

# Sandler O'Neill Global Exchange & Electronic Trading Conference

June 5, 2008

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# NYSE Euronext Is Executing A Well Defined Strategy

Continue to ***build the most global, diverse, and technologically advanced marketplace*** for the benefit of our customers and shareholders

Maintain a ***steadfast commitment to our customers, drive innovation, and maximize choice*** for issuers and users on a global scale

Utilize best in class technology and business practices to ***deliver significant operating leverage*** and superior financial results

# NYSE Euronext Operates The World's Leading and Most Liquid Exchange Group

## United States

- Cash Equities
- Options
- Futures<sup>1</sup>
- Fixed Income
- Listings
- Market Data

## Europe

- Cash Equities
- Options
- Futures
- Fixed Income
- Listings
- Market Data

## Asia & S. America

- *Japan*: strategic alliance with Tokyo Stock Exchange
- *India*: 5% stake in both National Stock Exchange and Multi Commodity Exchange<sup>2</sup>
- *China*: opened Beijing office
- *Brazil*: Bovespa investment

## Other

### *Cooperation Agreements:*

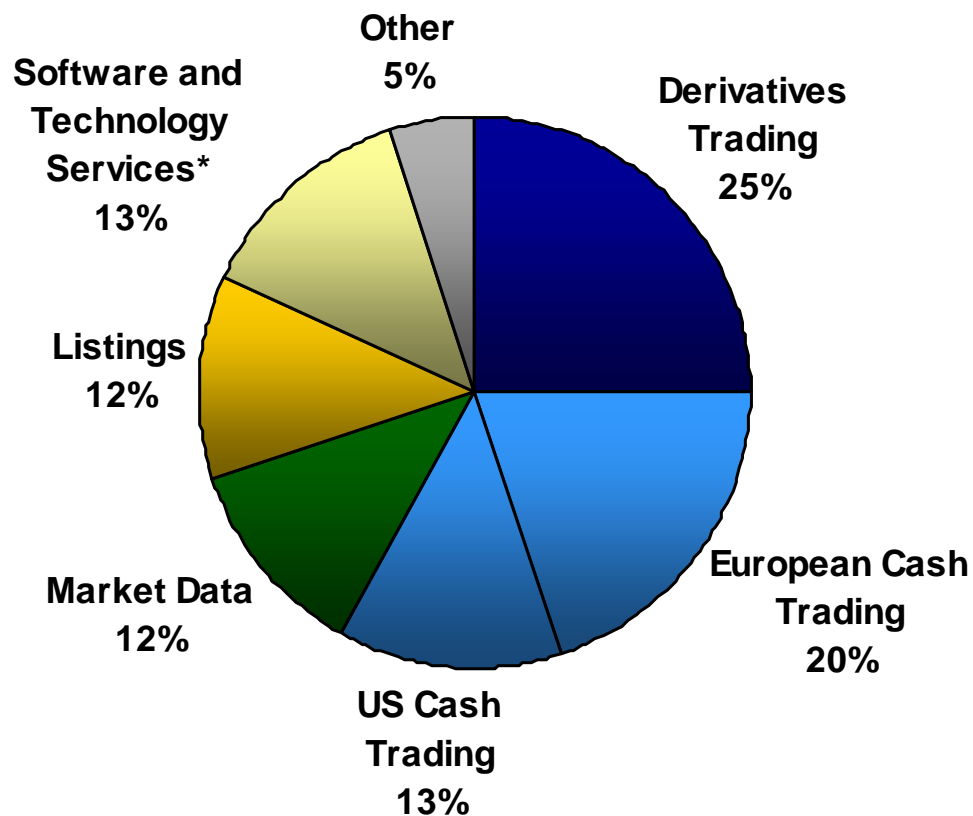
- Abu Dhabi
- Luxembourg

### *Selected Technology Arrangements<sup>3</sup>:*

- Tokyo
- Bursa Malaysia
- Philippines
- Warsaw

1. Futures and options on futures of precious metals
2. Multi Commodity Exchange investment pending and expected to close in first half of 2008, subject to regulatory approval
3. Through AEMS, which is expected to become a wholly-owned subsidiary in Q3'08

