NYSE Euronext
Form 10-Q
November 05, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

þ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2013

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO .

COMMISSION FILE NUMBER 001-33392

NYSE Euronext
(Exact name of registrant as specified in its charter)

DELAWARE	20-5110848
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

11 Wall Street
New York, New York 10005
(Address of principal executive offices) (Zip Code)
(212) 656-3000
Registrant's Telephone Number, Including Area Code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

As of November 1, 2013, the registrant had approximately 243 million shares of common stock, $0.01 par value per share, outstanding.

CERTAIN TERMS

In this Quarterly Report on Form 10-Q, “NYSE Euronext,” “we,” “us,” and “our” refer to NYSE Euronext, a Delaware corporation, and its subsidiaries, except where the context requires otherwise.

“Archipelago®,” “Archipelago Exchange®,” “Euronext®,” “NYSE®,” "NYSE Blue™," “NYSE Liffe®,” “Pacific Exchange®” and “SFTI®,” among others, are trademarks or service marks of NYSE Euronext or its licensees or licensors with all rights reserved.

“FINRA®” is a trademark of the Financial Industry Regulatory Authority (“FINRA”) with all rights reserved, and is used under license from FINRA.

All other trademarks and service marks used herein are the property of their respective owners.

Unless otherwise specified or the context otherwise requires:

- “NYSE” refers to (1) prior to the completion of the merger between the New York Stock Exchange, Inc. and Archipelago Holdings, Inc. (“Archipelago”), which occurred on March 7, 2006, New York Stock Exchange, Inc., a New York Type A not-for-profit corporation (the "Merger"), and (2) after completion of the Merger, New York Stock Exchange LLC, a New York limited liability company, and, where the context requires, its subsidiaries, NYSE Market, Inc., a Delaware corporation, and NYSE Regulation, Inc., a New York not-for-profit corporation. New York Stock Exchange LLC is registered with the U.S. Securities and Exchange Commission (the “SEC”) under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) as a national securities exchange.
- “NYSE Arca” refers collectively to NYSE Arca, L.L.C., a Delaware limited liability company (formerly known as Archipelago Exchange, L.L.C.), NYSE Arca, Inc., a Delaware corporation (formerly known as the Pacific Exchange, Inc.), and NYSE Arca Equities, Inc., a Delaware corporation (formerly known as PCX Equities, Inc.). NYSE Arca, Inc. is registered with the SEC under the Exchange Act as a national securities exchange.
- “NYSE MKT” refers to NYSE MKT LLC, a Delaware limited liability company (formerly known as the American Stock Exchange LLC or NYSE Amex LLC). NYSE MKT LLC is registered with the SEC under the Exchange Act as a national securities exchange.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “ “estimate,” “predict,” “potential” or “continue,” and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business and industry. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks and uncertainties described under “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012, and any additional risks and uncertainties described in our subsequent Quarterly Reports on Form 10-Q.

These risks and uncertainties are not exhaustive. Other sections of this report describe additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact that these factors will have on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this report to conform our prior statements to actual results or revised expectations and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about:

- possible or assumed future results of operations and operating cash flows;
- strategies and investment policies;
- financing plans and the availability of capital;
- our competitive position and environment;
- potential growth opportunities available to us;
- the risks associated with potential acquisitions, alliances or combinations, including IntercontinentalExchange, Inc.'s announced acquisition of us;
- the recruitment and retention of officers and employees;
- expected levels of compensation;
- potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;
- the likelihood of success and impact of litigation;
- protection or enforcement of intellectual property rights;
- expectations with respect to financial markets, industry trends and general economic conditions;
- our ability to keep up with rapid technological change;
- the timing and results of our technology initiatives;
- the effects of competition; and
- the impact of future legislation and regulatory changes.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. We expressly qualify in their entirety all forward-looking statements attributable to us or any person acting on our behalf by the cautionary statements referred to above.

Item 1. Financial Statements

NYSE EURONEXT
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(In millions, except per share data)
(Unaudited)

	September 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$404	$337
Financial investments	33	43
Accounts receivable, net	399	405
Deferred income taxes	65	67
Other current assets	111	156
Total current assets	1,012	1,008
Property and equipment, net	893	948
Goodwill	4,191	4,163
Other intangible assets, net	5,803	5,783
Deferred income taxes	67	74
Other assets	432	580
Total assets	$12,398	$12,556
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	$618	$725
Section 31 fees payable	21	99
Deferred revenue	225	138
Short term debt	213	454
Total current liabilities	1,077	1,416
Long term debt	2,088	2,055
Deferred income taxes	1,362	1,435
Accrued employee benefits	560	602
Deferred revenue	384	378
Other liabilities	22	27
Total liabilities	5,493	5,913
Commitments and contingencies		
Redeemable noncontrolling interest	273	274
Equity		
NYSE Euronext stockholders’ equity:		
Common stock, $0.01 par value, 800 shares authorized; 279 and 278 shares issued; 243 and 242 shares outstanding	3	3
Common stock held in treasury, at cost; 36 shares	(966)	(968)
Additional paid-in capital	7,934	7,939
Retained earnings	827	569
Accumulated other comprehensive loss	(1,187)	(1,198)
Total NYSE Euronext stockholders’ equity	6,611	6,345
Noncontrolling interest	21	24
Total equity	6,632	6,369

Total liabilities and equity	$12,398	$12,556

The accompanying notes are an integral part of these condensed consolidated financial statements.

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NYSE EURONEXT
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Revenues				
Transaction and clearing fees	$554	$570	1,845	$1,828
Market data	91	85	265	263
Listing	113	112	334	334
Technology services	74	81	231	254
Other revenues	58	54	173	161
Total revenues	890	902	2,848	2,840
Transaction-based expenses:				
Section 31 fees	61	74	214	226
Liquidity payments, routing and clearing	255	269	849	852
Total revenues, less transaction-based expenses	574	559	1,785	1,762
Other operating expenses:				
Compensation	150	145	465	457
Depreciation and amortization	64	64	188	196
Systems and communications	40	44	125	133
Professional services	63	76	199	218
Selling, general and administrative	55	59	167	185
Merger expenses and exit costs	24	18	54	61
Total other operating expenses	396	406	1,198	1,250
Operating income	178	153	587	512
Interest expense	(23)	(29)	(78)	(88)
Investment income	—	1	3	4
Loss from associates	(2)	(2)	(7)	(5)
Net gain (loss) on disposal activities	5	—	15	(2)
Other income (loss)	—	1	5	4
Income before income taxes	158	124	525	425
Income tax benefit (provision)	24	(12)	(34)	(91)
Net income	182	112	491	334
Net (income) loss attributable to noncontrolling interest	(4)	(4)	(14)	(14)
Net income attributable to NYSE Euronext	$178	$108	$477	$320
Basic earnings per share attributable to NYSE Euronext	$0.73	$0.44	$1.96	$1.27
Diluted earnings per share attributable to NYSE Euronext	$0.73	$0.44	$1.95	$1.26

The accompanying notes are an integral part of these condensed consolidated financial statements.

NYSE EURONEXT
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Net income	$182	$112	$491	$334
Foreign currency translation, after impact of net investment hedge gain (loss) of $(41), $(17), $(26) and $14 and taxes of $16, $10, $10 and $(3), respectively	370	159	44	127
Reclassification adjustment for realized (gains) losses (1)	(1)	—	—	—
Change in market value adjustments of available-for-sale securities, net of taxes of $3, $(4), $13 and $(7), respectively	(12)	9	(37)	14
Employee benefit plan adjustments:				
Net gains (losses), net of taxes of $(2), $(2), $(3) and $(6), respectively	8	2	19	6
Reclassification adjustments related to amortization (2)	(5)	—	(14)	—
Total comprehensive (loss) income	542	282	503	481
Less: comprehensive (income) loss attributable to noncontrolling interest	(4)	(5)	(14)	(14)
Comprehensive income (loss) attributable to NYSE Euronext	$538	$277	$489	$467

(1) Reclassified into Other income (loss)
(2) Reclassified into Compensation
The accompanying notes are an integral part of these condensed consolidated financial statements.

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NYSE EURONEXT
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine months ended September 30,	
	2013	2012
Cash flows from operating activities:		
Net income	$491	$334
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	195	196
Deferred income taxes	(74)	38
Deferred revenue amortization	(75)	(71)
Stock-based compensation	47	37
Other non-cash items	(17)	11
Change in operating assets and liabilities:		
Accounts receivable, net	5	15
Other assets	(20)	47
Accounts payable, accrued expenses, and Section 31 fees payable	(96)	(349)
Deferred revenue	165	158
Accrued employee benefits	(56)	(59)
Net cash provided by operating activities	565	357
Cash flows from investing activities:		
Sales of short term financial investments	522	583
Purchases of short term financial investments	(511)	(578)
Purchases of equity investments and businesses, net of cash acquired	(82)	(120)
Sales of equity investments and businesses	156	—
Purchases of property and equipment	(96)	(125)
Other investing activities	(1)	25
Net cash used in investing activities	(12)	(215)
Cash flows from financing activities:		
Commercial paper borrowings (repayments), net	184	423
Debt maturity	(414)	—
Dividends to shareholders	(219)	(226)
Sale (purchase) of treasury stock	2	(424)
Employee stock transactions and other	(29)	(20)
Net cash used in financing activities	(476)	(247)
Effects of exchange rate changes on cash and cash equivalents	(10)	19
Net increase (decrease)in cash and cash equivalents for the period	67	(86)
Cash and cash equivalents at beginning of period	337	396
Cash and cash equivalents at end of period	$404	$310

The accompanying notes are an integral part of these condensed consolidated financial statements.

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NYSE EURONEXT

Notes to Condensed Consolidated Financial Statements

Note 1—Organization and Basis of Presentation

Organization

NYSE Euronext is a holding company that, through its subsidiaries, operates the following securities exchanges: the New York Stock Exchange ("NYSE"), NYSE Arca, Inc. ("NYSE Arca") and NYSE MKT LLC ("NYSE MKT") in the United States and the European-based exchanges that comprise Euronext N.V. ("Euronext")—the London, Paris, Amsterdam, Brussels and Lisbon stock exchanges, as well as the derivatives markets in London, Paris, Amsterdam, Brussels and Lisbon (collectively, "NYSE Liffe") and the United States futures market, NYSE Liffe US, LLC ("NYSE Liffe US"). NYSE Euronext is a global markets operator and provider of securities listing, trading, market data products, and software and technology services. We also provide critical technology infrastructure around the world to our clients and exchange partners including co-location services, connectivity, trading platforms and market data content and services. NYSE Euronext was formed in connection with the April 4, 2007 combination of NYSE Group (which was formed in connection with the March 7, 2006 merger of the NYSE and Archipelago) and Euronext. NYSE Euronext common stock is dually listed on the NYSE and Euronext Paris under the symbol "NYX."

Basis of Presentation

The accompanying condensed unaudited consolidated financial statements include the accounts of NYSE Euronext and its subsidiaries.

The accompanying condensed unaudited consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and reflect all adjustments, consisting of normal recurring adjustments, that are, in the opinion of management, necessary for a fair statement of the results for the period. All material intercompany accounts and transactions have been eliminated in consolidation. Certain information and footnote disclosures normally required in financial statements under U.S. GAAP have been condensed or omitted; however, management believes that the disclosures are adequate to make the information presented not misleading.

The preparation of these condensed unaudited consolidated financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could be materially different from these estimates. Certain prior period amounts have been reclassified to conform to the current period's presentation.

The condensed consolidated financial statements are unaudited and should be read in conjunction with the audited financial statements of NYSE Euronext as of and for the year ended December 31, 2012. Operating results for the three and nine months ended September 30, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013.

Note 2—Strategic Investments and Divestitures

Business Combination

On December 20, 2012, NYSE Euronext announced a definitive agreement for IntercontinentalExchange Group ("ICE") to acquire NYSE Euronext in a stock-and-cash transaction. The agreement, which was amended and restated on March 19, 2013, provides for the combination of two leading exchange groups to create a premier global exchange operator diversified across markets including agricultural and energy commodities, credit derivatives, equities and equity derivatives, foreign exchange and interest rates.

