

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2010
- 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: 000-32651

The NASDAQ OMX Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

One Liberty Plaza, New York, New York
(Address of Principal Executive Offices)

52-1165937
(I.R.S. Employer
Identification No.)

10006
(Zip Code)

Registrant's telephone number, including area code:
+1 212 401 8700

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value per share	The NASDAQ Stock Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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 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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

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

As of June 30, 2010, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$2.3 billion (this amount represents approximately 130.6 million shares of The NASDAQ OMX Group, Inc.'s common stock based on the last reported sales price of \$17.78 of the common stock on The NASDAQ Stock Market on such date).

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at February 10, 2011</u>
Common Stock, \$.01 par value per share	176,186,830 shares

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Parts Into Which Incorporated</u>
Certain portions of the definitive Proxy Statement for the 2011 Annual Meeting of Stockholders	Part III

TABLE OF CONTENTS

	<u>Page</u>
Part I.	
Item 1. Business	2
Item 1A. Risk Factors	23
Item 1B. Unresolved Staff Comments	38
Item 2. Properties	38
Item 3. Legal Proceedings	39
Item 4. (Removed and Reserved)	39
Part II.	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	40
Item 6. Selected Financial Data	43
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	45
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	91
Item 8. Financial Statements and Supplementary Data	91
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	92
Item 9A. Controls and Procedures	92
Item 9B. Other Information	94
Part III.	
Item 10. Directors, Executive Officers and Corporate Governance	94
Item 11. Executive Compensation	94
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	94
Item 13. Certain Relationships and Related Transactions, and Director Independence	96
Item 14. Principal Accounting Fees and Services	96
Part IV.	
Item 15. Exhibits, Financial Statement Schedules	96

About This Form 10-K

The NASDAQ OMX Group, Inc. is a holding company created by the business combination of The Nasdaq Stock Market, Inc. and OMX AB (publ) which was completed on February 27, 2008. Under the purchase method of accounting, Nasdaq was treated as the accounting and legal acquirer in this business combination. As such, Nasdaq is the predecessor reporting entity of NASDAQ OMX and the results of operations of OMX are only included in NASDAQ OMX's consolidated results of operations beginning February 27, 2008.

Throughout this Form 10-K, unless otherwise specified:

- "NASDAQ OMX," "we," "us" and "our" refer to The NASDAQ OMX Group, Inc.
- "The NASDAQ Stock Market" and "NASDAQ" refer to the registered national securities exchange operated by The NASDAQ Stock Market LLC.
- "OMX AB" refers to OMX AB (publ), as that entity operated prior to the business combination with Nasdaq.
- "Nasdaq" refers to The Nasdaq Stock Market, Inc., as that entity operated prior to the business combination with OMX AB.
- "OMX" refers to OMX AB (publ) subsequent to the business combination with Nasdaq.
- "NASDAQ OMX Nordic" refers to collectively, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen, NASDAQ OMX Helsinki and NASDAQ OMX Iceland.
- "NASDAQ OMX Baltic" refers to collectively, NASDAQ OMX Tallinn, NASDAQ OMX Riga and NASDAQ OMX Vilnius.
- "PHLX" refers to the Philadelphia Stock Exchange, Inc. and its subsidiaries, as that entity operated prior to its acquisition by NASDAQ OMX.
- "NASDAQ OMX PHLX" refers to NASDAQ OMX PHLX LLC (formerly NASDAQ OMX PHLX, Inc.) subsequent to its acquisition by NASDAQ OMX.
- "SEK" or "Swedish Krona" refers to the lawful currency of Sweden.
- "NOK" or "Norwegian Krone" refers to the lawful currency of Norway.

This Form 10-K includes market share and industry data that we obtained from industry publications and surveys, reports of governmental agencies and internal company surveys. Industry publications and surveys generally state that the information they contain has been obtained from sources believed to be reliable, but we cannot assure you that this information is accurate or complete. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on the most currently available market data. For market comparison purposes, The NASDAQ Stock Market data in this Form 10-K for initial public offerings, or IPOs, is based on data generated internally by us, which includes best efforts underwritings and closed-end funds; therefore, the data may not be comparable to other publicly-available IPO data. Data in this Form 10-K for secondary offerings for The NASDAQ Stock Market is based on data provided by Thomson Financial. Data in this Form 10-K for new listings of equity securities on The NASDAQ Stock Market is based on data generated internally by us, which includes best efforts underwritings and issuers that switched from other listing venues, closed-end funds and exchange traded funds, or ETFs. Data in this Form 10-K for IPOs and new listings of equities securities on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic also is based on data generated internally by us. IPOs, secondary offerings and new listings data is presented as of period end. While we are not aware of any misstatements regarding industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in "Item 1A. Risk Factors" in this Form 10-K.

Forward-Looking Statements

The U.S. Securities and Exchange Commission, or SEC, encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Annual Report on Form 10-K contains these types of statements. Words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and words or terms of similar substance used in connection with any discussion of future expectations as to industry and regulatory developments or business initiatives and strategies, future operating results or financial performance identify forward-looking statements. These include, among others, statements relating to:

- our 2011 outlook;
- the scope, nature or impact of acquisitions, dispositions, investments or other transactional activities;
- the integration of acquired businesses, including accounting decisions relating thereto;
- the effective dates for, and expected benefits of, ongoing initiatives;
- the impact of pricing changes;
- tax benefits;
- the cost and availability of liquidity; and
- the outcome of any litigation and/or government investigation to which we are a party and other contingencies.

Forward-looking statements involve risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following:

- our operating results may be lower than expected;
- loss of significant trading volume or listed companies;
- economic, political and market conditions and fluctuations, including interest rate and foreign currency risk, inherent in U.S. and international operations;
- government and industry regulation;
- our ability to successfully integrate acquired businesses, including the fact that such integration may be more difficult, time consuming or costly than expected, and our ability to realize synergies from business combinations and acquisitions;
- covenants in our credit facilities, indentures and other agreements governing our indebtedness which may restrict the operation of our business; and
- adverse changes that may occur in the securities markets generally.

Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the uncertainty and any risk related to forward-looking statements that we make. These risk factors are more fully described under the caption "Item 1A. Risk Factors," in this Form 10-K. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. You should carefully read this entire Form 10-K, including "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and the related notes. Except as required by the federal securities laws, we undertake no obligation to update any forward-looking statement, release publicly any revisions to any forward-looking statements or report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Part I

Item 1. Business

Overview

We are a leading global exchange group that delivers trading, clearing, exchange technology, securities listing, and public company services across six continents. Our global offerings are diverse and include trading and clearing across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. Our technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing and settlement and many other functions.

In the U.S., we operate The NASDAQ Stock Market, a registered national securities exchange. The NASDAQ Stock Market is the largest single cash equities securities market in the U.S. in terms of listed companies and in the world in terms of share value traded. As of December 31, 2010, The NASDAQ Stock Market was home to 2,778 listed companies with a combined market capitalization of approximately \$4.6 trillion. In addition, in the U.S. we operate two additional cash equities trading markets, two options markets, a futures market and a derivatives clearinghouse. We also engage in riskless principal trading of over-the-counter, or OTC, power and gas contracts.

In Europe, we operate exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland as NASDAQ OMX Nordic, and exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania) as NASDAQ OMX Baltic. Collectively, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic offer trading in cash equities, bonds, structured products and ETFs, as well as trading and clearing of derivatives and clearing of resale and repurchase agreements. Our Nordic and Baltic operations also offer alternative marketplaces for smaller companies called NASDAQ OMX First North. As of December 31, 2010, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, together with NASDAQ OMX First North, were home to 780 listed companies with a combined market capitalization of approximately \$1.1 trillion.

We also operate NASDAQ OMX Armenia. In addition, NASDAQ OMX Commodities operates the world's largest power derivatives exchange, one of Europe's largest carbon exchanges and N2EX, a marketplace for physical U.K. power contracts.

In some of the countries where we operate exchanges, we also provide clearing, settlement and depository services.

History and Structure

Nasdaq was founded in 1971 as a wholly-owned subsidiary of the Financial Industry Regulatory Authority, or FINRA (then known as the National Association of Securities Dealers, Inc.). Beginning in 2000, FINRA restructured and broadened ownership in Nasdaq by selling shares to FINRA members, investment companies and issuers listed on The NASDAQ Stock Market.

In connection with this restructuring, Nasdaq applied to the SEC to register The NASDAQ Stock Market as a national securities exchange. Prior to operating as an exchange, The NASDAQ Stock Market operated under an SEC-approved plan that provided a delegation of legal authority from FINRA to The NASDAQ Stock Market to operate as a stock market. FINRA fully divested its ownership of Nasdaq in 2006, and The NASDAQ Stock Market became fully operational as an independent registered national securities exchange in 2007. In 2006, Nasdaq also reorganized its operations into a holding company structure. As a result, our exchange licenses and exchange and broker-dealer operations are held by our subsidiaries.

On February 27, 2008, Nasdaq and OMX AB combined their businesses pursuant to an agreement with Borse Dubai Limited, a Dubai company, or Borse Dubai, and Nasdaq was renamed The NASDAQ OMX Group, Inc. Concurrently with the business combination with OMX AB, we also acquired a 33 1/3% equity stake in

[Table of Contents](#)

NASDAQ Dubai Limited, or NASDAQ Dubai. In December 2009, we agreed to participate in the realignment of the ownership structure of NASDAQ Dubai. In May 2010, as part of this realignment, NASDAQ Dubai became a wholly-owned subsidiary of Dubai Financial Market PJSC, or DFM, a publicly traded company controlled by Borse Dubai. NASDAQ OMX received a 1% equity interest in DFM in exchange for the equity interest in NASDAQ Dubai.