# NYSE Euronext Revenues Are Highly Diversified



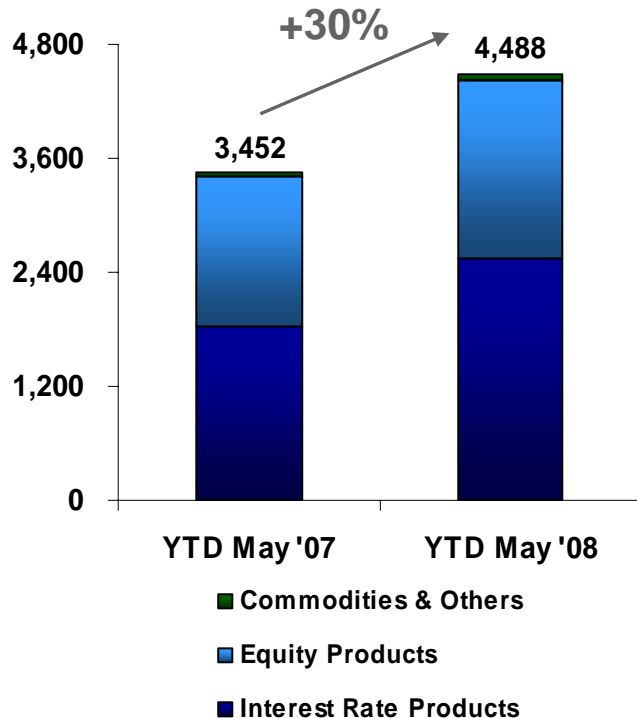
\* Revenue associated with the Wombat and AEMS transactions will be included in Software and Technology Services in the quarter of, or following, the close of the transactions. The acquisition of Wombat closed in Q2'08 and the AEMS transaction is expected to close in Q3'08.

Note: Based on Q1 '08 non-GAAP pro forma results for NYSE Euronext. Net revenues exclude activity assessment fees, liquidity payments and routing and clearing fees. Source: NYSE Euronext.

# Balanced Portfolio of European Derivative Products

## Strong Growth in Life Average Daily Volumes...

ADV Contracts  
in 000s



Source: NYSE Euronext. As of May 31, 2008.

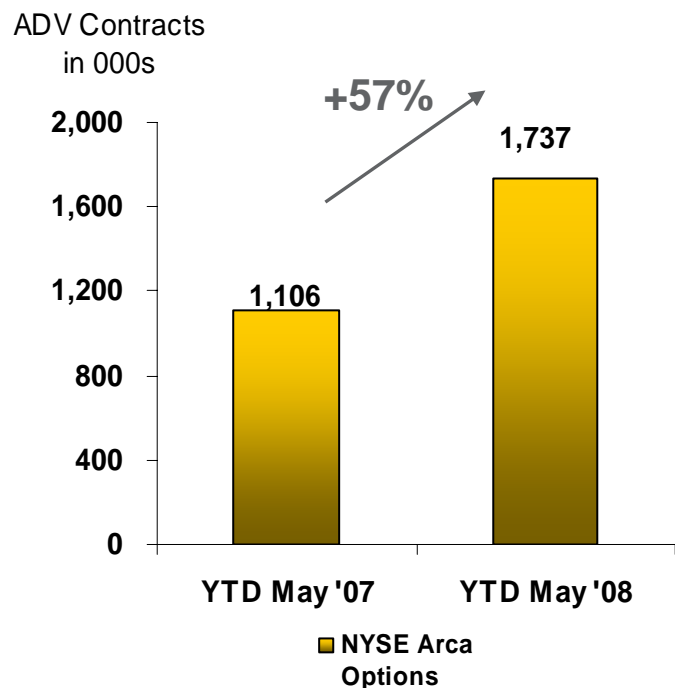
1. Subject to regulatory approval

## ...With Ongoing Focus on New Products and Services

- **Bclear:** Efficient, low-cost platform to register, process and clear OTC trades
  - Futures and options contracts now available on ~1,000 European, US and Asian underlyings from 23 countries and 13 national and pan-European indices
  - Preparing to launch service in U.S. market<sup>1</sup>
- **ETF Options:** Recent launch of options contracts on iShares FTSE 100 and iShares DJ Euro Stoxx 50 ETFs
- **Single Stock Futures:** leading European exchange with 49% market share in Q1'08

