NYSE Euronext
Form DEFA14A
June 03, 2011

# SCHEDULE 14A

## INFORMATION REQUIRED IN PROXY STATEMENT

## SCHEDULE 14A INFORMATION

## Proxy Statement Pursuant to Section 14(a) of the

## Securities Exchange Act of 1934

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# NYSE Euronext

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**Safe Harbour Statement**

In connection with the proposed business combination transaction between NYSE Euronext and Deutsche Boerse AG, Alpha Beta Netherlands Holding N.V. ( Holding ), a newly formed holding company, has filed, and the SEC has declared effective on May 3, 2011, a Registration Statement on Form F-4 with the U.S. Securities and Exchange Commission ( SEC ) that includes (1) a proxy statement of NYSE Euronext that will also constitute a prospectus for Holding and (2) an offering prospectus of Holding to be used in connection with Holding s offer to acquire Deutsche Boerse AG shares held by U.S. holders. Holding has also filed an offer document with the German Federal Financial Supervisory Authority (Bundesanstalt fuer Finanzdienstleistungsaufsicht) ( BaFin ), which was approved by the BaFin for publication pursuant to the German Takeover Act (Wertpapiererwerbs-und Übernahmegesetz), and was published on May 4, 2011.

Investors and security holders are urged to read the definitive proxy statement/prospectus, the offering prospectus, the offer document and published additional accompanying information in connection with the exchange offer regarding the proposed business combination transaction because they contain important information. You may obtain a free copy of the definitive proxy statement/prospectus, the offering prospectus and other related documents filed by NYSE Euronext and Holding with the SEC on the SEC s website at www.sec.gov. The definitive proxy statement/prospectus and other documents relating thereto may also be obtained for free by accessing NYSE Euronext s website at www.nyse.com. The offer document and published additional accompanying information in connection with the exchange offer are available at Holding s website at www.global-exchange-operator.com. Holders of Deutsche Börse shares who have accepted the exchange offer have certain withdrawal rights which are set forth in the offer document.

This document is neither an offer to purchase nor a solicitation of an offer to sell shares of Holding, Deutsche Boerse AG or NYSE Euronext. The final terms and further provisions regarding the public offer are disclosed in the offer document that has been approved by the BaFin and in documents that have been filed with the SEC.

No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended, and applicable European regulations. The exchange offer and the exchange offer document shall not constitute an issuance, publication or public advertising of an offer pursuant to laws and regulations of jurisdictions other than those of Germany, United Kingdom of Great Britain and Northern Ireland and the United States of America. The relevant final terms of the proposed business combination transaction will be disclosed in the information documents reviewed by the competent European market authorities.

Subject to certain exceptions, in particular with respect to qualified institutional investors (tekikaku kikan toshika) as defined in Article 2 para. 3 (i) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended), the exchange offer will not be made directly or indirectly in or into Japan, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce or any facility of a national securities exchange of Japan. Accordingly, copies of this announcement or any accompanying documents may not be, directly or indirectly, mailed or otherwise distributed, forwarded or transmitted in, into or from Japan.

The shares of Holding have not been, and will not be, registered under the applicable securities laws of Japan. Accordingly, subject to certain exceptions, in particular with respect to qualified institutional investors (tekikaku kikan toshika) as defined in Article 2 para. 3 (i) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended), the shares of Holding may not be offered or sold within Japan, or to or for the account or benefit of any person in Japan.

**Participants in the Solicitation**

NYSE Euronext, Deutsche Boerse AG, Holding and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from NYSE Euronext stockholders in respect of the proposed business combination transaction. Additional information regarding the interests of such potential participants will be included in the definitive proxy statement/prospectus and the other relevant documents filed with the SEC.

**Forward-Looking Statements**

This document includes forward-looking statements about NYSE Euronext, Deutsche Boerse AG, Holding, the enlarged group and other persons, which may include statements about the proposed business combination, the likelihood that such transaction could be consummated, the effects of any transaction on the businesses of NYSE Euronext or Deutsche Boerse AG, and other statements that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and actual results of operations, financial condition and liquidity, and the development of the industries in which NYSE Euronext and Deutsche Boerse AG operate may differ materially from those made in or suggested by the forward-looking statements contained in this document. Any forward-looking statements speak only as at the date of this document. Except as required by applicable law, none of NYSE Euronext, Deutsche Boerse AG or Holding undertakes any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

**Transcript of Deutsche Börse Investor Day Presentation, June 1, 2011:**

**Transcript of Deutsche Börse Investment Day**

**June 1, 2011**

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Eric Müller: Ladies and gentlemen, welcome everyone here at the new Deutsche Börse headquarters and thank you for joining us today for the 2011 Investor Day. Welcome also to those of you following the event via the Internet. And with me today is the entire executive board of Deutsche Börse, led by Reto Francioni, and the CEO of NYSE Euronext, Duncan Niederauer. Before we start the presentation let me remind you that this presentation includes forward-looking statements about NYSE Euronext, Deutsche Börse AG, the combined group, and other persons, which may include statements about proposed business combination, the likelihood that such transaction could be consummated, the effects of any transaction on the businesses of NYSE Euronext or Deutsche Börse AG, and other statements that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and actual results of operation, financial condition and liquidity, and the development of the industries in which NYSE Euronext and Deutsche Börse AG operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document. Any forward-looking statements speak only as at the date of this document. Except as required by applicable law, none of NYSE Euronext, Deutsche Börse AG, or [Alpha Beta Netherlands N.V.] undertakes any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. So finally, we d like to remind everyone here in the room that this is an event that s broadcasted via the Internet and will also be available for replay. With those remarks, Reto, I d like to hand over to you.

Reto Francioni: Good afternoon, ladies and gentlemen, on behalf of the entire management team at Deutsche Börse, I d like to thank you for the opportunity to spend half a day, almost a tradition, with you here at our new headquarters in Eschborn. I m also very pleased that my colleague Duncan Niederauer, from New York, came over here and joins us today. My colleagues on the Executive Board and I will start the day by presenting Deutsche Börse and our current initiatives. Duncan will then present the NYSE Euronext and we will jointly go through the third part of the presentation that covers our proposed business combination. And finally, we will conduct a question-and-answer session on all parts of today s presentation.

Our Deutsche Börse, over the last ten years, has gone through a transformative journey from being a German equities market provider, to becoming one of the world s leading providers of derivatives, risk management and post-trade infrastructure. We are a pioneer and innovator in using technology to drive capital markets growth and efficiency. The path to our leadership position has involved M&A, partnerships and organic growth. Eurex, our derivatives market and clearing provider, as well as Clearstream, our post-trade provider, with an international footprint, are leading global brands. They are complemented by strong brands in cash equities and market data businesses.

Over the last two years, we focused on completing and integrating our portfolio of world class assets, launching new products, expanding into growth markets and further driving efficiency. We have an excellent track record for cost discipline and our 2010 efficiency program will result in an additional 150 million of cost savings by 2012. Our overall strategy yields exceptional cash flow generation, which supports our strong balance sheet and enables an attractive distribution policy. The merger with NYSE Euronext fits perfectly into our strategy as it utilizes our derivatives, risk management and post-trade expertise and accelerates growth opportunities.