In July 2008, we completed our acquisition of the Philadelphia Stock Exchange, Inc., or PHLX, expanding our presence in the derivatives market. PHLX, renamed NASDAQ OMX PHLX LLC, operates as a distinct market alongside The NASDAQ Options Market, our options platform that was launched in March 2008. In August 2008, we acquired the Boston Stock Exchange, Incorporated, or BSX. We used the BSX license to create a second U.S. cash equities market, called NASDAQ OMX BX, which was launched in January 2009. In October 2008, we acquired Nord Pool ASA's, or Nord Pool's, clearing, international derivatives and consulting subsidiaries. As a result of the acquisition, we launched NASDAQ OMX Commodities, which offers energy and carbon derivatives products.

In December 2008, we acquired a majority interest in the International Derivatives Clearing Group, or IDCG, and IDCG became an independently operated subsidiary of NASDAQ OMX. IDCG provides central counterparty, or CCP, clearing for interest rate swap products through its clearinghouse subsidiary, International Derivatives Clearinghouse, LLC, or IDCH. In January 2009, we acquired a 22% stake in European Multilateral Clearing Facility N.V., or EMCF, a leading European clearinghouse. In addition, we signed an agreement with EMCF to use its CCP services for all Nordic cash equity transactions.

In March 2010, with the purchase of the assets of North American Energy Credit and Clearing Corp., NASDAQ OMX expanded its presence in the OTC energy commodity markets. The acquisition of these assets was effected through our newly-established subsidiary NASDAQ OMX Commodities Clearing Company, or NOCC. In May 2010, we acquired Nord Pool ASA, a derivatives trading market. In August 2010, we completed our acquisition of SMARTS Group Holdings Pty Ltd, or SMARTS, a leading technology provider of surveillance solutions to exchanges, regulators and brokers. This acquisition is part of our strategy to diversify the Market Technology business and enter the surveillance and compliance market. We believe that this acquisition will strengthen our position as the leading technology partner to marketplaces worldwide.

In December 2010, we completed our acquisitions of FTEN, Inc., or FTEN, a leading provider of Real-Time Risk Management, or RTRM, solutions for the financial securities market and Zoomvision Mamato, or ZVM, a company that provides live webcasting services primarily for investor relations professionals. ZVM is the leading provider of webcasting services in Northern Europe.

Competitive Strengths

Premier global exchange company. We are a premier global exchange company that is the largest cash equities market in terms of share value traded in the world. For the twelve months ended December 31, 2010, The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic had an average daily trading volume of 8.6 million trades in cash equities, representing a value of approximately \$15.1 trillion. In addition, across our markets, we had 3,558 listings representing 42 countries as of December 31, 2010. We have many of the world's largest companies listed on our marketplaces. Our wholly-owned subsidiary The NASDAQ Stock Market continues to be the single largest liquidity pool for trading cash equities in the U.S.

Leader in global exchange technology. We believe we are the leader in global exchange technology. As the world's first electronic stock exchange, we pioneered electronic trading and have continued to innovate over the last 30 years. Our INET platform processes trades at sub-millisecond transaction speeds with close to 100% system reliability. In addition, our platforms are highly scalable with current capacity at ten times the average daily volume allowing significantly higher transaction volume to be handled at low incremental cost.

[Table of Contents](#)

Furthermore, we were the first exchange to offer electronic trading and integrated derivatives trading and clearing to other exchanges and today have a global technology customer base of more than 70 marketplaces in over 50 countries worldwide, including China (Hong Kong), Japan, Singapore, Australia and the U.S. Our Genium INET® offering, based on proven INET technology, provides technology customers with the speed, scale and reliability required to meet the specific needs of their markets. We believe that we will continue to provide leading technology for the world's competitive and demanding capital markets, which increasingly require that exchanges be able to constantly secure the best price for investors and issuers, a natural strength of our technology and electronic trading platforms.

Diversified operations and products. We have a diversified business, both in terms of geography and product offerings. In addition, our recent acquisitions, investments and strategic initiatives have significantly diversified our product offerings, particularly in the derivatives trading and clearing, clearing of resale and repurchase agreements, commodities and surveillance technology businesses.

Proven and disciplined management team. We have a proven and disciplined management team that has substantial industry experience and expertise in making and integrating strategic acquisitions. Led by Robert Greifeld, our Chief Executive Officer, our executive management team has significant experience in the financial services industry. We believe the NASDAQ OMX management team has demonstrated an ability to innovate and respond effectively to market opportunities.

Commitment to regulatory integrity. As a global exchange company, we are subject to regulation in many jurisdictions worldwide. We are charged by regulators with maintaining fair and orderly markets for the benefit of investors, and we work to fulfill this obligation in several ways. In some instances, we have entered into agreements with independent third parties to provide regulatory oversight that is separate from our markets. In addition, we operate real-time market surveillance programs relating to trading and compliance-monitoring and enforcement programs with respect to listings on our markets. We are committed to strong and effective regulation and believe that regulatory integrity benefits investors, strengthens the NASDAQ OMX brand and attracts companies seeking to do business with us or to list securities on our markets.

Products and Services

We operate in three segments: Market Services, Issuer Services and Market Technology. Of our 2010 revenues less transaction rebates, brokerage, clearance and exchange fees of \$1,522 million, 67.3% was from our Market Services segment, 22.6% was from our Issuer Services segment, 10.0% was from our Market Technology segment and 0.1% related to other revenues. Of our 2009 revenues less transaction rebates, brokerage, clearance and exchange fees of \$1,453 million, 67.2% was from our Market Services segment, 22.7% was from our Issuer Services segment, 10.0% was from our Market Technology segment and 0.1% related to other revenues. Of our 2008 revenues less transaction rebates, brokerage, clearance and exchange fees of \$1,460 million, 67.5% was from our Market Services segment, 23.5% was from our Issuer Services segment, 8.2% was from our Market Technology segment and 0.8% related to other revenues.

See Note 18, "Segments," to the consolidated financial statements for additional financial information about our segments and geographic data.

Market Services

Our Market Services segment includes our U.S. and European Transaction Services businesses, as well as our Market Data and Broker Services businesses. We offer trading on multiple exchanges and facilities across several asset classes, including cash equities, derivatives, debt, commodities, structured products and ETFs. In addition, in some of the countries where we operate exchanges, we also provide clearing, settlement and depository services.

U.S. Transaction Services

In the U.S., we offer trading in cash equity securities, derivatives and ETFs on The NASDAQ Stock Market, The NASDAQ Options Market, NASDAQ OMX PHLX, NASDAQ OMX BX, NASDAQ OMX PSX and NASDAQ OMX Futures Exchange, or NFX, and engage in riskless principal trading of OTC power and gas contracts through NOCC. Our transaction-based platforms in the U.S. provide market participants with the ability to access, process, display and integrate orders and quotes for cash equity securities, derivatives and ETFs. The platforms allow the routing and execution of buy and sell orders as well as the reporting of transactions for cash equity securities, derivatives and ETFs, providing fee-based revenues.

Cash Equities Trading. The NASDAQ Stock Market is the largest single pool of liquidity for trading U.S.-listed cash equities, matching an average of approximately 18.8% of all U.S. cash equities volume for 2010.

In January 2009, we launched a second U.S. cash equities market, called NASDAQ OMX BX. With NASDAQ OMX BX, we offer a second quote within the U.S. cash equities marketplace, providing our customers enhanced trading choices and price flexibility. We have been able to leverage our INET trading system, which runs The NASDAQ Stock Market, to operate NASDAQ OMX BX, providing customers an additional fast and efficient cash equity securities market. In 2010, NASDAQ OMX BX matched an average of approximately 3.3% of all U.S. cash equities volume.

In October 2010, we launched a third U.S. cash equities market, called NASDAQ OMX PSX. This new market utilizes a price-size priority model and also runs on INET technology, leveraging the speed and efficiency benefits offered throughout NASDAQ OMX globally.

Our fully electronic U.S. transaction-based platforms provide members with the ability to access, process, display and integrate orders and quotes in cash equity securities on The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX. Market participants include market makers, broker-dealers, alternative trading systems, or ATSS, and registered securities exchanges. These services are offered for NASDAQ-listed and non-NASDAQ-listed securities. Specifically, our platforms:

- Provide a comprehensive display of the interest by market participants at the highest price a participant is willing to buy a security (best bid) and also the lowest price a participant is willing to sell that security (best offer).
- Provide subscribers quotes, orders and total anonymous interest at every price level for exchange-listed securities and critical data for the Opening Cross, Closing Cross, Halt Cross and IPO Cross.
- Provide anonymity to market participants. In other words, participants do not know the identity of the firm displaying the order unless that firm chooses to reveal its identity, which can contribute to improved pricing for securities by reducing the potential market impact that transactions by investors whose trading activity, if known, may influence others.

Trade Reporting. All U.S. registered national securities exchanges and securities associations are required to establish a transaction reporting plan for the central collection of price and volume information concerning trades executed in those markets. Trades executed on The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX are automatically reported under the appropriate transaction reporting plan. Currently, market participants are not charged for the reporting of most of these trades. The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX, however, earn revenues for all of these trades in the form of shared market information revenues under the Unlisted Trading Privileges Plan, or the UTP Plan, for NASDAQ-listed securities and under the Consolidated Tape and Consolidated Quotation Plans for securities listed on the New York Stock Exchange, or NYSE, NYSE Amex and other exchanges.

