NYSE Euronext
Form 10-K
March 25, 2008
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2007

Commission File Number: 001-368007

NYSE Euronext

(Exact name of registrant as specified in its charter)

Delaware	**20-5110848**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**
11 Wall Street New York, N.Y.	**10005 (Zip Code)**

(Address of principal executive offices)

(212) 656-3000
(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Annual Report on Form 10-K or any amendment to the Annual Report on Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨ Accelerated filer ¨ Non-accelerated filer x Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of June 29, 2007, the aggregate market value of the registrant s common stock held by non-affiliates of the registrant was approximately $19 billion. As of March 18, 2008, there were 265 million shares of the registrant s common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of NYSE Euronext s Proxy Statement for its 2008 Annual Meeting of Stockholders, which will be held on May 15, 2008, are incorporated by reference in this Annual Report on Form 10-K in response to Part III, Items 10, 11, 12, 13 and 14.

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ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

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EXPLANATORY NOTE

On April 4, 2007, NYSE Group and Euronext combined their businesses and NYSE Euronext became the parent holding company of both NYSE Group and Euronext (herein referred to as the combination). Under the purchase method of accounting, NYSE Group was treated as the accounting and legal acquirer in the combination. As a result, NYSE Group is the predecessor reporting entity of NYSE Euronext and the results of operations of Euronext are only included in NYSE Euronext s consolidated results of operations from April 4, 2007.

In addition, on March 7, 2006, Archipelago Holdings, Inc. and the New York Stock Exchange, Inc. combined their businesses and became wholly owned subsidiaries of NYSE Group. As a result, the results of operations of Archipelago Holdings, Inc. have been included in the historical results of operations of NYSE Group since March 8, 2006.

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CERTAIN FREQUENTLY USED TERMS

Throughout this Annual Report on Form 10-K, unless otherwise specified or if the context otherwise requires:

Archipelago refers to Archipelago Holdings, Inc., a Delaware corporation and a wholly owned subsidiary of NYSE Group, and its subsidiaries and, where the context requires, its predecessor, Archipelago Holdings, LLC, a Delaware limited liability company and its subsidiaries;

combination agreement refers to the Combination Agreement, dated as of June 1, 2006, as amended and restated as of November 24, 2006, by and among NYSE Group, Euronext, NYSE Euronext, and Jefferson Merger Sub, Inc., a Delaware corporation and a newly formed, wholly owned subsidiary of NYSE Euronext;

Euronext refers to Euronext N.V., a company organized under the laws of the Netherlands and a subsidiary of NYSE Euronext, and its subsidiaries;

NYSE refers to (1) prior to the completion of the merger between the New York Stock Exchange, Inc. and Archipelago, which occurred on March 7, 2006, New York Stock Exchange, Inc., a New York Type A not-for-profit corporation and a registered U.S. national securities exchange, and (2) after the completion of such merger on March 7, 2006, New York Stock Exchange LLC, a New York limited liability company, a wholly owned subsidiary of NYSE Group and a registered U.S. national securities exchange, and, where the context requires, its subsidiaries, NYSE Market, Inc., a Delaware corporation, and NYSE Regulation, Inc., a New York not-for-profit corporation;

NYSE Arca refers to collectively: NYSE Arca, L.L.C., a Delaware limited liability company (formerly known as Archipelago Exchange, L.L.C.), NYSE Arca, Inc., a Delaware corporation (formerly known as the Pacific Exchange, Inc.), and NYSE Arca Equities, Inc., a Delaware corporation (formerly known as PCX Equities, Inc.);

NYSE Arca, Inc., where that specific term is used, refers to the entity registered as a U.S. national securities exchange (formerly known as the Pacific Exchange, Inc.);

NYSE Group refers to NYSE Group, Inc., a Delaware corporation, and its subsidiaries; and

NYSE Euronext, we, us, and our refers to NYSE Euronext, a Delaware corporation, and its subsidiaries.

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FORWARD-LOOKING STATEMENTS

Forward-looking statements have been made under Item 1. Business, Item 1A. Risk Factors, and Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and in other sections of this Annual Report on Form 10-K. In some cases, you can identify these statements by forward-looking words such as may, might, will, should, expect, plan, anticipate, believe, estimate, predict continue, and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business and industry. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks and uncertainties described under Item 1A. Risk Factors.

These risks and uncertainties are not exhaustive. Other sections of this report describe additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact that these factors will have our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this report to conform our prior statements to actual results or revised expectations and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about:

- possible or assumed future results of operations and operating cash flows;
- strategies and investment policies;
- financing plans and the availability of capital;
- our competitive position and environment;
- potential growth opportunities available to us;
- the risks associated with potential acquisitions or alliances;
- the recruitment and retention of officers and employees;
- expected levels of compensation;
- potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;

the likelihood of success and impact of litigation;

protection or enforcement of intellectual property rights;

expectations with respect to financial markets, industry trends and general economic conditions;

our ability to keep up with rapid technological change;

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- the timing and results of our technology initiatives;
- the effects of competition; and
- the impact of future legislation and regulatory changes.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this report.

We expressly qualify in their entirety all forward-looking statements attributable to us or any person acting on our behalf by the cautionary statements contained or referred to in this section.

PART I

ITEM 1. BUSINESS

INFORMATION ABOUT NYSE EURONEXT

NYSE Euronext is the world s leading and most liquid exchange group with both the highest average daily value of cash trading and the largest market capitalization of listed operating companies of all exchanges. We offer a diverse array of financial products and services, and operate six cash equities and six derivatives exchanges in six countries and two continents. We are a world leader for trading in cash equities, exchange traded funds (ETFs) and other structured products, and equity and interest rate derivatives, as well as the creation and global distribution of market information related to trading in these products. NYSE Euronext is the largest listings venue in the world, home to corporations representing over $30 trillion in market capitalization (as of December 31, 2007). We also operate a globally-distributed connectivity network and provide commercial trading and information technology solutions for customers and other exchanges.

NYSE Euronext was organized on May 22, 2006 in connection with the combination of the businesses of NYSE Group and Euronext, which was consummated on April 4, 2007. Prior to then, our company had no assets and did not conduct any material activities other than those incidental to our formation. Following the consummation of the combination, NYSE Euronext became the parent company of NYSE Group and Euronext and each of their respective subsidiaries. Our principal executive office is located at 11 Wall Street, New York, New York 10005 and our telephone number is (212) 656-3000. Our European headquarters are located at 39 rue Cambon, F 75039 Paris Cedex 01, and our telephone number is +33 1 49 27 10 00.

Competitive Strengths

We have established ourselves as the leading global financial market group with one of the most widely recognized brand names in the world by leveraging a number of key strengths, including:

Most Diverse Range of Products and Services. We provide our customers with a choice in trading alternatives as well as the broadest range of products and services within the global exchange industry, spanning across a number of asset classes. We believe that our operation of multi-asset class markets, which offer an expanded and enhanced range of products and services, reinforces our leadership position in the global financial markets. Our products and services include:

Cash Trading: We provide an array of cash trading products and services, including U.S. and European cash equities, ETFs, fixed income products and warrants.

Derivatives: We offer customers sophisticated trading in a wide range of interest rate, equity, index, commodity and currency derivative products. Through Liffe, our London-based derivatives exchange, we operate the second largest derivatives market in Europe based on volume and the second largest derivatives market in the world based on average daily value of trading. Through NYSE Arca, we believe we are one of the fastest growing options exchanges in the United States.

Listings: We enable the capital formation process for companies around the world by supporting multiple trading venues for a diverse range of issuers to list in both the United States through NYSE and NYSE Arca, and in Europe through Euronext and NYSE Alternext.

Market Data and Indices: We offer customers a broad array of market data services that leverage our company s unique global presence across multiple markets and asset classes. We own and maintain several benchmark indices, including the European flagship indices AEX®, BEL 20®, CAC 40®, PSI 20®, and Euronext 100® indices.

Commercial Trading Technology: Through our technology affiliates, including Atos Euronext Market Solutions (AEMS), TransactTools, Inc. (TransactTools), Wombat Financial Software, Inc. (Wombat), Securities Industry Automation Corporation (SIAC) and GL TRADE, we are able to

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offer the global securities marketplace a comprehensive technology platform, including exchange trading platforms, participant access technologies for electronic trading, and market data management and distribution, as well as a rapidly expanding physical network infrastructure, known as Secure Financial Transaction Information, or SFTI®, connecting major market centers and over 1,000 market participants in the United States and Europe. We have positioned ourselves in the global financial marketplace as an open and market neutral infrastructure for connecting market participants to liquidity across geographies and asset classes, enabling us to provide a broad range of technology and services to customers for managing electronic trading.

World s Largest Cash Equities Market. We maintain the world s largest pool of liquidity for cash equities and operate the world s most sizable market for listing and trading cash equity securities, which we believe will drive innovation and efficiency for investors and issuers. During 2007, according to statistics published by World Federation of Exchanges, over one-third of the world s cash trading took place on our exchanges. The average daily value of cash equity securities traded on our exchanges during 2007 was $141.2 billion, which was greater than the average daily trading value of securities traded on other cash equity exchanges, including Nasdaq ($58.8 billion), the London Stock Exchange ($39.2 billion), the Tokyo Stock Exchange ($23.5 billion), and the Deutsche Börse ($15.7 billion).

World s Leading Listings Venue. As of December 31, 2007, the aggregate market capitalization for listed operating companies on NYSE Euronext was $30.4 trillion, which is greater than that of the next four largest exchanges combined, including the London Stock Exchange main market ($10.3 trillion), the Tokyo Stock Exchange ($6.2 trillion), Nasdaq ($5.0 trillion), and the Swiss Exchange ($4.9 trillion). In addition, as of December 31, 2007, we listed, on a primary or secondary basis, 70 of the world s 100 largest companies, based on market capitalization, compared to 36 such companies listed on the London Stock Exchange Group, 20 listed on the Swiss Exchange, 14 listed on the Tokyo Stock Exchange, 18 listed on the Deutsche Börse, and 7 listed on Nasdaq. We are also well-positioned among the emerging growth countries of Brazil, Russia, India and China (including Hong Kong and Taiwan) (collectively referred to as the BRICs), listing more companies from these fast growing markets, and with a larger combined market capitalization, than any other exchange group in the world. As of December 31, 2007, we listed 100 companies from the BRIC countries with a combined market capitalization of $2,982 billion, compared with 43 such companies with a combined market capitalization of $791 billion listed on the London Stock Exchange, 79 on Nasdaq with a combined market capitalization of $106 billion, two on the Deutsche Börse with a combined market capitalization of $0.85 billion, and one on the Tokyo Stock Exchange with a market capitalization of $0.60 billion.

World s Leading Marketplace Group for IPO Capital Raising. As a result of our leadership position for listing and trading cash equity securities, we are the world s leading marketplace group for raising capital through IPOs. For the year ended December 31, 2007, approximately $80.5 billion in initial public offering (IPO) capital was raised by listed issuers on NYSE Euronext s markets, compared to $46.2 billion raised by listed issuers on the London Stock Exchange (excluding capital raised by listed issuers on the London Stock Exchange s Alternative Investment Market), $40.1 billion raised on the Hong Kong Stock Exchange, and $20.8 billion raised on Nasdaq.

Highly Experienced and Entrepreneurial Management Team. We are led by a first-class international management team that possesses significant experience in the global securities and derivatives industries with a proven ability to execute transformative transactions and integrate businesses, deliver significant innovation and efficiency, and create value for stakeholders, including shareholders and customers.

Leading Technology. We are an industry leader with a proven ability to deliver highly robust, efficient, reliable and scalable technology platforms in cash and derivatives trading, and in data networking, connectivity, and message management solutions. Through our technology subsidiaries, we have been selected to provide the technology for 15 financial markets around the world. In addition, our diverse product and service offerings are used by leading financial institutions on a global scale.

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Commitment to Cooperative, Multilateral Regulation. We are committed to cooperative, multilateral regulation, yet we maintain the strong and effective local regulatory frameworks that have been successfully established within the United States and among the College of Regulators within Europe. We recognize that the existing local regulatory frameworks play an invaluable role in enhancing our value and reputation as well as the value and reputation of the listed companies and member organizations of our exchanges.

Strategy

We intend to build on our position as the leading global financial market by executing a clearly defined strategy.

Extend the Range of Products and Services We Provide. The combination of the businesses of NYSE Group and Euronext provided us with an opportunity to diversify and realize significant revenue synergies by leveraging the combined company s premier brand name, unparalleled product range, global customer base, complementary membership base, and leading technology platforms. We intend to continue to leverage these revenue opportunities and create new opportunities by developing new products and services in a number of areas including:

Cash Equities Trading. We intend to capitalize on our position as the world s largest and most liquid equities market by providing our customers with innovative trading products and services in a number of areas, including responding to European demand to invest in the leading public companies in the United States, cross-fertilizing product development opportunities in the rapidly growing areas of structured products and ETFs, and further extending trading hours across time zones.

Derivatives. We intend to increase our derivatives business through a number of initiatives, including the on-going product development activities, the continued cross-selling of derivative products among our U.S. and European customer bases, and the extension of Bclear, the highly successful European wholesale over the counter (OTC) derivatives services provided by Liffe to the United States. We are also investigating the possibility of launching a number of new products in the United States and Europe, and have recently entered into an agreement with CME Group to acquire its precious metals franchise.

Listings. We intend to leverage our premier brand and position as the world s leading listings venues with the deepest global pool of liquidity to compete aggressively for new listings on a global scale. With multiple listings platforms in both the United States (the NYSE and NYSE Arca) and Europe (Euronext and NYSE Alternext), we are uniquely situated to target a highly diverse range of companies from around the world to enable the capital-raising process. We have established a unique Fast Path Cross-Listing, which provides NYSE-listed companies with accelerated cross-listing on certain Euronext markets, and we intend to continue to expand this innovative listing alternative.

Market Information. We have begun to cross-sell our market data products among our U.S. and European customer bases, and we intend to use the significant volumes of data we generate more profitably by aggregating, analyzing, packaging and distributing our data to a broader base of customers in new and different ways.

Software and Technology Services. We intend to further expand the combination of our software and technology service offerings by leveraging our recent technological initiatives, such as our agreement to acquire the remaining stake in AEMS, our recently completed acquisition of Wombat and our integrated TransactTools solutions. These initiatives, together with our global technology platform, will enable us to offer a comprehensive and unique suite of leading exchange and trading technology solutions to market participants around the world in a centralized environment. In addition, through our acquisition of Wombat, a leading provider of data management technology, we also intend to assist our customers in managing, processing, and analyzing market data from our markets and others around the world, which we believe will enable them to operate their trading operations more effectively and profitably.

Maximize Customer Choice. As the parent company of the world s leading cash equities marketplaces and a significant participant in the global derivatives markets, we seek to further expand the full-service, global markets we offer our customers to maximize customer choice of products and services, asset classes and technologies available to all types of investors worldwide. We operate six cash markets and six derivatives markets worldwide in addition to OTC markets.

Leverage Technology to Drive Cost Reductions and Integration Benefits. We expect to continue to benefit from operational synergies resulting from the consolidation of capabilities and elimination of redundancies, and to achieve greater efficiencies from increased scale, market integration and automation. In particular, we expect to achieve $250 million in technology-related cost reductions in connection with the combination of the NYSE Group and Euronext and related integration initiatives by the end of 2010. Following the completion of our integration initiatives, we expect to have established a single platform for trading cash equities and a single platform for trading derivatives, and a single global network that will enable market participants within NYSE Euronext to trade across asset classes, geographies and time zones through a common point of entry, the Common Customer Gateway, or CCG.

Pursue Organic Growth and Strategic Acquisitions and Alliances. With the most recognized brand names within the global exchange industry and the world s largest securities marketplaces, we are extremely well-positioned to grow our business organically and to continue to play a leadership role in the ongoing consolidation of the industry through acquisitions and strategic alliances. We seek to be a partner of choice among global exchanges, and it is expected that our management will continually explore and evaluate strategic acquisitions, alliances, partnerships and other commercial agreements that could provide us with opportunities to enhance our global competitive position by strengthening our brand and diversifying our business activities and revenue streams.

Financial Information About Segments and Geographic Areas

For financial information regarding our operating and geographic segments, see Part II, Items 7 and 8 of this Annual Report under the captions Management s Discussion and Analysis of Financial Conditions and Results of Operations and Financial Statements and Supplementary Data.

Business Overview

Introduction

We are a holding company that, through our subsidiaries, operates the leading global financial market group and offers the most diverse array of financial products and services. In the United States, through NYSE Group, we operate the NYSE and NYSE Arca, and in Europe, we operate five European-based exchanges that comprise Euronext the Paris, Amsterdam, Brussels and Lisbon stock exchanges, as well as the Liffe derivatives markets in London, Paris, Amsterdam, Brussels and Lisbon. We are a world leader for trading in cash equities, ETFs and other structured products, and equity and interest rate derivatives, as well as the creation and global distribution of market information related to trading in these products. In addition, NYSE Euronext is the largest listings venue in the world, home to corporations representing over $30 trillion in market capitalization (as of December 31, 2007). We also operate a globally-distributed connectivity network and provide commercial trading and information technology solutions for customers and other exchanges.

U.S. Operations

We operate two market centers in the United States: the NYSE and NYSE Arca, Inc., both registered securities exchanges in the United States, for the listing and trading of a broad range of products.

New York Stock Exchange (NYSE)

The NYSE is the world s premier listing venue and the largest and most liquid cash equities exchange based on the aggregate market capitalization of listed operating companies and the average daily value of cash trading

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as of December 31, 2007. NYSE-listed operating companies represented a total global market value of approximately $27.2 trillion as of December 31, 2007, and represented approximately 93% of the publicly traded companies that constitute the Dow Jones Industrial Average and 85% of the S&P 500 Index. The NYSE provides a reliable, orderly, liquid and efficient marketplace where investors meet directly to buy and sell listed companies common stock and other securities. For 216 years, the NYSE has facilitated capital formation, serving a wide spectrum of participants, including individual and institutional investors, the trading community and listed companies. The NYSE also operates a market in which orders are electronically transmitted for execution in both electronic and auction styles.

NYSE Arca

NYSE Arca operates the first open, all-electronic stock exchange in the United States and has one of the leading positions in the trading of exchange-listed securities and ETFs. NYSE Arca is also an exchange for trading equity options listed on national markets and exchanges, with the facilities, technology, systems and regulatory surveillance and compliance services required for the operation of a marketplace for trading options. Through NYSE Arca, customers can trade approximately 8,286 equity securities and over 199,960 option products. NYSE Arca s trading platforms link traders to multiple U.S. market centers and provide customers with fast electronic execution and open, direct and anonymous market access. NYSE Arca is also a listing venue for operating companies, ETFs and structured products.

NYSE Regulation

NYSE Regulation, Inc. (NYSE Regulation) is an independent, not-for-profit company that regulates the activities of NYSE and NYSE Arca members in connection with their trading on or through the facilities of those exchanges. NYSE Regulation also oversees compliance by listed companies with the financial and corporate governance listing standards of the NYSE and NYSE Arca. We describe the U.S. regulatory environment in which we operate as well as the role of NYSE Regulation under Regulation U.S. Regulation.

Members

Our customers comprise members and financial institutions that have direct access to trading on the NYSE or NYSE Arca, companies whose securities are listed on these markets and that seek to raise capital, institutional and retail investors who trade on these markets, organizations that use NYSE Group s technologies and services, and users of market data. As of December 31, 2007, there were 681 NYSE members and 691 NYSE Arca members, comprised of 599 equity trading permit (ETP) holders and 92 option trading permit (OTP) holders.

European Operations

In 2007, Euronext was Europe s largest stock exchange group based on the volume and value of transactions processed through its central order book. In 2007, Euronext, through its derivatives market Liffe, was also the second largest derivatives exchange in Europe based on the volume of transactions processed and the second largest derivatives exchange worldwide based on the value of transactions processed per day. Thirty-three of Europe s 100 largest companies by market capitalization as of February 21, 2008 were listed on Euronext and Euronext was the leading European market for IPOs in 2007 by offer value (13.3 billion). Euronext provides services for regulated cash and derivatives markets in Belgium, France, the UK (derivatives only), the Netherlands and Portugal and also sells software and IT trading solutions through its affiliates.

Euronext was the first cross-border exchange group following the merger of the Paris, Amsterdam and Brussels exchanges in 2000. Since its creation, Euronext has fostered the consolidation of European financial markets by integrating local exchanges across Europe in order to provide users with a single market that is broad, highly liquid and cost-effective. Euronext s cash and derivatives markets operate on a single, harmonized IT platform, NSC (*nouveau système de cotation*), for cash trading and LIFFE CONNECT® for derivatives. As a result, every market participant now has a single point of access to trading cash and derivatives instruments, respectively. This has also helped to enhance the visibility of listed companies, reduce average trade fees and facilitate the comparison of investments.

The integration of Euronext s trading platforms has been fostered and accompanied by regulatory harmonization. A single rulebook governs trading on Euronext s cash and derivatives markets, which contains a set of harmonized rules and a set of exchange-specific rules. Regulation of Euronext and its constituent markets is conducted in a coordinated fashion by the respective national regulatory authorities pursuant to memoranda of understanding relating to the cash and derivatives markets.

Euronext s customers comprise mainly exchange members and financial institutions with access to trading on Euronext s markets, companies whose securities are listed on Euronext s markets and that seek to raise capital, institutional and retail investors who trade on Euronext s markets, organizations that use Euronext s technologies and services, and users of market data. As of December 31, 2007, there were 216 members of Euronext s cash markets and 482 members of its derivatives markets.

Clearing and settlement of trades on Euronext s markets is effected by LCH.Clearnet Group Ltd (LCH.Clearnet) and Euroclear, except for Euronext Lisbon where settlement is effected by Euronext Lisbon s wholly owned subsidiary, Interbolsa.

Recent Developments

We have recently entered into or announced several strategic acquisitions and other transactions designed to, among other things, expand our global presence, strengthen our technology, establish new trading markets and improve trade execution. Several of these transactions are identified below.

Proposed Acquisition of Amex

In January 2008, we entered into a merger agreement with The Amex Membership Corporation (MC) whereby we will acquire the business of MC and its subsidiaries including the American Stock Exchange LLC (Amex). The acquisition is consistent with our broader strategy to be a leader in global consolidation in the exchange sector, continue to diversify our product and service offerings on a global scale, derive technology and operational efficiencies through product expansion, and offer maximum choice to our customers.

We expect that the addition of Amex to the NYSE Euronext exchange group would make us the third largest U.S. options market operator by providing additional volume to our options business, and benefit NYSE Arca s ETF listing and trading business by joining 381 current Amex ETF listing with 240 NYSE Arca ETF listings. In addition, the combined company will offer a leading venue for listing and trading closed-end funds and structured products, including 545 listings on Amex and over 1,000 listings on NYSE. We expect that the acquisition will create strategic synergies, including approximately $100 million of annualized run-rate cost savings, achievable within two years after the completion of the transaction. The completion of the acquisition is subject to certain conditions, including regulatory approval and the approval of a majority of the votes held by MC s members who are entitled to vote.

Strategic Investments and Transactions

Tokyo Stock Exchange. In January 2007, we signed a letter of intent with Tokyo Stock Exchange, which established a strategic alliance to jointly develop and explore new opportunities in trading systems and technology, investor and issuer services, investment products, and governance and regulation. In November 2007, we entered into a technology consulting agreement with Tokyo Stock Exchange, which further enhanced our strategic relationship.

National Stock Exchange of India. In April 2007, we acquired a 5% equity position in the Mumbai-based National Stock Exchange of India Limited (NSE), the maximum investment permitted by any single foreign investor in a stock exchange under the securities regulations of India. In connection with this strategic investment, we received a seat on NSE s board of directors.

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China. In September 2007, the China Securities Regulatory Commission (CSRC) approved an application by the NYSE to open a representative office in Beijing, as the first foreign exchange to receive approval under the new regulations of CSRC. The office was opened in December 2007, and will serve to advance the NYSE s brand and services to its listed companies in China.

Bovespa. In October 2007, we acquired a 1% stake in Bovespa, the Brazilian stock exchange in San Paolo, in connection with Bovespa s IPO. Euronext has had a long-standing relationship with Bovespa, pursuant to which Euronext has provided Bovespa with technological support and infrastructure since 1997.

Multi Commodity Exchange. In February 2008, we signed a binding term sheet to acquire a 5% equity position in the Multi Commodity Exchange (MCX), India s leading commodity marketplace, which represents the maximum equity interest permitted by foreign investors in derivative exchanges under current Indian law. We entered into a definitive agreement with MCX on March 24, 2008. The transaction is expected to close during the first half of 2008, subject to certain conditions and obtaining all regulatory approvals.

Acquisition of CME Group Metals Complex. On March 14, 2008, we entered into an agreement with CME Group to acquire the CBOT Metals Complex, including its volume and open interest. We expect that trading of full and e-mini gold and silver futures and options on futures contracts will begin later this year on Liffe, our derivatives trading system, pending regulatory approvals. Under the terms of the agreement, the Chicago Board of Trade will continue to act as the Designated Contract Market, or DCM, for the products until we establish our own DCM. CME Group has agreed to provide clearing services on an interim basis for up to one year, after which we expect to provide for an alternative clearing solution. The precious metals contracts provide a point of entry for us into the U.S. futures market and complement our existing commodities franchise at Liffe.

Abu Dhabi Securities Market (ADSM). On March 18, 2008, we entered into a cooperative agreement with ADSM to jointly develop and explore new opportunities in trading systems and other related technology, investor and issuer services, and investment products. As part of this alliance, we will provide ADSM with state-of-the-art information, market infrastructure systems and technology by the end of 2008 to host all financial instruments admitted to trading on ADSM. In addition, we and ADSM will explore the development of new ventures, including the implementation of ADSM s derivative market.

Strategic Transactions and New Initiatives in U.S. and European Cash Trading

Multilateral Trade Facility (MTF): SmartPool. In October 2007, we announced SmartPool , the first European-led electronic block-trading platform, in partnership with European investment banks, the first two participants of which are BNP Paribas and HSBC. This joint venture is expected to be launched during 2008 and is intended to enable institutional investors to interact anonymously in the trading of large blocks of pan-European equity securities while minimizing market impact. SmartPool is also intended to provide its participants with post-trade publication in accordance with the European Commission s Markets in Financial Instruments Directive (MiFID).

Partnership with BIDS. In October 2007, we and BIDS Holdings, L.P. (BIDS) announced an agreement to form a 50/50 joint venture, to be launched in 2008, designed to improve execution quality and access to liquidity in block trading in the United States. BIDS is a consortium of 12 leading broker dealers in the U.S., which also are our largest customers.

BlueNext. In October 2007, we and Caisse des Dépôts formed an alliance to create BlueNext, a carbon emissions market that will offer a range of environment-related instruments, such as carbon dioxide emissions allowances and emission credits. In December 2007, following the sale of our 28.25% equity interest in PowerNext, BlueNext was launched in conjunction with the purchase of PowerNext s leading market for the spot trading of European carbon credits. We hold 60% of BlueNext s equity and Caisse des Dépôts holds the remaining 40%.

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EEIG. In March 2007, we and the Luxembourg Stock Exchange announced the execution of a Master Agreement, leading to the creation of a European Economic Interest Grouping (EEIG) in May 2007. The EEIG s purpose is to develop a shared standard, called LuxNext, for listing and trading corporate bonds through the use and promotion of a comprehensive, integrated solution based on leading-edge technology.

SecFinex. In March 2007, Euronext acquired 51% of SecFinex, a European electronic trading platform for securities lending. SecFinex is an Internet-based service that enables participants to agree to stock loan trades efficiently and anonymously with each other on a price-driven screen.

Prime Source. In February 2008, following the acquisition of the Independent Valuation and Risk Subsidiary from Lombard Risk Management, we announced the launch of Prime Source. Prime Source is an innovative solution designed to meet professional buy-side market participants needs for valuation of large, global portfolios of complex structured products and illiquid securities. We expect that customers valuation needs will be facilitated by efficient and sophisticated processes supported by Prime Source s unique, web-based technical infrastructure.

NYSE MatchPoint. In January 2008, we launched NYSE MatchPoint, an electronic equity trading facility that matches aggregated orders at predetermined fixed times with prices that are derived from primary markets. This facility provides participants with full anonymity throughout the order-entry and trade-execution process and accommodates both single block orders and large portfolios. NYSE MatchPoint is also an exchange neutral facility, meaning it can accommodate trades in securities listed on all major exchanges.

Technology Initiatives

AEMS Insourcing. In December 2007, we entered into an agreement with Atos Origin, an international IT services company, to acquire 100% ownership of AEMS by purchasing the 50% stake in AEMS owned by Atos Origin for 275 million. In connection with this transaction, we will re-acquire ownership of the NSC cash trading and LIFFE CONNECT® derivatives trading platform technology and all of the management and development services surrounding these platforms, as well as AEMS s third-party exchange trading technology business. As a result, we will no longer outsource our information technology trading requirements for our European business, and we will be able to bundle a variety of leading exchange and trading technology solutions that can be offered to market participants around the world.

TransactTools. In January 2007, we acquired TransactTools, a company providing enterprise messaging solutions for the securities trading industry. Following this acquisition, Sector (a subsidiary of SIAC, which is wholly owned by NYSE Group) was renamed and rebranded NYSE TransactTools to facilitate the integration of the technology products of TransactTools with SIAC s Sector and SFTI businesses. On a combined basis, NYSE TransactTools integrates the leading high-performing financial messaging engine architecture for monitoring, managing and expanding global trading capabilities with SFTI s secure and reliable network and hosting infrastructure.

Wombat. In March 2008, we completed the purchase of Wombat, a leading provider of data management technology, for $200 million. This transaction complements our strategy to create a means to permit liquidity and information to be accessed across all markets and products globally. We intend to integrate Wombat s market data enterprise software with TransactTools suite of services, including SFTI, to provide both enterprise software solutions and managed services for high-speed trading, direct-market access connectivity and algorithmic execution.

Other

In September 2007, triggered by the combination of NYSE Group and Euronext, Borsa Italiana exercised its call option right to purchase all the shares held by us in MBE Holding, a joint venture formed between Euronext (51%) and Borsa Italiana (49%) that owns 60.37% of Società per il Mercato dei Titoli di Stato (MTS). MTS is a regulated European electronic exchange for government bonds and other types of fixed income securities.

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Business Activities

Global Listings Business

Introduction

We are the leading global exchange brand and a premier capital-raising venue. As of December 31, 2007, we were home to over 3,600 listed issuers from 55 countries, including operating companies, closed-end funds and ETFs, representing an aggregate market capitalization of over $30 trillion, which is larger than the next four largest exchange groups combined. Companies listed on our exchanges represented approximately 93% of the publicly traded companies that constitute the Dow Jones Industrial Average, 85% of the stocks included in the S&P 500 Index and 76% of the companies comprising the EUROSTOXX 50 Index as of December 31, 2007. In addition, as of December 31, 2007, we listed, on a primary or secondary basis, 70 of the world s 100 largest companies, based on market capitalization.

In terms of global capital raising, in 2007, our U.S. and European equities markets attracted more IPO proceeds than any other exchange group in the world. IPOs on our markets raised a total of approximately $80.5 billion in proceeds, including IPOs of closed-end funds. Excluding closed-end funds, IPOs on our markets raised a total of $48 billion, also more than any other exchange group. As a global leader in international listings, we also had 42 international listings in 2007, including 20 from China. The growth of international listings is driven primarily by emerging markets such as China, India and Latin America, with a steady component from developed markets such as Canada. We offer issuers the ability to cross-list on our U.S. and European exchanges, and to trade and raise capital in both dollars and euros, two of the world s leading currencies.

Listing Venues

We operate four listing venues: the NYSE, Euronext, NYSE Arca and NYSE Alternext.

New York Stock Exchange (NYSE)

The NYSE is the world s premier listing venue and most liquid cash equities exchange based on the aggregate market capitalization of listed operating companies and the average daily value of cash trading as of December 31, 2007. The NYSE is also one of the most recognized brand names in the world. As of December 31, 2007, 2,526 issuers were listed on the NYSE, including a cross-section of large, mid-size and small-cap U.S. and non-U.S. companies. These operating companies represented a total global market value of approximately $27.2 trillion. A key to the NYSE s past success and future growth is its ability to list and retain non-U.S. companies. Of the 2,526 issuers listed on the NYSE as of December 31, 2007, 422 were non-U.S. issuers, which represented $11.5 trillion of aggregate market value.

In addition to listed equity securities, the NYSE actively pursues the listing of new closed-end funds and structured products. As of December 31, 2007, over 500 closed-end funds and over 500 structured products, with an aggregate market value in excess of $252 billion, were listed on the NYSE. The NYSE has listed both debt and equity structured products such as capital securities, mandatory convertibles, repackaged securities and equity-linked and index-linked securities since 1988 and has continued to attract listings of new types of structured products.

The NYSE maintains the most stringent overall listing standards of any securities marketplace in the world, which it reviews periodically to ensure that the NYSE attracts and retains the strongest companies with sustainable business models.

Euronext

Euronext is the first integrated cross-border exchange, combining the former stock exchanges of France, the Netherlands, Belgium and Portugal into a single market. Issuers who meet the European Union (EU) regulatory standards are qualified for listing on Euronext. Euronext s exchanges list a wide variety of securities, including domestic and international equity securities, convertible bonds, warrants, trackers and debt securities, including corporate and government bonds. As of December 31, 2007, 1,155 companies were listed on Euronext, of which

930 were based in one of Euronext s home markets. The remaining 225 listed companies were registered elsewhere and chose Euronext as their primary European market for raising capital. Euronext is focused on increasing its share of these non-domestic listings in the future in connection with its objective to become the gateway to the Eurozone.

Through close cooperation with the regulators of the financial markets in each of the EU member states where Euronext operates, Euronext has adopted a harmonized rulebook that sets out a unified set of listing standards with which issuers must comply, regardless of which of Euronext s markets (Paris, Brussels, Amsterdam, Lisbon) is chosen as the entry point. These harmonized listing standards and the local applicable rules from Euronext Rulebook II set forth the criteria required for the listing of securities on Euronext s exchanges, as well as ongoing requirements, particularly with respect to financial reporting.

NYSE Arca

NYSE Arca is a globally recognized, fully electronic exchange for growth-oriented issuers that initially do not qualify for listing on the NYSE, but nonetheless meet U.S. registration, accounting and governance standards. As of December 31, 2007, approximately 240 ETFs and 16 operating companies were listed on NYSE Arca. During 2007, operating companies that completed their IPO on NYSE Arca raised over $100 million in proceeds on average and, as of December 31, 2007, the operating companies listed on NYSE Arca had an average market capitalization in excess of $400 million.

We intend to continue to leverage the NYSE brand to further develop NYSE Arca s listing business. As a new market, NYSE Arca is beginning to create a meaningful competitive alternative to Nasdaq, particularly with respect to technology companies. NYSE Arca s listing venue provides issuers with many of the unique and innovative benefits that are provided to NYSE-listed companies, including an affiliation with one of the world s leading brands, a dedicated liquidity provider, exceptional market quality and a wide range of value-added products and services.

