

NYSE Group, Inc.
Form 424B3
May 05, 2006

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-132390

PROSPECTUS

25,000,000 Shares

Common Stock

This is a public offering of shares of common stock of NYSE Group, Inc. All of the shares are being sold by current NYSE Group stockholders, which include certain underwriters and their affiliates and certain executive officers of NYSE Group. See "Principal and Selling Stockholders." NYSE Group will not receive any of the proceeds from the sale of the shares.

NYSE Group common stock is listed on the New York Stock Exchange under the symbol "NYX." On May 4, 2006, the last reported sale price of the NYSE Group common stock on the NYSE was \$62.88 per share.

See "Risk Factors" beginning on page 16 to read about important factors you should consider before buying shares of NYSE Group common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ 61.50	\$ 1,537,500,000
Underwriting discount	\$ 1.23	\$ 30,750,000
Proceeds, before expenses, to selling stockholders	\$ 60.27	\$ 1,506,750,000

To the extent that the underwriters sell more than 25,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 3,750,000 shares of common stock from the selling stockholders at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on or about May 10, 2006.

JPMorgan Lehman Brothers Merrill Lynch & Co. Morgan Stanley

Banc of America Securities LLC

Bear, Stearns & Co. Inc.

Citigroup

Credit Suisse

Deutsche Bank Securities

Goldman, Sachs & Co.

Jefferies & Company

UBS Investment Bank

Prospectus dated May 4, 2006

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as to its date.

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Throughout this document, unless otherwise specified or if the context otherwise requires:

"NYSE Group," "we," "us" and "our" refer to NYSE Group, Inc., a Delaware corporation, and its subsidiaries, which, following the merger, include the NYSE and Archipelago;

"NYSE" refers to (i) prior to the completion of the merger, New York Stock Exchange, Inc., a New York Type A not-for-profit corporation, and (ii) after the completion of the merger, New York Stock Exchange LLC, a New York limited liability company, and its subsidiaries, NYSE Market, Inc., a Delaware corporation, and NYSE Regulation, Inc., a New York not-for-profit corporation;

"Archipelago" refers to, prior to and following the completion of the merger, Archipelago Holdings, Inc., a Delaware corporation, and, where the context requires, its predecessor, Archipelago Holdings, LLC, a Delaware limited liability company;

"NYSE Arca" refers to the Archipelago Exchange, L.L.C., a Delaware limited liability company, and the 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.", where that specific term is used, refers to the entity registered as a national securities exchange (formerly known as the Pacific Exchange, Inc.); and

"merger" refers to the mergers combining the NYSE and Archipelago under NYSE Group, which were completed on March 7, 2006.

Please note that in some places in the document, we utilize the pre-merger name of certain entities as may be required for specificity or as the context otherwise requires.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors."

NYSE Group, Inc.

Overview

We are a holding company that, through our subsidiaries, operates two securities exchanges: the NYSE and NYSE Arca, Inc. We are a leading provider of securities listing, trading and market data products and services. We were formed in connection with the merger of the NYSE and Archipelago, which was completed on March 7, 2006. Although the trading platforms of the NYSE and NYSE Arca currently operate separately, we are actively integrating certain of their activities to achieve revenue and cost synergies.

The NYSE is the world's largest cash equities exchange. The NYSE is approximately three times the size of the next largest cash equities exchange in the world in terms of aggregate market capitalization of domestic listed companies. The NYSE provides a reliable, orderly, liquid and efficient marketplace where investors buy and sell listed companies' common stock and other securities. For 213 years, the NYSE has facilitated capital formation, serving a wide spectrum of participants, including individual and institutional investors, the trading community and listed companies. As of March 31, 2006, 2,682 issuers, which include operating companies, closed-end funds and exchange-traded funds ("ETFs"), were listed on the NYSE. Our listed operating companies represent a total global market capitalization of over \$22.9 trillion. For the period from January 2006 to March 2006, on an average trading day, over 1.7 billion shares, valued at over \$65 billion, were traded on the NYSE.