Through The FINRA/NASDAQ Trade Reporting Facility, or FINRA/NASDAQ TRF, we collect reports of trades executed by broker-dealers outside of our exchanges. The FINRA/NASDAQ TRF collects trade reports as a facility of FINRA. A large percentage of these trades results from orders that broker-dealers have matched

[Table of Contents](#)

internally, or internalized, and is submitted to the FINRA/NASDAQ TRF for reporting purposes only. The FINRA/NASDAQ TRF charges market participants for locked in reporting of most trades, but it shares back most revenues earned from shared market information with respect to the trades. The FINRA/NASDAQ TRF also generates revenues by providing trade comparison to broker dealers by matching and locking-in the two parties to a trade that they have submitted to the FINRA/NASDAQ TRF for reporting and clearing.

In addition to trade reporting and trade comparison services, we provide clearing firms with risk management services to assist them in monitoring their exposure to their correspondent brokers.

U.S. Derivative Trading and Clearing. In the U.S., we operate The NASDAQ Options Market and NASDAQ OMX PHLX for the trading of equity options, ETF options, index options and currency options. As of December 31, 2010, NASDAQ OMX PHLX was the largest options market in the U.S. NASDAQ OMX PHLX operates a hybrid electronic and floor-based market as a distinct market alongside The NASDAQ Options Market. During the year ended December 31, 2010, NASDAQ OMX PHLX and The NASDAQ Options Market had an average combined market share of approximately 27.4% in the U.S. equity options market, consisting of approximately 23.4% at NASDAQ OMX PHLX and approximately 4.0% at The NASDAQ Options Market. Together, the 27.4% represented the largest share of the U.S. equity and ETF options market. Our options trading platforms provide trading opportunities to both retail investors and high frequency trading firms, who tend to prefer electronic trading, and institutional investors, who typically pursue more complex trading strategies and often prefer to trade on the floor.

In the U.S., we also operate NFX which offers trading for currency futures and other financial futures. Most futures traded on NFX clear at The Options Clearing Corporation, or OCC. In addition, NFX serves as the designated contract market for interest rate swap futures that are cleared through IDCH.

Through IDCH, our majority-owned subsidiary IDCG brings a centrally-cleared solution to the largest segment of the OTC derivatives marketplace, specifically interest rate derivatives. IDCH acts as the CCP for clearing interest rate swap futures contracts. IDCH utilizes NASDAQ OMX matching and clearing technology to clear and settle these interest rate derivative products.

With the purchase of the assets of North American Energy Credit and Clearing Corp. in March 2010 by our newly-established subsidiary NOCC, NASDAQ OMX also expanded its presence in the OTC energy commodity markets.

Acquisition of FTEN. In December 2010, we completed our acquisition of FTEN, a leading provider of RTRM solutions for the financial securities market. As a market leader in RTRM, FTEN is well positioned to grow as the industry is becoming more focused on solutions for effectively managing risk. Market participants are seeking tools that provide real-time, low latency enterprise-wide risk management, market awareness and control. FTEN's technology provides broker-dealers and their clients the ability to manage risk more effectively in real-time, which leads to better utilization of capital as well as improved regulatory compliance. We will offer FTEN solutions to our global base of broker-dealers and the international exchange community.

European Transaction Services

Nordics. NASDAQ OMX Nordic's operations comprise the exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland. The exchanges offer trading for cash equities and bonds, trading and clearing services for derivatives, and beginning September 2010, clearing services for resale and repurchase agreements. Our platform allows the exchanges to share the same trading system, which enables efficient cross-border trading and settlement, cross membership and a single source for Nordic market data.

Trading is offered in Nordic securities such as cash equities and depository receipts, warrants, convertibles, rights, fund units, ETFs, bonds and other interest-related products. NASDAQ OMX Stockholm and NASDAQ

[Table of Contents](#)

OMX Copenhagen also offer trading in derivatives, such as stock options and futures, index options and futures, fixed-income options and futures and stock loans. Settlement and registration of cash trading takes place in Sweden, Finland, Denmark and Iceland via the local central securities depositories.

In 2009, NASDAQ OMX expanded its trading offering to include cash equities listed in Norway and launched a new portfolio of Norwegian derivatives products. The offering is designed to provide lower trading costs and other benefits for customers seeking to trade all Nordic cash equity products on one platform. NASDAQ OMX has been the second largest market for trading in Norwegian stocks since 2009.

Through our clearing operations in the derivative markets with NASDAQ OMX Stockholm, we are the legal counterparty for each derivative position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by NASDAQ OMX Stockholm for the purpose of trading on its own behalf. As the legal counterparty of each transaction, NASDAQ OMX Stockholm bears the counterparty risk between the purchaser and the seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the applicable country, which requires us to provide minimum guarantees and maintain certain levels of regulatory capital.

The structure and operations of NASDAQ OMX Stockholm differ from other clearinghouses. NASDAQ OMX Stockholm is not a member-owned organization, does not maintain a guarantee fund to which members contribute and does not enforce loss sharing assessments amongst members. In addition, unlike other clearinghouses, it does not record any margin deposits and guarantee funds, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. Market participants must provide collateral to cover the daily margin call as needed, which is in addition to the initial collateral placed when entering into the transaction. Acceptable collateral is cash and eligible securities in a pledged bank account and/or an on-demand guarantee. All collateral is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. In addition, market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. For NASDAQ OMX Stockholm, following the completion of a transaction, settlement primarily takes place between parties by net cash settlement or with the exchange of securities and funds. For those transactions where there is an exchange of securities and funds, the transfer of ownership is registered and the securities are stored on the owner's behalf.

Beginning in October 2009, most of our cash equity trades on the exchanges that comprise NASDAQ OMX Nordic are centrally cleared by EMCF, a leading European clearinghouse in which we own a 22% equity stake.

In September 2010, NASDAQ OMX launched a clearing service for the resale and repurchase agreement market together with market participants. As a result of an agreement between the Swedish Money Market Council and NASDAQ OMX, the entire Swedish Interbank resale and repurchase agreement market will ultimately be cleared through NASDAQ OMX Stockholm. Similar to derivative clearing discussed above, through our clearing operations in the resale and repurchase markets with NASDAQ OMX Stockholm, we are the legal counterparty for each resale and repurchase contract traded and thereby guarantee the fulfillment of each contract. We only clear these transactions once a bilateral contract between members has been entered into whereby the two members have agreed on all terms in the transaction. The resale and repurchase agreements are not used for financing purposes by NASDAQ OMX. As the legal counterparty of each transaction, NASDAQ OMX Stockholm bears the counterparty risk between the purchaser and the seller in a resale and repurchase agreement. As discussed above, the structure and operations for the resale and repurchase market is similar to the derivative market. For resale and repurchase agreements, collateral is not held by NASDAQ OMX Stockholm. All resale and repurchase clearing activities are transacted under our clearing member agreements that give us the right, in the event of default, to liquidate collateral pledged between the clearing members and to offset receivables and payables with the same counterparty.

[Table of Contents](#)

Pledged collateral, which is transferred through NASDAQ OMX Stockholm at initiation of the bilateral contract between the two clearing member counterparties, primarily consists of Swedish government debt securities. Market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. In the event that one of the participants cannot fulfill its obligation to deliver or receive the underlying security at the agreed upon price, NASDAQ OMX Stockholm is required to buy or sell the security in the open market to fulfill its obligation. In order to protect itself against a price movement in the value of the underlying security, or price risk, NASDAQ OMX Stockholm requires all participants to provide additional margin, which is valued on a daily basis and is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX Stockholm in the event of default.

Baltics. NASDAQ OMX Baltic operations comprise the exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania). During the first quarter of 2010, we acquired the remaining 7% minority holding in NASDAQ OMX Tallinn and an additional ownership stake of 0.4% in NASDAQ OMX Vilnius, both for immaterial amounts. As of December 31, 2010, NASDAQ OMX owns 100% of NASDAQ OMX Tallinn, 95% of NASDAQ OMX Vilnius and 93% of NASDAQ OMX Riga. In addition, NASDAQ OMX Tallinn owns 100% of the central securities depository in Estonia, NASDAQ OMX Riga owns 100% of the central securities depository in Latvia, and NASDAQ OMX Vilnius owns 40% of the central securities depository in Lithuania.

The exchanges that comprise NASDAQ OMX Baltic offer their members trading, clearing, payment and custody services. Issuers, primarily large local companies, are offered listing and a distribution network for their securities. The securities traded are mainly cash equities, bonds and treasury bills. Clearing, payment and custody services are offered through the central securities depositories in Estonia, Latvia and Lithuania. In addition, in Estonia and Latvia, NASDAQ OMX offers registry maintenance of fund units included in obligatory pension funds, and in Estonia, NASDAQ OMX offers the maintenance of shareholder registers for listed companies. The Baltic central securities depositories offer a complete range of cross-border settlement services.

Pan-European. In the second quarter of 2010, we made a strategic decision to close the business of our pan-European multilateral trading facility NASDAQ OMX Europe, or NEURO. We retained our London office and data hub, where we support trading and market data clients, run the U.K. power exchange N2EX and manage our overseas listings operation. Our decision to close the business of NEURO will not have a significant impact on our future results of operations.

Commodities Trading and Clearing. NASDAQ OMX Commodities offers derivatives and carbon products, operates a clearing business and offers consulting services to commodities markets globally. With our acquisition of Nord Pool, NASDAQ OMX Commodities' offering now includes the world's largest power derivatives exchange and one of Europe's largest carbon exchanges.

