

***Euronext 1<sup>st</sup> quarter 2005 results:  
Costs control enabled an EBITA margin of 28.7% despite lower revenues***

- Revenues decreased: by 6 % to €222.6 mn from €236.7 mn in 2004
- EBITA amounts to €63.8 mn, EBITA margin at 28.7%
- Net Profit of €45.3 mn up 7.3 %
- EBITA full year forecast of €250 mn maintained

**Amsterdam, 1<sup>st</sup> June 2005** - Euronext NV reports today its results for the first quarter of 2005. The same period in 2004 was a particularly strong quarter with derivatives and cash realising record volumes; while this year our derivatives trading activity has suffered due to the lack of volatility at the short end of the yield curve as well as in the equity markets. Group revenues declined by 6 % to €222.6 mn. Costs increased by €4.3 mn (+2.8%) year-on-year mainly due to the €7.0 mn of legal and advisory costs linked to the LSE project booked in the profit & loss account during the period. The EBITA amounted to €63.8 mn down from €82.4 mn in Q1 2004, achieving nevertheless a margin of 28.7%.

All business lines, except derivatives trading have improved their profitability.

The 1<sup>st</sup> quarter net profit was up 7.3% from €42.2 mn in 2004 to €45.3 mn (i.e. because under IFRS there is no more amortization of goodwill), and combined with the effect of the share buy-back drove the diluted EPS up to €0.41 this quarter (against €0.35 for the same quarter in 2004).

Key figures (unaudited) (in € mn)	1 <sup>st</sup> quarter 2005	1 <sup>st</sup> quarter 2004	% Change
<b>Revenues</b>	222.6	236.7	-6.0%
<b>Expenses</b>	158.7	154.4	+2.8%
<b>EBITA (before goodwill amortisation)</b>	63.8	82.4	-22.5%
<b>Profit Before Tax</b>	69.5	76.0	-8.5%
<b>Net profit</b>	45.3	42.2	+7.3%
<b>EPS diluted after amortisation of goodwill (€)</b>	0.41	0.35	+17.1%
<b>Weighted diluted number of shares</b>	111,035,164	120,220,384	

◆ **Operating performance**

The overall increase in expenses (+2.8% or €4.3mn compared to Q1, 2004) is explained by consultancy costs linked to the L.S.E. operation (€7.0mn) booked in the profit & loss account. In addition, the group cost base increased due to GL Trade acquisitions.

Notwithstanding GL Trade's expansion, staff costs decreased by 3.0%, from €65.8 mn in Q1, 2004 to €63.8 mn this quarter.

Overall headcount was reduced by 2.6%. Excluding GL Trade, the reduction was 12.1%, headcount being reduced from 1,602 at the end of March 2004 to 1,408 at the end of March this year.

The strong decrease in IT expenses (-13.8%, from €33.9 mn in Q1, 2004 to € 29.2 mn this quarter) follows the completion of our IT migrations.

As a result of the migration costs booked for the migration of the Dutch derivatives markets onto LIFFE.CONNECT® in 2004, **depreciation** increased over the period, from €14.3 mn to €15.4mn.

**Accommodation costs** were stable over the period, at €12.6 mn.

**Marketing costs** were steady this quarter, amounting to €3.9 mn and other costs amount to €7 mn.

◆ Breakdown by Business Lines

Business Lines <i>(unaudited)</i> (€ mn)	1 <sup>st</sup> quarter 2005		1 <sup>st</sup> quarter 2004	
	EBITA	EBITA margin	EBITA	EBITA margin
Cash Trading	21.7	40%	21.7	38.2%
Listing	6.2	56.2%	4.3	51.9%
Derivatives Trading	24.8	28.6%	45.7	41.3%
Settlement & Custody	3.5	39.9%	1.5	23.3%
Information Services	7.9	50.5%	7.1	46.6%
Sales of Software	7.9	18.3%	6.1	16.9%
<i>Unallocated</i>	<i>-8.2</i>	<i>Ns</i>	<i>-4.0</i>	<i>Ns</i>
<b>Total Euronext</b>	<b>63.8</b>	<b>28.7%</b>	<b>82.4</b>	<b>34.8%</b>