NYSE Alternext

Launched by Euronext in 2005, Alternext (known under its commercial branding name of NYSE Alternext outside France, the Netherlands, Belgium and Portugal) is a pan-Euro exchange-regulated market for small and mid-sized issuers. As of December 31, 2007, 119 companies were listed on Alternext. Since its launch, Alternext-listed companies have raised over 1 billion in proceeds and represent a total market capitalization of over 5 billion. Alternext operates on the same technology platform as Euronext.

Alternext-listed companies are required to satisfy less stringent listing standards than companies listing on Euronext. Companies listing on Alternext have greater flexibility in their choice of accounting standards and are subject to less extensive ongoing post-listing reporting requirements than companies listing on Euronext.

Client Service

In the United States, we have a team of professionals, referred to as client service managers, dedicated to serving the needs of our listed company community. These professionals meet with their assigned listed companies individually and in regional executive forums that we organize. They provide value by keeping issuers aware of market trends, market structure initiatives and developments in governance and regulation. We believe that executives of listed companies place a high value on their relationship with their client service managers and on superior market quality, association with leading brands, global visibility, and unique marketing services that the NYSE or NYSE Arca listing provide.

We offer our listed companies in the United States a comprehensive suite of services to increase their visibility with existing and prospective investors, to expand their capital market intelligence and to provide educational services and best practices solutions. These services leverage web-based technology, unique analytics and NYSE-sponsored programs. For example, the NYSE sponsors virtual forums, as well as domestic and international conferences, to provide issuers access to global institutional and retail investors. NYSEnet, a password-protected website for senior executives, provides data relating to proprietary trading, institutional ownership and market activity. A market focus report is delivered to issuers at the end of each day to provide a summary of daily trading activity. The NYSE has also developed eGovDirect.com^{SM}, an interactive, web-based tool that helps listed companies meet their NYSE governance and compliance requirements efficiently and economically.

In Europe, we have developed a broad range of services to meet the needs of our listed companies. On the first day of listing on Euronext and NYSE Alternext and on a daily basis thereafter, each issuer receives personalized support through a team of dedicated account managers, who are available to provide the issuers with market and related information and monitor the management of their corporate actions. Companies listed on Euronext or NYSE Alternext also benefit from secure online tools, such as Mylisting.euronext.com . This web-based technology provides issuers with real time information and data on their listed stocks, offers customized alerts, and offers a range of other services. We also offer training workshops and information sessions to better inform and educate issuers on new regulations and related legal matters, as well as practical investor relations topics and communication issues.

Competition

Our principal U.S. competitor for listings is Nasdaq. We also face competition for U.S.-based listings from a number of stock exchanges outside the U.S., including London Stock Exchange plc, Deutsche Börse Group and exchanges in Tokyo, Hong Kong, Toronto, Singapore and Australia. Our global competitors may also expand into the U.S. For example, well-capitalized, highly profitable non-U.S. exchanges, such as the London Stock Exchange, have already entered the U.S. and may seek to expand their presence. In addition, the legal and regulatory environment in the United States may make it difficult for us to compete with non-U.S. securities exchanges for the secondary listings of non-U.S. companies and primary listings of U.S. companies.

In Europe, we do not currently face significant competition in providing primary listing services to issuers based in Euronext s home markets because most issuing companies seek to list their shares only once on their relevant domestic exchange. Accordingly, Belgian, Dutch, French and Portuguese companies typically obtain a primary listing on the relevant regulated national exchange operated by Euronext, and are admitted to trading either on Euronext, or, in the case of certain small- to medium-sized companies, NYSE Alternext. There are no competing regulated exchanges offering primary listing services in Euronext s home territories. Therefore no material competition exists in respect of those issuers located in Euronext s home markets that seek a primary listing. Competition does exist, however, with MEDIP, a regulated market operated in Portugal by MTS Portugal, which provides a platform for the wholesale trading between specialists of Portuguese government bonds.

Euronext also competes with other exchanges worldwide to provide secondary listing services to issuers located outside of Euronext s home territories and primary listing services to those issuers that do not have access to a well-developed domestic exchange.

We expect that competition to provide primary and secondary services to issuers in the United States and Europe will intensify in the future. In addition, as we continue to seek to provide listing services to issuers located in developing markets, we expect to compete more vigorously with exchanges globally.

Order Execution Business

As a truly global exchange group, we provide investors with multiple marketplaces to meet directly to buy and sell cash equities, fixed income securities, structured products and a broad range of derivative products. Based on average daily trades and average daily turnover, we are the world s largest cash market with over one-third of the world s cash trading taking place on our exchanges.

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One of the primary functions of our markets is to ensure that orders to purchase and sell securities are conducted in a reliable, orderly, liquid and efficient manner. Order execution occurs through a variety of means, and we seek to continue to develop additional and more efficient mechanisms of trade.

U.S. Cash Trading Business

In the United States, we offer cash trading in equity securities, fixed income securities and structured products on the NYSE and NYSE Arca. In 2007, the NYSE and NYSA Arca achieved record volumes with a combined 2.6 billion shares traded daily, executing more matched volume than any other U.S. exchange.

Through the NYSE and NYSE Arca, we are in the unique position of offering our customers the option of using either auction trading with a floor-based component or electronic trading. NYSE-listed stocks show consistently lower volatility and execution costs than comparable stocks listed on other venues. On a combined basis, the market centers of the NYSE Group provided the best quoted prices in NYSE-listed equities 77.3% of the time during 2007.

Trading Platforms and Market Structure

NYSE Trading System

The NYSE. The NYSE provides a reliable, orderly, liquid and efficient marketplace where investors meet directly to buy and sell listed companies common stock and other securities. For 216 years, the NYSE has facilitated capital formation, serving a wide spectrum of participants, including individual and institutional investors, the trading community and listed companies. During 2007, on an average trading day, approximately 1.8 billion shares, valued at over $74.5 billion, were traded on the NYSE. The NYSE market combines both auction-based and electronic trading capabilities.

The NYSE market ensures compliance with the revised trade-through rule of Regulation NMS. Regulation NMS, adopted by the Securities and Exchange Commission (SEC) in 2005, is a set of regulations that governs certain aspects of trading on securities market centers. One of the principal features of Regulation NMS is the modernization of the trade-through or order protection rule. Among other things, this rule requires market centers to establish and maintain procedures to prevent trade-throughs, which are the executions of orders at a price inferior to the best bid or offer displayed by another market center at the time of execution. This aspect of Regulation NMS protects and applies only to quotes available for immediate execution.

The NYSE market is intended to emulate, in a primarily automatic-execution environment, the features of the traditional auction market that have provided stable, liquid and less volatile markets, as well as provide the opportunity for price and/or size improvement. The NYSE market builds on our core attributes of liquidity, pricing efficiency, low trading costs and tight spreads by broadening customers ability to trade quickly and anonymously. We believe that the interaction of our automatic and auction markets also maintains opportunities for price improvement, while providing all investors, regardless of their size, with the best price when buying or selling shares.

By continuing to maintain market quality, including low intra-day volatility, the NYSE market also allows issuers to reduce their cost of capital. Combining the NYSE s technology with the advantages of the auction market enables the NYSE market to function more effectively and efficiently. In the NYSE market, specialists and brokers use judgment to improve prices and enhance order competition on the floor of the NYSE, while interacting with the market electronically as well as manually. We believe that their judgment is particularly valuable in less liquid stocks and during the opening and closing of trading, as well as during times of uncertainty, for example, when a corporate announcement or an outside event could lead to market instability and price volatility.

We believe that our trading systems and software offers customers greater choice while maintaining market quality. Almost 96% of all NYSE trades, representing more than 86% of volume, are automatically executed in sub-second speed. The NYSE, which transparently integrates automatic execution with floor broker and specialist interest, has resulted in narrower quoted spreads and improved fill rates. To maintain our leadership position, we intend to continue to develop our market model in response to emerging trends in the trading environment and technological advancements.

The NYSE currently operates approximately 22,000 square feet of contiguous trading floor space where specialists, floor brokers and clerks engage in the purchase and sale of securities. As of December 31, 2007, there were 201 specialists, 412 floor brokers and 966 clerks conducting business on the NYSE s trading floor. Specialists on the trading floor are charged with maintaining fair, orderly and continuous trading markets by bringing buyers and sellers together and, in the relative absence of orders to buy or sell their assigned stock, adding liquidity by buying and selling the assigned stock for their own accounts. Floor brokers act as agents on the trading floor to handle customer orders.

We are in the process of a global technology initiative that involves several upgrades to our current architecture, using technologies acquired through strategic initiatives and external growth initiatives. This architectural enhancement is part of our plan to upgrade to a Universal Trading Platform (UTP) for equities (UTP-Equities) and for derivatives (UTP-Derivatives) trading. In addition, as part of our technology initiative in 2008, additional modifications are planned in connection with our proposed changes to the NYSE specialist operating model to transition specialists to designated market makers. For more information, see Technology and Intellectual Property Technology.

NYSE Arca Trading System

NYSE Arca. NYSE Arca operates an open, all-electronic stock exchange for trading NYSE, Amex and other exchange-listed equity securities, Nasdaq-listed equity securities as well as exchange-listed equity options, and has one of the leading positions in the trading of OTC and exchange-listed securities and ETFs. Through NYSE Arca, customers can trade approximately 8,286 equity securities and over 199,960 option products. NYSE Arca s trading platforms link traders to multiple U.S. market centers and provide customers with fast electronic execution and open, direct and anonymous market access. The technological capabilities of NYSE Arca s trading systems, combined with its trading rules, have allowed NYSE Arca to create a large pool of liquidity that is available to customers internally on NYSE Arca and externally through other market centers. During 2007, approximately 8.5 million trades daily were handled through NYSE Arca s trading platforms.

This trading system offers a variety of execution-related services, including NYSE Arca s best execution routing capability. On NYSE Arca, buyers and sellers meet directly in an electronic environment governed by trading rules designed to reflect three fundamental principles of operation: fast execution, transparency and open market access.

These trading rules are predicated on price-time priority within NYSE Arca, which requires execution of orders at the best available price and, if orders are posted at the same price, based on the time the order is entered in the trading system. NYSE Arca s electronic matching and routing systems actively search across multiple market centers and either match orders internally or route orders out to the best bid or offer displayed in the national market using NYSE Arca s best execution routing capability.

On NYSE Arca, buyers and sellers can view the NYSE Arca open limit order book, which displays orders simultaneously to both the buyer and the seller. Buyers and sellers can submit these orders on an anonymous basis if they so choose. Once orders are submitted, all trades are executed in the manner designated by the party entering the order, which is often at prices equal to or better than the NBBO. The NBBO is the highest bid or lowest offer quote reported to the consolidated quotation systems pursuant to the consolidated quotation reporting plans. Buy and sell orders are posted on NYSE Arca in price order (best to worst) and then if prices are the same, they are ordered based on the time the buy order or sell order was posted (earliest to latest). NYSE Arca users may choose to have their unexecuted orders left on NYSE Arca s open order book, returned to them, or routed to other markets using NYSE Arca s best execution routing capability.

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Other Trading Services and Platforms

FINRA/NYSE Trade Reporting Facility. In April 2007, we launched a trade reporting facility with FINRA to serve our customers reporting off-exchange trades in all listed national market system stocks. Our trade reporting facility enhances the range of trading products and services we provide to our customers by offering a reliable and competitively priced venue to report internally executed transactions. The trade reporting facility conforms to the SEC s recent approval of FINRA/NYSE s new trade reporting arrangement. FINRA, TRF and Trade Reporting Facility are trademarks of FINRA and are used under license from FINRA.

NYSE Bonds. In April 2007, NYSE Bonds^{SM}, our trading platform that provides a more efficient and transparent way to trade bonds, became fully operational. The platform incorporates the design of the current NYSE Arca all-electronic trading system and provides investors with the ability to readily obtain transparent pricing and trading information to enable investors to make better investment decisions. The platform trades bonds of all NYSE-listed companies and their subsidiaries without the issuer having to separately list each bond issued. NYSE Bonds operates the largest centralized bond market of any U.S. exchange or self-regulatory organization (SRO). See also U.S. Cash Product Traded Fixed Income below.

Liquidity Aggregation. As evidenced by our recent launch of the NYSE MatchPoint Trading Facility and our intended joint venture with BIDS, we are committed to improving execution quality and providing greater access to liquidity for our customers. In January 2008, we launched NYSE MatchPoint, an electronic equity trading facility that matches aggregated orders at pre-determined fixed times with prices that are derived from primary markets. MatchPoint s portfolio-crossing technology will expand our ability to match baskets of stocks at pre-determined points in time in the after-hours market and eventually at any point during the day.

In October 2007, we announced our intention to form a joint venture with BIDS designed to improve execution quality and access to liquidity in block trading. The joint venture, expected to be launched in mid-2008, will be open to all NYSE members and accessible through BIDS Trading, a registered alternative trading system. The joint venture will operate as a facility of the NYSE and be subject to regulatory oversight by NYSE Regulation. The joint venture is intended to respond to customer needs by creating a highly liquid, anonymous marketplace for block trading, and bring block-size orders back into contact with active traders, algorithms and retail flow.

U.S. Cash Products Traded

Equities. Equity securities are traded in the United States on either the NYSE or NYSE Arca, depending upon the security traded and the method of trading selected by the investor. As discussed above, the NYSE offers auction trading with a floor-based component or electronic trading.

Fixed Income. The NYSE also operates a centralized bond market for trading bonds on the NYSE through NYSE Bonds^{SM}, a screen-based system launched in April 2007 used by NYSE member subscribers. Broad selections of bonds are traded on the NYSE, such as corporate (including convertibles), agency and government bonds. The trading volume of bonds on the NYSE is primarily in corporate bonds, which is approximately 94.9% of this volume. NYSE Bonds^{SM} maintains and displays priced bond orders and matches those orders on a strict price and time-priority basis. It also reports real-time bids and offers with size and trades to our network of market data vendors.

Structured Products. We are active in trading ETFs and other structured products, such as exchange traded notes (ETNs) and trust securities. ETFs are open-end investment products listed and traded in the secondary market by a broad range of investors. ETNs are a type of redeemable unsecured, unsubordinated debt security, the returns of which are based on the performance of a market index less applicable fees and no period payments are distributed. ETNs are also traded in the secondary market by a broad range of investors. We began to transfer

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all ETFs and ETNs trading on our U.S. exchanges exclusively to NYSE Arca in June 2007 to establish a single platform for listing and trading ETFs and ETNs, which we believe will improve efficiencies and market quality. As of December 31, 2007, we completed the transfer of all ETFs and ETNs from the NYSE to NYSE Arca and 240 ETFs and 21 ETNs were listed on NYSE Arca, representing 56% of all assets under management within the U.S. listed ETFs.

Trading Members

NYSE. NYSE members comprise (i) entities that obtain trading licenses in accordance with the rules and regulations of the NYSE (including the rules of eligibility that will apply to those who wish to be a member); and (ii) broker-dealers that agree to submit to the jurisdiction and regulations of the NYSE without obtaining a trading license. As members, they are subject to the rules and policies of the NYSE. In the future, we may decide to offer member status to other types of organizations. For example, we may decide to issue separate licenses for electronic access or access for particular products. Currently, physical and electronic access to the trading facilities of the NYSE, subject to such limitations and requirements as may be specified in the rules of the NYSE, are available only to members that have purchased a trading license from NYSE. Any bidder for a trading license is subject to the approval of NYSE Regulation.

NYSE Arca. NYSE Arca members comprise entities that obtain trading permits in accordance with the rules and regulations of NYSE Arca. Permitted users of NYSE Arca s trading systems are referred to as ETP holders or OTP holders. Any qualified broker-dealer that wishes to trade equities or options on NYSE Arca may obtain an ETP or an OTP, as applicable, from NYSE Arca.

U.S. Options Trading

NYSE Arca operates a marketplace for trading and listing options on exchange-listed securities. The underlying securities are listed and trade on NYSE Arca, the NYSE, Amex and Nasdaq. NYSE Arca s option market center includes the trading facilities, technology and systems for trading options as well as regulatory, surveillance and compliance services. NYSE Arca, Inc. s options business trades approximately 1.8 million contracts each day on more than 2,117 underlying stocks.

NYSE Arca, Inc. s options business uses a technology platform and market structure that is designed to enhance the speed and quality of trade execution for its customers and to attract additional sources of liquidity. Its market structure allows market makers to access its markets remotely and integrates floor-based participants and remote market makers.

During 2007, our U.S. options business experienced significant growth, trading a record 336 million equity options contracts, representing a 71% increase over 2006 due, in part, to the launch of a penny pilot program by the SEC in January 2007. The penny pilot program required U.S. equity options exchanges to quote and trade options on thirteen listed equities and ETFs in penny increments, instead of the current industry standard of quoting and trading options in five- or ten-cent increments. The program was extended to additional securities representing an aggregate of 35 securities in September 2007, and is scheduled to be extended to a total of 63 securities by the end of March 2008.

Options Listing

To list an option on a stock under the rules of NYSE Arca, Inc. there must be a minimum number of shares of the underlying stock outstanding, there must be at least active public trading in the underlying stock, and the stock must meet certain minimum price tests. These rules also include specialized criteria for listing options on certain types of securities, such as shares of index funds or ETFs, trust-issued receipts and American Depositary Receipts (ADRs). Compliance with these rules and criteria are determined and monitored by NYSE Arca, Inc.

Options Products

Options contracts are contracts with standardized terms that give the buyer the right, but not the obligation, to buy or sell a particular stock or stock index at a fixed price (the strike price) for a specified period of time (until the expiration date). Options are used in various ways by a range of investors with different goals and strategies, such as protecting equities portfolios by using options as a hedge and buying puts as a protection against unexpected declines in price, or speculating on the direction of a stock price by purchasing puts or calls in anticipation of a stock s directional movement with the possibility of return on risk.

U.S. Competition

In the United States, we face significant competition with respect to cash trading and derivatives trading, and this competition is expected to intensify in the future. Our current and prospective competitors include regulated markets, electronic communication networks (ECNs) and other alternative trading systems, market makers and other execution venues. We also face growing competition from large brokers and customers that may assume the role of principal and act as counterparty to orders originating from retail customers, or by matching their respective order flows through bilateral trading arrangements. We compete with such market participants in a variety of ways, including the cost, quality and speed of trade execution, liquidity, the functionality, ease of use and performance of trading systems, the range of products and services offered to trading participants and listed companies, technological innovation and reputation.

We also face intense price competition. Our competitors have and may continue to seek to increase their share of trading by reducing their transaction fees, by offering larger liquidity payments, or by offering other forms of financial incentives. As a result, we could lose a substantial percentage of our share of trading if we are unable to price transactions in a competitive manner, or our profit margins could decline if we reduce or otherwise alter our transaction pricing. NYSE and NYSE Arca have introduced several new pricing structures over the last several months, offering new and highly competitive rates for both providing and accessing liquidity when trading NYSE and Nasdaq listed stocks. We believe these new pricing structures, when considered in conjunction with other factors such as liquidity, depth of market, technology enhancements, and other innovative features, continue to enhance our competitive position. However, we expect to continue to experience significant competition in our U.S. trading activities.

European Cash Trading Business

Euronext is Europe s largest cash market based on average daily trades and average daily turnover. During 2007, on an average day, 1.2 million trades were executed on Euronext exchanges for all cash instruments, while the total number of trades in all cash instruments amounted to 322.6 million.

Using Euronext s cash electronic trading platform, NSC, members of Euronext and NYSE Alternext enter trades into a cross-border central order book and have access to equities with a total market capitalization of 2,887.7 billion issued by issuers in 31 countries as of December 31, 2007. The cash trading business unit comprises trading in equity securities and other cash instruments including funds, bonds, warrants, trackers and structured funds.

Trading Platform and Market Structure

Trading Platform

Cash trading on Euronext s markets in Amsterdam, Brussels, Lisbon and Paris takes place via nouveau système de cotation (NSC) system, Euronext s fully automated electronic trading platform that allows trading members either to route their clients orders electronically or to enter orders manually into computer workstations installed on their premises and linked to the NSC system. The NSC system maintains an order book for every traded security, in which it matches buy and sell orders electronically. After a trade has been executed, trade confirmations are sent electronically in real time to the trading members.

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Customized versions of the NSC system, which AEMS supplies to other stock exchanges, are currently used by 17 financial market places worldwide (including Euronext s four cash markets), more than any other trading platform. The NSC system is highly scalable and reliable, with significant functionality. This flexible trading platform is able to process a wide variety of order types permitted under Euronext s trading rules and is able to combine most of these order types and to execute large orders within a single order book, which allows trading members to adapt their trading strategies and also to increase liquidity.

Harmonized Rulebook and Market Model

Cash trading on Euronext is governed both by a single harmonized rulebook for trading on each of Euronext s markets in Paris, Amsterdam, Brussels, and Lisbon and by the various non-harmonized Euronext Rulebooks containing local exchange-specific rules. Euronext s trading rules provide for an order-driven market using an open electronic central order book for each traded security; various order types and automatic order matching; and a guarantee of full anonymity both for orders and trades. See Regulation European Regulation.

Trading on Euronext takes place on a continuous basis or through an auction mechanism. During continuous trading, each incoming order is checked immediately for possible execution against orders already in the central order book to determine whether the new order can be matched against an already-recorded order. Under the auction mechanism, orders are not executed immediately, but instead are recorded and accumulated without execution until prices are determined by auction at set times. Euronext s trading rules permit a wide variety of orders and market participants may execute certain trades, including block trades or volume-weighted average price, or VWAP trades and more generally any form of negotiated trades recognized by the European relevant directive outside the central book. To avoid undesired volatility, if any order entered in the central order book would cause the price of any security to cross a specified threshold, the NSC system triggers automatic trading interruptions to ensure fair and orderly trading.

MiFID

MiFID came into effect on November 1, 2007, and replaced the existing Investment Services Directive (ISD). MiFID provides a harmonized regulatory regime for investment services across 30 European countries (the 27 Member States of the EU plus Iceland, Norway and Liechtenstein). The main objectives of MiFID are to increase competition and consumer protection in investment services. MiFID retains the principles of the EU passport introduced by ISD but introduces the concept of maximum harmonization, which places more emphasis on home state supervision. This is a change from the prior EU financial service legislation that featured a minimum harmonization and mutual recognition concept. Maximum harmonization does not permit EU Member States to be super equivalent or to gold-plate EU requirements detrimental to a level playing field among EU members. Another change is the abolition of the concentration rule in which member states could require investment firms to route client orders through regulated exchanges.

In response to MiFID, we currently offer three types of access to trading:

Central order book. Euronext is still the largest and deepest liquidity pool in Europe, supported by one of the fastest and most reliable trading platforms in the world.

New Internal Matching Service (IMS). Orders from the same member firm can be executed at the best price in the central order book (eliminating clearing and settlement costs, which can represent up to 40% of total transaction costs) without the need for firms to become systematic internalizers. Almost 50 Euronext originating member firms accounting for 70% of all trades had signed up for this service by October 2007, prior to the implementation of MiFID.

Multi-Lateral Trading Facility (MTF). In October 2007, we announced SmartPool, the first European led electronic block trading platform in partnership with BNP Paribas and HSBC. We will have a majority stake in the company, which is expected to become operational by mid-2008, to trade

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pan-European securities (in addition to Euronext-listed securities). As a MTF, SmartPool is specifically designed to meet the trading needs of large institutional order flow, and will complement the limit order book offered by us in Europe already.

European Cash Products Traded

Euronext s cash trading markets accommodate trading in a wide variety of cash instruments, including:

Equities. Euronext is Europe s largest cash equities market in terms of average daily trading volume. During 2007, on an average day, the turnover on Euronext s central order book in shares was 12.9 billion. As of December 31, 2007, customers using Euronext s NSC trading platform could execute trades in the stock of 1,565 companies located in 31 countries.

Funds. As of December 31, 2007, members could execute trades in over 242 investment funds.

Trackers. Euronext has developed a special product segment, NextTrack, which is dedicated to trading in trackers, also known as ETFs. As of December 31, 2007, members could execute trades in 228 trackers linked to 168 different indices. Trackers are open-ended investment funds that track an index or replicate the performance of an index or a basket of shares, and are traded on Euronext in the same way as ordinary financial instruments.

Structured Funds. In 2006, Euronext listed its first structured funds, which allow investors to combine management techniques such as leverage and guaranteed principal with the benefits of listing. As of December 31, 2007, members could execute trades in 13 structured funds linked to four different indices, which form part of the NextTrack segment.

Warrants and Certificates. As of December 31, 2007, 12,698 warrants and certificates were available for trading via NextWarrants, Euronext s market segment. NextWarrants trades are executed on a specific module of the NSC trading system, NSC-Warrants, a dedicated platform that takes into account the specific product structure of warrants.

Bonds. A broad selection of bonds is traded on the Euronext platform, such as corporate (including convertible) bonds and government bonds. As of December 31, 2007, 3,173 bonds were listed on Euronext.

Trading Members

As of December 31, 2007, 216 members from 12 countries were eligible to trade on Euronext s cash markets. The majority of the members are based in Euronext s marketplaces, while remote members are mostly found in the United Kingdom and Germany. Between 2002 and 2007, the share of trading from outside Euronext s four domestic equities markets (Paris, Brussels, Amsterdam and Lisbon) increased from 20% to 54%, reflecting the increasing internationalization of our client base.

European Competition

In Europe, we face significant and growing competition from trading services provided by a wide array of alternative off-exchange trading venues. We also face competition from large brokers and customers, who have the ability to divert trading volumes from us in one of two ways. First, large banks may assume the role of principal and act as counterparty to orders originating from retail investors, thus internalizing order flow that would otherwise be traded on an exchange. Second, banks and brokers may enter into bilateral trading arrangements by matching their respective order flows, thus bypassing our markets. Furthermore, we compete with an array of automated multi-lateral trading platforms, such as ITG/Posit, E-crossnet, and Chi-X. The competitive significance of these various alternate trading venues is likely to increase substantially in the future, with the regulatory environment in Europe becoming more hospitable to off-exchange trading as a result of the reforms contained in MiFID.

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European Derivatives Trading

Liffe is Euronext s international derivative markets business, comprising derivative markets in Amsterdam, Brussels, Lisbon, London and Paris. Liffe is the second largest derivative market in Europe by volume, and the second largest in the world by average daily value of trading. During 2007, average daily volume of trading on Liffe was 3.7 million contracts valued at almost 1.7 trillion. In 2007, 949 million futures and options contracts were traded on Liffe with a total contract value of 454 trillion. In 2007, the total volume of interest rate contracts grew 25.6%, equity products (single stocks and indices) grew 35.9% and commodities grew 29.8%.

Through a single electronic trading platform (known as LIFFE CONNECT®), Liffe offers a wide and growing range of derivative products to customers in 31 countries. Through this platform, Liffe offers customers sophisticated trading in a wide range of interest-rate, equity, index, commodity and currency derivative products. Moreover, customers who might normally use the OTC market to trade equity derivatives have the ability to process transactions cheaply and efficiently using one or more of Liffe s wholesale services Afirm, Bclear and Cscreen launched in 2005, as described below.

Trading Platform and Market Structure

LIFFE CONNECT® is the central electronic trading platform for Euronext s derivative markets. The platform features an open system architecture, which through an Application Programming Interface (API), allows users to build or purchase trading or view-only applications to suit their specific business needs. Traders commonly do this via one of the many front-end trading applications that have been developed by independent software vendors. These applications are personalized trading screens that link the user to the market via the API, which allows users to integrate front/back office trading, settlement, risk management and order routing systems.

LIFFE CONNECT® has been designed to handle significant order flows and transaction volumes. Orders can be matched either on a price/time or pro rata basis, configurable by contract, with transacted prices and volumes and the aggregate size of all bids and offers at each price level updated on a real-time basis. Users are continually notified of all active orders in the central order book, making market depth easy to monitor.

Products

Interest rate products. Liffe s core product line is its portfolio of short-term interest rate contracts with its principal short-term rate contracts based on implied forward rates denominated in euro and sterling. Trading volumes in Liffe s flagship product in this area, the Euribor Contract, have grown as the euro has increasingly established itself as a global reserve currency.

Equity products. More than 300 European equity options (including options on shares not listed on Euronext) can be traded on Liffe, making the exchange a leading market for equity options trading worldwide. The successful full-screen market model, which now characterizes this equity options market, has been rolled out to the other Liffe centers.

Equity index products. Liffe s equity index derivatives allow customers to hedge against fluctuations in a range of European stock market indices, including the flagship FTSE 100®, CAC 40®, and AEX benchmark indices, and the European equity market as a whole.

Commodity products. Liffe is a leading provider of soft and agricultural commodity derivatives. Trading volumes have grown strongly in recent years, as investors seek to use commodities to help diversify their portfolios.

Currency products. Trading in currency derivatives on Liffe has declined significantly in recent years following the introduction of the euro.

OTC products. We offer transaction reporting and support services in OTC products through Afirm, Bclear and Cscreen three innovative services that offer a flexible, secure, simple and cost-effective way of conducting wholesale equity derivatives trades.

Afirm is an off-exchange post-trade matching service offering affirmation or matching through to confirmation for OTC equity derivatives transactions. Afirm is designed to allow equity derivative market participants to reduce costs through the automation of manual processes and to reduce operational risk through real-time confirmation. Benefits offered by the service include automated trade confirmation, Financial products Markup Language, or FpML, messaging capability, and flat fees per trade confirmed through the service, irrespective of the size of the transaction.

Bclear provides OTC equity derivative market participants a means of registering, processing and clearing wholesale equity derivatives within the secure framework of an exchange and clearing house. Through Bclear, users can register OTC business for trade confirmation, administration and clearing as an exchange contract, while retaining the flexibility to specify contract maturity, exercise price and settlement method on futures and options on approximately 970 global blue-chip stocks and 13 indices. As evidence of Bclear s increasing popularity within the derivative trading industry, equity derivative contract volumes processed through Bclear increased over 133% for the year ended December 31, 2007 compared to the prior year.

Cscreen is a dynamic application that enables registered brokers and traders to post and respond to indications of interest for wholesale equity derivatives.

Trading members

Trading members in Euronext s derivative markets are dealers and/or brokers. Trading members can also become liquidity providers. Liquidity providers enter into agreements with Euronext, specifying their responsibilities. Liquidity providers are able to place several series of bulk quotes in one order, allowing them to send buy and sell orders for many contract months using only one message. If a trading member is disconnected from the trading system, all of its quotes (except good-till-cancelled orders) will be automatically cancelled by the system through a bulk cancellation function.

Post-Trade Service Providers

Clearing and settlement of trades executed on the Euronext exchanges are effected by LCH.Clearnet (for central counterparty clearing) through two subsidiaries, LCH.Clearnet Ltd in London and LCH.Clearnet SA in Paris, and Euroclear Group (for settlement of cash equities, except for trades executed on the markets organized by Euronext Lisbon in Portugal, where it is effected by Interbolsa, a wholly-owned subsidiary of Euronext Lisbon). LCH.Clearnet and Euroclear are independent entities that provide services to Euronext pursuant to contractual arrangements. In London however, Liffe plays a significant role in some of the clearing and settlement of its own business by: (a) operating the member-wide, post-trade management service through its Trade Registration System; and (b) operating the daily position reconciliation and margin calculation processes through its Clearing Processing System on behalf of LCH.Clearnet Ltd. Euronext initially owned the entities that provided clearing and settlement services to its continental European exchanges, but gradually divested them to LCH.Clearnet (for the clearing entities) and Euroclear (for the settlement entities). Interbolsa, which provides settlement services to Euronext Lisbon, is the only post-trade entity currently fully-owned by Euronext. In addition to receiving clearing services from LCH.Clearnet, we have a minority ownership interest in and board representation on LCH.Clearnet. Euronext also has a small ownership interest in and board representation on Euroclear.

Euronext s Relationship with LCH.Clearnet. We have a dual-faceted relationship with LCH.Clearnet: we are a shareholder of LCH.Clearnet, and LCH.Clearnet is the clearer to Euronext markets. In March 2007, we entered into a transaction that is expected to reduce our ownership stake in LCH.Clearnet. Currently our ownership stake in LCH.Clearnet is 12.33% and we expect to further reduce our ownership to 5% by April 2008.

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We are the most significant market group to which LCH.Clearnet provides clearing services. Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris are parties to an amended and restated clearing agreement entered into in October 2003 with LCH.Clearnet S.A. and LCH.Clearnet Group Ltd., pursuant to which such Euronext exchanges designated LCH.Clearnet S.A. as their central counterparty clearing house to provide clearing services for transactions executed on those markets. This clearing agreement may be terminated upon 30 months notice. Liffe is party to a clearing agreement with LCH.Clearnet Limited, originally entered into on June 7, 1988 and amended and restated on July 16, 1996, pursuant to which LCH.Clearnet Limited was appointed as a designated clearing house. This clearing agreement may be terminated upon 36 months notice. NYSE Euronext is in discussions with LCH.Clearnet London to restructure the terms of its continuing contractual relationship.

Euronext s Relationship with Euroclear. Euroclear is a partner of Euronext for the settlement of cash equity transactions conducted on each of its markets (other than Euronext Lisbon) pursuant to contractual arrangements in place. Euronext has a direct shareholding of 2.75% in Euroclear plc, together with an indirect shareholding through Sicovam Holding. Euronext holds a 9.6% interest in Sicovam Holding, which holds 13.06% of Euroclear plc. As a result, Euronext s shareholding in Euroclear is 4%.

Interbolsa. Interbolsa, a wholly-owned subsidiary of Euronext Lisbon, is the Portugal-based CSD that manages the Portuguese settlement and central securities depository systems. Interbolsa settles transactions conducted on Euronext s market in Lisbon. Recently, Interbolsa developed SLME, its new Non-Euro Settlement System, which allows Euronext to offer non-Euro settlement (i.e., USD, GBP, CHF and JPY) to issuers who wish to list securities in Lisbon, in currencies other than the Euro.

Powernext sale: BlueNext. In connection with the launch of BlueNext in January 2008, we have sold our 28.25% stake in Powernext, a multilateral trading facility in charge of managing an organized power and emissions exchange.

BlueNext operates a spot market in CO2 emission allowances that is the European leader in the field, from trading through to worldwide delivery-versus-payment settlement in real time. BlueNext seeks to establish a leading position in trading in environment-related instruments and expects to launch a comprehensive range of a products and services. To this end, BlueNext s current spot-market offering will be rounded out with a spot market in emission credits as soon as connections to international logs are operational. BlueNext expects to establish a futures market with physical delivery of allowances and credits, which is expected to improve overall market liquidity and depth. We hold a 60% interest in BlueNext with the remaining 40% held by Caisse des Dépôts.

Competition

Liffe competes with a number of international derivatives exchanges, most notably Eurex, which is the derivatives platform operated by Deutsche Börse, the CME Group, Inc. and the OTC markets.

Market Data Services

The broad distribution of accurate and reliable real-time market data is essential to the proper functioning of any securities market because it enables market professionals and investors to make informed trading decisions. The quality of our market data, our world-class collection and distribution facilities, and the ability of traders to act on the data we provide, attract order flow to our exchanges and reinforce our brand. Our primary market data services include the provision of real-time information relating to price, transaction or order data on all of the instruments traded on the cash and derivative markets of our exchanges.

U.S. Market Data Services

In the United States, we provide two types of market data services: consolidated data services and proprietary data products.

