IISL
INDIA INDEX SERVICES & PRODUCTS LIMITED
(A joint venture of NSE & CRISIL)

PRESS RELEASE –LAUNCH OF CNX REALTY INDEX and CNX PSU BANK

In the past, India Index Services and Products Limited (IISL) has launched several sectoral indices like CNX IT Index, CNX Energy Index, CNX Pharma Index and CNX Infrastructure Index to cater to the needs of market participants.

In continuation of its efforts to develop indices for various sectors and meet the requirements of market participants, IISL proposes to launch 2 sectoral indices:

1. **CNX Realty Index**
2. **CNX PSU Bank Index**

These indices will provide a tool to equity market participants to benchmark, track and develop investment products based on the respective sectors.

1. CNX Realty Index

Real estate sector in India is witnessing significant growth. Recent dynamics of the market reflected the opportunity of creating wealth across real estate companies, as proven by recent listings of real estate companies resulting into prominent growth in public funds and private equity.

The main growth thrust is coming due to favorable demographics, increasing purchasing power, existence of customer friendly banks & housing finance companies, professionalism in the real estate sector and favourable reforms initiated by the government to attract global investors.

Further necessitated by the thrust of redevelopment of old buildings, building townships and redeveloping mill lands, one can witness plenty of opportunities in real estate sector backed by favourable tax regime. IISL has developed the CNX Realty Index to synergize these emerging opportunities along with their Index expertise creating new investment avenues for investors.

The CNX Realty Index represents about 91.08% and 64.43% of the full market capitalization and aggregate turnover of the last one month for the period August 28, 2007 of the Real estate sector Universe respectively.

The average total traded value for the last six months of all CNX Realty Index constituents is approximately 6.51% of the traded value of all stocks on the NSE. CNX Realty Index constituents represent about 4.48% of the total market capitalization as on August 28, 2007.

Methodology

The index is a Free Float methodology based weighted index with base date of December 29, 2006, indexed to a base value of 1000.

Selection Criteria

Selection of the index set is based on the following criteria:

1. Company's market capitalization rank in the universe should be among the top 500.
2. Company's turnover rank in the universe should be in the top 500.
3. Company should have a positive Net worth.
4. A company, which comes out with an IPO, will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 1-month period.

2. CNX PSU BANK Index

The Indian banking system, reaping the benefits of strong credit off take and improved risk management practices, has continued to report increase in earnings over the last five years, while improving on its solvency profile substantially.

The emergence of the rural middle class segment and creation of many jobs in the last five years provided a large market for banks. To cater the needs of potential customers, public sector banks have taken various initiatives to improve their core fee income over the last few years.

The public sector banks with their existing widespread branch network have been primarily increasing their IT related expenditure. The core profitability of the public sector banks continue to rise on the back of improving operating efficiencies. PSU Banks account for 70.3 percent in terms of total assets held for 2006-07 along with total business share amounting to 73 percent for 2006-07.

Consolidation would further improve PSU banks' competitive edge against their private counterparts in servicing customers — both retail and corporate — in the international and domestic markets. Recognizing these changing dynamics of Indian banking industry, IISL has developed PSU Bank Index to capture the performance of the PSU banks.

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The CNX PSU Bank Index represents about 89.16% and 90.40% of the full market capitalization and aggregate turnover respectively of the last six months (for the period ended August 28, 2007) of the PSU Banks (sector) Universe respectively.

The average total traded value for the last six months of all CNX PSU Bank Index constituents is approximately 4.86% of the traded value of all stocks on the NSE. CNX PSU Banks Index constituents represent about 3.47 % of the total market capitalization as on August 28, 2007.

Methodology

The index is a Free Float methodology based weighted index with base date of January 1, 2004, indexed to a base value of 1000.

Selection Criteria

Selection of the index set is based on the following criteria:

1. Constituent should be a Public sector bank
2. Constituent's market capitalization rank in the universe should be among the top 500.
3. Constituent's turnover rank in the universe should be in the top 500.
4. Constituent should have a positive Net worth.
5. The constituents should be available for trading in the derivatives segment (Stock Futures & Options market) on NSE.

The indices will be maintained by IISL and will be launched with effect from August 30, 2007.

Place: Mumbai

Date: August 29, 2007