# NYSE Arca Options: The Fastest Growing U.S. Options Exchange

## NYSE Arca Options Average Daily Volume



## Key Strategic Initiatives

- **Penny Pilot:** 13.4% share of trading year-to-date through May 2008 in penny pilot issues
- **Cross Selling Liffe & NYSE Arca Options:**
  - Generating new contract volumes as customers become members of both Liffe and NYSE Arca Options markets
  - Introducing common network and interface in 1H'08 for Liffe and NYSE Arca Options, facilitating further cross selling opportunities
  - Expect to list options on leading European indices (CAC 40, AEX, FTSE 100) on NYSE Arca by Q3'08

Source: NYSE Euronext. As of May 31, 2008.

# Precious Metals Provides Entry Into U.S. Futures

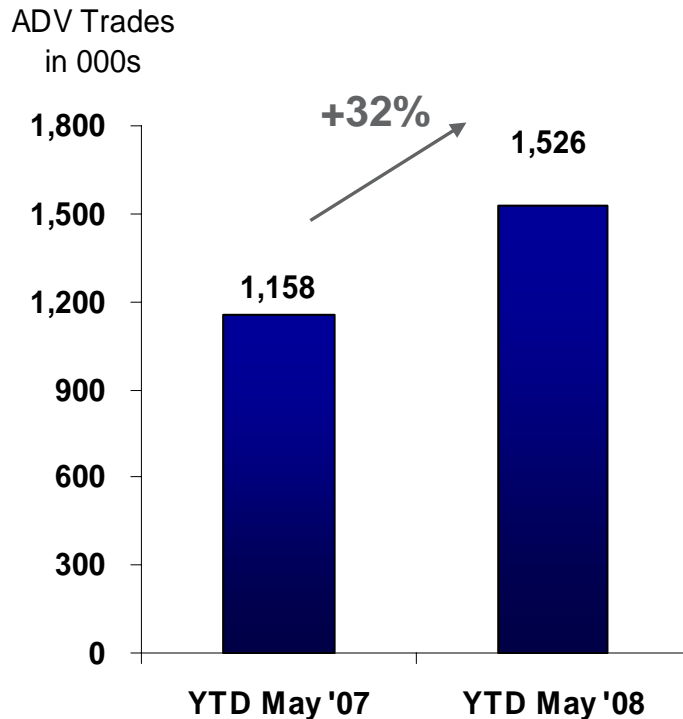
*Establishing a presence in the U.S. futures market through the recent acquisition of the precious metals futures complex from CBOT*

- Serves as stepping stone in building a broader US futures business
- All-electronic platform offering futures and options on futures for gold and silver
  - currently trades 45k contracts per day on average
- Contracts currently trade on an electronic platform powered by LIFFE CONNECT®
  - seamless transition for customers, who will further benefit from recent enhancements made to LIFFE CONNECT®
- Opportunity for NYSE Euronext to leverage core Liffe assets to build a meaningful position in the U.S. futures industry
  - global distribution network
  - product innovation
  - best-in-class technology
  - broad range of risk management products



