

NYSE Euronext
Form SC14D9C
May 06, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-9
SOLICITATION/RECOMMENDATION STATEMENT
UNDER SECTION 14(d)(4) OF THE SECURITIES EXCHANGE ACT OF 1934

NYSE EURONEXT

(Name of Subject Company)

NYSE EURONEXT

(Name of Person Filing Statement)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

629491101

(CUSIP Number of Class of Securities)

Edgar Filing: NYSE Euronext - Form SC14D9C

John K. Halvey

Group Executive Vice President and General Counsel

NYSE Euronext

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New York, New York 10005

(212) 656-3000

(Name, address and telephone numbers of person authorized to receive
notices and communications on behalf of the persons filing statement)

With copies to:

David C. Karp

David K. Lam

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

(212) 403-1000

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

NYSE Euronext Management Update
May 5, 2011
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2
Legal Disclaimer
Cautionary Note Regarding Forward-Looking Statements
This
presentation
may
contain

forward-looking
statements,
including
forward-looking
statements
within
the
meaning
of
the
Private
Securities
Litigation
Reform
Act
of
1995.
Such
forward-looking
statements
include,
but
are
not
limited
to,
statements
concerning
NYSE
Euronext's
plans,
objectives,
expectations
and
intentions
and
other
statements
that
are
not
historical
or
current
facts.
Forward-looking
statements
are
based
on

NYSE
Euronext's
current
expectations
and
involve
risks
and
uncertainties
that
could
cause
actual
results
to
differ
materially
from
those
expressed
or
implied
in
such
forward-looking
statements.
Factors
that
could
cause
NYSE
Euronext's
results
to
differ
materially
from
current
expectations
include,
but
are
not
limited
to:
NYSE
Euronext'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
Euronext's
reference
document
for
2010
("document
de
référence")
filed
with
the
French
Autorité
des
Marchés
Financiers
(Filed
on
April
19,
2011
under

No.
D.11-0333),
2010
Annual
Report
on
Form
10-K
and
other
periodic
reports
filed
with
the
U.S.
Securities
and
Exchange
Commission
or
the
French
Autorité
des
Marchés
Financiers.
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
Euronext
that
the
projections
will
prove
to
be
correct.
This
presentation
speaks
only
as
of
this
date.
NYSE
Euronext
disclaims
any
duty
to
update
the
information
herein.
To
supplement
NYSE

Euronext's consolidated financial statements prepared in accordance with GAAP and to better reflect period-over-period comparisons, NYSE Euronext uses non-GAAP financial measures of performance, financial position, or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure, calculated and presented

in
accordance
with
GAAP.
Non-GAAP
financial
measures
do
not
replace
and
are
not
superior
to
the
presentation
of
GAAP
financial
results,
but
are
provided
to
(i)
present
the
effects
of
certain
merger
expenses,
exit
costs
and
other
special
items,
and
(ii)
improve
overall
understanding
of
NYSE
Euronext's
current
financial
performance

and
its
prospects
for
the
future.
Specifically,
NYSE
Euronext
believes
the
non-GAAP
financial
results
provide
useful
information
to
both
management
and
investors
regarding
certain
additional
financial
and
business
trends
relating
to
financial
condition
and
operating
results.
In
addition,
management
uses
these
measures
for
reviewing
financial
results
and
evaluating
financial
performance.

The non-GAAP adjustments for all periods presented are based upon information and assumptions available as of the date of this release. See NYSE Euronext's earnings release dated April 28, 2011 for a reconciliation of non-GAAP financial measures to GAAP measures.

Safe Harbour Statement
NYSE
Euronext
will
file
a
Solicitation/Recommendation

Statement
on
Schedule
14D-9
in
the
event
that
Nasdaq
OMX
Group,
Inc.
and/or
IntercontinentalExchange
Inc.
commences
a
tender
offer
for
the
outstanding
shares
of
NYSE
Euronext
common
stock.
NYSE
Euronext
stockholders
are
strongly
encouraged
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Solicitation/Recommendation
Statement
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Stockholders
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Statement,
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or
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at
www.sec.gov.
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NYSE
Euronext's
website
at
www.nyse.com.