Under the terms of the agreement, which was unanimously approved by the Boards and shareholders (on June 3, 2013) of both companies, the transaction is currently valued at approximately $10.9 billion, based on the closing price of ICE's stock on November 1, 2013. Under the terms of the merger agreement, NYSE Euronext shareholders had the option to elect to receive consideration per NYSE Euronext share of (i) $33.12 in cash, (ii) 0.2581 ICE common shares or (iii) a mix of $11.27 in cash plus 0.1703 ICE common shares, with each of the cash and stock elections subject to proration to ensure maximum cash consideration of approximately $2.7 billion and a maximum aggregate number of ICE common shares of approximately 42.4 million. The election period ended 5:00 p.m. New York time on

October 31, 2013. Based on the closing price of ICE's stock on November 1, 2013, the overall mix of the $10.9 billion of merger consideration being paid by ICE is approximately 75% shares and 25% cash. NYSE Euronext has announced that subject to regulatory approvals, the transaction is expected to close in November 2013.

Qatar

In 2009, NYSE Euronext agreed to contribute $200 million in cash to acquire a 20% ownership interest in the Qatar Exchange, $40 million of which was paid upon closing on June 19, 2009, with two additional $40 million payments made in June 2010 and June 2011. The agreement required the remaining $80 million to be paid in two equal installments annually in June 2012 and June 2013. In September 2012, NYSE Euronext and Qatar Investment Authority reached an agreement to reduce our ownership from 20% to 12% in the Qatar Exchange in consideration of the termination of the remaining two $40 million installment payments. In addition, in September 2013, NYSE Euronext sold its remaining 12% stake in the Qatar Exchange to Qatar Holding in exchange for $120 million, resulting in a $5 million gain, primarily due to movement in foreign currency, included in "Net gain on disposal activities" in the condensed consolidated statements of operation.

Corpedia

On June 22, 2012, NYSE Euronext completed the acquisition of Corpedia, a U.S.-based provider of ethics and compliance e-learning and consultative services.

Fixnetix

On March 7, 2012, NYSE Euronext acquired approximately 25% of the outstanding shares of Fixnetix Limited, a U.K.-based service provider of ultra-low latency data provision, co-location, trading services and risk controls for more than 50 markets worldwide.

Other Transactions

NYSE Blue™

On February 18, 2011, we formed NYSE Blue through the combination of APX, Inc. and our 60% stake in BlueNext SA (“BlueNext”), with NYSE Euronext as the majority owner of NYSE Blue. In 2011, NYSE Euronext incurred a $42 million charge in connection with BlueNext's settlement of a tax matter with the French tax authorities of which 40%, or $17 million, was contributed by Caisse des Dépôts ("CDC"). On April 5, 2012, NYSE Blue was unwound, resulting in NYSE Euronext taking back ownership of its 60% stake in BlueNext and relinquishing its interest in APX, Inc.

Prior to the completion of this unwind, NYSE Euronext consolidated the results of operations and financial condition of NYSE Blue (which included the results of BlueNext and APX, Inc.). Following this unwind, NYSE Euronext only consolidated the results of operations and financial condition of BlueNext.

In October 2012, NYSE Euronext and CDC Climat, a subsidiary of CDC, who own 60% and 40% of BlueNext, respectively, voted in favor of the closure of this entity. Operations of BlueNext ceased as of December 5, 2012. The impact of these transactions was not material to the condensed consolidated financial statements.

NYSE Amex Options

On June 29, 2011, NYSE Euronext completed the sale of a significant equity interest in NYSE Amex Options, one of our two U.S. options exchanges, to seven external investors, Bank of America Merrill Lynch, Barclays Capital, Citadel Securities, Citi, Goldman Sachs, TD AMERITRADE and UBS. NYSE Euronext remains the largest shareholder in the entity and manages the day-to-day operations of NYSE Amex Options, which operates under the supervision of a separate board of directors and a dedicated chief executive officer. NYSE Euronext consolidates this entity for financial reporting purposes.

As part of the agreement, the external investors have received an equity instrument which is tied to their individual contribution to the options exchange’s success. Under the terms of the agreement, the external investors have the option to require NYSE Euronext to repurchase a portion of the instrument on an annual basis over the course of five years starting in 2011. The amount NYSE Euronext is required to purchase under this arrangement is capped each year at between 5% and 15% of the total outstanding shares of NYSE Amex Options. During the first nine months of 2013, the external investors put approximately 10% of the total outstanding shares of NYSE Amex Options back to NYSE Euronext. NYSE Euronext recognized the full redemption value, i.e. fair value, of this instrument as mezzanine equity and classified the related balance as “Redeemable noncontrolling interest” in the condensed consolidated statements of financial condition. As of September 30, 2013, NYSE Euronext holds 57.76% equity interest of NYSE Amex Options.

LCH.Clearnet / ICE Clear Europe Limited

ICE Clear Europe Limited (“ICE Clear”), a company incorporated under the laws of England and Wales and an affiliate of ICE, entered into a Clearing and Financial Intermediary Services Agreement, dated December 20, 2012, with LIFFE Administration and Management (“LIFFE”), an affiliate of NYSE Euronext (the “Agreement”), pursuant to which ICE Clear provides LIFFE central counterparty clearing services and LIFFE provides certain financial intermediary services for LIFFE derivatives products. On July 1, 2013, responsibility for the clearing of the London market of NYSE Liffe transitioned from NYSE Liffe Clearing (LCH.Clearnet Ltd) to ICE Clear. Under the terms and subject to the conditions of the Agreement, ICE Clear is the exclusive provider of central counterparty clearing services for all LIFFE derivatives products existing at July 1, 2013.

On January 28, 2013, LCH.Clearnet SA, the Paris-based clearing house of LCH.Clearnet Group, and affiliates of NYSE Euronext executed a six year clearing contract with respect to NYSE Euronext's continential European cash equity markets. The agreement will run through 2018. The new contract replaces the existing contract that was due to end on December 31, 2013 for cash equity transactions. The contract, among other things, enables LCH.Clearnet SA to further reduce clearing fees for clearing members. Fees went from €0.05 under the prior contract to €0.04 under the new contract for blue chip stocks.

On October 14, 2013, NYSE Euronext and LCH.Clearnet SA signed a new five-year agreement to clear NYSE Euronext's continental listed derivatives business, which included governance changes that will take effect immediately and new commercial terms beginning in April 2014. Starting April 1, 2014, NYSE Euronext will begin recognizing revenues as a result of this new agreement and will compensate LCH.Clearnet SA for certain clearing and risk management services.

Note 3—Restructuring

As a result of streamlining certain business processes, NYSE Euronext has launched various severance plans in the U.S. and Europe. The following is a summary of the severance charges recognized in connection with these plans, utilization of the accrual through September 30, 2013 and the remaining accrual as of September 30, 2013 (in millions):

	Derivatives	Cash Trading and Listings	Information Services and Technology Solutions	Corporate/ Eliminations	Total
Balance as of December 31, 2012	$1	$9	$ 3	$1	$14
Employee severance and related benefits	8	2	4	—	14
Severance and benefit payments	(7)	(5)	(4)	—	(16)
Currency translation	(1)	—	—	—	(1)
Balance as of September 30, 2013	$1	$6	$ 3	$1	$11

The severance charges are included in merger expenses and exit costs in the condensed consolidated statements of operations. Based on current severance dates and the accrued severance at September 30, 2013, NYSE Euronext expects to pay these amounts throughout 2013 and into 2014.

Note 4—Segment Reporting

NYSE Euronext operates under three reportable segments: Derivatives, Cash Trading and Listings, and Information Services and Technology Solutions. We evaluate the performance of our operating segments based on revenue and operating income. We have aggregated all of our corporate costs, including the costs of operating as a public company, within "Corporate/ Eliminations."

The following is a description of our reportable segments:

Derivatives consist of the following in NYSE Euronext's global businesses:

- providing access to trade execution in derivatives products, options and futures;
- providing certain clearing services for derivative products; and
- selling and distributing market data and related information.

Cash Trading and Listings consist of the following in NYSE Euronext's global businesses:

- providing access to trade execution in cash trading;
- providing settlement of transactions in certain European markets;
- obtaining new listings and servicing existing listings;
- selling and distributing market data and related information; and
- providing regulatory services.

Information Services and Technology Solutions consist of the following in NYSE Euronext's global businesses:

- operating sellside and buyside connectivity networks for our markets and for other major market centers and market participants in the United States, Europe and Asia;
- providing trading and information technology software and solutions;
- selling and distributing market data and related information to data subscribers for proprietary data products; and
- providing multi-asset managed services and expert consultancy to exchanges and liquidity centers.

Summarized financial data of our reportable segments is as follows (in millions):

Three months ended September 30,	Derivatives	Cash Trading and Listings	Information Services and Technology Solutions	Corporate/ Eliminations	Total
2013					
Revenues	$236	$ 541	$ 113	$ —	$890
Operating income (loss)	84	115	23	(44)	178
2012					

Revenues	$220	$ 569	$ 113	$ —	$902
Operating income (loss)	55	102	21	(25)	153

Nine months ended September 30,	Derivatives	Cash Trading and Listings	Information Services and Technology Solutions	Corporate/ Eliminations	Total
2013					
Revenues	$814	$ 1,695	$ 339	$ —	$2,848
Operating income (loss)	286	350	69	(118)	587
2012					
Revenues	$689	$ 1,797	$ 353	$ 1	$2,840
Operating income (loss)	211	335	66	(100)	512

Note 5—Earnings and Dividend Per Share

The following is a reconciliation of the basic and diluted earnings per share computations (in millions, except per share data):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Net income	$182	$112	$491	$334
Net (income) loss attributable to noncontrolling interest	(4)	(4)	(14)	(14)
Net income attributable to NYSE Euronext	$178	$108	$477	$320
Shares of common stock and common stock equivalents: Weighted average shares used in basic computation	243	246	243	252
Dilutive effect of: Employee stock options and restricted stock units	2	1	2	1
Weighted average shares used in diluted computation	245	247	245	253
Basic earnings per share attributable to NYSE Euronext	$0.73	$0.44	$1.96	$1.27
Diluted earnings per share attributable to NYSE Euronext	$0.73	$0.44	$1.95	$1.26
Dividends per common share	$0.30	$0.30	$0.90	$0.90

As of September 30, 2013 and 2012, 4.2 million and 4.7 million restricted stock units, respectively, and options to purchase zero and 0.2 million shares of common stock, respectively, were outstanding. For the three and nine months ended September 30, 2013, there were zero and 0.2 million awards, respectively, excluded from the diluted earnings per share computation because their effect would have been anti-dilutive. For the three and nine months ended September 30, 2012, there were 0.3 million and 1.0 million awards, respectively, excluded from the diluted earnings per share computation because their effect would have been anti-dilutive.

Note 6—Pension and Other Benefit Programs

The components of net periodic benefit expense are set forth below (in millions):

	Pension Plans		SERP Plans		Postretirement Benefit Plans	
Three months ended September 30,	2013	2012	2013	2012	2013	2012
Service cost	$1	$1	$—	$—	$—	$—
Interest cost	10	10	1	—	2	2
Expected return on assets	(14)	(14)	—	—	—	—
Actuarial loss	3	4	—	1	—	—
Net periodic cost	$—	$1	$1	$1	$2	$2

	Pension Plans	SERP Plans	Postretirement Benefit Plans

Nine months ended September 30,	2013	2012	2013	2012	2013	2012
Service cost	$3	$2	$—	$—	$—	$—
Interest cost	30	32	3	2	6	6
Expected return on assets	(44)	(41)	—	—	—	—
Actuarial loss	11	10	1	1	2	2
Net periodic cost	$—	$3	$4	$3	$8	$8

During the three and nine months ended September 30, 2013, NYSE Euronext contributed $1 million and $32 million, respectively, to its pension plans. During the three and nine months ended September 30, 2012, NYSE Euronext contributed $1 million and $38 million, respectively, to its pension plans. Based on current actuarial assumptions, NYSE Euronext does not anticipate any additional funding to its pension plans for the remainder of 2013.

Note 7—Goodwill and Other Intangible Assets

The change in the net carrying amount of goodwill by reportable segments was as follows (in millions):

	Derivatives	Cash Trading and Listings	Information Services and Technology Solutions	Total
Balance as of January 1, 2013	$2,313	$1,476	$ 374	$4,163
Currency translation and other	4	21	3	28
Balance as of September 30, 2013	$2,317	$1,497	$ 377	$4,191

The following table presents the details of the intangible assets as of September 30, 2013 and December 31, 2012 (in millions):

Balance as of September 30, 2013	Assigned value	Accumulated amortization	Useful Life (in years)
National securities exchange registrations	$5,102	$—	Indefinite
Customer relationships	882	310	7 to 20
Trade names and other	194	65	7 to 20
Other intangible assets	$6,178	$375	

Balance as of December 31, 2012	Assigned value	Accumulated amortization	Useful Life (in years)
National securities exchange registrations	$5,042	$—	Indefinite
Customer relationships	876	269	7 to 20
Trade names and other	191	57	7 to 20
Other intangible assets	$6,109	$326	

For the three and nine months ended September 30, 2013, amortization expense for the intangible assets was approximately $15 million and $45 million, respectively. For the three and nine months ended September 30, 2012, amortization expense for the intangible assets was approximately $14 million and $46 million, respectively.

