



Euronext's Inaugural Bond Issue

www.euronext.com

Investors' Presentation
January 2004



History

- ⇒ September 2000 → Creation of Euronext as a result of the merger of the Amsterdam, Brussels and Paris stock and derivatives exchanges
- ⇒ February 2001 → Merger of the Amsterdam, Brussels and Paris clearing houses into Clearnet
- ⇒ January 2002 → Expansion of Euronext with the acquisition of LIFFE and the merger with the Portuguese exchange BVLP
- ⇒ February 2002 → Transfer of the Dutch settlement and custody activities to Euroclear
- ⇒ July 2003 → Transfer of the Portuguese clearing activities to Clearnet
- ⇒ December 2003 → Merger between the London Clearing House and Clearnet to form LCH.Clearnet

■ → Euronext is leading the consolidation in Europe

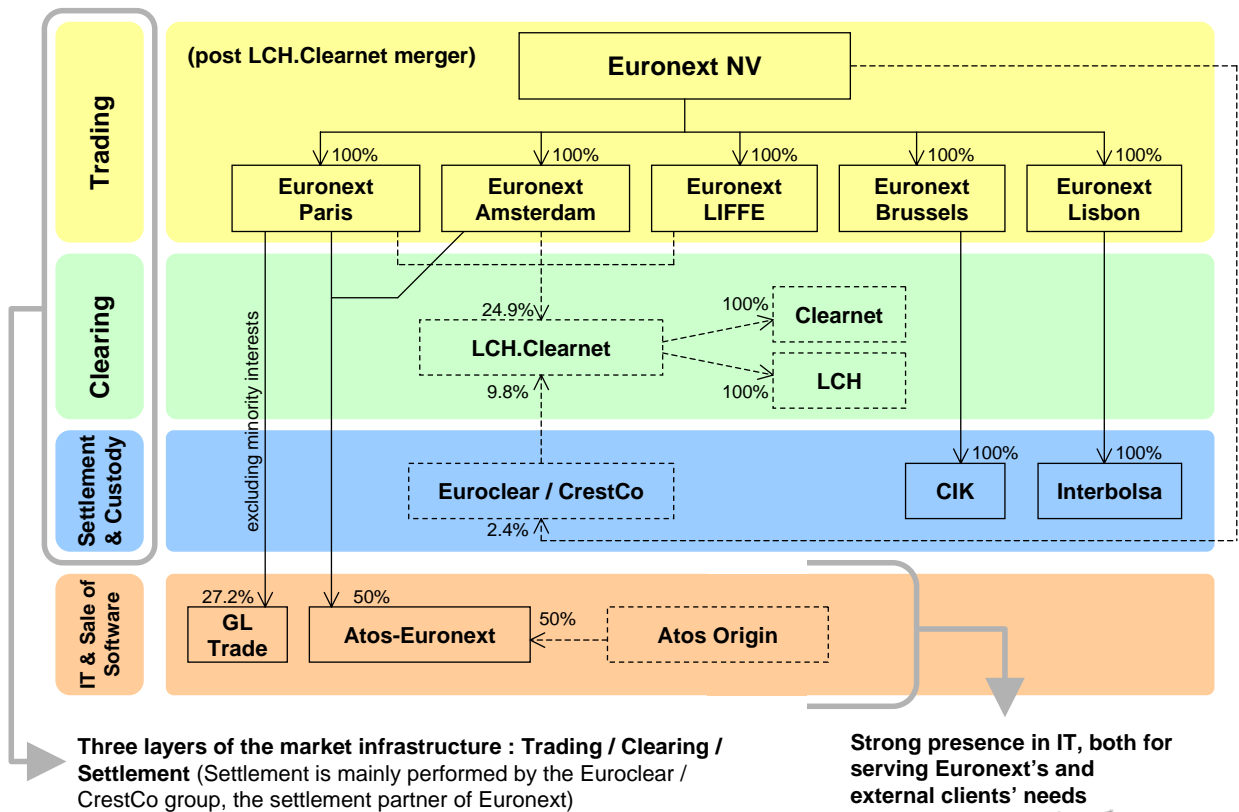
Euronext's Listing

- ⇒ IPO in July 2001
- ⇒ Euronext is included in the Euronext 100 index since July 2002
- ⇒ Capitalisation of the company : €2.5 billion (at 5 January 2004)