In
connection
with
the
proposed
business
combination
transaction
between
NYSE
Euronext
and
Deutsche
Boerse
AG,
Alpha
Beta
Netherlands
Holding
N.V.
(Holding),
a
newly
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and
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SEC
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on
May
3,
2011,
a
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Statement
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U.S.
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and
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Commission
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Financial
Supervisory
Authority
(Bundesanstalt
für
Finanzdienstleistungsaufsicht)
(BaFin),
which
was

approved
by
the
BaFin
for
publication
pursuant
to
the
German
Takeover
Act
(Wertpapiererwerbs-und
Übernahmegesetz)
on
May
2,
2011,
and
was
published
on
May
4,
2011.
Investors
and
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urged
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www.sec.gov.
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accessing
NYSE
Euronext's
Web
site
at
www.nyse.com.
The
offer
document
is
available
at
Holding's
Web
site
at
www.global-exchange-operator.com.
This
document
is
neither
an
offer
to
purchase
nor
a
solicitation
of
an
offer
to

sell
shares
of
Holding,
Deutsche
Boerse
AG
or
NYSE
Euronext.
The
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terms
and
further
provisions
regarding
the
public
offer
are
disclosed
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No
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Securities
Act
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1933,
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and
applicable
European
regulations.
Subject
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or
certain
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any
jurisdiction
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or
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(including
without
limitation,
facsimile
transmission,
telephone
and
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internet)
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or
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commerce,
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jurisdiction.
This
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and
related
materials
do
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constitute
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offer
for
ordinary
shares
in
Holding.
The
relevant
final
terms
of
the
proposed
business
combination
transaction
will
be
disclosed
in
the
information
documents
reviewed
by
the
competent
European
market
authorities.

Participants
in
the
Solicitation
NYSE
Euronext,
Deutsche
Boerse
AG,
Holding
and
their
respective
directors
and
executive
officers
and
other
members
of
management
and
employees
may
be
deemed
to
be
participants
in
the
solicitation
of
proxies
from
NYSE
Euronext
stockholders
in
respect
of
the
proposed
business
combination
transaction.
Additional
information
regarding

the
interests
of
such
potential
participants
will
be
included
in
the
definitive
proxy
statement/prospectus
and
the
other
relevant
documents
filed
with
the
SEC
when
they
become
available.
Forward-Looking
Statements
This
document
includes
forward-looking
statements
about
NYSE
Euronext,
Deutsche
Boerse
AG,
Holding,
the
enlarged
group
and
other
persons,
which
may
include

statements
about
the
proposed
business
combination,
the
likelihood
that
such
transaction
could
be
consummated,
the
effects
of
any
transaction
on
the
businesses
of
NYSE
Euronext
or
Deutsche
Boerse
AG,
and
other
statements
that
are
not
historical
facts.
By
their
nature,
forward-looking
statements
involve
risks
and
uncertainties
because
they
relate
to

events
and
depend
on
circumstances
that
may
or
may
not
occur
in
the
future.
Forward-looking
statements
are
not
guarantees
of
future
performance
and
actual
results
of
operations,
financial
condition
and
liquidity,
and
the
development
of
the
industries
in
which
NYSE
Euronext
and
Deutsche
Boerse
AG
operate
may
differ
materially
from

those
made
in
or
suggested
by
the
forward-looking
statements
contained
in
this
document.

Any
forward-looking
statements
speak
only
as
at
the
date
of
this
document.

Except
as
required
by
applicable
law,
none
of
NYSE
Euronext,
Deutsche
Boerse
AG
or
Holding
undertakes
any
obligation
to
update
or
revise
publicly
any
forward-looking

statement,
whether
as
a
result
of
new
information,
future
events
or
otherwise.
3
Legal Disclaimer
3