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Consolidated Data Services

The SEC requires securities markets to join together in consolidating their bids, offers and last sale prices for each security, and to provide this information to the public on an integrated basis. We work with other markets to make our U.S. market data available, on a consolidated basis, on what is often referred to as the consolidated tape. This intermarket cooperative effort provides the investing public with the reported transaction prices and the best bid and offer for each security, regardless of the market from which a quote is reported or on which market a trade takes place.

Last sale prices and quotes in NYSE-listed securities are disseminated through Tape A, which provides the majority of the NYSE s consortium-based market data revenues. We also receive a share of the revenues from Tape B and Tape C, which represent data related to trading of securities (including ETFs) that are listed on Amex and other regional exchanges, and Nasdaq, respectively. As of December 31, 2007, we had 450,619 professional subscribers for Tape A consolidated market data. Over the past two decades, we have expanded our market data business by accessing new customers, in particular nonprofessional subscribers and cable television audiences.

Proprietary Data Products

We make certain market data available independently of other markets. We package this type of market data as trading products (such as NYSE OpenBook®, through which the NYSE makes available all limit orders) and analytic products (such as TAQ Data, NYSE Broker Volume® and a variety of other databases that are made available other than in real-time and that are generally used by analytic traders, researchers and academics). These products are proprietary to us, and we do not share the revenues that they generate with other markets.

Revenues for our proprietary data products have grown significantly over the last few years, driven in large part by the success of NYSE OpenBook®, which the NYSE introduced in 2002. The advent of trading in penny increments and the accelerated use of black box trading tools accelerated the success of NYSE OpenBook®.

NYSE Arca also makes certain market data available independent of other markets. Through ArcaVision®, NYSE Arca provides listed companies, traders and investors with a tailored and customizable means to view detailed market data on particular stocks and market trends. Another data product, ArcaBook®, displays the limit order book of securities traded on NYSE Arca in real time.

The pricing for U.S. market data products must be approved by the SEC on the basis of whether prices are fair, reasonable and non-discriminatory.

European Market Data Services

Unlike in the U.S., European market data is not consolidated. In Europe, we distribute and sell both real-time and proprietary market information to data vendors (such as Reuters and Bloomberg), as well as financial institutions and individual investors.

Real-time Market Data

Our main data services activity is the distribution of real-time market data. This data includes price, transaction and order book data on all of the instruments traded on the cash and derivative markets of Euronext, as well as information about Euronext s indices. The data is marketed in different information products, and can be packaged according to the type of instrument (shares, derivatives or indices), the depth of the information (depth of the order book, number of lines of bid and ask prices), and the type of customer (professional or private). The data is disseminated primarily via data vendors, but also directly to financial institutions and other service providers in the financial sector.

The consolidation of all of our European market data into one feed Euronext Market Data Solution (EMDS) was completed in 2007. Further enhancements and continued growth of the system s capacity were realized in the rest of the year in response to the significant increase of data volumes.

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Other Information Products

In addition to real-time market data, Euronext also provides historical and analytical data services as well as reference and corporate action data services.

Through our product NextHistory, targeted at professionals in the financial industry, we offer access to historical data for all of our European markets via the Internet or DVD. Through our Index File Service, we also provide traders, analysts, investors and others who rely on up-to-date index information with daily information on the exact composition and weighting of our indices and precise details of changes in index levels and constituent share prices.

Our market snapshots service in Europe provides full market overviews including, but not limited to, quotes, prices and volumes relating to the full array of financial instruments traded on Euronext at fixed times every trading day. Through our Masterfiles service, we offer comprehensive information on the characteristics of all warrants and certificates for listed securities on Euronext markets. Another service delivers information concerning corporate actions to the market.

Finally, we publish a number of daily official price lists, such as the *Cote officielle* in Paris, the Daily Bulletin in Lisbon and the Amsterdam Daily Official List.

Corporate news distribution and Investor Relations services

In 2006, we acquired Company*news* and Hugin AS in order to meet the demand for specialized services in corporate news distribution resulting from the European Transparency Directive, which took effect in January 2007. This Directive requires that listed companies adhere to minimum requirements in disclosing price sensitive information. In order to do so, most of these companies are expected to outsource their needs to a specialized service provider.

Index Services

U.S. Indices and Index Services

We have created nine U.S. benchmark indices. These include:

- NYSE Composite Index®, which is designed to measure the performance of all common stocks listed on the NYSE, including REITs, tracking stocks and common equity and ADR listings of foreign companies. The index utilizes a transparent, rule-based methodology that includes free-float market capitalization weighting.

- NYSE U.S. 100 Index^{SM} and NYSE International 100 Index^{SM}, which are designed to measure the performance of the largest 100 U.S. and non-U.S. stocks listed on the NYSE, respectively.

- NYSE World Leaders Index^{SM}, which tracks the performance of 200 leading companies across 20 countries.

- NYSE Sector Indices, which include the NYSE Energy Index®, NYSE Financial Index® and NYSE Health Care Index®.

- NYSE TMT Index®, which measures the performance of the largest 100 NYSE-listed U.S. and non-U.S. stocks in the technology, media and telecommunications sectors.

- NYSE Arca Tech 100 Index® (formerly the ArcaEx Tech 100 Index), a multi-industry technology index.

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We have licensed the NYSE Composite Index® and the NYSE U.S. 100 Index℠ to Barclays Global Investors, N.A. for use in replicating the performance of the indices in the iShares® NYSE Composite Index Fund and the iShares® NYSE 100 Index Fund, and the NYSE Arca Tech 100 Index® to Zeigler Exchange Traded Trust for use in replicating the performance of the index in the NYSE Arca Tech 100 ETF.

European Indices and Index Services

Through our European subsidiary, Euronext Indices B.V., we maintain and improve approximately 200 existing indices and develop new ones when added value for market participants is identified. Companies listed on Euronext are indexed according to size, segments and sectors, per national market as well as Euronext wide. Apart from these proprietary indices, we also maintain and develop customized indices with or for clients, not necessarily based on Euronext listings only. The use of these indices is diverse, from derivatives trading to enhancing the profile of listed companies, issuing index-linked products and market analysis.

We maintain over 200 European indices, including the flagship AEX®, BEL 20®, CAC 40®, PSI 20® and Euronext 100® indices. Our primary European indices are set forth in the following table:

	Euronext Amsterdam	**Euronext Brussels**	**Euronext Lisbon**	**Euronext Paris**	**Euronext wide**
Blue chip	AEX	BEL 20	PSI 20	CAC 40	NextCAC 70 Euronext 100
Midcap	AMX	BEL Mid		CAC Next 20 CAC Mid 100 SBF 120(*) SBF 80 CAC Mid & Small 190	Next 150
Small cap Specialized sector/segment Indices	AScX	BEL Small		CAC Small 90 CAC IT CAC IT 20	NextPrime NextEconomy NYSE Alternext(**)
All Share Indices	AAX	BAS	PSI Geral	CAC AllShares SBF 250	
Sector Indices (All share)	Dutch ICB Industries & Sectors indices	Belgian ICB Industries & Sectors indices	Portuguese ICB Industries indices	French ICB Industries & Sectors indices	

(*) Includes CAC 40 stocks.
(**) Launched in 2006.

Technology and Intellectual Property

Technology

Technology is a key component of our business strategy, and we regard it as crucial to our success. Our markets employ a wide range of technologies that enable us to maintain our competitive position and investor confidence in the reliability and integrity of our trading platforms and markets.

We are committed to the ongoing development, maintenance and use of technology to enhance the functionality and technological solutions we provide our customers and to further grow and develop our business. Our technological initiatives are focused on satisfying each of the objectives set forth below:

Functionality. Our technologies are designed to support business-driven requirements and should be delivered on a timely basis with minimal defects. We continually assess the need to enhance our functionality in response to changing customer needs and evolving competitive and trading environments. In addition, our technologies must provide for regulatory effectiveness and are designed to support market surveillance and enforcement.

Performance. Our trading technologies are designed to provide fast and competitive response times, which are critical to operating successful electronic markets. We continually evaluate system performance in terms of its speed, reliability, scalability and capacity.

Capacity/Scalability. Our systems must be highly scalable, enabling us to meet anticipated growth in trading multi-asset classes in multiple markets by participants globally. We are committed to investing in systems capacity to ensure that our markets can maintain investor access during unusual peaks in trading activity or in response to other business-driven requirements. For example, we continue to enhance our technology to support our order handling capacity on our trading systems as order and trade volumes increase.

Reliability. Our systems are designed to be reliable and resilient to maintain investor trust and confidence. We continually evaluate our business continuity plans, including the availability and functionality of back-up data centers and back-up trading floors.

Total cost of ownership. We believe that our systems and operating environment should be managed with a competitive cost structure.

In furtherance of our business strategy and these objectives, we are integrating our technologies globally to establish a single platform that enables market participants to trade across multiple asset classes, markets, geographies and time zones. We have undertaken a global technology initiative that will involve the creation of a common point of entry, the CCG meaning a single method by which any market participant globally can access our markets, products and services and the simplification and convergence of our systems into a single global electronic trading platform, comprised of a UTP for equities (UTP-Equities) and derivatives (UTP-Derivatives) trading. We also intend to consolidate our networks and data centers globally.

We began this global integration initiative in 2007 and we are in the process of migrating our U.S. platforms to the CCG, a key component of our UTP architecture. We expect the migration of our European platforms will follow with the objective of establishing the UTP to support all our cash markets in Europe. In the final phase of our platform integration, we intend to integrate our European and U.S. derivatives platforms into the UTP.

To create a single global trading platform, we intend to consolidate all our existing networks to a single global SFTI network, which is a secure, high-performance network that offers exchanges both resiliency and performance. Through this single network, trading firms and investors can connect to real-time information and trading with securities markets, while financial markets can provide customers with access to their data and execution services regardless of their trading platform or interfaces. We also intend to leverage our recent technology initiatives such as our agreement to acquire AEMS, our acquisition of Wombat and our integrated TransactTools solutions to offer market participants a comprehensive and unique suite of leading technology solutions in a centralized environment.

U.S. Trading Technology

The major components of the current NYSE trading system architecture include:

order acceptance through Common Message Switch, which provides members access to the NYSE s order processing systems for routing and processing of orders;

order database and routing through SuperDot®, which processes approximately 100% of electronic market and limit orders received from members and routes them to broker systems or Display Book®; and order execution through Display Book®, which is a high-performance trading system used for automatic quotation and execution of incoming orders.

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These systems are complemented by systems that support broker activities, including the Broker Booth Support System® (BBSS), which supports straight-through electronic order processing and reports for members on the floor of the NYSE, and the NYSE e-Broker Hand Held Device®, which is a mobile wireless handheld device that permits members on the floor to receive orders, access the Display Book®, report transactions on the floor, and generate messages to customers regarding current market conditions. Comparison and connectivity to the Depository Trust Corporation is accomplished through the Online Comparison System℠. The NYSE Information Generation System (IGS) and Market Data System (MDS) handle publication and subscription of market data for use by internal systems and for publication to the national market systems.

We are in the process of a global technology initiative that involves several upgrades to our current architecture, using technologies acquired through strategic initiatives and acquisitions. This architectural upgrade is part of our plan to upgrade to the UTP for equities (UTP-Equities) and for derivatives (UTP-Derivatives) trading and we expect that will allow us to realize synergies as we move forward with our integration. The key components to this initiative include the following:

- transitioning from the NYSE s traditional Common Message Switch to a new front-end system running on Linux server technologies, known as the CCG. This system is expected to decrease latency and reduce operating costs;

- eliminating the NYSE SuperDot system and implementing a Linux-based server application of Display Book® that is expected to increase our ability to adapt our systems more quickly to the changing needs of our customers, significantly decrease latency and reduce operating costs;

- eliminating the BBSS system and replacing it with the Consolidated Broker System; and

- eliminating the IGS system and replacing it with the Consolidated Ticker Plant, as well as replacing the MDS system with the implementation of newly acquired Wombat technologies.

In addition, proposed changes to the NYSE specialist operating model to transition specialists to designated market makers are expected to be part of our technology initiative in 2008.

NYSE s trading system also relies on technology provided by NYSE TransactTools, which combines a high-performance enterprise software platform for financial connectivity with the network and facilities infrastructure of the world s leading markets. NYSE TransactTools achieves this through two components: SFTI® and NYSE TransactTools Trading Connectivity Management (TCM).

SFTI® is the industry s most secure and resilient network backbone, connecting all national market system market centers in the U.S. and rapidly expanding its footprint to link major and emerging markets around the globe. Customers gain access to SFTI® market centers via direct circuit to a SFTI® access point or through a third-party service bureau or extranet provider. SFTI® revenue typically includes a connection fee and monthly recurring revenue based on a customer s connection bandwidth.

The TCM software platform is an integrated connectivity and management architecture that has become the *de facto* standard among the financial industry s leading electronic trading firms for reliability, scalability and performance. TCM was introduced in 2004 and has distinguished itself as the only solution able to easily handle the trading volume and scale requirements of the worlds largest financial markets and market participants. Customers can also receive low-latency messaging and trade lifecycle management using this software platform.

NYSE Arca operates its equities electronic trading platform on mid-range servers. NYSE Arca s industry leading system is designed to accept up to 160,000 orders per second and to provide up to 8,000 simultaneous customer connections. In 2007, its system handled an average of approximately 130 million orders daily and approximately 8.5 million trades daily, with a capacity to handle 120 million trades daily.

NYSE Arca provides customers with multiple connectivity options, including through a wide variety of order management systems, third-party private networks and service bureaus. We also offer our customers

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different ways of interfacing with NYSE Arca, including NYSE Arca FIX Gateway, which utilizes the underlying technology of our CCG, and RealTick® Interface. Through the FIX Gateway, customers can access NYSE Arca using their existing trading system and third-party vendors. The Financial Information eXchange (FIX) protocol is a messaging standard developed specifically for real-time electronic exchange of securities trading information. NYSE Arca confirms a customer s FIX connectivity through NYSE Arca Certification Testing.

Similarly, NYSE Arca operates its options electronic trading platform on the same category of mid-range servers. NYSE Arca s options system is designed to accept over 1 million quotes and 80,000 orders per second. In 2007, its system handled an average of approximately 6 million orders daily and approximately 100,000 trades daily, with a capacity to handle 4 million trades daily.

European Technology

AEMS

Historically, Euronext has outsourced the information technology requirements of its business, including the development and maintenance of information technology applications as well as the use of software and resources, to AEMS, an entity 50% owned by Euronext and 50% owned by Atos Origin. In December 2007, we announced our intention to assume these outsourced activities internally and entered into an agreement with Atos Origin to acquire the 50% remaining stake not owned by Euronext. Currently, AEMS provides hosting and technical operations for our Euronext markets and we are its largest customer.

AEMS is a leading provider of information technology solutions for exchanges, clearing houses, banks and intermediaries. AEMS provides solutions for the entire range of activities of the exchange business, from exchange trading and trade support to post-trade activities. AEMS provides Euronext and other exchanges with trade services such as the capture, booking, routing, and matching of trading orders, and links to other exchanges. Its trade support services, primarily to banks and brokers, include deal capture and trade administration, trade confirmation, position monitoring, risk control, portfolio management, and back-office services. AEMS also provides post-trade services to clearing houses, banks, and brokers, including clearing and settlement-related services, interface to clearing and depositary services and clearing houses, custodial services, depository management, credit control and collateral management, and general ledger services.

Some of the major systems and platforms that are now owned or licensed to AEMS, and are provided or licensed by AEMS to Euronext, or in some cases to third-party customers in the financial industry, are:

NSC: A cash trading system for equity securities, bonds and other products, currently used by 17 financial market places worldwide (including Euronext s four cash markets) on four continents. NSC handles the largest amount of cash trading globally by turnover and recently doubled its trading capacity. The NSC order latency, already reduced by 50% in 2006, to under 100 milliseconds, was further reduced to under two milliseconds in 2007. As part of our agreement to acquire AEMS, we will retain NSC s cash trading system and related technology.

LIFFE CONNECT®: An electronic trading platform for futures and options used by Liffe s five derivatives exchanges and TFX. As part of our agreement to acquire AEMS, we will retain the LIFFE CONNECT® trading platform and related technology.

Clearing 21®: A global clearing services solution for equities, bonds, futures and options used by clearing houses.

PAM: A market-access workstation used by traders to view market information and send and manage financial exchange orders.

ARAMIS: A real-time financial market supervision tool used by market regulators and supervision teams to ensure market integrity.

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SARA: An international (G30) standards-compliant solution for clearing, settlement and depository.

TRS-CPS: A combined post-trade management and clearing solution used by Liffe s London derivatives market, ICE Futures and LCH.Clearnet.

AEMS clearing and settlement business provides and manages technology for the post-trade industry, including customized platforms to manage clearing and settlement for cash and derivatives markets. Its principal customer is LCH.Clearnet and it also provides services to Liffe and ICE Futures. In particular, AEMS operates Clearing 21® for LCH.Clearnet, which is the only existing system that enables clearing houses to clear cash and derivative products on a single technical platform, in real-time and with a central guarantee. LCH.Clearnet holds a non-exclusive and non-transferable sublicense to use and modify the Clearing 21® system.

AEMS capital markets business works with banks and intermediaries to provide information technology solutions from trading through to settlement, and currently has over 1,000 banks, brokers and trading firms on its global distribution network.

Our agreement with Atos Origin to acquire the remaining 50% stake in AEMS provides that we would re-acquire ownership of the NSC cash trading and LIFFE CONNECT® derivatives trading platform technology and all of the management and development services surrounding these platforms as well as AEMS s third-party exchange technology business. Atos Origin would acquire the third-party clearing and settlement business and capital markets business from AEMS. These transactions contemplate a payment of 275 million (US$400 million) from us to Atos Origin and of 20 million (US$29 million) from Atos Origin to AEMS.

This agreement in principle follows a longstanding, successful relationship between Atos Origin and Euronext, and allows the two companies to focus on their core businesses, given recent trends in their respective industries. Both parties will extend their historical relationship, Atos Origin becoming NYSE Euronext s preferred supplier in integration and outsourcing IT services. The contemplated re-integration of the technology businesses within Atos Origin and NYSE Euronext is expected to be completed by the end of the summer in 2008.

Sale of Software: GL TRADE

GL TRADE, a subsidiary of Euronext, is a global provider of front to back-office solutions for international financial institutions on both the buy side and the sell side. GL TRADE s software and proprietary network provide GL TRADE s customers real-time access to more than 120 electronic markets around the world and link participants in the international financial community. By using GL TRADE s products and services, its customers can trade shares, bonds, commodities and derivative instruments, view comprehensive financial information and automate all of their order flow from the front to the back office. GL TRADE serves over 1,000 major financial institutions.

GL TRADE has developed a range of front-to-back office solutions and services to meet the needs of the financial community. GL TRADE offers each of the following products and services:

Front Office Solutions

GL TRADE offers its clients GL STREAM , the first straight through processing solution for multiple listed security types (equities, futures, options, commodities, forex and bonds). The system offers automated handling and real-time optimization of all processes involved in managing a market order. GL STREAM covers trading and order management and market connectivity. It has been developed with an open architecture and a flexible infrastructure that can operate either on the client s site or on an ASP model. GL STREAM is fully compatible with third-party applications via the FIX protocol, and, for clients seeking the best possible performance, via APIs.

GL NET

GL NET is a dedicated international private network serving clients in the financial services industries. It enables real-time trading in all types of financial securities on 120 cash, derivative and OTC markets. Designed with an open architecture, it can be accessed not only through GL TRADE workstations by both buy siders and brokers, but also via FIX applications or third-party systems. The GL NET network links the main members of the financial community with the growing number of buy side users. The network provides its members with optimal levels of security, reliability and availability for the transmission of orders. Its large bandwidth ensures an average speed for order routing of 0.25 seconds worldwide, with no loss or distortion.

Buy Side Trading Solutions: GL FAST

GL FAST offers the buy side community the GL WINWAY workstation, which links the benefits of the GL WIN platform with the features of GL XLS, an analytical module designed for clients that use Excel to manage their orders. This solution enables buy side clients to develop trading strategies and to forward their orders to several brokers. GL WINWAY provides all buy side trading functionality, such as market access and algorithmic trading.

Post Trade Solutions

GL TRADE provides post trade management solutions for the derivative, equity and bond markets. These services include automated real-time management of the entire deal settlement process and management of the allocation and delivery of all necessary information to the back office. GL TRADE is currently able to offer full and integrated solutions from front office to back office on listed derivatives markets. GL TRADE also provides sophisticated electronic back office solutions for equity and bond markets, which include management of settlement and delivery data flows with international custodians, calculation of provisional cash balances and associated borrowing-lending functions. GL TRADE also offers connectivity to U.S. clearing houses and settlement agents, which includes the production of information required under local laws.

Capital Market Solutions

GL TRADE offers cash management and risk hedging solutions through its TRADIX and FNX business line to French and international banks and major companies.

Data Centers

To enhance the capacity and reliability of our systems, we have established data centers located in Boston, Chicago, New York, San Francisco, and Northern New Jersey totaling approximately 125,000 square feet in size. Our European business is supported by data centers in London (1,196 square meters) and Paris (1,445 square meters). We are in the process of consolidating our ten data centers in the U.S. and Europe to four data centers (two in the U.S. and two in Europe). We anticipate that our data center consolidation initiative will be completed prior to the end of 2010.

We seek to ensure the integrity of our data network through a variety of methods, including access restrictions and firewalls. We monitor traffic and components of our data network, and use an application to detect network intrusions and monitor external traffic. Customer circuits and routers are monitored around the clock and anomalies in customer circuits are reported to its staff and carrier support personnel for resolution.

Intellectual Property

We own the rights to a large number of trademarks, service marks, domain names and trade names in the United States, Europe and in other parts of the world. We have registered many of our most important trademarks in the United States and other countries.

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United States

In the United States, these include New York Stock Exchange, NYSE, The Big Board, NYSE Composite Index, The World Puts Its Stock In U Archipelago, ArcaEx, Archipelago Exchange, Pacific Exchange, and images of the NYSE Trading Floor and building façade. Registration applications for other marks are pending in the United States and in other countries.

In addition, we own a number of registered U.S. trademarks or service marks that are used in our operations and we have a number of applications pending. We also hold the rights to a number of patents and have made a number of patent applications. However, we do not engage in any material licensing of these patents nor are these patents, individually or in the aggregate, material to our business.

We also own the copyright to a variety of material. Those copyrights, some of which are registered, include printed and online publications, web sites, advertisements, educational material, graphic presentations and other literature, both textual and electronic.

Europe

We regard substantial elements of Euronext s brands, logos, products and market data to be proprietary. We attempt to protect these elements by relying on trademarks, copyright, database rights, trade secrets, restrictions on disclosure and other methods. In particular, we have trademark registrations for the most important names of the Euronext companies, and for the indices and services Euronext provides. Many of Euronext s trademarks are registered in a number of countries. For example, the Euronext trademark has been registered in all countries which are material to our European business revenues.

The following is a sample of the registered trademarks of our European operations that we own: Euronext®, NYSE Alternext®, Eurolist by Euronext®, AEX®, BEL 20®, CAC 40®, PSI 20®, NextCAC 70®, LIFFE® and LIFFE CONNECT® .

EMPLOYEES

As of December 31, 2007, we employed 3,083 full-time equivalent employees (excluding 1,398 GL TRADE employees), 1,973 of which were located in the U.S. and 1,110 of which were located in Europe. Overall, we consider our relations with our employees, as well as our relations with any related collective bargaining units or worker s councils, to be good.

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REGULATION

U.S. Regulation

U.S. federal securities laws have established a two-tiered system for the regulation of securities markets and market participants. The first tier consists of the SEC, which has primary responsibility for enforcing federal securities laws and regulations and is subject to Congressional oversight. The second tier consists of the regulatory responsibilities of self-regulatory organizations, or SROs, over their members. SROs are non-governmental entities that are registered with, and regulated by, the SEC.

Securities industry SROs are an essential component of the regulatory scheme of the Exchange Act for providing fair and orderly markets and protecting investors. To be a registered national securities exchange, an exchange must be able to carry out, and comply with, the purposes of the Exchange Act and the rules and regulations under the Exchange Act. In addition, as an SRO, an exchange must be able to enforce compliance by its members, and individuals associated with its members, with the provisions of the Exchange Act, the rules and regulations under the Exchange Act and its own rules.

Broker-dealers must also register with the SEC, and members must register with an SRO, submit to federal and SRO regulation, and perform various compliance and reporting functions.

Two subsidiaries of NYSE Group, NYSE and NYSE Arca, Inc., as national securities exchanges and SROs, are registered with, and subject to oversight by, the SEC. Accordingly, the NYSE and NYSE Arca are regulated by the SEC and, in turn, are the regulators of their members. The regulatory functions of both the NYSE and NYSE Arca are performed by NYSE Regulation, acting through its own staff and, for certain functions, utilizing staff of Financial Industry Regulatory Authority, Inc. or FINRA (formerly known as National Association of Securities Dealers, Inc., or NASD) pursuant to an agreement. See NYSE Regulation Structure, Organization and Governance of NYSE Regulation below.

NYSE Regulation

Overview. As registered national securities exchanges in the U.S., NYSE and NYSE Arca, Inc. are charged with oversight of the financial and operational status and sales-practice conduct of members and their employees, and have responsibility for regulatory review of their trading activities on those exchanges. In addition, the NYSE and NYSE Arca are responsible for enforcing compliance with their respective financial and corporate governance listing standards by listed companies.

As described below, financial, operational and sales practice oversight is generally conducted by FINRA. The remaining regulatory functions of the NYSE and NYSE Arca are performed by NYSE Regulation, Inc., a separate Type A not-for-profit subsidiary of NYSE Group. NYSE Regulation, employing approximately 260 people as of December 31, 2007, consists of the following three divisions:

- Listed Company Compliance;
- Market Surveillance; and
- Enforcement

FINRA. On July 30, 2007, NYSE Group and NYSE Regulation, each a wholly owned subsidiary of NYSE Euronext, entered into and completed an asset purchase agreement with FINRA pursuant to which the member firm regulatory functions of NYSE Regulation, including related enforcement activities, risk assessment and the arbitration service (collectively, the Transferred Operations), were consolidated with those of FINRA.

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In connection with this transaction, approximately 427 employees of NYSE Regulation were transferred to FINRA. The remaining employees of NYSE Regulation are dedicated primarily to market surveillance, related enforcement and listed company compliance for NYSE and NYSE Arca. In addition, FINRA and NYSE Group also entered into agreements under which NYSE Group provides certain transition services to FINRA and its affiliates and FINRA provides certain regulatory services to NYSE Group and its affiliates.

Listed Company Compliance. The NYSE and NYSE Arca require their listed companies to meet their respective original listing criteria at listing, and to thereafter maintain continued compliance with their respective listing standards. The Listed Company Compliance division of NYSE Regulation monitors and enforces compliance with these standards. The division is split into two parts:

- the financial compliance group, which reviews a company s reported financial results both at the time of listing and thereafter to ensure that it meets original listing and continued listing requirements; and

- the corporate compliance group, which ensures that listed companies adhere to required qualitative standards, including governance requirements for configuration of corporate boards, director independence and financial competence of audit committee members.

Market Surveillance. The Market Surveillance division is responsible for monitoring equity trading activity on the facilities of the NYSE for violations of federal securities laws and rules and exchange trading rules, including prohibitions against insider trading and manipulation activity. It also monitors equity trading on the facilities of NYSE Arca for insider trading and manipulation activity. Such monitoring of trading activities involves both real-time and post-trade review. The Market Surveillance division uses sophisticated technology to detect unusual trading patterns, and the staff of the Market Surveillance division also maintains a presence on the trading floor of the NYSE. Market Surveillance makes referrals to the NYSE Regulation Enforcement division and the SEC Division of Enforcement, as appropriate. NYSE Regulation also maintains a surveillance group that similarly monitors equities and options trading on NYSE Arca, including maintaining a presence on its options trading floor. That surveillance may also result in referrals to NYSE Regulation Enforcement or the SEC Division of Enforcement. In addition, it is expected that NYSE and NYSE Regulation will conclude an agreement with FINRA and each of the other registered national securities exchanges in the U.S. to consolidate the conduct of insider trading surveillance. It is contemplated that under that agreement, NYSE Regulation will conduct such surveillance with respect to all trading of NYSE and NYSE Arca listed securities in the United States regardless of the market on which the trading occurs, while FINRA will conduct such surveillance with respect to all trading of securities listed on the Nasdaq Stock Market and Amex.

Enforcement. The Enforcement division investigates and prosecutes violations of NYSE and NYSE Arca rules and U.S. federal securities laws and regulations relating to trading on NYSE or NYSE Arca. Enforcement cases can include books and records deficiencies, reporting and supervisory violations, misconduct on the trading floor, insider trading, market manipulation and other abusive trading practices. Sources of investigations for the Enforcement division include examination findings referred by FINRA, surveillance reviews referred by the Market Surveillance division, arbitration referrals from FINRA, reporting of customer complaints and settlements by members, referrals from the SEC and complaints by members of the investing public and securities professionals. All settlements negotiated between NYSE Regulation Enforcement and a respondent are reviewed, and all contested cases are conducted, pursuant to administrative procedures which are independent of NYSE Regulation management.

Structure, Organization and Governance of NYSE Regulation. NYSE Regulation has undertaken to perform the regulatory functions of the NYSE and NYSE Arca pursuant to a delegation agreement with the NYSE and a regulatory services agreement with NYSE Arca. In addition, NYSE Arca continues to have its own chief regulatory officer to oversee the performance of its regulatory responsibilities, although NYSE Arca s chief regulatory officer also reports to the NYSE Regulation chief executive officer and the NYSE Regulation board of directors. NYSE Regulation also has an explicit agreement with NYSE Group, the NYSE and NYSE Market, Inc. (NYSE Market) so that adequate funding is provided to NYSE Regulation. Moreover, under the operating agreement of the NYSE, no regulatory fees, fines or penalties collected by NYSE Regulation may be distributed to NYSE Group or any entity other than NYSE Regulation.

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NYSE Regulation has been and expects to continue to be self-funded through its collection of regulatory fees and fines and through its agreements with the NYSE, NYSE Market and NYSE Arca to provide regulatory services. NYSE Regulation levies fines as a result of formal disciplinary action imposed by the Enforcement division of NYSE Regulation.

NYSE Regulation does not adjust the amount of regulatory fees charged based on the amount of fines assessed. Income from fines is used only to fund non-compensation expenses of NYSE Regulation. The use of fine income by NYSE Regulation is subject to specific review and approval by the NYSE Regulation board of directors.

NYSE Regulation incorporates several structural and governance features designed to ensure its independence, given our status as a for-profit and listed company. NYSE Regulation is a separately incorporated, not-for-profit entity. Each director of NYSE Regulation (other than its chief executive officer) must be independent under the independence policy of the NYSE Euronext board of directors, and a majority of the members of the NYSE Regulation board of directors and its compensation committee and nominating and governance committee must be persons who are not directors of NYSE Euronext. The chief executive officer of NYSE Regulation is also not permitted to be an officer or employee of any affiliated unit other than NYSE Regulation and reports solely to the NYSE Regulation board of directors.

To reduce the conflicts that can arise from self listing, NYSE Regulation is responsible for all listing compliance decisions with respect to NYSE Euronext s listing on the NYSE. In addition, NYSE Regulation prepares for its board of directors quarterly reports summarizing its monitoring of NYSE Euronext s compliance with NYSE listing standards, and its monitoring of the trading of NYSE Euronext s common stock. A copy of these reports must be forwarded to the SEC. In addition, NYSE rules require an annual review by an independent accounting firm to ensure that NYSE Euronext is in compliance with the listing requirements, and a copy of this report must be forwarded to the SEC.

NYSE Regulation has adopted structural and governance standards in compliance with applicable U.S. federal securities laws, and in particular, Section 6 of the Exchange Act with respect to fair representation of members.

Regulatory Auditor. In an order dated April 12, 2005, the SEC instituted and simultaneously settled an administrative proceeding against the NYSE. The SEC s action related to detection and prevention of activities of specialists who engaged in unlawful proprietary trading on the floor of the NYSE. As part of the settlement, the NYSE agreed to comply with certain undertakings, one of which was to retain a third party regulatory auditor to conduct, every two years through 2011, a comprehensive regulatory audit of NYSE Regulation s surveillance, examination, investigation and disciplinary programs applicable to specialists and other floor members. The Order provides that the regulatory auditor is required to report the auditor s conclusions to the NYSE board and to the SEC, and those conclusions are to be included in NYSE s annual report. The conclusions of the regulatory auditor, James H. Cheek, III and Bass, Berry & Sims PLC were included in our Annual Report on Form 10-K/A filed with the SEC on May 1, 2007.

European Regulation

Euronext (through its subsidiaries) operates exchanges in five European countries. Each of the Euronext exchanges holds an exchange license granted by the relevant national exchange regulatory authority and operates under its supervision. Each market operator is also subject to national laws and regulations in its jurisdiction in addition to the requirements imposed by the national exchange authority and, in some cases, the central bank and/or the finance ministry in the relevant European country.

The regulatory framework in which Euronext operates is substantially influenced and partly governed by European directives in the financial services area. In November 2007, the ISD was replaced by MiFID, one of the key directives in the Financial Services Action Plan (FSAP). The FSAP was adopted by the European Union in

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1999 in order to create a single market for financial services by harmonizing the member states rules on securities, banking, insurance, mortgages, pensions and all other financial transactions. In order to implement the FSAP, the European Union adopted the following key directives:

- the Market Abuse Directive of January 28, 2003 (the Market Abuse Directive);
- the Prospectus Directive of November 4, 2003 (the Prospectus Directive);
- the Transparency Directive of December 15, 2004;
- the Takeover Directive of April 21, 2004;
- the Markets in Financial Instruments Directive of April 21, 2004; and
- the Capital Adequacy of Investment Firms and Credit Institutions Directive of October 11, 2005.

The progressive implementation by European member states of these directives is enabling and increasing the degree of harmonization of the regulatory regime with respect to financial services, offering, listing, trading and market abuse. In addition, the implementation of the MiFID directive by the European member states will result in a reinforcement of the regulators authority and control over market operators governance, shareholders and organization.

Regulation of Euronext

Group-Wide Supervision and Regulation. The national regulators of the Euronext exchanges are parties to two Memoranda of Understanding (MOUs) that provide a framework to coordinate their supervision of Euronext and of the markets operated by the Euronext group. The first MOU was initially entered into by the Dutch, French and Belgian exchange regulatory authorities in 2001 and was extended to the Portuguese exchange regulatory authority in 2002. The second MOU, which relates principally to the regulation of Euronext s derivatives markets, was entered into between such authorities and the UK exchange regulatory authority in 2003.

Within the framework of the first MOU, Euronext s continental European exchange regulators agreed to develop and implement a coordinated approach with respect to the supervision of Euronext markets, in particular with respect to the trading systems, registration and monitoring of trades, and dissemination of market data, subject to the rights and obligations of each regulatory authority under the national laws of its home jurisdiction. The regulatory authorities that signed the MOUs cooperate on the basis of a multilateral memorandum of understanding with respect to the exchange of information and oversight of securities activities implemented by the Committee of European Securities Regulators (CESR) (formerly Forum of European Securities Commissions, or FESCO). Representatives of Euronext s regulatory authorities meet in working groups on a regular basis in order to coordinate their actions in areas of common interest and agree upon measures to promote harmonization of their respective national regulations.

