

THE TECH EXCHANGE

NYSE Euronext's technology might be its most powerful asset.

BY JEANNE COTRONEO DARROW

THROUGH A SERIES OF ACQUISITIONS and structural shifts, **NYSE EURONEXT** (NYSE: NYX) has formed NYSE Euronext Advanced Trading SolutionsSM, a leader in providing connectivity, market-data management and transaction technologies for trading firms, vendors and financial markets throughout the world, attracting and enabling the free flow of liquidity across asset classes, global geographies and time zones. The new technology unit is poised to boost the exchange group's global customer base.

"We're no longer just a stock exchange; we're an exchange that's embracing technology to the fullest," says NYSE Euronext CEO Duncan Niederauer. "We look forward to providing our customer base with a comprehensive array of commercial technology solutions."

NYSE Euronext Advanced Trading Solutions combines the network and facilities infrastructure of the world's leading markets with the best performing enterprise software and data-management and distribution services to serve the financial industry's growing need for speed, ultra-low latency and efficiency. In doing so, NYSE Euronext is embracing the role of neutral technology provider, formalizing its tech offerings and developing a shared technology footprint among exchanges worldwide. And with its new consulting services capabilities, customers will benefit from the delivery of technology and expertise to new markets.

"One of our main initiatives is normalizing our multiple platforms into one. Doing so will produce not only cost savings and efficiencies but also a next-generation market-execution platform for customers," explains Sam Johnson, co-head of NYSE Euronext Advanced Trading Solutions. "And the platform's technology is interesting to other world markets, market participants, vendors and customers."

THE NEW DIVISION WILL SERVE THE FINANCIAL INDUSTRY'S GROWING NEED FOR SPEED, ULTRA-LOW LATENCY AND EFFICIENCY.

The new unit is a combination of three businesses: SFTI[®] (Secure Financial Transaction Infrastructure), one of the world's most reliable financial networks, built by NYSE post-9/11; TransactTools, an independent vendor of enterprise software for transactional connectivity and messaging that was acquired by NYSE Group in January 2007; and Wombat Financial Software, an independent vendor of software for high-performance market-data management and distribution. With offices across the U.S., Europe, Japan and Singapore, NYSE Euronext Advanced Trading Solutions currently powers the trading operations of hundreds of global financial institutions, including 17 of the world's 20 largest securities firms.

"We combine the highest-performing enterprise software for financial connectivity [NYSE TransactTools] with market-leading data management and distribution [Wombat] and the network and facilities infrastructure of the world's leading markets [SFTI]," says Larry Leibowitz, group executive vice president and head of U.S. Execution and Global Technology. "Together, the three components provide end-to-end infrastructure for our customers."

Before NYSE Euronext acquired it in 2007, NYSE TransactTools was a developer of connectivity platforms and transaction-management tools. It is the industry's only comprehensive software architecture that provides high-performance, enterprisewide end-to-end control over transactional information moving between systems and across networks. Its global trading platform improves liquidity and reduces risk, allowing firms to access liquidity globally through a single platform.

Belfast-based Wombat, which was founded in 1997 and acquired this year, specializes in the development of market-data software solutions for global financial markets. Wombat's products are used to transmit stock exchange data to financial institutions at high speeds so that trading decisions can be made quickly. NYSE Euronext recently announced a £3 million (\$6 million) expansion that will bring total employment at Wombat's development center in Belfast to 200 by 2010.

NYSE Euronext Advanced Trading Solutions Co-Head Danny Moore says NYSE Euronext's acquisition of Wombat illustrates the Exchange's commitment to building a new business and recognizes the importance of the customers who trade there: "Those customers are a unique and valuable asset, and this is about building

high-quality products and services to help them trade more effectively.”