NYSE Arca operates the first open, all-electronic stock exchange in the United States and has one of the leading market positions in trading ETFs and exchange-listed securities. NYSE Arca is also an exchange for trading equity options. Through NYSE Arca, customers can trade over 8,000 equity securities and over 175,000 option products. NYSE Arca's equity trading platforms link traders to multiple U.S. market centers and provide customers with fast electronic execution and open, direct and anonymous market access. The technological capabilities of NYSE Arca's trading platforms, combined with its trading rules, have allowed NYSE Arca to create a large pool of liquidity that is available to customers internally on NYSE Arca and externally through other market centers. For the period from January 2006 to March 2006, on an average trading day, over 700 million shares, valued at over \$20 billion, were traded through NYSE Arca's trading platforms.

For the fiscal year ended December 31, 2005, on a pro forma basis reflecting the merger, NYSE Group generated \$1.6 billion in revenues and approximately \$90 million in income from continuing operations.

Our History

The NYSE traces its origins to shortly after the American Revolutionary War, when a small group of New York brokers traded a handful of securities on Wall Street. In May 1792, 24 brokers and merchants signed the historic "Buttonwood Agreement," under which they agreed to trade securities on a commission basis. In 1865, the NYSE moved to its present location near Wall Street. In February 1971, the NYSE incorporated as a New York not-for-profit corporation and was owned by its broker-dealer users, known as members or "seat holders." The NYSE was demutualized and converted from a not-for-profit entity into a for-profit entity when it merged with Archipelago on March 7, 2006 and became a wholly owned subsidiary of NYSE Group.

NYSE Arca traces its origins to Archipelago, which originated in December 1996, through the founding of the Archipelago Electronic Communications Network, or the Archipelago ECN, the predecessor to the trading platform that operated as the exchange facility of the NYSE Arca, Inc. ("ArcaEx"). Electronic communications networks ("ECNs") are electronic trading systems that automatically match buy and sell orders at specified prices. The Archipelago ECN was the first ECN to link traders to pools of liquidity throughout the U.S. securities markets. In July 2000, Archipelago partnered with the Pacific Exchange to develop ArcaEx. By November 2002, Archipelago completed the rollout of exchange-listed securities on ArcaEx, and in April 2003 Archipelago fully integrated its trading platforms and completed the migration of Nasdaq-listed securities from the Archipelago ECN to ArcaEx. On September 26, 2005, Archipelago acquired PCX Holdings, Inc., including the Pacific Exchange.

On March 7, 2006, the NYSE and Archipelago merged and became wholly owned subsidiaries of NYSE Group. In the merger, the NYSE members and Archipelago stockholders received shares of NYSE Group common stock (in addition to a cash payment made to NYSE members) that were issued in an offering registered under the Securities Act. The shares of NYSE Group common stock received by the NYSE members and certain significant Archipelago stockholders are subject to certain restrictions on transfer. See "Shares Eligible For Future Sale Transfer Restrictions." These transfer restrictions may be waived at the discretion of our board of directors. Our board has exercised its discretion to waive the transfer restrictions that would otherwise be applicable to the shares sold in this offering. These transfer restrictions are distinct from the restrictions on transfer of unregistered securities under federal securities laws. This offering is being conducted to permit holders of NYSE Group common stock to sell a portion of their shares of NYSE Group common stock in an underwritten offering, thereby enhancing the liquidity of our common stock.

Industry

The securities industry provides services, including securities listing, trade execution and market data, both in the United States and internationally. Companies typically pay listing fees to list their securities on a given exchange, such as the NYSE or NYSE Arca. In addition, persons engaged in securities trading typically pay trading fees for securities transactions effected on a given exchange. Revenue is also generated from collecting and distributing market data and other products for a fee, including real-time information relating to securities quotations, limit orders and the prices at which securities transactions take place.

In recent years, the securities industry has experienced rapid globalization and consolidation. Global competition has increased as a result of the emergence of global capital markets, ECNs and other trading networks. There has also been a recent increase in acquisitions, particularly in the trade execution services area, driven by the desire for greater efficiency in trade execution. Industry participants are now exploring the development of systems to trade multiple asset classes through universal platforms. This "cross asset trading" has the potential to enhance customer choice and convenience, and lower customer costs through the standardization of the industry's technology infrastructure.