The estimated future amortization expense of acquired purchased intangible assets as of September 30, 2013 was as follows (in millions):

Year ending December 31,	
Remainder of 2013 (from October 1st through December 31st)	$13
2014	58
2015	58
2016	58
2017	58
Thereafter	456
Total	$701

Note 8—Fair Value of Financial Instruments

NYSE Euronext accounts for certain financial instruments at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic defines fair value, establishes a fair value hierarchy on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments is determined using various techniques that involve some level of estimation and judgment, the degree of which is dependent on the price transparency and the complexity of the instruments.

In accordance with the Fair Value Measurements and Disclosures Topic, NYSE Euronext has categorized its financial instruments measured at fair value into the following three-level fair value hierarchy based upon the level of judgment associated with the inputs used to measure the fair value:

- Level 1: Inputs are unadjusted quoted prices for identical assets or liabilities in an active market that NYSE Euronext has the ability to access. Generally, equity and other securities listed in active markets and investments in publicly traded mutual funds with quoted market prices are reported in this category.

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- Level 2: Inputs are either directly or indirectly observable for substantially the full term of the assets or liabilities. Generally, municipal bonds, certificates of deposits, corporate bonds, mortgage securities, asset backed securities and certain derivatives are reported in this category. The valuation of these instruments is based on quoted prices or broker quotes for similar instruments in active markets.
- Level 3: Some inputs are both unobservable and significant to the overall fair value measurement and reflect management's best estimate of what market participants would use in pricing the asset or liability. Generally, assets and liabilities carried at fair value and included in this category are certain structured investments, derivatives, commitments and guarantees that are neither eligible for Level 1 nor Level 2 due to the valuation techniques used to measure their fair value. The inputs used to value these instruments are both observable and unobservable and may include NYSE Euronext's own projections.

If the inputs used to measure the financial instruments fall within different levels of the fair value hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the valuation inputs may result in a reclassification for certain financial assets or liabilities.

The following table presents NYSE Euronext's fair value hierarchy of those assets and liabilities measured at fair value on a recurring basis as of September 30, 2013 and December 31, 2012 (in millions):

	As of September 30, 2013			
	Level 1	Level 2	Level 3	Total
Financial Investments				
Mutual Funds (SERP/SESP)(1)	$29	$—	$—	$29
Foreign exchange derivative contracts	—	4	—	4
Total Financial investments	$29	$4	$—	$33
Other assets				
Equity investments(2)	$15	$—	$—	$15
Liabilities				
Foreign exchange derivative contracts	$—	$4	$—	$4

	As of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Financial Investments				
Mutual Funds (SERP/SESP)(1)	$41	$—	$—	$41
Foreign exchange derivative contracts	—	2	—	2
Total Financial investments	$41	$2	$—	$43
Other assets				
Equity investments(2)	$66	$—	$—	$66
Liabilities				
Foreign exchange derivative contracts	$—	$3	$—	$3

(1) Equity and fixed income mutual funds held for the purpose of providing future payments of Supplemental Executive Retirement Plan (SERP) and Supplemental Executive Savings Plan (SESP).

(2) Equity investments represent our investment in Multi Commodity Exchange ("MCX") of India, which has been recorded at fair value using its quoted market price.

The fair value of our long-term debt instruments, categorized as Level 2, was approximately $2.2 billion as of September 30, 2013. The carrying value of all other financial assets and liabilities approximates fair value. There were no investment transfers amongst levels.

Note 9—Derivatives and Hedges

NYSE Euronext may use derivative instruments to hedge financial risks related to its financial position or risks that are otherwise incurred in the normal course of its operations. NYSE Euronext does not use derivative instruments for speculative purposes and enters into derivative instruments only with counterparties that meet high creditworthiness and rating standards. NYSE Euronext records derivatives and hedges in accordance with Subtopic 65 in the Derivatives and Hedging Topic of the FASB Accounting Standards Codification.

NYSE Euronext records all derivative instruments at fair value on the condensed consolidated statement of financial condition. Certain derivative instruments are designated as hedging instruments under fair value hedging relationships, cash flow hedging relationships or net investment hedging relationships. Other derivative instruments remain undesignated. The details of each designated hedging relationship are formally documented at the inception of the relationship, including the risk management objective, hedging strategy, hedged item, specific risks being hedged, derivative instrument, how effectiveness is being assessed and how ineffectiveness, if any, will be measured. The hedging instrument must be highly effective in offsetting the changes in cash flows or fair value of the hedged item and the effectiveness is evaluated quarterly on a retrospective and prospective basis.

The following presents the aggregated notional amount and the fair value of NYSE Euronext's derivative instruments reported on the condensed consolidated statement of financial condition as of September 30, 2013 (in millions):

September 30, 2013	Notional Amount	Fair Value of Derivative Instruments Asset[(1)]	Liability[(2)]
Derivatives not designated as hedging instruments			
Foreign exchange contracts	$580	$4	$—
Derivatives designated as hedging instruments			
Foreign exchange contracts	104	—	4
Total derivatives	$684	$4	$4

(1) Included in "Financial investments" in the condensed consolidated statements of financial condition.
(2) Included in "Short term debt" in the condensed consolidated statements of financial condition.

The following presents the aggregated notional amount and the fair value of NYSE Euronext's derivative instruments reported on the condensed consolidated statement of financial condition as of December 31, 2012 (in millions):

December 31, 2012	Notional Amount	Fair Value of Derivative Instruments Asset[(1)]	Liability[(2)]
Derivatives not designated as hedging instruments			
Foreign exchange contracts	$838	$2	$1
Derivatives designated as hedging instruments			
Foreign exchange contracts	153	—	2
Total derivatives	$991	$2	$3

(1) Included in "Financial investments" in the condensed consolidated statements of financial condition.
(2) Included in "Short term debt" in the condensed consolidated statements of financial condition.

Pre-tax gains and losses on derivative instruments designated as hedging items under net investment hedging relationship recognized in other comprehensive income for the three and nine months ended September 30, 2013 and 2012 were as follows (in millions):

	Gain/ (loss) recognized in other comprehensive income Three months ended September 30, 2013	Nine months ended
Derivatives designated as hedging instrument		
Foreign exchange contracts	$ (4)	$ (3)

	Gain/ (loss) recognized in other comprehensive income Three months ended September 30, 2012	Nine months ended
Derivatives designated as hedging instrument		
Foreign exchange contracts	$ —	$ (3)

The ineffective portion of the pre-tax gains and losses on derivative instruments designated as hedged items under net investment hedging relationship for the three and nine months ended September 30, 2013 and 2012 were insignificant.

Pre-tax gains and losses recognized in income on derivative instruments not designated in hedging relationship for the three and nine months ended September 30, 2013 and 2012 were as follows (in millions):

	Gain/(loss) recognized in income Three months ended September 30, 2013	Nine months ended
Derivatives not designated as hedging instrument		
Foreign exchange contracts	$19	$15

	Gain/(loss) recognized in income	
	Three months ended	Nine months ended
Derivatives not designated as hedging instrument	September 30, 2012	
Foreign exchange contracts	$(4)	$(9)

For the nine months ended September 30, 2013, NYSE Euronext had foreign exchange contracts in place with tenors of less than 4 months in order to hedge various financial positions. Certain contracts were designated as hedging instruments under the Derivatives and Hedging Topic. As of September 30, 2013, NYSE Euronext had €262 million ($348 million) euro/U.S. dollar contracts outstanding, £162 million (€192 million) sterling/euro and £15 million ($24 million) sterling/U.S. dollar foreign exchange contracts outstanding which together has a combined negative fair value of $0 million. These instruments matured in October 2013.

Pre-tax net losses or gains on non-derivative net investment hedging relationships recognized in "Other comprehensive income" for the three and nine months ended September 30, 2013 were a loss of $41 million loss and a $26 million, respectively. Pre-tax net losses and gains on non-derivative net investment hedging relationships recognized in "Other comprehensive income" for the three and nine months ended September 30, 2012 were $17 million loss and $14 million gain, respectively.

For the nine months ended September 30, 2013, NYSE Euronext had no derivative instruments in either fair value hedging relationships or cash flow hedging relationships.

Note 10—Commitments and Contingencies

For the nine months ended September 30, 2013, NYSE Euronext incorporates herein by reference the discussion set forth in Note 16 ("Commitments and Contingencies - Legal Matters") to Item 8 of the Form 10-K filed by NYSE Euronext for the year ended December 31, 2012, and Note 10 ("Commitments and Contingencies") of the Forms 10-Q filed by NYSE Euronext for the periods ending March 31, 2013 and June 30, 2013, respectively, and no other matters were reportable during the period.

Shareholder Lawsuits

On October 11, 2013, the New York Supreme Court so-ordered the parties' stipulation of voluntarily discontinuance, and dismissed the New York Consolidated Action without prejudice. On October 14, 2013, the Delaware Court of Chancery granted the Delaware plaintiffs' notice and proposed order of dismissal, and dismissed the Delaware Action without prejudice. All of the shareholder lawsuits brought to challenge the merger have now been dismissed.

In addition to the matters described above, NYSE Euronext is from time to time involved in various legal proceedings and responds to inquiries from its regulators that arise in the ordinary course of its business. NYSE Euronext records accrued liabilities for litigation and regulatory matters when those matters represent loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. When a loss contingency is not both probable and estimable, NYSE Euronext does not establish an accrued liability. As a litigation or regulatory matter develops, NYSE Euronext evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and estimable. NYSE Euronext does not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on its financial statements as a whole.

Note 11—Income taxes

For the three months ended September 30, 2013, we had a tax benefit of 15.1% while for the three months ended September 30, 2012, our effective tax rate was 9.7%. For the nine months ended September 30, 2013 and 2012, our effective tax rate was 6.4% and 21.5%, respectively.

NYSE Euronext's effective tax rate was lower than the statutory rate primarily due to higher earnings generated from foreign operations, where the applicable foreign jurisdiction tax rate is lower than the statutory rate. For the three and nine months ended September 30, 2013, our effective tax rate reflected a discrete deferred tax benefit of $58 million related to an enacted reduction in corporate tax rate from 23% to 20% in the United Kingdom. For the nine months ended September 30, 2013, our effective tax rate also reflected the release of reserves following a favorable settlement reached with certain European tax authorities.

Note 12—Related Party Transactions

LCH.Clearnet

See Note 2 - Strategic Investments and Divestitures - for a discussion of our relationship with LCH.Clearnet.
During the nine months ended September 30, 2013, NYSE Euronext sold a portion of its stake in LCH.Clearnet Group Limited resulting in a $10 million gain, included in "Net gain on disposal activities" in the condensed consolidated statements of operations. As of September 30, 2013, NYSE Euronext had a 2.3% stake in LCH.Clearnet Group Limited’s outstanding share capital and the right to appoint one director to its board of directors. In additional, as a result of the transfer of the clearing services from LCH.Clearnet to ICE Clear Europe Limited on July 1, 2013, NYSE Euronext ceased its quarterly payments to LCH.Clearnet.

Qatar

See Note 2 - Strategic Investments and Divestitures - for a discussion of our relationship with Qatar.

New York Portfolio Clearing (“NYPC”)

NYPC, NYSE Euronext's joint venture with The Depository Trust & Clearing Corporation ("DTCC"), became operational in the first quarter of 2011. NYPC clears fixed income derivatives traded on NYSE Liffe US and will have the ability to provide clearing services for other exchanges and Derivatives Clearing Organizations in the future. NYPC uses NYSE Euronext's clearing technology, TRS/CPS, to process and manage cleared positions and post-trade position transfers. DTCC's Fixed Income Clearing Corporation provides capabilities in risk management, settlement, banking and reference data systems. As of September 30, 2013, NYSE Euronext had a minority ownership interest in, and board representation on, DTCC.

The following presents revenues derived and expenses incurred from these related parties (in millions):

	Three months ended September 30,		Nine months ended September 30,	
Income (expenses)	2013	2012	2013	2012
LCH.Clearnet	$—	$(11)	$(23)	$(33)
Qatar	—	1	1	2
NYPC	1	(1)	2	1

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion together with the condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements. Actual results may differ from such forward-looking statements. See "Forward-Looking Statements" and the information under Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012 and under Part II, Item IA of our Quarterly Report on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, "Risk Factors". Certain prior period amounts presented in the discussion and analysis have been reclassified to conform to the current presentation.