### **Cash trading**

The lack of volatility had a negative impact on volumes (- 5.4% in Q1, 2005 compared to the record 1<sup>st</sup> quarter of 2004). A new fee structure was implemented February 1st. The decrease in revenues is in line with the lower volumes, reaching €50.8 mn (compared with €54.9 mn last year). Costs decreased by €2.6 mn, thus the EBITA was maintained at the same level as in 2004, at €21.7 mn.

### **Listing fees**

These revenues progressed by 33.9%, rising from €8.2 mn in Q1, 2004 to €11mn this quarter thanks to the IPO of SANEF in Paris as well as several IPOs in mid-sized capitalisations. This evolution in revenues enabled this business to register a new improvement in its profitability, posting a strong EBITA of €6.2 mn.

### **Derivatives trading**

This activity suffered from the lack of volatility at the short end of the yield curve as well as in the equity markets. The lower volumes overall, combined with the decrease in equity options fees implemented on the 1<sup>st</sup> of November 2004, explain the decrease in revenues, down to €75.8mn, from 97.2mn last year. As a result the EBITA amounts to €24.8 mn, against €45.7 mn a year ago, establishing the EBITA margin at 28.6% for the quarter.

### **Settlement and custody**

Positively impacted by the rise of indices in Belgium and by some new products in CIK, revenues increased from €6.2 mn in Q1, 2004 to €8.4 mn this year, and EBITA margin rose to 39.9%, improving strongly compared with the 23.3% posted in Q1, 2004.

### **Information services**

A slight increase in revenues (from €21.5 mn in 2004 to €21.9 mn this year) combined with a good control of costs generated an improvement in EBITA, reaching €7.9 mn (against €7.1 mn for the same quarter in 2004).

### **Sales of developed software/solutions**

Positively impacted by GL Trade's recent acquisitions, revenues increased by 15.1% in the first quarter of 2005 compared to the same quarter last year, up to €50.3 mn. The EBITA margin is up to 18.3% from 16.9% last year thanks to the first effect of the integration of the acquired companies.

**◆ Outlook for the year 2005**

Based on the business trends observed so far this year and costs cuttings measures, the company reiterates its EBITA target of €250 mn.

Discussions between Euronext and Atos Origin relating to a proposed extension of their current joint venture by combining AtosEuronext and Euronext.Liffe Market Solutions are ongoing. Subject to regulatory approval and after completion of the requested staff consultation processes, the extended joint venture company should start operating in Q3, 2005.

**◆ Dividend**

The General Meeting of Shareholders, which is to be held today in Amsterdam, will be asked to approve the distribution of a gross dividend of €0.60 per share for the year 2004, for a total consideration of €66.2 million. This represents an increase of 20% on the 2003 dividend and a payout ratio of 55% of net profit (before non-recurring items). Euronext's shares will go ex dividend from 3 June; the dividend will be paid on 24<sup>th</sup> June.

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**Appendix: Extracts from financial reporting for the quarter ended 31 March 2005**

1<sup>st</sup> quarter 2005 results are available on our website: [www.euronext.com](http://www.euronext.com)

◆Key dates
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	<b>Press release</b>
Q2, 2005 revenues	11/08/2005
Half-Year results	31/08/2005
Q3, 2005 revenues	15/11/2005
Q3, 2005 results	24/11/2005

### About Euronext

Euronext is the first cross-border exchange business, created in September 2000 by the merger of the stock and derivatives markets in Amsterdam, Brussels and Paris. Euronext offers a range of services including the listing of financial instruments, trading in securities and derivatives, data dissemination and IT support. In 2002, BVLP, the Portuguese exchange and LIFFE, the international derivatives exchange, joined Euronext.

