

The most recent boasts by one of our competitors, NasdaqOMX, takes a turn from William Shakespeare's "A Midsummer Night's Dream," the romantic comedy that seeks to blend identities and blur the lines of fantasy and reality. For good reason, the competitor's dramatic escapade calls for a real world response.

In the U.S., our dual-market structure of the New York Stock Exchange (NYSE) and NYSE ARCA makes us the dominant source of liquidity in NYSE-listed securities, especially in thinly traded issues. While there has been a decline in NYSE share of trading, it is worth noting that more than one-third of the world's cash trading takes place on NYSE Euronext exchanges, making our exchange group the world's largest and most influential. In June, we had traded more volume than Nasdaq in 99.4% of NYSE-listed stocks, 95.6% on the NYSE alone. Moreover:

- We dominate institutional trading with more than 13 times the block liquidity than Nasdaq;
- We set the NBBO nearly three times as often as Nasdaq, while NYSE alone set the NBBO twice as often;
- The NYSE's quoted spreads are roughly one-third of Nasdaq's across all stocks and NYSE Arca is one-third less than Nasdaq;
- Our transaction costs are less expensive than Nasdaq, which is the most expensive venue in the U.S.

The exchange space is rapidly changing and the competition is fierce and intensifying—unfortunately, so is the rhetoric. The bigger story is not NYSE vs. Nasdaq. It's about seismic technological, regulatory and structural changes—on a global scale. It's about matters such as cross-border listings, new ways to access information, and off-exchange (TRF) and growing dark pool liquidity. It's about our growing product and geographic diversity, and strengthening our position as the world's leading exchange group and facilitator of liquidity. It's about finding new and better ways to best serve one's customers.

We maintain separate listing and trading venues to provide issuers, investors and our trading partners with greater choice--the high tech/high touch trading floor and fully electronic trading. NYSE Euronext exchanges remain the most liquid and efficient venue for the listing and trading of NYSE-listed securities; no other exchange manages market opens and closes, as well as periods of market stress and volatility, as well as the NYSE.

With respect to some of Nasdaq's most recent claims:

- On Nasdaq's assertion of having for the first time captured greater share of trading in NYSE-listed stocks, it is worth noting that they included their pre-market volume (prior to the NYSE open), did not include the post-close NYSE Crossing Session II, and totally ignored the NYSE Arca trading in NYSE-listed securities.
- Nasdaq is not the largest in U.S. trading. We remain the leader in trading NYSE listed securities in the U.S. by virtue of the combined trading on NYSE and NYSE Arca.
  - Our U.S. trading activity is significantly higher than Nasdaq's in NYSE-listed securities—in June, our matched market share was 45.6%, 49.5% year-to-date;



- Nasdaq's share in trading its own listed stocks has steadily declined throughout the year, down to approximately 42% in June and less than 45% year-to-date;
  - NYSE Arca trades approximately 16.1% of Nasdaq listed securities;
- For all U.S. equities trading in June, we accounted for 34.6% while Nasdaq accounted for 30.1%, making our marketplace the largest for U.S. trading.
- Nasdaq claims to have more listings than any other marketplace group, well, that's simply wrong. As of end of June 2008, NYSE Euronext had nearly 4,500 listed issuers (includes NYSE, Euronext, NYSE Arca and Alternext; excludes inter-listed companies) compared with Nasdaq OMX's approximately 3,900 listed issuers; when we complete the acquisition of the American Stock Exchange, we will have more than more than 5,600 listed issuers.
  - The global market cap for all NYSE Euronext listed issuers is approximately \$28 trillion compared with Nasdaq OMX's \$5.6 trillion;
  - The market value of NYSE Euronext international listings exceeds \$10 trillion, more nearly twice the size of Nasdaq OMX.
- A recent news release by Nasdaq OMX inaccurately claimed that Nasdaq OMX "Attracted More New Listings than Any Other U.S. Exchange" in the second quarter of 2008. In fact, in June 2008 alone, NYSE Euronext attracted 42 new listings - as many as Nasdaq during the entire second quarter. Some other points of interest:
  - NYSE Euronext added 196 new listings during first half of 2008;
  - NYSE Euronext is the global leader in IPO proceeds raised by operating companies in the first half of 2008--capital raised on NYSE Euronext markets totaled \$28.3 billion, more than any exchange group in the world and 28 times the value raised by IPOs on Nasdaq OMX;
  - So far this year, we have attracted more than 85% of qualified issuers on the NYSE, and our new listings represent 90% of the qualified proceeds raised.

In the U.S., our dual-market structure gives us the lead in both market share and market quality. Our strategy is to leverage the distinct strengths the NYSE and NYSE Arca for the benefit of our listed issuers, investors and broker/dealers. We provide a partnership based on superior brand, technology, products and services, regulation and standards.

We are reinventing our marketplace to make it an even stronger and more attractive listing and trading venue. In the months to come, we will further demonstrate the value of listing and trading in our marketplace. Underway are initiatives that will enhance execution speed, market information, price improvement, lower volatility, deepen liquidity, and broaden participation.

We are fully committed to making our market centers the most competitive and most customer-friendly. We welcome your input and greatly appreciate the opportunity to serve you and your constituents. And while open to factually challenging the creative imagination of our competition, we promise to spare you the Shakespearean drama.