Our Competitive Strengths

Our principal competitive strengths include:

Leading Global Brand Name and Reputation. The "New York Stock Exchange" or "NYSE" is among the most well-recognized brand names in the world. For 213 years, the NYSE has facilitated national and global capital formation and symbolized the strength and vitality of the U.S. securities markets. Issuers that list with the NYSE benefit from association with this brand name.

World's Highest Overall Listing Standards. The NYSE has the highest overall listing standards of any securities marketplace in the world. These listing standards improve the prestige and value of a NYSE listing. In 2005, the NYSE obtained approximately 91.5% of all domestic initial public offerings that

qualified to list under the NYSE's standards, as measured by the aggregate proceeds raised by companies listing on U.S. exchanges. In addition, through NYSE Arca, we provide a venue for issuers to list and trade securities that do not initially qualify to list under the NYSE's criteria. Our listing venues provide issuers with unique benefits, including the affiliation with one of the world's leading brands, superior market quality based on measures such as liquidity and volatility, and a wide range of value-added products and services.

World's Largest Equities Market. We operate the world's largest market for listing and trading cash equity securities and are one of the industry leaders for the trading of ETFs. In 2005, proceeds raised from initial public offerings of equity securities of U.S. and non-U.S. companies and closed-end funds on the NYSE totaled approximately \$44 billion, more than four times as much as any other U.S. market and approximately three times as much as any non-U.S. market. According to statistics published by the World Federation of Exchanges, as of March 31, 2006, the total U.S. market capitalization of the NYSE's listed domestic operating companies was approximately \$14.1 trillion, greater than the combined value of the Tokyo Stock Exchange (\$4.8 trillion), Nasdaq (\$3.8 trillion) and the London Stock Exchange (\$3.3 trillion). We also operate the largest market for trading equity securities in the world, and provide a highly liquid trading market for our listed stocks. In 2005, the combined dollar value of transaction volumes of the NYSE and NYSE Arca represented approximately \$17.8 trillion dollars, which was greater than the value of trading of Nasdaq (\$10.1 trillion), the London Stock Exchange (\$5.7 trillion), the Tokyo Stock Exchange (\$4.4 trillion), Euronext (\$2.9 trillion) and the Deutsche Börse (\$1.9 trillion).

Broad Range of Products and Services. We provide our customers with diverse platforms for the trading of listed and over-the-counter equities, ETFs, fixed income products, options and other derivative products, as well as two listing venues for quality companies seeking access to the public markets. By operating multi-asset class markets that offer an expanded and enhanced range of products and services, we believe that we are reinforcing our leadership position in the global securities market. Through the NYSE and NYSE Arca, we offer multiple opportunities to trade cash equity securities, and we believe that we provide deeper liquidity, lower volatility and execution costs and the best quoted prices. We also believe that the combined breadth of our product offerings will create new opportunities to offer our customers a broader array of market data products and services.

Strong and Effective Regulation. We believe that our independent regulatory structure and high listing standards enhance our reputation and that of our listed companies and member organizations. NYSE Regulation, which operates as a not-for-profit entity, monitors and examines member organizations for, and enforces compliance with, federal securities laws and the rules of the NYSE and NYSE Arca, Inc. NYSE Regulation also oversees compliance by our listed companies with our financial and corporate governance listing standards. We believe that our high original and continued listing requirements have helped us maintain a strong brand name, which by association benefits our listed companies.

Premier Management Team. We have a strong, dedicated and entrepreneurial management team, with significant experience in the securities industry, client service and technology sector. We believe that, through their leadership, we will continue to successfully recognize, anticipate and respond to market opportunities, deliver innovative products and services to our customers, and adapt to changes in our operating and regulatory environment, while continuing to grow our business on a global scale. We believe that we have demonstrated our ability to innovate and execute successfully our business objectives, including successfully managing the merger transaction that created NYSE Group.

