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Creating a European arena for bonds

Last year's joint acquisition of MTS by Euronext and Borsa Italiana brought European bonds into the spotlight – and they have been there ever since. MTS is the leading electronic trading platform for European wholesale fixed-income securities, in particular government and sovereign bonds. The Euronext–Borsa Italiana partnership aims to build on its respective strengths and expertise to help accelerate the expansion of MTS into the European hub for all government bonds, as well as for other fixed-income products. Business will be consolidated and new innovative products developed in consultation with users of the MTS trading platforms (which will not be linked to the exchanges' platforms at present), while correlated derivatives and underlying product pairs can be traded on the derivatives platforms of Euronext and Borsa Italiana.

NSC, a single trading platform for markets in the Benelux

Earlier this year, Euronext went on to sign a Memorandum of Understanding with Bourse de Luxembourg, Europe's top bond location. The MoU will allow Euronext to create a European standard for corporate bonds, based on the listing tools used by the Luxembourg exchange. All products listed on Bourse de Luxembourg's cash market will eventually be made available via NSC, giving members of Euronext direct access to over 37,000 products, including 27,000 international bonds or nearly 60% of the European total, representing 4,100 issuers from over 100 countries.

Finally, a new fee policy has been created for bond trading on Euronext, especially developed to encourage more liquidity to the segment. Implemented on 1 June, the new bond fee structure has no order fee up to a maximum order/trade ration of 5 per day, and a sliding scale for transaction fees.

There are currently about 3,500 bonds listed on Euronext's dedicated bond segment, providing accurate prices for investors (almost 500,000 quotes on a daily basis) and giving access to a wide network of investors around Europe.

For more information, go to www.euronext.com/bonds

New service for Euronext investment funds

The Euronext market model for investment funds, primarily listed in Amsterdam, has been revised and customised to create a new Euronext Fund Service. The new market model has been designed to follow the recommendations of the Winter Committee, in close consultation with the AFM (the Netherlands Authority for the Financial Markets), the fund industry represented by DUFAS (the Dutch Fund and Asset Management Association), and the NVB (the Netherlands Bankers' Association) on behalf of the fund distributors and brokers.

New transparent model

The new model has a single execution moment with the fund each day, and orders are executed and settled at a price that is set using the net asset value (NAV) as a base. This guarantees full transparency for investors, who can see clearly how the price they pay relates to the NAV. The model uses the existing equity market IT infrastructure, keeping development costs down to a minimum.

Investment funds form an important segment for Euronext – there are currently around 300 national and international investment funds listed on Euronext Amsterdam from 50 issuers. The investment fund segment has a market capitalisation of over €66 billion and average daily trading amounts to €79 million. Implementation of the new model is planned for early 2007.

Find out more about the new service at www.euronext.com/investmentfunds

80 IPOs

on all Euronext markets since the start of 2006

116 million

cash transactions on Euronext in 1st half 2006, our busiest ½ year ever

160% increase

in year-on-year transactions on NextTrack since the start of 2006

NextTrack: celebrating the fifth anniversary of the trackers segment

2006 is the fifth anniversary of the creation of the trackers segment on Euronext. Since the first Euronext tracker was launched five years ago, NextTrack has seen over 125 new and innovative products listed, from a total of 10 issuers. The NextTrack segment is the European leader by value of assets under management and number of products, and has attracted much interest from both professional and individual investors. A new partnership with selected financial intermediaries was launched this time last year and has seen great success and a significant increase in trades on the NextTrack segment.

NextTrack has €38 billion in funds under management – more than any other European exchange – and in May and June, turnover reached almost €4 billion. The total volumes traded in the first six months of 2006 were up 160% year-on-year compared to 2005.

NextTrack product range

NextTrack's first five years have seen its product range grow from a handful of ETFs on European large caps to a whole range of other asset classes (such as bonds and real estate), investment styles (small and mid caps, socially responsible investment) and locations such as Japan and the emerging markets. NextTrack now also includes a series of structured funds based on the CAC 40, FTSEurofirst 80 and Nasdaq 100. These structured ETFs combine all the advantages of a specific investment technique – such as use of leverage or guarantee of principal – with the stringent demands of an exchange listing, namely transparency, ease of use, and low management fees.