Deutsche Börse Merger
Accelerating Current Strategy

5
Strong Execution Against Our Strategy to Deliver Customer Solutions
NYSE
NYSE
Amex
NYSE
Arca

Euronext
NYSE
Arca
NYSE
Liffe
NYSE
Amex
NYSE
Liffe U.S.
Market
Data
Transaction
Services
Infra-
structure
Derivatives
Cash Trading and Listings
Information
Services and
Technology Solutions
1 in global IPOs in 1Q11
Over 90% market share of U.S.
proceeds raised
Superior customer service leading to 2
companies transferring from Nasdaq
with 2 additional transfers announced,
building on 14 transfers in 2010
Harmonization of trading infrastructure
Implementation of major global
datacenter projects
Successful launch of NYSE Liffe U.S.
and NYPC
Market share of approximately 2-3%
of Eurodollars
Open interest growing
Breadth of client activity continues to
expand with strong pipeline of
meaningful market participants
Successful launch of MTF
for Goldman Sachs; hosted
and managed by NYSE
Technologies
Migration to Mahwah for
NYSE Arca
1st major Infrastructure-as-
a-Service
deal signed with
tier 1 financial services firm

6
Our Strategy: Build a Capital Markets Community
Drives the evolution of the exchange
industry
Leverages leading position in the global
capital markets to bolster service
offerings

Creates the hub that brings together a capital markets community to facilitate and drive innovation

Generates value for NYX shareholders through operating leverage and new revenue opportunities

Reduces risk and dependency upon cyclical markets; enhances competitive position

Minimal Presence

Some Presence

Strong Presence

NYX Current Portfolio

Corporate

Listings

& Product

Creation

Market Data

Clearing

Settlement

and

Custody

State-of-the-

Art Trading

Infrastructure

Global

Client

Base

Powerful

Sell-Side

Customers

Information

Services

Capital

Efficiency

Collateral

Management

Co-Lo

Global

Connectivity

Networks

Partnerships

in New

Markets

Asset Servicing

Risk

Management

Analytics

Index

Business

Services for
Issuer
Community
Infra-
Structure
Services
Global
Exchange
Links
6
Markets

7

Combination With Deutsche Börse Accelerates Current Strategy

Product suite and footprint highly
complementary

Unites leading venues for risk management
and capital raising

Largest global derivatives platform and
largest capital raising venue

Product innovation and capital savings for trading clients
Pre-eminent market infrastructure facilitating 24 hour access to trading, information and settlement
Robust strategic and financial optionality given strong balance sheet
Considerable scope for cost synergies and incremental revenue opportunities to drive shareholder value
Enhanced opportunities and cost savings for clients
Opportunity to unlock value at Deutsche Börse
Leading franchises in every segment should command premium valuation
Post-Merger
Strong Presence
Corporate Listings
&
Product Creation
Market Data
Clearing
Settlement
and
Custody
State-of-the-Art Trading Infrastructure
Global Client Base
Powerful Sell-Side Customers
Information Services
Capital Efficiency
Collateral Management
Co-Lo
Global Connectivity
Networks
Partnerships
in New Markets
Asset Servicing
Risk

Management
Analytics
Index
Business
Services for
Issuer
Community
Infra-
Structure
Services
Global
Exchange
Links
Markets

8

30%

70%

Notes:

1. Based on /\$ exchange rate of 1.33.

2. Pro Forma calculation allocates the NYX Corporate/Eliminations segment operating loss based on the relative revenue contr

Pro

Forma

NYSE

/

Deutsche

Börse

2010

Net

Revenue

and

EBITDA

U.S.

Non-U.S.

Product Suite and Geographic Footprint Highly Complementary

Geographic Breakdown

Net Revenue

1

: \$5.4 billion

Product Breakdown

29%

37%

20%

14%

27%

17%

11%

45%

Cash Trading

& Listings

Derivatives

Settlement &

Custody

Market Data &

Technology

Net Revenue

1

: \$5.4 billion

Cash Trading &

Listings

Derivatives

Market Data &

Technology

Settlement &

Custody

EBITDA

1 2

: \$2.6 billion

8

9

Note:

1. Source: Futures Industry, Annual Volume Survey 2010. Does not include OTC transactions. ICE included for comparative purposes.