Our Strategy

We plan to build on our status as the preeminent global exchange by executing a clearly defined strategy:

Build on Strength in Cash Equities Securities Trading. The NYSE is the leading exchange in cash equity securities, and we plan to preserve the unique attributes of price improvement and value-added floor services that dampen volatility and decrease costs. Through NYSE Arca, we intend to continue to grow our strong market position in trading volume of Nasdaq-listed stocks and ETFs. We plan to continue to enhance the trading technology of both the NYSE and NYSE Arca, including the rollout of the NYSE Hybrid MarketSM, which will combine the benefits of an auction market with advanced electronic trading functionality. Together, the NYSE and NYSE Arca will provide a full-service market that offers customers a choice of products and appeals to a broad range of investors. We believe that this combination will help to build on our leadership position, enhance our ability to compete with both domestic and global participants, and deliver innovation and efficiency.

Leverage Our Brand Name Across Listing Platforms. Building on the NYSE's premier brand and listing platform, we expect that the NYSE Arca listing venue will derive new revenue from companies with smaller market capitalizations that do not initially qualify for the NYSE's listing standards. We estimate that approximately two-thirds of the companies that list on Nasdaq do not meet the NYSE's listing requirements. NYSE Arca provides us with an opportunity to target a select universe of companies that historically have not had the choice to list on a venue affiliated with the NYSE. We believe that we are in a strong position to compete domestically and internationally for listings and will continue to aggressively pursue listings of publicly traded companies from all over the world. In addition, we are exploring opportunities to offer extended NYSE floor-based trading hours to increase overlap with non-U.S. markets and enhance investor access.

Expand to Other Product Areas. We intend to continue to expand the capabilities that we offer to our customers to trade a variety of asset classes and build on our strong relationships with listed companies to trade other financial products they may issue. For example, in addition to trading in cash equities and ETFs, we plan to provide high-speed, low-cost platforms for trading in derivatives and fixed income products by using NYSE Arca's core trading technology. We will also pursue opportunities to enhance our current portfolio of market data products and services.

Reduce Costs and Maximize Integration Benefits. As a result of the merger of the NYSE and Archipelago, we expect to achieve operational synergies resulting from the consolidation of capabilities and elimination of redundancies, and to achieve greater efficiencies from increased scale, market integration, automation and a for-profit structure. For example, we have identified opportunities to achieve annualized cost savings targets of \$100 million by the end of 2006 and an additional \$100 million in savings in 2007 in a number of areas, such as hiring freezes, headcount and benefit reductions; the elimination of overlaps in technology, marketing, occupancy, and general and administrative costs; and increased efficiencies in our general business processes, while maintaining adequate resources dedicated to NYSE Regulation and its regulatory activities.

Pursue Strategic Acquisitions and Alliances. The securities industry has changed significantly in recent years through demutualizations and consolidations of a number of industry participants, and we believe that consolidations and strategic transactions are likely to continue in our industry. We regularly explore and evaluate strategic acquisitions and alliances in the United States and abroad that could provide us with opportunities to enhance our competitive position, some of which could be material. We are currently engaged in discussions with significant industry participants, although no formal proposals have been made nor have any agreements in principle been reached. We intend to continue to pursue domestic and international acquisitions and strategic alliances to further strengthen and diversify our business and revenue streams, enter new markets and advance our technology. We may also pursue partnerships and

commercial agreements to further build our brand and take advantage of industry trends. While we will continue to explore and evaluation strategic opportunities and transactions, which could occur quickly, there can be no assurance we will enter into any strategic transactions and, if so, on what terms. For a discussion of the risks associated with any future acquisition or strategic transaction, including risks associated with the issuance of a substantial amount of equity securities of NYSE Group, the impact on our stock price and demands on our management, see "Risk Factors."

Maintain Strong and Effective Regulation. We believe that our reputation is built in large part on our effective regulatory oversight and listing standards. Stock exchanges must run a fair, well-regulated marketplace. Companies list on a trading venue in part to associate themselves with the branding that comes from meeting high standards in a fairly regulated environment. In addition, broker-dealers send their order flow to a trading venue to seek access to liquidity in a fair and orderly marketplace. We therefore remain committed to maintaining strong and effective regulation.

We maintain our principal executive offices at 11 Wall Street, New York, New York 10005. Our telephone number is (212) 656-3000, and our website address is www.nyse.com. Information contained in our website does not constitute a part of this prospectus. We have included our website address only as an inactive text reference and do not intend it to be an actual link to our website.