NASDAQ OMX Commodities has 361 members across a wide range of energy producers and consumers, as well as financial institutions. NASDAQ OMX Commodities' offering is designed for banks, brokers, hedge funds and other financial institutions, as well as power utilities, industrial, manufacturing and oil companies. NASDAQ OMX Commodities offers clearing services for energy derivative and carbon product contracts by serving as the CCP. Similar to derivative clearing and resale and repurchase agreement clearing on NASDAQ OMX Stockholm discussed above, through our clearing operations in the derivative markets with NASDAQ OMX Commodities, we are also the legal counterparty for each derivative position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by NASDAQ OMX Commodities for the purpose of trading on its own behalf. As the legal counterparty of each transaction, NASDAQ OMX Commodities bears the counterparty risk between the purchaser and seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the applicable country, which require us to provide minimum guarantees and maintain certain levels of regulatory capital. NASDAQ OMX Commodities utilizes the same structure and operations as the derivative markets for NASDAQ OMX Stockholm, discussed above. Trading on the contracts can take place up until the delivery period which may occur over a period of several years.

[Table of Contents](#)

In January 2010, NASDAQ OMX Commodities and Nord Pool Spot launched N2EX, a marketplace for physical UK power contracts.

Access Services

We provide market participants with several alternatives for accessing our markets for a fee. Shifting connectivity from proprietary networks to third-party networks has significantly reduced technology and network costs and increased our systems' scalability without affecting performance or reliability.

Our U.S. marketplaces may be accessed via a number of different protocols. The Financial Information Exchange product that uses the FIX protocol, a standard method of financial communication between trading firms and vendors, enables firms to leverage their existing FIX technology with cost-effective connections to our markets. Market participants may also access our systems using QIX, a proprietary programming interface that provides a more streamlined and efficient protocol for our users with expanded functionality, including quotation updates, and computer-to-computer interface, a protocol that allows market participants to enter transactions directly from their computer systems to our computer systems. Finally, firms may use former INET protocols, such as OUCH and RASH, to access our single trading platform. As an alternative to firm-developed trading front-end, our system offers the NASDAQ Workstation, an internet browser based interface that allows market participants to view market data and enter orders, quotes and trade reports.

We provide co-location services to market participants whereby firms may lease space for equipment within our data center. These participants are charged monthly fees for cabinet space, connectivity and support. We also earn revenues from annual and monthly exchange membership and registration fees.

Market Data

We earn Market Data revenues from U.S. tape plans and U.S. and European proprietary market data products.

U.S. Tape Plans. The NASDAQ Stock Market operates as the exclusive Securities Information Processor of the UTP Plan for the collection and dissemination of best bid and offer information and last transaction information from markets that quote and trade in NASDAQ-listed securities. The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX are participants in the UTP Plan and share in the net distribution of revenue according to the plan on the same terms as the other plan participants. In the role as the Securities Information Processor, The NASDAQ Stock Market collects and disseminates quotation and last sale information for all transactions in NASDAQ-listed securities whether traded on The NASDAQ Stock Market or other exchanges. We sell this information to market participants and to data distributors, who then provide the information to subscribers. After deducting costs associated with our role as an exclusive Securities Information Processor, as permitted under the revenue sharing provision of the UTP Plan, we distribute the tape revenues to the respective UTP Plan participants, including The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX, based on a formula required by Regulation NMS that takes into account both trading and quoting activity. In addition, all quotes and trades in NYSE- and NYSE Amex-listed securities are reported and disseminated in real time, and as such, we share in the tape revenues for information on NYSE- and NYSE Amex-listed securities.

U.S. Market Data Products. Our market data products enhance transparency and provide critical information to professional and non-professional investors. We collect, process and create information and earn revenues as a distributor of our own, as well as select third-party content. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Our systems enable distributors to gain direct access to our market depth, index values, mutual fund valuation, order imbalances, market sentiment and other analytical data. We earn revenues primarily based on the number of data subscribers and distributors of our data.

[Table of Contents](#)

We distribute this proprietary market information to both market participants and non-participants through a number of proprietary products. We use our broad distribution network of more than 1,800 market data distributors to deliver data regarding our market depth, index values, mutual fund valuation, order imbalances, market sentiment and other analytical data. We offer a range of proprietary data products, including NASDAQ TotalView, our flagship market depth quote product. TotalView shows subscribers quotes, orders and total anonymous interest at every price level in The NASDAQ Stock Market for NASDAQ-listed securities and critical data for the Opening, Closing, Halt and IPO Crosses.

TotalView is offered through distributors to professional subscribers for a monthly fee per terminal and to non-professional subscribers for a lower monthly fee per terminal. We also offer TotalView enterprise licenses to facilitate broad based distribution of this data. In addition, we charge the distributor a monthly distributor fee.

We operate several other proprietary services and data products to provide market information, which include:

- NASDAQ Basic, launched in 2009, which offers a flexible and affordable way to provide customers with essential trading data of best bid and offer and last sale information;
- NASDAQ Last Sale, which provides broad based and universal access to real-time last sale information via Internet portals;
- NASDAQ Market Replay, a powerful replay and analysis tool that allows users to view order book and trade data for NASDAQ, NYSE- and NYSE Amex-listed securities at any point in time;
- NASDAQ OMX DataStore, which is designed to transform the market data industry through use of plug-and-play technology to deliver new proprietary information content;
- Mutual Fund Quotation Service, a service for over 26,000 mutual funds, money market funds and unit investment trusts that supports fund data, including net asset values, and capital gains and dividend income distribution and provides print and electronic media exposure for the funds;
- Mutual Fund Dissemination Service, which is a service that facilitates the real-time and end-of-day recap dissemination of all mutual fund pricing information and is used by data vendors and media to receive complete net asset value data on funds;
- Global Index Dissemination Service, released in 2009, which is a real-time data feed that carries the values for a number of broad-based and sector indexes and ETFs;
- RussellTick, released in 2010, which is a data feed that consolidates the distribution of the Russell family of indexes; and
- Top of PHLX Options Plus Orders, or TOPO Plus Orders, which is a data product for the NASDAQ OMX PHLX options market.

European Market Data Products. The exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities offer European market data products and services. These data products and services provide critical market transparency to professional and non-professional investors who participate in European marketplaces and, at the same time, give investors greater insight into these markets.

European market data products and services are based on the trading information from the exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities for four classes of assets: cash equities, bonds, derivatives and commodities. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Revenues from European market data are subscription-based and are generated primarily based on the number of data subscribers and distributors of our data.

[Table of Contents](#)

We provide a wide range of data products including products in real-time, some with a time delay or in batch delivery. These products and services are packaged for market professionals as well as for private individuals, and include real-time information on market depth, specific transactions and share-price trends, the compilation and calculation of reference information such as indexes and the presentation of statistics.

Significant European market data products include:

- Nordic Equity TotalView, which provides full market insight into the order book, news and analysis data for all Nordic cash equities. The product also includes index values and weights and liquidity measure indicators;
- Nordic Derivative Level 2, which provides listing details, trade information, derived information and order book information with the five best levels of bid and ask prices with the respective total quantity;
- Nordic Fixed Income Level 2, which provides listing details, order book information, bid and ask quotes for up to five levels, trade information, derived information, indicative bid and ask quotes, daily turnover statistics and company disclosures; and
- European Last Sale, which provides broad based and universal access to real-time last sale information via Internet portals.

Broker Services

Our Broker Services operations offer technology and customized securities administration solutions to financial participants in the Nordic market. Broker Services provides services through a registered securities company that is regulated by the Swedish Financial Supervisory Authority, or SFSA. The primary services consist of flexible back-office systems, which allow customers to entirely or partly outsource their company's back-office functions.

We offer customer and account registration, business registration, clearing and settlement, corporate action handling for reconciliations and reporting to authorities. Available services also include direct settlement with the Nordic central securities depositories, real-time updating and communication via the Society for Worldwide Interbank Financial Telecommunication, or SWIFT, to deposit banks.

Issuer Services

Our Issuer Services segment includes our Global Listing Services and Global Index Group businesses. We offer capital raising solutions to companies around the globe and have more worldwide listings than any other global exchange group—approximately 3,600 companies representing approximately \$5.7 trillion in total market value as of December 31, 2010.

We operate a variety of listing platforms around the world to provide multiple global capital raising solutions for private and public companies. Our main listing markets are The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic. We offer a consolidated global listing application to companies to enable them to apply for listing on The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, as well as NASDAQ Dubai.

Global Listing Services

Our Global Listing Services business includes our U.S. Listings, European Listings and Corporate Solutions businesses.

U.S. Listings. Companies listed on The NASDAQ Stock Market represent a diverse array of industries including health care, consumer products, telecommunication services, information technology, financial services, industrials and energy.

[Table of Contents](#)

Companies seeking to list securities on The NASDAQ Stock Market must meet minimum listing requirements, including specified financial and corporate governance criteria. Once listed, companies must meet continued listing standards. The NASDAQ Stock Market currently has three listing tiers: The NASDAQ Global Select Market, The NASDAQ Global Market and The NASDAQ Capital Market. All three market tiers maintain rigorous listing and corporate governance standards (both initial and ongoing).

As of December 31, 2010, a total of 2,778 companies listed securities on The NASDAQ Stock Market, with 1,323 listings on The NASDAQ Global Select Market, 975 on The NASDAQ Global Market and 480 on The NASDAQ Capital Market.

We aggressively pursue new listings from companies, including those undergoing IPOs as well as companies seeking to switch from alternative exchanges. In 2010, The NASDAQ Stock Market attracted 195 new listings. Included in these listings were 89 IPOs, almost 47% of the total U.S. IPOs in 2010. The new listings were comprised of the following:

Total New Listings on The NASDAQ Stock Market	195
Switches from NYSE/NYSE Amex	12
IPOs	89
Upgrades from OTC	54
ETFs, Structured Products and Other Listings	40

In 2010, the following three NYSE-listed companies switched to The NASDAQ Stock Market, representing \$9.6 billion in market capitalization: Hasbro, Inc., Avis Budget Group, Inc. and Potlatch Corporation. A total of eight companies switched from NYSE Amex and one company switched from NYSE Arca to The NASDAQ Stock Market in 2010.