This slide illustrates the transformation, over the last decade, into a diversified markets operator with global reach, something only a few exchange organizations globally have accomplished so far. The broader setup, from a product and geographic point of view, helps us to address the needs of customers who are operating on a multi-assets class basis across the globe.

The desire of our peers to get into a position we are already in is also one of the drivers of the recent pickup in M&A activity in the exchange sector. Since the year 2000, the top line of the group has grown by 12 percent, on average, per annum. Paired with scalability of our business model, EBIT has grown by 18 percent, on average, per year. The EBIT margin of the group has increased from 34 percent in 2000, to 50 percent in 2010.

Our derivatives business, Eurex, accounted for 44 percent of our EBIT in 2010. With the Deutsche Terminbörse EBT, which later became Eurex, we created one of the first fully electronic derivatives exchanges and developed it into one of the largest financial derivatives markets globally, with integrated clearing by our Eurex Clearing. With Eurex Clearing, we run the largest clearinghouse in Europe, with more than 8 trillion in risk exposure cleared every month. Eurex is the first clearinghouse to offer real-time risk monitoring and data for derivatives and the clearing services have proven extremely effective in mitigating counterparty risk in financial markets.

With 32 percent EBIT contribution in 2010, our post-trade business, Clearstream, is the second-largest contributor to group earnings. Clearstream is a leading provider of post-trade services and offers settlement, custody, safekeeping and global securities financing services for equities and fixed income securities to more than 2,500 clients in over 110 countries. The main business at Clearstream is its international over-the-counter fixed income business that contributed more than 80 percent of the revenues in 2010. Clearstream is uniquely positioned to take advantage of capital markets trends like the ever-increasing demand for collateral management services. Furthermore, Clearstream, with its net interest income, is geared to a rising rate environment.

With our market data and analytics segment, we operate the index provider STOXX, which we fully consolidated in 2010.

Our MD&A business offers best-in-class data and analytical tools to international clients, and we have more recently expanded into the area of nonfinancial information.

STOXX plays an important part in our internationalization strategy with the currently ongoing expansion of the index offering beyond Europe.

With our regulated and transparent cash market, etc., we run the cash market of Europe s largest economy. Besides German equities, a wide range of products, such as ETFs, retail structured products and bonds are tradable on our electronic markets. Despite cyclicality, we have seen in this business over the last couple of years, the EBIT margins have consistently been above 45 percent.

Despite our merger plans, there is a continued focus on growth initiatives, and the measures to improve our operating efficiency, while at the same time maintaining our strong financial position. First, we remain focused on growth opportunities within each of our business segments. Our 2011 investment program, with expenditures of around 120 million, is geared to support structural growth and build on our strengths in technology. A main focus is further expanding the clearing and risk management capabilities in the Eurex segment to support the extension of our clearing service to OTC-traded derivatives.

Second, we continue to work on further improving our operating efficiency, in particular, strict cost discipline.

And third, in the context of capital management, we will continue to focus on retaining our strong financial position and our excellent credit rating profile by pursuing an attractive distribution policy.

We have structured our growth initiatives along the following four dimensions. First, we intend to achieve growth by expanding existing businesses. Second, we are launching new products in existing and new asset classes. Third, we are tapping into new growth regions like Asia and South America. And fourth, we are expanding the value chain beyond the existing components.

My colleagues on the Executive Board will now take you through their respective areas of responsibility. This year, the focus is specifically on

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examples of recently implemented initiatives and promising new growth avenues. I am now handing over to Frank Gerstenschläger, who will start with the cash market.

Frank Gerstenschläger: Thank you, Reto. I think Reto mentioned already in his speech some of the key points of the development in 2010. In 2011, we have seen so far a very good development of the Xetra business as well. Volumes have recovered. Of course, not to the levels of 2010. But clear to levels, where, I could say it s a very good and very lucrative business for us. And that s of course is very true because of a very strict cost management in this segment. Our market share in the DAX instruments was in the last twelve months stably around 70% and we have seen in the last week sometimes that we have even market shares above this 70%. I think it s well worth to mention that the average order size on Xetra is now since first quarter of 2009 steady at the level of 19,000 to 20,000. So we have achieved still a very high order size which we executed per trade. I think besides these more quantitative performance indicators, we have observed a further improvement of the market quality on Xetra. Based on the numbers provided by Liquid Metrix, which is an independent provider for best execution analysis, Xetra offers the best spread in the market for DAX instruments and the debits order book for these instruments as well. The average spread of a DAX order executed on Xetra, you could see that on the slide, is now in the first quarter of 2011 down to 6.8 basis points which is by far the highest liquidity for a significant order size. And at the touch inside the market we have seen and observed now in March and April even spreads with just 5 to 4 basis points for a DAX trading instrument. In 2010 and this year we consequently execute our strategy to extend Xetra s position in the European landscape of cash equity trading. At the strategy I presented last year on Investor Day is based on three measures. It s about offering efficient prices to be processed on full electronic platform as well as the specialist model, expand offering of products we traded on Xetra and extend the customer base. I have to say there are several reasons for the good performance of Xetra, however, I just want to mention in my speech now two of them that I think are very important and this will give us possibilities to get further improvement and innovations. Xetra has the largest participant network of all European exchanges and trading venues. With this huge network, we pool a broad range of customers and different customer types. We have retail customers, we have institutional customers, customers from the buy side/sell side. Of course we have arbitrage desks. We are doing the arbitrage between U.S. derivative markets and OTC markets and trading venues. And important of course the high frequency trading. As a result we see on Xetra a very diversified order flow and that s a very important point because this mixture of the order flow from a very different trading intentions is high value for the traders. They like to connect to Xetra because we have this mixture of intention on that flow, and exactly that is one of the reasons why we made it able to connect ten new members just in the first month of 2011 to Xetra which account now for 2% of the trading volumes on Xetra. And we further are going to expand this network, however, to say it s more a regulatory issue to expand this network to Eastern Europe, Russia or Asia than it s a technology one. Technology wise we would be able to expand this network immediately; however, we have work hard together from the regulatory side.