# NYSE Euronext is Well-Positioned in European Cash Markets

## European Cash Products Growth



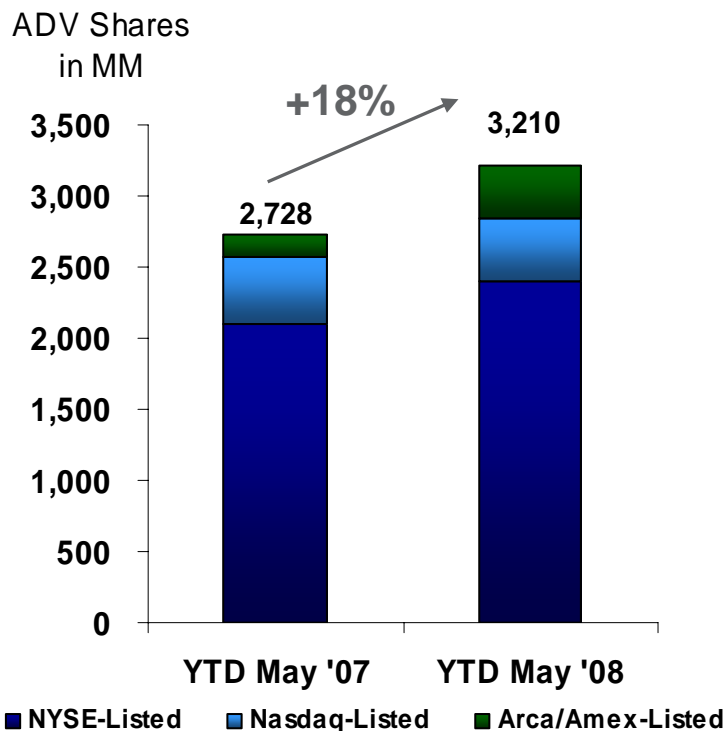
## Responding to an Increasingly Dynamic Marketplace Through Innovation

- **"SmartPool" Multi-Lateral Trade Facility:** First European exchange-led electronic block trading platform in partnership with BNP Paribas and HSBC
  - Facilitate execution of large orders in pan-European listed stocks through a dark liquidity pool
  - Expected to be operational in Sep. '08
- **Internal trade matching:** over 35 active customers are sending an average of 12% of their volume through this unique service
- **New pricing package:** offering dedicated pricing to meet the needs of newly emerging, high frequency algorithmic traders in Europe

Source: NYSE Euronext. As of May 31, 2008.

# Addressing Customer Needs In U.S. Cash Equities

## U.S. Cash Equities Growth<sup>1</sup>



## Recent Developments Enhance Competitive Position

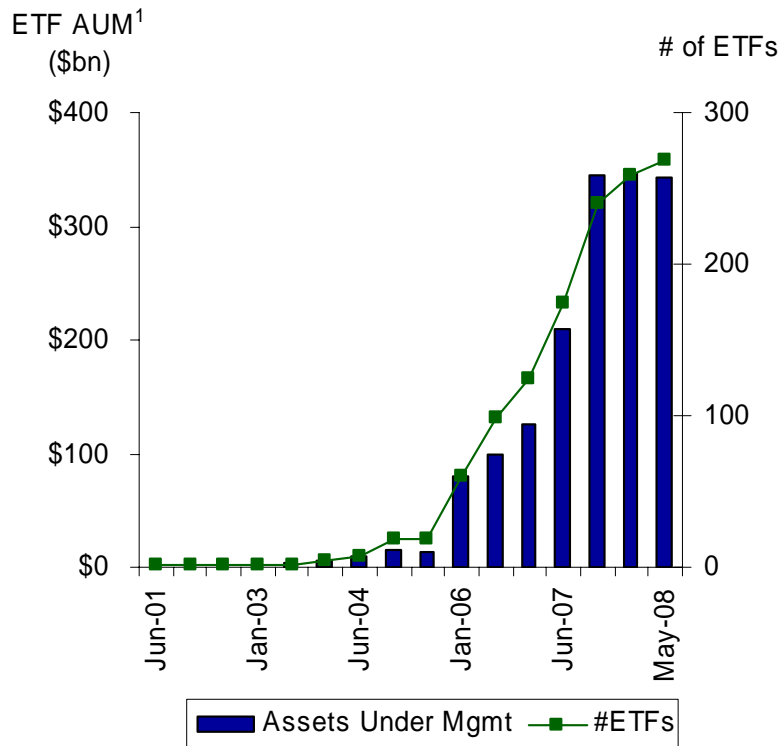
- Solidifying our leadership role through a range of enhancements
  - pricing
  - technology
  - market structure
- Developing innovative solutions to attract block liquidity
  - joint venture with BIDS Holdings<sup>2</sup>
  - launch of NYSE MatchPoint for portfolio crossing

1. Handled Volume (note: handled volume does not include volume from FINRA/NYSE Trade Reporting Facility) Source: NYSE Euronext. As of May 31, 2008.