European Listings. We also offer listings on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic. For smaller companies and growth companies, we offer access to the financial markets through the NASDAQ OMX First North alternative marketplaces. As of December 31, 2010, a total of 780 companies listed securities on our Nordic and Baltic exchanges and NASDAQ OMX First North. Measured in terms of the market capitalization of listed companies, as of December 31, 2010, NASDAQ OMX Nordic was the second largest marketplace in Europe for IT companies, the largest marketplace in the world for the paper industry, the second largest marketplace in the world for apparel retail companies and third largest marketplace in the world for the industrial machinery industry.

Our European listing customers are organizations such as companies, funds or governments. Customers issue securities in the forms of cash equities, depository receipts, warrants, ETFs, convertibles, rights, options, bonds and fixed-income related products. In 2010, a total of 25 new companies were listed on our Nordic and Baltic exchanges and NASDAQ OMX First North.

Corporate Solutions. Our Corporate Solutions business provides customer support services, products and programs to companies, including companies listed on our exchanges. Through our Corporate Solutions offerings, companies gain access to innovative products and services that ease transparency, mitigate risk, maximize board efficiency and facilitate better corporate governance. We provide corporate solutions in the following key areas of focus:

- *Investor Relations.* We provide industry-leading investor relations and news distribution products designed to make it easier for companies to interact and communicate with analysts and investors while meeting corporate governance and disclosure requirements.
- *Market Monitoring.* We offer unique proprietary services that help companies monitor their stock and track peer performance.

[Table of Contents](#)

- *Board Practice.* We offer management solutions to ensure board member effectiveness.
- *Global Visibility.* We provide ways for companies to increase their visibility through our MarketSite offerings and access to discounts and special offers from other listed companies.
- *PORTAL.* In addition to traditional public offerings, SEC Rule 144A provides public and private companies with another option for effectively raising capital at a lower cost and with fewer regulatory hurdles. We have managed the process to designate SEC Rule 144A unregistered securities as PORTAL securities since 1990.

In December 2010, we completed our acquisition of ZVM, a provider of webcasting and investor relations communication services for companies in the Nordic region. ZVM, which is the leading provider of webcasting services in Northern Europe, will add to the growing range of capabilities and services NASDAQ OMX offers public and private companies in the U.S. and Europe.

Global Index Group

We are one of the world's leading index providers. We develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group. We believe that these indexes and products leverage, extend and enhance the NASDAQ OMX brand. License fees for our trademark licenses vary by product based on a percentage of underlying assets, dollar value of a product issuance, number of products or number of contracts traded. In addition to generating licensing revenues, these products, particularly mutual funds and ETFs, lead to increased investments in companies listed on our global exchanges, which enhances our ability to attract new listings. We also license cash-settled options, futures and options on futures on our indexes.

Our flagship index, the NASDAQ-100 Index, includes the top 100 non-financial securities listed on The NASDAQ Stock Market. With the launch of new index families such as the Green Economy and Sharia families, we now have over 1,600 diverse indexes, with 238 launched in 2010. NASDAQ OMX indexes are the basis for over 2,900 structured products in 27 countries. In 2010, product sponsors launched 24 ETFs based on NASDAQ OMX indexes. We also license cash-settled options, futures and options on futures on our indexes.

Market Technology

Powering more than 70 markets in over 50 countries, we are the world's leading technology solutions provider and partner to exchanges, clearing organizations and central securities depositories. Our technology business is also the sales channel for our complete global offering to other marketplaces.

Technology Solutions. The systems solutions we offer support trading, clearing, settlement, surveillance and information dissemination for markets with wide ranging requirements, from smaller African markets to the leading markets in the US, Europe and Asia. Furthermore, the solutions we offer can handle all classes of assets, including cash equities, currencies, various interest-bearing securities, commodities, energy products and derivatives on any of these assets.

NASDAQ OMX's technology solutions are utilized by, among others, the Australian Securities Exchange, Bolsa de Valores de Colombia, Egypt Stock Exchange, Hong Kong Exchanges and Clearing, SIX Swiss Exchange, Singapore Exchanges and Tokyo Commodity Exchange.

Our trading and market data solutions are utilized by exchanges, alternative-trading venues and banks and securities brokers with marketplace offerings of their own. In the post trade stage, we offer integrated systems solutions for clearing (risk management) and settlement (settlement and delivery) of both cash equities and derivatives to clearing organizations around the world.

[Table of Contents](#)

Systems Integration, Operation and Support. A central part of many projects is facility management and systems integration. Through our integration services, we can assume total responsibility for projects involving migration to a new system and the establishment of entirely new marketplaces. We also offer operation and support for the applications, systems platforms, networks and other components included in a turn-key information technology solution. By transferring the operation and support of systems to us, the customer can focus on its core operations and reduce its operational risk level. At the same time, economies of scale can be achieved, by allowing the customer access to existing, effective technology and infrastructure.

Advisory Services. Our advisory services are designed to support our customers' strategies and help them with critical decisions in a highly demanding business environment. Operating our own exchanges and partnering with global marketplaces, we continually gain insight on developments in the financial world. We understand first-hand how marketplaces operate, the challenges they face and the complex technology infrastructures that support them. Our consultants have deep experience in strategy, operations and change management, and are backed by the combined knowledge of NASDAQ OMX as well as a network of external experts in the exchange industry.

Surveillance. In August 2010, we completed our acquisition of SMARTS, a leading technology provider of surveillance solutions to exchanges, regulators and brokers. This acquisition is part of our strategy to diversify our Market Technology business and enter the broker surveillance and compliance market. We believe that this acquisition will strengthen our position as the leading technology partner to marketplaces worldwide.

Core Technology. Technology plays a key role in ensuring the growth and reliability of financial markets. At NASDAQ OMX, we are committed to innovation through technology to ensure our position as a driving force in the exchange industry and to provide the best possible trading experience for our customers and investors. Investment decisions are made based on customer needs and general market trends.

We continuously improve our core technology with a focus on reducing latency and improving capacity and reliability. NASDAQ OMX's next generation technology is capable of handling multi-million messages per second at an average speed of sub-100 microseconds, currently the fastest of any exchange or alternative trading system in the world.

The foundation for NASDAQ OMX's core technology is INET. The INET technology is used across NASDAQ OMX's U.S. and European markets. INET is also the main building block of our Market Technology offering, Genium INET. Genium INET combines innovative functionality with a modular approach to manage change and create new advantages for existing and new customers, as well as our own marketplaces.

Intellectual Property

We own or have licensed rights to trade names, trademarks, domain names and service marks that we use in conjunction with our operations and services. We have registered many of our most important trademarks in the United States and in foreign countries. For example, our primary "NASDAQ" mark is a registered trademark in the United States and in over 50 other countries worldwide and the OMX trademark also has been registered worldwide. We also have trademark registrations for the most important trade names of NASDAQ OMX Nordic and our operations in Europe. Many of these trademarks are registered in a number of countries. An example of the registered trademarks used in our European operations include: OMX, GENIUM, Genium INET, SECUR, CLICK XT and EXIGO.

We also maintain copyright protection in our NASDAQ-branded materials and pursue patent protection for NASDAQ OMX-developed inventions and processes. We focus on gaining patent protection for the software functionality that we develop in order for us to fully benefit from our research and development investments. We accomplish this through the evaluation of inventions, the preparation, filing and prosecution of patent applications for inventions deemed worthwhile to pursue, the maintenance of granted patents, the coordination of information within the organization about patents and the monitoring of competitors for possible use of patented information.

Competition

Market Services. The cash equity securities markets are intensely competitive. We compete in the U.S. against NYSE Euronext, BATS Global Markets, Direct Edge, regional exchanges and alternative trading systems, or ATs. In Europe, our major competitors include NYSE Euronext, Deutsche Börse, the London Stock Exchange Group plc, or LSE, the Spanish Exchanges, SIX Swiss Exchange, and multilateral trading facilities, or MTFs, such as Chi-X and BATS Europe, which are similar to U.S. ATs. Competition also comes from broker-dealers and from off-board or OTC trading in the U.S. and elsewhere.

In bond trading, we compete in Europe with alternative marketplaces such as EuroMTS Limited. For derivatives products, competition comes in the form of trading and clearing that takes place OTC, usually through banks and brokerage firms, or through trading and clearing competition with other exchanges. The competitive significance in Europe of these varied alternative trading venues is likely to increase in the future, with the regulatory environment in Europe becoming more favorable to alternative trading venues as a result of the reforms required by the Markets in Financial Instruments Directive, or MiFID, and a broader effort to increase competition in financial services.

Competition is based on a number of factors, including the quality of our technological and regulatory infrastructure, total transaction costs, the depth and breadth of liquidity, the quality of value-added customer services, reputation and the direct cost of trade execution.

Cash equity securities trading. The U.S. marketplace continues to evolve as the number of exchanges increases and less heavily regulated broker-owned trading systems and ATs, known collectively as dark pools, expand in number and activity. While many of the new entrants may have limited liquidity, some may attract significant levels of cash equity order volume through aggressive pricing, through interconnections with other systems, and from volume originating with broker-dealer owners and investors. Broker-dealer owned systems continued the rapid growth that began in 2009 throughout 2010. In addition, there remains interest in electronic trading systems specializing primarily in large block trades, such as LiquidNet, Pipeline Trading and Investment Technology Group's POSIT platform. During 2010, three new exchange competitors to NASDAQ OMX appeared. In July 2010, Direct Edge received SEC approval to operate its two markets (EDGA and EDGX) as exchanges and in October 2010, BATS launched a second exchange (BATS-Y). During 2010, NASDAQ OMX also launched its third cash equity exchange, NASDAQ OMX PSX, to provide a third alternative combination of pricing and features. Finally, 2010 saw two significant regulatory events that could result in significant changes in the competitive landscape: the SEC published a market structure concept release early in 2010 and the May 6th "flash crash" accelerated rulemaking intended to prevent repeat of that day's extreme price changes. Rules concerning halting trading during volatile markets, market access, algorithmic (high frequency) trading, alternative trading systems such as dark pools, and other market structure issues could change the competitive landscape by helping or hurting NASDAQ OMX or its competitors' business models.