What we will provide new in that area in 2011 is clear. We will have in June, we will provide for the Xetra members a real fast, real co-location setup at our new data center here in Germany. This will improve the latency for Xetra, and we are already now below one millisecond in average. The fastest order now which is the fastest order in Xetra is probably at .55 milliseconds. So we have to say from the latency side, we are absolutely on the same level as our competitors. With the Release 12 which will be in place in October [or] November this year, we will provide a multichannel interface service for connectivity to Xetra. With this service we will include a new Xetra fixed gateway which will make it able for customers to connect via fixed protocol, more standardized format with Xetra. An important step to increase further on the efficiency of Xetra was the migration of the floor trading infrastructure from Scontro Systems Xetra last week. We had successfully migrated the market onto our infrastructure. This will improve again this mixture of order flow on Xetra and significantly increase operational efficiency of the cash market and the operational efficiency not only at Deutsche Börse AG, it will increase as well the operational efficiency at our members, which we just have to serve now on one infrastructure. So, as a result we have broadened our product range on Xetra by infrastructure to more than 700,000 securities. Now, equities, bonds, funds, mutual funds, ETFs, certificates and warrants are tradable via the same rulebook, technology infrastructure and in a straight-through process going into the same clearing and settlement features. And, it is important to mention that all Xetra members have activity connected to these new services from Xetra. From the first day on we have doubled the members using now these specialized services. Because we have the members which have been 120 Scontro members or formerly infrastructure members. We have now connected all 250 Xetra members to these new services from the specialists. With this specialist-driven execution policy, we added a new feature to Xetra, which is useful of course for execution of less liquid equities and securities, but is very well useful in volatile market conditions or market conditions with uncertainty. So we added to the full automatic electronic trading system at Xetra a different price discovery process which is steered (inaudible). With the setup of Xetra which network reaches across Europe extendable to East Europe and Asia with its very, very well diversified order flow and the customized execution features, I am very confident that we are in a position to develop further on any market segments on Xetra. And we already have started with that with our bond initiatives, trading bonds, corporate bonds on Xetra. And we are on track with our project of trading globally mutual funds. Together with Clearstream, we have an integrated project with Clearstream and Xetra to trade these mutual funds on a global scale. Developing these new segments on Xetra is very important and, of course, with the ETF segment on Xetra, we have already developed such a successful segment. ETFs are now, after the DAX equities, the second segment with the highest order book turnover on Xetra. We have clearly now 800 listed products from 19 different ETF issuers and supported from the liquidity of 22 designated sponsors, we have by far the biggest marketplace in Europe for ETFs and ETCs and exchange traded notes. Again, the network and the diversified order flow in conjunction with the liquidity from the marketmakers are the secret of this success, and I am confident that this market will further grow on Xetra due to the innovations we will see from the product side coming up and based on the cross-asset class trading we will provide on this market. Thank you for your attention and I will hand over to Andreas.

Andreas Pruess: The key success factors of the Eurex business continue to be the same as last year. They are: constant enhancement of the distribution capability, a sound products and services spectrum and pipeline, leading edge technology and unrivaled clearing functionality. In the following, I will highlight a few of the more recent developments for each of these factors.

Asia is, and will be, a key focus area for Eurex growth. Our distribution network in the Asian markets is constantly being expanded and we currently have 19 exchange members connected from there. The number of contracts traded from Asia in 2010 reached approximately 21 million, many from Singapore and Hong Kong, 29 percent up from 2009, 270 percent up from 2008 and basically, we began in 2008, to be clear. We are designing and carrying out training and education programs in cooperation with local universities in Asia and we ll continue to refine our trader development program to assist Eurex participants to expand their trading activities by training young talent. We are preparing ourselves for a gradual opening up of financial markets in mainland China and I m not here trying to predict what the pace for this will be and are intensifying our sales and business development activities, besides Singapore and Hong Kong, specifically in mainland China.

In the segment, Product cooperations, we launched KOSPI options at Eurex in 2010, to be tradable during the non-trading hours on the Korean exchange, KRX. Since launch, more than 1 million contracts have been traded through this link; the current ADV is 17,000 contracts and the number is quickly growing.

We are also and I would add to this, again, considering the expansion of

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trading hours during the European morning to increase the overlap with the Asian trading hours.

I now take a look at dividend products. We launched the EURO STOXX 50 index dividend futures in June 2008. This was the first exchange traded contract separating the dividend element of a benchmark index. Timing of the product introduction was, admittedly, convenient. As a result of the credit crisis and the resulting flight to quality, market participants and especially banks rapidly embraced this new product. Order book trading now accounts for approximately 25 percent of the total volume in the index dividend futures. Five million contracts were traded last year, 1.5 million in Q1 2011, open interest is currently around 650 thousand. We estimate that the ADV is now more than 50 percent higher than the entire OTC market volume in index dividend products was in 2008. This is caused, obviously, also by the fact that the exchange traded contract has attracted a substantial number of additional users.

Following the launch of the index dividend futures in 2008, we last year launched single stock dividend futures with a broad coverage of European names including the EURO STOXX 50 components as well as constituents of other blue chip indices, such as the SMI and FTSE. Open interest in single stock dividend index futures has steadily increased and already reached the level of open interest in the index dividend futures thus mentioned, roughly 650 thousand contracts.

In May 2010, we added dividend options. The dividend options currently have an open interest of already 250 thousand and an ADV of around two thousand.

Let me now give you a little glimpse into Eurex Repo   the Eurex Repo business. The Eurex Repo volume growth accelerated since 2008, especially in Euro Repo and GC Pooling. GC Pooling, the collateralized money market that Eurex operates jointly with Eurex Clearing and Clearstream, grew by 25 percent last year, compared to 2009 and has continued to grow in 2011. Average outstanding volume reached  93 billion in the first quarter, an increase of 17 percent year-on-year, with a new record on Friday of last week, with  124 billion. GC Pooling has proven to be a reliable liquidity pool for market participants as the secured money market has become the replacement of the unsecured money market. The average outstanding volume across all repo market segments grew by 38 percent, to  260 billion in the first quarter 2011 compared to first quarter 2010 and currently stands at a new record of slightly under  300 billion.

Let me take a look at the EEX, the European Energy Exchange. Eurex and the European Energy Exchange, EEX, have a long-standing partnership. Eurex customers have had access to emission products listed on EEX since 2007, and to power derivatives since 2009. The power derivatives traded 1,208 terawatthours in 2010, up 18 percent compared to 2009. In Q1 2001, we, meaning Eurex, concluded the increase of our stake in the EEX to 56 percent; we beforehand had roughly 35. We aim to develop EEX to become the leading European marketplace for energy products and the forthcoming consolidation of the fragmented European energy market offers unique opportunities to further broaden and diversify the business portfolios. Our objective is to create value by generating revenue and cost synergies on the basis of integration of national energy markets on Eurex s infrastructure and network.

Eurex and EEX will play an active role in the ongoing European energy market consolidation process by deploying its core competencies. In detail, this means global distribution network. The EEX membership base currently consists primarily of local and regional energy market participants. The EEX-Eurex cooperation creates one of the largest international distribution networks for energy trading in which the two partners jointly have about 600 trading member firms from the international energy market sectors.

Second, diversified product portfolio. Financial investors show a growing demand for non-financial trading opportunities in multiple asset classes. In addition, the globalization of commodities trading increasingly requires combination with financial products. For example, hedging is very much at the forefront. The partnership with the EEX is intended not only to give Eurex a foothold in energy markets, but to enable Eurex and EEX to jointly play the leading role in the European energy markets.

The third aspect here to be touched on in the context of EEX is state-of-the-art technology. Eurex has developed I would have to say, Deutsche Börse Systems, in conjunction with Eurex, has developed a dedicated commodity trading system and also further specific applications required by the physical market. With this extension of our trading and post-trading IT portfolio, we cover the requirements of transmissions systems operators, or TSOs, organizing cross-border markets.