Euronext is the largest cash securities market in Europe, measured by value of the trading processed through its central order book. 1,316 companies, a quarter of them foreign, are listed on Euronext. Euronext has created a single market for cash products by making all its listed stocks available on a single trading platform, NSC, cleared through a single system, Clearing 21® under a single set of market rules.

Euronext.liffe is the derivatives business of Euronext, comprising the Amsterdam, Brussels, LIFFE, Lisbon and Paris derivatives markets. It is the world's second largest derivatives exchange, by volume and the value of the business transacted through the exchange every day. Euronext.liffe has created a single market for derivatives, by bringing all its derivatives products together on a single electronic trading platform, LIFFE CONNECT®. The replacement of multiple trading venues with a single market has made cross-border trading easier and cheaper.

Euronext is the world's leading provider of exchange trading technology: NSC and LIFFE CONNECT® are used by numerous other exchanges worldwide to support trading while GL Trade is a market leader for trading and order-management software.

### ◆ Financial Information Euronext N.V

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**EURONEXT N.V.**  
**EXTRACTS FROM FINANCIAL REPORTING FOR THE PERIOD ENDED 31 MARCH 2005**

**1. Financial key figures for the period ended 31 March 2005 (unaudited)**

*In thousands of euros*

	<b>31 March 2005</b>	<b>31 March 2004</b>	
	<b>(A)</b>	<b>(B)</b>	<b>A-B %</b>
Total revenues	222,550	236,727	(6.0)
Profit from operations before goodwill amortisation	63,806	82,376	(22.5)
Net profit	45,257	42,155	7.4
Cash flows from operating activities	27,877	47,363	
Cash flows from investing activities	50,918	(718)	
Cash flows from financing activities	3,275	145,434	
Effects of exchange rate changes on cash and cash equivalents	4,212	7,574	
Net increase cash and cash equivalents	86,282	199,653	
Average number of employees (full time equivalents):			
Euronext N.V. excluding GL Trade S.A.	1,408	1,602	(12.1)
GL Trade S.A.	1,069	940	13.7
Total	2,477	2,542	(2.6)
Total assets	2,419,018	2,345,308	3.1
Total capital and reserves	1,572,987	1,516,124	3.8
Basic earnings per share (in euros)	0.41	0.35	17.1
Basic earnings per share before amortisation of goodwill (in euros)	0.41	0.43	(4.7)
Diluted earnings per share (in euros)	0.41	0.35	17.1
Diluted earnings per share before amortisation of goodwill (in euros)	0.41	0.43	(4.7)

## 2. Extract from consolidated financial statements

### 2.1 Consolidated income statement

In thousands of euros	31 March 2005	31 March 2004
Revenues *)		
Cash trading	50,832	54,933
Listing fees	10,996	8,215
Derivatives trading	75,834	97,209
Settlement and custody	8,395	6,177
Information services	21,945	21,493
Sales of software	50,314	43,717
Other income	4,234	4,983
<b>Total revenues</b>	<b>222,550</b>	<b>236,727</b>
<b>Costs and expenses</b>		
Salaries and employee benefits	63,831	65,785
Depreciation	15,437	14,302
IT expenses	29,198	33,874
Office, telecom and consultancy	26,824	19,142
Accommodation	12,609	12,561
Marketing	3,853	3,260
Other expenses	6,992	5,427
<b>Total costs and expenses</b>	<b>158,744</b>	<b>154,351</b>
<b>Profit from operations before goodwill amortization</b>	<b>63,806</b>	<b>82,376</b>
Goodwill amortization	-	9,917
<b>Profit from operations after goodwill amortization</b>	<b>63,806</b>	<b>72,459</b>
Net financing income	1,718	522
Income from associates and joint ventures	4,002	2,990
<b>Total</b>	<b>5,720</b>	<b>3,512</b>
<b>Profit before tax</b>	<b>69,526</b>	<b>75,971</b>
Income tax expense	20,514	31,247
<b>Profit for the period</b>	<b>49,012</b>	<b>44,724</b>
Attributable to:		
Shareholders of the parent company	45,257	42,155
Minority interest	3,755	2,569
	<b>49,012</b>	<b>44,724</b>
Profit for the period before goodwill amortization attributable to Shareholders of the parent company	45,257	55,140

\*) In 2004 Euronext reported Clearing revenue which consisted of retrocession fees received from LCH.Clearnet S.A. Starting 2005, these are included in Cash- and Derivatives trading revenues. 2004 Revenues have been restated accordingly.