Overview

NYSE Euronext is a global markets operator and provider of trading technology to the financial services industry. Headquartered in New York, we run markets in the United States, France, the U.K., the Netherlands, Belgium and Portugal covering a wide range of financial products from stocks to derivatives. We also provide critical technology infrastructure around the world to our clients and exchange partners including co-location services, connectivity, trading platforms and market data content and services. NYSE Euronext was formed from the combination of the businesses of NYSE Group and Euronext, which was consummated on April 4, 2007. Prior to that date, NYSE Euronext had no significant assets and did not conduct any material activities other than those incidental to its formation. Following consummation of the combination, NYSE Euronext became the parent company of NYSE Group and Euronext and each of their respective subsidiaries. Under the purchase method of accounting, NYSE Group was treated as the accounting and legal acquiror in the combination with Euronext. NYSE Euronext has numerous operating subsidiaries in the United States and Europe, including the American Stock Exchange, which is now known as NYSE MKT.

We operate under three reportable segments: Derivatives, Cash Trading and Listings, and Information Services and Technology Solutions. We evaluate the performance of our operating segments based on revenue and operating income. We have aggregated all of our corporate costs, including the costs to operate as a public company, within "Corporate/ Eliminations."

The following is a description of our reportable segments:

Derivatives consist of the following in NYSE Euronext's global businesses:

- providing access to trade execution in derivatives products, options and futures;
- providing certain clearing services for derivative products; and
- selling and distributing market data and related information.

Cash Trading and Listings consist of the following in NYSE Euronext's global businesses:

- providing access to trade execution in cash trading;
- providing settlement of transactions in certain European markets;
- obtaining new listings and servicing existing listings;
- selling and distributing market data and related information; and
- providing regulatory services.

Information Services and Technology Solutions consist of the following in NYSE Euronext's global businesses:

- operating sellside and buyside connectivity networks for our markets and for other major market centers and market participants in the United States, Europe and Asia;
- providing trading and information technology software and solutions;
- selling and distributing market data and related information to data subscribers for proprietary data products; and
- providing multi-asset managed services and expert consultancy to exchanges and liquidity centers.

For a discussion of these segments, see Note 4 to the condensed consolidated financial statements.

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Factors Affecting Our Results

The business environment in which NYSE Euronext operates directly affects its results of operations. Our results have been and will continue to be affected by many factors, including the level of trading activity in our markets, which during any period is significantly influenced by general market conditions, competition, market share and the pace of industry consolidation; broad trends in the brokerage and finance industry; price levels and price volatility; the number and financial health of companies listed on NYSE Euronext's cash markets; changing technology in the financial services industry; and legislative and regulatory changes, among other factors. In particular, in recent years, the business environment has been characterized by increasing competition among global markets for trading volumes and listings; the globalization of exchanges, customers and competitors; market participants' demand for speed, capacity and reliability, which requires continuing investment in technology; and increasing competition for market data revenues. The maintenance and growth of our revenues could also be impacted if we face increased pressure on pricing.

Uncertainty in the global credit markets that commenced with the upheaval in 2008 continues to impact the economy. Equity market indices have continued to experience volatility. Economic uncertainty in the European Union, as well as uncertainty with the United States budget process and debt ceiling, may also continue to negatively affect global financial markets. In addition, regulatory uncertainty is affecting our clients' activities, business models and technology spending. Although markets have shown signs of improvement, these factors have adversely affected our revenues and operating income and may negatively impact future growth.

As a result of recent events, there has been, and it is likely that there will continue to be, significant change in the regulatory environment in which we operate. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law in July 2010. Although many of its provisions require the adoption of rules to implement, many such regulations have not yet been adopted and there remain significant uncertainties and ambiguities around those regulations that have been adopted, as well as the way in which market participants will respond to the regulations. As a result, it is difficult to predict all of the effects that the legislation and its implementing regulations will have on us. We do, however, expect it to affect our business in various and potentially significant ways and possibly result in increased costs and the expenditure of significant resources. In addition, there are significant structural changes underway within the European regulatory framework.

While we have not experienced reductions in our borrowing capacity, lenders in general have taken actions that indicate their concerns regarding liquidity in the marketplace. These actions have included reduced advance rates for certain security types, more stringent requirements for collateral eligibility and higher interest rates. Should lenders continue to take additional similar actions, the cost of conducting our business may increase and our ability to implement our business initiatives could be limited.

We expect that all of these factors will continue to impact our businesses. Any potential growth in the global cash markets will likely be tempered by investor uncertainty resulting from volatility in the cost of energy and commodities, unemployment concerns and contagion concerns in relation to the sovereign debt issues faced by some members of the Eurozone, uncertainty as to near term tax, regulatory, and other government policies, as well as the general state of the world economy. We continue to focus on our strategy to broaden and diversify our revenue streams, as well as on our company-wide expense reduction initiatives in order to mitigate these uncertainties.

Sources of Revenues

Transaction and Clearing Fees

Our transaction and clearing fees consist of fees collected from our cash trading, derivatives trading and clearing fees.

- Cash trading. Revenues for cash trading consist of transaction charges for executing trades on our cash markets, as well as transaction charges related to orders on our U.S. cash markets which are routed to other market centers for execution. Additionally, our U.S. cash markets pay fees to the SEC pursuant to Section 31 of the Exchange Act. These fees are designed to recover the costs to the government of supervision and regulation of securities markets and securities professionals. Activity assessment fees are collected from member organizations executing trades on our U.S. cash markets, and are recognized when these amounts are invoiced. Fees received are included in cash at the time of receipt and, as required by law, the amount due to the SEC is remitted semiannually and recorded as an accrued liability until paid. The activity assessment fees are designed so that they are equal to the Section 31 fees. As a result, activity assessment fees and Section 31 fees do not have an impact on NYSE Euronext's net income.
- Derivatives trading and clearing. Revenues from derivatives trading and clearing consist of per-contract fees for executing trades of derivatives contracts and clearing charges on the London market of NYSE Liffe and NYSE Liffe US and executing options contracts traded on NYSE Arca and NYSE Amex Options. In some cases, these fees are subject to caps.

Revenues for per-contract fees are driven by the number of trades executed and fees charged per contract. The principal types of derivative contracts traded and cleared are equity and index products and short-term interest rate products. Trading in equity products is primarily driven by price volatility in equity markets and indices and trading in short-term interest rate products is primarily driven by volatility resulting from uncertainty over the direction of short-term interest rates. The level of trading and clearing activity for all products is also influenced by market conditions and other factors. See "— Factors Affecting Our Results" above.

Market Data

We generate revenues from the dissemination of our market data in the United States and Europe to a variety of users. In the United States, we collect market data fees principally for consortium-based data products and, to a lesser extent, for NYSE proprietary data products. Consortium-based data fees are dictated as part of the securities industry plans and charged to vendors based on their redistribution of data. Consortium-based data revenues from the dissemination of market data (net of administrative costs) are distributed to participating markets on the basis of a formula set by the SEC under Regulation NMS. Last sale prices and quotes in NYSE-listed, NYSE MKT-listed, and NYSE Arca-listed securities are disseminated through "Tape A" and "Tape B," which constitute the majority of NYSE Euronext's U.S. revenues from consortium-based market data revenues. We also receive a share of the revenues from "Tape C," which represents data related to trading of certain securities that are listed on Nasdaq. These revenues are influenced by demand for the data by professional and nonprofessional subscribers. In addition, we receive fees for the display of data on television and for vendor access. Our proprietary products make market data available to subscribers covering activity that takes place solely on our U.S. markets, independent of activity on other markets. Our proprietary data products also include depth of book information, historical price information and corporate action information. NYSE Euronext offers NYSE Realtime Reference Prices, which allows internet and media organizations to buy real-time, last-sale market data from NYSE and provide it broadly and free of charge to the public. CNBC, Google Finance and nyse.com display NYSE Realtime stock prices on their respective websites.

In Europe, we charge a variety of users, primarily the end-users, for the use of Euronext's real-time market data services. We also collect annual license fees from vendors for the right to distribute Euronext market data to third parties and a service fee from vendors for direct connection to market data. A substantial majority of European market data revenues is derived from monthly end-user fees. We also derive revenues from selling historical and reference data about securities, and by publishing the daily official lists for the Euronext markets. The principal drivers of market data revenues are the number of end-users and the prices for data packages.

Listings

There are two types of fees applicable to companies listed on our U.S. and European securities exchanges — listing fees and annual fees. Listing fees consist of two components: original listing fees and fees related to other corporate-related actions. Original listing fees, subject to a minimum and maximum amount, are based on the number of shares that a company initially lists. Original listing fees, however, are generally not applicable to companies that transfer to one of our U.S. securities exchanges from another market, except for companies transferring to NYSE MKT from the over-the-counter market. Other corporate action related fees are paid by listed companies in connection with corporate actions involving the issuance of new shares to be listed, such as stock splits, rights issues and sales of additional securities, as well as mergers and acquisitions, which are subject to a minimum and maximum fee.

In the United States, annual fees are charged based on the number of outstanding shares of listed U.S. companies at the end of the prior year. Non-U.S. companies pay fees based on the number of listed securities issued or held in the United States. Annual fees are recognized as revenue on a pro rata basis over the calendar year.

Original fees are recognized as revenue on a straight-line basis over estimated service periods of ten years for the NYSE and the Euronext cash equities markets and five years for NYSE Arca and NYSE MKT. Unamortized balances are recorded as deferred revenue on the condensed consolidated statements of financial condition.

Listing fees for our European markets comprise admission fees paid by issuers to list securities on the cash market, annual fees paid by companies whose financial instruments are listed on the cash market, and corporate activity and other fees, consisting primarily of fees charged by Euronext Paris and Euronext Lisbon for centralizing securities in IPOs and tender offers. Original listing fees, subject to a minimum and maximum amount, are based on a company's (estimated) market capitalization at the time of its IPO. Revenues from annual listing fees essentially relate to the number of shares outstanding and the market capitalization of the listed company.

In general, Euronext Paris, Euronext Amsterdam, Euronext Brussels and Euronext Lisbon and LIFFE Administration and Management (Euronext London) have adopted a common set of listing fees. Under the harmonized fee book, domestic issuers (i.e., those from France, the Netherlands, Belgium and Portugal) pay admission fees to list their securities based on the market capitalization of the respective issuer. Subsequent listings of securities receive a discount on admission fees. Domestic issuers also pay annual fees based on the number of equity securities and their respective market capitalizations at the end of the prior year. Non-domestic companies listing in connection with raising capital are charged admission and annual fees on a similar basis, although they are generally charged lower maximum admission fees and annual fees. Non-domestic companies that are included in the Euronext 100 index are treated as domestic for purposes of their listing fees and their annual fees. Non-domestic companies eligible to the Euronext 100 index based on their market capitalization are also treated as domestic issuers for purpose of their sole listing fees. Euronext Paris and Euronext Lisbon also charge centralization fees for collecting and allocating retail investor orders in IPOs and tender offers.

The revenue NYSE Euronext derives from listing fees is primarily dependent on the number and size of new company listings, as well as on the level of other corporate-related activity of existing listed issuers. The number and size of new company listings and other corporate-related activity in any period depend primarily on factors outside of NYSE Euronext’s control, including general economic conditions in Europe and the United States (in particular, stock market conditions) and the success of competing stock exchanges in attracting and retaining listed companies.

Technology Services

Revenues are generated primarily from connectivity services related to the SFTI and FIX networks, software licenses and maintenance fees, as well as from consulting services. Co-location revenue is recognized monthly over the life of the contract. We also generate revenues from software license contracts and maintenance agreements. We provide software that allows customers to receive comprehensive market-agnostic connectivity, transaction and data management solutions. Software license revenues are recognized at the time of client acceptance and maintenance agreement revenues are recognized monthly over the life of the maintenance term subsequent to acceptance. Consulting services are offered for customization or installation of the software and for general advisory services. Consulting revenue is generally billed in arrears on a time and materials basis, although customers sometimes prepay for blocks of consulting services in bulk. NYSE Euronext records revenues from subscription agreements on a pro rata basis over the life of the subscription agreements. The unrealized portions of invoiced subscription fees, maintenance fees and prepaid consulting fees are recorded as deferred revenue on the condensed consolidated statements of financial condition.

Other Revenues

Other revenues include trading license fees, fees for facilities, fees for servicing existing listed companies (including fees from the recent acquisition of Corpedia) and other services provided to designated market markers (“DMMs”), brokers and clerks physically located on the floors of our U.S. markets that enable them to engage in the purchase and sale of securities on the trading floor, the revenues of our former NYSE Blue joint venture (our results for the current quarter include only BlueNext) and fees for clearance and settlement activities in our European markets, as well as regulatory revenues. Regulatory fees are charged to member organizations of our U.S. securities exchanges.