And last, but not least, clearing services are important. Clearing services are increasingly relevant for both financial as commodity products. The clearing link between Eurex Clearing and European Commodity Clearing, which is the clearing house owned by the EEX, is the backbone of our existing partnership with EEX and will serve as the basis for future developments.

Similar to Eurex Repo, commodity products and EEX will be a growing and increasingly important part of Eurex in the years to come.

Let me touch on Eurex technology initiatives. Eurex is in the midst of several large technology enhancements, from interfaces, to connectivity, to our core back-end systems. New member interfaces, designed for members that are not latency-sensitive, will be introduced at Eurex in November 2011. Native fixed connectivity for order management and market data are to be mentioned here. We are furthermore enhancing our network to provide higher performance and lower latency and our new data center offerings will provide enhanced proximity services. In April 2011, Eurex reached a very important milestone with the introduction of our new generation of trading infrastructure, when we started migrating the U.S. equity options market of the International Securities Exchange to our new trading system, called Optimize. With currently about 50 percent of all 2,202 products migrated, I am proud of the joint teams of ISE, Deutsche Börse Systems and Eurex, who not only built leading-edge technology, but also managed a very smooth transition, so far. The feedback from ISE s customers is very positive. The new platform has only one-tenth of the latency of the soon-to-be-decommissioned former ISE trading platform and about ten times the transaction throughput of the old one. And that is with a completely untuned system. Once the technology people get into tuning, these numbers will be more staggering.

The core of the new technology is designed to be used in several of our other key technology initiatives at Eurex, including the Future Risk Management System. Our technology initiatives are driven by the following key objectives aiming to further refine the service quality to our members. First, zero footprint in our members infrastructure. Second, flexibility and tailored solutions for different groups of members. Third, highest level of data flow and performance transparency and by performance, I mean of the system transparency. And, of course, fourth, high performance coupled with high reliability.

Several of these enhancements will further increase our performance metrics and our operating efficiency and, importantly, shorten our release cycles. This will allow us faster time to market for new products, and new functionality going forward.

Getting closer to the end for Eurex, looking at clearing initiatives. The importance of central clearing for market integrity has been demonstrated during the financial crisis. Eurex Clearing Reto touched on it beforehand is one of the world s leading clearinghouses, with a very strong home market position in Europe and aims to be industry leader in CCP risk management. Eurex Clearing is the only major CCP that since 2009 employs full real-time risk management for clearing derivatives. Since last year, we also make real-time risk data available to clearing and trading members through an optional data interface for their own risk management. Since November 2010, we also offer the ability to set pre-trade risk limits to control, for instance, maximum margin exposures from high frequency trading. Eurex Clearing s strategy focuses on preparing for the new regulatory environment by expanding our clearing product portfolio, improving capital efficiency and increasing the attractiveness of our client clearing model.

I will briefly highlight the most important of our key clearing projects that are currently being undertaken. We are currently working to further enhance our risk management by introducing portfolio risk management to allow cross-margining between listed products and OTC products, offering buy-side and sell-side firms significant margin and collateral efficiencies. We are expanding our CCP clearing offering for OTC markets by working to introduce CCP services for OTC interest rate and equity derivatives, as well as for OTC security lending transactions. We are also working to improve our collateral management services, both in terms of the collaterals accepted by the clearing house as well as in terms of collateral locations.

Finally, we are introducing client asset protection services to enable the buy-side customers who so desire, to segregate their assets from the assets of their clearers. This will offer full protection of client assets within the clearinghouse and enable immediate portability of positions and assets in case of clearing member default.

The final slide for Eurex is the one that I started out with. These four factors that highlighted to you at the beginning Distribution, Products and Markets, Technology, and Clearing represent the cornerstones of our business model today and certainly also reaching out into the future. These four factors hold everything that we need to develop Eurex in the fastest possible pace.

I will seamlessly continue with MD&A. MD&A is a non-volatile business, with a high degree of recurring revenues. It s mostly based on approximately 500 sticky licensing contracts and an equal number of vendor contracts, as well as more than 600 thousand subscriptions. Leveraging its stickiness, MD&A has delivered stable, highly profitable growth over the last six years, even not overly affected by the financial crisis. Growth is mainly driven by constantly launching new tradable content. Consistently, over the last three years, 15 percent of sales were generated with products younger than three years.

To compliment the skill base necessary for innovation, MD&A completed three smaller transactions which enjoyed a full-year consolidation in 2010 for the first time. STOXX, Market News International, and Need-to-Know News. Ongoing innovation helped reducing MD&A s exposure to data dependent to Deutsche Börse s execution venue. Meanwhile, less than 50 percent of MD&A s external revenues are being derived from Xetra and Eurex subscription fees. Nevertheless, MD&A products still build a significant base for profitable revenues in Deutsche Börse s derivatives and Xetra segment.

On the signal side, we are on our way to become one of the leading sources for signals tradable on execution venues worldwide. Over the last 18 months, we have significantly enriched our algorithmic newsfeed, AlphaFlash, with macroeconomic content from Asian countries and corporate news from Germany. In addition, we have installed AlphaFlash infrastructure in co-location centers in Sydney, Singapore and Tokyo, so that trading clients can trade the content with minimal latency on Asian trading venues.

In the forthcoming 18 months, we will continue to roll out AlphaFlash and other trading signals globally, both content- and infrastructure-wise. We have already started to prepare for making AlphaFlash available in Latin America and Hong Kong. In addition, we will continuously add new, exclusive trading signals with global relevance, such as Treasury auctions or international corporate news.

Our STOXX and DAX indices rank among the top five underlyings for derivatives, ETFs and structured products worldwide. Our stakeholding in STOXX gives us the opportunity to turn the leading European index brand into a global leader in underlyings as well as benchmarks. In 2010 and 11, we have focused on building the foundation for the global rollout. We installed local sales and service teams in New York, Hong Kong and Singapore. In February, we introduced the first layer of our global family with more than 1200 indices. By Q3, 11, we will have completed the new index factory, shortening development times and enabling totally new index concepts. In parallel, our index business has not stopped launching new, innovative strategy indices like risk control indices or the ESG leaders family. Once migrated to the new development and calculation environment run by STOXX s sister company, Indexium, our index business will complete its global rollout in 2012 through the introduction of next layers of the global family, through ongoing development and launches of innovative strategies indices overlaying the global family and finally, through the launch of customized benchmarking services.

Thank you for your attention and I will hand over to Jeff.

Jeffrey Tessler I d like to start my presentation of Clearstream by reminding you of the slide that Reto showed you earlier. Our financial performance has remained robust following the financial crisis of 2007 through 2009. Nonetheless, we believe that we are very well positioned for growth. And partly this is because of the economic environment that is going to benefit our core business and that is the potential or the increase in rates. They have to go up. They certainly can t go down. And we think that both net interest income and security issuance are likely to accelerate in the near future. But it s also because of the investments that we ve made in positioning Clearstream in the past few years. Those investments are now starting to pay off for us. We are also operating in an environment which is going to go through significant change and that s going to be as a result of regulation. And as a result of the drive for European and global standardization. The combination of our current position and the strategic investments that we are making in the context of these opportunities that are being afforded us by the regulatory environment and other changes

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means that Clearstream is poised for growth. Now, before I go into some of the growth areas, I d just like a couple of points. One is, and Reto mentioned it, the CSD here in Germany accounts for about 11% of our business. That means well over 80% of our business is related to our international activities through our ICSD. Also, settlement activities is probably what most of you know us as, were 14% of our total revenues. Not that significant. What Clearstream is today is a provider of a broad range of security services on a global basis. In fact today, 18% of our 2010 revenues were generated from Asia Pacific with a large concentration in China.

