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NEW YORK PARIS

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At the request of Euronext N.V. we have prepared this short summary of certain U.S. legal aspects of the proposed combination between Euronext and NYSE Group Inc. This summary has been prepared in response to recent statements of concern by various public figures and market organizations that the proposed combination could result in the application of U.S. laws and regulations to the Euronext markets. In response to these statements and to ensure that the public debate is fully and accurately informed, Euronext requested that we prepare this summary. It reflects advice that we have provided to our client Euronext over a period of several months, and that Euronext has, with our consent, furnished to the Euronext College of Regulators. While many lawyers within our firm have participated in the analysis reflected in this summary, we note that among the Cleary Gottlieb partners advising on these matters are Alan Beller, who until earlier this year was the Director of the SEC's Division of Corporation Finance and Senior Counselor to the Commission, and David Becker, former SEC General Counsel.

- Ownership of Euronext by the new holding company (NYSE Euronext, Inc.) will not cause Euronext itself or its listed companies to become subject to U.S. exchange laws or regulations. The SEC does not have the power to assert such authority. The SEC will have authority only over the holding company (of a specific and limited nature shared with the Euronext College of Regulators) and the New York Stock Exchange and NYSE Arca (the combined group's U.S. exchanges), not over Euronext and its exchanges. According to the parties' public statements with respect to the contemplated synergies and benefits of the proposed combination, those synergies and benefits are not predicated on any plans (such as a full exchange merger or the placing of Euronext trading screens in the United States) that would subject Euronext and its subsidiaries to the reach of U.S. exchange laws, regulation or authority. We note that Euronext and NYSE Group have consistently explained that they do not currently intend an exchange merger and have described in detail the business rationale for a combination that preserves local regulation of the various exchanges within the horizontal federal model.
- The SEC has publicly confirmed that joint ownership of a U.S. exchange and a non-U.S. exchange (such as in the structure of the proposed combination of Euronext and NYSE Group) would not by itself result in the application of U.S. securities regulation to the listing or trading activities of the non-U.S. exchange.

- It is a basic principle of U.S. securities law that a non-U.S. issuer becomes subject to registration with the SEC and hence to the rules and regulations applicable to U.S.-listed companies only by offering its securities to the public in the United States and/or listing them on a U.S.-licensed exchange. Under U.S. law the proposed combination will not cause Euronext to become a U.S.-licensed securities exchange nor, based on our understanding of the parties' plans as noted above, will it have this result in the longer term.
- The above principle applies fully to the Sarbanes-Oxley Act which by its terms applies only to companies registered with or reporting to the SEC. Accordingly, the listed companies of a non-U.S. exchange (such as Euronext) will not become subject to the Sarbanes-Oxley Act and the SEC rules governing companies listed in the United States unless those companies voluntarily register their securities with the SEC. This is not only our view, but it has been unequivocally confirmed by SEC public statements.
- The proposed combination will not subject companies whose securities are listed on Euronext markets but not on NYSE (or other U.S. securities exchanges) to increased risk of exposure to U.S. legal proceedings or class action suits. The liability provisions of the U.S. securities laws apply to non-U.S. companies only to the extent that they list their securities on a U.S.-licensed securities exchange (which, again, the combination as proposed will not cause Euronext to become) or offer their securities in the United States.
- There seems to be no prospect that NYSE Euronext would cause Euronext to adopt Sarbanes-Oxley-based corporate governance rules applicable to its markets in the foreseeable future. First, this would appear to make no business sense. As stated by Euronext and NYSE Group, one of the key commercial drivers of the proposed combination is that the combined group would be able to offer non-U.S. companies the opportunity to list on exchanges whose listed companies are not subject to the regulatory requirements of the Sarbanes-Oxley Act. Second, the Euronext market operators do not have the authority, absent legislation, to amend or implement market rules pertaining to corporate governance, and all rule changes are in any case subject to approval by the local regulators.
- Accordingly, we believe, and we understand that Euronext believes, that the risk of "overspill" of current U.S. securities laws and regulations into European markets as a result of the transaction is not real. While of course one cannot predict the future with certainty, we and Euronext also believe, in light of the policy foundations of the U.S. securities laws and the transatlantic regulatory and diplomatic framework, that the risk of such "overspill" resulting from future changes in laws is remote. Nonetheless, Euronext (along with NYSE Group) created a Dutch foundation (*stichting*) structure to provide additional backstop comfort to its constituencies and regulators.

- The Foundation will have a board of independent directors initially appointed jointly by Euronext and NYSE and whose successors will be appointed by a committee of the NYSE Euronext Board of Directors consisting of an equal number of European and American directors. All Foundation directors must be approved by the European regulators. The Foundation board will be empowered to determine whether a “regulatory overspill” has occurred and, to the extent necessary to remedy it, to exercise a broad range of remedies (including an outright transfer of Euronext voting shares to the Foundation), in each case guided first and foremost by the public interests of the markets operated by Euronext and its subsidiaries.