Components of Expenses

Section 31 Fees

See “—Sources of Revenues— Transaction and Clearing Fees” above.

Liquidity Payments, Routing and Clearing

We offer our customers a variety of liquidity payment structures, tailored to specific market and product characteristics in order to attract order flow, enhance liquidity and promote use of our markets. We charge a “per share” or “per contract” execution fee to the market participant who takes the liquidity on certain of our trading platforms and, in turn, we pay, on certain of our markets, a portion of this “per share” or “per contract” execution fee to the market

participant who provides the liquidity.
We also incur routing charges in the United States when we do not have the best bid or offer in the market for a security that a customer is trying to buy or sell on one of our U.S. securities exchanges. In that case, we route the customer's order to the external market center that displays the best bid or offer. The external market center charges us a fee per share (denominated in tenths of a cent per share) for routing to its system. We include costs incurred due to erroneous trade execution within routing and clearing. Furthermore, NYSE Arca incurs clearance, brokerage and related transaction expenses, which primarily include costs incurred in self-clearing activities, and per trade service fees paid to exchanges for trade execution.
Other Operating Expenses
Other operating expenses include compensation, depreciation and amortization, systems and communications, professional services, selling, general and administrative, and merger expenses and exit costs.
Compensation
Compensation expense includes employee salaries, incentive compensation (including stock-based compensation) and related benefits expense, including pension, medical, post-retirement medical and supplemental executive retirement plan ("SERP") charges. Part-time help, primarily related to security personnel at the NYSE, is also recorded as part of compensation.
Depreciation and Amortization

Depreciation and amortization expenses consist of costs from depreciating fixed assets (including computer hardware and capitalized software) and amortizing intangible assets over their estimated useful lives.

Systems and Communications

Systems and communications expense includes costs for development and maintenance of trading, regulatory and administrative systems; investments in system capacity, reliability and security; and cost of network connectivity between our customers and data centers, as well as connectivity to various other market centers. Systems and communications expense also includes fees paid to third-party providers of networks and information technology resources, including fees for consulting, research and development services, software rental costs and licenses, hardware rental and related fees paid to third-party maintenance providers.

Professional Services

Professional services expense includes consulting charges related to various technological and operational initiatives, including fees paid to LCH.Clearnet and ICE Clear Europe (commenced on July 1, 2013) in connection with certain clearing guarantee arrangements and FINRA in connection with the performance of certain member firm regulatory functions, as well as legal and audit fees.

Selling, General and Administrative

Selling, general and administrative expenses include (i) occupancy costs, (ii) marketing costs consisting of advertising, printing and promotion expenses, (iii) insurance premiums, travel and entertainment expenses, co-branding, investor education and advertising expenses with NYSE listed companies, (iv) general and administrative expenses and (v) regulatory fine income levied by NYSE Regulation. Regulatory fine income must be used for regulatory purposes. Subsequent to the July 30, 2007 asset purchase agreement with FINRA, the amount of regulatory fine income has been relatively immaterial.

Merger Expenses and Exit Costs

Merger expenses and exit costs consist of severance costs and related curtailment losses, contract termination costs, depreciation charges triggered by the acceleration of certain fixed asset useful lives, legal and other professional fees and expenses directly attributable to business combinations and cost reduction initiatives, as well as retention bonuses awarded specifically in connection with a business combination.

Results of Operations

Three Months Ended September 30, 2013 Versus Three Months Ended September 30, 2012

The following table sets forth NYSE Euronext's condensed consolidated statements of operations for the three months ended September 30, 2013 and 2012, as well as the percentage increase or decrease for each condensed consolidated statement of operations item for the three months ended September 30, 2013, as compared to such item for the three months ended September 30, 2012.

	Three months ended September 30,				Percent Increase	
(Dollars in Millions)	2013		2012		(Decrease)	
Revenues						
Transaction and clearing fees	$554		$570		(3	)%
Market data	91		85		7	%
Listing	113		112		1	%
Technology services	74		81		(9	)%
Other revenues	58		54		7	%
Total revenues	890		902		(1	)%
Transaction-based expenses:						
Section 31 fees	61		74		(18	)%
Liquidity payments, routing and clearing	255		269		(5	)%
Total revenues, less transaction-based expenses	574		559		3	%
Other operating expenses:						
Compensation	150		145		3	%
Depreciation and amortization	64		64		—	%
Systems and communications	40		44		(9	)%
Professional services	63		76		(17	)%
Selling, general and administrative	55		59		(7	)%
Merger expenses and exit costs	24		18		33	%
Total other operating expenses	396		406		(2	)%
Operating income	178		153		16	%
Interest expense	(23	)	(29	)	(21	)%
Interest and investment income	—		1		(100	)%
Loss from associates	(2	)	(2	)	—	%
Net gain (loss) on disposal activities	5		—		100	%
Other income	—		1		(100	)%
Income before income taxes	158		124		27	%
Income tax provision	24		(12	)	(300	)%
Net income	182		112		63	%
Net (income) loss attributable to noncontrolling interest	(4	)	(4	)	—	%
Net income attributable to NYSE Euronext	$178		$108		65	%

Highlights

For the three months ended September 30, 2013, NYSE Euronext reported total revenues, less transaction-based expenses, operating income and net income attributable to NYSE Euronext of $574 million, $178 million and $178 million, respectively. This compares to total revenues, less transaction-based expenses, operating income and net income attributable to NYSE Euronext of $559 million, $153 million and $108 million, respectively, for the three months ended September 30, 2012.

The $15 million increase in total revenues, less transaction-based expenses, $25 million increase in operating income and $70 million increase in net income attributable to NYSE Euronext for the period reflects the following principal factors:

Increased total revenues, less transaction-based expenses — The period-over-period increase in total revenues, less transaction-based expenses, of $15 million was primarily due to better average revenue capture per contract on our US derivatives platform, higher market data revenues, other revenues and the positive impact of foreign currency, partially offset by lower volumes across our trading venues and a decrease in our technology services revenues.

Increased operating income — The period-over-period increase in operating income of $25 million was primarily due to higher total revenues, less transaction-based expenses and a decrease in operating expenses as a result of cost containment initiatives. Excluding the net impact of merger and exit activities, foreign currency ($1 million) and new business initiatives ($2 million), our other operating expenses decreased $19 million or 5% as compared to the three months ended September 30, 2012.

Increased net income attributable to NYSE Euronext — The period-over-period increase in net income attributable to NYSE Euronext of $70 million was mainly due to increased operating income and a tax benefit as a result of certain discrete tax income which was not tax effected.

Segment Results

We operate under three reportable segments: Derivatives, Cash Trading and Listings, and Information Services and Technology Solutions. We evaluate the performance of our operating segments based on revenue and operating income. For discussion of these segments, see Note 4 to the condensed consolidated financial statements and "—Overview" above.

	Three months ended September 30,					
			% of Total Revenues			
Segment Revenues (in millions)	2013	2012	2013		2012	
Derivatives	$236	$220	26	%	24	%
Cash Trading and Listings	541	569	61	%	63	%
Information Services and Technology Solutions	113	113	13	%	13	%
Total segment revenues	$890	$902	100	%	100	%

Derivatives

	Three months ended September 30,							
			Increase		% of Revenues			
(in millions)	2013	2012	(decrease)		2013		2012	
Transaction and clearing fees	$217	$198	10	%	92	%	90	%
Market data	10	11	(9	)%	4	%	5	%
Other revenues	9	11	(18	)%	4	%	5	%
Total revenues	236	220	7	%	100	%	100	%
Transaction-based expenses:								
Liquidity payments, routing and clearing	70	56	25	%	30	%	25	%
Total revenues, less transaction-based expenses	166	164	1	%	70	%	75	%
Merger expenses and exit costs	1	13	(92	)%	—	%	6	%
Total other operating expenses	81	96	(16	)%	34	%	44	%

Operating income	$84	$55	53 %	36 %	25 %

For the three months ended September 30, 2013, Derivatives operating income increased $29 million to $84 million, and operating income as a percentage of revenues in 2013 increased 11 percentage points to 36%. Compared to the three months ended September 30, 2012, the $29 million increase in operating income was mainly driven by a $2 million increase in our total revenues, less transaction-based expenses as a result of higher average net revenue capture per contract on our US derivatives platform and lower operating expenses, partially offset by a decrease of 8% and 1% in our European and U.S. average daily volumes, respectively, reduced average net revenue capture per contract on our European derivatives platform, and the negative impact of foreign currency (primarily sterling). Other operating expenses for the three months ended September 30, 2013 decreased $15 million period-over-period as a result of our cost containment initiatives, including the clearing transition for the London-based derivatives market at NYSE Liffe to ICE Clear Europe.

Cash Trading and Listings

(in millions)	Three months ended September 30, 2013	2012	Increase (decrease)	% of Revenues 2013	2012
Transaction and clearing fees	$337	$372	(9)%	62%	65%
Market data	42	42	—%	8%	7%
Listing	113	112	1%	21%	20%
Other revenues	49	43	14%	9%	8%
Total revenues	541	569	(5)%	100%	100%
Transaction-based expenses:					
Section 31 fees	61	74	(18)%	11%	13%
Liquidity payments, routing and clearing	185	213	(13)%	34%	37%
Total revenues, less transaction-based expenses	295	282	5%	55%	50%
Merger expenses and exit costs	3	2	50%	1%	—%
Total other operating expenses	177	178	(1)%	33%	32%
Operating income	$115	$102	13%	21%	18%

For the three months ended September 30, 2013, Cash Trading and Listings operating income as a percentage of revenues increased 3 percentage points to 21%, and operating income increased $13 million period-over-period to $115 million. The increase in operating income was primarily due to an increase in our total revenues, less transaction-based expenses of $13 million as a result of improved average net revenue capture per transaction and increased other revenues (including regulatory fees) and a decrease in other operating expenses, partially offset by reduced average daily trading volumes in our US cash trading venues.

Information Services and Technology Solutions

(in millions)	Three months ended September 30, 2013	2012	Increase (decrease)	% of Revenues 2013	2012
Market data	$39	$32	22%	35%	28%
Technology services	74	81	(9)%	65%	72%
Total revenues	113	113	—%	100%	100%
Merger expenses and exit costs	2	2	—%	2%	2%
Other operating expenses	88	90	(2)%	78%	79%
Operating income	$23	$21	10%	20%	19%

For the three months ended September 30, 2013, Information Services and Technology Solutions operating income as a percentage of revenues increased 1 percentage point to 20%, and operating income increased $2 million compared to the same period in the prior year. The increase in operating income was primarily due to a reduction in operating expenses as a result of our operating efficiencies and the positive impact of foreign currency while total revenues remained flat period-over-period.

Corporate / Eliminations

(in millions)	Three months ended September 30, 2013	2012	Increase (decrease)
Revenues, less transaction-based expenses	$—	$—	—%
Total revenues	—	—	—%
Merger expenses and exit costs	18	1	NM

Other operating expenses	26	24	8 %
Operating loss	$(44)	$(25)	76 %

NM = Not meaningful

Corporate and eliminations include unallocated costs primarily related to corporate governance, public company expenses and costs associated with our pension, SERP and postretirement benefit plans and intercompany eliminations of revenues and expenses. Operating loss for the three months ended September 30, 2013 increased $19 million to $44 million compared to the same period a year ago. Merger expenses included legal, investment banking and other professional fees and costs incurred in connection with the proposed business combination with ICE in the 2013 period.

Non-Operating Income and Expenses

Net Interest and Investment Income (Loss)

Interest expense is primarily attributable to the interest expense on the debt incurred in connection with our senior notes. (See "Liquidity and Capital Resources").

Loss from Associates

For the three months ended September 30, 2013, the loss from associates remained in line with the same period a year ago. Such loss primarily reflects the impact of our investment in NYPC.

Net Gain (Loss) on Disposal Activities

For the three months ended September 30, 2013 and 2012, the net gain (loss) on disposal activities was a $5 million gain and zero, respectively. The $5 million gain on disposal activities in the quarter, primarily due to movement in foreign currency, reflected the impact of the sale of our remaining equity stake in the Qatar Exchange. See also Note 2 – Strategic Investments and Divestitures.

Other Income

For the three months ended September 30, 2013, other income was zero, compared to $1 million for the three months ended September 30, 2012. Other income consists primarily of foreign exchange gains and losses and dividends on certain investments, which may vary period-over-period.