This is actually a chart I showed you last year, and what it shows is that our core custody and settlement continues to grow despite the loss of revenue from such products as structured finance products, which just aren t being manufactured any more. But, the revenue grew from increase in new clients and new product offerings in GSF and IFS. GSF Global securities financing and IFS is our funds product. And we ve made significant gains in our core business along with, in terms of market share, our core business along with the GSF and the IFS product offerings. Significant future growth opportunities in GSF and IFS are present, and I ll talk about them in a moment. And, also as I mentioned before, net interest income should be a positive factor for us going forward as our balances are at all time highs. On the right hand side in the lower right hand, it shows that you that we have been very, very good in terms of cost discipline. We actually did the move to Prague before the financial crisis. We began in 2007. We established an operation center in Singapore last year. Gregor will go through the cost synergies and the cost efforts that we ve made on a group-wide basis, and Clearstream obviously has participated to the fullest extent in all of the group-wide efforts. The net of it all is our operating capacity has increased significantly against a reduced cost base. And the slide that I m most proud of, and this is the one I showed you last year, is the one in the upper right. And what this slide basically does, it takes net interest income out of the equation. Net interest income was never part of the ICSD model. Of course, it is. But what it shows you, in 2004 without that net interest income we would have made 58 million. In 2010 without net interest income, 266 million. We grew our revenues. We grew our market share. We kept costs under control.

In terms of the interest rate environment, you can see our balances continue to grow. They re at all time highs. They are actually even higher than that the 8.1 billon, as we speak. Two reasons for that: one (and you can see that underlaid in the graph) is the increase in settlement volumes. There is a direct relationship between the settlement volumes and the cash deposits because they are related to settlement transactions, the purchase and sale of securities. But something more important or just as important, those balances are going up because we are viewed as a safe haven. As a bank, and even though we are not actively soliciting these deposits, the deposits are coming because we have a very transparent balance sheet, which I ll show you in a second. And transparency and simplicity is a good hallmark today. On the right hand side you can see, we have seen a little bit of a pick up in our net interest income. Obviously, the balances are high, and we have started to see some pick up in money market rates along with the ECB increasing short-term rates by 25 basis points. But we do operate with a very conservative profile. You can see our Tier 1 Capital of 29% should place us, put us, in a well position to meet the challenges of Basil 3. Obviously, we don t know the specifics of Basil 3. We have some indications, and we feel relatively comfortable with the 29% Tier 1 capital. We re in good shape. Just so you don t ask the question, and I ll answer it before you ask it. Why did it go from 18% to 29% from last year. It had to do with classification of non-rated bonds. We had to take a capital charge against them even though the issuer of the bond was rated. We sat down with our regulators, we discussed it and the regulators agreed that the capital charges were not required, and that caused the significant rise to 29%. In terms of the risk profile, it s as simple as can be. On the liability side of the balance sheet, we have those client deposits, the $8.1 billion; we have our own capital of about a billion and that s basically it. On the asset side of the balance sheet, we ve taken those client deposits, we either put them into the central bank, Banque Centrale du Luxembourg, or we have them in secure transactions. I think over 91% of our placements with the central bank were secured. In terms of our investment portfolio, 91% of the investment portfolio is concentrated in German and supernational European securities. And also, as a bank, you have to understand we are not a normal bank. We are a transaction bank. The credit lines that we grant are for intra-day purposes for the most part, and usually at the end of the day there is virtually nothing or a little bit of overdraft activity. So on the asset side, there is no portfolio of subprime loans. There are no construction loans. There are no typical banking assets. And that s what the clients like about Clearstream. And that s why we have the AA rating. We re simple. We re transparent.

I want to talk a moment about, I mentioned before GSF, Global Securities Financing, and our investment funds services. Because these are the two areas, along with net interest income, that we think really will present opportunities for us in the immediate future in terms of growth. In our business, in the past, the driver of custody decisions was based upon settlement efficiency, and that s the past. The future is about efficient management of collateral. That s at the top of all of our clients must-have lists, and we believe we re the global leaders in providing these solutions. We have been focused on collateral management for more than a decade. In my view, there have been two significant evolutions. The first evolution, and Andreas referred to it, was the creation of the DBAG liquidity hub, was the Euro GC pooling. That s where we really proved to the market the value of the Deutsche Börge integrated model, where we could, in the midst of a financial crisis, we could come up with a product that combined trading, clearing and collateral management settlement and basically took the counterparty risk out of the equation. You can see from the GSF outstandings on the left hand,

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upper left hand side, exploded post the financial crisis. So, evolution number one, the value of the integrated model.

Evolution number two, we are living it right now. Our clients demand efficient management of collateral, and they do it today because their counterparties require it and the central banks require it. But, as we speak, significant new requirements are being outlined through Basil 3, Dodd-Frank and EMIR, which is the European Markets Infrastructure Regulation. With the DBAG liquidity hub, and the DBAG liquidity hub is the concept, is the single pool of collateral covering multiple venues, covering multiple asset classes that one collateral manager can move his collateral positions around the world. Now, we re actually in the process of doing that; we are expanding. We have a significant breakthrough, Reto mentioned it, and that is with CETIP, who is the Brazilian OTC trade depository. In two weeks, we will launch our joint program with CETIP, and it will be the first time anyone has managed collateral outside of their depository and outside of their time zone. And within the collateral management world, I think this is a sort of a groundbreaking event. And we are already in discussions with other major markets around the world about doing similar transactions. So, expanding that liquidity pool, expanding the number of venues and now truly doing it on a global basis.

Now, as a depository, and we are linked to other depositories, we are sitting on top of precious liquidity pools that are critical to our clients. Our ability to effectively manage these pools of liquidity is going to be a differentiating factor for Clearstream s future success, and we believe we are well ahead of the competition.

Let me talk about another hot area for us and Frank had mentioned it, it s our solutions for the funds industry. And solutions for the funds industry is about bringing efficiency to a market that is still highly dependent upon phones and faxes. And, through our European funds hub we have delivered that efficiency. Through Vestima Plus, which is our order rallying system, we have an open architecture which allows us to provide order rallying whether the client has custody with us or not, and we are the only ones to do that. And along with bringing settlement efficiency to the market through the establishment of central facilities for funds, which I have gone through in the past. And the net result of all of this is, is what you can see on the top chart. Sales and revenue are growing very, very strong, and the chart on the bottom is equally as interesting because that shows you the untapped potential in this market. It is a market of 8.1 Trillion. Clearstream sitting in Luxemburg on top of the second largest funds market in the world. Right now we have had significant growth, but we re still only at 220 Billion in terms of custody assets.