2. Subject to SEC approval; launch anticipated in 2H'08.

# NYSE Euronext Is the Global Market Leader In ETFs

## NYSE Arca ETF Growth (U.S.)



## Market Leadership in ETFs

- No other exchange group lists more ETF products or trades more ETF shares around the world than NYSE Euronext
  - 582 ETFs listed in U.S. and Europe
- NYSE Arca is the leading venue for ETFs in the U.S.
  - 269 primary listed ETFs from 14 issuers
  - \$342 billion AUM represents 56% of total US ETF assets under management

1. Assets under management in connection with ETFs listed on NYSE Arca; assets are not managed by NYSE Euronext.

Source: NYSE Euronext. As of May 31, 2008.

# Acquisition of the American Stock Exchange Creates Value for Customers and Shareholders

## Transaction Overview

- \$260mm stock acquisition (plus additional stock upon sale of real estate)
- Expected to close Q3'08 and be accretive to '09 earnings
- Anticipated annualized run rate cost synergies of over \$100 million within two years from closing
- Relocate Amex's trading floor operations to the NYSE trading floor

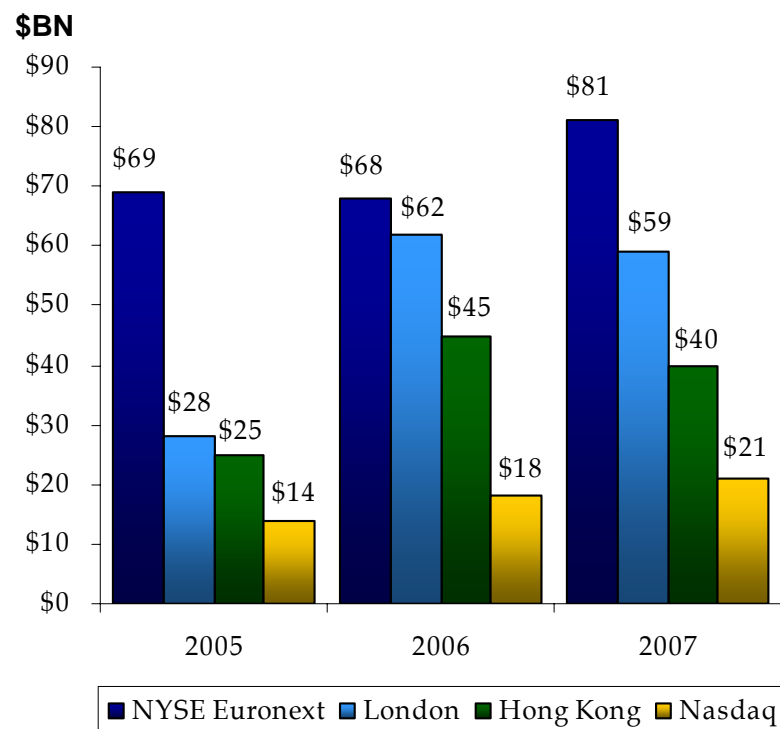
## Transaction Rationale and Benefits

- *Obtain a second U.S. option exchange license*, enabling NYSE Euronext to operate a dual market structure
- NYSE Amex Options, in combination with NYSE Arca Options, will *become the 3<sup>rd</sup> largest U.S. options marketplace*
- Launch NYSE Alternext U.S., a third, complementary U.S. cash equities exchange
- Strengthen NYSE Arca's *leadership position in ETF listing and trading*
  - Combine 381 Amex ETF listings with 240 NYSE Arca ETF listings
- Offer a leading venue for listing and trading closed-end funds and structured products