The European landscape is continuing to adapt to the competitive forces released by MiFID in November 2007. Throughout Europe, new MTFs have been created with the most prominent MTFs (Chi-X, Turquoise, and BATS) based in the United Kingdom and attracting a significant share of electronically matched volume. MTFs continue to grow their business in shares listed on our Nordic exchanges. Trade reporting alternatives to incumbent exchanges, such as Markit BOAT, or BOAT, also continue to be active. Electronic trading systems interested in pursuing block business have long been active in Europe and are looking to grow their businesses. In the Nordics, the Burgundy MTF grew modestly in 2010 and plans to expand its business in 2011. These entrants pursue many of the same strategies to attract order flow as do ATs in the U.S., which include attractive pricing, participant investment, technological innovation and pursuit of exchange status. Because of the success of the new entrants, incumbent exchanges have lowered prices, adopted new technology, and prepared to compete aggressively for trading volumes and revenue. While the state of competition in Europe remains evolutionary, the level of competition faced by incumbent national exchanges will remain intense.

As a result of the conditions in the U.S. and Europe, we experience competition in our core trading activities such as execution services, quoting and trading capabilities, and reporting services. Many of our competitors have engaged in aggressive price competition by reducing the trade execution transaction fees they charge their

[Table of Contents](#)

customers. As a result of this competition, we significantly reduced the trade execution transaction fees we charge our customers in the past, particularly our large-volume customers. We periodically reexamine our pricing structure to ensure that our fees remain competitive.

Derivatives. Our principal competitors for trading options in the U.S. include the Chicago Board Options Exchange, or CBOE, the International Securities Exchange, or ISE, NYSE ARCA, NYSE Amex and the Boston Options Exchange, or BOX. Competition is focused on providing market participants with greater functionality, trading system stability, customer service, efficient pricing, and speed of execution. NASDAQ OMX operates two options exchanges with different market structures. NASDAQ OMX PHLX operates a pro-rata hybrid electronic and floor based exchange and competes most directly with CBOE, ISE, NYSE Arca and NYSE Amex. The NASDAQ Options Market operates a price/time priority exchange and competes most directly with NYSE ARCA and BOX. Both BATS and the CBOE launched new options exchanges in 2010, with BATS being somewhat similar to The NASDAQ Options Market. The further intensifying of competition for exchange traded options means that we must continuously review our technology and pricing.

MiFID does not address competition between derivatives markets to the extent that it addresses cash equities trading and consequently has been slower to affect competition in trading derivative securities. Exchange based competition for trading in European derivatives continues to occur mainly where there is competition in trading for the underlying equities and our competition for options on European equities is primarily with EUREX Group, NYSE Liffe, EDX London Limited, or EDX, and, to a limited extent, the U.S. options exchanges. Such competition is limited to options on a small number of equity securities although these securities tend to be among the most active. In addition to exchange based competition in derivatives, we continue to face competition from OTC derivative markets.

As trading in Europe evolves under the current review of the original MiFID legislation, competition for trading volumes in derivatives will likely increase. Both current and potential competition require us to constantly reassess our pricing and product offerings in order to remain competitive.

Clearing. In both the U.S. and Europe, cash equity clearing has been organized along national lines. Typically, a single clearinghouse would serve essentially all cash equity trading involving securities listed on exchanges within a nation's borders. Some countries, such as Sweden, did not have a clearinghouse until 2009. In some countries, such as the U.S., the clearinghouse is part of the same organization as the Central Securities Depository, or CSD. In some, such as Germany, the clearinghouse and the stock exchange are part of the same corporate structure, and in others, such as the U.K., the clearinghouse, exchange, and CSD are separate. Furthermore, there is a much shorter history of using CCP services in European clearing than in the U.S. Regardless of past practice, competition is beginning to come to the clearing business in response to the European Code of Conduct in Clearing and Settlement in Europe and initiatives by NASDAQ OMX in the U.S. At this time, competition in clearing in Europe remains limited with a few new non-national clearinghouses such as EMCF, X-Clear and EuroCCP serving non-national multilateral trading facilities or offering alternative clearing facilities for trades executed on incumbent exchanges.

In the U.S., competition in equity clearing has been legislatively called for since 1975 but only recently have technological advances made competitive clearing in the U.S. a viable possibility. Should clearing competition become a vibrant reality in the U.S., it may have an impact on equity trading and on our business as clearing is a non-trivial cost of trade execution. We believe that the clearing business in both the U.S. and Europe would benefit from competition. Even as a 22% equity owner of EMCF, one of the largest cash equities clearinghouses in Europe, we support interoperability of cash equities clearinghouses, which will foster a healthy competition among cash equities clearinghouses in Europe.

Market data services. The market data business in the U.S. includes both consolidated and proprietary data products. Consolidated data products are distributed by SEC-mandated consolidators (one for NASDAQ-listed

[Table of Contents](#)

stocks and another for NYSE and other-listed stocks) that share the revenue among the exchanges that contribute data. Proprietary data products are made up exclusively of data derived from each exchange's systems. In Europe, all market data products are proprietary as there is no official data consolidator.

Our revenues from the sale of consolidated market data products and services are under competitive threat from other securities exchanges that trade NASDAQ-listed securities. Current SEC regulations permit these regional exchanges and FINRA's Alternative Display Facility to quote and trade NASDAQ-listed securities. Trade reporting facilities regulated by FINRA are also operated by The NASDAQ Stock Market and other exchanges. The UTP Plan entitles these exchanges, FINRA's Alternative Display Facility, and the trade reporting facilities to a share of UTP Plan tape fees, based on the formula required by Regulation NMS that takes into account both trading and quoting activity. In addition, The NASDAQ Stock Market similarly competes for the tape fees from the sale of information on NYSE- and NYSE Amex-listed securities for those respective tape plans.

Participants in the tape plans have used tape fee revenues to establish payment for order flow arrangements with their members and customers. In January 2004, we implemented a new tiered pricing structure and the Nasdaq General Revenue Sharing Program, which provided incentives for quoting market participants to send orders and report trades to The NASDAQ Stock Market. We continuously evaluate and refine both programs. To remain competitive, in July 2006 and in January 2008, we changed the terms of the program and established a new Nasdaq Data Revenue Sharing Program. In December 2010, we again changed the terms of the program effective January 2011. We may adjust either program in the future to respond to competitive pressures.

The sale of our proprietary data products in both the U.S. and Europe is under competitive threat from alternative exchanges and trading venues that offer similar products, sometimes at a lower price or free of charge. Our market data business competes with other exchanges and third party vendors in providing information to market participants. Consequently, our data products must be competitive in speed, reliability, content and price to succeed in the marketplace. New exchanges and trading systems entering the market have recognized the strong connection between market data and transactions volume and new entrants typically price their market data very aggressively in order to grow transactions volume, thereby limiting our flexibility in pricing market data. Any action by a market participant to provide information to another exchange or market data vendor could have a negative impact on our data products. The market data business must also adapt to rapidly changing information delivery technologies and constantly invest in innovative product design and development. Other market data providers may not face the regulatory obligations we face and may consequently be more flexible in pricing and more agile in deploying new products and business methods to our detriment. The growth of the number of proprietary data feeds offered by NASDAQ OMX and other exchanges has also increased the reluctance of some data vendors to add new feeds to their product offerings which further complicates exchanges' efforts to expand their market data offerings.

Listings. Our primary competitor for larger company listings in the U.S. on The NASDAQ Stock Market is the NYSE. The NASDAQ Stock Market also competes with NYSE Amex for listing of smaller companies and the BATS and DirectEdge exchanges have announced their intention to compete for listings in the future. The NASDAQ Stock Market also competes with local and overseas markets for listings by companies that choose to list outside of their home country.

The listings business in Europe is characterized by the large number of exchanges competing for new or secondary listings. Each country has one or more national exchanges that are often the first choice of companies in the respective countries. For those considering an alternative, the European exchanges that attract the most overseas listings are LSE, NYSE Euronext, Deutsche Börse and the exchanges that comprise NASDAQ OMX Nordic. In addition to the larger exchanges, companies are able to consider smaller markets and quoting facilities, such as LSE's Alternative Investment Market, Euronext's Alternext, Deutsche Börse's Entry Standard, Borsa Italiana's Expandi Market, PLUS Markets plc, the Pink Sheets LLC and the Over-the-Counter Bulletin Board, or OTCBB. Other exchanges in Sweden include the Nordic Growth Market and Aktietorget, which primarily serve companies with small market capitalizations.

[Table of Contents](#)

Indexes. The NASDAQ Stock Market is subject to intense competition for the listing of financial products from other exchanges. The indexes on which these products are based face competition from indexes created by a large number of index providers. For example, there are a number of indexes that aim to track the technology sector and thereby compete with the NASDAQ-100 Index and the NASDAQ Composite Index. We face competition from investment banks, dedicated index providers, markets and other product developers in designing products that meet investor needs.