The principal forum for coordinated supervision under the MOUs is the Chairmen s Committee, which is composed of the chairmen of each of the signatory regulatory authorities. The Chairmen s Committee takes decisions by consensus. The Chairmen s Committee holds regular meetings with members of Euronext s Managing Board, and also meets on an ad hoc basis whenever necessary. A Steering Committee created under the MOU and consisting of representatives of each signatory authority meets prior to each meeting of the Chairmen s Committee, and may create working groups focusing on specific aspects of the regulation of Euronext. Certain delineated actions or decisions either require the prior approval of or are subject to the non-opposition of the Chairmen s Committee, or must be notified to the Steering Committee. Following a decision by the Chairman s Committee or the Steering Committee, the members of such committees are required to recommend to the decision-making bodies of each regulatory authority to approve and adopt, and otherwise act in accordance with, the decision of the relevant committee under the MOU. Matters not specifically delineated in the MOUs are reserved to the national regulators.

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Decisions requiring prior approval of the Chairmen s Committee include entering into alliances, mergers, cross shareholdings and cross-membership agreements, performing certain integration and restructuring steps, listing of shares of Euronext or its subsidiaries, outsourcing activities related to trading, registration and publication of transactions, surveillance of trading members activity or monitoring of transactions, creating or closing a regulated market or other trading facilities and approving or modifying the bylaws of Euronext N.V. or its subsidiaries. In addition, the Chairmen s Committee must approve any modifications to the Euronext Rulebook (which is described below).

Decisions subject to the non-opposition of the Chairmen s Committee include issuing notices interpreting or implementing provisions of the Euronext Rulebook and appointing (i) members of Euronext s managing board and supervisory board and (ii) key personnel.

Decisions requiring notification to the Steering Committee include the admission, sanction, suspension or exclusion of a market member, and certain other decisions such as listing or delisting of a financial instrument, suspension of trading, or other events that may be agreed between the signatory authorities.

Regulation of Euronext N.V. At the time that Euronext was formed in 2000, Euronext received a joint exchange license together with Euronext Amsterdam to operate regulated markets. NYSE Euronext (International) B.V., NYSE Euronext (Holding) B.V., Euronext, Euronext (Holdings) N.V. and Euronext Amsterdam N.V. each has a license to operate the regulated market. The market operators are subject to the regulation and supervision of the Dutch Minister of Finance and the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, or AFM), in accordance with Dutch securities law and the terms and conditions of the license to operate the regulated markets. The Dutch Minister of Finance s and the AFM s powers include a veto/approval right over (i) the direct or indirect acquisition of more than 10% of the shares in a market operator, (ii) the appointment of the policy makers of the market operators, (iii) any mergers, cross-shareholdings and joint ventures, and (iv) any actions that may affect the proper operation of the Dutch exchanges.

National Regulation

Euronext s European market operators hold licenses for operating the following European Union regulated markets:

- Euronext Amsterdam operates two regulated markets: one stock market (Euronext Amsterdam) and one derivatives market (Euronext Amsterdam Derivatives Market, i.e., the Amsterdam market of Liffe);

- Euronext Brussels operates two regulated markets: one stock market (Euronext Brussels) and one derivatives market (Euronext Brussels Derivatives Market, i.e., the Brussels market of Liffe);

- Euronext Lisbon operates two regulated markets: one stock market (Euronext Lisbon) and one derivatives market (Euronext Lisbon Futures and Options Market, i.e., the Lisbon market of Liffe);

- Euronext Paris operates three regulated markets: one stock market (Euronext Paris) and two derivatives markets (MONEP and MATIF, i.e., the Paris market of Liffe); and

- LIFFE Administration and Management operates one regulated market, a derivatives market (the London International Financial Futures and Options Exchange, i.e., the London market of Liffe).

Each market operator also operates a number of markets that do not fall within the EU definition of regulated markets (described in this document as non-regulated markets). Each market operator is subject to national laws and regulations pursuant to its market operator status.

Euronext Amsterdam. Under Section 5.26 of The Dutch Financial Supervision Act, the operation of a regulated market in the Netherlands is subject to prior authorization by the Dutch Minister of Finance who may, at any time, amend or revoke this authorization if necessary to ensure the proper functioning of the markets or the protection of investors. Authorization may also be revoked for non-compliance with applicable rules.

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AFM, together with De Nederlandsche Bank (DNB), acts as the regulatory authority for members of Euronext Amsterdam, supervises the primary and secondary markets, ensures compliance with market rules and monitors clearing and settlement operations. The Dutch Minister of Finance authorizes the recognition of regulated markets and issues declarations of no objection in connection with the acquisition of significant shareholdings in the operator of a regulated market in the Netherlands.

Euronext Brussels. Euronext Brussels is governed by the Belgian Act of August 2, 2002, which became effective on June 1, 2003 and is recognized as a market undertaking according to article 16 of this Act. The Belgian Law of August 2, 2002 transferred to the CBFA some of the responsibility previously executed by the Brussels exchange (e.g., disciplinary powers against members and issuers, control of sensitive information, supervision of markets, and investigative powers). Euronext Brussels continues to be responsible for matters such as the organization of the markets and the admission, suspension and exclusion of members and has been appointed by law as a competent authority within the meaning of the Listing Directive. Euronext Brussels, also governs four non-regulated markets: the Trading Facility, the Marché Libre (created in October 2004), the Public Auction Market for non-listed companies and NYSE Alternext (created in 2006).

Euronext Lisbon. Euronext Lisbon is governed by Decree of Law no. 357-C/2007 (Regime Jurídico das Sociedades Gestoras de Mercado Regulamentado, das Sociedades Gestoras de Sistemas de Negociação Multilateral, das Sociedades Gestoras de Câmara de Compensação ou que actuem como Contraparte Central, das Sociedades Gestoras de Sistema de Liquidação e das Sociedades Gestoras de Sistema Centralizado de Valores Mobiliários), which, along with the Portuguese Securities Code and the Comissão do Mercado de Valores Mobilários (CMVM) regulations, governs the regime for regulated and non-regulated markets, market operators and all companies with related activities. This law replaces and supersedes Decree of Law no. 394/99 of October 13, 1999, as amended, which was the regulatory framework in force at the time of the Euronext merger with NYSE Group. The creation of regulated market companies requires the prior authorization in the form of a decree from the Portuguese Minister of Finance, following consultation with the CMVM. The CMVM, Euronext Lisbon s national regulator, is an independent public authority that monitors markets and market participants, public offerings and collective investment undertakings. In addition, a regulated market must be registered with the CMVM prior to starting operations. The Portuguese Minister of Finance may withdraw recognition of a regulated market in certain cases stipulated in the above-mentioned law.

Euronext Paris. Euronext Paris is governed by the French Monetary and Financial Code. Under the French Monetary and Financial Code, the French Minister of Finance has the authority to confer or revoke regulated market status upon recommendation of the Autorité des Marches Financiers (the French securities regulator known as AMF) and following an opinion from the French Banking Commission (Commission Bancaire). Market status is granted if the market meets specific conditions for proper operation. In particular, the market must have rules governing access to the market, listing of securities, the organization of trading, the suspension of trading, and the recording and publication of trades. The AMF is responsible for safeguarding investments in financial instruments and in all other savings and investment vehicles, ensuring that investors receive material information, and maintaining orderly financial markets. It establishes the rules of conduct that must be observed by market operators and their personnel, determining the conditions for granting or revoking professional licenses for individuals acting on behalf of market operators, and establishing the general principles for the organization and operation of regulated markets. It is also responsible for formulating the rules governing the execution and publication of transactions involving securities or futures and options contracts listed on these markets. It also has the authority to regulate and monitor companies IPOs (i.e., vetting of prospectuses), financial communication of listed companies and tender offers.

Furthermore, as mentioned above, the AMF makes recommendations to the French Minister of Finance on conferring regulated market status. Finally, the AMF approves the rulebooks of regulated markets. All amendments to the rulebooks of a regulated market are subject to the prior approval of the AMF. The AMF is also empowered to establish standards for certain non-regulated markets or obligations for persons having made forms of public offerings other than listing on a regulated market, which may be relevant for the operation of non-regulated markets by Euronext Paris (notably NYSE Alternext and the Marché Libre).

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In addition to its status as a market operator, Euronext Paris is approved as a specialized financial institution and is therefore governed by French banking legislation and regulations (notably the French Banking Act as amended and codified in the French Monetary and Financial Code), which means that it is subject to supervision by the Comité des Etablissements de Crédit et des Entreprises d Investissement (CECEI) and the Commission Bancaire. As the relevant indirect parent company of Euronext Paris for purposes of banking regulations, Euronext is also subject to certain reporting and statutory requirements of the Commission Bancaire. As such, it must comply with certain ratios and requirements including minimum equity requirements and solvency ratios.

Liffe. LIFFE (Holdings) plc, a UK company, is governed by the UK Companies Acts of 1985, 1989 and 2006 (to the extent currently implemented). Liffe (Holdings) shares are held by Euronext UK Ltd., a subsidiary of Euronext.LIFFE (Holdings) has three principal regulated subsidiaries: LIFFE Administration and Management and LIFFE Services Ltd in the UK, and NQLX LLC in the United States.

LIFFE Administration and Management (LIFFE) administers the markets for financial and commodity derivatives in London, which are overseen by the U.K. Financial Services Authority. In the UK, financial services legislation comes under the jurisdiction of Her Majesty s Treasury, while responsibility for overseeing the conduct of regulated activity rests with the Financial Services Authority. Under current legislation, LIFFE is designated as a recognized investment exchange pursuant to the U.K. Financial Services and Markets Act 2000. As such, LIFFE is required to maintain sufficient financial resources for the proper performance of its functions (requirement to hold at least £96 million of cash in its assets based on 2007 financials).

LIFFE Services Limited is primarily a technology supplier and is governed by Financial Services Authority regulations as a service company.

NQLX LLC is a wholly owned indirect subsidiary of LIFFE (Holdings), which is notice-registered with the SEC and is regulated by the Commodities Futures Trading Commission as a designated contract market. NQLX LLC is currently dormant but has retained its status as a designated contract market in anticipation of listing new contracts in the future.

Additional National Regulation. The rules set forth below relating to the acquisition of an interest in a market operator apply to both direct and indirect acquisitions and, to the extent that NYSE Euronext is the parent company of Euronext that holds in turn directly or indirectly 100% of its five market operator subsidiaries, also apply to the acquisition of an interest of the same size in it. These rules are specific to market operators (and their holding companies) and are in addition to shareholder reporting rules applicable to listed companies generally.

Under Dutch law, no shareholder may hold or acquire, directly or indirectly, or try to increase its stake to more than 10% of a recognized market operator without first obtaining a declaration of no-objection from the Dutch Minister of Finance.

Under French law, the acquisition and divesture by any person or group of persons acting in a concerted manner of 10%, 20%, 33 1/3% or 50% of Euronext Paris shares or voting rights must be authorized by CECEI. By exception to the above, in the event that the acquisition or divesture of shares takes place outside of France between non-French persons, such acquisition or divesture need only be notified to the CECEI, which, if it determines that such transaction could adversely affect the fit and proper management of Euronext Paris, could decide to review and amend Euronext s credit institution license.

Also under French law, any person or group of persons acting in a concerted manner who acquires Euronext Paris shares or voting rights in excess of 10%, 20%, 33 $^{1}/_{3}$%, 50% or 66 $^{2}/_{3}$% is required to inform Euronext Paris that in turn has to notify the AMF and make the information public. Any person acquiring direct or indirect control has to obtain the prior approval of the Minister of Finance upon recommendation of the AMF.

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Under Belgian law, any person who intends to acquire securities in a market undertaking and who would, as a result of such acquisition, hold directly or indirectly 10% or more of the share capital or of the voting rights in that market undertaking, must provide prior notice to the CBFA. The same obligation applies each time such person intends to increase its ownership by an additional 5%.

Under Portuguese law, a shareholder who intends to acquire, directly or indirectly, a dominant holding in a Portuguese market operator must obtain the prior authorization of the Portuguese Ministry of Finance. In addition, all entities acquiring or disposing of a holding (direct or indirect) in a market undertaking in Portugal at the level of 2%, 5%, 10%, 20%, 33 $^{1}/3$%, 50%, 66 $^{2}/3$% and 90% of the voting rights, must notify the CMVM of the acquisition or disposal within three business days following the relevant transaction.

In the United Kingdom, the Financial Services Authority requires that recognized investment exchanges (such as LIFFE) meet a fit and proper test taking into account, among other things, governance arrangements, integrity and competence of key personnel.

As part of the process of integrating the trading platforms of its European markets, Euronext introduced a harmonized rulebook, which has reduced the compliance burden on users, ultimately reducing their costs. The Euronext Rulebook currently consists of two books:

- Rulebook I contains the harmonized rules, including rules of conduct and enforcement rules that are designed to protect the markets, as well as rules on listing, trading and membership; and
- Rulebook II contains the remaining rules of the individual markets that have not yet been harmonized or which pertain to a specific non-regulated market.

Notices adopted by Euronext under Rulebook I apply to all Euronext markets (unless otherwise specified), while those for Rulebook II are specific to local jurisdictions. Rulebook I covers the following matters:

- membership and market access rules for cash markets and derivative markets;
- trading rules for cash markets and derivative markets;
- listing rules for cash markets;
- rules of conduct for cash markets and derivative markets; and
- enforcement of the rules (applicable to cash markets and derivative markets).

Listing and Financial Disclosure

The regulatory authorities that are signatories to the aforementioned MOUs have agreed to use their best efforts to harmonize their respective national rules, regulations and supervisory practices regarding listing requirements, prospectus disclosure requirements, ongoing obligations of listed companies, takeover bid rules and disclosure of large shareholdings. The rules regarding public offerings of financial instruments and prospectuses as well as ongoing (ad hoc and periodic) disclosure requirements for listed companies are set forth by the Prospectus Directive and Transparency Directive which must be implemented in Euronext countries by each legislative body and regulator. Companies seeking to list and trade their securities on a Euronext market must comply with the harmonized listing requirements of Rulebook I and, following admission, with the ongoing disclosure requirements set forth by the competent authority of their home member state.

Companies may apply for admission to listing and trading in one or more jurisdictions in which a Euronext market is located. However, a single point of entry for issuers allows investors from other Euronext countries to have access to the order book as far as trading is concerned. The settlement processes may still differ among the various Euronext markets but are being integrated and harmonized within the Euroclear group settlement systems, with the exception of the Portuguese market for which settlement activities will continue to be performed by Interbolsa.

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Membership and Compliance

Euronext offers to its members the ability to extend membership across all Euronext jurisdictions, subject to the fulfillment of technical conditions that may include adequate local clearing and settlement arrangements and the satisfaction of applicable regulatory requirements. With regard to investment service providers, this common membership is achieved through the MiFID passport (i.e., the right to provide services or establish a branch in the host country based on the MiFID license granted in the home country). As for the persons who do not benefit from this passport (because their activity does not call for a license under the MiFID or due to their extra-European origin), Euronext regulators have put in place arrangements that aim at creating a proxy passport whereby the diligence conducted by one of the relevant European authorities to authorize a person to conduct its business as a trading member can be relied upon by the other authorities, within the limits of the sovereignty of each signatory authority.

According to MiFID, members have to comply with the conduct of business rules imposed by their home member state, notwithstanding the use of their passport to provide services in the host country, or the host state where they have set up branches as appropriate.

Euronext may suspend a member s trading privileges if the member has breached a rule in the Euronext Rulebook or any of the conditions attached to its membership. Euronext may also decide to terminate membership under certain circumstances, including the loss of a member s license or authorization as an investment firm issued by the competent authority of its home state or the violation of any rules of the Euronext Rulebook or the admission agreement.

Trading and Market Monitoring

MiFID, the Market Abuse Directive, CESR standards and the Euronext Rulebooks all provide minimum requirements for monitoring of trading and enforcement of rules by Euronext as a regulated market. Euronext has set up a framework to organize market monitoring by which it:

- monitors trading in order to identify breaches of the rules, disorderly trading conditions or conduct that may involve market abuse;
- reports to the local regulator of breaches of rules or of legal obligations relating to market integrity; and
- monitors compliance with and enforces Euronext rules pursuant to European standards and the Euronext Rulebooks.

Market surveillance and monitoring are implemented through a two-step process consisting of real time market surveillance and post-trade (i.e., next day) analysis of executed trades. In addition, Euronext ensures member compliance with its rules by conducting on site investigations and inspections.

Real time monitoring of the markets is performed by Cash Market Operations (CMO) and, for derivative markets by Liffe Market Services (LMS). CMO and LMS are the day-to-day first lines of contact for all market participants (members, issuers and regulators) in respect of operational issues. They monitor day-to-day activity and can take immediate action to maintain fair and orderly markets. This monitoring triggers preventative and immediate action when the functioning of the orderly market is threatened and market rules are not complied with.

Post-trade monitoring is undertaken by the Market Integrity Department in respect of the cash and continental derivatives markets and by the Audit, Investigation and Membership Unit in respect of the London derivatives market. As part of their T+1 activities, both departments have developed a set of monitoring tools that are used to detect and deter particular types of abusive behavior, such as insider trading and front running, which left unchecked could undermine investors confidence in the integrity of the Euronext markets. In addition, both departments undertake audits of member firms in order to ensure that members are both complying with the rules and have appropriate controls and procedures in place over specific areas of their business, such as pre- and post-trade risk management and back office functions.

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CMO and LMS enforce all rules relating to trading activity including the provisions of Chapter 8 of the Euronext Rulebook I (relating to rules of conduct) on a real time basis. In this manner, suspected cases of market abuse are reported to the competent regulator (who is responsible for enforcing the Market Abuse Directive provisions in accordance with national laws and regulations) and possible infringements of Euronext rules is reported to the compliance departments within Euronext.

These compliance departments are also responsible for the conduct of on-site member inspections and investigations, and handle infringements of Euronext rules by enforcing Chapter 9 of the Euronext Rulebook I.

ITEM 1A. RISK FACTORS

We face intense competition and compete globally with a broad range of market participants for listings and trading volumes. Our failure to compete successfully will have a material adverse effect on our business.

We face significant competition, in particular with respect to listings and trading of cash equities, ETFs, closed-end funds, structured products and derivatives (including a range of securities futures and options, financial futures and options, and commodities futures and options), and this competition is expected to intensify in the future. Our current and prospective competitors, both domestically and around the world, are numerous and include both traditional and non-traditional execution and listings venues. These include regulated markets, ECNs and other alternative trading systems, market makers and other execution venues. We also face significant and growing competition from large brokers and customers that have the ability to divert trading volumes from us. Large banks may assume the role of principal and act as counterparty to orders originating from retail customers, thus internalizing order flow that would otherwise be transacted on exchanges. Banks and brokers may also enter into bilateral trading arrangements by matching their respective order flows, depriving us of potential trading volumes. The competitive significance in Europe of these varied alternate trading venues is likely to increase substantially in the future, with the regulatory environment in Europe becoming more favorable to off-exchange trading as a result of the reforms contained in MiFID. MiFID was required to be implemented under local laws of the EU Member States by January 31, 2007 and these local implementation measures were required to enter into effect on November 1, 2007. See The implementation of MiFID may accelerate the development of off-exchange trading in Europe, which may harm our competitive position.

We compete with such market participants in a variety of ways, including the cost, quality and speed of trade execution, liquidity, the functionality, ease of use and performance of trading systems, the range of products and services offered to trading participants and listed companies, technological innovation and reputation. Our competitors may:

- respond more quickly to competitive pressures because they are not subject to the same degree of regulatory oversight as we are;
- develop products and services that are preferred by our customers;
- price their products and services more competitively;
- develop and expand their network infrastructure and service offerings more efficiently;
- utilize faster, more efficient technology;
- consolidate and form alliances, which may create greater liquidity, lower costs and better pricing than we will be able to offer;
- market, promote and sell their products and services more effectively; and

better leverage existing relationships with customers and alliance partners or better exploit brand names to market and sell their services.

We may also face competition from new entrants into the markets in which we compete. The emergence of new competitors may increase price competition and reduce margins for all existing cash and derivatives markets, including our markets. New entrants may include new alternative trading systems and new initiatives by existing market participants, including established markets or exchanges. For more information of the competitive environment in which we operate, see the relevant discussion in Part I, Item 1 under the caption Information About NYSE Euronext.

Globalization, growth, consolidations and other strategic arrangements in the exchange sector may impair our competitive position.

The liberalization and globalization of world markets have resulted in greater mobility of capital, greater international participation in local markets and more competition among markets in different geographical areas. As a result, global competition among listing venues, trading markets and other execution venues has become more intense.

In addition, in the last several years, the structure of the exchange sector has changed significantly through demutualizations and consolidations. In response to increasing competition, many marketplaces in both Europe and the United States have demutualized to provide greater flexibility for future growth. The exchange sector is also experiencing consolidation, creating a more intense competitive environment. For example, in the United States, each of the Philadelphia Stock Exchange, Inc., on November 7, 2007, and the Boston Stock Exchange, Inc., on October 2, 2007, announced that it had entered into an agreement to be acquired by Nasdaq. On September 20, 2007, Nasdaq and Bourse Dubai announced that they had entered into an agreement pursuant to which Bourse Dubai would acquire a 19.99% stake in Nasdaq and Nasdaq s 20% stake in London Stock Exchange, and Nasdaq would acquire the shares of OMX anticipated to be acquired by Bourse Dubai in its exchange offer for OMX, and on February 27, 2008, the merger between Nasdaq and OMX was completed, leading to the formation of The Nasdaq OMX Group, Inc. On July 12, 2007, Chicago Mercantile Holdings, Inc. and CBOT Holdings, Inc. completed their merger to form CME Group, Inc. On December 20, 2007, the International Securities Exchange Holdings, Inc. (ISE) was acquired by Eurex, a derivatives exchange jointly owned by Deutsche Börse AG and SWX Swiss Exchange. On October 1, 2007, the London Stock Exchange and Borsa Italiana completed their merger, and it is anticipated that the process of consolidation in the European exchange sector will continue. We also recently entered into an agreement to acquire the business of MC, including its subsidiary Amex.

Because of these market trends, we face intense competition. If we are unable to compete successfully in this environment, our business, financial condition and operating results will be adversely affected.

Future business combinations, acquisitions, partnerships, joint ventures and strategic investments and alliances may require significant resources and/or result in significant unanticipated costs or liabilities.

We may seek to grow and diversify our company and businesses by entering into business combination transactions, making acquisitions or entering into partnerships, joint ventures or strategic investments or alliances, which may be material. For example, in 2007, we completed our business combination transaction with Euronext and our acquisition of TransactTools, acquired a 5% equity position in the National Stock Exchange of India, entered into a strategic alliance with the Tokyo Stock Exchange, acquired a 1% stake in Bovespa (a Brazilian stock exchange), and entered into an agreement pursuant to which we would acquire the 50% stake in AEMS owned by Atos Origin. In 2008, we acquired the business of Wombat, and signed a binding term sheet and a definitive agreement to acquire a 5% equity position in India s Multi Commodity Exchange, subject to certain conditions and obtaining all regulatory approvals. In 2008, we also entered into an agreement to acquire the business of MC, including its subsidiary Amex, subject to certain conditions and obtaining all required approvals.

The market for acquisition targets and strategic alliances is highly competitive, particularly in light of increasing consolidation in the exchange sector and existing or potential future regulatory restrictions on foreign direct investments in certain countries, which may adversely affect our ability to identify acquisition targets or strategic partners consistent with its objectives. Even if we do succeed in making acquisitions or entering into strategic alliances, the process of integration may produce unforeseen operating difficulties and expenditures and may absorb significant attention of management that would otherwise be available for the ongoing development of the business. If we make future acquisitions, we may issue shares of our stock that dilute existing stockholders stakes in the company, expend cash, incur debt, assume contingent liabilities or create other additional expenses, any of which could harm our business, financial condition or results of operations.

In addition, our bylaws require acquisitions, mergers and consolidations involving more than 30% of the aggregate equity market capitalization or value of NYSE Euronext (or, under certain circumstances, transactions involving an entity whose principal place of business is outside of the United States and Europe) to be approved by two-thirds of the directors then in office. This requirement may prevent us from pursuing an acquisition, even if a majority of the board believes it to be in the best interests of us and our stockholders.

Furthermore, our ability to direct the actions of our strategic investment partners that we do not control is limited. For example, we are unable unilaterally to cause dividends or distributions to be made to us from the entities in which we have a minority strategic investment or to direct the management of such entities. Some of our investments may entail particular risks, including the possibility that a partner, majority investor or co-venturer may have different interests or goals, and may take action contrary to our instructions, requests, policies or business objectives, any and all of which could adversely impact our brand name and reputation. Also, a number of our minority positions may be illiquid due to regulatory impediments to sale or because the market for them is limited. If we are unable to successfully maximize the benefits of our strategic investments, our business, financial condition or results of operations could be negatively affected.

The legal and regulatory environment in the United States may make it difficult for us to compete with non-U.S. securities exchanges for listings of U.S. and non-U.S. companies.

Our U.S. exchanges compete to obtain the listing of U.S. and non-U.S. issuer securities. However, the legal and regulatory environment in the United States, as well as the perception of this environment, has made and may continue to make it more difficult for our U.S. exchanges to compete with non-U.S. securities exchanges for these listings and may adversely affect our competitive position. For example, the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act) imposes a stringent set of corporate governance, reporting and other requirements on both U.S. and non-U.S. companies that are listed on a U.S. securities exchange. Significant resources are necessary for issuers to come into and remain in compliance with the requirements of the Sarbanes-Oxley Act, which has had, and may continue to have, an impact on the ability of our U.S. exchanges to attract and retain listings. In this regard, the number of U.S. companies that have chosen to list shares issued in an IPO exclusively on a non-U.S. exchange has steadily increased in recent years. International companies also cite the need for financial statement reconciliations to U.S. GAAP, and concern of greater exposure to U.S. class action litigation, as additional factors weighing against listing in the United States.

At the same time, international companies are increasingly seeking access to the U.S. markets through private transactions that do not require listing or trading in the U.S. public markets, such as through Rule 144A transactions. In 2007, only 11.5% of the IPO capital raised in the United States by non-U.S. companies was listed on a U.S. stock exchange; 88.5% was marketed to institutional investors via Rule 144A. This contrasts with 2000, when nearly half (48.6%) of the global IPO equity raised by non-U.S. companies in the United States was raised on U.S. exchanges, while 51.4% was marketed to institutional investors via Rule 144A.

The SEC has taken steps to address these concerns through a number of initiatives, including the recent elimination of the requirement for foreign private issuers to provide a reconciliation of their home country financial statements to U.S. GAAP. The SEC and the Public Company Accounting Oversight Board have also adopted amendments to the rules relating to internal control over financial reporting established in connection with Section 404 of the Sarbanes-Oxley Act in an effort to address widespread concerns about the costs and burdens of compliance with those rules. It is unclear whether U.S. and international companies will exhibit greater interest in accessing the U.S. public markets as a result of these changes.

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On June 4, 2007, the SEC also amended its rules to make it easier for foreign private issuers to deregister under the Exchange Act and exit the U.S. public markets. Since that date, approximately 49 international companies have delisted or announced their intention to delist from NYSE. If our U.S. exchanges are unable to successfully attract and retain the listings of non-U.S. issuers, the perception of those exchanges as premier listing venues may be diminished, and our competitive position may be adversely affected or its operating results could suffer.

Our European exchanges are not subject to perceptions that may exist with respect to U.S. securities exchanges namely, that listing on a U.S. securities exchange subjects a company to cumbersome and costly regulatory requirements and heightened litigation risks. In addition, listed companies on the Euronext exchanges are not subject to the requirements of the Sarbanes-Oxley Act unless they otherwise choose to list or register their securities in the United States. However, there can be no assurances that U.S. and non-U.S. issuers that do not list on our U.S. exchanges will elect to list on a Euronext exchange rather than other non-U.S. exchanges.

Our business may be adversely affected by price competition.

The securities industry is characterized by intense price competition. The pricing model for trade execution for equity securities has changed in response to competitive market conditions. Some of our competitors have recently lowered their transaction costs by either reducing the fees that they charge and/or increasing the liquidity payments (or rebates) they provide as an incentive for providers of liquidity in certain markets. In addition, we face price competition in the fees that we charge to customers to list securities on our securities exchanges. It is likely that we will continue to experience significant pricing pressures and that some of our competitors will seek to increase their share of trading or listings by further reducing their transaction fees or listing fees, by offering larger liquidity payments or by offering other forms of financial or other incentives. Our operating results and future profitability could be adversely affected as a result of these activities. For example, we could lose a substantial percentage of our share of trading or listings if we are unable to compete effectively, or our profit margins could decline if we reduce pricing in response. In addition, one or more competitors may engage in aggressive pricing strategies and significantly decrease or completely eliminate their profit margin for a period of time in order to capture a greater share of trading or listings. Some competitors, especially those outside of the United States, have high profit margins in business areas in which we do not engage, which may assist them in executing these strategies. This environment could lead to loss of order flow and decreased revenues, and consequently could adversely affect our operating results.

Our share of trading in NYSE-listed securities has declined.

As a result of increasing competition, our share of trading on a matched basis in NYSE-listed securities has declined from approximately 72.2% for the year ended December 31, 2006, to 60.5% for the year ended December 31, 2007. If growth in our overall trading volume of NYSE-listed securities does not offset any significant decline in our share of NYSE-listed trading, or if a decline in our share of trading in NYSE-listed securities makes the NYSE s market appear less liquid, then our financial condition and operating results could be adversely affected.

In addition, the allocation of market data revenues under the Regulation NMS formula, while complex, is largely tied to trading share performance. A decline in NYSE trading share lowers the percentage of the National Market Systems tape pool revenues from the Consolidated Tape Association (CTA) and Unlisted Trading Privileges that NYSE keeps. Similarly, a lower share of trading may cause issuers to question the value of an NYSE listing which may in turn adversely impact our listing business.

We must keep up with emerging technological changes in order to compete effectively in a rapidly evolving and highly competitive industry.

Technology is a key component of our business strategy, and we regard it as crucial to our success. We seek to leverage our recent technology initiatives such as our agreement to acquire the 50% of AEMS we do not already own, our acquisition of Wombat, and the integration of TransactTools to offer market participants a comprehensive suite of best-in-class technology solutions in a centralized environment. However, we operate in a business environment that has undergone, and continues to experience, significant and rapid technological change. In recent years, electronic trading has grown significantly, and customer demand for increased choice of execution methods has increased. To remain competitive, we must continue to enhance and improve the responsiveness, functionality, capacity, accessibility and features of our trading platforms, software, systems and technologies. Our success will depend, in part, on our ability to:

- develop and license leading technologies useful in our businesses;
- enhance existing trading platforms and services;
- respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis; and
- continue to attract and retain highly skilled technology staff to maintain and develop existing technology and to adapt to and manage emerging technologies.

The development and expansion of electronic trading and market data related technologies entail significant technological, financial and business risks. Any failure or delay in exploiting technology, or failure to exploit technology as effectively as competitors, could have a material adverse effect on our business, financial condition and operating results.

We use leading technologies and currently devote substantial resources to our services. The adoption of new technologies or market practices may require us to devote additional resources to modify and adapt our services. In such cases, we cannot assure that we will succeed in making these improvements to our technology infrastructure in a timely manner or at all. If we are unable to anticipate and respond to the demand for new services, products and technologies on a timely and cost-effective basis and to adapt to technological advancements and changing standards, we may be unable to compete effectively, which could have a materially negative effect on our business, financial condition and results of operations. Moreover, we may incur substantial development, sales and marketing expenses and expend significant management effort to add new products or services to our trading platforms. Even after incurring these costs, we ultimately may not realize any, or may realize only small amounts of, revenues for these new products or services. Consequently, if revenue does not increase in a timely fashion as a result of these expansion initiatives, the up-front costs associated with expansion may exceed revenue and reduce our working capital and income.

In addition, we own approximately 40% of the common equity of GL TRADE, which is listed separately on Euronext Paris. We consolidate the results of GL TRADE. Any failure of GL TRADE to keep up with emerging technological changes could cause its customers to decrease the number of workstations and subscriptions they buy from GL TRADE or change their strategy by shifting to other providers or to in-house technology, which could in return have a materially negative effect on the return on our investment in GL TRADE.

We may fail to realize the anticipated cost savings, growth opportunities and synergies and other benefits anticipated from the business combination transaction between NYSE Group and Euronext.

On April 4, 2007, NYSE Group and Euronext completed a business combination transaction, becoming subsidiaries of NYSE Euronext. Previously, we had announced that we expected that the combined company would achieve $250 million in annualized run rate cost savings by the first quarter of 2010. In February 2008, we announced that we would not achieve the full $250 million in annualized run rate cost savings until the fourth quarter of 2010. We fully expect to achieve these cost savings. We also expect to achieve the $100 million in annualized run-rate revenue synergies, identified in connection with the combination transaction between NYSE Group and Euronext, by the end of the first quarter of 2010. There is a risk, however, that the businesses of NYSE Group and Euronext may not be combined in a manner that permits these costs savings and revenue synergies to be realized in the time currently expected, or at all. For example, a variety of factors, including but not limited to wage inflation, currency fluctuations, and difficulty integrating technology platforms, may adversely affect our anticipated cost savings and revenues. Also, we must achieve our anticipated cost savings without adversely affecting our revenues. If we are not able to successfully achieve these objectives, the anticipated benefits of the NYSE Group/Euronext business combination transaction may not be realized fully, or may take longer to realize than expected.

An extraterritorial change of law may adversely affect our businesses and, under certain special arrangements, our rights to control a substantial portion of our assets.

We operate securities exchanges and regulated markets in various jurisdictions and thus are subject to a variety of laws and regulations. Although we do not anticipate that there will be a material adverse application of European laws to our U.S. exchanges, or a material adverse application of U.S. laws to our European exchanges, the possibility of such an occurrence cannot be ruled out entirely. If this were to occur, and we were not able to effectively mitigate the effects of such extraterritorial application, our affected exchanges could experience a reduction in the number of listed companies or business from other market participants, or our business could be otherwise adversely affected. In addition, in connection with obtaining regulatory approval of the business combination transaction between NYSE and Euronext, which was completed on April 4, 2007, we implemented certain special arrangements consisting of two standby structures, one involving a Dutch foundation and one involving a Delaware trust. The Dutch foundation is empowered to take actions to mitigate the adverse effects of any potential changes in U.S. law that have certain extraterritorial effects on the European regulated markets of NYSE Euronext, and the Delaware trust is empowered to take actions to ameliorate the adverse effects of any potential changes in European law that have certain extraterritorial effects on NYSE and NYSE Arca, Inc. These actions include the exercise by the foundation or the trust of potentially significant control over our European or the U.S. businesses, as the case may be. Although the Dutch foundation and the Delaware trust are required to act in our best interest, subject to certain exceptions, and any remedies implemented may be implemented only for so long as the effects of the material adverse application of law persist, we may, as a result of the exercise of such rights, be required to transfer control over a substantial portion of our business and assets to the direction of the trust or of the foundation. Any such transfer of control could adversely affect our ability to implement our business strategy and operate on an integrated and global basis, which could adversely affect our business.

