

Resource Allocation

An Interview with Courtney Hall Leimkubler,
Executive Vice President, Corporate Strategy, NYSE Euronext

EDITORS' NOTE Prior to assuming her current role, Courtney Leimkubler was a Senior Vice President and Co-Head of Corporate Strategy at NYSE Euronext. She is a member of the company's management committee and serves on the board of two of its joint ventures. Prior to joining NYSE Euronext, Leimkubler worked for Goldman Sachs. She graduated summa cum laude from Harvard College and received her M.B.A. from Harvard Business School, where she was a Baker Scholar. Leimkubler is a member of the board of Futures and Options, a non-profit organization dedicated to developing job skills for underprivileged New York City high school students. For 10 years, she has been involved with Big Brothers Big Sisters and separately serves on the alumni boards for Harvard Lacrosse and the Agnes Irwin School.



Courtney Hall Leimkubler

COMPANY BRIEF NYSE Euronext (www.nyx.com; NYX) is a leading global operator of financial markets and provider of innovative trading technologies. The company's exchanges in Europe and the United States trade equities, futures, options, fixed-income, and exchange-traded products. With approximately 8,000 listed issues (excluding European Structured Products), NYSE Euronext's equities markets – the New York Stock Exchange, NYSE Euronext, NYSE MKT, NYSE Alternext, and NYSE Arca – represent one-third of the world's equities trading, the most liquidity of any global exchange group. NYSE Euronext also operates NYSE Liffe, one of the leading European derivatives businesses and the world's second-largest derivatives business by value of trading. The company offers comprehensive commercial technology, connectivity, and market data products and services through NYSE Technologies. NYSE Euronext is in the S&P 500 index.

How do you define corporate strategy within the organization?

Fundamentally, it's figuring out how to grow the business in the medium and long term, so a big part of the job is resource allocation – making decisions on where to spend our money and time. Coordination with both internal and external partners is also an important part of the job. We are a business that has a

particularly broad set of stakeholders from trading communities and listed issuers to asset managers, regulators, and politicians – all of whom are partners in our success.

How critical has the investment in technology been to the success of NYSE Euronext?

Technology is essential. Without the investments we have made over the past five to six years with respect to overall capacity in our system infrastructure, it would have been difficult to handle the extreme volatility

we have seen during this period. In addition, to help our global clients meet their needs for greater capacity and lower latency, we have also made significant investments through our NYSE Technologies commercial business. As a

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result, we have become a trusted partner to a lot of the major bulge bracket firms and the major proprietary trading houses who rely on us to run mission critical trading infrastructure for them. It took some time to build our reputation here because we were viewed as a traditional brand within the industry, not known for historically cutting-edge technology. However, our investments have allowed us to unlock the potential of our markets and become a true innovator.

Is there more opportunity for future listings overseas or does the U.S. still offer strong opportunities?

Yes and yes. There is a lot of opportunity for us overseas with respect to listed companies. Even as emerging markets become more mature and draw more domestic listings, we continue to benefit from the depth and amount of capital that is available in the U.S., as well as the attractiveness of our market model and access to our global community of issuers. The volatility of the past few years has only reinforced the value of the U.S. as a primary and secondary funding source as well as for M&A.

In terms of opportunities specific to the U.S., one area in which our listing franchise has experienced a lot of growth in recent years is the technology sector. In 2006, our market share in tech listings was around 13 percent, but since then our market share has grown to over 50 percent, so we are now winning one out of every two technology companies.

Do you foresee the M&A market picking up?

There has been a huge pile up of cash on corporate balance sheets, so you would think that there is scope for the M&A market to pick up with these companies that need to deploy capital.

On the other hand, there continues to be so much uncertainty in the market that companies remain extremely hesitant; this is certainly the case in Europe with respect to the Euro crisis and it's true in the U.S. as well with political, regulatory, and economic uncertainty. As a result, many companies lack the conviction to make large bets.

I think the market will come back, but recovery doesn't appear imminent.

What advice would you give young people entering and looking to grow within this industry?

Focus mostly on the people you work with and find good mentors; become an expert in something – particularly as a young person, it helps to develop deep knowledge in an area that excites you; finally, take risks – you come across many more opportunities when you are willing to take risks.

As a leader within corporate strategy, what are you focused on to make certain you're achieving your goals?

It comes back to resource allocation. There isn't an unlimited amount of capital or management talent so deciding where and how we spend our time is the most important thing we can do. ●