New innovative products on NextTrack

- **sector trackers**, introduced 2001
- **sustainable development trackers**, introduced 2002
- **fixed income trackers**, introduced early 2004
- **emerging market trackers**, introduced mid 2005
- **small-cap performance trackers**, introduced 2005
- **structured funds**, introduced end 2005
- **commodity index trackers**, introduced early 2006



For more information, go to www.euronext.com/nexttrack

INFO-FLASHES

Recent Euronext info-flash topics:

- Data feed delivery improvement and trading systems capacity enhancement
- Creation of a new market model for Dutch investment funds
- Broadcast rule modified for the TCS off-market operation type
- Terrestrial market data feed
- Alternext All-Share index to be launched in September 2006
- Enhancement of data feed delivery
- NSC Warrants – successful migration to LINUX-AIX-IBM technology
- EUA platform closed for warrants instruments
- Removal of latency applied to terrestrial market data feed
- Euronext to observe two minutes' silence
- Decommissioning of the Euronext Trading Workstation
- Euronext Cash Market trading infrastructure: Technological Enhancement Programme
- NSC Warrants - EUA test platform closing dates
- Completion of the recent capacity enhancements to the NSC trading engines
- Capacity enhancement to the NSC Warrants trading engine
- Adaptations to the Euronext Trade Confirmation System (TCS)

Info-flashes contain functional and technical information on the Euronext Cash Market and are sent by email to cash market members. To see all Euronext Cash Market info-flashes, go to: www.euronext.com/cashmembers

STATISTICS

July 2006

> **Total no. of cash market transactions:**

15,079,718

buy & sell transactions

> **Total cash market turnover, shares**

on the electronic orderbook:

€169.2 billion

> **Market capitalisation of domestic Euronext listed companies:**

€2,515 billion

> **Indices (July 06)**

% change from previous month

| | | |
|--------------|----------|-------|
| Euronext 100 | 860.66 | 1.6% |
| Next 150 | 1,518.37 | -1.1% |
| AEX | 454.06 | 3.1% |
| BEL 20 | 3,795.91 | 2.5% |
| CAC 40 | 5,009.42 | 0.9% |
| PSI 20 | 9,665.43 | 1.7% |

> **Derivatives traded, total market, futures and options contracts:**

52 million

Daily averages for July

> **Daily average number of buy & sell transactions on total cash market** (shares, trackers, warrants, bonds, etc)

718,082

> **Daily average number of buy & sell transactions in July**

Shares 685,655 (Eurolist)

Trackers 1,764 (NextTrack)

Warrants 25,154 (NextWarrants)

www.euronext.com > Tools & Services > Statistics Centre > Global statistics

NextStat, Euronext's interactive trading statistics service

Euronext's Cash Market trading statistics service, NextStat, has been enhanced with two new packages of data on member firms' ranking and trading statistics. The new packages offer much more depth and data for members for a small monthly subscription fee. Member firms were offered a free trial period of the full service, and more and more members are signing up to this valuable tool.

The two new packages offer:

- **Package 2: dynamic queries per product** on a monthly, weekly or daily basis. Data available on **orders** (introduced, executed, cancelled) and **trades** (number of stocks or products traded and turnover). Users can set up shortcuts for frequent requests. Cost: €200 per month.
- **Package 3: multi-dimensional queries** combining **time range, trading group, segment or indices, on or off orderbook trades, business origin** (agency, principal, liquidity provider) or **trading position** (buy, sell or cross). Users can set up to 20 shortcuts for frequent requests. Cost: €300 per month.

The NextStat standard package is available free of charge to all members, and provides monthly market share and ranking, for the total market or by industry sectors and main indices. Subscribers to Package 1, in addition, benefit from activity broken down to the product level for over 10,000 products with historical data going back three years (rolling), at a charge of €100 per month.

On top of the NextStat packages, work is currently ongoing on a project to offer members a daily data service, which should be ready later this year.