The Offering

Common stock offered by the selling stockholders	25,000,000 shares ⁽¹⁾⁽²⁾
Shares outstanding immediately prior to this offering	155,899,628 shares ⁽³⁾
Shares outstanding immediately following this offering	155,899,628 shares ⁽³⁾
Use of proceeds	The shares of common stock offered hereby are being sold by the selling stockholders, including certain underwriters or their affiliates and certain of our executive officers. We will not receive any of the proceeds from this offering. See "Principal and Selling Stockholders" and "Underwriting."
Dividends	We do not expect to pay any dividends in the immediate future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon our results of operations and financial condition, contractual restrictions, restrictions imposed by applicable law, our business and investment strategy and other factors that our board of directors deems relevant.
Voting rights	Subject to voting limitations applicable to certain large stockholders, holders of our common stock will be entitled to one vote per share on all matters submitted to a vote of our stockholders. For a description of these voting limitations, see "Description of Capital Stock Ownership and Voting Limits on Our Capital Stock."
NYSE trading symbol	NYSE
Certain relationships and related transactions	Please read "Certain Relationships and Related Transactions" for a discussion of business relationships between us and related parties, including the underwriters.
Risk factors	Please read "Risk Factors" and other information included in this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

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- (1) Does not include 3,750,000 shares of common stock that may be sold by the selling stockholders if the underwriters choose to exercise in full their option to purchase additional shares. See "Underwriting." Unless otherwise indicated, the information contained in this prospectus assumes that the underwriters' option to purchase additional shares is not exercised.
- (2) Of these shares, 9,706,331 shares of common stock will be offered by certain underwriters or their affiliates and 415,586 shares of common stock will be offered by certain of our executive officers. See "Principal and Selling Stockholders."
- (3) Does not include (a) 1,645,415 shares held in treasury, all of which are held by NYSE Arca, Inc., an indirect wholly owned subsidiary of NYSE Group, (b) 1,198,301 shares underlying restricted stock units granted to persons who were officers and employees of the NYSE as of the merger, (c) 158,019 shares underlying restricted stock units granted to former Archipelago directors, officers and employees, (d) 2,028,304 shares underlying options granted to former Archipelago officers and employees, or (e) 8,500,000 shares reserved for issuance for NYSE Group employees under the 2006 Stock Incentive Plan. See "Management Compensation of Directors and Executive Officers."

Recent Developments

On April 19, 2006, we announced our unaudited financial results for the three months ended March 31, 2006. Our results for this period included the operations of NYSE for the full period and the operations of NYSE Arca since completion of the merger, which occurred on March 7, 2006. Our revenues for this period were \$454.2 million (inclusive of activity assessment fees of \$139.2 million), an increase of \$104.5 million, or 29.9%, from revenues of \$349.7 million (inclusive of activity assessment fees of \$92.9 million) for the comparable period a year ago. Expenses increased by \$122.1 million, or 36.2%, from \$337.0 million (inclusive of section 31 fees of \$92.9 million) for the three months ended March 31, 2005 to \$459.1 million (inclusive of section 31 fees of \$139.2 million) for the three months ended March 31, 2006. First quarter 2006 expenses included a \$37.7 million charge as a result of compensation awards granted to NYSE employees at the time of the merger. Also included in the first quarter 2006 results was a \$20.9 million gain on sale of an equity investment in The Depository Trust and Clearing Corporation. As a result, we reported net income of \$30.3 million, or \$0.24 per diluted share, for the three months ended March 31, 2006, an increase of \$4.3 million compared to net income of \$26.0 million, or \$0.22 per diluted share, for the comparable period a year ago.

Summary Historical and Pro Forma Financial and Statistical Data

NYSE Group is a Delaware corporation formed for the purpose of consummating the business combination of the NYSE and Archipelago, which was completed on March 7, 2006. The merger of the NYSE and Archipelago has been treated as a purchase business combination for accounting purposes, with the NYSE designated as the acquirer. As a result, the historical financial statements of the NYSE have become the historical financial statements of NYSE Group. Set forth below are summary historical financial and statistical data for: (1) the NYSE, as the predecessor to NYSE Group; and (2) Archipelago, which was acquired by NYSE Group on March 7, 2006. Because the merger was not consummated by December 31, 2005, the following summary historical financial data reflect the NYSE and Archipelago separately.