Noncontrolling Interest

For the three months ended September 30, 2013 and 2012, NYSE Euronext recorded noncontrolling interest income of $4 million for both periods. This mainly reflects the operating income generated by NYSE Amex Options partially offset by the operating losses of NYSE Liffe US.

Income Taxes

For the three months ended September 30, 2013 and 2012, NYSE Euronext recorded an estimated tax benefit of 15.1% and provided for income taxes at an estimated tax rate of 9.7%, respectively. NYSE Euronext's effective tax rate was lower than the statutory rate primarily due to higher earnings generated from foreign operations, where the applicable foreign jurisdiction tax rate is lower than the statutory rate. For the three months ended September 30, 2013, our effective tax rate reflected a discrete deferred tax benefit of $58 million related to an enacted reduction in the corporate tax rate from 23% to 20% in the United Kingdom.

Nine Months Ended September 30, 2013 Versus Nine Months Ended September 30, 2012

The following table sets forth NYSE Euronext's condensed consolidated statements of operations for the nine months ended September 30, 2013 and 2012, as well as the percentage increase or decrease for each condensed consolidated statement of operations item for the nine months ended September 30, 2013, as compared to such item for the nine months ended September 30, 2012.

(Dollars in Millions)	Nine months ended September 30, 2013	2012	Percent Increase (Decrease)
Revenues			
Transaction and clearing fees	$1,845	$1,828	1%
Market data	265	263	1%
Listing	334	334	—%
Technology services	231	254	(9)%
Other revenues	173	161	7%
Total revenues	2,848	2,840	—%
Transaction-based expenses:			
Section 31 fees	214	226	(5)%
Liquidity payments, routing and clearing	849	852	—%
Total revenues, less transaction-based expenses	1,785	1,762	1%
Other operating expenses:			
Compensation	465	457	2%
Depreciation and amortization	188	196	(4)%
Systems and communications	125	133	(6)%
Professional services	199	218	(9)%
Selling, general and administrative	167	185	(10)%
Merger expenses and exit costs	54	61	(11)%
Total other operating expenses	1,198	1,250	(4)%
Operating income	587	512	15%
Interest expense	(78)	(88)	(11)%
Interest and investment income	3	4	(25)%
Loss from associates	(7)	(5)	40%
Net gain (loss) on disposal activities	15	(2)	NM
Other income	5	4	25%
Income before income taxes	525	425	24%
Income tax provision	(34)	(91)	(63)%
Net income	491	334	47%
Net (income) loss attributable to noncontrolling interest	(14)	(14)	—%
Net income attributable to NYSE Euronext	$477	$320	49%

NM = Not meaningful.

Highlights

For the nine months ended September 30, 2013, NYSE Euronext reported total revenues, less transaction-based expenses, operating income and net income attributable to NYSE Euronext of $1,785 million, $587 million and $477 million, respectively. This compares to total revenues, less transaction-based expenses, operating income and net income attributable to NYSE Euronext of $1,762 million, $512 million and $320 million, respectively, for the nine months ended September 30, 2012.

The $23 million increase in total revenues, less transaction-based expenses, $75 million increase in operating income and $157 million increase in net income attributable to NYSE Euronext for the period reflects the following principal factors:

Increased total revenues, less transaction-based expenses — The period-over-period increase in total revenues, less transaction-based expenses, of $23 million was primarily due to an increase in transaction and clearing fee revenues due to higher trading volumes in our European derivatives businesses and positive impact of foreign currency which were offset by lower volumes in our cash trading venues and lower technology services revenues.

Increased operating income — The period-over-period increase in operating income of $75 million was primarily due to an increase in revenues and a decrease in operating expenses as a result of cost containment initiatives. Excluding the net impact of merger and exit activities, fair value adjustment to restricted stock unit awards ($10 million), foreign currency ($2 million) and new business initiatives ($19 million), our other operating expenses decreased $72 million or 6% as compared to the nine months ended September 30, 2012.

Increased net income attributable to NYSE Euronext — The period-over-period increase in net income attributable to NYSE Euronext of $157 million was mainly due to increased operating income and a lower effective tax rate as a result of certain discrete tax income which was not tax effected.

Segment Results

We operate under three reportable segments: Derivatives, Cash Trading and Listings, and Information Services and Technology Solutions. We evaluate the performance of our operating segments based on revenue and operating income. For discussion of these segments, see Note 4 to the condensed consolidated financial statements and "—Overview" above.

	Nine months ended September 30,					
			% of Total Revenues			
Segment Revenues (in millions)	2013	2012	2013		2012	
Derivatives	$814	$689	28	%	24	%
Cash Trading and Listings	1,695	1,797	60	%	63	%
Information Services and Technology Solutions	339	353	12	%	13	%
Total segment revenues	$2,848	$2,839	100	%	100	%

Derivatives

	Nine months ended September 30,							
			Increase		% of Revenues			
(in millions)	2013	2012	(decrease)		2013		2012	
Transaction and clearing fees	$750	$623	20	%	92	%	90	%
Market data	30	33	(9	)%	4	%	5	%
Other revenues	34	33	3	%	4	%	5	%
Total revenues	814	689	18	%	100	%	100	%
Transaction-based expenses:								
Liquidity payments, routing and clearing	252	167	51	%	31	%	24	%
Total revenues, less transaction-based expenses	562	522	8	%	69	%	76	%
Merger expenses and exit costs	6	21	(71	)%	1	%	3	%
Total other operating expenses	270	290	(7	)%	33	%	42	%

Operating income	$286	$211	36%	35%	31%

For the nine months ended September 30, 2013, Derivatives operating income increased $75 million to $286 million, and operating income as a percentage of revenues in 2013 increased 4 percentage points to 35%. Compared to the nine months ended September 30, 2012, the $75 million increase in operating income was mainly driven by a $40 million increase in our total revenues, less transaction-based expenses as a result of a 2% increase in our European average daily volumes and a decrease in merger expenses and exit costs of $15 million, partially offset by the negative impact of foreign currency (primarily sterling). Other operating expenses for the nine months ended September 30, 2013 decreased $20 million compared to the same period a year ago reflecting the results of operating efficiencies, including the clearing transition for the London-based derivatives market at NYSE Liffe to ICE Clear Europe.

Cash Trading and Listings

(in millions)	Nine months ended September 30, 2013	2012	Increase (decrease)	% of Revenues 2013	2012
Transaction and clearing fees	$1,095	$1,205	(9)%	65%	67%
Market data	127	131	(3)%	7%	7%
Listing	334	334	—%	20%	19%
Other revenues	139	127	9%	8%	7%
Total revenues	1,695	1,797	(6)%	100%	100%
Transaction-based expenses:					
Section 31 fees	214	226	(5)%	13%	13%
Liquidity payments, routing and clearing	597	685	(13)%	35%	38%
Total revenues, less transaction-based expenses	884	886	—%	52%	49%
Merger expenses and exit costs	10	15	(33)%	1%	1%
Total other operating expenses	524	536	(2)%	31%	29%
Operating income	$350	$335	4%	20%	19%

For the nine months ended September 30, 2013, Cash Trading and Listings operating income as a percentage of revenues increased 1 percentage point to 20%, and operating income increased $15 million period-over-period to $350 million. The increase in operating income is primarily due to a decrease in other operating expenses of $14 million, reflecting the results of operating efficiencies, a decrease in merger expenses and exit costs of $5 million, while our total revenues, less transaction-based expenses remained relatively flat period-over-period, despite a 10% and 12% reduction in our average daily volumes in US and European venues, respectively.

Information Services and Technology Solutions

(in millions)	Nine months ended September 30, 2013	2012	Increase (decrease)	% of Revenues 2013	2012
Market data	$108	$99	9%	32%	28%
Technology services	231	254	(9)%	68%	72%
Total revenues	339	353	(4)%	100%	100%
Merger expenses and exit costs	6	12	(50)%	2%	3%
Other operating expenses	264	275	(4)%	78%	78%
Operating income	$69	$66	5%	20%	19%

For the nine months ended September 30, 2013, Information Services and Technology Solutions operating income as a percentage of revenues increased 1 percentage point to 20%, while operating income increased $3 million to $69 million. This reflects a decrease in operating expenses of $11 million as a result of our operating efficiencies, a decrease in merger expenses and exit costs of $6 million and the positive impact of foreign currency of $4 million which was partially offset by a decrease in total revenues of $14 million due to the lack of large one-time managed services sales in the first nine months of 2013. During the first nine months of 2012, we recognized $8 million of technology services revenue as part of a managed services contract with the Warsaw Stock Exchange.

Corporate / Eliminations

(in millions)	Nine months ended September 30, 2013	2012	Increase (decrease)
Revenues, less transaction-based expenses	$—	$1	(100)%
Total revenues	—	1	(100)%

Merger expenses and exit costs	32	13	146 %
Other operating expenses	86	88	(2)%
Operating loss	$(118)	$(100)	18 %

Corporate and eliminations include unallocated costs primarily related to corporate governance, public company expenses and costs associated with our pension, SERP and postretirement benefit plans and intercompany eliminations of revenues and expenses. Operating loss for the nine months ended September 30, 2013 increased $18 million to $118 million compared to the same period a year ago. Such increase was primarily associated with additional merger expenses and exit costs. Merger expenses included legal, investment banking and other professional fees and costs incurred in connection with the proposed business combination with ICE in the 2013 period and the terminated business combination with Deutsche Boerse in the 2012 period. Additionally in 2013, we recorded a $10 million benefit in connection with the expiration of the statute of limitations on certain VAT exposure associated with the Euronext merger costs incurred in Europe in 2007.

Non-Operating Income and Expenses

Net Interest and Investment Income (Loss)

Interest expense is primarily attributable to the interest expense on the debt incurred in connection with our senior notes. (See "Liquidity and Capital Resources").

Loss from Associates

For the nine months ended September 30, 2013, the loss from associates increased by $2 million to $7 million. Such loss primarily reflects the impact of our investment in NYPC.

Net Gain (Loss) on Disposal Activities

For the nine months ended September 30, 2013, the net gain (loss) on disposal activities was a $15 million gain compared to a $2 million loss in the same period a year ago. The $15 million net gain on disposal activities in 2013 consists of a $10 million gain associated with the sale of a portion of our investment in LCH.Clearnet and a $5 million gain for the sale of our remaining equity stake in the Qatar Exchange, primarily due to movement in foreign currency. The $2 million net loss on disposal activities in 2012 reflected the impact of unwinding our NYSE Blue joint venture. See also Note 2 – Strategic Investments and Divestitures and Note 12 – Related Party Transactions.

Other Income

For the nine months ended September 30, 2013, other income was $5 million compared to $4 million for the nine months ended September 30, 2012. Other income consists primarily of foreign exchange gains and losses and dividends on certain investments, which may vary period-over-period.

Noncontrolling Interest

For the nine months ended September 30, 2013 and 2012, net income attributable to noncontrolling interest remained flat period-over-period. This mainly reflects the operating income generated by NYSE Amex Options partially offset by the operating losses of NYSE Liffe US.

Income Taxes

For the nine months ended September 30, 2013 and 2012, NYSE Euronext provided for income taxes at an estimated tax rate of 6.4% and 21.5%, respectively. NYSE Euronext's effective tax rate in the 2013 period was lower than the statutory rate primarily due to higher earnings generated from foreign operations, where the applicable foreign jurisdiction tax rate is lower than the statutory rate. For the nine months ended September 30, 2013, our effective tax rate reflected a discrete deferred tax benefit of $58 million related to an enacted reduction in corporate tax rate from 23% to 20% in the United Kingdom. For the nine months ended September 30, 2013, our effective tax rate also reflected the release of reserves following a favorable settlement reached with certain European tax authorities.

Liquidity and Capital Resources

NYSE Euronext’s financial policy seeks to finance the growth of its business, remunerate shareholders and ensure financial flexibility, while maintaining strong creditworthiness and liquidity. NYSE Euronext’s primary sources of liquidity are cash flows from operating activities, current assets and existing bank facilities. NYSE Euronext’s principal liquidity requirements are for working capital, capital expenditures and general corporate use.

Cash flows

For the nine months ended September 30, 2013, net cash provided by operating activities was $565 million, representing primarily net income of $491 million, depreciation and amortization of $195 million partially offset by an unfavorable change in working capital of $2 million.

For the nine months ended September 30, 2013, capital expenditures were $96 million. In addition, we paid $414 million in connection with the maturity of a portion of our debt as well as $219 million in dividends to our shareholders.

Under the terms of the operating agreement of the NYSE, no regulatory fees, fines or penalties collected by NYSE Regulation may be distributed to NYSE Euronext or any entity other than NYSE Regulation. As a result, the use of regulatory fees, fines and penalties collected by NYSE Regulation may be considered restricted. As of September 30, 2013, NYSE Euronext did not have significant restricted cash balances.