**2.1 Consolidated income statement (continued)***In euros*

	<b>31 March 2005</b>	<b>31 March 2004</b>
Basic earnings per share	0.41	0.35
Basic earnings per share before amortization of goodwill	0.41	0.43
Diluted earnings per share	0.41	0.35
Diluted earnings per share before amortization of goodwill	0.41	0.43

## 2.2 Consolidated balance sheet

### Before profit appropriation

In thousands of euros	31 March 2005	31 December 2004
<b>Assets</b>		
Property and equipment	84,597	88,561
Intangible assets	783,300	771,810
Investments in associates and joint ventures	283,838	277,827
Other investments	383,167	383,189
Other receivables	20,535	19,110
Deferred tax assets	25,206	32,001
<b>Total non-current assets</b>	<b>1,580,643</b>	<b>1,572,498</b>
Investments	18,660	82,134
Other receivables	209,728	166,971
Cash and cash equivalents	609,987	523,705
<b>Total current assets</b>	<b>838,375</b>	<b>772,810</b>
<b>Total assets</b>	<b>2,419,018</b>	<b>2,345,308</b>
<b>Equity and liabilities</b>		
Issued capital	122,112	122,112
Share premium	1,172,706	1,172,706
Reserve own shares	(225,536)	(227,073)
Retained earnings	548,165	502,382
Currency exchange differences	(44,460)	(54,003)
<b>Total capital and reserves</b>	<b>1,572,987</b>	<b>1,516,124</b>
<b>Minority interests</b>	<b>22,983</b>	<b>21,016</b>
<b>Total equity</b>	<b>1,595,970</b>	<b>1,537,140</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings	372,345	365,856
Employee benefits provisions	22,212	23,700
Other provisions	4,286	3,399
Deferred tax liabilities	27,083	32,975
<b>Total non-current liabilities</b>	<b>425,926</b>	<b>425,930</b>
Interest-bearing loans and borrowings	14,433	11,703
Income tax payable	17,840	13,290
Other payables	343,290	331,912
Other provisions	21,559	25,333
<b>Total current liabilities</b>	<b>397,122</b>	<b>382,238</b>
<b>Total equity and liabilities</b>	<b>2,419,018</b>	<b>2,345,308</b>

## 2.3 Consolidated cash flow statement

*In thousands of euros*

	31 March 2005	31 March 2004
<b>I. Cash flows from operating activities</b>		
Profit before tax	69,526	75,971
Adjustments for:		
Net financing income	(213)	(522)
Depreciation	16,686	14,302
Goodwill amortization	-	9,917
Other non-cash or non-operational items	(8,993)	(38)
<b>Total cash flow from operations before changes in working capital (a)</b>	<b>77,006</b>	<b>99,630</b>
Increase in non-current receivables	(1,062)	(165)
Increase in other receivables	(38,665)	(70,475)
Decrease in short-term payables	7,377	18,196
<b>Total changes in working capital (b)</b>	<b>(32,350)</b>	<b>(52,444)</b>
<b>Cash generated from operations (a+b)</b>	<b>44,656</b>	<b>47,186</b>
Income taxes paid	(16,944)	(5,859)
Interest received	5,020	7,020
Interest paid	(4,855)	(984)
<b>Net cash flows from operating activities</b>	<b>27,877</b>	<b>47,363</b>
<b>II. Cash flows from investing activities</b>		
Investments in tangible assets	(3,963)	(5,750)
Investments in intangible assets	(7,560)	(7,610)
Proceeds from sale of tangible and intangible assets	6	-
Other investing activities *)	62,435	12,642
<b>Net cash flows from investing activities</b>	<b>50,918</b>	<b>(718)</b>
<b>III. Cash flows from financing activities</b>		
Loans received	-	365,548
Loans redeemed	565	(221,435)
Own shares sold	2,312	-
Other financing activities	398	1,321
<b>Net cash flows from financing activities</b>	<b>3,275</b>	<b>145,434</b>
Effects of exchange rate changes on cash and cash equivalents	4,212	7,574
<b>Total cash flow over the period</b>	<b>86,282</b>	<b>199,653</b>
<b>Net increase in cash and cash equivalents</b>		
At beginning of period	523,705	496,761
At end of period	609,987	696,414
<b>Movement in cash and cash equivalents</b>	<b>86,282</b>	<b>199,653</b>