Corporate Structure

— Euronext's Group Companies - - - - - Other companies



Three layers of the market infrastructure : Trading / Clearing / Settlement (Settlement is mainly performed by the Euroclear / CrestCo group, the settlement partner of Euronext)

Strong presence in IT, both for serving Euronext's and external clients' needs

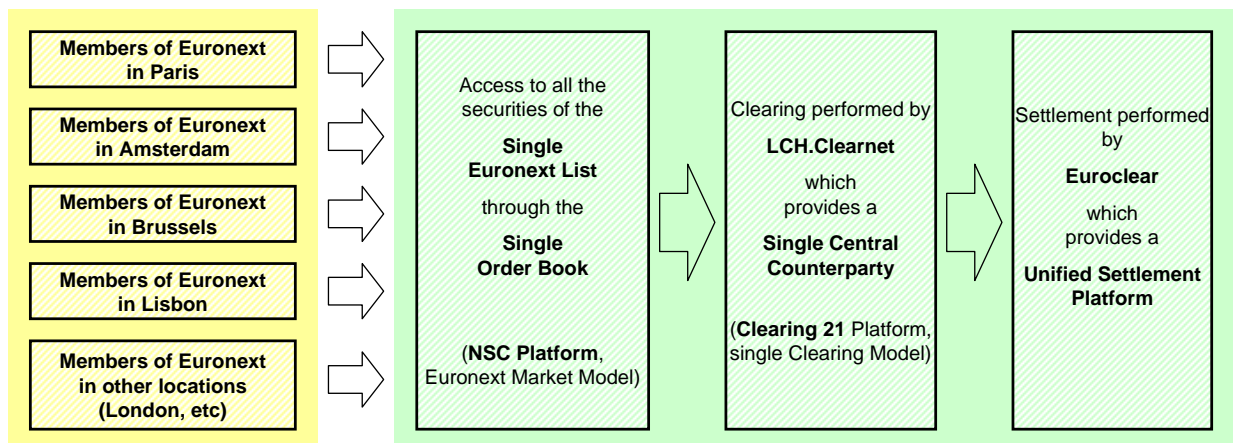


The Euronext model – First cross-border Exchange

⇒ Euronext is the first European cross-border fully-integrated cash and derivatives exchange

- Access to a global pool of liquidity through the use of a common trading platform and a single order book for each financial instrument (equities, bonds, derivatives)
- For clients and shareholders, economies of scale and synergies arise from unified IT systems, market rules and marketing policy

⇒ Example : access to the unified cash markets of Euronext



Group Integration Process

⇒ Integration Status

- The single cash trading and clearing platforms are fully operational on all four locations covered by Euronext (France, Belgium, Netherlands, Portugal)
- In the derivatives area, full integration will be completed in 2004

	Paris	Brussels	Amsterdam	Lisbon	London	
Cash Trading NSC	Q2 / 2001	Achieved Q2 / 2001		Q4 / 2001	Q4 / 2003	Not Applicable
Cash Clearing Clearing 21®	Q1 / 2001	Achieved Q1 / 2002		Q4 / 2002	Q4 / 2003	Not Applicable
Derivatives Trading LIFFE CONNECT™	Achieved Q2 / 2003		Q1 / 2003	Target Q3 / 2004	Target Q1 / 2004	Operational
Derivatives Clearing Clearing 21®	Q3 / 2000	Achieved Q1 / 2003		Q4 / 2003	Target Q1 / 2004	Operated by LCH

⇒ Strong credibility based on proven achievements and clear targets



Regulatory Structure / Operational Structure

⇒ From a regulatory point of view, Euronext operates regulated and non-regulated markets, under the joint supervision of national regulators : FSA, AMF (successor of COB and CMF), AFM, CBV, CMVM, etc.