The implementation of MiFID may accelerate the development of off-exchange trading in Europe, which may harm our competitive position.

MiFID came into effect on November 1, 2007. In addition to regulated exchange trading, MiFID provides that trades may be executed on multilateral trading facilities (or MTFs) via over the counter (OTC) trading, or through systematic internalization of the order flow collected by investment firms and banks. As a result, MiFID creates an opportunity for new multilateral trading facilities, OTC and internalization arrangements to be developed on a pan-European basis, thereby substantially facilitating entry and increasing their attractiveness to users. In addition, investment firms will have to ensure that they obtain the best execution conditions for their clients, and will therefore have to direct orders to the most favorable execution venue, without any regulatory incentive to favor established regulated exchanges. Taken together, these changes to the regulatory environment may make it easier for MTFs to establish themselves in Europe as low-cost alternatives to regulated exchanges, thereby increasing the level of competition with and between market operators. Increased competition from MTFs could cause NYSE Euronext to lose trading share or to lower its fees in order to remain competitive, either of which could lead to lower revenues and/or lower margins, harming profitability. In response, we have announced plans to develop our own MTF, SmartPool, and a service for systematic internalizers. There can be no assurance that these initiatives will be successful.

Regulatory changes or future court rulings may have an adverse impact on our market data fees.

Market data fees are one of our sources of revenues. For the year ended December 31, 2007, U.S. market data made up 5.4% of our total revenue. Regulatory developments, however, could reduce the amount of revenue that we can obtain from this source. With respect to our U.S. exchanges, the ability to assess fees for market data products is contingent upon receiving approval from the SEC. There continues to be opposing industry viewpoints as to the extent that we should be able to charge for market data, and it is conceivable that the SEC may broaden its examination of exchange market data fees. If such an examination is conducted, and the results are detrimental to our U.S. exchanges ability to charge for market data, there could be a negative impact on our revenues. In addition, in November 2004, the SEC proposed corporate governance, transparency, oversight and ownership rules for registered national securities exchanges and other SROs and issued a concept release examining the efficacy of self-regulation. The concept release also solicited public comment concerning the level of market data fees, following several years of claims from some competitors and data intermediaries that market data fees and revenues are excessive. We cannot predict whether, or in what form, any regulatory changes will take effect, or their impact on our business. A determination by the SEC, for example, to link market data fees to marginal costs, to take a more active role in the market data rate-setting process, or to reduce the current levels of market data fees could have an adverse effect on our market data revenues.

In addition, the approach to fees reflected in MiFID, made effective in November 2007, which explicitly authorizes market operators to sell trade information on a non-discriminatory commercial basis at a reasonable cost, could be modified by the European Commission or future European court decisions in a manner that may have an adverse impact on our ability to charge market data fees with respect to our European regulated markets.

We intend to enter into or increase our presence in markets where we do not currently compete. Demand and market acceptance for our products and services within these markets will be subject to a high degree of uncertainty and risks and may affect its growth potential.

We intend to enter into or increase our presence in certain markets which already possess established competitors who may enjoy the protection of high barriers to entry. Attracting customers in certain countries may also be subject to a number of risks, including currency exchange rate risk, difficulties in enforcing agreements or collecting receivables, longer payment cycles, compliance with the laws or regulations of these countries, and political and regulatory uncertainties. As a result, demand and market acceptance for our products and services within these markets will be subject to a high degree of uncertainty and risk. We may be unable to enter into or increase our presence in these markets and compete successfully, and as a result, we may not generate sufficient revenues from these products and services.

The loss of key personnel may adversely affect our business.

We are dependent upon the contributions of our senior management team and other key employees for our success. If one or more of these executives, or other key employees, were to cease to be employed by us, we could be adversely affected. In particular, we may have to incur costs to replace senior executive officers or other key employees who leave, and our ability to execute our business strategy could be impaired if we are unable to replace such persons in a timely manner.

We may be at greater risk from terrorism than other companies.

Given our position as the world s leading cash equities market, our prominence in the U.S. and global securities industry, and the concentration of many of our properties and personnel in lower Manhattan, it may be more likely than other companies to be a direct target of, or an indirect casualty of, attacks by terrorists or terrorist organizations.

It is impossible to predict the likelihood or impact of any terrorist attack on the securities industry generally or on our business. In the event of an attack or a threat of an attack, our security measures and contingency plans may be inadequate to prevent significant disruptions in our business, technology or access to the infrastructure necessary to maintain our business. For example, if part or all of our primary data center facility(ies) become(s) inoperable, our disaster recovery/business continuity planning practices may not be sufficient and we may

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experience a significant delay in resuming normal business processing which could have a materially negative effect on our business. For a discussion of some of our security measures and contingency plans, see Part I, Item 2 under the caption Properties Security Measures and Contingency Plans. Damage to our facilities due to terrorist attacks may be significantly in excess of any amount of insurance received, or we may not be able to insure against certain damage at a reasonable price or at all. The threat of terrorist attacks may also negatively affect our ability to attract and retain employees. In addition, terrorist attacks may cause instability or decreased trading in the securities markets, including trading on exchanges. Any of these events could have a materially negative effect on our business, financial condition and operating results.

We operate in a highly regulated industry, and may be subject to censures, fines and other legal proceedings if we fail to comply with our legal and regulatory obligations.

We operate in a highly regulated industry and are subject to extensive regulation. The securities industry is subject to extensive governmental regulation and could be subject to increased regulatory scrutiny. As a matter of public policy, these regulations are designed to safeguard the integrity of the securities and other financial markets and to protect the interests of investors in those markets. The SEC regulates the U.S. securities exchanges and has broad powers to audit, investigate and enforce compliance with its rules and regulations and impose sanctions for non-compliance. European regulators have similar powers with respect to European exchanges in their respective countries. Our ability to comply with applicable laws and rules will be largely dependent on our establishment and maintenance of appropriate systems and procedures, as well as our ability to attract and retain qualified personnel.

Both the SEC and the European regulators are vested with broad enforcement powers to censure, fine, issue cease-and-desist orders, prohibit exchanges from engaging in some of its businesses or suspend or revoke the exchange recognition, license or registration of its subsidiaries as national securities exchanges in the respective countries in which the regulators are located. In the case of actual or alleged noncompliance with regulatory requirements, we could be subject to investigations and administrative or judicial proceedings that may result in substantial penalties, including revocation of a subsidiary s exchange recognition, license or registration as a securities exchange or market. Any such investigation or proceeding, whether successful or unsuccessful, would result in substantial costs and diversions of resources and might also harm our business reputation, any of which may have a material adverse effect on our business, financial condition and operating results.

In addition, there may be a conflict between the self-regulatory responsibilities of certain of our businesses and some of the market participants or customers of our subsidiaries. Any failure by us to diligently and fairly regulate our member organizations or to otherwise fulfill our regulatory obligations could significantly harm our reputation, prompt SEC scrutiny and adversely affect our business.

Damage to our reputation could have a material adverse effect on our businesses.

One of our competitive strengths is our strong reputation and brand name. Our reputation could be harmed in many different ways, including by regulatory governance or technology failures. Damage to our reputation could cause some issuers not to list their securities on our exchanges, as well as reduce the trading volume on our exchanges. This, in turn, may have a material adverse effect on our business, financial condition and operating results.

We will face restrictions with respect to the way in which we conduct certain of our operations, and may experience certain competitive disadvantages if we do not receive SEC and the relevant European regulatory approval(s) for new business initiatives or do not receive them in a timely manner.

We currently operate two U.S. registered national securities exchanges the NYSE and NYSE Arca, Inc. Pursuant to the Exchange Act, the NYSE and NYSE Arca, Inc. are responsible for regulating their member organizations through the adoption and enforcement of rules governing the trading activities, business conduct and financial responsibility of their member organizations and the individuals associated with them. Changes to those rules are generally subject to the approval of the SEC, which publishes proposed rule changes for public comment. Changes to our certificate of incorporation or bylaws and changes to the certificate of incorporation, bylaws, operating agreement or rules of certain of our subsidiaries, to the extent that these changes could affect the activities of these national exchanges, must also be approved. We may from time to time seek to engage in new business activities, some of which may require changes to our governing documents.

We also operate exchanges in France, Belgium, Portugal, the Netherlands and the United Kingdom. Regulators in each of these countries regulate exchanges through the adoption and enforcement of rules governing the trading activities, business conduct and financial responsibility of such exchanges and individuals associated with them. All of our initiatives with regulatory implications must be approved by the relevant authorities in each of these countries, as well as by the coordinating bodies set up under the Euronext regulators memoranda of understanding. Changes to our certificate of incorporation or bylaws and changes to the certificate of incorporation, bylaws, operating agreement or rules of certain of our subsidiaries, to the extent that these changes could affect the activities of these exchanges, may also require approvals. We may from time to time seek to engage in new business activities, some of which may require changes to our governing documents.

Any delay or denial of a requested approval could cause us to lose business opportunities or slow the integration process in the future between our different markets. Our competitive position could be significantly weakened if our competitors are able to obtain regulatory approval for new functionalities faster, or with less cost or difficulty, than we are, or if approval is not required for our competitors but is required for us. Competitors that are not registered exchanges are subject to less stringent regulation. In addition, as we seek to expand our product base, we could become subject to the oversight of additional regulatory bodies.

Our obligation to fund NYSE Regulation and allocate resources of certain of our U.S. subsidiaries limits our ability to reduce our expenses or use our cash in other ways.

Certain of our U.S. subsidiaries are required to allocate significant resources to NYSE Regulation, a wholly-owned not-for-profit subsidiary. This dedication of resources may limit our ability to reduce our expense structure.

NYSE Regulation has generally undertaken to perform the regulatory functions of the NYSE and NYSE Arca pursuant to agreements with each entity. NYSE Regulation also has an agreement with NYSE Group, the NYSE and NYSE Market requiring that NYSE Regulation be provided with adequate funding. Moreover, under the operating agreement of the NYSE, no regulatory fees, fines or penalties collected by NYSE Regulation may be distributed to NYSE Euronext or any entity other than NYSE Regulation. The obligations to fund NYSE Regulation under the agreements covering those services could negatively affect the cash available to NYSE Euronext, as well as our ability to invest in or pursue other opportunities that may also be beneficial to our stockholders.

Any conflicts of interest between NYSE Euronext and NYSE Regulation may have a material adverse effect on our business.

NYSE Regulation regulates and monitors the activities on our U.S. securities exchanges and enforces issuer and member organization compliance with applicable law and the rules of the exchanges. In a 2004 concept release, the SEC noted that there is an inherent conflict that exists within every SRO between its regulatory functions, on the one hand, and its member organizations, market operations, listed issuers, and stockholders, on the other hand. The SEC has also expressed concern about the conflicts of interest that may exist when a for-profit entity owns an SRO. The for-profit entity s goal of maximizing stockholder value might conflict with the SRO s self-regulatory responsibilities imposed by the securities laws. For example, the for-profit entity might have an incentive to commit insufficient funds to the regulatory operations of the SRO, or use the disciplinary powers of the SRO to generate revenue for the for-profit entity by disciplining member organizations that operate

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or participate in competing trading systems. In addition, the regulatory responsibilities imposed by the U.S. securities laws (such as encouraging low-cost trading and competitive markets) may conflict with our profit-oriented goals as a public company. There may be more opportunities for conflicts of interest to arise when SROs regulate listed companies. Additional conflicts of interest arise where a company (such as NYSE Euronext) lists its securities on the national securities exchange that it owns. The listing of our common stock on NYSE and Euronext exchanges could potentially create a conflict of interest between the exchanges regulatory responsibilities to vigorously oversee the listing and trading of securities, on the one hand, and the exchanges commercial and economic interest, on the other hand. Since NYSE Regulation also has regulatory responsibilities, including disciplinary authority, over broker dealers that are both NYSE and/or NYSE Arca members and potential competitors of one or both exchanges with respect to trading volume, a similar potential conflict of interest could arise between the exchanges commercial interests, on the one hand, and the exchanges exercise of its disciplinary authority, on the other hand.

While NYSE Euronext has implemented structural protections to minimize these potential conflicts of interest, we cannot assure you that such measures will be successful. For a discussion of some of these structural protections, see Regulation U.S. Regulation NYSE Regulation Structure, Organization and Governance of NYSE Regulation. In addition, on July 30, 2007, NYSE Group and NYSE Regulation completed a transaction with NASD, pursuant to which the member firm regulatory functions of NYSE Regulation, including related enforcement activities, risk assessment and the arbitration service, were consolidated with those of the NASD. The consolidated organization is known as FINRA. Following this transaction, NYSE Regulation continues to perform market surveillance and related enforcement activities and listed company compliance for the NYSE and NYSE Arca. While this transaction significantly reduced the scope of NYSE Regulation s regulatory authority over broker dealer members, conflicts of interests may still arise.

Market fluctuations and other risks beyond our control could significantly reduce demand for our services and harm our business.

Our revenues and profitability are highly dependent upon the levels of activity on our exchanges, in particular, the volume of financial instruments traded, the number and shares outstanding of listed issuers, the number of new listings, the number of traders in the market and similar factors.

We have no direct control over such variables. Among other things, we are dependent upon the relative attractiveness of the financial instruments traded on our exchanges, and the relative attractiveness of the exchanges as a market on which to trade these financial instruments, as compared to other exchanges and trading platforms. Such variables are in turn influenced by economic, political and market conditions in the United States, Europe and elsewhere in the world that are beyond our control, including:

- broad trends in business and finance;
- terrorism and war;
- concerns over inflation and the level of institutional or retail confidence;
- changes in government monetary policy and foreign currency exchange rates;
- the availability of short-term and long-term funding and capital;
- the availability of alternative investment opportunities;
- changes in the level of trading activity;
- changes and volatility in the prices of securities;

changes in tax policy;

the level and volatility of interest rates;

legislative and regulatory changes, including the potential for regulatory arbitrage among U.S. and non-U.S. markets if significant policy differences emerge among markets;

the perceived attractiveness of the U.S. capital markets, as well as the costs (e.g., potential class actions);

the perceived attractiveness of the European capital markets; and

unforeseen market closures or other disruptions in trading.

General economic conditions affect securities markets in a variety of ways, from determining availability of capital to influencing investor confidence. Poor economic conditions also have an impact on the process of raising capital by reducing the number or size of securities offerings or listings. The economic climate in recent years has been characterized by challenging business and economic conditions. During 2000 through early 2003, and again in the second half of 2007 and the beginning of 2008, the major U.S. market indices experienced severe declines. The weak and uncertain economic climate, together with corporate governance and accounting concerns, contributed to a reduction in corporate transactions and a generally more difficult business environment. In addition, the United States and other countries in which we hope to offer our services have suffered acts of war or terrorism or other armed hostilities. These or similar acts have in the past increased or prolonged, and may in the future increase or prolong, negative economic conditions. Adverse changes in the economy or the outlook for the securities industry can have a negative impact on our revenues through declines in trading volume, new listings and demand for market data. Generally adverse economic conditions may also have a disproportionate effect on our business. Because our infrastructure and overhead will be based on assumptions of certain levels of market activity, significant declines in trading volumes, new listings or demand for market data may have a materially negative effect on our business, financial condition and operating results.

A significant portion of our revenues depend, either directly or indirectly, on our transaction-based business which, in turn, is dependent on our ability to attract and maintain order flow, both in absolute terms and relative to other market centers. If the amount of trading volume on our exchanges decreases, our revenue from transaction fees will decrease. There may also be a reduction in revenue from market data fees. If our share of total trading volume decreases relative to our competitors, we may be less attractive to market participants as a source of liquidity and may lose additional trading volume and associated transaction fees and market data fees as a result. In addition, declines in our share of trading volume could adversely affect the growth, viability and importance of various of our market information products, which will constitute an important portion of our revenues.

We also generate a significant portion of our revenues from listing fees. Also, the number of companies listed on our exchanges affects our ability to increase or maintain trading share. Among the factors affecting companies decision to go public and/or list their shares on U.S. markets are general economic conditions, industry-specific circumstances, capital market trends, mergers and acquisitions environment and regulatory requirements. The extent to which these and other factors cause companies to become or remain privately owned or decide not to list their shares on our exchanges may have a materially negative effect on our business, financial condition and operating results.

The financial services industry and, particularly, the securities transactions business are dynamic, uncertain and highly competitive environments. Accordingly, we expect exchange consolidation and member organization consolidation to persist in the future. This environment has led to business failures and has encouraged the introduction of alternative trading venues with varying market structures and new business models. In the United States, our principal U.S. competitor for listings by U.S. issuers has historically been Nasdaq. Well-capitalized competitors from outside the United States may also seek to expand their operations in the U.S. In addition, the financial services industry is subject to extensive regulation and increasing competition, which may change dramatically the industry market structure. For example, recently both U.S. and European regulators have been considering the business model of futures exchanges. If we are unable to adjust in a timely manner to structural changes within the industry, technological and financial innovation, and other competitive factors, our business will suffer.

Insufficient systems capacity or systems failure could harm our business.

Our business depends on the performance and reliability of the computer and communications systems supporting it. In particular, heavy use of our platforms and order routing systems during peak trading times or at times of unusual market volatility could cause the systems to operate slowly or even to fail for periods of time. Our U.S. system capacity requirements could grow significantly in the future as the result of a variety of factors, including changes in the NYSE market and growth in NYSE Arca s options trading business. If the systems cannot be expanded to handle increased demand, or otherwise fail to perform, we could experience disruptions in service, slower response times, delays in introducing new products and services and loss of revenues. In addition, our trading activities may be negatively affected by system failures of other trading systems, as a result of which we may be required to suspend trading activity in particular stocks or, in the case of NYSE Arca, cancel previously executed trades under certain circumstances.

With respect to LIFFE CONNECT®, NSC (*nouveau système de cotation*) and related ancillary systems and distribution network, the growth of algorithmic and so called black box trading requires us to increase systems and network capacity to ensure the increases in message traffic can be accommodated without adverse effect on system performance. Keeping pace with these ever increasing requirements can be expensive. If we fail to address these requirements in a timely manner, this could result in reputational risk, loss of share of trading volume and reductions in revenue.

Failure to maintain systems or to ensure sufficient capacity may also result in a temporary disruption of our regulatory and reporting functions. These consequences, in turn, could result in lower trading volumes, financial losses, decreased customer service and satisfaction, litigation or customer claims, or regulatory sanctions.

The NYSE market systems have been upgraded several times over the last 12 months increasing from 17,000 messages per second in February 2007 to the current level of 54,000 messages per second. The NYSE market currently plans to increase its capacity again to 100,000 messages per second by early third quarter of 2008 with the goal of being at 140,000 messages per second by year-end 2008. The NYSE Arca systems have been also upgraded to maintain three times the capacity of the actual messages-per-second peaks experienced.

We have experienced systems failures in the past. It is possible that we will experience systems failures in the future, or periods of insufficient systems capacity or network bandwidth, power or telecommunications failure, acts of God or war, terrorism, human error, natural disasters, fire, power loss, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism or similar events. Any system failure that causes an interruption in service or decreases the responsiveness of our service could impair our reputation and negatively impact our revenues. We also rely on third parties for systems support. Any interruption in these third-party services or deterioration in the performance of these services could also be disruptive to our business and have a material adverse effect on our business, financial condition and operating results.

Our networks and those of our third-party service providers may be vulnerable to security risks, which could result in wrongful use of our information or cause interruptions in our operations that cause the loss of trading volume and result in significant liabilities. We will also incur significant expense to protect our systems.

The secure transmission of confidential information over public networks is a critical element of our operations. Our networks and those of its third-party service providers may be vulnerable to unauthorized access, computer viruses and other security problems. Persons who circumvent security measures could wrongfully access and use our information or cause interruptions or malfunctions in our operations. Any of these events could cause us to lose trading volume. We will be required to expend significant further resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by breaches. Our security measures are costly, and may prove to be inadequate and result in system failures and delays that could cause us to lose business.

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Any failure by us to protect our intellectual property rights, or allegations that we have infringed on the intellectual property rights of others, could adversely affect our business.

We own the rights to a number of trademarks, service marks, trade names, copyrights and patents that we use in our businesses. To protect our intellectual property rights, we rely on a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with our affiliates, customers, strategic investors and others. The protective steps taken may be inadequate to deter misappropriation of proprietary information. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively. Further, defending our intellectual property rights may require significant financial and managerial resources, the expenditure of which may have a material adverse effect on our business, financial condition and operating results.

In the future we may be subject to intellectual property rights claims, which may be costly to defend, could require the payment of damages and could limit our ability to use certain technologies. Some of our competitors currently own patents and have actively been filing patent applications in recent years, some of which may relate to our trading platforms and business processes. As a result, we may face allegations that we have infringed or otherwise violated the intellectual property rights of third parties. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle and could divert management resources and attention. Successful challenges against us could require us to modify or discontinue our use of technology where such use is found to infringe or violate the rights of others, or require us to obtain licenses from third parties at material cost.

We are subject to significant litigation risk and potential securities law liability.

Many aspects of our business involve substantial liability risks. These risks include, among others, potential liability from disputes over terms of a trade or from claims that a system or operational failure or delay caused monetary losses to a customer, that we entered into an unauthorized transaction or that we provided materially false or misleading statements in connection with a transaction. Dissatisfied customers frequently make claims against their service providers regarding quality of trade execution, improperly settled trades, mismanagement or even fraud. We could be exposed to substantial liability under European, federal and state laws and court decisions, as well as rules and regulations promulgated by the SEC or European regulators. We could incur significant legal expenses defending claims, even those without merit. In addition, an adverse resolution of any future lawsuit or claim against us may have a material adverse effect on our business, financial condition and operating results. For a discussion of certain legal claims against us, see Legal Proceedings.

If we were unable to complete our acquisition of AEMS, we would not gain control of a provider of a number of our key information technology services.

AEMS is Euronext s preferred external supplier of key information technology and is responsible for the development of Euronext s technology and the management of its key information technology systems, including the NSC cash trading platform and the LIFFE CONNECT® futures and options electronic trading system. Currently, Euronext and Atos Origin each hold 50% of the shares of AEMS, and AEMS provides IT services to Euronext under a complex contractual framework, incorporating an umbrella services agreement and a series of interim service agreements. As discussed below, we have entered into an agreement to acquire the remaining stake of AEMS. Until we fully control AEMS, if AEMS does not dedicate sufficient resources or provide sufficiently experienced personnel or experiences difficulties or losses, and is unable to perform the services to the required levels and meet its contractual obligations to Euronext under the IT services arrangements, the business, financial condition or results of operations of Euronext could be adversely affected.

On December 11, 2007, NYSE Euronext and Atos Origin announced that they had entered into an agreement pursuant to which we would acquire the 50% stake in AEMS owned by Atos Origin. Under the terms of this agreement, we would re-acquire ownership of the NSC cash trading and LIFFE CONNECT® derivatives trading platform technology and all of the management and development services surrounding these platforms as well as AEMS s third-party exchange technology business, and Atos Origin would acquire the third-party clearing and settlement and capital markets businesses from AEMS. We expect to incur a number of non-recurring costs associated with this transaction. It is expected that this transaction will be completed by the end of the summer in 2008 though the transaction is subject to conditions and there can be no assurance that the transaction will be completed by then, or ever. This transaction will allow us to insource our information technology trading requirements for our European business and to bundle a variety of exchange and trading technology solutions to offer market participants. Accordingly, if we are unable to complete our acquisition of AEMS, we would be required to continue to outsource these requirements and rely on an external supplier. In addition, our inability to acquire AEMS would also limit our strategic initiatives involving the acquired technology.

Euronext also relies on intellectual property owned by AEMS. If AEMS does not protect its existing or future intellectual property rights, it may have to pay third parties for rights to use their intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such intellectual property. AEMS relies mainly on copyright legislation, patents, trademarks and protection of know-how to protect its intellectual property. Euronext cannot guarantee that any of the intellectual property rights owned by AEMS or other intellectual property rights that third parties license to AEMS will not be invalidated, circumvented, challenged or rendered unenforceable. Conversely, if AEMS became involved in litigation or other proceedings as the result of alleged infringement of the rights of others, AEMS might have to spend significant amounts of money, regardless of fault.

Our reliance on LCH.Clearnet and Euroclear, neither of which is controlled by us, for the majority of Euronext s clearing and settlement services could adversely affect our business to the extent either party experiences significant difficulties or otherwise materially changes their business relationship with us.

We use the services of LCH.Clearnet for clearing transactions executed on our cash markets and Liffe, and the services of Euroclear for settling transactions on its cash markets (except in Portugal). On July 27, 2007, LCH.Clearnet redeemed all of the outstanding LCH.Clearnet redeemable convertible preference shares held by us, and repurchased a portion of LCH.Clearnet ordinary shares held by us for 399 million. According to an agreement between us and LCH.Clearnet, LCH.Clearnet is expected to repurchase an additional 6 million ordinary shares from us by April 2008, subject to certain conditions. Following the second repurchase, we will retain a 5% stake in LCH.Clearnet s outstanding share capital and will retain the right to appoint one director to LCH.Clearnet s board of directors.

Despite these terms and the other contractual arrangements with LCH.Clearnet and Euroclear for the provision of services, we do not have any significant influence over their businesses generally, particularly with respect to their relationships with third parties. To the extent that LCH.Clearnet or Euroclear experiences serious difficulties or materially changes their business relationship with us, our business may be materially adversely affected. Additionally, because LCH.Clearnet and Euroclear each plays a vital role in the functioning of certain of our exchanges, we may be affected by any difficulties that either of them experiences. If this occurs, we could be harmed financially or our reputation could suffer.

We face foreign currency exchange rate risk.

Since we conduct operations in both the United States and Europe, a substantial portion of our assets, liabilities, revenues and expenses are denominated in U.S. dollars, euros and pounds sterling. Because our financial statements are denominated in U.S. dollars, fluctuations in currency exchange rates, especially the euro/pound sterling against the U.S. dollar, could have a material impact on our reported results. We may also experience other market risks, including changes in interest rates and in prices of marketable equity securities that we own. We may use derivative financial instruments to reduce certain of these risks. If our strategies to reduce our foreign currency exchange rate risks are not successful, our financial condition and operating results may be adversely affected.

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ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no material unresolved written comments that were received from the SEC staff 180 days or more before the end of our fiscal year relating to our periodic or current reports under the Securities Exchange Act of 1934.

ITEM 2. PROPERTIES

We conduct our operations in premises in the United States and in Europe.

U.S. Properties

Our headquarters are located on Wall Street, New York City, and the surrounding area. In particular, the NYSE trading floor runs throughout 11 Wall Street and 20 Broad Street. These buildings are described in more detail below:

11 Wall Street, New York City. Our principal offices and the major portions of the NYSE Market trading floor are located at 11 Wall Street in New York City, a complex that includes contiguous buildings known as 8 through 18 Broad Street. This complex, exclusive of the 20 Broad Street building (described below), is owned by NYSE Group and consists of approximately 370,000 square feet of aggregate space.

20 Broad Street, New York City. The land underlying the office building situated at 20 Broad Street in New York City is owned by Newex Corporation, a wholly owned subsidiary of the NYSE. The land has been leased to the owner of the office building at 20 Broad Street for a term that is anticipated to expire in 2081. NYSE Group occupies approximately 348,000 square feet of space in the office building at 20 Broad Street pursuant to a sublease for a term expiring in 2016, of which 88,700 square feet is subleased to a third party. In addition, the sublease provides NYSE Group with multiple rights to extend the term of the sublease until 2041. The space occupied by NYSE Group in the 20 Broad Street building is used for portions of the NYSE Market trading floor and for office purposes. NYSE Group received a notice, dated October 4, 2006, from the sublandlord of its facility at 20 Broad Street, alleging default under certain covenants in the sublease (based upon the alleged impact on the sublandlord of certain security measures) and demanding cure by December 15, 2006. NYSE Group and the sublandlord have agreed to extend the cure date. NYSE Group believes that the sublandlord s claims are without merit and, if a resolution of the matter is not reached, intends to contest the sublandlord s position vigorously.

14 Wall Street, New York City. NYSE Group occupies approximately 65,000 square feet in the office building located at 14 Wall Street, New York City, pursuant to a lease expiring in 2011, of which 54,500 square feet is subleased to a third party. In addition, NYSE Group occupies approximately 11,000 square feet in this building pursuant to a sublease expiring in 2010. It uses the leased space and the sublease space for office purposes.

30 Broad Street, New York City. NYSE Group occupies approximately 47,000 square feet in the office building located at 30 Broad Street, New York City, pursuant to a lease expiring April 30, 2008. NYSE Group will retain approximately 14,000 square feet in the building for office purposes until 2013.

2 Metrotech Center, Brooklyn, New York. NYSE Group occupies approximately 429,000 square feet at 2 Metrotech pursuant to a lease scheduled to expire in November 2010. NYSE Group uses this space for a Data Center as well as general office space. NYSE Group has options to extend the lease.

Mahwah, New Jersey. NYSE Group entered into a lease dated November 30, 2007 to build a 398,000 square foot building which would consist of office and data center space, to be occupied by first quarter 2010.

55 Water Street, New York City. NYSE Group occupies approximately 123,000 square feet at 55 Water Street, New York City with the lease scheduled to expire in December 2012. NYSE Group uses this space for a data center and limited office space.

65 Broadway, New York City. NYSE Group occupies approximately 31,160 square feet in a building located on 65 Broadway, New York City, pursuant to a lease expiring in April 30, 2010. This space is 100% subleased.

100 South Wacker Drive, Chicago, Illinois. NYSE Group occupies approximately 58,000 square feet of office space and 17,000 square feet of data center space in the office building located at 100 South Wacker Drive, Chicago, Illinois. The leases expire in March 2014 and provide NYSE Group with rights to extend the terms of the leases. NYSE Group uses this leased space for office purposes and for running NYSE Arca.

115 Sansome Street, San Francisco, California. NYSE Group occupies approximately 39,286 square feet in a building located at 115 Sansome Street, San Francisco, California pursuant to a lease that is scheduled to expire in June 2009. NYSE Group uses this space for offices and storage. Approximately 57% is being subleased.

Mills Building, San Francisco, California. NYSE Group occupies approximately 42,923 square feet in a building located at 220 Montgomery Street and 220 Bush Street, San Francisco, California pursuant to a lease expiring on May 31, 2009. NYSE Group uses this space to operate NYSE Arca s options trading floor.

In addition to these premises, we and our subsidiaries lease or own space in the following U.S. locations:

Location	**Approximate Square Feet**
Palo Alto, California	9,800
Weehawken, New Jersey	14,000
Washington, D.C.	6,300
Maitland, Florida	4,000
55 Broadway, New York	7,500
San Francisco, California	6,100
22 Cortlandt, New York	9,000

European Properties

Euronext s registered office is located at Beursplein 5, 1012 JW Amsterdam, the Netherlands. Euronext occupies 10,080 square meters of space at this site, which it owns outright. Euronext has also established local headquarters in each of the other European countries where it operates an exchange, as set forth below:

Palais de la Bourse/Beurspaleis, Place de la Bourse/Beursplein, 1000 Brussels, Belgium. Euronext Brussels occupies 11,855 square meters of space at this site, pursuant to a long-term lease;

Avenida da Liberdade, n. 196, 7 Piso, 1250-147, Lisbon, Portugal. Euronext Lisbon occupies 1,086 square meters of space at this site, pursuant to a long-term lease;

39 rue Cambon, 75039 Paris Cedex 01, France. Euronext Paris occupies 13,517 square meters of space at this site, pursuant to a long-term lease; and

Cannon Bridge House, 1 Cousin Lane, EC4R 3XX London, United Kingdom. LIFFE Administration and Management occupies 8,409 square meters of space at this site, pursuant to a long-term lease.

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In addition to these properties, we and our subsidiaries lease or own space in the following European locations:

Location	Owned/Leased	Approximate Square Meters
Palais Brongniart, Paris	Leased	14,347
EVERE Building, Brussels	Owned	8,730
Stepney Way, London	Leased	2,968
Porto Building, Porto	Leased	824
Sampson House, London	Leased	431

Other

Our offices outside of the U.S. and Europe are used primarily for the purposes of promoting international recognition of our brand, developing the listings business and providing client services to our listed companies. These properties include:

Location	Owned/Leased	Approximate Square Meters
Tokyo, Japan	Leased	170
World Trade Center, Beijing	Leased	181
Hong Kong	Leased	40
Singapore	Leased	40

Security Measures and Contingency Plans

We have implemented numerous security measures to reduce our vulnerability to terrorist and extremist attacks, including, among other things:

- establishing a wide perimeter security zone in the vicinity of the premises housing the NYSE trading floor in New York, New York, manned constantly by armed security personnel employed and/or contracted for by the NYSE and/or provided by the New York City Police Department; in our European sites, where the establishment of such security zones is not appropriate, a Director of Security Europe has been appointed to evaluate and monitor continually our security measures in conjunction with local authorities;

- requiring physical and X-ray/magnetometer inspection of all incoming persons, mail, packages and parcels into NYSE s premises; our major European sites will be provided with suitable X-ray equipment for the checking of mail that will be operational in the second quarter of 2008. From our assessment of the threat in Europe, it is not judged necessary to screen visitors and their bags at the present time, but this position is continually monitored in the light of the intelligence picture;

- requiring that all messengers delivering mail, packages or parcels be screened and escorted throughout the NYSE s premises;

- requiring photo ID badges for all visitors and employees and conditioning the issuance of badges for long-term access to employees and service providers, with limited exceptions, upon the review of individual fingerprint-based background information; a unified badge system for staff is being introduced in most European sites and will be operational in the second quarter of 2008, and all visitors will be issued with photo ID badges (legislation hinders the linking of photographs to fingerprint-based information); and

- maintaining continuous television monitoring and recording of exterior and interior areas.

We continually review these security measures to ensure that they remain effective and to avoid predictability.

We maintain a number of contingency plans relating to possible emergencies that may affect our operations. After consulting with NYSE members regarding their needs, the NYSE established and maintains

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an alternative trading location apart from its current trading floor. We also regularly circulate among our personnel emergency contact telephone numbers and make available a password-protected contingency website that would give information and directions to personnel in the event of a disruption or incident of any kind. Consistent with our business plan, each of our divisions also maintains emergency contingency plans tailored to its needs and personnel.

ITEM 3. LEGAL PROCEEDINGS

We are party to a number of legal proceedings, as described below:

In re NYSE Specialists Securities Litigation

In 2003 the California Public Employees Retirement System (CalPERS) filed a class action complaint, later consolidated with related actions, in the U.S. District Court for the Southern District of New York (Southern District) against the NYSE, NYSE specialist firms, and others, alleging various violations of federal securities laws and breach of fiduciary duty, on behalf of a purported class of persons who bought or sold unspecified NYSE-listed stocks between 1998 and 2003, and seeking unspecified money damages. In 2005 the trial court granted the NYSE s motion to dismiss, holding that the NYSE, as a self-regulatory organization, is immune from private lawsuits challenging the manner in which it exercises its regulatory function, and thus dismissed all the claims asserting that the NYSE had failed to effectively regulate specialists during the relevant period. The district court also held that the plaintiffs lacked standing to assert that the NYSE made false and misleading statements concerning the regulation and operation of its market. The plaintiffs appealed that decision to the U.S. Court of Appeals for the Second Circuit (Second Circuit).