Market Technology. The traditional model, where each exchange or exchange-related business developed its own technology internally sometimes aided by consultants, is evolving as many operators recognize the enormous cost savings made possible by buying technology already developed. Two types of competitors are emerging: other exchanges providing solutions, including NYSE Euronext and LSE, and pure technology providers focused on the exchange industry. These organizations offer a range of off-the-shelf technology including trading, clearing, settlement, depository and information dissemination. They also offer customization and operation expertise. NASDAQ OMX provides technology to over 70 exchanges and exchange-related businesses worldwide and in 2010 expanded its offering in compliance services by acquiring SMARTS.

Regulation

We are subject to extensive regulation in the United States and Europe.

U.S. Regulation

U.S. federal securities laws establish a two-tiered system for the regulation of securities markets, market participants and listed companies. The SEC occupies the first tier and has primary responsibility for enforcing the federal securities laws. Self-Regulatory Organizations, or SROs, which are non-governmental organizations, occupy the second tier. SROs, such as national securities exchanges, are registered with the SEC and are subject to the SEC's extensive regulation and oversight.

This regulatory framework applies to our U.S. business in the following ways:

- regulation of our registered national securities exchanges; and
- regulation of our U.S. broker-dealer subsidiaries.

The rules and regulations that apply to our business are focused primarily on safeguarding the integrity of the securities markets and of market participants and investors generally. These rules and regulations are not focused on the protection of our stockholders, although we believe that regulation improves the quality of exchanges and, therefore, our company. U.S. federal securities laws and the rules that govern our operations are subject to frequent change.

Regulation of U.S. Exchanges. SROs in the securities industry are an essential component of the regulatory scheme of the Securities Exchange Act of 1934, or the Exchange Act, for providing fair and orderly markets and protecting investors. The Exchange Act and the rules thereunder impose on the SROs many regulatory and operational responsibilities, including the day-to-day responsibilities for market and broker-dealer oversight. In general, an SRO is responsible for regulating its members through the adoption and enforcement of rules and regulations governing the business conduct of its members.

With the registration of The NASDAQ Stock Market as a national securities exchange in 2006, we received our own SRO status through our exchange subsidiary, separate from that of FINRA. With the acquisitions of the Philadelphia Stock Exchange and the Boston Stock Exchange, we acquired additional SRO licenses. As SROs, each entity has separate rules pertaining to its broker-dealer members and listed companies. Broker-dealers that choose to become members of The NASDAQ Stock Market, NASDAQ OMX PHLX, and/or NASDAQ OMX BX are subject to the rules of those exchanges. Broker-dealers may also choose other SRO memberships, including membership in FINRA.

[Table of Contents](#)

All of our U.S. national securities exchanges are subject to SEC oversight, as prescribed by the Exchange Act, including periodic and special examinations by the SEC. Our exchanges also are potentially subject to regulatory or legal action by the SEC or other interested parties at any time in connection with alleged regulatory violations. We are also subject to Section 17 of the Exchange Act, which imposes record-keeping requirements, including the requirement to make records available to the SEC for examination. We have been subject to a number of routine reviews and inspections by the SEC or external auditors in the ordinary course and because of settlements with the SEC. To the extent such actions or reviews and inspections result in regulatory or other changes, we may be required to modify the manner in which we conduct our business, which may adversely affect our business.

Section 19 of the Exchange Act provides that our exchanges must submit to the SEC proposed changes to any of the SROs' rules, practices and procedures, including revisions to provisions of our certificate of incorporation and by-laws that constitute SRO rules. The SEC will typically publish the proposal for public comment, following which the SEC may approve or disapprove the proposal, as it deems appropriate. The SEC's action is designed to ensure that applicable SRO rules and procedures are consistent with the aims of the Exchange Act and its rules and regulations. In addition, pursuant to the requirements of the Exchange Act, our exchanges must file all proposals to change their pricing structure with the SEC.

NASDAQ OMX currently operates three cash equities and two options markets in the United States. We operate The NASDAQ Stock Market and The NASDAQ Options Market pursuant to The NASDAQ Stock Market's SRO license; the NASDAQ OMX BX cash equities market pursuant to the NASDAQ OMX BX SRO license; and the NASDAQ OMX PSX cash equities market and the NASDAQ OMX PHLX options market pursuant to the NASDAQ OMX PHLX SRO license. In addition, NASDAQ OMX BX regulates the BOX Market, pursuant to a regulatory services agreement between a subsidiary of NASDAQ OMX BX and BOX. NASDAQ OMX does not have an ownership interest in BOX, and BOX compensates NASDAQ OMX BX based on the cost of the regulatory services provided to BOX.

FINRA provides regulatory services to the markets operated or regulated by The NASDAQ Stock Market, NASDAQ OMX PHLX and NASDAQ OMX BX, including the regulation of trading activity and surveillance and investigative functions. We have a limited direct regulatory role in conducting real-time market monitoring, certain options surveillance, rulemaking and some membership functions through our MarketWatch department. We refer suspicious trading behavior discovered by our regulatory staff and all other employees of the markets operated or regulated by The NASDAQ Stock Market, NASDAQ OMX PHLX and NASDAQ OMX BX to FINRA for further investigation.

Broker-dealer regulation. NASDAQ OMX's broker-dealer subsidiaries are subject to regulation by the SEC, the SROs and the various state securities regulators. Nasdaq Execution Services, LLC currently operates as our routing broker for sending orders from The Nasdaq Stock Market to other venues for execution. NASDAQ Options Services, LLC performs a comparable function with respect to routing of orders from The NASDAQ Options Market and NASDAQ OMX PHLX.

Nasdaq Execution Services is registered as a broker-dealer with the SEC and in all 50 states, the District of Columbia and Puerto Rico. It is also a member of The NASDAQ Stock Market, NASDAQ OMX BX, NASDAQ OMX PHLX, NYSE, NYSE Amex, NYSE Arca, FINRA, BATS Exchange, CBOE, Chicago Stock Exchange, ISE and the National Stock Exchange.

NASDAQ Options Services is registered as a broker-dealer with the SEC and in all 50 states, the District of Columbia and Puerto Rico. It is also a member of The NASDAQ Stock Market, NASDAQ OMX PHLX, FINRA, NYSE Amex, BOX, ISE, NYSE Arca, CBOE and BATS Exchange.

The SEC, NYSE and FINRA adopt rules and examine broker-dealers and require strict compliance with their rules and regulations. The SEC, SROs and state securities commissions may conduct administrative proceedings which can result in censures, fines, the issuance of cease-and-desist orders or the suspension or

[Table of Contents](#)

expulsion of a broker-dealer, its officers or employees. The SEC and state regulators may also institute proceedings against broker-dealers seeking an injunction or other sanction. The SEC and SRO rules cover many aspects of a broker-dealer's business, including capital structure and withdrawals, sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, record-keeping, the financing of customers' purchases, broker-dealer and employee registration and the conduct of directors, officers and employees. All broker-dealers have an SRO that is assigned by the SEC as the broker-dealer's designated examining authority, or DEA. The DEA is responsible for examining a broker-dealer for compliance with the SEC's financial responsibility rules. FINRA is the current DEA for both Nasdaq Execution Services and NASDAQ Options Services.

As registered broker-dealer subsidiaries, Nasdaq Execution Services and NASDAQ Options Services are subject to regulatory requirements intended to ensure their general financial soundness and liquidity, which requires that they comply with certain minimum capital requirements. The SEC and FINRA impose rules that require notification when net capital falls below certain predefined criteria, dictate the ratio of debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the Uniform Net Capital Rule and FINRA rules impose certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC and FINRA for certain withdrawals of capital.

As of December 31, 2010, we were in compliance with all of such capital requirements.

Regulatory contractual relationships with FINRA. The NASDAQ Stock Market, The NASDAQ Options Market, NASDAQ OMX PHLX, NASDAQ OMX PSX and NASDAQ OMX BX have signed a series of regulatory service agreements covering the services FINRA provides to the respective SROs, including some of the regulatory services we perform for BOX. Under these agreements, FINRA personnel act as our agents in performing the regulatory functions outlined above, and FINRA bills us a fee for these services. These agreements have enabled us to reduce our headcount while ensuring that the markets for which we are responsible are properly regulated. However, our SROs retain ultimate regulatory responsibility for all regulatory activities performed under these agreements by FINRA. In addition, our options markets have entered into a joint agreement with the other options exchanges for conducting insider trading surveillance. Our SROs continue to monitor the activities conducted under the agreement and continue to have regulatory responsibility in this area.

Exchange Act Rule 17d-2 permits SROs to enter into agreements, commonly called Rule 17d-2 agreements, approved by the SEC with respect to enforcement of common rules relating to common members. Our SROs have entered into several such agreements under which we are relieved of regulatory responsibility:

- agreements with FINRA covering the enforcement of common rules, the majority of which relate to the regulation of The NASDAQ Stock Market, NASDAQ OMX BX and the members of these exchanges;
- joint industry agreements with FINRA and NYSE Regulation covering responsibility for enforcement of insider trading rules;
- joint industry agreement with FINRA covering enforcement of rules related to cash equity sales practices and certain other non-market related rules; and
- joint industry agreement covering enforcement of rules related to options sales practices.

Regulation NMS and Options Intermarket Linkage Plan. We are subject to Regulation NMS for our cash equities markets, and our options markets have joined the Options Intermarket Linkage Plan. These are designed to facilitate the routing of orders among exchanges to create a national market system as mandated by the Exchange Act. One of the principal purposes of a national market system is to assure that brokers may execute investors' orders at the best market price. Both Regulation NMS and the Options Intermarket Linkage Plan require that exchanges avoid trade-throughs, locking or crossing of markets and provide market participants with electronic access to the best prices among the markets for the applicable cash equity or options order.