	Regulated Markets				Non-Regulated Markets
Euronext Paris	Premier Marché Second Marché		Nouveau Marché		Marché Libre
	Cash		Derivatives		
Euronext Amsterdam	Euronext Amsterdam Stock Market		Euronext Amsterdam Derivatives Markets	Euronext Amsterdam Commodity Markets	Traded-But-Not-Listed
	Cash		Derivatives		
Euronext Brussels	Premier Marché	Second Marché	Nouveau Marché	Belgian Trading Facility	Public Auctions
	Cash		Derivatives		
Euronext Lisbon	Official Market	Second Market	New Market	Derivatives Market	
	Cash			Derivatives	
Euronext Liffe	Euronext.Liffe Derivatives Market				Unlisted Market & MEOG
	Derivatives				

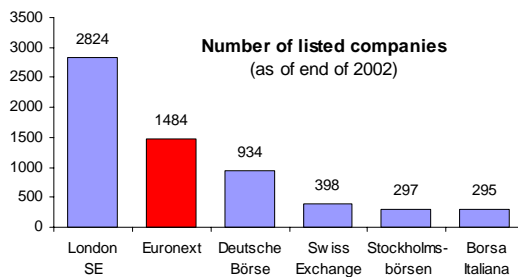
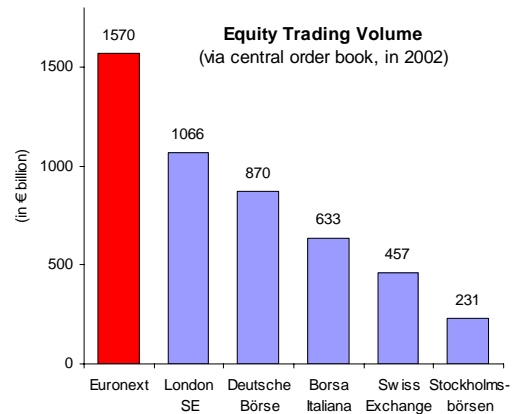
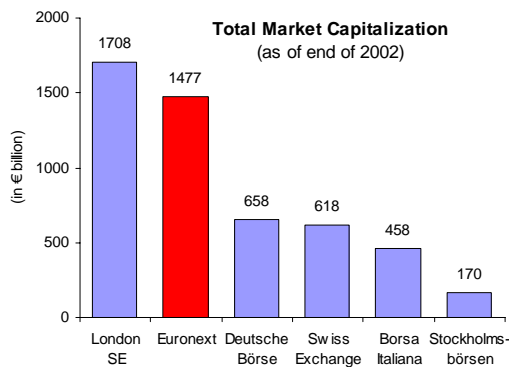
⇒ From an operational point of view, Euronext operates through a single line of command (excluding GL Trade and Atos-Euronext which have their own organisation)

- Operational activities are organized by product line into **four Strategic Business Units** (Cash Markets and Listing, Derivatives Markets, Clearing, Information Services), each being responsible for its own P&L
- Group support departments (finance, HR, etc) ensure unity and cohesion



Competition - Cash Markets

⇨ Position of Euronext in Europe



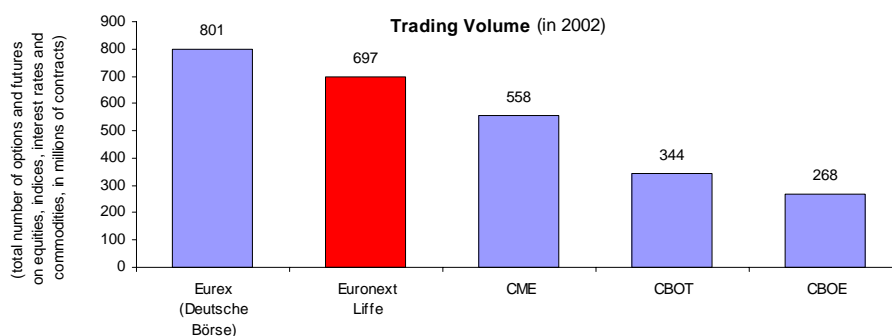
⇨ **Worldwide : Euronext is the fifth largest cash market measured by total market capitalization** (behind New York Stock Exchange, NASDAQ, Tokyo Stock Exchange and London Stock Exchange)