As of September 30, 2013, approximately $267 million of cash, cash equivalents and financial instruments was held by NYSE Euronext's foreign subsidiaries. If these funds were repatriated to the United States, NYSE Euronext would be required to accrue and pay U.S. taxes except for the amount of cash, if any, that would be treated as a return of capital for U.S. tax purposes.

Net financial indebtedness

As of September 30, 2013, NYSE Euronext had approximately $2.3 billion in debt outstanding and approximately $0.4 billion of cash, cash equivalents and financial investments, resulting in approximately $1.9 billion in net indebtedness. We define net indebtedness as outstanding debt less cash, cash equivalents and financial investments. Net indebtedness was as follows (in millions):

	September 30, 2013	December 31, 2012
Cash and cash equivalents	$404	$337
Financial investments	33	43
Cash, cash equivalents and financial investments	437	380
Short term debt	213	454
Long term debt	2,088	2,055
Total debt	2,301	2,509
Net indebtedness	$1,864	$2,129

Cash, cash equivalents and financial investments are managed as a global treasury portfolio of non-speculative financial instruments that are readily convertible into cash, such as overnight deposits, term deposits, money market funds, mutual funds for treasury investments, short duration fixed income investments and other money market instruments, thus ensuring high liquidity of financial assets.

As of September 30, 2013, NYSE Euronext’s main debt instruments were as follows (in millions):

	Principal amount as of September 30, 2013	Maturity
Commercial paper issued under the global commercial paper program	$184	October 1, 2013
5.375% senior unsecured notes in euro	€920 ($1,245)	June 30, 2015
2.0% senior unsecured notes in U.S. dollar	$850	October 5, 2017

In 2007, NYSE Euronext entered into a U.S. dollar and euro-denominated global commercial paper program of $3.0 billion in order to refinance the acquisition of the Euronext shares. As of September 30, 2013, NYSE Euronext had $0.2 billion of debt outstanding at an average interest rate of 0.24% under this commercial paper program. The effective interest rate of commercial paper issuances does not materially differ from short term interest rates (Libor U.S. for commercial paper issued in U.S. dollar and Euribor for commercial paper issued in euro). The fluctuation of these rates due to market conditions may therefore impact the interest expense incurred by NYSE Euronext.

The commercial paper program is backed by a $1.0 billion syndicated revolving bank facility maturing on June 15, 2015. This bank facility is available for general corporate purposes and was not drawn on as of September 30, 2013. This bank facility was entered into on June 15, 2012 to refinance the bank facility entered into in 2007 for an amount of $2.0 billion and subsequently amended and reduced to an amount of $1.2 billion in 2011. The commercial paper program and the credit facilities include terms and conditions customary for agreements of this type, which may restrict NYSE Euronext's ability to engage in additional transactions or incur additional indebtedness.

In 2008 and 2009, NYSE Euronext issued $750 million of 4.8% fixed rate bonds due in June 2013 and €1.0 billion of 5.375% fixed rate bonds due in June 2015 in order to, among other things, refinance outstanding commercial paper and lengthen the maturity profile of its debt. On October 5, 2012, NYSE Euronext issued $850 million of 2.0% senior unsecured notes due in October 2017. The net proceeds from the offering were used, in part, to purchase approximately $336 million of the outstanding 4.8% notes due in June 2013 and approximately €80 million of the outstanding 5.375% notes due in June 2015 in concurrent cash tender offers. The remaining principal amount under the 4.8% notes due in June 2013 was fully redeemed. As of September 30, 2013, the outstanding principal amount of 5.375% notes due in June 2015 was €920 million. The terms of the bonds do not contain any financial covenants. The bonds may be redeemed by NYSE Euronext or the bond holders under certain customary circumstances, including a change in control accompanied by a downgrade of the bonds below an investment grade rating. The terms of the bonds also provide for customary events of default and a negative pledge covenant.

As of September 30, 2013, we were in compliance with all of our debt instrument covenants in all material respects.

Liquidity risk

NYSE Euronext continually reviews its liquidity and debt positions and, subject to market conditions and credit and strategic considerations, may from time to time determine to vary the maturity profile of its debt and diversify its sources of financing. NYSE Euronext anticipates being able to support short-term liquidity and operating needs primarily through existing cash balances and financing arrangements, along with future cash flows from operations. If existing financing arrangements are insufficient to meet the anticipated needs of its current operations or to refinance existing debt, NYSE Euronext may seek additional financing in either the debt or equity markets. NYSE Euronext may also seek equity or debt financing in connection with future acquisitions or other strategic transactions. While we believe that we generally have access to debt markets, including bank facilities and publicly and privately issued long and short term debt, we may not be able to obtain additional financing on acceptable terms or at all.

Because commercial paper's new issues generally fund the retirement of old issues, NYSE Euronext is exposed to the rollover risk of not being able to issue new commercial paper. In order to mitigate the rollover risk, NYSE Euronext maintains undrawn backstop bank facilities for an aggregate amount exceeding at any time the amount issued under its commercial paper program. In case we would not be able to issue new commercial paper, we may draw on these backstop facilities.

Critical Accounting Policies and Estimates

The following provides information about NYSE Euronext's critical accounting policies and estimates. Critical accounting policies reflect significant judgments and uncertainties, and potentially produce materially different results, assumptions and conditions.

Revenue Recognition

There are two types of fees applicable to companies listed on the NYSE, NYSE Arca, NYSE MKT and Euronext — listing fees and annual fees. Listing fees consist of two components: original listing fees and fees related to other corporate action. Original listing fees, subject to a minimum and maximum amount, are based on the number of shares that the company initially lists. Original listing fees, however, are generally not applicable to companies that transfer to one of our U.S. securities exchanges from another market, except for companies transferring to NYSE MKT from the over-the-counter market. Other corporate action related fees are paid by listed companies in connection with corporate actions involving the issuance of new shares. Annual fees are recognized on a pro rata basis over the calendar year. Original listing fees are recognized on a straight-line basis over their estimated service periods of 10 years for the NYSE and Euronext, and 5 years for NYSE Arca and NYSE MKT. Unamortized balances are recorded as deferred revenue on the condensed consolidated statements of financial condition.

In addition, NYSE Euronext licenses software and provides software services which are accounted for in accordance with Subtopic 605 in the Software Topic of the FASB Accounting Standards Codification, which involves significant judgment. The technology services revenues in our condensed consolidated statement of operations include revenues generated from the sale of software licenses, software related services as well as hardware components. We enter into multiple-element sales arrangements to provide technology solutions and services to our customers. In such arrangements, we first allocate the total arrangement consideration based on the relative selling prices of the software group of elements as a whole and to the non-software elements. We then further allocate consideration within the software group to the respective elements within that group in accordance with Subtopic 605 in the Software Topic of the FASB Accounting Standards Codification. We recognize revenues upon delivery of non-software elements of our technology solutions and services. For software license arrangements that do not require customization or significant modification of the underlying software, we recognize revenues when (i) we enter into a legally binding agreement with a customer for the license of software, (ii) we deliver the products and (iii) customer payment is determinable and free of significant uncertainties or contingencies. Most of our arrangements are recognized in this manner. For software license arrangements that require customization or significant modification, we generally recognize revenues upon delivery provided the acceptance terms are perfunctory and all other revenue recognition criteria have been met. For revenues associated with maintenance and support, we recognize it ratably over the term of the arrangement, typically one to two years.

Goodwill and Other Intangible Assets

NYSE Euronext reviews the carrying value of goodwill for impairment at least annually based upon estimated fair value of NYSE Euronext's reporting units. Should the review indicate that goodwill is impaired, NYSE Euronext's goodwill would be reduced by the difference between the carrying value of goodwill and its fair value.

NYSE Euronext reviews the useful life of its indefinite-lived intangible assets to determine whether events or circumstances continue to support the indefinite useful life categorization. In addition, the carrying value of NYSE Euronext's other intangible assets is reviewed by NYSE Euronext at least annually for impairment based upon the estimated fair value of the asset.

For purposes of performing the impairment test, fair values are determined using discounted cash flow methodology. This requires significant judgments including estimation of future cash flows, which, among other factors, is dependent on internal forecasts, estimation of the long-term rate of growth for businesses and determination of weighted average cost of capital. Changes in these estimates and assumptions could materially affect the determination of fair value and/or goodwill and other intangible impairment for each reporting unit.

Income Taxes

NYSE Euronext records income taxes using the asset and liability method, under which current and deferred tax liabilities and assets are recorded in accordance with enacted tax laws and rates. Under this method, the amounts of deferred tax liabilities and assets at the end of each period are determined using the tax rate expected to be in effect when the taxes are actually paid or recovered. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not.

Deferred income taxes are provided for the estimated income tax effect of temporary differences between financial and tax bases in assets and liabilities. Deferred tax assets are also provided for certain tax carryforwards. A valuation allowance to reduce deferred tax assets is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

NYSE Euronext is subject to tax regulations in numerous domestic and foreign jurisdictions primarily based on its operations in these jurisdictions. Significant judgment is required in assessing the future tax consequences of events that have been recognized in NYSE Euronext's financial statements or tax returns. Fluctuations in the actual outcome of these future tax consequences could have a material impact on NYSE Euronext's financial position or results of operations.

Pension and Other Post-Retirement Employee Benefits

Pension and other post-retirement employee benefits costs and liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates to measure future obligation and interest expense, health care cost trend rates, benefits earned, interest cost, expected return on assets, mortality rates, and other factors. In accordance with U.S. GAAP, actual results that differ from the assumptions are accumulated and amortized over future periods and, therefore, generally affect recognized expense and the recorded obligation in future periods. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect NYSE Euronext's pension and other post-retirement obligations and future expense.

Hedging Activities

NYSE Euronext uses derivative instruments to limit exposure to changes in foreign currency exchange rates and interest rates. NYSE Euronext accounts for derivatives pursuant to Derivatives and Hedging Topic of the FASB Accounting Standards Codification. The Derivatives and Hedging Topic establishes accounting and reporting standards for derivative instruments and requires that all derivatives be recorded at fair value on the statement of financial condition. Changes in the fair value of derivative financial instruments are either recognized in other comprehensive income or net income depending on whether the derivative is being used to hedge changes in cash flows or changes in fair value.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

General

As a result of its operating and financing activities, NYSE Euronext is exposed to market risks such as interest rate risk, currency risk and credit risk. NYSE Euronext has implemented policies and procedures designed to measure, manage, monitor and report risk exposures, which are regularly reviewed by the appropriate management and supervisory bodies. NYSE Euronext's central treasury is charged with identifying risk exposures and monitoring and managing such risks on a daily basis. To the extent necessary and permitted by local regulation, NYSE Euronext's subsidiaries centralize their cash investments, report their risks and hedge their exposures with the central treasury. NYSE Euronext performs sensitivity analyses to determine the effects that market risk exposures may have.

NYSE Euronext uses derivative instruments solely to hedge financial risks related to its financial position or risks that are otherwise incurred in the normal course of its commercial activities. We do not use derivative instruments for speculative purposes.

Interest Rate Risk

Except for fixed rate bonds, most of NYSE Euronext's financial assets and liabilities are based on floating rates, on fixed rates with an outstanding maturity or reset date falling in less than one year or on fixed rates that have been swapped to floating rates via fixed-to-floating rate swaps. The following table summarizes NYSE Euronext's exposure to interest rate risk as of September 30, 2013 (in millions):

	Financial assets	Financial liabilities	Net Exposure	Impact[2] of a 100 bp adverse shift in interest rates[3]
Floating rate[1] positions in				
Dollar	$169	$197	$ (28)	$(0.3)
Euro	41	17	24	(0.3)
Sterling	201	—	201	(2.0)
Fixed rate positions in				
Dollar	—	848	(848)	(32)
Euro	—	1,240	(1,240)	(23)
Sterling	—	—	—	—

(1) Includes floating rate, fixed rate with an outstanding maturity or reset date falling in less than one year and fixed rate swapped to floating rate.

(2) Impact on profit and loss for floating rate positions (cash flow risk) and on equity until realization in profit and loss for fixed rate positions (price risk).

(3) 100 basis points parallel shift of yield curve.

NYSE Euronext is exposed to price risk on its outstanding fixed rate positions. As of September 30, 2013, fixed rate positions in U.S. dollar and in euro with an outstanding maturity or reset date falling in more than one year amounted to $848 million and $1.2 billion, respectively. A hypothetical shift of 1% in the U.S. dollar or the euro interest rate curves would in the aggregate negatively impact the fair value of these positions by $32 million and $23 million, respectively.

