

THROUGH THE FIRST QUARTER of 2007, NYSE Group continued our successful evolution, building on the extraordinary events of 2006. From revamping our transaction pricing to implementing the NYSE Hybrid Market to launching our new options platform, we're executing against an ambitious set of objectives and a global growth strategy. Our minority stake in the National Stock Exchange, India's largest financial marketplace, and strategic alliance with the Tokyo Stock Exchange, both announced this year, are important components of that worldwide strategy. We will continue to improve our business model as we complete the Euronext transaction by the end of this quarter, creating the first truly global exchange group.

To help us deliver on our strategy, we're pleased to welcome Duncan Niederauer as president and co-chief operating officer, responsible for U.S. cash equities operations. Formerly a managing director of Goldman Sachs, Duncan has extensive knowledge of U.S. and international financial markets and will greatly serve our organization and all of our constituents.

Our global, multi-asset-class offerings continue to attract investors and issuers alike. Among the 206 issuers to join the NYSE Group markets last year were Red Hat, the subject of our cover story and one of 13 transfers from Nasdaq, and Germany's Qimonda, featured on page 26, one of 29 non-U.S. listings last year. The largest capital-raising transaction of 2006 at \$2.6 billion was one of 19 new closed-end funds (CEFs), an increasingly popular product for investors looking for income and diversification. As the story on page 42 reveals, the CEF market continues to innovate and expand, with record-breaking CEF IPOs in February 2007.

As this edition of *nyse magazine* makes clear, what these issuers — and all NYSE companies for that matter — have in common is their ability to drive growth by innovating. Our Special Report on innovation examines cutting-edge cultures that foster creativity and some of the latest product breakthroughs that result.

Sometimes the ability to drive growth requires a complete corporate turnaround. In the CEO roundtable on page 32 and the CEO Forum that immediately follows, several leaders discuss their reinvention strategies as they faced the need to redefine their business models.

Leaders of NYSE companies also help to shape public policy and our regulatory environment. Page 7 features excerpts from a discussion with Public Company Accounting Oversight Board Chairman Mark Olson following a roundtable discussion with CFOs in which he expressed his desire to bring balance to the costs of complying with Section 404 of Sarbanes-Oxley.

As we enter the next phase of our own reinvention, we thank our shareholders and all market participants for your continued support. In the months ahead, you can expect a stronger, more efficient and more innovative marketplace creating opportunities to better serve you.

Sincerely,




GEORGE W. BUSH BECAME THE SECOND SITTING PRESIDENT TO VISIT THE NYSE DURING THE TRADING DAY (RONALD REAGAN WAS THE FIRST) ON JANUARY 31, THE SAME DAY JOHN THAIN AND TOKYO STOCK EXCHANGE PRESIDENT AND CEO TAIZO NISHIMURO (BELOW) SIGNED A LETTER OF INTENT AGREEING TO EXPLORE JOINT OPPORTUNITIES IN TRADING TECHNOLOGY, INVESTOR AND ISSUER SERVICES, INVESTMENT PRODUCTS AND GOVERNANCE AND REGULATION.



**“WE’RE EXECUTING AGAINST AN AMBITIOUS SET OF OBJECTIVES AND A GLOBAL GROWTH STRATEGY.”**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**  
Certain statements in this article may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on NYSE Group's current expectations and involve risks and uncertainties that could cause NYSE Group's actual results to differ materially from those set forth in the statements. There can be no assurance that such expectations will prove to be correct. Actual results may

differ materially from those expressed or implied in the forward-looking statements. Factors that could cause NYSE Group's results to differ materially from current expectations include, but are not limited to: NYSE Group's ability to implement its strategic initiatives; economic, political and market conditions and fluctuations; government and industry regulation; interest-rate risk and U.S. and global competition; and other factors detailed in NYSE Group's Annual Report on Form 10-K and other periodic reports

filed with the U.S. Securities and Exchange Commission. In addition, these statements are based on a number of assumptions that are subject to change. Accordingly, actual results may be materially higher or lower than those projected. The inclusion of such projections herein should not be regarded as a representation by NYSE Group that the projections will prove to be correct. We undertake no obligation to release any revisions to any forward-looking statements.