Source: Euronext, Federation of European Stock Exchange



Competition - Derivatives Markets

⇨ Position of Euronext in the world



Source: Euronext.liffe, Eurex, CME, FIA

⇨ Position of Euronext in Europe

➤ Euronext ranks first in

- futures and options on short term interest rate
- futures and options on equities
- futures and options on commodities

Source: Euronext.liffe, Eurex, measured by total number of contracts traded

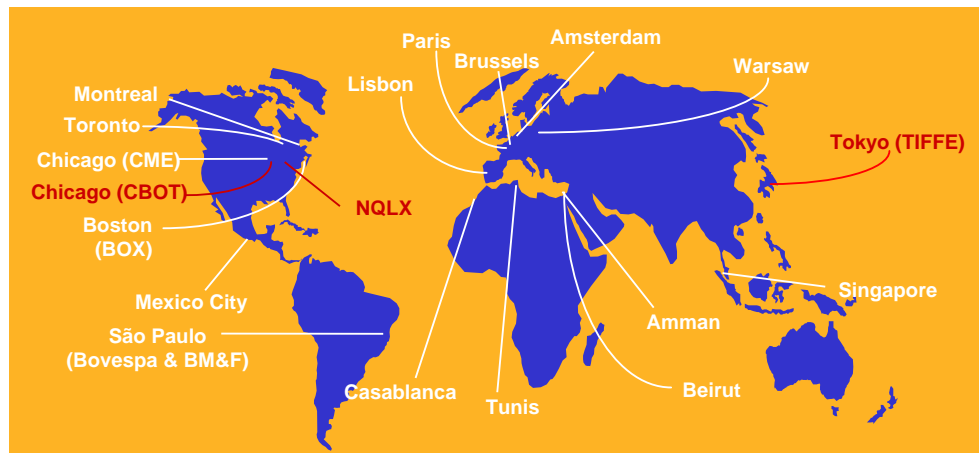


State-of-the-art trading and clearing systems

Technology and IT innovation

⇒ Euronext developed, uses and/or markets world leading systems

- The NSC trading engine is currently used by 13 exchanges around the world (excluding the 4 Euronext markets)



- Liffe Connect™ was adopted by NQLX, TIFFE (Tokyo International Financial Futures Exchange) and CBOT (Chicago Board of Trade)
- Clearing 21© is used by the CME (Chicago Mercantile Exchange), NYMEX (New York Merc. Ex.), Clearnet and was further chosen by LCH.Clearnet

Products / Innovation

⇒ Launch of new products and businesses – Highlights

- Launch of NextTrack, a segment dedicated to trackers – January 2001
- Launch of Powernext, the electricity exchange – November 2001
- Launch of NextPrime and NextEconomy market segments – January 2002
- Launch of NextWeather, a line of climate indices – January 2002
- Launch of NextWarrants, a segment dedicated to warrants – May 2002
- Launch of equity futures operations in the US by NQLX – November 2002
- Launch of new index derivatives on FTSEurofirst 80 and 100 indices – June 2003