The hot topics for the future are going to be funds trading, as Frank alluded to, and what will also be very, very important is we have just started allowing our customers to use funds as collateral. In terms of the strategy, I will just go through this just quickly because I have gone through it in the past and nothing has changed because we are still on the same path we were last year. On the top you can see that there have been a lot of external events that have impacted our business. But, I think the one that has impacted us the most or could impact us the most is Target2 Securities. Prior to Target2 Securities, it was actually Euroclear single settlement platform that most concerned us, and you can see from Clearstream s strategy, back in 2005 we began a strategy development that was based upon interoperability and partnership, so instead of building a single settlement engine, we would partner with other market participants, other CSDs. We would move them up the value chain in terms of excellence and asset servicing. Even back then we knew that global collateral management was going to be a must have and to provide the solutions for the investment funds. In the period 2008 2009, that s when Target2 Securities looked like it would most likely become a reality, we launched Link Up Markets which was our way of creating the virtual concentrated CSD with 10 other CSDs around the world. And with Target2 Securities it really opened up the opportunity for us to move into other markets because Target2 Securities is basically changing the landscape of Europe. And the markets that we have decided to move into, and I did explain this to you last year, is the cross-boarder equity custody market which is a market today that is served by the agent banks. So the idea through building out our asset servicing, building out our global collateral management, we re able to go to a client and tell them that we can provide them a single point of access into multiple markets of Europe linked together with other CSDs, provide them the same level of asset servicing that they get today from the local agent, do it at a reduced cost because we are eliminating the local agent, and on top of it give them a solution around their collateral management needs. Obviously it s meeting with a great deal of optimism and success in the market. But for T2S, there is a cost associated with T2S, and I ve been pretty clear about this before, and this slide basically just shows you what the costs are going to be in terms of that there will be a cost associated with the implementation of T2S that will probably, it will start later this year, but going into 2015, we think the cost level is manageable probably in the low single digit millions per year for the next four years. And once T2S is launched, there will be an increase in our marginal costs, the variable costs, because we have to pay the Euro system 0.15. The positive side of it is not everyone is going to want to connect directly into T2S, we will become a concentrator, a gateway into T2S, which we think will more than offset the costs, and it opens up the gateway to the cross border equity space that I referred to before. A space that we estimate is between 1 and 2 Billion in terms of revenue potential for us, or that s the size of the market.

The last slide that I want to show you, and hopefully, I know my business is a bit of an esoteric business and not all that well understood sometimes, and we

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just wanted to sort of put on one slide, what it is that we do. I just call your attention to the far right hand-side of the slide on the bottom, where we stop on the top, it starts with corporate trust fund accounting, fund administration, asset manager, hedge fund services and asset management advisor services. This is the Global Custody business. This is where the Bank of New Yorks and the State Streets are. This is not where we are going. We re going to the left-hand side, and we re already there in terms of building out our depository services, building out our value added services, building out our collateral management services, so we are able to be the market leader between the agent banks which you see on the bottom. So, we are not going into the global custody space, but we are going to continue to be the market leader in that space of core custody, asset servicing and collateral management. So, thank you for your attention and I ll hand it over to Michael.

Michael Kuhn So, now I am operational. Good afternoon. And that is from my side. And you have heard a little bit from my colleagues about what the technology is providing to them. And now a little bit of a closer look at what are those activities we are providing to the colleagues in a certain way governed. And that is relatively easy. There is one common theme we have in the provision of our services, which is making more and make it faster. And that s a little bit so what s valid for both say the delivery of our services as also the construction or adaptation of our services. And this must be in a certain way achieved by even maintaining all the other qualities, meaning, for example cost reliabilities, scalability of our services. Now looking at these concrete examples, we have been faced with a more or less constant increase in volumes. In this regard this is Eurex, where we have seen over the last six years more or less fifty percent yearly increase of quote activities and we have achieved to manage that and provided this increase while more or less maintaining the cost for the bank-end infrastructure of Eurex flat so there we have seen a cost increase of around five percent. And it s not only about save the sheer volume we have to process, the other also demand in the market is, we are facing a demand for ever reduced round-trip times so it means in essence we have to provide for an infrastructure which adopts to this, say, speed-up, and there from the same standpoint, time standpoint, we have been able to provide, say, a reduction in round-trip times of around fifty percent also forty-six percent annual negative growth rate so this is a reduction rate. Now, having achieved the level of around 900 microseconds, where both Xetra as well as Eurex are able to provide those services to our customers, this uses to make this clear, not the peak speed this is using the thirty-percent quantile. In which way we have managed that, and this is a constant increase or say constant refinement and tuning our infrastructure using both software measures as also hardware measures, latest technology whatever is possible and this is not a trajectory where we are, say, assuming that we have there the ability to stand still, but we have also means available to, in a certain way, expand this trajectory also for the future, and only to mention two, say, new points, we are planning in the near term. We have on the one side, certain improvements both mentioned by, I think Andreas as also Frank, in place, where we in the second half of this year are providing improvements to the host infrastructure, which will reduce those round-trip times for an additional thirty percent and we have a new technology at hand which in a certain way starts a new game technology-wise, and this technology starts at a mere 300 microsecond round-trip times and we are very confident that we in a certain way can stay with this trajectory we have seen and delivered in the past also for the years to come. But, say, service delivery is only one dimension. The second dimension is making the construction of new services or the adaptation of existing services more agile, faster, and also being in this dimension and this aspect, being able to develop faster and develop more for the same investment. And what we are using there is, say, in essence, two major aspects we are now relying on a new clear model or concept of new trading or a new system architecture where we are staring to deploy this architecture at the trading end, now also being expanded towards clearing, where we have a strict separation of technical and functional layers, where this gives us real choice of what we are using for what purpose in this architecture. We are, on the other hand, also in the rollout of a zero footprint interfacing environment with our customers decoupling our activities from what a customer has to do with we are changing. And, late but not last, we are also using a new software development methodology which brings us to a new level of ability in respect of changing or adapting our services. With those measures we are able to really use the best choice for a given service we have to provide. We can in a certain way use for non-differentiating part of the service something which is off-the-shelf available, based on the fact that we are using Linux or standard-industry architecture and open-source components. We are able even to use open-source components in those infrastructures. We are able with this infrastructure methodology to increase substantially the way we are able to provide changes to the market. We are now with this new environment really able to provide a fully tested change in less than one week to the market while in today s more, say, batch-oriented approach of software construction, this means, in essence, less months to get the same quality out. And we are able to move without affecting any number any more. Today s world means, in essence, we have to go in concert. If we are changing, customers must change with us and in this new world, we can t move without our customers. Making us really, say, putting us in a new world in respect of our abilities to adopt to whatever changes in the marketplace. And, last but not least, this is also something that s cheaper, because we are using this in an environment from an architecture and construction standpoint, substantial parts are automated. This holds true for both the construction of software as also the testing and by those means we are assuming that we can get up to forty percent less effort to provide for the same functionalities. So, also there, where we can get more

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bang for the buck. And, I ve mentioned this partly in the infrastructure, we are now moving to something which is more or less standard space, means, in essence, we are using Linux and therefore industry architecture components, and, at the end of the day, this is not only the new infrastructure, we are moving into this technology, we are also moving, say, existing services into this single technology stack, at the end of the day constructing something which is far bigger than the different systems we have as of today. And by those means, we are providing for an infrastructure where one can make use out of virtualization, so making better use out of existing inventory and giving us, in this respect also, say, totally new quality in our ability to react on market demands and also being able to have, say, new concepts in respect of, say, using the infrastructures we are providing as of today. Last but not least, we are at the moment really of the strong conviction we are geared to being able to deliver what s required and this can one label with more and faster as one, say, governing theme and in both dimensions, holding true both for service delivery with the new architecture, our standardization and platforms which are using industry standards, therefore being substantially cheaper and this in a context where also the processes are, or say the infrastructures, are substantially faster than today. And, on the other end, say, in respect of adaptation of services and constructing of services, we are also at this end, being able to construct faster and providing this for less. And, all in all, this keeping costs contained and maintaining today s qualities of these services or even improving beyond. Thank you.