Summary Historical Financial Data of the NYSE (as the predecessor to NYSE Group)

The following summary consolidated financial data of the NYSE has been derived from the historical consolidated financial statements and related notes for the years ended December 31, 2001 through December 31, 2005. The information presented here is only a summary, and it should be read together with the NYSE's historical financial statements set forth on pages F-5 to F-36 of this prospectus. The information set forth below is not necessarily indicative of NYSE Group's results of future operations and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of NYSE Group and the NYSE."

	Year ended December 31,				
	2005	2004	2003	2002	2001
	(in millions)				
Results of Operations					
Revenues					
Activity assessment fees	\$ 594.6	\$ 359.8	\$ 419.7	\$ 290.4	\$ 358.1
Listing fees	342.7	329.8	320.7	299.6	297.2
Data processing fees	182.9	220.7	224.8	224.6	223.2
Market information fees	178.2	167.6	172.4	168.9	160.3
Trading fees	145.8	153.6	157.2	152.8	144.6
Regulatory fees	129.8	113.3	113.2	120.4	152.2
Facility and equipment fees	49.4	50.4	60.6	52.7	48.1
Membership fees	6.4	8.3	11.0	12.8	11.6
Total revenues	1,629.8	1,403.5	1,479.6	1,322.2	1,395.3
Section 31 fees	(594.6)	(359.8)	(419.7)	(290.4)	(358.1)
Compensation	(509.8)	(522.6)	(520.5)	(512.3)	(508.2)
Systems and related support	(124.1)	(138.6)	(146.0)	(143.6)	(151.8)
Professional services	(127.7)	(132.7)	(97.5)	(116.9)	(133.1)
Depreciation and amortization	(103.4)	(95.7)	(89.0)	(81.4)	(74.5)
Occupancy	(70.6)	(68.6)	(67.0)	(66.3)	(56.1)
General and administrative	(69.7)	(84.3)	(76.5)	(102.4)	(126.2)
Archipelago merger and related exit costs ⁽¹⁾	(26.1)				
Regulatory fine income	35.4	7.6	11.2	6.0	3.5
Operating income (loss)	39.2	8.8	74.6	14.9	(9.2)
Investment and other income, net	51.7	34.5	32.4	42.7	74.8
Income before provision for income taxes and minority interest	90.9	43.3	107.0	57.6	65.6
Provision for income taxes	(48.1)	(12.1)	(45.2)	(18.7)	(22.7)
Minority interest in income of consolidated subsidiary	(2.0)	(1.0)	(1.3)	(2.3)	(3.3)
Net income	\$ 40.8	\$ 30.2	\$ 60.5	\$ 36.6	\$ 39.6

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As of December 31,

	2005	2004	2003	2002	2001
	(in millions)				
Balance Sheet					
Total assets	\$ 2,204.1	\$ 1,982.3	\$ 2,009.2	\$ 1,999.8	\$ 1,973.6
Current assets	1,464.2	1,264.6	1,293.9	1,227.6	1,225.9
Current liabilities	685.0	486.9	513.2	434.2	481.8
Working capital	\$ 779.2	\$ 777.7	\$ 780.7	\$ 793.4	\$ 744.1
Long term obligations ⁽²⁾	\$ 684.9	\$ 694.7	\$ 736.2	\$ 877.8	\$ 823.9
Equity of members	\$ 807.8	\$ 767.0	\$ 736.9	\$ 676.4	\$ 639.8

(1) Represents \$18.5 million in legal costs, \$3.9 million in severance payments and \$3.7 million in integration costs incurred in 2005 in connection with the merger with Archipelago.

(2) Represents liabilities due after one year, including accrued employee benefits and the long-term portion of deferred revenue.