International Co-operation

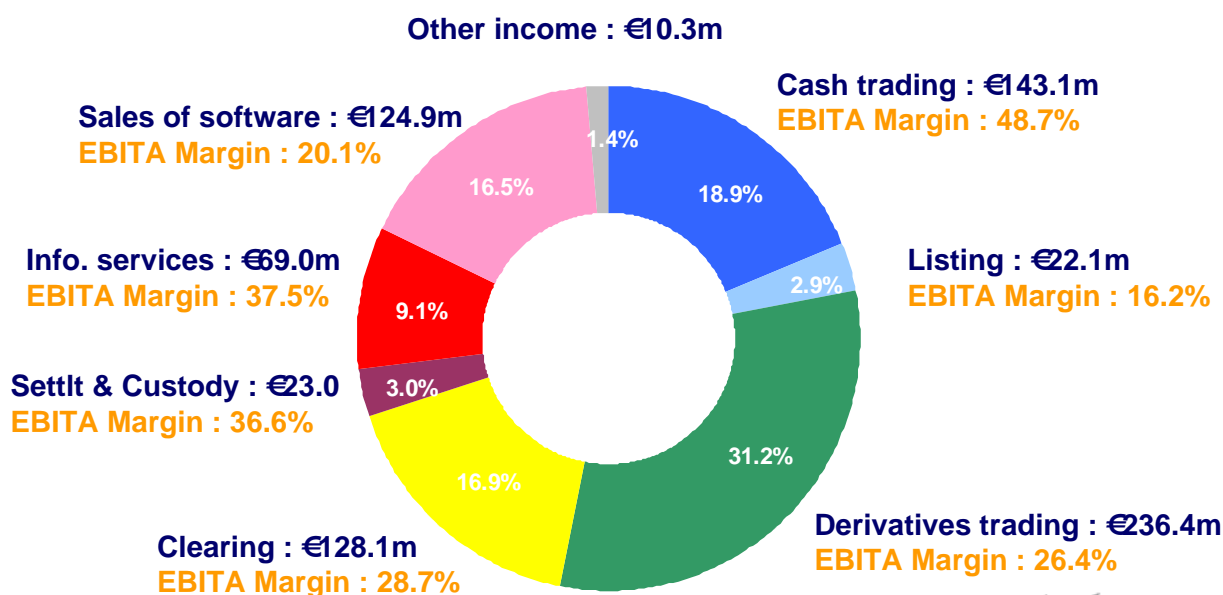
⇒ Signature of co-operation agreements with foreign exchanges

- with Luxemburg Exchange – November 2000
- with Helsinki Exchange – September 2001
- with Warsaw Stock Exchange – February 2002
- with Tokyo Stock Exchange – September 2002
- with Boerse Stuttgart – February 2003

Balanced revenues stream & EBITA margin (9M 2003)

⇒ The acquisition of Liffe at the beginning of 2002 has further improved the diversification of Euronext's revenues

⇒ Overall EBITA Margin in 9M 2003 : 29.3%



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Euronext Full Year 2002 results

Euronext delivers solid revenue growth combined with tight cost control, leading to improved EBIT

<i>in million euros</i>		FY 2002 (Audited)	FY 2001 (Pro forma)	Change	
Before exceptional capital gain	Revenues	996.6	936.5	+6.4%	
	Expenses	-758.8	-825.3	-8.1%	
	EBITA	237.8	111.2	+113.8%	◀ FY 2002 EBITA Margin: 23.9%
	EBIT	184.7	53.6	+244.6%	◀ FY 2002 EBIT Margin: 18.5%
	Profit before tax and exceptional capital gain	180.0	110.5	+62.9%	
After ex. cap. gain	Exceptional capital gain	97.4	33.8	n/a	◀ Exceptional capital gain in 2002: mainly explained by sale of 20% of Clearnet shares and of Dutch settlement activities to Euroclear
	Profit before tax	277.4	144.3	+92.2%	
	Net profit	166.2	58.0	+186.6%	

⇒ Revenue growth : +6.4%, despite unfriendly market environment, as a result of ongoing high volumes in the cash and derivatives markets

⇒ Costs control : -8.1%, mainly resulting from a decrease in staff costs from €17m to €27m

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Euronext 9 months 2003 results

Satisfactory revenue growth in a difficult environment and ongoing cost control lead to an improvement of EBIT