Gregor Pottmeyer: I am now turning to operating efficiency and capital management. On this page I would like to give you some more details on the group s operating efficiency, putting our revenue development in perspective to the development of our cost base. Despite the increase of total revenues in the period 2005 to 2010, our cost base has remained very stable. This translated into a significant improvement of the EBIT and the operating margin. Our ambition is to continue this long-standing track record for profitable growth also in the future. This will be supported by the comprehensive efficiency measures that are designed to optimize operating processes and cost structures. Since the announcement in the first quarter 2010, we have significantly accelerated the implementation of those measures. The expected total cost savings will be fully realized one year ahead of the original schedule. Instead of 85 million, we will already realize 115 million this year. And the full run rate of 150 million will be fully achieved in 2012. The acceleration is mainly a result of the faster than anticipated implementation of staff-related measures. This streamlining of the group s management structure is already fully completed and around 85% of the employee measures are completed through individual solutions as part of voluntary leaver schemes. The accelerated implementation of efficiency measures and the rigorous cost discipline in the first quarter of 2011 is the reason why we have reduced our total cost guidance for 2011 as communicated with our first quarter results. We now expect operating costs of 819 million in 2011, which is 35 million below the original target. The volume-related cost guidance changes from the ranges of 235 to 255 million to around 255 million. Guidance for total costs in 2011 is thus 1,145 million, compared to the original range of 1,160 to 1,180 million. On a like-for-like basis, the guidance for total costs is down five to six percent to 1,105 million. As part of our initiatives to optimize operating efficiency of the group, we have completed the move to this building here in Eschborn. The move is expected to result in a further improvement of the effective group tax rate to around 26%, a level we have already achieved in the first quarter 2011. Turning to the next page, I would now like to focus on our capital management program. Continuing past practice, our commitments to distributions remain unchanged. Our capital management policy foresees the distribution of funds not required for the group s operating business and further developments to its shareholders. Under this policy we completed the largest capital distribution program in the exchange industry from 2005 to 2008. 2.9 billion, thereof 1.0 billion dividends, and 1.9 billion share buybacks. In 2009, we implemented an interim holding for Clearstream to further strengthen the AA credit rating of our banking subsidiary. Our highly cash-generative business model allowed for a stable dividend of 2.10 per share in 2009 and 2010, despite the difficult market environment at the time. The strong financial position and excellent credit rating profile is illustrated by the capital management matrix shown on this slide. On the group level, one of the rating criteria is a minimum requirement to achieve an interest cover ratio of 16 times. For 2010, excluding the cost for efficiency measures, the interest cover ratio stood at 16.8 times. In order to safeguard the AA rating of Clearstream Banking SA, we are committed to maintain tangible equity, that means equity less than tangible assets, above 700 million at Clearstream International SA, and above 250 million Clearstream Banking SA. Further, we intend to maintain the profit participation rights issued by Clearstream Banking SA to Deutsche Börse AG. In addition to the rating agency criteria, both Clearstream subgroup and Eurex Clearing AG are subject to solvency supervision by the German Banking Supervisory Authority, BaFin. Therefore, their solvency ratios must be a minimum of eight percent. All entities very comfortably complied with regulatory minimum requirements at all times during 2010, as you can see from this chart. Besides a comfortable capital situation, we have a rigorous approach to risk management across the group. Even during the height of the financial crisis we have not suffered any operational or credit loss at

Clearstream, and have also managed the Lehman situation at Eurex Clearing without any losses. This concludes the Deutsche Börse part of today s presentation, and I m now handing over to Duncan.

Duncan Niederauer: Thank you, Gregor. What I thought I would do is, we ll just hit a few slides that touch on a few things, some of which you may have seen in our annual shareholder meeting presentation a month or so ago. And then I believe we re scheduled to take a short break, and then we ll come back, and Reto and I will present together. So, what my presentation s going to touch on is a quick review of the first quarter, and I promise this the last time we ll talk about the first quarter, but it was such a good quarter that we love to keep talking about it. And then I think what we also want to show is some illustrations that the strategy that we ve talked about for the last two years around this capital markets community, why we think it could lead the evolution of our industry, and we think the merger is more evidence of that. We just want to give a few illustrations to show that it s not just words, in fact, it is working. We also want to talk about our results that we ve had since, really, 2009, and what that s translated into in terms of shareholder return. And then, as I said, after the break, Reto and I will come back and present together why we think putting these two great companies together accelerates both of our strategies, which I think you ll have evidence are doing quite well on their own, from a stand-alone basis.

Going back over the first quarter, really a terrific first quarter for both companies. I ve just got the numbers for NYX on here. If you think about all the metrics you d want to look at, year on year, quarter on quarter, revenues up, expenses down, operating income up substantially, EPS, quarter on quarter up 50%, year on year just over 25%, and you see the resulting expansion in operating margin and EBIDA margin. What we also like particularly about the quarter, and what we continue to like about the business model is, in spite of others in our industry would say, that it s better to be focused on a single asset class, a single region, be more one-dimensional. I think you re looking at two companies that firmly disagree with that assertion. We believe there is room to be a global company. We believe there is room to be exposed to different asset classes, and we think this quarter for us is another great example of the importance of diversification You will also notice that, not only was it a terrific quarter in all three of our business segments, but the company continues to be less and less reliant on our traditional business, which was really the cash trading and listings business, and specifically, the U.S. equities business.