# The World's Leading Marketplace For Listings

## Continued Leadership In IPO Capital Raising<sup>1</sup>



## Unique Value Proposition<sup>2</sup>

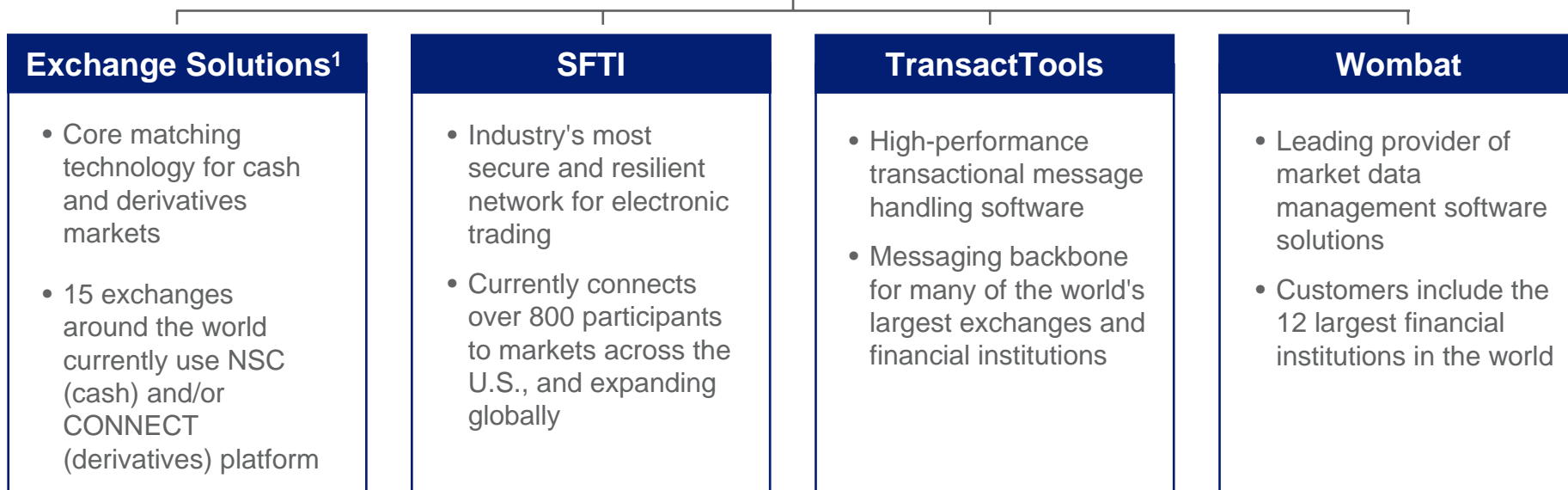
- Multiple entry points for issuers of any size and geography in Europe and the U.S.
  - Home to 70 of the largest 100 Global Corporations and 83% of the 2008 Fortune 500 companies
  - 96% of the qualified proceeds from technology IPO's listed on NYSE in 2007
- Innovative “FastPath Cross Listing” gaining traction, with several NYSE-listed companies choosing to cross list on Euronext and NYSE
  - Anheuser-Busch
  - Philip Morris International
  - Satyam Computer Services (India)

1. Includes closed-end funds and REITs. Source: Dealogic. NYSE Euronext includes Arca and Alternext; Hong Kong includes GEM. As of December 31, 2007.

2. Source: NYSE Euronext. As of May 31, 2008.

# Advanced Trading Solutions Will Drive Software & Technology Services Revenue Growth

- NYSE Euronext's new “Advanced Trading Solutions” division provides seamless, high-performance trading across asset classes, global geographies and time zones, and a common end-to-end platform for accessing liquidity in any market



1. Exchange Solutions is the AEMS third-party exchange unit; NYSE Euronext has announced its acquisition of the remaining 50% interest in this entity, and the transaction is expected to close in Q3'08.