For more details, contact your local relationship manager. You can download the NextStat brochure at: www.euronext.com/cashmembers > Products & Services > NextStat

Customer Satisfaction Survey

Thank you to all those who completed this year's Euronext Customer Satisfaction Survey, and congratulations to the winners of the iPod Nanos! We are working on enhancing our service to you following the results of the survey, and are looking into how to deliver an improved survey for next year.

EQUITIES

Alternext spreads its wings to Brussels and Amsterdam

Alternext, the new tailor-made market for mid and small caps, celebrated its first anniversary in May this year. Alternext now has 55 companies already listed on its markets, and has a market capitalisation of €2.3 billion. Since its launch, Alternext companies have raised €385 million in capital. As the Paris-based market continues to go from strength to strength, Alternext was launched in Brussels on 15 June this year with the admission of Evadix, and now includes three Belgian companies in its list. We are also very pleased that the Dutch regulator has agreed to the extension of the market to Amsterdam, which should take place in September.



Although Alternext Paris was already open for trading to all Euronext member firms, the extensions to Brussels and Amsterdam make access to the market even simpler for domestic small and mid-sized companies, for whom Alternext was specifically designed. Alternext's lighter regulatory framework offers small and mid-sized companies from any sector a simplified access to the capital markets, while ensuring investor protection and transparency and promoting liquidity.

Offering secure clearing

From 15 June this year, Alternext has been able to ensure an even more secure environment for its investors with a new clearing system in partnership with LCH.Clearnet, which guarantees the over €3 million traded on average each day on Alternext. In order to ensure the smooth functioning of its guarantee framework, LCH.Clearnet has implemented important risk control measures, in particular appropriate access criteria, daily evaluation of its members' positions, margin calls and a clearing fund.

Boosting liquidity

Finally, liquidity on the market is set to be enhanced in September, when the market model will be adapted to allow liquidity provider agreements on Alternext listed stocks. Liquidity providers (who must be members of Euronext) will undertake to boost liquidity by offering simultaneous bid and ask prices for the shares of Alternext companies. In the same way as for Eurolist stocks, they must respect a minimum quantity, defined by either the number or the value of shares, and a maximum bid/ask spread, generally defined as a percentage of the market price.

For more information, go to: www.alternext.com

Euronext: market trends

Despite the more volatile global economic environment, with rising tensions in the Middle East and fears of a rise in inflation, amongst others, equity markets have continued to do well in recent months with a rebound at the end of June with company results announcements. At end July the Euronext 100 index was up 6.2% on the start of the year.

In total, more than 116 million cash transactions were registered on Euronext in the first six months of the year, up 52% compared to the same period in 2005 and making the first half of 2006 the busiest half-year ever for Euronext. At end July, we had seen 131 million cash transactions so far in 2006. Other products have continued to see a rise in activity: by end July, transactions on NextTrack (ETFs) were up 140% and on NextWarrants (warrants & certificates) up 65.9% on the same period last year.

In May we had two new records in number of trades that were reached on our cash markets in the same week, with 627,309 transactions on 15 May and 718,918 transactions on 18 May (single counted). Supported by the recent IT upgrades, the NSC system coped satisfactorily with this highest peak ever. Euronext is keen to follow these market trends and to provide the necessary investment to allow members to trade in the best possible conditions.

Meanwhile, the volume increases have seen some Euronext members' volumes go beyond the top fee bracket of 800,000 trades a month; some are even registering over 1 million trades a month.

This upturn in market activity can be explained by the return of significant numbers of retail investors to the market due to a steady stream of successful IPOs; the increase in electronic trading is also a major factor, creating structural growth on a bear market as automated trading activates other traders. The recent flurry of M&A activity will also have played a part. Meanwhile, US hedge funds have been increasingly focusing on European markets due to lower price/earnings ratios than on their domestic markets. Our members also report that they have increased their own account trading in order to generate extra revenue.

On the primary market, we saw 20 IPOs on Euronext markets in June – a record monthly level – and 18 in July, bringing the total number of new listings so far in 2006 to 80. These new listings represent an additional market capitalisation of €45 billion, with a total of €8.8 billion raised. Both the number and value of new listings so far this year are at their highest since 2001.