Leading Risk Management and Capital Raising Markets

Derivatives

2010 Europe Cash Trading Market Share

22%

24%

6%

9%

28%

11%

NYX + DB1

Complementary equity index and interest rate derivatives
migrated to common trading and clearing infrastructure

Product innovation

~\$3 billion in capital efficiencies for clients

Operational efficiencies for customers

Most diversified derivatives exchange in the world

Potential for new market penetration

Attractive partner for OTC market

Cash and Listings

Largest and only regulated exchange pan-EU trading
platform covering almost 2/3 of Eurozone GDP

Integrated order book and single clearing system reduces
costs and increases liquidity for EU clients

Increased trading opportunities vs. Pan-EU equity
derivatives platform

Continued global leadership in capital raising with
enhanced profile for listed issuers

BATS + Chi-X

BME (Spain)

Other

Nasdaq OMX

LSE + Borsa Italiana

4.8

3.7

3.1

1.6

1.4

1.1

1.1

1.1

0.3

NYX +

DB1

Korea

Ex.

CME

NSE

BMFB

CBOE

NDAQ

MCEI

ICE

2010 Total Volumes

Global Derivatives Exchanges

Ranked by Futures and Options Traded and/or Cleared

1

(in billions)

1

2

3

4

5

6

7

8

13

Rank

9

Integration and Closing Processes Crossing Key Milestones

Integration teams identified and project offices established

Further validation and quantification of synergies

Accelerated timeline of run rate expense synergies

Increasingly detailed roadmap for synergy

realization

Position mapping and relationship building

ongoing at senior management level

Developing strategy for IT infrastructure and development

Conversations with over 100 policymakers

Meetings with key government, regulatory and financial constituents in Paris, London,

Brussels, Amsterdam and Lisbon

Initial meeting and filing with DOJ

4 College of Regulators meetings with others scheduled

Initial meeting with the Committee on Foreign Investment in the U.S. (CFIUS)

Publicly

filed

F-4

with

SEC

on

April

6

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May

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Draft

BaFin

filings

submitted

April

12

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21

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Draft Competition filing submitted to European Commission with pre-notification discussions

ongoing

we intend to formally file the EU

notification by mid-June

Integration Planning
Regulatory Process
10

Listings Update

12

Key Highlights

Core Listings Franchise

Strong commitment to the NYSE and AMEX listing platforms

Core contributors to the firm's value

DMM/Market model key differentiator in a highly fragmented and competitive landscape

Focus on investment in new services, high customer service, community, and advocacy

Capital Markets

IPO pipeline remains robust and broad-based across industries, geographies, PE and VC backed

NYSE Euronext ranked #1 globally in 1Q11 for IPOs and Follow-on offerings

Strong 1Q11 NYSE momentum for IPOs listing in the U.S. with 92% of all proceeds and the 10 largest IPOs all listing on our platform

Notable 1Q11 listings include: Adecoagro, BankUnited, IMAX, Kinder Morgan, Nielsen, and Qihoo

LinkedIn publicly announced its intention to list on the NYSE

Evolution of Trading

Trading world has evolved driven by competition, technology, fragmentation, regulation, HFT/Algos/Dark pools, speed and capacity

Issuers are required to piece together a mosaic of data points across markets and products

Requires NYSE to redefine/evolve our relationship with issuers in a dynamically changing world

NYSE

has

and

will

continue

to

significantly

invest

and

offer

a

robust

suite

of

products

and

services

to

meet

the

needs of our customers

NYSE -
Global Leadership in IPOs and Follow-on Offerings
13

NYSE
Strong Momentum for U.S. Listed IPOs
14

NYSE -
Favorable Transfer Momentum
15

Evolution of U.S. Cash Equities

Fragmentation and electronification has reduced visibility into trading

13 exchanges, 30+ ATSS, 200 BD trade desks, 31% dark pools/internalization

Clearing

interoperability

in

U.S.

equities
(DTCC)

creates

fierce

competition

Reg NMS in 2007: Route to best prices to protect top-of-book for electronic markets

Algorithms estimated 40% of buy-side volume, HFT 60%-70% of volume (TABB)

NYSE has responded to competition by continually investing in technology and the information analytic services we provide to our listed companies

Source: NYSE Euronext, Rosenblatt

Securities

16

17

Commitment

Increased investment significantly to build sweeping service offering, including our NYSE MAC Desk, a dedicated team of market professionals