NYSE Euronext is exposed to cash flow risk on its floating rate positions. Because NYSE Euronext is a net lender in euro and sterling, when interest rates in euro or sterling decrease, NYSE Euronext's net interest and investment income decreases. Based on September 30, 2013 positions, a hypothetical 1% decrease in euro or sterling rates would negatively impact annual income by $0.3 million and $2 million, respectively. Because NYSE Euronext is a net borrower in U.S. dollar, when interest rates in U.S. dollar increase, NYSE Euronext net interest and investment income decrease. Based on September 30, 2013 positions, a hypothetical 1% increase in U.S. dollar rates would negatively impact annual income by $0.3 million.

Currency Risk

As an international group, NYSE Euronext is subject to currency translation risk. A significant part of NYSE Euronext's assets, liabilities, revenues and expenses is recorded in euro and sterling. Assets, liabilities, revenues and expenses of foreign subsidiaries are generally denominated in the local functional currency of such subsidiaries.

NYSE Euronext's exposure to foreign denominated earnings for the nine months ended September 30, 2013 is presented by primary foreign currency in the following table (in millions, except average rates):

	Nine months ended September 30, 2013	
	Euro	Sterling
Average rate in the period	$ 1.3171	$ 1.5463
Average rate in the same period one year before	$ 1.2821	$ 1.5781
Foreign denominated percentage of		
Revenues	15 %	18 %
Operating expenses	9 %	17 %
Operating income	38 %	20 %
Impact of the currency fluctuations (1) on		
Revenues	$ 11.2	$ (10.2)
Operating expenses	5.7	(7.8)
Operating income	5.5	(2.4)

(1) Represents the impact of currency fluctuation for the nine months ended September 30, 2013 compared to the same period in the prior year.

NYSE Euronext’s exposure to net investment in foreign currencies is presented by primary foreign currencies in the table below (in millions):

	September 30, 2013	
	Position in euros	Position in sterling
Assets	€3,633	£ 2,702
of which goodwill	1,026	1,073
Liabilities	1,791	331
of which borrowings	928	—
Net currency position before hedging activities	€1,842	£ 2,371
Impact of hedging activities	(90)	162
Net currency position	€1,752	£ 2,533
Impact on consolidated equity of a 10% decrease in foreign currency exchange rates	$(237)	$ (410)

At September 30, 2013, NYSE Euronext had net exposure of euro and sterling of €1.8 billion ($2.4 billion) and £2.5 billion ($4.1 billion), respectively. NYSE Euronext's borrowings in euro of €0.9 billion ($1.3 billion) constitute a partial hedge of NYSE Euronext's net investments in foreign entities. As of September 30, 2013, NYSE Euronext also had €262 million ($348 million) of euro/U.S. dollar contract outstanding and £162 million (€192 million) of sterling/euro and £15 million ($24 million) sterling/U.S. dollar foreign exchange contracts outstanding. These contracts mature during October and December 2013. As of September 30, 2013, the fair value of these contracts was a $0 million asset. Based on September 30, 2013 net currency positions, a hypothetical 10% decrease of euro against dollar would negatively impact NYSE Euronext's equity by $237 million and a hypothetical 10% decrease of sterling against dollar would negatively impact NYSE Euronext's equity by $410 million. For the nine months ended September 30, 2013, currency exchange rate differences had a positive impact of $44 million on NYSE Euronext's consolidated equity.

Credit Risk

NYSE Euronext is exposed to credit risk in the event of a counterparty default. NYSE Euronext limits its exposure to credit risk by rigorously selecting the counterparties with which it makes investments and executes agreements. Credit risk is monitored by using exposure limits depending on ratings assigned by rating agencies as well as the nature and maturity of transactions. NYSE Euronext’s investment objective is to invest in securities that preserve principal while maximizing yields, without significantly increasing risk. NYSE Euronext seeks to substantially mitigate credit risk associated with investments by ensuring that these financial assets are placed with governments, well-capitalized financial institutions and other creditworthy counterparties.

An ongoing review is performed to evaluate changes in the status of counterparties. In addition to the intrinsic creditworthiness of counterparties, NYSE Euronext’s policies require diversification of counterparties (banks, financial institutions, bond issuers and funds) so as to avoid a concentration of risk. Derivatives are negotiated with highly rated banks.

Item 4. Controls and Procedures

As of the end of the period covered by this report, our management carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. No significant changes were made during the quarterly period ended September 30, 2013 in our internal control over financial reporting or in other factors that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Legal Matters

For the nine months ended September 30, 2013, NYSE Euronext incorporates herein by reference the discussion set forth in Note 16 (“Commitments and Contingencies - Legal Matters”) to Item 8 of the Form 10-K filed by NYSE Euronext for the year ended December 31, 2012, and Note 10 (“Commitments and Contingencies”) of the Forms 10-Q filed by NYSE Euronext for the periods ending March 31, 2013 and June 30, 2013, respectively, and no other matters were reportable during the period.

Shareholder Lawsuits

On October 11, 2013, the New York Supreme Court so-ordered the parties’ stipulation of voluntarily discontinuance, and dismissed the New York Consolidated Action without prejudice. On October 14, 2013, the Delaware Court of Chancery granted the Delaware plaintiffs’ notice and proposed order of dismissal, and dismissed the Delaware Action without prejudice. All of the shareholder lawsuits brought to challenge the merger have now been dismissed.

In addition to the matters described above, NYSE Euronext is from time to time involved in various legal proceedings and responds to inquiries from its regulators that arise in the ordinary course of its business. NYSE Euronext records accrued liabilities for litigation and regulatory matters when those matters represent loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. When a loss contingency is not both probable and estimable, NYSE Euronext does not establish an accrued liability. As a litigation or regulatory matter develops, NYSE Euronext evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and estimable. NYSE Euronext does not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on its financial statements as a whole.

Item 1A. Risk Factors

For the nine months ended September 30, 2013, there were no material changes from the "Risk Factors" as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012, and Part II, Item 1A of our Quarterly Reports on Form 10-Q for the three months and six months ended March 31, 2013 and June 30, 2013, respectively, which disclosures are incorporated herein by reference, other than the risks discussed below, which supplement the Risk Factors disclosed in such Annual and Quarterly reports.

Risks Relating to Our Industry

We face intense competition and compete globally with a broad range of market participants for listings and trading volumes.

Our industry is highly competitive. We face significant competition for listings and trading of cash equities, exchange-traded funds, closed-end funds, structured products, futures, options and other derivatives. We expect competition in our industry to intensify. Increased competition from existing and new competitors could cause our exchanges to experience a decline in their share of listing and trading activity. Such a decline would mean that we would lose the associated transaction fees and proportionate share of market data fees, and could have increased pressure on our fee levels in order to remain competitive.

Recent trends towards the liberalization and globalization of world capital markets have resulted in greater mobility of capital, greater international participation in local markets and more competition among markets in different geographical areas. As a result, global competition among listing venues, trading markets and other execution venues has become more intense. In addition, in the last several years the structure of the exchange sector has changed significantly through industry consolidation and demutualizations (in which an exchange converts from member ownership to for-profit status), trends that have contributed to a more intense competitive environment. The recently announced proposed combination of BATS Global Markets, Inc. and Direct Edge, LLC will further serve to increase competitive pressures and likely impact our business.

Our current and prospective competitors are numerous and include both traditional and nontraditional trading venues. These include regulated markets, electronic communications networks and other alternative trading systems, multilateral trading facilities, market makers, banks, brokers and other financial market participants. Some of these competitors are among our largest customers or are owned by our customers. In particular, many of our key customers are prioritizing their internalization and ATS businesses ahead of their exchange-based market making business. We also face significant and growing competition from financial institutions that have the ability to divert trading volumes from us. For example, banks and brokers may assume the role of principal and act as counterparty to orders originating from their customers, thus “internalizing” order flow that would otherwise be transacted on one of our exchanges. Banks and brokers may also enter into bilateral trading arrangements by matching their order flows, depriving our exchanges of potential trading volumes. We expect to face competition from new entrants into our markets, as well as from existing market participants such as banks and liquidity providers who sponsor new initiatives.

We compete with other market participants in a variety of ways, including the cost, quality and speed of trade execution, market liquidity, functionality, ease of use and performance of trading systems, the range of products and services offered to customers and listed companies, and technological innovation and reputation. Additionally, our competitors may consolidate and form alliances, which may give their markets greater liquidity, lower costs and better pricing than we will be able to offer, and allow them to better leverage their relationships with customers and alliance partners or better exploit brand names to market and sell their services.

Many of our current and prospective competitors have greater financial resources than we do, and many are subject to less burdensome regulation than we face. See "- Risks Relating to Regulation - We may face competitive disadvantages if we do not receive necessary regulatory approvals for new business initiatives." If we fail to compete successfully, our business, financial condition and operating results may be adversely affected. For more information on the competitive environment in which we operate, see Item 1 - "Business."

Risks Relating to Our Business

Any strategic transactions that we undertake may require significant resources, result in significant unanticipated costs or liabilities or fail to deliver anticipated benefits.

We have in the past and may continue to enter into business combination transactions, make acquisitions and enter into partnerships, joint ventures and other strategic investments or alliances, some of which may be material. The market for acquisition targets and strategic alliances is highly competitive, particularly in light of consolidation in the exchange sector and existing or potential future restrictions on foreign direct investments in some countries. Market conditions may limit our ability to use our stock as an acquisition currency. In addition, our bylaws require acquisitions, mergers and consolidations involving more than 30% of our aggregate equity market capitalization or value (or, under certain circumstances, transactions involving an entity whose principal place of business is outside of the U.S. and Europe) to be approved by two-thirds of our directors. These and other factors may adversely affect our ability to identify acquisition targets or strategic partners consistent with our objectives, or may make us less attractive as an acquirer or strategic partner.

We cannot be sure that we will complete any business combination, acquisition, partnership, joint venture or strategic investment or alliance that we announce. Completion of these transactions is usually subject to closing conditions, including regulatory approvals, over which we have limited or no control. In particular, our announced merger agreement with ICE is subject to approval by regulatory authorities in Europe, and other customary closing conditions.

We cannot be sure that we will recognize the anticipated benefits of our acquisition by ICE or any other transaction we undertake, such as any expected cost savings, growth opportunities, synergies or improvements in our competitive profile. A variety of factors, including unanticipated difficulties integrating our existing technology platforms onto our Universal Trading Platform, regulatory changes, competitive developments, labor conflicts, litigation, currency fluctuations and inflation, the impact of the departure of senior management in connection with our acquisition by ICE, may adversely affect any anticipated cost savings, revenue potential or other anticipated benefits. Additionally, large-scale integration conducted in connection with any potential transaction may lead to instability in our systems or processes. The anticipated benefits of a particular transaction may not be realized fully, if at all, or may take longer to realize than expected.

In addition, in connection with any such transaction, we may issue shares of our stock that dilute our existing stockholders, expend cash, incur debt, assume contingent liabilities or incur other expenses, any of which could harm our business, financial condition or operating results.

Moreover, we cannot direct the actions of strategic partners or joint ventures that we do not control. We are generally unable to cause dividends or distributions to be made to us from the entities in which we have a minority investment or to direct the management of such entities. Some of our ventures may entail particular risks, including the possibility that a partner, majority investor or co-venturer may have different interests or goals, and may take action contrary to our instructions, requests, policies or business objectives, or the likelihood that any particular venture may wind down pursuant to its terms notwithstanding the profitability of said venture, any and all of which could adversely impact our brand name and reputation. Also, our minority positions generally will be illiquid due to regulatory impediments to sale or because the market for them is limited. If we are unable to successfully maximize the benefits of our strategic investments and joint ventures, our business, financial condition and operating results could be adversely affected.

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Item 6. Exhibits

Exhibit No.	Description
10.1*	Derivatives Clearing Agreement, effective as of October 14, 2013, among Euronext Brussels S.A./N.V., Euronext Amsterdam N.V., Euronext Paris S.A., Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados S.A., Banque Centrale de Compensation S.A. and LCH.Clearnet Group Limited.**
31.1*	Certification of the principal executive officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
31.2*	Certification of the principal financial officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.1*	Certification of the principal executive officer and the principal financial officer pursuant to 18 U.S.C. Section 1350.
101.INS	XBRL Report Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document

*　Furnished herewith.

**　Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, NYSE Euronext has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized:

NYSE Euronext

Date: November 5, 2013

By: /s/ Michael S. Geltzeiler
Michael S. Geltzeiler
Group Executive Vice President and Chief Financial Officer
NYSE Euronext