NYSE – Euronext

An opportunity for Europe

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A most attractive combination

- Creation of the first multi-product global exchange
- Development of Euronext's position as privileged market place for listings in Europe
- Continuity of the Euronext federal model
- Strong potential for further business development and market opportunities
- Generation of massive synergies

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1. A carefully designed alliance, a logical choice: compelling reasons

The Euronext-NYSE alliance will

1. **Create the first multi-product global exchange**
   - World largest exchange by market cap
   - World premier listings venue
   - Diversified revenue by geography and products
   - Partner of choice for further global consolidation and competition

2. **Encourage further business development and more market opportunities**
   - Derivatives market: expand international futures and options
   - International listings: to compete as a global player

1. A carefully designed alliance, a logical choice: compelling reasons

The Euronext-NYSE alliance will

3. **Create massive synergies (€ 295m in total)**
   - Synergies will largely derive from IT synergies (€ 195m), i.e. rationalization of IT platforms for the combined group, a domain in which Euronext has in-depth expertise
   - Further revenues synergies will come from new products development

4. **Enable Europe to live up to the challenge of global consolidation by**
   - Rivalling a group formed by NASDAQ and the LSE, especially in terms of listings of companies from emerging countries (Russia, China, India, etc.)
   - Remaining the partner of choice for further consolidation

1. A carefully designed alliance, a logical choice: compelling reasons

The Euronext-NYSE alliance will

5. **Create diverse benefits for companies listed on Euronext**
   - Unrivalled visibility to investors, listed on the first truly global exchange with companies of a market capitalisation totalling more than €20 trillion
   - Access to the largest investor base of institutional and retail investors and analysts in Europe as well as in the US
   - Ability for companies to be listed both in Euros and US Dollars with 13 hours of continuous trading and to become part of the "global super league" of dual-listed companies

Finally, the project can be implemented very quickly (end of 2006/early 2007) without regulatory risk (no European competition issues)

2. An extension of Euronext's unique federal model on a global scale

- **Continuity of local regulatory frameworks for each market since**
  - The US holding company does not have regulated exchange status
  - The implementation of the alliance is contingent on the preliminary approval of the principle of **exclusive** geographic regulatory responsibility by all relevant authorities
    - SEC remains the regulator solely for the American market (and cannot intervene in Europe)
    - The national regulators (AMF, CBFA, etc.) remain in control of the European markets (principle of geographic separation of regulatory responsibilities).

2. An extension of Euronext's unique federal model on a global scale

Two separate pillars with their own regulation

2. An extension of Euronext's unique federal model on a global scale

- **Replication of the Euronext model in combined group management structure : a true federal approach**
  - Respect of the local financial markets' identities, a guarantee for their further development
  - No single head office combining all decision-making centres
- **Confirmation of Euronext's position as leading market place in the eurozone**
- **Reinforcement of the euro's position as the number two global currency**

3. A balanced agreement

- **A naturally balanced agreement given that Euronext and NYSE have**
  - comparable market capitalisations
  - equivalent turnover

- **A balanced governance structure, rooted in the alliance's bylaws, with no time limit**

3. A balanced agreement

- **A balanced managing team**
  - **Board of 20 Directors**
    - Euronext: 9 (+1 if Milano's operation is realized)
    - NYSE: 11
  - **Supermajority vote applicable to major external growth operations, including governance structure**
  - **Executive committee with equal representation from Euronext and NYSE (6+6)**
  - **Proposed management**
    - Chairman: J-M Hessels
    - Deputy Chairman: M Carter
    - CEO: J Thain
    - Deputy CEO and head of international operations: J-F Théodore

4. A positive alliance for all stakeholders

Users

- Covers more time zones than any other exchange
- Horizontal business model with unparalleled product depth and geographic breadth
- Enhanced trading experience across equities, bonds, and derivatives, including futures and options

Issuers

- World's largest pool of investors
- Easier access to both U.S. and European investors and leading destination for capital formation
- Ability to list in two of the world's main currencies…
- …while keeping current local regulatory frameworks unchanged
- Creation of a "super league" for companies already quoted on Euronext and the NYSE

4. A positive alliance for all stakeholders

Shareholders

- €215M costs reduction over 3 years
- €80M additional revenues

Superior growth and profitability

Employees

- Maintain current headquarters and marketplaces
- Balanced management structure with superior leadership team
- Culture of excellence and entrepreneurship
- Greater career development opportunities

4. A positive alliance for all stakeholders

- A strong opportunity for growth and employment in Europe
  - The new company will rely on the technology of ATOS-Euronext, a European company
  - Europe will become one of the two pillars of the world's premier listing venue, capable of attracting listings from emerging countries
  - Each market place will benefit from the overall increase in activity (growth of markets, increasing diversity of products, trading volumes, etc.)

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