Investment

Growth

Substantial Investment in Services for our Issuers

Provide the most comprehensive suite of services unmatched
by any other Exchange

Broadened portfolio from 5 services in 2007 to over 23 in 2010

Diversity

Expanded offering to C-Suite, governance and boardroom
executives, including our partnership with Corporate Executive
Board, and acquisition of Corporate Board Member

Quality

Strategic

Partnerships

Partnerships and strategic acquisitions with best-in-class
providers broadens portfolio and enhances subject matter expertise

Corporate Board Member, Corporate Executive Board, Thomson
Reuters, Ipreo

Strong
and
growing
services
portfolio
appeals

to
a
diverse
audience
of
executives.

Market Intelligence and
Analytics

Executive Education
lead by industry experts

Global Visibility
Solutions
Factset
Institutional
Ownership
Custom Short
Interest Reports
NYSE Connect
NYSE MAC
Advisor
NYSE MAC
Alerts
NYSE Market
Focus Report
MAC Mid-Day
Policy Insights
Corporate
Executive Board
Liquidnet
InfraRed
Corporate
Board Member
Morning Market
Update
This Week in the
Boardroom
Executive
Education
Investor
Conferences
Differentiated Service Offering Adds Unmatched Value
18

Issuer Advocacy
NYSE
Euronext
is
committed
to
being
an

advocate

on

behalf

of

our

issuers

Partner with the NYSE Community vs. go it alone

NYSE connects you to policy makers and thought leaders

Benefit from our active voice in D.C. on market structure and regulatory issues

Key Themes

NYSE Commission on Corporate Governance

Market structure: working towards a fair and transparent market for you

Job Creation and improving regulatory barriers to raising capital

Dodd Frank

SOX Relief for smaller issuers

Education : Director Education & Financial Literacy

Tax Reform

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Global
Platform

Knight
Capital:
Cross
Listing

on
NYSE
Euronext
Knight Capital opened the European
and U.S. Markets on the same day with
bell
ringings
in
New
York
and
Paris
to
celebrate the transfer from NASDAQ
and the listing of the company's
common stock on the NYSE cross-
listing of its common stock on the
Professional Segment of the Paris
market of NYSE Euronext.
Footage of each event was compiled
for a global listing reel for Knight to use
for future marketing initiatives
Façade signage, decals lining Broad
Street and a large 9ft flag planted on
Wall Street with its pennant flying high
drove additional visibility
Knight placed advertising in national
and international editions of top
financial newspapers
Webcast of the bell ringing distributed
to Knight employees worldwide
NYSE media team secured interview
with CNBC, MSNBC, BBC World
Business Report, La Tribune, L'Agefi
(newswires and European press), and
Financial Times

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GM emerged from bankruptcy to
become the biggest IPO of 2010
CEO Dan Akerson rang the NYSE
Opening Bell with the sound of the
horn of its 2011 Chevrolet Camaro
SS model to coincide with the
opening of the NYSE market
Showcased its newest models

including the Chevrolet Volt, Cruze and Camaro convertible, Cadillac CTS-V coupe, GMC Sierra HD on NYSE Experience Square

It feels great to be publicly listed again and it feels great to be listed on the best Exchange in the World (Dan Akerson, CEO, GM)

Over 10,093 total story placements

5,188+ Print/online stories

4,905+ Broadcast stories

33,336 Twitter posts

Reaching an audience of 90,752,199

Inclusion in co-branded advertising including: print, online, out-of-home and upcoming TV campaign

GM's Return to the Public Markets

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Pepsi visited the NYSE to kick off community voting for its \$20 million Pepsi REFRESH project. Indra K. Nooyi, Chairman and Chief Executive Officer, PepsiCo Inc
rang

The
Opening
Bell

NYSE is one of the best known companies in the world and our feeling was a program of this magnitude had to be launched in a place befitting it.

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Indra K.
Nooyi, Chairman and Chief
Executive Officer, PepsiCo Inc
Pepsi Refresh Project supports
those who generate innovative,
optimistic ideas, and planned to
award more than \$20 million in
2010 to move communities
forward.

Visibility

PepsiCo's
Refresh
Project
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