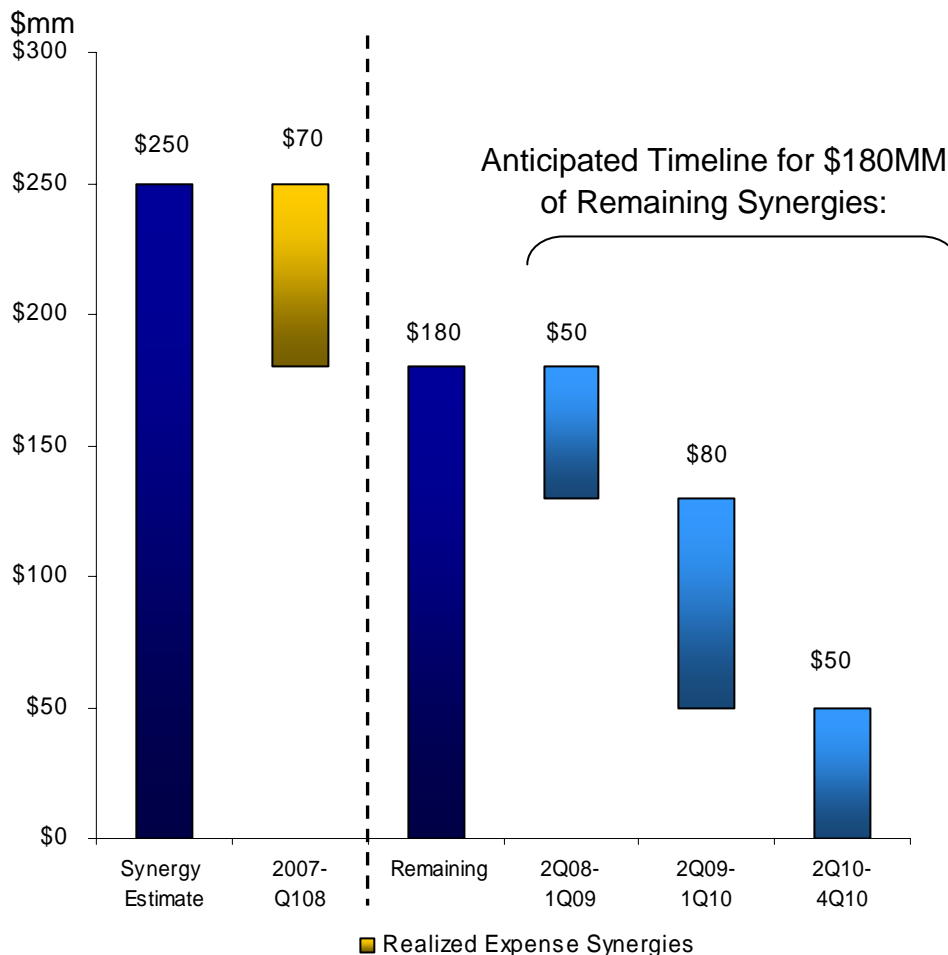
# Financial Highlights

# NYSE Euronext Has Significant Operating Leverage

## Realization of Synergies On Track

- Anticipated \$250 million of annual run-rate IT cost synergies to be delivered by end of 2010
  - \$70mm achieved by end of Q1'08
- Expect to exceed projected \$25 million of non-technology annual run-rate savings
- Does not include \$100 million in additional annual run-rate cost synergies expected in connection with the Amex deal<sup>1</sup>