In September 2007, the Second Circuit issued an opinion affirming in part, and vacating and remanding in part, the district court s decision. The Second Circuit upheld the district court s ruling as to the NYSE s self-regulatory immunity, but vacated the district court s holding that the plaintiffs lacked standing to assert their claims that the NYSE made false and misleading statements. The appeals court remanded the matter to the district court for consideration of other grounds for dismissal that the NYSE had asserted in its motion to dismiss, including the plaintiffs failure to allege reliance or loss causation.

On January 16, 2008, plaintiff CalPERS filed a Petition for Writ of Certiorari in the U.S. Supreme Court, seeking review of the portion of the Second Circuit s decision relating to the NYSE s self-regulatory immunity. On February 19, 2008, the NYSE filed a brief in opposition to the petition, asserting that further review of the Second Circuit s decision is unwarranted. The Supreme Court denied the Petition on March 24, 2008.

We are one of numerous defendants named in a separate class action complaint in the Southern District that alleges violations of federal antitrust laws, federal securities laws, and common law, in connection with the placing of market orders through NYSE s SuperDOT order routing system. The complaint, which was served in August 2007, contains allegations similar to those asserted in the Specialists matter described above and seeks unspecified compensatory damages, subject to trebling under the antitrust laws. The defendants have not yet responded to the complaint.

Grasso Litigation

In 2004, the New York Attorney General (NYAG) filed a lawsuit in New York Supreme Court against Richard A. Grasso, the NYSE s former Chairman and Chief Executive Officer; former NYSE Director Kenneth Langone; and the NYSE. The complaint asserted six causes of action against Mr. Grasso, including breach of fiduciary duty under the New York Not-for-Profit Corporation Law and unjust enrichment; a single cause of action against Mr. Langone for breach of his fiduciary duty under the New York Not-for-Profit Corporation Law; and a single cause of action against the NYSE seeking declaratory and injunctive relief. Mr. Grasso asserted crossclaims in the litigation against the NYSE and its former Chairman John S. Reed for breach of contract and defamation. His pleadings sought at least $50 million in compensatory damages for the breach of contract claim; an expert witness retained by Mr. Grasso has estimated those damages to be approximately $95 million. Mr. Grasso also sought unspecified damages for alleged injury to his reputation, mental anguish and suffering, and punitive damages against Mr. Reed and the NYSE.

In 2006, the court granted the summary judgment motions of the NYSE and Mr. Reed and dismissed all of Mr. Grasso s crossclaims against them. The court also granted in part the NYAG s motion for partial summary judgment against Mr. Grasso, finding that Mr. Grasso breached his fiduciary duties to the NYSE and that Mr. Grasso must return to the NYSE certain payments that the court found were unlawful. In addition, the court ordered the NYAG to provide an accounting of the amount of compensation Mr. Grasso should disgorge pursuant to the court s ruling, and the NYAG filed an accounting stating that Mr. Grasso should disgorge approximately $112.2 million. Mr. Grasso filed appeals of these and other rulings to the Appellate Division of the Supreme Court (Appellate Division), which has stayed any trial in the matter, and the accounting proceeding, until it has ruled on those appeals.

Mr. Grasso also appealed the trial court s denial of his motion to dismiss four of the six causes of action asserted against him by the NYAG. In May 2007 the Appellate Division entered an order holding that the NYAG lacked statutory authority to assert those four claims, reversing the trial court s ruling and dismissing those four claims. In October 2007, the Appellate Division granted the NYAG s motion for permission to appeal to the New York Court of Appeals from the May 2007 order, and briefing in that appeal has been completed.

In addition to the matters described above, we are from time to time involved in various legal proceedings that arise in the ordinary course of our business. We do not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on our operating results or financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fourth quarter of our fiscal year ended December 31, 2007.

ITEM 4A. EXECUTIVE OFFICERS OF NYSE EURONEXT

Set forth below, in accordance with General Instruction G(3) of Form 10-K and Instruction 3 to Item 401(b) of Regulation S-K, is information regarding our executive officers. All of our executive officers have been appointed by and serve at the pleasure of our board of directors.

Name	Age	Title*
Duncan L. Niederauer	48	Chief Executive Officer and Director
Jean-François Théodore	61	Deputy Chief Executive Officer, Head of Strategy and Director
Roland Bellegarde	46	Group Executive Vice President and Head of European Execution
Dale B. Bernstein	53	Executive Vice President, Human Resources
Andrew T. Brandman	38	Senior Vice President and Head of Integration and Business Operations
Bruno Colmant	47	Executive Vice President and Deputy Chief Financial Officer
Philippe Duranton	47	Group Executive Vice President and Global Head of Human Resources
Hugh Freedberg	62	Group Executive Vice President and Head of Global Derivatives
John K. Halvey	48	Group Executive Vice President, General Counsel and Secretary
Serge Harry	48	Executive Vice President and Deputy Head of Strategy
Catherine R. Kinney	55	Group Executive Vice President and Head of Global Listings
Lawrence Leibowitz	48	Group Executive Vice President and Head of U.S. Execution and Global Technology
Miguel Athayde Marques	52	Executive Vice President and Head of Indices
Joost van der Does de Willebois	49	Executive Vice President and Acting Chief Financial Officer
Richard G. Ketchum**	57	Chief Executive Officer of NYSE Regulation

* In January 2008, our board of directors realigned the titles of certain of our executive officers with primary responsibility for certain business functions such that, effective January 31, 2008, each of these officers was designated as a Group Executive Vice President.

** In addition to the aforementioned executive officers, we have determined that Richard G. Ketchum, Chief Executive Officer of NYSE Regulation, Inc., performs certain policy making functions with respect to

NYSE Euronext, although he is not an officer or employee of any unit of NYSE Euronext other than NYSE Regulation, and he reports solely to the NYSE Regulation board of directors. For example, Mr. Ketchum advises management regularly with respect to global regulatory matters and acts as NYSE Euronext s spokesperson with respect to regulatory matters. He has also informed and assisted our management in developing regulatory policies and assisted management in the development and structuring of our U.S. market structure initiatives. Mr. Ketchum is invited to attend management committee meetings, although he does not report to the NYSE Euronext board of directors or any of its executive officers.

Duncan L. Niederauer. Mr. Niederauer was appointed chief executive officer and director of NYSE Euronext, effective December 1, 2007, after joining NYSE Euronext in April 2007 as a member of the Management Committee. Mr. Niederauer also serves on the boards of NYSE Group and Euronext N.V. Mr. Niederauer was previously a partner at The Goldman Sachs Group, Inc. (United States) (GS) where he held many positions, among them, co-head of the Equities Division execution services franchise and the managing director responsible for Goldman Sachs Execution & Clearing, L.P. (formerly known as Spear, Leeds & Kellogg L.P.). Mr. Niederauer joined GS in 1985. From March 2002 until his resignation in February 2004, Mr. Niederauer also served on the board of managers of Archipelago Holdings, LLC (United States) and thereafter served as an observer to Archipelago s board of managers in a non-voting capacity until Archipelago s conversion to a Delaware corporation on August 2004. Mr. Niederauer also serves on the board of trustees for Colgate University.

Jean-François Théodore. Mr. Théodore has served as deputy chief executive officer, head of Strategy and a director of NYSE Euronext since April 2007. He has been the chief executive officer and chairman of the managing board of Euronext since its creation in September 2000. He started his career with the French Treasury (Direction du Trésor) at the Ministry of Economy and Finance from 1974 to 1990, serving as assistant head of the State Holdings Bureau. He was then seconded for two years to Crédit National. On his return to the Treasury, he was successively appointed Head of the African States Franc Zone Bureau, and head of the Foreign Investment Bureau. In 1984, Mr. Théodore was appointed deputy director in charge of the Banking Department; in 1986, he was appointed deputy director in charge of the Investments, Public Corporations Department, and in 1990, he became chief executive officer of ParisBourse SBF S.A. He presided over the International Federation of Stock Exchanges (FIBV) for two years (1993-1994), and served as president of the Federation of European Stock Exchanges (1998-2000). Mr. Théodore previously served as chairman of the supervisory board of Atos Euronext Market Solutions Holdings S.A.S and currently serves on the boards of Euroclear plc and LCH.Clearnet Group Ltd.

Roland Bellegarde. Mr. Bellegarde has served as group executive vice president and head of European Execution since April 2007. In that capacity, he is responsible for managing market operations for the four Euronext markets and handling product development and user relations on the buy side and sell side. Mr. Bellegarde previously served as head of cash trading and deputy CEO of Euronext, successively, from 2000 until 2007, and has been leading the process to integrate the NSC trading platform across the Euronext markets. As such, he has defined and developed the global Euronext market model for securities trading. From 1998 to 2000, Mr. Bellegarde served as head of cash and derivatives markets ParisBourse. From 1995 to 1998, he served as head of cash markets ParisBourse. Prior to that, from 1993 to 1995, he designed the functionalities of the NSC trading systems, which currently operate on all Euronext markets. He is also a member of the boards of Powernext, BlueNext S.A., Secfinex Limited, GEIE Luxembourg and Metnext SAS and la Financière Événement.

Dale B. Bernstein. Ms. Bernstein has served as executive vice president, Human Resources since April 2007. In that capacity, Ms. Bernstein is responsible for U.S. Human Resources, NYSE Archives, NYSE Foundation, and U.S. Corporate Services, and is also responsible for the administrative oversight of the ethics function in the United States. Ms. Bernstein has been employed with NYSE Euronext and, previously, NYSE, since 1986. She also serves on the NYSE Foundation board. Prior to joining NYSE, Ms. Bernstein held various human resources management positions at RCA Corporation, including senior positions at RCA Records and the

Hertz Corporation. Ms. Bernstein is also a director of Wingspan Arts, an organization committed to bringing arts to life for New York area school children, and serves on the national board of Parents, Friends and Families of Lesbians and Gays (PFLAG).

Andrew T. Brandman. Mr. Brandman has served as senior vice president and head of Integration and Business Operations since April 2007 and was appointed a member of the management committee in December 2007. In this role, he coordinates aspects of the execution of our corporate strategy including all aspects of the integration processes and global expense management; Mr. Brandman is also involved in the examination of acquisition alternatives and other business development initiatives in the U.S. and Europe. Prior thereto, Mr. Brandman served as a senior vice president and vice president of NYSE in related roles. Prior to joining the NYSE in April 2004, Mr. Brandman was a director at Credit Suisse First Boston s Infrastructure group from 2000 to April 2004 where he headed strategic projects such as IT infrastructure outsourcing and cost transparency, and was the technology lead for CSFB s divestiture of Pershing. Prior to CSFB, Mr. Brandman was with Banco Santander Central Hispano as chief of staff for the Global Fixed Income and Treasury Division. From 1991 to 1997, he held various positions at Union Bank of Switzerland.

Bruno Colmant. Mr. Colmant has served as executive vice president since September 2007 and as deputy chief financial officer since December 2007. Prior to joining NYSE Euronext, he served as the chief of staff of the Minister of Finance in Belgium from November 2006 to September 2007. From May 2004 to November 2006, Mr. Colmant served on the executive committee and board of directors of ING Group Belgium. From September 2002 to April 2004, Mr. Colmant was the chief executive officer for ING Group Luxembourg. He also serves on many industry boards and committees, including the Belgian Governance Institute and the Association Belge des Administrateurs.

Philippe Duranton. Mr. Duranton has served as group executive vice president and global head of Human Resources since March 2008. Prior to joining NYSE Euronext, Mr. Duranton had been senior vice president of human resources for Cognos Inc., a world leader in business intelligence and performance management solutions, from April 2007 until February 2008. From 2003 to April 2007, he was executive vice president for GEMPLUS, a digital security provider. Prior to these positions, Mr. Duranton served in senior human resources positions at Vivendi Universal TV and Film Group and Thales, a leader in defense aerospace, security and services.

Hugh Freedberg. Mr. Freedberg has served as group executive vice president and head of Global Derivatives since April 2007. He has served as chief executive of LIFFE since 1998. Mr. Freedberg began his career in financial services in 1975 at American Express, where he started as marketing and sales director before being appointed general manager. In 1986, he joined Salomon Inc. as chief executive of The Mortgage Corporation. In 1990, he became an executive director at TSB and chief executive of the Insurance and Investment Services Division, after which, in 1991 he was appointed chief executive of the Hill Samuel Group. Other positions he held at TSB Group included deputy chief executive of TSB Group from 1991 to 1996 and a director of Macquarie Bank from 1994 to 1996. From 1996 to 1998, he was a managing partner at Korn Ferry International. Mr. Freedberg also served as a member of the supervisory boards of AtosEuronext SBF S.A. (2004 to 2005) and Atos Euronext Market Solutions Holding S.A.S. (2005 to 2007).

John K. Halvey. Mr. Halvey has served as group executive vice president, general counsel and secretary of NYSE Euronext since March 2008. Prior to joining NYSE Euronext in March 2008, Mr. Halvey was a corporate partner with the international law firm of Milbank, Tweed, Hadley & McCloy, LLP from 1994 to 1999 and from 2001 to 2008. From 1999 to 2001, Mr. Halvey was executive vice president of Safeguard Scientifics, Inc. Mr. Halvey has practiced in all areas of corporate, technology and intellectual property law, with particular emphasis on information technology and business process related transactions and private equity transactions involving technology companies.

Serge Harry. Mr. Harry has served as executive vice president and deputy head of Strategy since April 2007. Mr. Harry previously served as head of finance and general services of Euronext and chief financial officer of Euronext Paris between 2000 and April 2007. Prior to that, Mr. Harry served as deputy chief executive of

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ParisBourse S.A. since June 1999. Before joining ParisBourse S.A., Mr. Harry spent sixteen years at Sicovam (now Euroclear France) where he served as general secretary in charge of finance, legal, human resources, general services and communication. In parallel, he also monitored, in 1997 and 1998, the conversion of the French financial markets to the Euro which was launched in 1999. Mr. Harry is chairman of the board of BlueNext S.A., a member of the board of GL TRADE and a member of the board of Liffe Administration and Management. He also serves as a director of Financière Montmartre S.A. and of S.E.P.B. S.A.

Catherine R. Kinney. Ms. Kinney has served as group executive vice president and head of Global Listings since April 2007. Ms. Kinney is also responsible for marketing and brand management for all markets since December 2007. Ms. Kinney previously served as president and co-chief operating officer of NYSE Group and its predecessor, New York Stock Exchange, since January 2002. Prior to that time, Ms. Kinney served as group executive vice president of the NYSE, overseeing the NYSE s competitive position and relationships with its listed companies, members and institutions as well as ETFs and Fixed Income divisions. Prior to that, since 1986, she was responsible for managing trading floor operations and technology. Joining the NYSE in 1974, Ms. Kinney has worked in several departments, including regulation, sales and marketing, and technology planning.

Lawrence Leibowitz. Mr. Leibowitz has served as group executive vice president and head of U.S. Execution and Global Technology since July 2007. In this capacity, he is responsible for technology integration, product development and oversight of the equities operations of NYSE and NYSE Arca. He joined NYSE Euronext in July 2007, having served as managing director and chief operating officer, Americas Equities, at UBS Investment Bank. Prior to joining UBS in 2004, Mr. Leibowitz held the position of executive vice president, co-head of Schwab Capital Markets. He currently serves on the board of National Stock Exchange of India and has also served on many industry boards and committees, among them the Market Structure Committee of the former Securities Industry Association (now SIFMA).

Miguel Athayde Marques. Dr. Athayde Marques has served as executive vice president and head of Indices since April 2007. Dr. Athayde Marques is also responsible for the Portuguese Market. He joined Euronext in January 2005. Prior to that, since February 2000, he served as an executive board member of Caixa Geral de Depósitos, Portugal s largest bank. From 1996 to 2000, he was a member of the Executive Committee of Jerónimo Martins S.A., a listed company active in multinational retail and distribution. From 1992 to 1996, Dr. Athayde Marques was chairman and CEO of ICEP, the Portuguese government agency for inward and outward investment, export and tourism. He also served as a consultant to the Portuguese Ministry of Finance on the development of the capital markets. Miguel Athayde Marques is a professor of business at Universidade Católica in Lisbon School of Economics and Management.

Joost van der Does de Willebois. Mr. van der Does de Willebois has served as executive vice president since April 2007 and as acting chief financial officer since December 2007. Prior to joining Euronext in 2004, where he held the position of chief financial officer and was a member of the Management Board, Mr. van der Does de Willebois was executive director of ING Bank in the Netherlands, a position he held since March 2002. Prior to that, Mr. van der Does de Willebois held a number of directorships at ING Group beginning in 1998, including managing director of corporate strategy and communication, a position he held from 2000 to 2002. Prior to that, since 1984, he also worked at Royal Dutch/ Shell plc, where he held various executive management positions in Rotterdam, Paris, Bordeaux and the French West Indies.

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PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The principal market on which our common stock is traded is the NYSE. Our common stock is also traded on Euronext Paris. Our common stock commenced trading on April 4, 2007 under the ticker symbol NYX. Prior to that date, there was no public market for our common stock.

Common Stock Price Range

The following table sets forth, for the quarters indicated, the high and low sales prices per share of our common stock as reported by the Consolidated Tape Association.

	High	Low	High	Low
2007				
Second quarter[1]	$ 99.99	$ 72.34	74.82	53.85
Third quarter	$ 84.50	$ 64.26	61.30	47.95
Fourth quarter	$ 92.25	$ 78.18	63.96	54.94
2008				
First quarter[2]	$ 87.70	$ 55.12	59.51	34.96

(1) Figures for the second quarter of 2007 are given for the period commencing April 4, 2007 (the date our common stock began trading on the NYSE and Euronext Paris.)

(2) Figures for the first quarter of 2008 are through March 18, 2008.

As of March 18, 2008, there were approximately 1,719 holders of record of our common stock. On March 18, 2008, the last reported sales price for our common stock on the NYSE and Euronext Paris was $62.19 and 39.01 per share, respectively.

Dividends

On June 6, 2007, our board of directors declared an annual cash dividend of $1.00 per share of common stock, payable on a quarterly basis. Quarterly dividends of $0.25 per share of common stock were paid on July 13, 2007 and December 28, 2007. A quarterly dividend of $0.25 is scheduled to be paid on March 31, 2008 to shareholders of record as of the close of business on March 14, 2008. The declaration of dividends by NYSE Euronext is subject to the discretion of our board of directors. Our board of directors will take into account such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory restrictions on the payment of dividends by us, or such other factors as our board of directors may deem relevant.

In March 2008, our board of directors approved a 20% increase in our annual dividend to $1.20 from $1.00 per share of common stock as part of a new dividend policy, effective with the dividend payment for the second quarter of 2008. We will also offer our European stockholders the ability to elect payment of the dividend in Euros.

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Outstanding Options and Restricted Stock

The following table sets forth information regarding the outstanding options and restricted stock units on our common stock as of December 31, 2007 (in thousands, except exercise price):

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(c)
Equity compensation plans approved by security holders	3,006	$ 21.36(1)	7,825
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,006	$ 21.36(1)	7,825

(1) Corresponding to the weighted-average exercise price of approximately 0.9 million stock options outstanding as of December 31, 2007. Does not include outstanding rights to receive approximately 2.1 million restricted stock units for which there is no exercise price.

Treasury Stock/Restricted Securities

The number of shares of common stock outstanding on March 18, 2008 (approximately 265 million shares) do not include approximately 1.6 million shares of common stock in treasury, which are held by Pacific Exchange, Inc., an indirect wholly owned subsidiary of NYSE Group, and 227,846 shares held by SG Securities (Paris) SAS (SG) for our account for the purpose of performing the liquidity agreement described below under Unregistered Sales of Equity Securities and Use of Proceeds.

A significant amount of our common stock is subject to transfer restrictions either pursuant to our certificate of incorporation or through contractual arrangements with certain of our stockholders. Approximately 41.9 million shares are subject to restrictions on transfer that are scheduled to expire on March 7, 2009. Our board of directors has the right, in its discretion, to remove the transfer restrictions earlier, in whole or in part, on any of these shares of common stock. Removal of the transfer restrictions from all or a part of these shares for any reason may lead to significant numbers of shares of our common stock becoming available for sale, which may adversely affect the then-prevailing market price of our common stock.

Unregistered Sales of Equity Securities and Use of Proceeds

Consistent with customary practice in the French securities market, on April 19, 2007, we entered into a liquidity agreement (contrat de liquidité) (the Liquidity Agreement) with SG. The Liquidity Agreement complies with applicable laws and regulations in France, including the ethical charter of the AFEI (the French Association of Investment Firms), as approved by the AMF. The Liquidity Agreement authorizes SG to carry out market purchases and sales of our common stock on Euronext Paris for our account in order to promote the liquidity and the orderly listing of such securities on Euronext Paris. Under the Liquidation Agreement, We deposited 40 million into a liquidity account with SG to be used by SG in its discretion to purchase and sell shares of our common stock on Euronext Paris. Proceeds of sales are deposited into the liquidity account. The Liquidity Agreement has a term of 12 months and will renew automatically unless otherwise terminated by either party. The Liquidity Agreement is consistent with the liquidity agreement maintained by Euronext, N.V. with respect to its securities prior to the combination of NYSE Group and Euronext.

Under the Liquidity Agreement and consistent with applicable laws in France, SG exercises full and complete discretion in making any decision to purchase or sell our common stock on Euronext Paris, and no discretion is retained by us. In order to reinforce SG s independence in performing its obligations under the

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Liquidity Agreement, information barriers have been established between persons effecting transactions and persons with inside information.

All transactions under the Liquidity Agreement will be executed offshore (outside the United States) and, except for block transactions, only through Euronext Paris electronic trading system. SG may also undertake block transactions under the Liquidity Agreement, provided such transactions are made in accordance with the rules governing Euronext Paris.

In performing its obligations under the Liquidity Agreement, SG has agreed to comply with the guidelines and regulations of the AMF, the anti-manipulation and related provisions applicable in France, and the anti-fraud and anti-manipulation provisions of the Securities Exchange Act of 1934, as amended. Sales under the Liquidity Agreement have been made in offshore transactions exempt from registration.

Sales and purchases of our common stock may be suspended if we become subject to legal, regulatory or contractual restrictions that would prevent SG from making purchases and sales under the Agreement.

The following transactions were carried out by SG on Euronext Paris under the Liquidity Agreement during the period from October 1, 2007 through December 31, 2007:

	Purchases		
Trade Date	**Number of shares**	**Average Price (in USD)**	**Cost (in USD)**
October 1 to 31, 2007	210,823	84.79	17,875,362.56
November 1 to 31, 2007	139,570	85.88	11,986,662.26
December 1 to 31, 2007	90,556	86.45	7,828,276.24
Three months ended December 31, 2007	440,949	85.48	37,690,301.06

	Sales		
Trade Date	**Number of shares**	**Average Price (in USD)**	**Proceeds (in USD)**
October 1 to 31, 2007	217,259	84.91	18,446,635.59
November 1 to 31, 2007	62,087	86.47	5,368,696.56
December 1 to 31, 2007	157,083	87.22	13,763,372.47
Three months ended December 31, 2007	437,149	85.97	37,578,704.62

Stock Repurchase Program

In March 2008, our board of directors authorized the repurchase of up to $1 billion of our common stock. Under the program, we may repurchase stock from time to time at the discretion of management in open market or privately negotiated transactions or otherwise, subject to applicable U.S. or European laws, regulations and approvals, strategic considerations, market conditions and other factors. This stock repurchase plan does not obligate us to repurchase any dollar amount or number of shares of our common stock and any such repurchases will be made in compliance with the applicable laws and regulations, including rules and regulations of the SEC and applicable European Union regulations and regulations of the AMF.

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Stock Performance Graph

The following performance graph compares the cumulative total stockholder return on our common stock for a nine-month period (April 4, 2007 to December 31, 2007) with the cumulative total return of the S&P 500 Index and a peer group of companies consisting of five exchanges to which we compare our business and operations: CME Group, Deutsche Börse, Intercontinental Exchange, London Stock Exchange and Nasdaq. S&P® is a trademark of the McGraw-Hill Companies, Inc. with all rights reserved.

* $100 invested on April 4, 2007 in stock or index, including reinvestment of dividends; fiscal year ended December 31, 2007.

ITEM 6. SELECTED FINANCIAL DATA

NYSE Euronext is a Delaware corporation that was formed for the purpose of consummating the business combination of NYSE Group and Euronext, which was completed on April 4, 2007. NYSE Group was formed for the purpose of consummating the business combination of the NYSE and Archipelago, which was completed on March 7, 2006. The combination of the businesses of NYSE Group and Euronext has been treated as a purchase business combination for accounting purposes, with NYSE Group designated as the acquirer. The business combination of the NYSE and Archipelago has been treated as a purchase business combination for accounting purposes, with the NYSE designated as the acquirer. As such, the historical financial statements of NYSE (for periods prior to the NYSE/Archipelago business combination) and NYSE Group (for periods following the NYSE/Archipelago business combination and prior to the NYSE Group/Euronext business combination transaction) have become the historical financial statements of NYSE Euronext. Set forth below are selected historical financial data for: (1) NYSE Euronext, (2) Euronext, which was acquired by NYSE Euronext on April 4, 2007 as part of the business combination transaction between NYSE Group and Euronext and (3) Archipelago, as predecessor to NYSE Arca, which was acquired by NYSE Group on March 7, 2006 as part of the business combination of the NYSE and Archipelago. Because NYSE/Archipelago business combination was not consummated until March 7, 2006 and the NYSE Group/Euronext business consummation was not consummated until April 4, 2007, the following selected historical financial data for NYSE Euronext (1) for periods prior to March 7, 2006, reflects only the NYSE s results and does not include Archipelago s or Euronext s results and (2) for periods commencing on March 7, 2006 and prior to April 4, 2007, reflect, only NYSE Group s results and does not include Euronext s results.

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SELECTED HISTORICAL FINANCIAL DATA OF NYSE EURONEXT

The following selected consolidated financial data has been derived from the historical consolidated financial statements and related notes for the years ended December 31, 2003 through December 31, 2007, which have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, and prepared in accordance with U.S. GAAP. The information presented here is only a summary, and it should be read together with our consolidated financial statements included in this Annual Report. The information set forth below is not necessarily indicative of NYSE Euronext s results of future operations and should be read in conjunction with Part II, Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations of NYSE Euronext.

	Year ended December 31,				
(U.S. GAAP)	2007[1]	2006[1][2]	2005	2004	2003
			(in millions)		
Results of Operations					
Revenues					
Activity assessment	$ 556	$ 673	$ 595	$ 360	$ 420
Cash trading	1,575	645	146	154	157
Derivatives trading	661	31			
Listing	385	356	343	330	321
Market data	371	223	178	168	172
Software and technology services	318	137	183	220	225
Regulatory	152	184	132	115	113
Other	140	127	56	59	72
Total revenues	4,158	2,376	1,633	1,406	1,480
Section 31 fees	(556)	(673)	(595)	(360)	(420)
Merger expenses and exit costs[3]	(67)	(54)	(26)		
Compensation	(724)	(558)	(516)	(529)	(521)
Liquidity payments	(729)	(265)			
Routing and clearing	(222)	(74)			
Systems and communication	(294)	(120)	(124)	(139)	(146)
Professional services	(123)	(110)	(122)	(124)	(97)
Depreciation and amortization	(252)	(136)	(103)	(96)	(89)
Occupancy	(127)	(85)	(70)	(68)	(67)
Marketing and other	(185)	(103)	(68)	(85)	(76)
Regulatory fine income	30	36	35	8	11
Operating income	909	234	44	13	75
Investment and other income, net	(31)	74	47	30	32
Gain on sale of equity investment	33	21			
Income from associates	10				
Income before provision for income taxes and minority interest	921	329	91	43	107
Provision for income taxes	(253)	(121)	(48)	(12)	(45)
Minority interest in income of consolidated subsidiary	(25)	(3)	(2)	(1)	(1)
Net income	$ 643	$ 205	$ 41	$ 30	$ 61

	Year ended December 31,				
(U.S. GAAP)	2007	2006[1]	2005	2004	2003
		(in millions, except per share data)			
Basic earnings per share	$ 2.72	$ 1.38	$ 0.35	$ 0.26	$ 0.52
Diluted earnings per share	$ 2.70	$ 1.36	$ 0.35	$ 0.26	$ 0.52

Basic weighted average shares outstanding	237	149(5)	116(5)	116(5)	116(5)
Diluted weighted average shares outstanding	238	150(5)	116(5)	116(5)	116(5)
Dividends per share	$ 0.75				

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(U.S. GAAP)	2007	2006[1]	At December 31, 2005 (in millions)	2004	2003
Balance Sheet					
Total assets	$ 16,618	$ 3,466	$ 2,204	$ 1,982	$ 2,009
Current assets	2,278	1,443	1,464	1,265	1,294
Current liabilities	3,462	806	685	487	513
Working capital	$ (1,184)	$ 637	$ 779	$ 778	$ 781
Long term liabilities[4]	$ 3,020	$ 991	$ 685	$ 695	$ 736
Long term debt	$ 521				
Stockholders equity	$ 9,384	$ 1,669	$ 799	$ 767	$ 728

(1) The results of operations of Euronext have been included in NYSE Euronext s results of operations since April 4, 2007 and the results of operations of Archipelago have been included in NYSE Euronext s results of operations since March 8, 2006. For the year ended December 31, 2006, only results of NYSE Group (including results of Archipelago from March 7, 2006, but not Euronext) are represented. For periods ended December 31, 2005, December 31, 2004 and December 31, 2003, only results of NYSE (not including Archipelago or Euronext) are represented.

(2) On November 1, 2006, NYSE Group completed the purchase of the one-third ownership stake in SIAC previously held by Amex, as a result of which NYSE Group now fully owns SIAC.

(3) Represents legal costs, accelerated amortization, severance payments and integration costs incurred in connection with the merger between the NYSE and Archipelago or the combination between NYSE Group and Euronext.

(4) Represents liabilities due after one year, including accrued employee benefits, and deferred revenue, and deferred income taxes.

(5) Adjusted to reflect the March 7, 2006 merger between the NYSE and Archipelago, giving retroactive effect to the issuance of shares to former NYSE members.

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SELECTED HISTORICAL FINANCIAL DATA OF EURONEXT

The selected financial data presented below is derived from Euronext s audited consolidated financial statements. Such selected financial data should be read in connection with Euronext s consolidated financial statements and related notes included in this Annual Report and Part II, Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations of Euronext. Historical financial statement information may not be indicative of Euronext s future performance.

Euronext s consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union, which differ in certain significant respects from U.S. GAAP. For a description of the principal differences between IFRS and U.S. GAAP as they relate to Euronext and to its consolidated subsidiaries, and for a reconciliation of Euronext s shareholders equity and net income to U.S. GAAP, see Note 3.12 to the audited consolidated financial statements included in this Annual Report. Other U.S. GAAP data presented in the following tables has been derived from unaudited analyses prepared by Euronext from its accounting records.

	Year ended December 31,			
(IFRS)	**2006[4]**	**2005[2][3] (*restated)**	**2004 (*restated)**	**2003[1]**
	(in millions of euros, except share and per share data)			
Results of Operations				
Revenues				
Cash trading	286.9	215.7	189.7	187.5
Listing fees	55.6	63.1	43.3	30.7
Derivatives trading	391.6	331.9	324.9	300.0
Clearing				165.1
MTS fixed income	24.0	1.4		
Settlement and Custody	14.6	39.3	33.1	28.2
Information services	112.0	93.6	87.3	91.2
Sale of software	184.6	195.2	186.0	172.5
Other income	32.9	21.7	22.5	15.8
Total revenues	1,102.2	961.9	886.8	991.0
Expenses				
Salaries and employee benefits	275.4	264.4	272.0	267.8
Depreciation	32.6	49.7	67.4	67.6
Goodwill amortization[5]			39.9	64.8
IT expenses	166.2	139.8	129.3	187.8
Office, telecom and consultancy	130.1	98.8	84.4	86.2
Accommodation	44.3	50.1	51.0	52.9
Marketing	20.3	15.6	15.3	19.3
Other expenses	24.3	25.0	27.3	35.7
Operating expenses	693.2	643.4	686.6	782.1
Profit from operations	409.0	318.5	200.2	208.9
Net financing income	11.5	11.2	7.7	23.6
Impairment of investments				(47.1)
Gain on disposal of discontinued operation				175.1
Gain (loss) on sale of associates and activities	15.4	9.1	4.4	(1.2)
Income (loss) from associates	53.8	18.5	3.3	2.4
Total	80.7	38.8	15.4	152.8
Profit before tax	489.7	357.3	215.6	361.7
Income tax expense	116.0	103.9	54.8	134.6
Profit for the period	373.7	253.4	160.8	227.1
Attributable to shareholders of the parent company	361.8	240.0	149.7	211.7
Minority interests	11.9	13.4	11.0	15.4
	373.7	253.4	160.8	227.1

Basic earnings per share	3.25	2.17	1.28	1.77
Diluted earnings per share	3.23	2.16	1.28	1.76
Basic weighted average shares outstanding	111,214,661	110,603,062	116,786,810	119,419,446
Diluted weighted average shares outstanding	112,138,650	111,105,390	117,277,653	120,207,882
Dividends declared per share(6)				
Euro		4.00	0.60	0.50
US$		4.74	0.81	0.63

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(IFRS)	2006	At December 31, 2005 (*Restated)	2004 (*Restated)	2003
Balance sheet				
Property and equipment	42.7	50.7	88.6	108.7
Investment property	4.7			
Intangible assets	965.5	837.7	771.8	739.9
Cash and cash equivalents	416.3	429.5	523.7	496.8
Total assets	2676.4	2,601.7	2,352.6	2,389.6
Current financial liabilities	142.6	27.5	11.7	222.3
Non-current financial liabilities	383.0	377.2	365.9	
Total liabilities	958.6	846.9	808.2	711.4
Minority interests	50.7	33.6	21.0	33.2
Total shareholders equity	1,667.0	1,721.3	1,523.4	1,645.0

(U.S. GAAP)	Year-ended December 31, 2006(4)	2005(2)
	(in millions of euros, except share and per share data)	
Results of operations		
Revenues	1,057.5	945.5
Operating expenses	720.6	665.7
Operating income	336.9	279.8
Net income	329.0	221.1
Basic earnings per share	2.96	2.00
Diluted earnings per share	2.93	1.99
Basic weighted average shares outstanding	111,214,661	110,603,062
Diluted weighted average shares outstanding	112,152,806	111,148,538
Dividends declared per share		
Euro		4.00
US$		4.74

(U.S. GAAP)	At December 31, 2006	2005
	(in millions of euros)	
Balance sheet		
Property and equipment	46.0	49.2
Intangible assets	1,147.7	1,104.0
Short-term financial investments and cash and cash equivalents	566.8	687.3
Total assets	2,911.6	2,922.9
Current financial liabilities	107.7	8.9
Non-current financial liabilities	378.6	377.2
Total liabilities	1,155.3	1,061.2
Shareholders equity	1,720.0	1,820.9

* As a consequence of the amendment to IAS 39 Financial Instruments: Recognition and Measurement The Fair Value Option , Euronext reclassified certain equity investments as of January 1, 2006 from the category Fair Value through Profit or Loss to the category Available for Sale with comparative information restated.

