



CEOs AND OTHER LEADERS FROM THE EXCHANGE COMMUNITY JOIN JOHN THAIN IN A REMOTE RINGING OF THE OPENING BELL FROM THE WORLD ECONOMIC FORUM ANNUAL MEETING IN DAVOS, SWITZERLAND.

“We’re looking at an expanded product base, an earlier start to the trading day and whether the NYSE should become a for-profit entity.”

Whether it’s in medicine or manufacturing, technology or telecommunications, entertainment or energy, retail or recycling, this issue makes clear the abundant entrepreneurial spirit that’s moving enterprises and industries forward. From the cover story on Matsushita and Kunio Nakamura to the Q&A with Bruce Karatz of KB Home, leaders among the Exchange community offer their diverse visions and strategies for innovation and effective leadership.

In the feature on page 30, for example, several CEOs describe their journeys from entrepreneur to head of a public company. Making that leap takes vision and commitment. We see it every day, as companies from around the world choose the Exchange as their IPO market. The NYSE consistently raises more than 90 percent of qualified IPO proceeds. The story on page 36 illustrates the strength of the 2004 IPO market and reveals many of the reasons why the Exchange has become the IPO market of choice for companies that meet our standards.

The Exchange is proud of the range of growth companies among its ranks, the market leaders it attracts from every industry, and the profound impact each is having on people’s lives. For example, the special report beginning on page 20 reveals the leading role of NYSE companies in the fight against cancer. The growth in our knowledge, treatment and prevention of this devastating disease has been inspiring. We look forward to continued advances and innovations that will bring hope for an eventual cure.

At this year’s World Economic Forum in Davos, Switzerland, it was an honor to collaborate with so many leaders from business, politics and society, all deeply committed to global corporate citizenship, and to addressing the world’s biggest challenges — from the deadliest diseases and disasters, to peace and political stability, to free trade and sustainable development.

Still, as corporate leaders we must maintain our commitment to providing the highest quality products and services for our customers. At the Exchange, we’re constantly looking at our business model to ensure that we continue to deliver innovative ideas that will better serve investors and issuers. For example, we’re looking at opportunities to expand our product base, including ETFs and fixed-income products. We’re also discussing the possibility of an earlier start to the trading day. We will solicit feedback on the concept from all our constituents and weigh the pros and cons before making a decision.

We’re also carefully measuring the pros and cons of whether the NYSE should change from a not-for-profit to a for-profit entity. We expect a preliminary report of the working group of constituent representatives to be presented to our membership in April. Any change to the NYSE’s structure would require the approval of the Exchange board, our membership and the SEC.

As the SEC considers proposed market structure reforms, we’re pleased with the responses from the Exchange community. I’d like to thank the members, floor brokers, specialists, listed companies, members of Congress, investors and others for the more than 1,200 comment letters submitted to the SEC in support of our position on Regulation NMS.

Meanwhile, we’re progressing with building our hybrid market, which will be implemented in stages beginning later this year. As the NYSE continues to make progress on these and other fronts, we welcome your feedback as we strive to serve you better.

Sincerely,