\*) Includes the effect of a reclassification of short term investments to Cash and cash equivalents of €64.8 million due to a change in maturity.

**2.4 Consolidated statement of changes in equity**
*In thousands of euros*

	Issued capital	Share premium	Reserve own shares	Retained earnings	Currency exchange difference	Total
<b>Balance as at 1 January 2005</b>	<b>122,112</b>	<b>1,172,706</b>	<b>(227,073)</b>	<b>502,382</b>	<b>(54,003)</b>	<b>1,516,124</b>
Exchange differences on translation foreign operations	-	-	-	-	9,543	9,543
Valuation gains/(losses) Available-for-sale investments	-	-	-	14	-	14
Other	-	-	-	124	-	124
Net income recognized directly in equity	-	-	-	138	9,543	9,681
Profit for the period	-	-	-	45,257	-	45,257
<b>Total recognized income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,395</b>	<b>9,543</b>	<b>54,938</b>
Share-based compensation plan	-	-	-	388	-	388
Proceeds from sale of shares in Stock Option Plans	-	-	846	-	-	846
Sale of own shares	-	-	691	-	-	691
<b>Balance as at 31 March 2005</b>	<b>122,112</b>	<b>1,172,706</b>	<b>(225,536)</b>	<b>548,165</b>	<b>(44,460)</b>	<b>1,572,987</b>

*In thousands of euros*

	Issued capital	Share premium	Reserve own shares	Retained earnings	Currency exchange difference	Total
<b>Balance as at 1 January 2004</b>	<b>122,112</b>	<b>1,172,706</b>	<b>(10,385)</b>	<b>412,073</b>	<b>(58,791)</b>	<b>1,637,715</b>
Exchange differences on translation foreign operations	-	-	-	-	28,397	28,397
Net income recognized directly in equity	-	-	-	-	28,397	28,397
Profit for the period	-	-	-	42,155	-	42,155
<b>Total recognized income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,155</b>	<b>28,397</b>	<b>70,552</b>
Sale of own shares	-	-	768	(1,217)	-	(449)
<b>Balance as at 31 March 2004</b>	<b>122,112</b>	<b>1,172,706</b>	<b>(9,617)</b>	<b>453,011</b>	<b>(30,394)</b>	<b>1,707,818</b>

## Statement of compliance

In 2004, IFRS 2 "Share-based Payment" has been issued by the IASB. Early adoption of this standard has been applied for the financial year 2004.

The accounting policies and methods of computation used for the preparation of the financial information for the period ended 31 March 2005 are consistent with those used in the consolidated financial statements for the year ended 31 December 2004, except for changes of IFRS/IAS that are applied as from their effective date of 1 January 2005, including IFRS 3 and accordingly revised IAS 36 "Impairment of assets" and IAS 38 "Intangible assets" which has been applied for new acquisitions after 31 March 2004. Under these standards, recognized goodwill and intangible assets with indefinite useful lives must be tested for impairment at least once a year in accordance with IAS 36, and are no longer amortized. If events or a change in circumstances indicate that an asset may be impaired, the impairment test must be performed more frequently.

## Changes in the scope of the consolidation

The scope of consolidation did not change in the reporting period.