

## PRESS RELEASE

### **SME Strategic Planning Committee fine-tunes its 30 recommendations and calls for a rapid launch of the Entrepreneurial Exchange**

**Paris, Amsterdam, Brussels, Lisbon, 30 October 2012** – The Strategic Planning Committee for SMEs today presented its final report to NYSE Euronext and the national and regional markets where NYSE Euronext is market operator. The Committee thanked the approximately 200 representatives of professional associations for issuers, brokers and investors as well as the heads of the European, national and regional ecosystems who took part in the public consultation launched 3 July 2012.

The call to create an Entrepreneurial Exchange generated many comments and suggestions, including feedback from respondents in France, the Netherlands, Belgium and Portugal. Barring any restrictions specified by contributors, their responses may be consulted online at [www.bourseentreprise.com](http://www.bourseentreprise.com).

Many respondents agreed entirely with the Committee's analysis of the financing difficulties faced by SMEs and approved the solution proposed. After reviewing their contributions, the Committee re-examined and amended its 30 recommendations and responded to major arguments made. The most important improvements to the initial recommendations include:

- **A market in keeping with NYSE Euronext's federated model**

In its final recommendations, the Committee clearly states that the Entrepreneurial Exchange must adhere strictly to NYSE Euronext's federated model. It must be designed as an SME-dedicated exchange in each country where NYSE Euronext operates a market, with no initial cross-border transfers of companies already listed, and must comply with the legal and regulatory framework applicable in each country. It must also allow each national regulator to supervise and monitor operations just as it does today, both individually and as a member of the college of regulators.

- **Governance**

The Committee stands by its call for a dual governance structure, with a Supervisory Board and an Executive Board, which it believes will lead to the most efficient division of labour. The Supervisory Board may have up to 15 members, all market stakeholders and in most cases not part of NYSE Euronext. It will determine the new exchange's strategy, objectives and resources, and will appoint a full-time Chairman of the Executive Board to implement strategy, manage the new exchange on a day-to-day basis and report to the Supervisory Board on a regular basis.

- **Initial listings**

Recommendations call for the Entrepreneurial Exchange to open a market in each country where NYSE Euronext operates, and, where legally possible, to incorporate all of NYSE Euronext's Segments B and C and all of NYSE Alternext into its initial listings at no charge. Some companies might be allowed to remain on NYSE Euronext, based on specific economic and market criteria defined for each country. Creating the Entrepreneurial Exchange should not alter the composition of primary national indices, which must be able to include both companies listed on NYSE Euronext and companies listed on the Entrepreneurial Exchange.

- **Closer relationships and re-energised local and regional ecosystems**

Reflecting respondents' comments, the Committee fully supports the goal of cultivating strong local ties as the new exchange becomes established, particularly in terms of promoting good issuer relations and pursuing an aggressive business development strategy aimed at new listing candidates. This will involve working closely with all stakeholders of local and regional ecosystems.

- **Rights and obligations of Listing and Market Partners**

To better define the roles of intermediaries using the Entrepreneurial Exchange, the Committee recommends that the framework agreement define the new dual status of members, detailing the difference between Listing Sponsors and Listing and/or Market Partners in the exchange's regulated segment.

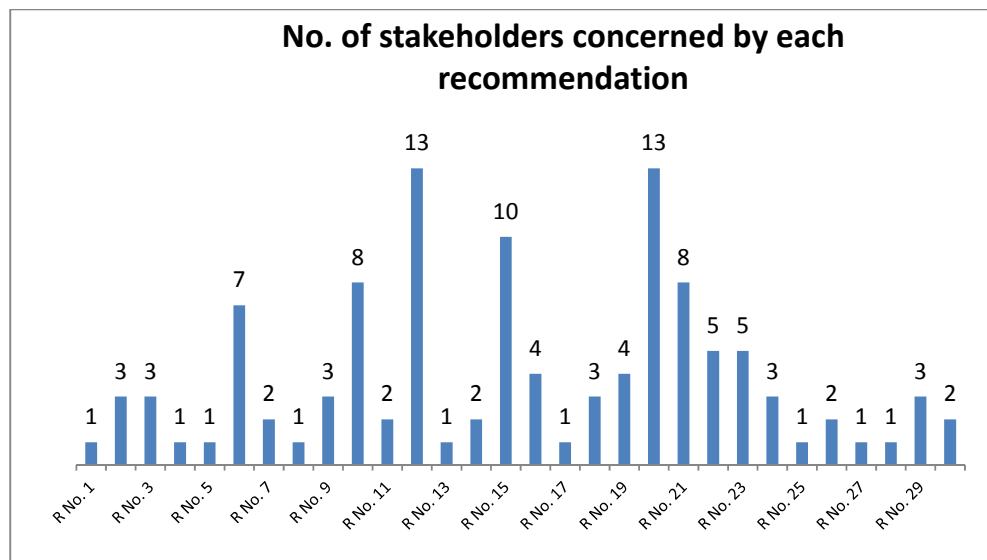
- **Pre-access market: a separate initiative**

Overall, responses to the consultation showed that this recommendation [in the initial report] raised more questions than it answered. The Committee thus opted to remove the gradual access option from its recommendations. In countries where this is deemed necessary, it invites stakeholders active in this segment who responded to the consultation to launch local initiatives to structure existing facilities or to develop new solutions that meet the needs of this type of business as effectively as possible.

**Finally, the Committee believes that certain conditions must be met for a rapid, viable launch of the Entrepreneurial Exchange - if possible before summer 2013:**

- An official decision to proceed must be taken before December 2012;

- NYSE Euronext, together with the market's other stakeholders, must present a business plan for the exchange's first three years at least, specifying the resources necessary to implement Committee recommendations and, depending on how much the market's other stakeholders invest, set goals for the number of companies that could be listed and the amount of capital that could be raised, as well as intermediate goals;
- NYSE Euronext should also indicate the legal structure to be implemented for the Entrepreneurial Exchange;
- The Entrepreneurial Exchange's initial financial markets must set up steering committees including government authorities, regulators, NYSE Euronext, and bodies representing key market participants to determine, together, how best to distribute responsibilities so as to launch the Entrepreneurial Exchange and achieve the goals detailed in the business plan.



*“The Strategic Planning Committee would like to thank everyone who took part in this very productive public consultation which confirmed and enriched the model of a market dedicated to SMEs that we have been working on in recent months. Our conclusions call for all stakeholders in the stock market ecosystem to embrace these recommendations and for an official decision creating the Entrepreneurial Exchange to be taken quickly,”* said Committee chairman Fabrice Demarigny. *“I call on all stakeholders of European markets where NYSE Euronext*

*operates, and on government authorities, tax authorities and regulators to harness their energy, commitment, resources and expertise to make the Entrepreneurial Exchange a success. It offers a critical solution to the long-term financing requirements of SMEs, who need it to come through the crisis and pave the way for a return to growth.”*

**For more information**

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