Local market characteristics

For a recent study, Euronext looked at the characteristics of the different Euronext marketplaces, focusing on average trade size and order/trade ratio, per order flow origin and for equities only. The findings identified significant variations between locations, and depending on the origin of orders.

Trading on Euronext Amsterdam:

The average trade size (ATS) for the Amsterdam segment is the highest for all participants other than the Dutch and Belgian members, who also have retail business in this market and therefore smaller trades. The average ATS has stayed stable for the past year or so, at just under €30,000. The order trade ratio (O/TR) is 1.39 for all members, of whom Belgian and Portuguese members have the lowest O/TR (between 0.6 and 0.9).

Trading on Euronext Brussels:

The Brussels segment has the lowest ATS (around €18,000), and this has become smaller over the last months. Dutch and Portuguese members trading in Brussels are the only market participants with an ATS that is regularly above the average. The average O/TR for the Brussels segment is the highest (around 1.5), and Dutch members trading in Brussels have the highest O/TR (between 3 and 4) due to their intensive use of arbitrage tools.

Trading on Euronext Lisbon:

The ATS on the Lisbon segment has increased steadily to an average of almost €25,000 between February 2005 and July 2006. Several recent takeovers have caused a rise of 40% within the last two months. Dutch and UK-based members have the highest ATS (around €30,000). The Lisbon O/T R is the lowest within all Euronext segments, just above 1, but with huge differences from one month to another that can be explained by the regular arrival of new participants that are less familiar with local trading patterns.

Trading on Euronext Paris:

The Paris segment ATS is on average €21,000, and remains steady from one month to another. French members have the lowest ATS (around €15,000) due to their large retail business. The O/TR for Euronext Paris stands at 1.16 and has been stable in recent months. Dutch members have the highest O/TR (around 2) whereas Portuguese and Belgian members have the lowest (around 0.75).

This information is based on studies made by Euronext for the Cash Advisory Committees, held in each Euronext location three times a year with member representatives.



New members on the Euronext Cash Market (since issue 10, March 2006):

Jefferies International Limited, Amsterdam, Brussels, Lisbon and Paris

Sicavonline S.A., commercial name **Avenir France CM**, Paris

Wolfgang Steubing AG Wertpapierdienstleister, Amsterdam and Paris

Extensions to membership:

Barclays Bank Plc, to Paris

Deutsche Bank AG (London Branch), to Brussels

Goldman Sachs International, to Brussels

IMC Securities BV, to Lisbon

To see the full list of Euronext members, please go to: www.euronext.com > For our clients > Member list > Cash Markets

NEW LISTINGS

New listings on EUROLIST, Euronext's main market**AP Alternative Assets**

ISIN code: GB00B15Y0C52
Market cap: – (fund)
Listing date: 08 August 2006
Capital raised: US\$2 billion
www.apolloalternativeassets.com

Mittal Steel A

ISIN code: NL0000361947
Market cap: €2.9 billion
Listing date: 01 August 2006
Capital raised: –
www.ispat.com

LBI International

ISIN code: SE000049529
Market cap: €280 million
Listing date: 01 August 2006
Capital raised: –
www.lbicon.com

Theolia

ISIN code: FR0000184814
Market cap: €233.3 million
Listing date: 31 July 2006
Capital raised: –
www.theolia.com

Tesfran

ISIN code: FR0010358812
Market cap: €56.7 million
Listing date: 27 July 2006
Capital raised: €67 million
www.tesfran.com

ThromboGenics

ISIN code: BE0003846632
Market cap: €99.6 million
Listing date: 07 July 2006
Capital raised: €35 million
www.thrombogenics.com

SIICInvest

ISIN code: FR0010332049
Market cap: €1.8 million
Listing date: 30 June 2006
Capital raised: –
www.siicinvest.fr

Parrot

ISIN code: FR0004038263
Market cap: €234.7 million
Listing date: 27 June 2006
Capital raised: €95 million
www.parrotcorp.com