NETWORK INFRASTRUCTURE

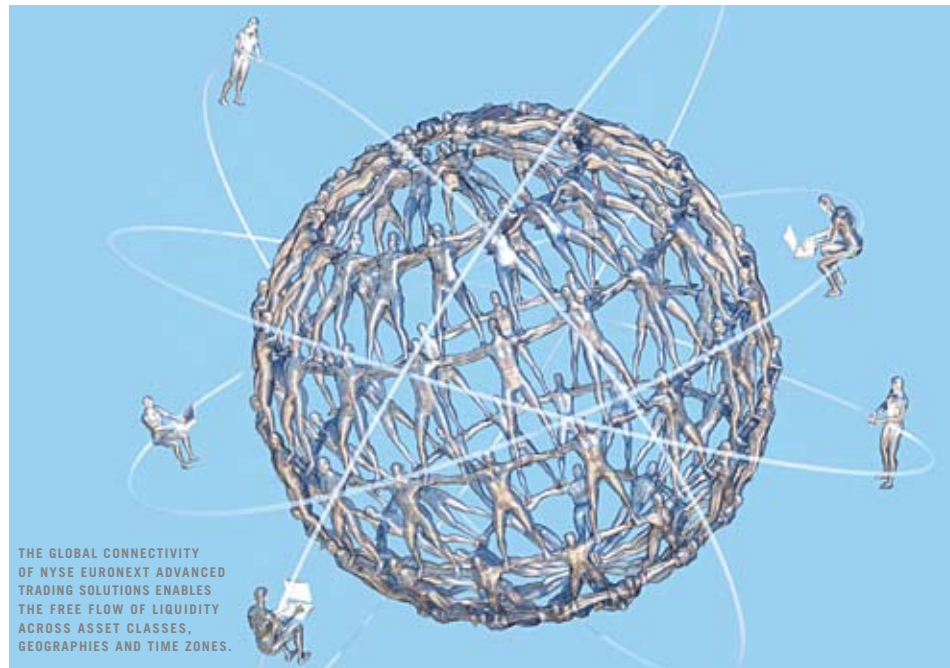
SFTI is NYSE Euronext’s ultra-low-latency resilient communications infrastructure created for the financial industry in 2002 (after the 9/11 attacks interrupted connectivity on Wall Street). It offers more than 1,300 market participants connectivity to multiple exchanges, market centers and content-services providers, including every National Market System market in the U.S. SFTI connects all U.S. brokers, exchanges and ECNs. NYSE Euronext is deploying this technology across all of its U.S. and European markets and is actively expanding into Latin America, Asia and the Middle East.

“Yesterday, SFTI was a U.S.-based physical network,” says Johnson. “Tomorrow it will be a global platform of network services that will allow a customer connected in, say, New York to access through a single connection markets in Brazil, Asia, Europe — or any liquidity in the world, regardless of product or geography or market.”

NYSE Euronext also has decided to in-source its European trading and IT operations, which “gives us control of our core platforms and greatly enhances our global exchange technology business,” says Leibowitz. Adds Johnson: “If we and our partner markets can operate on the same platform, it’s great for our customers.”

GLOBAL TECH SERVICES

The new offerings are receiving recognition worldwide. A number of markets are deploying the technology, having selected NYSE Euronext after rigorous evaluation of several competitive providers. For example, NYSE Euronext was chosen as the technology provider by the State of Qatar and the Doha Securities Market for the cash equities and derivatives markets; signed a deal to jointly develop a trading platform, including options, for the Abu Dhabi Securities Market; and developed with Bursa Malaysia a direct-access trading platform for the Malaysian



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derivatives market. In addition, the Tokyo Stock Exchange Inc. (TSE) announced the introduction of Tdex+, a new trading system for its options market to be based on NYSE Euronext technology and services. “NYSE Euronext’s technical and operational expertise in various markets, such as the capital and derivatives mar-

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— SAM JOHNSON, CO-HEAD, NYSE EURONEXT
ADVANCED TRADING SOLUTIONS

kets, within multiple localities in Europe and the U.S. is of indispensable value to us,” says TSE President and CEO Atsushi Saito.

As these global projects move forward, NYSE Euronext is bringing its different trading platforms together onto one “universal platform.” This system simplification will allow any customers from any country to enter orders into the NYSE Euronext network. The transatlantic platform for cash products is expected to launch in December and derivatives in mid-2009.

Looking ahead, Moore sees tremendous opportunities in the rapidly moving electronic trading business, which he says has become a disproportionately large part of the overall IT industry. “Our solutions for customers will enable them to plug in and get everything they need without having to run infrastructures themselves,” he says. “Our scalable development capability has the goal of having a major impact on the sector over the next few years.”

Adds Johnson: “Ultimately, the product suite will be a network of technology services that is open, neutral and spans the globe connecting all the liquidity that the world wants to reach. Participants will have an easy way to get to it, and third parties will have a ready-made community to plug into to offer value-added solutions around accessing that liquidity. It’s about making it easier and less expensive for customers to trade wherever they want to trade.”

This article includes information that may constitute “forward-looking statements,” as it is based on current expectations and assumptions that are subject to risks and uncertainties. Please refer to the complete text of the Cautionary Note on page 3 for further information on factors that could cause actual results to differ materially from forward-looking statements.