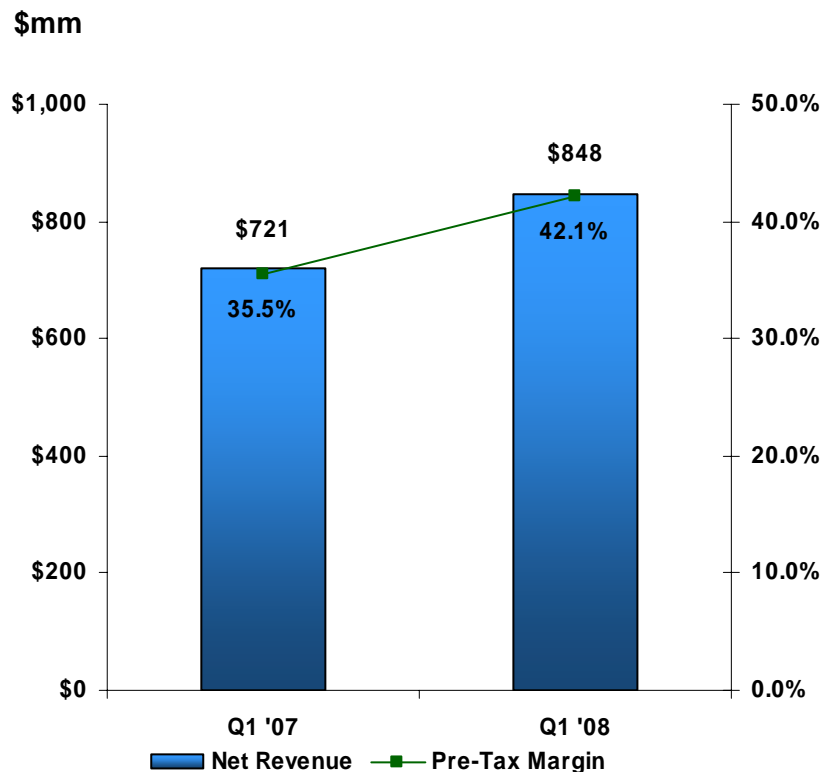
## Annual Run-Rate Tech Synergies



1. Annual run-rate synergies expected within 24 months of closing of the Amex transaction (targeted for Q3'08, and subject to approvals).

# NYSE Euronext Continues To Deliver Record Financial Results

## Comparison of Pro-Forma Q1'08 vs. Q1'07 Financials<sup>1</sup>



## Key Quarterly Highlights

- Strong financial results driven by record trading volumes in the U.S. and Europe and ongoing expense control
  - Highlights benefits of NYSE Euronext's geographic and product diversification
- At constant US\$/€ and US\$/£ exchange rates and neutralizing the impact of M&A activity:
  - For Q1'08, net revenues increased 25% and operating income increased 38% from Q1'07
- On a pro-forma combined basis, pre-tax margin increased to 42.1% in Q1'08, up from 35.5% for the same period a year ago<sup>1</sup>

1. Based on non-GAAP pro forma results for NYSE Euronext. Pre-tax margin equal to income before income tax provision and minority interest divided by total net revenue (net of activity assessment, liquidity payments, and routing and clearing fees)

# NYSE Euronext Is In A Strong Financial Position

## Solid Balance Sheet

- \$1.7bn of cash<sup>1</sup> and short-term investment securities and \$3.0bn of total debt as of March 31, 2008
- Priced €750 million Euro bond offering in April '08 and \$750mm US bond offering in May '08 to be used for general corporate purposes, including the refinancing of existing debt
- High investment grade credit ratings - "AA" (S&P) and "A1" (Moody's)

## Growing Dividend

- Dividend policy targets payout ratio of 35-45% of net income, while maintaining high investment grade credit ratings
- Annual dividend increased by 20% to \$1.20 per share as of Q2'08
- As of Q1'08, \$266 million in dividends paid to shareholders since closing of NYSE Euronext merger

## \$1 Bn Share Repurchase Program

- Board authorized repurchase of up to \$1bn of NYSE Euronext common stock (announced March 18, 2008)
- Repurchase program cannot occur during pendency of transaction with the American Stock Exchange<sup>2</sup>

# Use Of Non-GAAP Financial Measures

## Reconciliation of non-GAAP financial measures to GAAP measures

To supplement NYSE Euronext's consolidated financial statements prepared in accordance with GAAP and to better reflect period-over-period comparisons, NYSE Euronext uses non-GAAP financial measures of performance, financial position, or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure, calculated and presented in accordance with GAAP. Non-GAAP financial measures do not replace and are not superior to the presentation of GAAP financial results, but are provided to (i) present the effects of certain merger expenses and exit costs, and other non-recurring items, and (ii) to improve overall understanding of NYSE Euronext's current financial performance and its prospects for the future. Specifically, NYSE Euronext believes the non-GAAP financial results provide useful information to both management and investors regarding certain additional financial and business trends relating to financial condition and operating results. In addition, management uses these measures for reviewing financial results and evaluating financial performance. The non-GAAP adjustments for all periods presented are based upon information and assumptions available as of the date of this presentation.



**NYSE Euronext**<sup>SM</sup>

**NYSE | NYSE ARCA | NYSE EURONEXT | NYSE ALTERNEXT | LIFFE**

** BONDS  EQUITIES  MARKET DATA  FUTURES/OPTIONS**