OncoMethylome Sciences

ISIN code: BE0003844611
Market cap: €75.1 million
Listing date: 27 June 2006
Capital raised: €25 million
www.oncomethylome.com

Aéroports de Paris

ISIN code: FR0010340141
Market cap: €4.4 billion
Listing date: 15 June 2006
Capital raised: €1.2 billion
www.aeroportsdeparis.fr

Le Noble Age

ISIN code: FR0004170017
Market cap: €74.5 billion
Listing date: 06 June 2006
Capital raised: €13.3 million
www.groupenobleage.com

SNS REAAL

ISIN code: NL0000390706
Market cap: €3.9 billion
Listing date: 18 May 2006
Capital raised: €1.2 billion
www.snsreaal.nl

Arkema

ISIN code: FR0010313833
Market cap: €1.6 billion
Listing date: 18 May 2006
Capital raised: –
www.arkemagroup.com

KKR PEI

ISIN code: GB00B13BNQ35
Market cap: – (fund)
Listing date: 03 May 2006
Capital raised: US\$5 billion
www.kkr.com

Icade

ISIN code: FR0010308841
Market cap: €2.5 billion
Listing date: 11 April 2006
Capital raised: €615 million
www.icafe.fr

For more details, go to: www.euronext.com > For our clients > Listed companies > New IPOs

Eurolist listings (continued)

Legrand

ISIN code: FR0010307819
Market cap: €5.3 billion
Listing date: 06 April 2006
Capital raised: €362.9 million
www.legrandelectric.com

ModeLabs

ISIN code: FR0010060665
Market cap: €209 million
Listing date: 06 April 2006
Capital raised: €69 million
www.modelabs.com

Homburg Invest Inc

ISIN code: CA4368712069
Market cap: €211.4 million
Listing date: 31 March 2006
Capital raised: –
www.homburginvest.com

CeGeREAL

ISIN code: FR0010309096
Market cap: €425.3 million
Listing date: 28 March 2006
Capital raised: €122 million
www.cegeREAL.com

Amboise Investissement

ISIN code: FR0010307348
Market cap: €114.5 million
Listing date: 28 March 2006
Capital raised: €114.1 million
www.amboise-investissement.fr

Paris IDF

ISIN code: FR0010304329
Market cap: €42.9 million
Listing date: 24 March 2006
Capital raised: €15 million
www.sfpif.com

Züblin Immobilière France

ISIN code: FR0010298901
Market cap: €51.9 million
Listing date: 21 March 2006
Capital raised: €16.4 million
www.zueblin.fr

For more details, go to: www.euronext.com > For our clients > Listed companies > New IPOs

New listings on ALTERNEXT, Euronext's tailor-made market for mid and small caps

Proservia

ISIN code: FR0010337485
Market cap: €23.8 million
Listing date: 25 July 2006
Capital raised: €2.8 million
www.proservia.fr 

CRM Company

ISIN code: FR0010358465
Market cap: €26.5 million
Listing date: 25 July 2006
Capital raised: €3.7 million
www.thecrmcompany.com 

Initiatives & Développements

ISIN code: FR0010354407
Market cap: €47.1 million
Listing date: 19 July 2006
Capital raised: €5.1 million
www.i-d.fr 

MGI Digital Graphic

ISIN code: FR0010353888
Market cap: €23.4 million
Listing date: 12 July 2006
Capital raised: €6.2 million
www.mgi-fr.com 

Piscines Groupe

ISIN code: FR0010357145
Market cap: €60 million
Listing date: 12 July 2006
Capital raised: €4.6 million
www.piscinesgroupega.com 

De Rouck Geomatics

ISIN code: BE0003842599
Market cap: €11 million
Listing date: 10 July 2006
Capital raised: €3 million
www.derouckgeomatics.com 

Emakina Group

ISIN code: BE0003843605
Market cap: €29.4 million
Listing date: 07 July 2006
Capital raised: €3.5 million
www.emakina.com 

Voyageurs du Monde

ISIN code: FR0004045847
Market cap: €75 million
Listing date: 07 July 2006
Capital raised: €11 million
www.vdm.com 