(1) In June 2003, Euronext reached an agreement with the London Clearing House (LCH) to merge BCC/Clearnet and LCH into a new independent UK holding company LCH.Clearnet. On December 22, 2003, Euronext exchanged its 80% stake in BCC/Clearnet and its 17.7% interest in LCH for 49.1% of LCH.Clearnet. Simultaneously, Euronext sold 7.6% of these shares to third parties. Euronext s 41.5% interest in LCH.Clearnet Group Ltd. is divided into ordinary shares (24.9%) and Redeemable Convertible

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Preference Shares (16.6%). Euronext recorded a gain on disposal of discontinued operation of 175 million in connection with the transaction. As from December 22, 2003, Euronext no longer records clearing revenues, but instead accounts for its interest in LCH.Clearnet Group Ltd. under the equity method, recording its share of income under Income from associates.

(2) On July 22, 2005, Euronext formed AEMS as a continuation and expansion of its pre-existing Atos Euronext relationship with Atos Origin. The main assets Euronext contributed were the activities of LIFFE Market Solutions, the information technology division of its derivatives trading business Liffe, and its 50% stake in Atos Euronext. Atos Origin contributed its own 50% share in Atos Euronext, plus other major assets from market-related businesses, including middle- and back-office solutions, and its 51% stake in the connectivity platform Bourse Connect. The transfer of the activities of LIFFE Market Solutions to AEMS led to a significant reduction in Euronext s salaries and employee benefit costs, consultancy expenses, other office, telecom and consultancy costs and depreciation charges, and a parallel increase in IT expenses, which from the date of creation of AEMS include all IT expenses related to Liffe.

(3) On November 18, 2005, Euronext and Borsa Italiana S.p.A, through MBE Holding S.p.A, 51% owned by Euronext and 49% by Borsa Italiana S.p.A, subscribed to a controlling 51% interest in MTS s share capital. The remaining MTS shares were subject to a pre-emptive rights subscription and sale mechanism first between the historical shareholders and MTS dealers, where the latter became new shareholders, and subsequently to MBE Holding S.p.A. As a result of the pre-emptive rights and sale mechanism, MBE Holding S.p.A. was committed to acquire as at December 31, 2005 an additional stake in MTS leading to a 60.37% ownership of MTS by MBE Holding S.p.A. Such an acquisition was realized in February 2006. Under IFRS, Euronext consolidated proportionally 51% of MTS consolidated assets, liabilities, revenues and expenses as MBE Holding S.p.A. was jointly controlled by Euronext (51%) and Borsa Italiana S.p.A. (49%). Euronext s proportionate ownership percentage was 30.79% and a minority interest of 20.21% was therefore accounted for under IFRS. Under U.S. GAAP, MBE Holding was accounted for under the equity method.

(4) In January 2006, Euronext completed the sale of the Belgian central securities depository CIK N.V./SA, a wholly owned subsidiary of Euronext Brussels, to Euroclear. In exchange for this asset, Euronext received an additional 0.4% stake in Euroclear.

(5) As from January 1, 2005, Euronext no longer amortizes goodwill relating to acquisitions made before March 31, 2004 as part of a business combination, in line with IFRS 3.

(6) Dividends declared with respect to 2005 consist of a 1 per share ordinary dividend. In addition, a 3 per share capital reduction was made.

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS OF NYSE EURONEXT

You should read the following discussion together with NYSE Euronext s audited consolidated financial statements and related notes included in this Annual Report. This discussion contains forward-looking statements. Actual results may differ from such forward-looking statements. See Risk Factors and Forward-Looking Statements. Certain prior period amounts presented in the discussion and analysis have been reclassified to conform to the current presentation.

Overview

NYSE Euronext was organized on May 22, 2006 in connection with the combination of the businesses of NYSE Group and Euronext, which was consummated on April 4, 2007. Prior to that date, NYSE Euronext had no significant assets and did not conduct any material activities other than those incident to its formation. Following the consummation of the combination, NYSE Euronext became the parent company of NYSE Group and Euronext and each of their respective subsidiaries. Under the purchase method of accounting, NYSE Group was treated as the accounting and legal acquirer in the combination with Euronext.

On April 4, 2007, NYSE Euronext acquired 91.4% of the share capital and 92.2% of the voting rights of Euronext through an exchange offer in which NYSE Euronext, through its indirect wholly owned subsidiary, NYSE Euronext (Holding) N.V. (NYSE Euronext (Holding)), offered to acquire all of the outstanding shares of Euronext for 21.32 ($28.54) in cash and 0.98 of a share of NYSE Euronext common stock.

On April 2, 2007, NYSE Euronext commenced a second offer period to acquire Euronext shares that were not tendered during the initial exchange offer period. On April 27, 2007, the second offer period closed, resulting in NYSE Euronext s holding, through NYSE Euronext (Holding), 96.97% of the share capital and 97.68% of the voting rights of Euronext.

On June 6, 2007, NYSE Euronext, NYSE Euronext (Holding), Euronext N.V. and Euronext Paris S.A., as plaintiffs, filed a writ of summons with the Amsterdam Court of Appeals in the Netherlands initiating a compulsory acquisition procedure (*uitkoopregeling*) in accordance with Section 2:92a of the Dutch Civil Code. Shares of Euronext acquired in this procedure will be acquired only for cash and in an amount determined by the Enterprise Chamber of the Amsterdam Court of Appeals.

The price proposed in the writ of summons is 94.05 per share. This amount is equal to the cash equivalent of the standard offer consideration on April 4, 2007, the date on which the settlement and delivery of the Euronext shares tendered in the initial exchange offer period occurred and NYSE Euronext common stock began trading (with a closing price on that day of 74.21 on Euronext Paris (0.98 × 74.21 + 21.32 = 94.05)). The defendants listed in the writ of summons are all the remaining shareholders of Euronext other than the plaintiffs. Through the compulsory acquisition procedure, NYSE Euronext intends, through NYSE Euronext (Holding), to acquire 100% of the Euronext shares outstanding and not held by NYSE Euronext or its subsidiaries at the time of the final judgment of the Enterprise Chamber of the Amsterdam Court of Appeals or shortly thereafter. It is currently not known when the Enterprise Chamber of the Amsterdam Court of Appeals will issue its final judgment or when or at what price NYSE Euronext, through NYSE Euronext (Holding), will be able to acquire the Euronext shares that are the subject of the proceeding.

Following the combination of the businesses of NYSE Group and Euronext, NYSE Euronext operates under two reportable segments: U.S. Operations and European Operations. NYSE Euronext evaluates segment performance primarily based on operating income. NYSE Euronext s U.S. operations consist of (i) obtaining new listings and servicing existing listings, (ii) providing access to trade execution in cash equities and options, (iii) selling market data and related information and distributing market information to data subscribers, (iv) issuing trading permits, (v) providing data processing operations, (vi) providing regulatory services with respect to NYSE Euronext s U.S. markets and (vii) providing trading technology, software and connectivity to end-users. NYSE Euronext s European operations consist of (i) providing access to trade execution in all cash products as well as a wide range of derivatives products, (ii) providing listing services, (iii) selling of market data and related information, (iv) providing transaction settlement and for the safe-custody of physical securities in the European markets and (v) providing of electronic trading solutions in Europe and Asia.

As NYSE Euronext progresses towards the integration of the businesses, management will continue to assess its segment reporting structure and may, if and when appropriate, decide to revise its segment reporting upon completion of certain integration milestones.

Recent Developments

CME Group Metals Complex

On March 14, 2008, we entered into an agreement with CME Group to acquire the CBOT Metals Complex, including its volume and open interest. We expect that trading of full and e-mini gold and silver futures and options on futures contracts will begin later this year on Liffe, our derivatives trading system, pending regulatory approvals. Under the terms of the agreement, the Chicago Board of Trade will continue to act as the Designated Contract Market, or DCM, for the products until we establish our own DCM. CME Group has agreed to provide clearing services on an interim basis for up to one year, after which we expect to provide for an alternative clearing solution. The precious metals contracts provide a point of entry for us into the U.S. futures market and complement our existing commodities franchise at Liffe.

Wombat

On March 7, 2008, NYSE Euronext completed the acquisition of Wombat Financial Software (Wombat), a privately held global leader in high-performance financial market data management solutions. This strategic acquisition broadens NYSE Euronext s offering of comprehensive market-agnostic connectivity, transaction and data management solutions to customers globally by integrating Wombat s industry leading and rapidly growing market data enterprise software and services with the NYSE TransactTools connectivity and messaging business. NYSE Euronext acquired Wombat for $200 million in cash consideration, and created a retention pool for Wombat employees consisting of restricted stock unit grants in an amount equal to $25 million.

Amex

On January 17, 2008, NYSE Euronext and MC announced that they had entered into an agreement and plan of merger, pursuant to which NYSE Euronext agreed to acquire the business of MC, including its subsidiary Amex, for an aggregate of (1) $260 million in NYSE Euronext common stock and (2) additional shares of NYSE Euronext common stock based on the net proceeds (net of fees, taxes, and certain other items), if any, from the sale of the Amex headquarters, if such sale occurs within four years and 240 days of the closing of the merger and certain other conditions are satisfied.

The proposed transaction will enhance NYSE Euronext s scale in U.S. options, exchange traded funds, closed-end funds, structured products and cash equities. Subject to approval by Amex members and customary regulatory approvals, this transaction is expected to close in the third quarter of 2008.

Factors Affecting Our Results

The business environment in which NYSE Euronext operates directly affects its results of operations. Its results have been and will continue to be affected by many factors, including the level of trading activity in its markets, which during any period is significantly influenced by general market conditions, broad trends in the brokerage and finance industry, price levels and price volatility, the number and financial health of companies listed on NYSE Euronext s cash markets, changing technology in the financial services industry, legislative and regulatory changes, and competition, among other factors. In particular, in recent years, the business environment has been characterized by increasing competition among U.S. exchanges for trading volumes and listings, the globalization of exchanges, customers and competitors, market participants demand for speed, capacity and reliability, which requires continuing investment in technology, and increasing competition for market data revenues due to the new market data revenue allocation formula required by Regulation NMS.

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Operating Data

NYSE Euronext s revenues are affected by many factors, including the number of companies (both new and continuing) listed on NYSE Euronext s six cash equities markets, corporate actions by these companies (such as stock splits and mergers), trading activity, demand for data processing, and demand for market information. The following tables present selected operating data for the periods presented.

Volume Summary Cash Products

(Unaudited)	Year Ended December 31, 2007	2006	2005
Number of Trading Days - European Markets	255	255	257
Number of Trading Days - U.S. Markets	251	251	252
European Cash Products (trades in thousands)	**322,574**	**219,476**	**162,411**
Equities	309,141	209,494	155,509
Exchange-Traded Funds	1,562	691	347
Structured Products	10,236	7,633	4,660
Bonds	1,635	1,659	1,895
U.S. Cash Products (shares in millions)	**722,573**	**625,106**	**547,115**
NYSE Listed Issues			
NYSE Group Handled Volume [2]	558,400	468,597	421,518
NYSE Group Matched Volume [3]	516,069	458,495	415,078
NYSE Group TRF Volume [4]	15,993		
Total NYSE Listed Consolidated Volume	853,161	635,065	523,505
NYSE Group Share of Total NYSE Listed Consolidated Volume			
Handled Volume [2]	65.5%	73.8%	80.5%
Matched Volume [3]	60.5%	72.2%	79.3%
TRF Volume [4]	1.9%		
NYSE Arca & Amex Listed Issues			
NYSE Group Handled Volume [2]	53,732	31,916	22,491
NYSE Group Matched Volume [3]	46,162	27,808	19,500
NYSE Group TRF Volume [4]	5,715		
Total NYSE Arca & Amex Listed Consolidated Volume	147,166	88,930	70,596
NYSE Group Share of Total NYSE Arca & Amex Listed Consolidated Volume			
Handled Volume [2]	36.5%	35.9%	31.9%
Matched Volume [3]	31.4%	31.3%	27.6%
TRF Volume [4]	3.9%		
Nasdaq Listed Issues			
NYSE Group Handled Volume [2]	110,440	124,593	103,106
NYSE Group Matched Volume [3]	89,844	101,829	82,165
NYSE Group TRF Volume [4]	24,905		
Total Nasdaq Listed Consolidated Volume	545,786	506,144	449,730
NYSE Group Share of Total Nasdaq Listed Consolidated Volume			
Handled Volume [2]	20.2%	24.6%	22.9%
Matched Volume [3]	16.5%	20.1%	18.3%
TRF Volume [4]	4.6%		
ETFs [1, 5]			
NYSE Group Handled Volume [2]	71,409	43,320	27,229

NYSE Group Matched Volume [3]	63,359	39,102	24,293
NYSE Group TRF Volume [4]	7,921		
Total ETF Consolidated Volume	176,735	100,078	73,330
NYSE Group Share of Total ETF Consolidated Volume			
Handled Volume [2]	40.4%	43.3%	37.1%
Matched Volume [3]	35.8%	39.1%	33.1%
TRF Volume [4]	4.5%		

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(1) Includes all volume executed in NYSE Group crossing sessions.

(2) Represents the total number of shares of equity securities and ETFs internally matched on the NYSE Group s exchanges or routed to and executed at an external market center. NYSE Arca routing includes odd-lots.

(3) Represents the total number of shares of equity securities and ETFs executed on the NYSE Group s exchanges.

(4) Represents NYSE s volume in FINRA/NYSE Trade Reporting Facility (TRF).

(5) Data included in previously identified categories.
Source: NYSE Euronext, Options Clearing Corporation and Consolidated Tape as reported for equity securities.

All trading activity is single-counted, except European cash trading which is double counted to include both buys and sells.

Volume Summary Derivatives Products

	Total Volume Year Ended December 31,		
(Unaudited; contracts in thousands)	**2007**	**2006**	**2005**
Number of Trading Days - European Markets	255	255	257
Number of Trading Days - U.S. Markets	251	251	252
European Derivatives Products	**949,022**	**730,303**	**605,858**
Total Interest Rate Products	**517,933**	**412,240**	**347,223**
Short Term Interest Rate Products	489,138	388,994	328,145
Medium and Long Term Interest Rate Products	28,795	23,246	19,078
Total Equity Products [1]	**417,807**	**307,470**	**249,725**
Total Individual Equity Products	261,419	185,068	151,317
Total Equity Index Products	156,388	122,402	98,408
Bclear	122,776	52,799	2,234
Individual Equity Products	100,653	38,523	1,171
Equity Index Products	22,123	14,276	1,062
Commodity Products	**12,784**	**9,851**	**8,499**
Currency Products	**498**	**742**	**411**
U.S. Derivatives Products Equity Options[2]			
NYSE Arca Options Contracts	335,542	196,586	144,780
Total Consolidated Options Contracts	2,592,102	1,844,181	1,369,048
NYSE Group Share of Total	12.9%	10.7%	10.6%

(1) Includes all trading activities for Bclear, Liffe s clearing service for wholesale equity derivatives.

(2) Includes trading in U.S. equity options contracts, not equity-index options.

Source: NYSE Euronext, Options Clearing Corporation and Consolidated Tape as reported for equity securities.

All trading activity is single-counted, except European cash trading which is double counted to include both buys and sells.

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Other Operating Statistics

(Unaudited)	Year Ended December 31, 2007	2006	2005
NYSE Euronext Listed Issuers			
NYSE Listed Issues			
NYSE listed issuers[1]	2,526	2,713	2,672
Number of new issuer listings[1]	282	199	192
Capital raised in connection with new listings ($ millions) [2]	$ 34,231	$ 25,853	$ 21,305
Euronext Listed Issuers			
Euronext listed issuers [1]	1,155	1,210	1,259
Number of new issuer listings [3]	140	142	78
Capital raised in connection with new listings ($ millions) [2]	$ 13,286	$ 26,862	$ 21,438
NYSE Euronext Market Data [4]			
NYSE Market Data [4]			
Share of Tape A revenues (%)	68.1%	83.3%	90.4%
Share of Tape B revenues (%)	34.1%	37.3%	47.4%
Share of Tape C revenues (%)	20.9%	23.7%	21.1%
Professional subscribers (Tape A)	450,619	423,298	413,458
Euronext Market Data			
Number of terminals	219,794	206,989	194,516
NYSE Euronext Operating Expenses			
NYSE Euronext Employee Headcount [5]			
NYSE Euronext headcount excluding GL TRADE	3,083	3,698	4,365
GL TRADE headcount	1,398	1,155	1,083
NYSE Euronext Financial Statistics			
NYSE Euronext foreign exchange rate (/US$)			
Average /US$ exchange rate	$ 1.371	$ 1.256	$ 1.244

(1) Figures for NYSE listed issuers include listed operating companies, closed-end funds, and ETFs, and do not include NYSE Arca or structured products listed on the NYSE. There were 240 ETFs and 16 operating companies exclusively listed on NYSE Arca, Inc. as of December 31, 2007. There were 500 structured products listed on the NYSE as of December 31, 2007.

Figures for Euronext present the operating companies listed on Euronext markets, NYSE Alternext, and Free Market, and do not include closed-end funds, ETFs and structured product (warrants and certificates). At the end of December 2007, 119 companies were listed on NYSE Alternext and 228 ETFs were listed on NextTrack.

(2) Euronext figures show capital raised in millions of euros by operating companies listed on Euronext markets and do not include NYSE Alternext, Free Market and close-end funds, ETFs and structured products (warrants and certificates). NYSE figures show capital raised in millions of USD by operating companies listed on NYSE and NYSE Arca exchanges and do not include closed-end funds, ETFs and structured products.

(3) Euronext figures include operating companies listed on Euronext markets, NYSE Alternext and Free Market and do not include closed-end funds, ETFs and structured products (warrants and certificates).

(4) Tape A represents NYSE listed securities, Tape B represents NYSE Arca and Amex listed securities, and Tape C represents Nasdaq listed securities. Per the SEC s Regulation NMS, as of April 1, 2007, share

of revenues is derived through a formula based on 25% share of trading, 25% share of value traded, and 50% share of quoting, as reported to the consolidated tape. Prior to April 1, 2007, share of revenues for Tapes A and B was derived based on the number of trades reported to the consolidated tape, and share of revenue for Tape C was derived based on an average of share of trades and share of volume reported to the consolidated tape. The consolidated tape refers to the collection and dissemination of market data that multiple markets make available on a consolidated basis. Share figures exclude transactions reported to the FINRA/NYSE Trade Reporting Facility.

(5) NYSE Euronext owns approximately 40% of the common equity of GL TRADE, which is listed separately by Euronext in Paris. NYSE Euronext consolidates the results of GL TRADE. NYSE Euronext headcount, as of December 31, 2006 includes approximately 427 employees that, effective July 30, 2007, were transferred to FINRA and are no longer employees of NYSE Euronext. NYSE Euronext headcount excludes employees of MTS, NYSE Euronext s interest in which was disposed of on September 14, 2007.

Sources of Revenues

Activity Assessment

The NYSE and NYSE Arca, Inc. pay fees to the SEC pursuant to Section 31 of the Exchange Act. These Section 31 fees are designed to recover the costs to the government of supervision and regulation of securities markets and securities professionals. NYSE Group, in turn, collects activity assessment fees from member organizations executing trades on the NYSE and NYSE Arca, and recognizes these amounts when invoiced. Fees received are included in cash at the time of receipt and, as required by law, the amount due to the SEC is remitted semiannually and recorded as an accrued liability until paid. The activity assessment fees are designed so that they are equal to the Section 31 fees. As a result, activity assessment fees and Section 31 fees do not have an impact on NYSE Euronext s net income.

Cash Trading

The NYSE charges transaction fees for executing trades in NYSE-listed equities on the NYSE as well as on orders that are routed to other market centers for execution. Changes to the pricing structure throughout 2006 and 2007 allowed further alignment of transaction revenue with executed volume.

On NYSE Arca, transaction fees are charged to customers for trade execution of equity securities and equity options. NYSE Arca earns transaction fees for (i) customer orders of equity securities matched internally on NYSE Arca, as well as for customer orders routed out to other market centers and (ii) customer orders of equity options traded or cleared through NYSE Arca.

Euronext generates cash trading revenue from fees charged primarily for the execution of trades of equity and debt securities and other cash instruments on Euronext s cash market, which is comprised of the separate cash markets operated in Amsterdam, Brussels, Lisbon and Paris.

For historical reasons relating to Euronext s prior ownership of Clearnet, part of the trading revenue earned in 2007 consists of a commission paid by LCH.Clearnet to Euronext in exchange for the service provided by Euronext in bringing clients to the clearing house. These commissions were invoiced directly by LCH.Clearnet and retroceded to Euronext. As of January 1, 2008, Euronext no longer receives retrocession fees from LCH.Clearnet, and instead Euronext has been collecting such fees, now referred to as exchange fees, directly from its customers since January 1, 2008.

Revenue from cash trading in any given period depends primarily on the number of shares traded on NYSE and NYSE Arca, the number of trades executed on Euronext, and the fees charged for execution. The level of trading activity in any period is significantly influenced by a number of factors. See Factors Affecting Our Results below.

NYSE Euronext s cash trading pricing structures continue to undergo a fundamental examination as part of a broad strategic review of the NYSE Euronext s opportunities for revenue growth and efficiency improvement.

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NYSE Euronext seeks to better capture value for the services it renders by aligning more closely transaction revenue with executed volume, product expansion and new product development. Transaction fees that NYSE Euronext earns in the future could also depend on the outcome of certain regulations and rule changes, such as Regulation NMS and MiFID, which have the potential to impact the competitive environment in which NYSE Euronext operates.

Derivatives Trading

Revenue from derivatives trading consists of fixed per-contract fees for the (i) execution of trades of derivatives contracts on Euronext s derivatives markets in Paris, London, Amsterdam, Brussels and Lisbon and (ii) execution of options contracts traded on NYSE Arca.

Revenues for fixed per-contract fees are driven by the number of trades executed and fees charged per contract. The principal types of derivative contracts traded are equity and index products and short-term interest rate products. Trading in equity products is primarily driven by price volatility in equity markets and indices and trading in short-term interest rate products is primarily driven by volatility resulting from uncertainty over the direction of short-term interest rates. The level of trading activity for all products is also influenced by market conditions and other factors. See also Factors Affecting Our Results.

Liffe s fee structure varies by type of contract and by type of member. With respect to the various contracts available through Liffe, fees are charged as follows:

- Individual equity options: a flat fee per lot is charged in all Liffe business centers, except in Amsterdam (where the fees are capped per trade).
- Individual equity futures: a flat fee per lot is charged for this type of contract, which is available in Lisbon and London.
- Index products: a flat fee per contract is charged for these products, and is capped in Amsterdam per trade above a certain level.
- Bclear: a fee per side is charged for this service, subject to a fee cap per trade. Bclear is one of three services for wholesale equity derivatives that Euronext launched in 2005.
- Interest rate products: a flat fee per lot is charged for these products, which are available in London.
- Commodity products: a flat fee per lot is charged for these products, which are available in London and Paris.

Each Liffe center, except for Lisbon, provides preferred rates to market makers as follows:

- In London, with respect to single equity options, market makers may be categorized as primary market makers (PMMs) or primary liquidity providers (PLPs), both of which receive fee discounts on business they transact in such market making capacity. The discounts are proportional to their quoting performance. For the FTSE 100 Index options contract (ESX), PMMs receive fee discounts that are proportionate to their quoting performances and designated market makers (DMMs) receive fee discounts based on target volumes.
- In Paris, with respect to single equity options, market makers may be categorized as PMMs, PLPs or responding market makers (RMMs) that receive fee discounts on business they transact in their market making capacity. The discounts are proportional to their quoting performance. For the CAC40 options contract, PMMs and RMMs receive fee discounts that are proportional to their quoting performance. A specific regime governs FTSEurofirst futures DMMs.

In Amsterdam, on single equity options and on the AEX Index options, PMMs and competitive market makers (CMMs) pay a liquidity provider fee (0.07 per lot) on the category, or Euronext Class Combination (ECC), in which they make a market.

In Brussels, on single equity options and on the Bel20 Index options, PMMs and CMMs are eligible for a low fee proportional to the premium they are transacting. This fee applies to the category, or ECC, in which they make a market.

In Lisbon and London, single and universal stock futures market makers pay no trading fees and are entitled to benefit from a part of the revenues generated by the contract on which they are making a market.

Currently, pricing for NYSE Arca, Inc. traded options includes, but is not limited to, the following transaction fees:

$0.16 per contract for market makers;

$0.09 per contract for lead market makers; and

$0.50 per contract for electronic broker-dealer transactions.

In addition, the rate schedule for electronic executions in issues subject to the penny pilot program credits trading participants for providing liquidity (i.e., by providing resting orders/quotes) and assesses a per contract fee to trading participants that take liquidity. Credits may be as high as $0.30 per contract and fees may be as high as $0.50 per contract.

Listings

NYSE Euronext operates listing venues through NYSE Group and Euronext.

There are two types of fees applicable to companies listed on the NYSE and NYSE Arca listing fees and annual fees. Listing fees consist of two components: original listing fees and fees related to other corporate-related actions. Original listing fees, subject to a minimum and maximum amount, are based on the number of shares that the company initially lists with the NYSE or NYSE Arca, Inc. Original listing fees, however, are not applicable to companies that transfer to the NYSE or NYSE Arca, Inc. from another listing venue. Other corporate action related fees are paid by listed companies in connection with corporate actions involving the issuance of new shares to be listed on the NYSE or NYSE Arca, Inc., such as stock splits, rights issues, sales of additional securities, as well as mergers and acquisitions, which are subject to a minimum and maximum fee.

Annual fees are charged based on the number of outstanding shares of the listed company at the end of the prior year. Non-U.S. companies pay fees based on the number of listed securities issued or held in the United States. Annual fees are recognized on a pro rata basis over the calendar year. Original fees are recognized as income on a straight-line basis over estimated service periods of 10 years for the NYSE and the Euronext cash equities markets and five years for NYSE Arca. Unamortized balances are recorded as deferred revenue on the consolidated statements of financial condition.

Listing fees for the Euronext subsidiaries comprise admission fees paid by issuers to list securities on the cash market, annual fees paid by companies whose financial instruments are listed on the cash market, and corporate activity and other fees, consisting primarily of fees charged by Euronext Paris for centralizing shares in IPOs and tender offers. Revenues from listing fees relate primarily to the number of shares outstanding.

Euronext has adopted a common set of listing fees for Euronext Paris, Euronext Amsterdam, Euronext Brussels and Euronext Lisbon. Under the harmonized fee book, domestic issuers (i.e., those from France, the Netherlands, Belgium and Portugal) pay admission fees to list their securities based on the market capitalization of the respective issuer. Subsequent listings of securities receive a 50% discount on admission fees. Non-domestic companies are charged admission and annual fees on a similar basis, although they are charged lower maximum admission fees and annual fees. Euronext Paris also charges centralization fees for collecting and allocating retail investor orders in IPOs and tender offers.

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The revenue NYSE Euronext derives from listing fees is primarily dependent on the number and size of new company listings and tender offers. The number and size of new company listings and tender offers in any period depend primarily on factors outside of NYSE Euronext s control, including general economic conditions in Europe and the United States (in particular, stock market conditions) and the success of competing stock exchanges in attracting and retaining listed companies.

Market Data

NYSE Group collects market data fees principally for consortium-based data products and, to a lesser extent, for NYSE proprietary data products. Consortium-based data fees are dictated as part of the securities industry plans. Consortium-based data revenues from the dissemination of market data (net of administrative costs) are distributed to participating markets on the basis of a formula set by the SEC under Regulation NMS. Last sale prices and quotes in NYSE-listed securities are disseminated through Tape A, which constitutes the majority of the NYSE s revenues from consortium-based market data revenues. NYSE Group also receives a share of the revenues from Tape B and Tape C, which represents data related to trading of certain securities that are listed on NYSE Arca, Amex, other regional exchanges and Nasdaq, respectively. These revenues are influenced by demand for the data by professional and nonprofessional subscribers. In addition, NYSE Group receives fees for the display of data on television and for vendor access. NYSE Group proprietary products make market data available to subscribers covering activity that takes place solely on the NYSE and NYSE Arca s markets, independent of activity on other markets. NYSE Group proprietary data products also include the sale of depth of book information, historical price information and corporate action information.

Euronext charges a variety of users, primarily the end-users, for the use of Euronext s real-time market data services. Euronext also collects annual license fees from vendors for the right to distribute Euronext data to third parties and a service fee from vendors for direct connection. A substantial majority of Euronext s market data revenues is derived from monthly end-user fees. Euronext also derives revenues from selling historical and reference data about securities, and by publishing the daily official lists for the Euronext markets. The principal drivers of market data revenues are the number of end-users and the prices for data packages.

Software and Technology Services

Revenue from sales of software primarily consists of (i) license fees received from securities exchanges and other financial institutions for software that Euronext develops internally or licenses and (ii) sales of software and technology by NYSE TransactTools.

Revenues from license fees received from securities exchanges and other financial institutions for software that Euronext develops internally or licenses are generated primarily by GL TRADE. GL TRADE, a subsidiary of Euronext, is a global provider of front- to back-office solutions for international financial institutions on both the buy side and the sell side.

NYSE TransactTools revenues are generated primarily from connectivity services related to the SFTI network, software license and maintenance fees, and strategic consulting services. Customers pay to gain access to SFTI market centers via direct circuit to a SFTI access point or through a third-party service bureau or extranet provider. SFTI revenue typically includes a connection fee and monthly recurring revenue based on a customer s connection bandwidth. Hardware co-location services are also offered at SFTI data centers, and customers typically sign multi-year contracts. Co-location revenue is recognized monthly over the life of the contract. Revenue is also earned from sales of NYSE TransactTools enterprise software platform, which provides low-latency messaging and trade lifecycle management. Software license revenue is recorded at the time of sale, and maintenance contracts are recognized monthly over the life of the maintenance term. Unrealized portions of invoiced maintenance fees are recorded as deferred revenue. Expert consulting services are offered for customization or installation of the software and for general advisory services. Consulting revenue is generally billed in arrears on a time and materials basis, although customers sometimes prepay for blocks of consulting services in bulk. Prepaid consulting revenue is booked as deferred revenue until the services are rendered.

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GL TRADE s revenues are earned mainly from annual subscriptions to its software and technology offerings. Subscriptions generally have an initial term of two years, and are renewed annually absent notice of cancellation. Most subscription contracts are on a calendar year basis and are generally paid in advance. NYSE Euronext records revenues from subscription agreements on a pro rata basis over the life of the subscription agreements, with the unrealized portions of invoiced subscription fees recorded as deferred revenue. Because of the annual nature of subscription agreements, changes in subscription revenues typically lag developments in the markets that GL TRADE serves. Subscription fees include basic service packages. Customers are invoiced separately for GL TRADE s enhanced service packages. A portion of GL TRADE s revenues, principally for its advanced order management offering, are derived from sales of five-year software licenses, which are generally accompanied by annual maintenance and service contracts. The bulk of GL TRADE s revenues from these arrangements are recorded at the time of the license sale, while the maintenance contracts are typically renewed over time and thus generate recurrent revenues. As a result, a major license contract can have a significant impact on GL TRADE s revenues for a given period, which will not necessarily carry forward to the same extent into future periods.

Regulatory

The principal regulatory fees charged to member organizations of NYSE and NYSE Arca include (i) a regulatory fee based on Gross Focus revenues charged to NYSE member organizations (specifically $0.42 per $1,000 of Gross Focus (Financial and Operational Combined Uniform Single Report) revenues generated by member broker-dealers, which are reported on a six-month lag basis), (ii) a fee based on the number of registered representatives charged to NYSE Arca, member organizations and (iii) various regulatory fees charged to specialists and floor brokers on NYSE, and to market makers, order routing firms and other broker-dealers on NYSE Arca.

On July 30, 2007, however, the member firm regulatory functions of NYSE Regulation and related revenues (primarily fees based on Gross Focus revenues) were transferred to FINRA. As a result, effective as of that date and for the remainder of 2007, 75% of the NYSE fee based on Gross Focus revenues will be paid to FINRA. Effective as of January 1, 2008, the NYSE fee based on Gross Focus revenues was reduced to 25% of its level as of December 31, 2007.

Other

Other revenue consists of trading license fees, facilities and other services provided to specialists, brokers and clerks physically located on the NYSE floor that enable them to engage in the purchase and sale of securities on the trading floor, and clearance and settlement activities derived from Euronext businesses.

For fiscal 2007, NYSE Group sold 1,065 trading licenses at an annual price of $50,000 per license, which is payable in equal monthly increments over the course of the year. For fiscal 2008, NYSE Group sold 681 trading licenses at an annual price of $40,000 per license. The NYSE has made available a maximum of 1,366 trading licenses. Holders of trading licenses have the right to cancel their trading license prior to the end of the year.

Components of Expenses

Section 31 Fees

See Sources of Revenue Activity Assessment above.

Liquidity Payments

To enhance the liquidity and promote use of its systems, NYSE Euronet provides liquidity payments on the NYSE, NYSE Arca (equities platform), NYSE Arca (options platform) and Liffe platform.

NYSE

As of September 1, 2007, the NYSE established a system to provide variable payments to specialist firms for providing liquidity, referred to as a Liquidity Provision Payment or LPP. LPPs are based on two revenue sources in NYSE-listed securities (excluding ETFs): (i) the NYSE s share of market data revenue derived from quoting shares and (ii) the NYSE s transaction fee revenue.

Share of Market Data Revenue Derived from Quoting Share

Pursuant to Regulation NMS, the SEC revised the formula for the distribution by the CTA of market data quote revenue in NYSE-listed securities (Tape A) among the various markets (the Revenue Allocation Formula). As revised, the Revenue Allocation Formula established a Quoting Share to reward markets that quote at the NBBO. The LPP is based upon the Quoting Share revenue associated with each security a specialist firm trades.

Transaction Fee Revenue

The NYSE also created a payment pool (the LPP Pool) consisting of its NYSE-listed stock transaction revenue on matched volume (excluding crossing services) in both electronic and manually executed transactions to provide LPPs to the specialist firms. The LPP Pool size was originally set at 25% of the above-noted NYSE transaction revenue and was changed as of October 1, 2007, to 20% per month for each of the last three months of 2007 and 18% per month starting January 2008. The size of the LPP Pool varies month-to-month as NYSE volume changes. Each individual specialist firm is allocated a portion of these revenues based exclusively on its trading performance in any month. A specialist firm s allocation increases if its performance as a liquidity provider improves relative to the other specialist firms. The allocation formula weights specialist liquidity in a given security by a 0.75 exponential calculation and then reweights the resulting number for each security by multiplying it by the percentage representing the NYSE s regular-hours market share in that security. The 0.75 exponential calculation provides additional weighting to less liquid stocks.

NYSE Arca (equities platform)

NYSE Arca pays a fee per share to participants, referred to as liquidity providers, that post buy orders and sell orders on NYSE Arca, when the quote is executed against by liquidity takers purchasing or selling securities internally on NYSE Arca.

NYSE Arca, Inc. (options platform)

NYSE Arca, Inc. as well as other U.S. options markets, implemented the penny pilot program which was approved by the SEC during the first quarter of 2007. NYSE Arca, Inc. pays a fee per contract to participants that post buy orders and sell orders on NYSE Arca, Inc. when the quote is executed against the liquidity takers purchasing or selling options on NYSE Arca, Inc.

