

I. COMPANY PROFILE



- HISTORY
- THE FIRST CROSS-BORDER INTEGRATED EXCHANGE
- EURONEXT'S DIVERSIFIED REVENUE SOURCES

Euronext N.V. is the first cross-border exchange, created in 2000. It operates combined regulated markets across Belgium, France, the Netherlands, Portugal and the UK (for derivatives only).

History

- September 2000: Merger of the exchanges of Amsterdam, Brussels and Paris to form the first cross-border exchange group, Euronext N.V., a Holding company under Dutch law.
- January 2002:
 - Euronext group expands with the acquisition of LIFFE (London International Financial Futures and Options Exchange).
 - Merger with the Portuguese exchange BVLP (*Bolsa de Valores de Lisboa e Porto*).
- 2003: Euronext market integration: single cash trading platform, NSC and clearing system, Clearing 21[®], for the whole Group; first phase of migration of derivatives products to LIFFE CONNECT[®] completed.
- December 2003: Merger of London Clearing House and Clearnet to create LCH.Clearnet, Europe's leading provider of clearing and central counterparty services.

Euronext offers a range of integrated services including the listing of financial instruments, trading in securities and derivatives, clearing through its associate LCH.Clearnet, netting and settlement through its subsidiaries CIK and Interbolsa and its partner Euroclear; market data dissemination and IT solutions and support. Euronext's customers include listed companies, members, institutional and individual investors who trade on

Euronext markets, other organisations, notably exchanges that use its technologies and services, and users of the financial information generated by market activity.

Euronext is leading the way in the integration of Europe's financial markets. The company derives its strength from its roots in each of its local markets, its ability to generate synergies through the integration of the cash and derivatives markets it manages and its diversified revenue streams. Growth has been central to the company's strategy: in 2002, Euronext acquired LIFFE, the London-based international derivatives market and merged with BVLP, the Portuguese exchange.

Today, Euronext is the largest cash securities market in Europe, measured by value of the trading processed through its central order book. Some 1,392 companies, a quarter of them foreign, are listed on Euronext. Euronext.liffe is the world's second largest derivative exchange, by value of the business transacted through the exchange every day.

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. This process was completed in 2003. Euronext.liffe is creating a single market for derivatives, by bringing all its derivatives products together on a single electronic trading platform, LIFFE CONNECT[®]. The transfer will be completed in 2004. The replacement of multiple trading venues with single markets for cash and derivatives instruments will make cross-border trading easier and cheaper.

In the drive to reduce customers' trading costs, a key milestone was passed in late 2003, when Euronext merged its clearing subsidiary Clearnet with London Clearing House (LCH). The creation of LCH.Clearnet, the leading independent clearing house in Europe, is a major step towards the integration of European capital markets. It paves the way for more efficient use of capital, broader trading opportunities and easier cross-border access for both cash securities and derivatives products.





EURONEXT'S DIVERSIFIED REVENUE SOURCES

LISTING

Listing fees consist of fees paid by securities issuers when their securities are listed for trading on cash markets in order for them to raise capital, annual fees paid by companies whose financial instruments are listed, and other fees derived from financial operations or tender offers. Revenues from Listing amounted to €30.6 million in 2003.

CASH TRADING

Income from trading on the cash markets consists of commissions charged for placing orders in the electronic central order book and for the execution of transactions in financial instruments (equities, trackers, warrants, debt securities and other instruments issued by third parties). The income from Cash trading depends primarily on the total number of orders entered into the system and the number of transactions executed. Revenues from Cash trading amounted to €187.5 million in 2003.

DERIVATIVES TRADING

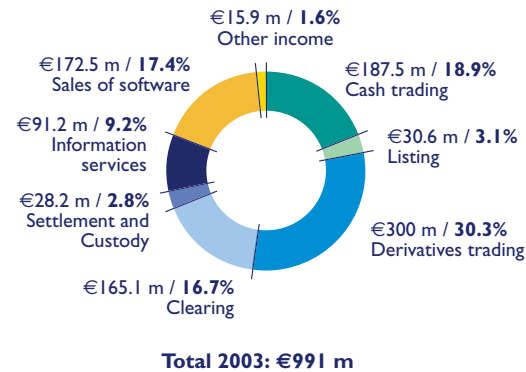
Income from Derivatives trading consists of fixed per-contract fees, charged for the execution of trades on the derivatives markets. The main products in this market are equity options, index options, interest rate futures and options, and commodity derivatives. Revenues from Derivatives trading amounted to €300 million in 2003.

CLEARING

Income is earned from commissions charged for clearing cash securities and continental derivatives transactions. The level of these fees depends primarily on the value of the transactions. Revenues from Clearing amounted to €165.1 million.

REVENUES 2003

(% of total revenues)



SETTLEMENT AND CUSTODY

Fees charged for settlement-delivery and custody are charged primarily on securities settlement in Euronext Brussels and Euronext Lisbon. Revenues from Settlement and Custody amounted to €28.2 million in 2003.

INFORMATION SERVICES

Euronext charges data vendors for the use of its market data services. This revenue source includes fixed fees and variable commissions based on the number of terminals using Euronext data. Revenues from Information Services represented €91.2 million in 2003.

SALES OF SOFTWARE

Euronext offers access to software solutions, via GL Trade and via Market Solutions, Euronext.liffe's technology division, which develops and sells LIFFE CONNECT® system. Revenues from sales of software represented €172.5 million in 2003.