NetBooster

ISIN code: FR0000079683
Market cap: €29.5 million
Listing date: 06 July 2006
Capital raised: €4.6 million
www.netbooster.com 

For more details, go to: www.alternext.com > IPOs

Alternext listings (continued)

Ober

ISIN code: FR0010330613
 Market cap: €22.3 million
 Listing date: 29 June 2006
 Capital raised: €6 million

www.oberflex.fr 

LeGuide.com

ISIN code: FR0010146092
 Market cap: €25.2 million
 Listing date: 29 June 2006
 Capital raised: €7.1 million

www.leguide.com 

Weborama

ISIN code: FR0010337444
 Market cap: €18.4 million
 Listing date: 27 June 2006
 Capital raised: €4 million

www.weborama.com 


Heurtey Petrochem

ISIN code: FR0010343186
 Market cap: €39.7 million
 Listing date: 27 June 2006
 Capital raised: €18.7 million

www.heurtey.com 


MEDICREA

ISIN code: FR0004178572
 Market cap: €37.8 million
 Listing date: 23 June 2006
 Capital raised: €11.6 million

www.medicrea.com 

Aquila

ISIN code: FR0010340711
 Market cap: €9.7 million
 Listing date: 22 June 2006
 Capital raised: €4.1 million

www.reseau-aquila.fr 

Neotion

ISIN code: FR0004172260
 Market cap: €50 million
 Listing date: 22 June 2006
 Capital raised: €8 million

www.neotion.com 

Normaction

ISIN code: FR0010210153
 Market cap: €19.2 million
 Listing date: 19 June 2006
 Capital raised: –

www.normaction.com 


EVADIX

ISIN code: BE0003840577
 Market cap: €23 million
 Listing date: 15 June 2006
 Capital raised: €5.8 million

www.evadix.com 

Sovep

ISIN code: FR0010342154
 Market cap: €17.8 million
 Listing date: 09 June 2006
 Capital raised: €5 million

www.sovep.com 

Cedip Infrared Systems

ISIN code: FR0010336222
 Market cap: €48.2 million
 Listing date: 07 June 2006
 Capital raised: €14.6 million

www.cedip-infrared.com 

Groupe Céléos

ISIN code: FR0010324962
 Market cap: €127.3 million
 Listing date: 22 May 2006
 Capital raised: €21.5 million

www.groupeceleos.com 

Adverline

ISIN code: FR0004176337
 Market cap: €28.1 million
 Listing date: 19 May 2006
 Capital raised: €9.4 million

www.adverline.com 

Mastrad

ISIN code: FR0004155687
 Market cap: €36.5 million
 Listing date: 05 May 2006
 Capital raised: €11.1 million

www.mastrad.fr 

Laroche

ISIN code: FR0000077117
 Market cap: €22.5 million
 Listing date: 27 April 2006
 Capital raised: €2.9 million

www.larochevines.com 

LAMARTHE

ISIN code: FR0010311597
 Market cap: €1.7 million
 Listing date: 13 April 2006
 Capital raised: €6 million

www.lamarthe.com 

Press Index

ISIN code: FR0010314963
 Market cap: €16.2 million
 Listing date: 13 April 2006
 Capital raised: €7.9 million

www.pressindex.com 

Come & Stay

ISIN code: FR0004171346
 Market cap: €45.3 million
 Listing date: 10 April 2006
 Capital raised: €11.5 million

www.comeandstay.com 


PRODWARE

ISIN code: FR0010313486
 Market cap: €13.1 million
 Listing date: 07 April 2006
 Capital raised: €13.3 million

www.prodware.fr 

MILLET INNOVATION

ISIN code: FR0010304402
 Market cap: €25.7 million
 Listing date: 27 March 2006
 Capital raised: €4.2 million

www.milletinnovation.com 

Evolis

ISIN code: FR0004166197
 Market cap: €58.4 million
 Listing date: 23 March 2006
 Capital raised: €11.2 million

www.evolis.com 

For more details, go to: www.alternext.com > IPOs

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 Visit the Euronext Cash Market Members' website: www.euronext.com/cashmembers