Liffe

Liffe operates a number of incentive arrangements. The first type of incentive arrangement reduces or waives transaction fees to incentivize members to trade, but imposes no obligation on the member. These include liquidity provider incentive schemes, strategy rebates, block trades and other volume related discounts. The second type of incentive arrangement involves market making activity by members, whereby the member agrees to undertake market making activity i.e., to enhance market liquidity by offering two way prices. The consideration for undertaking this obligation can be a combination of reductions to or waivers of transaction fees, a contribution to information technology and staff costs incurred in providing the services and/or a share of net transaction fees.

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Routing and Clearing

NYSE Group incurs routing charges when it does not have the best bid or offer in the market for a security that a customer is trying to buy or sell on the NYSE or NYSE Arca. In that case, NYSE Group routes the customer s order to the external market center that displays the best bid or offer. The external market center charges NYSE Group a fee per share (denominated in tenths of a cent per share) for routing to its system. Also, NYSE Arca incurs clearance, brokerage and related transaction expenses, which primarily include costs incurred in self-clearing activities, service fees paid per trade to exchanges for trade execution, and costs incurred due to erroneous trade execution.

Other Operating Expenses

Other Operating Expenses include merger expenses and exit costs, compensation, systems and communications, professional services, depreciation and amortization, occupancy and marketing and other.

Merger Expenses and Exit Costs

Merger expenses and exit costs consist of severance costs and related curtailment losses, depreciation charges triggered by the acceleration of certain fixed asset useful lives, as well as legal and other expenses directly attributable either to the merger between the NYSE and Archipelago or the NYSE Group/Euronext business combination transaction.

Compensation

NYSE Euronext s compensation expense includes employee salaries, incentive compensation (including stock-based compensation) and related benefits expense, including pension, medical, post-retirement medical and supplemental executive retirement plan charges. Part-time help, primarily related to security personnel at the NYSE, is also recorded as part of compensation.

Systems and Communications

NYSE Euronext s systems and communications expense includes (i) costs for development and maintenance of trading, regulatory and administrative systems, (ii) investments in system capacity, reliability and security and (iii) network connection with its customers and its data centers, as well as connectivity to various other market centers.

Systems and communications expense also includes fees paid to third-party providers of networks and information technology resources, including fees for consulting, research and development services, software rental costs and licenses, hardware rental and related fees paid to third-party maintenance providers. For Euronext, such expenses consist primarily of fees charged by AEMS for information technology services relating to the operation and maintenance of Euronext s cash and derivatives trading platforms, including license fees relating to NSC and LIFFE CONNECT®.

Professional Services

NYSE Euronext s professional services expense includes consulting charges related to various technological and operational initiatives, as well as legal and audit fees. NYSE Euronext s historical spending related to professional services consists principally of legal and consulting expenses.

Depreciation and Amortization

This item includes costs from depreciating fixed assets (including computer hardware and capitalized software) and amortizing intangible assets over their estimated useful lives.

Occupancy

Occupancy includes costs related to NYSE Euronext s leased premises, as well as real estate taxes and maintenance of owned premises.

Marketing and Other

Marketing and other expenses includes advertising, printing and promotion expenses, insurance premiums, travel and entertainment expenses as well as other administrative expenses.

Regulatory Fine Income

Regulatory fine income is generated from fines levied by NYSE Regulation, which regulates and monitors trading on the NYSE and NYSE Arca. The frequency with which fines may be levied and their amount will vary based upon the actions of participants on the NYSE and NYSE Arca. Regulatory fines are used for regulatory purposes.

Regulatory fine income will decrease in future periods as a result of the transfer of certain functions previously carried out by NYSE Regulation to FINRA.

Results of Operations

For the year ended December 31, 2007, the results of operations of NYSE Euronext included the results of NYSE Group for the full period and the results of operations of Euronext since April 4, 2007, the date that the combination of NYSE Group and Euronext was consummated. For the comparable period in 2006, the results of operations of NYSE Euronext only included the results of NYSE Group. For the year ended December 31, 2006, the results of operations of NYSE Group included the results of operations of NYSE Arca since March 7, 2006, the date the merger of NYSE and Archipelago was consummated.

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Year Ended December 31, 2007 Versus Year Ended December 31, 2006

The following table sets forth NYSE Euronext s consolidated statements of income for the years ended December 31, 2007 and 2006, as well as the percentage increase or decrease for each consolidated statement of income item for the year ended December 31, 2007, as compared to such item for the year ended December 31, 2006.

(Dollars in Millions)	Year ended December 31, 2007	Year ended December 31, 2006	Percent Increase (Decrease)
Revenues			
Activity assessment	$ 556	$ 673	(17)%
Cash trading	1,575	645	144%
Derivatives trading	661	31	2,032%
Listing	385	356	8%
Market data	371	223	66%
Software and technology services	318	137	132%
Regulatory	152	184	(17)%
Other	140	127	10%
Total revenues	4,158	2,376	75%
Section 31 fees	(556)	(673)	(17)%
Merger expenses and exit costs	(67)	(54)	24%
Compensation	(724)	(558)	30%
Liquidity payments	(729)	(265)	175%
Routing and clearing	(222)	(74)	200%
Systems and communications	(294)	(120)	145%
Professional services	(123)	(110)	12%
Depreciation and amortization	(252)	(136)	85%
Occupancy	(127)	(85)	49%
Marketing and other	(185)	(103)	80%
Regulatory fine income	30	36	(17)%
Operating income	909	234	288%
Interest expense	(129)	(3)	4,200%
Interest and investment income	69	44	57%
Gain on sale of equity investment	33	21	57%
Income from associates	10		%
Other income	29	33	(12)%
Income before income tax provision and minority interest	921	329	180%
Income tax provision	(253)	(121)	109%
Minority interest	(25)	(3)	733%
Net income	$ 643	$ 205	214%

Highlights

For the year ended December 31, 2007, NYSE Euronext reported revenues (excluding activity assessment fees), operating income and net income of $3,602 million, $909 million and $643 million, respectively. This compares to revenues (excluding activity assessment fees), operating income and net income of $1,703 million, $234 million and $205 million, respectively, for the year ended December 31, 2006.

The $1,899 million increase in revenues (excluding activity assessment fees), $675 million increase in operating income and $438 million increase in net income for the period reflect the following principal factors:

Increased revenues Euronext s results of operations were consolidated following the April 4, 2007 combination with NYSE Group and contributed revenues of $1,411 million for the year ended December 31, 2007, which was the primary driver of the period-over-period increase. Higher U.S. trading volumes also contributed to increased revenues, as well as increased liquidity payment and routing and clearing expenses, which partially offset increased revenues for the period.

Increased operating income The period-over-period increase in operating income of $675 million was the result of Euronext s contribution to operating income of $560 million, as well as other revenue growth and overall operating efficiencies as we realize merger synergies.

Increased net income Period-over-period, net income increased $438 million, which was primarily impacted by the consolidation of Euronext, revenue growth and overall operating efficiencies.

Consolidated and Segment Results

Revenues

	Year ended December 31,					
	2007			2006		
(Dollars in millions)	U.S. Operations	European Operations	Total	U.S. Operations	European Operations	Total
Activity assessment	$ 556	$	$ 556	$ 673		$ 673
Cash trading	1,165	410	1,575	645		645
Derivatives trading	86	575	661	31		31
Listing	363	22	385	356		356
Market data	225	146	371	223		223
Other	352	258	610	448		448
Total revenues	$ 2,747	$ 1,411	$ 4,158	$ 2,376		$ 2,376

Cash Trading. For the year ended December 31, 2007, U.S. Operations contributed $1,165 million to NYSE Euronext s cash trading revenues, a $520 million increase as compared to December 31, 2006. The primary drivers of this increase (and their corresponding contributions) were pricing structure changes that were implemented for part of 2006 and for the full period in 2007 on both the NYSE and NYSE Arca (approximately $292 million), increased trading volume (approximately $139 million), and the inclusion of the results of NYSE Arca for the full year 2007 (approximately $89 million). European Operations contributed $410 million in revenues, reflecting the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext, in addition to increased trading volumes due to positive structural trading trends (such as the high frequency of algorithmic trading) and increased market volatility.

Derivatives Trading. For the year ended December 31, 2007, derivatives trading revenues increased by $630 million from the comparable period in 2006 to $661 million, primarily reflecting the impact of Euronext s business subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext as well as increased market volatility resulting in increased trading volumes both in the United States and in Europe. Of the derivatives trading revenue generated for the year ended December 31, 2007, $575 million was generated by NYSE Euronext s European Operations.

Listing. For the year ended December 31, 2007, listing fees were $385 million, an increase of $29 million from the comparable period in 2006, primarily reflecting the impact of Euronext s business subsequent to the April 4, 2007 business combination between NYSE Group and Euronext, and an increase in aggregate shares billed for annual fees by U.S. Operations.

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Market Data. For the year ended December 31, 2007, compared to the year ended December 31, 2006, market data revenue increased $148 million to $371 million, primarily reflecting the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext.

Other. For the year ended December 31, 2007, compared to the year ended December 31, 2006, other revenues increased $162 million, or 36%, to $610 million. European Operations was the primary driver of this increase reflecting the results of Euronext subsequent to the April 4, 2007 combination of the businesses of NYSE Group and Euronext, together with increased software and technology services revenue generated from businesses acquired by GL TRADE. This increase was partially offset by (i) a $32 million decrease in U.S. Operations regulatory revenue as a result of the completion of the sale of the member firm regulatory functions of NYSE Regulation to FINRA in July 2007, (ii) a $37 million decrease in U.S. Operations software and technology services revenue primarily as a result of a reduction in the amount of services provided by SIAC to Amex and DTCC and (iii) a $27 million decrease in U.S. Operations other revenue as a result of the discontinuation of the specialist trading privilege fee in December 2006 and the overall decrease of traders on the NYSE s trading floor.

Expenses

	Year ended December 31,							
	2007				2006			
(Dollars in Millions)	U.S. Operations	European Operations	Corporate and Other	Total	U.S. Operations	European Operations	Corporate and Other	Total
Liquidity payments	$ (626)	$ (103)		$ (729)	$ (265)			$ (265)
Routing and clearing	(222)			(222)	(74)			(74)
Other operating expenses	(1,001)	(746)	(25)	(1,772)	(1,146)		(20)	(1,166)
Regulatory fine income	30			30	36			36

Liquidity Payments. For the year ended December 31, 2007, liquidity payments were $729 million, an increase of $464 million compared to the year ended December 31, 2006. This increase reflects (i) changes in the NYSE s pricing structure implemented during December 2006 that including a fixed monthly specialist rebate (representing approximately $92 million), coupled with increased trading volumes on our U.S. cash markets (representing approximately $205 million), (ii) the implementation on NYSE Arca, Inc. of an industry-wide pilot program for trading designated options contracts in penny increments, which resulted in increased trading volumes on which liquidity payments were made (representing approximately $20 million), (iii) the inclusion of the results of NYSE Arca for the full year 2007 (representing approximately $44 million), (iv) the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext and (v) increased trading volatility in the European derivatives markets.

Routing and Clearing. For the year ended December 31, 2007, routing and clearing fees were $222 million, an increase of $148 million compared to the year ended December 31, 2006. This increase was primarily due to new and increased amount of routing costs incurred as a result of higher trading volume and order flow being routed to other market centers (representing approximately $133 million) and the inclusion of the results of NYSE Arca for the full year 2007 (representing approximately $15 million).

Other Operating Expenses. The components of Other Operating Expenses are merger expenses and exit costs, compensation, systems and communications, professional services, depreciation and amortization, occupancy and marketing and other expenses.

Merger expenses and exit costs. For the year ended December 31, 2007, NYSE Euronext incurred $67 million in merger expenses and exit costs consisting primarily of $25 million in accelerated amortization on certain software and other equipment s useful lives, $16 million in the consolidation of office space, $5 million in connection with workforce reductions, and $21 million in professional and other fees incurred in connection with the combination with Euronext on April 4, 2007 and, to a lesser extent, the acquisition of Archipelago on March 7, 2006.

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Compensation. For the year ended December 31, 2007, compared to the year ended December 31, 2006, compensation increased $166 million, or 30%. European Operations, reflecting the results of Euronext subsequent to the April 4, 2007 combination between the businesses of NYSE Group and Euronext, was the principal driver for the increase. The increase was partially offset by a decrease in U.S. Operations compensation due to (i) staff reductions, including the 427 employees transferred to FINRA in July 2007 and the workforce reduction of approximately 480 employee positions during the fourth quarter of 2006, (ii) the elimination of certain post retirement benefits during 2007 and (iii) the consolidation of certain benefit plans.

Systems and communications. For the year ended December 31, 2007, compared to the year ended December 31, 2006, systems and communications expenses increased $174 million, or 145%, primarily due to European Operations, which reflect the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext, as well as to other business acquisitions in Europe.

Professional Services. For the year ended December 31, 2007, compared to the year ended December 31, 2006, professional services expenses increased $13 million, or 12%. European Operations, reflecting the results of Euronext subsequent to the April 4, 2007 combination between the businesses of NYSE Group and Euronext, contributed to this increase, partially offset by reduced legal fees and the achievement of certain integration synergies in the United States in 2007.

Depreciation and amortization. For the year ended December 31, 2007, compared to the year ended December 31, 2006, depreciation and amortization expense increased $116 million, or 85%. European Operations, reflecting the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext, was the principal driver for the increase reflecting the fair value assigned to intangible assets of Euronext acquired in the combination.

Occupancy. For the year ended December 31, 2007, compared to the year ended December 31, 2006, occupancy increased $42 million, or 49%. European Operations, reflecting the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext, was the driver for the increase. Partially offsetting the inclusion of European Operations, occupancy expenses incurred by U.S. Operations decreased reflecting cost containment initiatives.

Marketing and other. For the year ended December 31, 2007 compared to the year ended December 31, 2006, marketing and other expenses increased $82 million, or 80%, primarily as a result of the impact of European Operations, reflecting the results of Euronext subsequent to the April 4, 2007 business combination transaction between NYSE Group and Euronext.

Regulatory Fine Income

For the year ended December 31, 2007, compared to the year ended December 31, 2006, regulatory fine income decreased $6 million to $30 million reflecting, in part, the impact of the creation of FINRA in July 2007 and the transfer to it of certain regulatory functions of NYSE Regulation. Regulatory fines result from actions taken by NYSE Regulation in its oversight of NYSE and NYSE Arca, Inc. member organizations and, accordingly, may vary period over period. Regulatory fine income will continue to decrease in future periods following the creation of FINRA.

Interest Expense

The significant increase in interest expense is primarily attributable to the debt incurred to fund the cash portion of the consideration paid to Euronext shareholders in April 2007.

Interest and Investment Income

Consolidation of interest and investment income from Euronext and the favorable impact of rising interest rates on cash, cash equivalents and short-term financial investments were the primary factors in the $25 million increase in interest and investment income.

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Gain on Sale of Equity Investment

For the year ended December 31, 2007, NYSE Euronext recorded a $32 million gain on the sale of the member firm regulatory functions of NYSE Regulation to FINRA.

Income from Associates

Income from associates reflects NYSE Euronext pro rata share in earnings of equity method investments, including AEMS, MTS (through its disposition on September 14, 2007) and Powernext.

Other Income

For the year ended December 31, 2007, other income of $29 million primarily reflected the receipt of insurance reimbursements, which may vary period over period.

Minority Interest

For the year ended December 31, 2007, NYSE Euronext recorded minority interest of $25 million primarily representing 2.32% of the Euronext income for the period, which corresponds to the percentage of voting rights that were not tendered during the initial exchange offer period, as well as Euronext s minority interest in GL TRADE. During the comparable period in 2006, NYSE Euronext recorded minority interest until November 1, 2006 when it purchased the one-third ownership stake in SIAC previously held by Amex.

Income Taxes

The consolidated effective tax rate for the year ended December 31, 2007 was 27.4% which reflects foreign earnings taxed at lower rates. Included in the income tax provision for the year ended December 31, 2007 was a deferred tax benefit of $55 million related to an enacted reduction of the corporate tax rate from 30% to 28% in the United Kingdom. For the year ended December 31, 2006, NYSE Euronext s effective rate was 36.7%, lower than the statutory rate primarily as a result of federal and state tax credits.

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Year Ended December 31, 2006 Versus Year Ended December 31, 2005

For the year ended December 31, 2006, the results of operations of NYSE Euronext included the results of NYSE and the results of NYSE Arca following the March 7, 2006 merger with Archipelago. For the year ended December 31, 2005, the results of operations of NYSE Euronext only included the results of NYSE. The following table sets forth NYSE Euronext s consolidated statements of income for the years ended December 31, 2006 and 2005, as well as the percentage increase or decrease for each consolidated statement of income item for the year ended December 31, 2006, as compared to such item for the year ended December 31, 2005.

(Dollars in Millions)	Year ended December 31, 2006	Year ended December 31, 2005	Percent Increase (Decrease)
Revenues			
Activity assessment	$ 673	$ 595	13%
Cash trading	645	146	342%
Derivatives trading	31		
Listing	356	343	4%
Market data	223	178	25%
Software and technology services	137	183	(25)%
Regulatory	184	132	39%
Other	127	56	127%
Total revenues	2,376	1,633	45%
Section 31 fees	(673)	(595)	13%
Merger expenses and exit costs	(54)	(26)	108%
Compensation	(558)	(516)	8%
Liquidity payments	(265)		
Routing and clearing	(74)		
Systems and communications	(120)	(124)	(3)%
Professional services	(110)	(122)	(10)%
Depreciation and amortization	(136)	(103)	32%
Occupancy	(85)	(70)	21%
Marketing and other	(103)	(68)	51%
Regulatory fine income	36	35	3%
Operating income	234	44	432%
Interest expense	(3)	(6)	(50)%
Interest and investment income	44	42	5%
Gain on sale of equity investment	21		
Other income	33	11	200%
Income before income tax provision and minority interest	329	91	262%
Income tax provision	(121)	(48)	152%
Minority interest	(3)	(2)	50%
Net income	$ 205	$ 41	400%

Highlights

For the year ended December 31, 2006, NYSE Euronext reported revenues (excluding activity assessment fees), operating income and net income of $1,703 million, $234 million and $205 million, respectively. This compares to revenues (excluding activity assessment fees), operating income and net income of $1,038 million, $44 million and $41 million, respectively, for the year ended December 31, 2005.

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The $665 million increase in revenues (excluding activity assessment fees), $190 million increase in operating income and $164 million increase in net income for the period reflect the following principal factors:

Increased revenues NYSE Arca results of operations were consolidated from the March 7, 2006 merger with Archipelago and contributed revenues of $594 million (excluding activity assessment fees), which was the primary driver of the period-over-period increase.

Increased operating income The period-over-period increase in operating income of $190 million was the result of NYSE Arca s contribution to operating income of $134 million, as well as other revenue growth and overall operating efficiencies as NYSE Euronext continues to meet its integration goals.

Improved net income Period-over-period, net income increased $164 million including $87 million related to NYSE Arca, due to revenue growth and overall operating efficiencies.

Revenues

	Year ended December 31,					
	2006			2005		
(Dollars in Millions)	**U.S. Operations**	**European Operations**	**Total**	**U.S. Operations**	**European Operations**	**Total**
Activity assessment	$ 673	$	$ 673	$ 595		$ 595
Cash trading	645		645	146		146
Derivatives trading	31		31			
Listing	356		356	343		343
Market data	223		223	178		178
Other	448		448	371		371
Total revenues	$ 2,376	$	$ 2,376	$ 1,633		$ 1,633

Cash trading. For the year ended December 31, 2006, NYSE Euronext s cash trading revenues increased $499 million as compared to December 31, 2005, primarily as a result of NYSE Arca s contribution since the completion of the merger with Archipelago on March 7, 2006.

Derivatives trading. For the year ended December 31, 2006, NYSE Euronext s derivatives trading revenues were $31 million as a result of NYSE Arca s contribution since the completion of the merger with Archipelago on March 7, 2006.

Listing. For the year ended December 31, 2006, listing fees were $356 million, an increase of $13 million from the comparable period in 2005, primarily due to the increase in aggregate shares billed for annual fees (387 billion to 408 billion), as well as new listings of shares during the year.

Market data. For the year ended December 31, 2006, compared to the year ended December 31, 2005, market data revenue increased $45 million, or 25%, primarily from the contribution of NYSE Arca s operations, following the completion of the merger between the NYSE and Archipelago on March 7, 2006.

Other. For the year ended December 31, 2006, other revenues increased $77 million, or 21%, to $448 million. Licensing fees represented $51 million of the increase. NYSE did not generate licensing fees for the year ended December 31, 2005. Also driving the increase was increased specialist trading privilege fees of $11 million as compared to December 31, 2005. As part of a strategic review of our pricing structure, the specialist privilege fee was discontinued in December 2006. Partially offsetting this increase, software and technology services revenue decreased $46 million primarily as a result of a reduction in the amount of services provided by SIAC to Amex and DTCC.

Expenses

	Year ended December 31,							
	2006				2005			
(Dollars in Millions)	U.S. Operations	European Operations	Corporate and Other	Total	U.S. Operations	European Operations	Corporate and Other	Total
Liquidity payments	$ (265)	$	$	$ (265)	$	$	$	$
Routing and clearing	(74)			(74)				
Other operating expenses	(1,146)		(20)	(1,166)	(1,025)		(4)	(1,029)
Regulatory fine income	36			36	35			35

Liquidity Payments. For the year ended December 31, 2006, NYSE Euronext incurred liquidity payments of $265 million. The operations of NYSE Arca represented $256 million with the remaining $9 million reflecting a specialist rebate for NYSE listed stocks implemented effective December 1, 2006. NYSE Euronext did not incur any similar expenses in the comparable period in 2005.

Routing and Clearing. For the year ended December 31, 2006, NYSE Euronext incurred routing and clearing fees of $74 million, including $66 million from the operations of NYSE Arca. NYSE Euronext did not incur any similar expenses in the comparable period in 2005. Additionally, commencing in the fourth quarter of 2005, the NYSE was charged for trades routed out to other exchanges via the Intermarket Trading System.

Other Operating Expenses. The components of Other Operating Expenses are merger expenses and exit costs, compensation, systems and communications, professional services, depreciation and amortization, occupancy and marketing and other.

Merger expenses and exit costs. For the year ended December 31, 2006, NYSE Euronext incurred $54 million in merger expenses and exit costs consisting of (i) $35 million in severance, curtailment losses and related benefits provided in connection with workforce reductions (including approximately 480 employees), (ii) $3 million of depreciation expense related to the acceleration of certain fixed asset useful lives and (iii) $16 million of professional fees and other expenses incurred in connection with both the integration of the Archipelago businesses and the pending combination with Euronext. For the year ended December 31, 2005, NYSE Euronext incurred $26 million in expenses related to the merger with Archipelago.

Compensation. For the year ended December 31, 2006, compared to the year ended December 31, 2005, compensation increased $42 million, or 8%. The employees of NYSE Arca accounted for $44 million of compensation for the year ended December 31, 2006. Additionally, on March 7, 2006, in connection with the completion of the merger between NYSE and Archipelago, a $35 million charge was recorded following the immediate vesting of certain restricted stock units granted to NYSE employees. Excluding the impact of both NYSE Arca s consolidation and stock based compensation charges recorded during the year ended December 31, 2006, compensation decreased by $36 million primarily due to cost savings initiatives. NYSE Euronext did not record any stock based compensation in the same period a year ago.

Systems and communications. For the year ended December 31, 2006, compared to the year ended December 31, 2005, systems and communications decreased $4 million, or 3%. For the year ended December 31, 2006, the operations of NYSE Arca accounted for $20 million of systems and communications expenses. Excluding the operations of NYSE Arca, systems and communications expenses decreased by 19% to $100 million due to structural cost effectiveness efforts.

Professional Services. For the year ended December 31, 2006, compared to the year ended December 31, 2005, professional services decreased $12 million or 10%, despite the operations of NYSE Arca adding $12 million of the $110 million of professional services. The decrease was primarily due to reduced legal fees and the achievement of certain integration synergies.

Depreciation and amortization. For the year ended December 31, 2006, compared to the year ended December 31, 2005, depreciation and amortization increased $33 million, or 32%. The operations of NYSE Arca represented $30 million of the increase following the March 7, 2006 merger with Archipelago. The remaining $3 million increase was associated with recent capital expenditures on technology and infrastructure.

Occupancy. For the year ended December 31, 2006, compared to the year ended December 31, 2005, occupancy costs increased $15 million or 21%, which was primarily the result of the consolidation of NYSE Arca s operations following the completion of the March 7, 2006 merger with Archipelago.

Marketing and other. For the year ended December 31, 2006, compared to the year ended December 31, 2005, marketing and other expenses increased $35 million, or 51%. The operations of NYSE Arca accounted for $16 million of the increase following the March 7, 2006 merger with Archipelago. The remaining $19 million increase was primarily a result of discretionary advertising and promotion activities, as well as higher insurance premiums and additional expenses incurred as a public company.

Regulatory Fine Income. For the year ended December 31, 2006, compared to the year ended December 31, 2005, regulatory fine income increased $1 million to $36 million. Regulatory fines result from actions taken by NYSE Regulation in its oversight of NYSE and NYSE Arca member organizations and, accordingly, may vary period over period. Regulatory fine income will decrease in future periods as a result of the creation of FINRA.

Interest Expense

For the year ended December 31, 2006, interest expense solely represented the financing component of capital leases entered into by NYSE Euronext.

Interest and Investment Income

Interest and investment income increased as result of an increase in the average interest bearing investment portfolio and higher interest rates.

Gain on Sale of Equity Investment

For the year ended December 31, 2006, NYSE Euronext recorded a $21 million gain on the sale of shares of DTCC common stock. The after-tax impact of this gain was included in the cash dividend paid to each former NYSE member in connection with the March 7, 2006 merger of NYSE and Archipelago.

Other Income

For the year ended December 31, 2006, other income of $33 million primarily reflected a one-time payment from certain subsidiaries of DTCC in connection with the termination of certain service agreements, and the receipt of insurance reimbursements. Insurance claims are contingent on various factors and accordingly may vary.

Minority Interest

For the year ended December 31, 2006, NYSE Euronext recorded minority interest until November 1, 2006 when it purchased the one-third ownership stake in SIAC previously held by Amex.

Income Taxes

The consolidated effective tax rate for the year ended December 31, 2006 and 2005 was 36.7% and 53.0%, respectively. The 2005 effective tax rate was significantly higher than the standard rate due to non-deductible expenses for litigation incurred in connection with the Archipelago acquisition. The 2006 effective tax rate was lower than the statutory rate primarily as a result of federal and state tax credits.

Liquidity and Capital Resources

NYSE Euronext s financial policy aims to finance the growth of its business, remunerate stockholders and ensure financial flexibility, while maintaining strong creditworthiness and liquidity. NYSE Euronext s primary sources of liquidity are cash flows from operating activities, current assets and existing bank facilities, and its liquidity requirements are for working capital, capital expenditures and general corporate use.

Cash flows from operating activities

For the year ended December 31, 2007, net cash provided by operating activities was $705 million, representing net income of $643 million, depreciation and amortization of $278 million, partially offset by an increase of $199 million in accounts payable, accrued expenses and Section 31 fees payable and an increase of $75 million in deferred income tax. Capital expenditures for the period were $182 million.

Under the terms of the operating agreement of the NYSE, no regulatory fees, fines or penalties collected by NYSE Regulation may be distributed to NYSE Euronext or any entity other than NYSE Regulation. As a result, the use of regulatory fees, fines and penalties collected by NYSE Regulation may be considered restricted. As of December 31, 2007, NYSE Euronext did not have a significant restricted cash balance.

Liquid funds and financial indebtedness

As of December 31, 2007, NYSE Euronext had approximately $2.7 billion in debt outstanding and $1.4 billion of liquid funds, resulting in $1.3 billion in net indebtedness. Net indebtedness is defined as outstanding debt less liquid funds. Liquid funds are defined as current assets readily convertible into cash (cash and cash equivalents, current investments and securities purchased under agreements to resell) less cash held for payment of Section 31 fees to the SEC.

Liquid funds and net indebtedness were as follows:

	December 31,	
Dollars in millions	**2007**	**2006**
Cash and cash equivalents	$ 964	$ 278
Current investments	559	681
Securities purchased under agreements to resell	9	20
Section 31 fees payable	(169)	(251)
Liquid funds	1,363	728
Short term debt	2,192	
Long term debt	521	
Total debt	2,713	
Net indebtedness	$ 1,350	$ (728)

Liquid funds are managed as a global treasury portfolio of cash equivalents and investments into non-speculative financial instruments, readily convertible into cash, such as overnight deposits, term deposits, money market funds, mutual funds for treasury investments, short duration fixed income investments and other money market instruments, thus ensuring high liquidity of financial assets.

As of December 31, 2007, NYSE Euronext s main debt instruments were as follows:

Dollars in millions	**Principal amount as of December 31, 2007**	**Maturity**
Commercial paper issued under the global commercial paper program	$2,157	From January 2, 2008 until May 2, 2008
Bond in sterling	£250 ($494)	June 16, 2009

Bank loans	36 ($52)	From February 15, 2008 until February 19, 2012

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The £250 million ($494 million) fixed rate bonds were issued in 2004 to refinance the acquisition of Liffe by Euronext and were swapped to floating rate using a fixed-to-floating rate swap. As of December 31, 2007, taking into account this swap, the effective interest rate on the bonds was 6.7%. The bonds mature in June 2009 and do not provide for early redemption.

In April 2007, NYSE Euronext issued dollar and euro-denominated commercial paper under a $3.0 billion global commercial paper program in order to refinance a bridge facility used to fund the cash portion of the consideration offered to Euronext shareholders in the combination. As of December 31, 2007, NYSE Euronext had $2.2 billion of debt outstanding at an average interest rate of 4.7% under this commercial paper program. The interest rate paid by NYSE Euronext on its commercial paper does not materially differ from short term interest rates (Libor U.S. for commercial paper issued in U.S. dollar and Euribor for commercial paper issued in euro). The fluctuation of these short term interest rates due to market conditions may therefore impact the interest expense incurred by NYSE Euronext. The terms of NYSE Euronext s commercial paper program do not contain any financial covenants or material customary provision that could result in early redemption. On April 4, 2007, NYSE Euronext entered into a $3.0 billion syndicated revolving bank facility primarily used as a backstop for the global commercial paper program. This facility is also available for general corporate purposes and includes a $1.0 billion 364-day tranche maturing on April 2, 2008, which we intend to renew, and a $2.0 billion 5-year tranche maturing on April 4, 2012.

On August 4, 2006, prior to the combination with NYSE Group, Euronext entered into a 300 million ($438 million) revolving credit facility available for general corporate purposes, which matures on August 4, 2011. On a combined basis, as of December 31, 2007, NYSE Euronext had two committed bank credit facilities totaling $3.4 billion, with no amount outstanding under any of these facilities. These credit facilities include terms and conditions customary for agreements of this type, which may restrict NYSE Euronext s ability to engage in additional transactions or incur additional indebtedness.

Liquidity risk

NYSE Euronext believes that its creditworthiness provides access to a large range of debt products, including bank facilities and publicly and privately issued long- and short-term debt. As at December 31, 2007, NYSE Euronext s long-term issuer ratings assigned by Standard & Poor s and Moody s were AA and A1, respectively.

Because commercial paper s new issues generally fund the retirement of old issues, NYSE Euronext is exposed to the rollover risk of not being able to issue new commercial paper. Since NYSE Euronext started to issue commercial paper in April 2007, NYSE Euronext has not experienced any difficulty in rolling its U.S. dollar or euro-denominated commercial paper issues. In order to mitigate the rollover risk, NYSE Euronext maintains undrawn backstop bank facilities for an aggregate amount exceeding at any time the amount issued under its commercial paper program. In case it would not be able to issue new commercial paper, NYSE Euronext would immediately draw on these backstop facilities.

NYSE Euronext believes that existing cash balances and financing arrangements, along with future cash flows from operations, are sufficient to meet the anticipated needs of its current operations and its debt obligations for a period of at least twelve months from December 31, 2007. If existing cash balances are insufficient to meet the anticipated needs of its current operations, NYSE Euronext intends to seek additional financing. NYSE Euronext may not be able to obtain additional financing on acceptable terms or at all.

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Summary Disclosures About Contractual Obligations

The table below summarizes the NYSE Euronext s debt and future minimum lease obligations on its operating and capital leases as of December 31, 2007:

Dollars in millions	Payments due by year						
	Total	2008	2009	2010	2011	2012	Thereafter
Debt	$ 2,713	$ 2,192	$ 504	$ 6	$ 6	$ 5	$
Operating lease obligations	522	83	67	56	43	42	231
Capital lease obligations(1)	8	7	1				
Total	$ 3,243	$ 2,282	$ 572	$ 62	$ 49	$ 47	$ 231

(1) The capital lease payments also include interest payable of approximately $1.0 million.

NYSE Euronext also has obligations related to the unrecognized tax positions, deferred compensation and other post-retirement benefits. The date of payment under these obligations cannot be determined. See notes 9, 12 and 14 to the consolidated financial statements.

Critical Accounting Policies and Estimates

The following provides information about NYSE Euronext s critical accounting policies and estimates. Critical accounting policies reflect significant judgments and uncertainties, and potentially produce materially different results, assumptions and conditions.

Revenue Recognition

Listing fees consist of original listing fees paid by issuers to list securities on the various cash markets, annual fees paid by companies whose financial instruments are listed on the cash markets, and fees related to other corporate actions (including stock splits, sales of additional securities and mergers and acquisitions). Original listing fees are assessed primarily based on the number of shares that the issuer initially lists. Original listing fees are recognized on a straight-line basis over estimated service periods ranging from 5 to 10 years. Annual listing fees are recognized on a pro rata basis over the calendar year. Unamortized balances are recorded as deferred revenue on the consolidated statements of financial condition.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable assets of a business acquired. Goodwill is tested at least annually for impairment. An impairment loss is triggered if the estimated fair value of a reporting unit, which is a component one level below NYSE Euronext s two reportable segments, is less than its estimated net book value. Such loss is calculated as the difference between the estimated fair value of goodwill and its carrying value.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. Intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. An impairment loss, calculated as the difference between the estimated fair value and the carrying value of an asset or asset group, is recognized if the sum of the estimated undiscounted cash flows relating to the asset or asset group is less than the corresponding carrying value.

The annual evaluation for impairment of goodwill and indefinite-lived intangibles is based on valuation models that incorporate internal projections of expected future cash flows and operating plans.

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Income Taxes

NYSE Euronext records income taxes using the asset and liability method, under which current and deferred tax liabilities and assets are recorded in accordance with enacted tax laws and rates. Under this method, the amounts of deferred tax liabilities and assets at the end of each period are determined using the tax rate expected to be in effect when the taxes are actually paid or recovered. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not.

Deferred income taxes are provided for the estimated income tax effect of temporary differences between financial and tax bases in assets and liabilities. Deferred tax assets are also provided for certain tax carryforwards. A valuation allowance to reduce deferred tax assets is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

NYSE Euronext is subject to numerous domestic and foreign jurisdictions primarily based on its operations in these jurisdictions. Significant judgment is required in assessing the future tax consequences of events that have been recognized in NYSE Euronext s financial statements or tax returns. Fluctuations in the actual outcome of these future tax consequences could have material impact on NYSE Euronext s financial