.
Banc One Brokerage	E.D. & F. Man Cocoa, Inc.	Kerry Trading Co. Limited	Plains Cotton Co-op Assoc.	Toyo Cotton Company
International Corp.	E.D. & F. Man International Ltd.	Kottke Associates, LLC	Premier Sugar, Inc.	Tradelink LLC
Barry Callebaut USA, Inc.	E.D. & F. Man Sugar, Inc.	Kraft General Foods, Inc.	Prime International Trading Ltd.	Trademark Commodities, Inc.
Bear, Stearns Securities Corp.	E.D. & F. Man (Sugar) Ltd.	Lantic Sugar Limited	Prudential Securities Inc.	Tri-Com Commodities
Berard Capital Management, LLC	East Coast Options Services, Inc.	Lehman Brothers Inc.	Queensland Sugar Limited	Triland USA, Inc.
Bernhard Rothfos GMBH	Eccleston Ltd.	LFG, A Division of Refco, Inc.	Rand Financial Services, Inc.	Tropical Products Trading, AVV
C&L Commodities Corp.	Essex Trading Group, Inc.	Lind-Waldock & Company, LLC	Refco, Inc.	Trout Trading Fund Ltd.
C. Czarnikow Sugar Futures, Inc.	Esteve Brothers & Co., Inc.	Liubicich Commodities	Refined Sugar, Inc.	U&H Caretaking, Inc.
C. Czarnikow Sugar, Inc.	FC Stone LLC	Louis Dreyfus Corporation	Reinhardt & Merz Inc.	UBS Warburg, LLC
C.J. Trading Associates	Fimat USA, Inc.	M.A. Clearing, Inc.	Republic New York Securities	Union Underwear/Fruit of the
C.R. Sugar Trading Limited	Furst, Papenburg & Co. GMBH	M.P. Commodities, Inc.	Corp.	Loom
Calcot Ltd.	Gerken Cacao, BV	Macquarie Inc.	Rollins Cotton Company	United Equities (Commodities) Co.
California & Hawaiian Sugar Company	Gill & Duffus SA	Man Financial Inc	Rome Cotton Co., Inc.	Volcafe Ltd.
Capital Management Sugar LLC	Glencore UK Ltd.	Man International Inc	Rosenthal Collins Group, LLC	W.P. Trading
Capstone Trading, Inc.	GMAX Futures, LLC	Mars Incorporated	Rothfos Corporation	Walker, Joseph & Co.
Cargill, Inc.	Goenka, SA	Marubeni America Corporation	Royal Brokerage Associates, Inc.	Weil Brothers & Butler
Cargill Investor Services, Inc.	Goldman Sachs & Co.	MBF Clearing Corp.	Russell Corporation	Weil Brothers & Stern Ltd.
Carolinas Cotton Growers Assn.	Greenwood Commodities, Inc.	Mercon Coffee Corporation	Savage Trading LLC	Weil Brothers Cotton Inc.
Carr Futures, Inc.	GWM Commodities, Inc.	Meredith Jones, Inc.	Savannah Foods & Industries, Inc.	Weis, A. M. & Co., Inc.
Cheraw Yarn Mills, Inc.	Hershey Foods Corporation	Merrill Lynch Futures, Inc.	Savant USA Limited	Wilbur Chocolate Co.
Coffee America (USA) Corporation	Hohenberg Bros. Company	Meyer Floor Brokerage Co.	Sicco Commodities	Windsor Commodity, Inc.
Comfin Trading Limited	Holco Commodities, Inc.	Michael Belmont Trading Corp.	Silgo Corporation	Worth Trading Associates, LTD
Commodities Corporation Limited	Hollywood Commodities, Inc.	Millennium Partners, LP	Smith Barney Inc.	Xcel Commodities, LLC
Commodity Corporation LLC	Imperial Sugar Company	Milliken & Co.	Smith, Jess & Sons, Inc.	ZAHR Trading, LLC
Cone Mills Corp.	ING (US) Securities Futures & Options, Inc.	Mintz & Co.	SMW Trading Company, Inc.	
Copersucar Trading AVV	Inman Mills	Mitsubishi Corp.	Societe D'Importation et de Commission	

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