Now, highlighting each of the businesses, I wanted to hit some highlights in the first quarter in each business. In our derivatives business, probably the most important milestone we hit during the quarter was launching NYSE Liffe U.S. interest rate products and, with that, the coincident launch of NYPC, our capital efficient clearing house that we did as a joint venture with DTC. As you ll see in a few minutes, the slide s already a little bit out of date. The market share has grown beyond two to three percent already, and we ll talk about the growth in open interest on a subsequent slide. But that business continues to be a very pleasant surprise out of the gate. First quarter in our other core derivatives businesses were also very strong. NYSE Liffe volumes rebounded very nicely, as did the U.S. options volumes. The cash trading and listings business was actually a star of the first quarter. I don t think anyone would ve expected, sitting here six or 12 months ago, that the U.S. would be number one in global IPO s year to date in 2011, but I m happy to report that we are. And, in the second quarter, that success as a company has been augmented by some pretty major listings in our European markets, just really in the last couple of weeks in France and the Netherlands. We ve also continued the transfer momentum that we have enjoyed against our primary competitor in the U.S. that has carried over from 2010 into 2011. And underneath all of that, the core volumes in Q1 for both our European business and our U.S. business on the equity trading side were very strong. Those of you who pay close attention to these metrics on a daily basis will know that the U.S. has pulled back a bit in Q2, not the least significant of which has been the reverse split of Citigroup. Many of you who follow this will know that Citigroup was accounting for something like half a billion shares a day of volume in the U.S. market, obviously with a ten-for-one reverse split that s taken a big chunk out of the volume. So, we report volumes everyday. I think you all know what they are. They ve hung in there in Europe in Q2; U.S. is off a bit. I will tell you, on the listings side, the pipeline remains very, very strong, and we think the success we ve had, particularly in what I would call the internet/social media/disruptive innovator space, to have already won demand media, to have already won LinkedIn, to have had Pandora file with NYSE language, I think we re well on the way. If you combine that success where, historically, we had very little success in that sector, and the success we re having in the same industry on the IPO s coming out of China, I think we are extremely well-positioned, the pipe-line s very strong.

In our technology and market data business, a record quarter in terms of revenue. Operating margin s approaching the 25% number, which has been a target of ours for awhile. We successfully launched the MTF for Goldman Sachs. We are hosting it, we are managing it, they basically outsourced that entire initiative to us. We successfully migrated all of our NYSE Arca businesses to Mahwah, and while we can t mention the name yet it s not public we did get our first major infrastructure as a service deal from one of the leading global banks. So, more to come on that. Lastly, we launched our cloud strategy in conjunction with EMC and VM-Ware last night in New York, and we re doing an all-day conference to talk about where we go from here with the cloud. Little bit more on

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diversification. As I touched on earlier, very good quarter for NYSE Liffe volumes, and they ve hung in there in Q2. Very good for U.S. options. They have also reasonably hung in there. U.S. cash, I talked about, down a little bit. And European cash, a very strong Q1, followed on by a Q2 that s much higher than big parts of 2010.

Now, a couple of examples of how the strategy s really coming to life. First, NYSE Liffe U.S. and NYPC. So, I think you re all familiar with what it is. We took our great Liffe brand name, extended that to the U.S., used our proven technology there, partnered with six or seven of the leading market participants to be our partners in NYSE Liffe U.S. We took our global client base that was already connected to trade all of our derivative products, and it was just like introducing some new products to them. We piggybacked a long partnership we ve had with DTC to work together to take the fixed income clearing and settlement that DTC does for the cash bonds, couple that together with listing the interest rate derivative products, and provide a capitally-efficient clearing solution for the banks.

Now, the chart on the upper right here shows the progress that we ve already been making. So we launched this a little more than two months ago. We ve had several days where we ve been north of 5% market share. Open interest is already between 350,000 and 400,000 contracts in the eurodollars. We re averaging about 75,000 contracts a day, and we ve yet to connect a majority of the client base.

In fact, some of our key partners in the initiative are still testing on kind of a daily basis. They have not sent nearly the volume that I would anticipate they would send in the coming months. And this success is really limited so far only to euro dollars. We ve also launched some treasury products, but I think until we get through the June expiration, people can validate that it works, I really wouldn t expect to see a big up tick there. We re only averaging about 5,000 contracts a day in treasuries so far.

Open interest picking up a little bit, but not nearly the success we ve had in eurodollars. So, eight to ten weeks into it, we re well ahead of our projections. We were hoping to have, sort of, half a million to a million of open interest by the end of the year and 250,000 contracts in volume a day in eurodollars. I think we re well on our way to surpassing those goals.

Another example of the strategy coming to life is our partnership with other key market participants to reinvent the NYSE Amex platform. You ll remember we did a deal to acquire the American Stock Exchange and all of its assets in early 2008. We would attribute roughly $100,000,000 of that acquisition cost to the options business which we bought, which, at that time had just under 6% market share.

Having put in our technology, our infrastructure, built the partnerships, put our market model in place, in just really two years that has grown to nearly 14% market share. So, we ve built a 14% market share enterprise, coupled with NYSE Arca, which has a similar market share, we ve got 25, 27% share combined in the U.S. options market, and we ve probably spent something like a hundred to two hundred million dollars to acquire those assets. So that s something we re very proud of, and you can see the Amex platform that most people in 2008, 2009 thought was dead is now a 14% market share participant.

One more illustration just on the technology side. You can see on the top half of this slide, these are trends we believe are here to stay: asset correlation, fragmentation, some commoditization on the trading technology side, high-frequency trading, cross pressure that comes from all of that. That drives new demands from the marketplace. We think we are extremely well-positioned to deliver what these clients are looking for, and we think the merger with DB, as we ll talk about shortly, just accelerates and enhances our ability to provide some of these services and address some of these demands.

Now, if you ll look on the bottom I won t bore you with the product suite but we are starting to see more and more uptake for these products. This has become much more than just a co-location exercise, and what you ll see us talking about in New York today as we talk about the cloud and the infrastructure is a service business, a lot of these clients are now articulating their demands to us in the form of outsourcing pieces of their infrastructure to us that they would never have dreamed of doing a few years ago. But if you think about the pressures they re under, if you think about the services we can now provide, which will only be enhanced with the merger, it makes a lot of sense for these clients to outsource some of the more complicated, expensive parts of their infrastructure that do not impact their own clients experiences. And we think we re on to something here. We think that the big banks that are beginning to use us already are evidence that this is a potential big growth business for us. So we ve got a lot more work to do ahead of us as we think about now stapling on risk management services, other potential trading services, making the network even more global, etc.

We ve put out a billion-dollar revenue target for our own company, for this business, that we hope to achieve by 2015, in combination with DB which, if you put our data and analytics business together with DB s, and our technology business together with DB s, we think that s already an eight or nine hundred million dollar business as early as 2012. So I think we will stick to the billion-dollar revenue target, but you should expect us to be achieving that objective in a faster timeline, given what putting the two companies together gives us the opportunity to do.

Now, at the same time we ve been doing all of this, we ve been managing our expenses down, managing our capex down, and, no surprise, continuing to delever. We finished Q1 at roughly 1.8 times, given that Q2 is always a good quarter for us in terms of cash flow. For various reasons some idiosyncrasies about SEC fees, listing fees coming in we expect to be as low as 1.6, 1.7 by the end of Q2.

So you can see costs coming down, capex coming down to a more kind of maintenance level because we re finished with the data center build, and deleveraging continuing.

Coincident with that, you ve got productivity enhancements as well. So, the left side of the slide shows head count, which has gone down consistently, year on year, revenue per employee, which has gone up, and it leaves us and Deutsche Börse somewhere in the middle, better than the equity-only exchanges, but not as good as the derivative-only exchanges. I think it s a clear aspiration of ours, collectively, that, given what our re