<i>in million euros</i>		9M 2003	9M 2002	Change	
Before exceptional capital gain	Revenues	756.9	746.3	+1.4%	
	Expenses	-534.9	-541.6	-1.2%	
	EBITA	222.0	204.7	+8.4%	◀ 9M 2003 EBITA Margin: 29.3%
	EBIT	183.8	164.9	+11.5%	◀ 9M 2003 EBIT Margin: 24.3%
	Profit before tax and exceptional capital gain	202.9	150.8	+34.5%	
After ex. cap. gain	Exceptional capital gain	0.0	91.9	n/a	◀ Exceptional capital gain in 2002: mainly explained by sale of 20% of Clearnet shares and of Dutch settlement activities to Euroclear
	Profit before tax	202.9	242.7	-16.4%	
	Net profit	108.4	151.8	-28.6%	

- ⇒ Revenue growth : +1.4%, driven by the performance of trading activities (cash and derivatives)
- ⇒ Costs control : -1.2%, mainly resulting from
 - 12.3% decrease in staff cost (of which 5.7% due to ongoing reduction in headcount)
 - 10.2% increase in IT costs due to CBOT deal, NQLX consolidation and network charges

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Balance Sheet : Cash Position & Indebtedness

<u>Cash Position & Indebtedness as at 30 Sept 2003</u>	<u>including Clearnet and GL Trade</u>	<u>excluding Clearnet and GL Trade</u>	<u>excluding GL Trade, post LCH.Clearnet</u>	
<i>in million euros</i>				
Short term investments	3,731	250	250	◀ Impact of LCH.Clearnet deconsolidation: +€144m cash
Cash	409	126	270	
Net balance received from clearing members	- 3,476	0	0	
Gross cash position	664	376	520	
Gross Debt (Loans & borrowings)	- 274	- 273	- 273	◀
Net cash position	390	103	247	

Loans & borrowings mainly consist of:

- €215m (£150m) syndicated loan falling due in Nov 2004
- €43m (£30m) money market loan repaid in Nov 2003

- ⇒ Save as disclosed above, the Group does not have any outstanding loan capital (either issued or created but unissued), term loans or other borrowings or indebtedness in the nature of borrowings, material guarantees or material contingent liabilities

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Strong credit profile (1/2)

⇒ Fundamentals

- Central and essential role in capital markets
 - with implicit support from regulators and market participants
- Industry structure with high barriers to entry
 - cost of infrastructure both for exchanges and clients
 - liquidity attracts liquidity
- Fee based income structure
- Geographical diversification
 - 5 main countries
- Product and revenue diversification
 - Cash Trading & Derivatives Trading
 - Clearing
 - Sales of software
- Strong risk management
 - under the supervision of regulators
- Product innovation
- State-of-the-art technology and IT innovation

Limited exposure to economic cycles



Strong credit profile (2/2)

⇒ Financial strengths

- Cash generative business
 - EBITA margin between 25% and 30%
 - EBIT margin between 20% and 25%
- Highly conservative balance sheet
 - Capital and reserves: €1528 million at 30 September 2003
 - Positive net cash position
- Ratios at 30 Sept 2003 and for 9M 2003
 - Interest coverage
 - EBIT / Gross interest expenses > 20
 - Leverage
 - Gross Debt / EBITA ~ 1.0
 - Net Debt / EBITA < 0
 - Gearing
 - Gross Debt / (Equity + Gross Debt) = 15%
 - Net Debt / (Equity + Net Debt) < 0



Euronext inaugural Sterling benchmark issue

Summary Terms of the Transaction

Issuer	Euronext N.V.
Type	Senior unsecured
Currency	Sterling
Issue Size	£ 250 million
Maturity	16 June 2009
Coupon	5.125% annual
Issue price	99.776%, equivalent to Gilt UKT4 03/09 + 52 bp
All-in cost after swap to floating rate:	3-month Libor + 23 bp
Listing	London Stock Exchange
Documentation	Stand alone documentation
Bookrunner	HSBC Bank Plc
Use of proceeds	Refinancing of existing debt and general corporate purposes