Summary Historical Financial Data of Archipelago (as predecessor to NYSE Arca)

The following summary historical financial data of Archipelago has been derived from the historical consolidated financial statements and related notes of Archipelago for each of the years ended December 31, 2001 through December 31, 2005. The information presented here is only a summary, and it should be read together with Archipelago's historical financial statements set forth on pages F-37 to F-68 of this prospectus. The information set forth below is not necessarily indicative of NYSE Group's results of future operations and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of Archipelago." Archipelago acquired PCX Holdings on September 26, 2005. The financial data set forth below do not reflect the results of operation or financial condition of PCX Holdings prior to the date of acquisition.

	Year ended December 31,				
	2005 ⁽¹⁾	2004 ⁽²⁾	2003	2002 ⁽³⁾	2001
	(in millions, except per share data)				
Results of Operations					
Revenues ⁽⁴⁾ :					
Transaction fees	\$ 425.0	\$ 434.5	\$ 380.6	\$ 346.2	\$ 172.2
Activity assessment fees ⁽⁵⁾	48.0				
Market data fees ⁽⁶⁾	62.0	56.4	29.0	1.7	
Listing and other fees	6.4	0.4	0.5	0.3	
	<u>541.4</u>	<u>491.3</u>	<u>410.1</u>	<u>348.2</u>	<u>172.2</u>
Equity entitlements ⁽⁷⁾					(17.0)
Total revenues	<u>541.4</u>	<u>491.3</u>	<u>410.1</u>	<u>348.2</u>	<u>155.2</u>
Expenses ⁽⁴⁾ :					
Section 31 fees ⁽⁵⁾	48.0				
Liquidity payments ⁽⁸⁾	206.9	203.5	154.2	45.8	
Routing charges	66.7	88.7	113.8	150.5	63.9
Clearance, brokerage and other transaction expenses ⁽⁹⁾	5.9	13.7	45.0	86.8	29.1
NYSE merger costs and related executive compensation ⁽¹⁰⁾	46.1				
Other employee compensation and benefits	51.6	38.4	36.1	21.6	21.7
Depreciation and amortization	21.6	22.9	25.9	16.6	10.1
Communications	19.5	16.3	18.3	23.1	26.8
Marketing and promotion	22.2	20.1	8.1	19.0	24.5
Legal and professional	12.6	11.1	8.3	7.0	6.5
Occupancy	6.7	4.2	4.0	2.5	2.0
General and administrative	16.2	11.3	9.9	8.5	8.0
	<u>524.0</u>	<u>430.2</u>	<u>423.6</u>	<u>381.4</u>	<u>192.6</u>
Total expenses	<u>524.0</u>	<u>430.2</u>	<u>423.6</u>	<u>381.4</u>	<u>192.6</u>
Operating income (loss)	17.4	61.1	(13.5)	(33.2)	(37.4)
Interest and other, net	4.5	1.6	0.6	1.3	3.3
Unrealized loss on investment owned				(2.7)	(3.9)
	<u>21.9</u>	<u>62.7</u>	<u>(12.9)</u>	<u>(34.6)</u>	<u>(38.0)</u>
Income (loss) before income tax provision	<u>21.9</u>	<u>62.7</u>	<u>(12.9)</u>	<u>(34.6)</u>	<u>(38.0)</u>
Income tax provision ⁽¹¹⁾	9.4	5.3			
	<u>12.5</u>	<u>57.4</u>	<u>(12.9)</u>	<u>(34.6)</u>	<u>(38.0)</u>
Income (loss) from continuing operations	<u>12.5</u>	<u>57.4</u>	<u>(12.9)</u>	<u>(34.6)</u>	<u>(38.0)</u>
Income (loss) from discontinued operations ⁽¹²⁾	3.8	11.5	14.7	(1.0)	
	<u>16.3</u>	<u>68.9</u>	<u>1.8</u>	<u>(35.6)</u>	<u>(38.0)</u>
Net income (loss)	<u>16.3</u>	<u>68.9</u>	<u>1.8</u>	<u>(35.6)</u>	<u>(38.0)</u>

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	Year ended December 31,				
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Deemed dividend on convertible preferred shares ⁽¹³⁾			(9.6)		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income (loss) attributable to common stockholders	\$ 16.3	\$ 59.3	\$ 1.8	\$ (35.6)	\$ (38.0)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>