[Table of Contents](#)

CFTC Regulation. With the acquisition of PHLX, we also acquired its subsidiary, NASDAQ OMX Futures Exchange, Inc. (formerly the Philadelphia Board of Trade), a designated contract market under the Commodity Exchange Act. As a designated contract market, NFX is subject to regulatory oversight by the U.S. Commodity Futures Trading Commission, or CFTC, an independent agency with the mandate to regulate commodity futures and option markets in the U.S. NFX currently lists futures contracts on stock indexes, foreign currencies and interest rate swaps. The National Futures Association, or NFA, provides certain regulatory services to NFX pursuant to a Regulatory Services Agreement. The CFTC also regulates IDCH, a derivatives clearing organization under the Commodity Exchange Act that is wholly owned by IDCG. IDCH clears interest rate swap futures contracts listed by NFX as well as interest rate swaps traded in the OTC market. NFA also provides regulatory services to IDCH.

European Regulation

Recent directives from the European Union have focused on harmonizing regulation with respect to financial services, listing and trading of securities and market abuse. Currently, there are proposals on regulation in relation to CCP services and OTC derivatives transactions. These are providing opportunities for companies such as ours. As the regulatory environment continues to change and related opportunities arise, we intend to use our position in the industry to continue product development, and ensure that the exchanges and clearinghouses that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic maintain favorable liquidity and offer efficient trading.

Confidence in capital markets is paramount for trading to function properly. NASDAQ OMX Nordic carries out market regulation through an independent unit that is separate from the business operations. The surveillance work is organized into two functions: one for the listing of instruments and surveillance of companies (issuer surveillance) and one for surveillance of trading (trading surveillance). The real-time trading surveillance for the Finnish, Icelandic, Danish and Swedish markets has been centralized to Stockholm. In Iceland, the surveillance activities are carried out by specially appointed persons. In addition, there are special personnel who carry out surveillance activities at each of the three Baltic exchanges. There are three surveillance committees at NASDAQ OMX Nordic, one at each NASDAQ OMX Nordic exchange in Sweden, Finland and Denmark. These committees have an advisory role in relation to surveillance matters. In Sweden and Finland, decisions to list new companies are made by the listing committees of the exchanges. In Denmark and Iceland, listing decisions are made by the President of the exchange, a duty delegated by the board of NASDAQ OMX Copenhagen and NASDAQ OMX Iceland, respectively.

If there is suspicion that a listed company or member has acted in breach of exchange regulations, the matter is dealt with by the market regulation division. Serious breaches are considered by the respective disciplinary committee in Sweden and Finland. In Denmark, all matters are dealt with by the surveillance department. In Iceland, enforcement committees handle all breaches of exchange regulations, while disciplinary committees handle the determination of fines. Suspected insider trading is reported to the appropriate authorities in the respective country or countries.

The entities that operate trading venues in the Nordic and Baltic countries are each subject to local regulation. In Sweden, general supervision of the exchange market operated by NASDAQ OMX Stockholm is carried out by the SFSA, while NASDAQ OMX Stockholm's role as central counterparty in the clearing of derivatives is overseen by the SFSA and the Swedish central bank, Riksbanken. Additionally, as a function of the Swedish two-tier supervisory model, certain surveillance in relation to the exchange market is carried out by us, acting through our surveillance division.

NASDAQ OMX Stockholm's exchange and clearing activities are regulated primarily by the Swedish Securities Markets Act 2007:528, or SSMA, which sets up basic requirements regarding the board of the exchange or clearinghouse and its share capital, and which also outlines the conditions on which exchange and clearing licenses are issued. The SSMA also provides that any changes to the exchange's articles of association following initial registration must be approved by the SFSA.

[Table of Contents](#)

With respect to ongoing operations, the SSMA requires exchanges to conduct their activities in an “honest, fair and professional manner, and in such a way as to maintain public confidence in the securities markets.” When operating a regulated market, an exchange must apply the principles of free access (i.e., that each person which meets the requirements established by law and by the exchange may participate in trading), neutrality (i.e., that the exchange’s rules for the regulated market are applied in a consistent manner to all those who participate in trading) and transparency (i.e., that the participants must be given speedy, simultaneous and correct information concerning trading and that the general public must be given the opportunity to access this information). Additionally, the exchange operator must identify and manage the risks which may arise in its operations, use secure technical systems and identify and handle the conflicts of interest which may arise between the exchange or its owners’ interests and the interest in safeguarding effective risk management and secure technical systems. Similar requirements are set up by the SSMA in relation to clearing operations.

The SSMA also contains the framework for both the SFSA’s supervisory work in relation to exchanges and clearinghouses and the surveillance to be carried out by the exchanges themselves. The latter includes the requirement that an exchange should have “an independent surveillance function with sufficient resources and powers to meet the exchange’s obligations.” That requires the exchange to, among other things, supervise trading and price information, compliance with laws, regulations and good market practice, participant compliance with trading participation rules, financial instrument compliance with relevant listing rules and the extent to which issuers meet their obligation to submit regular financial information to relevant authorities.

The regulatory environment in the other Nordic and Baltic countries in which a NASDAQ OMX entity has a trading venue is broadly similar to the regulatory environment in Sweden. Since 2005, there has been a Memorandum of Understanding between the SFSA and the main supervisory authorities in Norway, Denmark and Finland, which looks to safeguard effective and comprehensive supervision of the exchanges comprising NASDAQ OMX Nordic and the systems operated by it, and to ensure a common supervisory approach.

Employees

As of December 31, 2010, NASDAQ OMX had 2,395 employees, including staff employed at consolidated entities where we have a controlling financial interest. Of the total employees, 1,313 were based in the U.S. and 1,082 were based outside of the U.S. None of our U.S. employees is subject to collective bargaining agreements or is represented by a union. Approximately 106 employees based in Denmark and Finland are covered by local union agreements.

NASDAQ OMX Website and Availability of SEC Filings

We file periodic reports, proxy statements and other information with the SEC. The public may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC (such as us). The address of that site is <http://www.sec.gov>.

Our website is www.nasdaqomx.com. Information on our website is not a part of this Form 10-K. We will make available free of charge on our website, or provide a link to, our Forms 10-K, Forms 10-Q and Forms 8-K and any amendments to these documents, that are filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. To access these filings, go to NASDAQ OMX’s website and click on “Investor Relations,” then click on “Financial Information,” and then click on “SEC Filings.”

We use our website, www.nasdaqomx.com, as a means of disclosing material non-public information and for complying with disclosure obligations under Regulation FD.

Item 1A. Risk Factors.

The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. If any of the following risks actually occur, our business, financial condition, or operating results could be adversely affected.

Risks Relating to our Business

Our industry is highly competitive.

We face intense competition from other exchanges and markets for market share of trading activity and listings. In addition, our market data, global index and market technology businesses face significant competition from other market participants. This competition includes both product and price competition and has continued to increase as a result of the creation of new execution and listing venues in the United States and Europe. Increased competition may result in a decline in our share of trading activity, listings and the markets for the products we offer, thereby adversely affecting our operating results.

The liberalization and globalization of world markets has resulted in greater mobility of capital, greater international participation in local markets and more competition. As a result, both in the U.S. and in other countries, the competition among exchanges and other execution venues has become more intense. In the last several years, many marketplaces in both Europe and the United States have demutualized to provide greater flexibility for future growth. The securities industry also has experienced consolidation, creating a more intense competitive environment. Regulatory changes, such as MiFID, also have facilitated the entry of new participants in the EU that compete with our European exchanges. The regulatory environment, both in the U.S. and in Europe, is structured to maintain this environment of intense competition. In addition, a high proportion of business in the securities markets is becoming concentrated in a smaller number of institutions and our revenue may therefore become concentrated in a smaller number of customers.

We also compete globally with other regulated exchanges and markets, ATSS, MTFs and other traditional and non-traditional execution venues. Some of these competitors also are our customers. Our exchange competitors include NYSE Euronext, the London Stock Exchange, Deutsche Börse, the Tokyo Stock Exchange, and a number of other exchanges in the U.S. and around the world. These exchanges offer a range of services comparable to those offered by our exchanges and generally compete with us in providing trade executions, trade reporting, market data, listings, regulation, index, and technology services. Public ATSS in the U.S. and MTFs in Europe are broker-dealer operated systems that offer trade execution services, typically at very low cost. Our competitors include Burgundy MTF in the Nordics. In London, Chi-X, Turquoise and BATS MTFs offer pan-European execution services in competition with our Nordic exchanges. Other competing execution venues include broker-dealer owned systems such as dark-pools and internalization engines which may or may not be registered as ATSS or MTFs. Like ATSS and MTFs, these venues also compete with us by offering low cost executions and differ from public ATSS and MTFs in the degree of transparency they offer and in restrictions on who may access these systems.

Competitors may develop market trading platforms that are more competitive than ours. Competitors may enter into strategic partnerships, mergers or acquisitions that could make their trading, listings or data businesses more competitive than ours. In early 2011, the London Stock Exchange Group and the TMX Group and NYSE Euronext and Deutsche Börse AG announced proposed mergers that may affect our competitive position. If we are unable to compete successfully in this environment, our business, financial condition and operating results will be adversely affected.

Price competition has affected and could continue to affect our business.

The securities trading industry is characterized by intense price competition. We have in the past lowered prices, and in the U.S., increased rebates for trade executions to attempt to gain or maintain market share. These strategies have not always been successful and have at times hurt operating performance. Additionally, we have

[Table of Contents](#)

also been, and may once again be, required to adjust pricing to respond to actions by competitors, which could adversely impact operating results. We are also subject to potential price competition from new competitors and from new and existing regulated markets and MTFs. We also compete with respect to the pricing of market data and with respect to products for pre-trade book data and for post-trade last sale data. In the future, our competitors may offer rebates for quotes and trades on their systems. If we are unable to compete successfully in respect to the pricing of our services and products, our business, financial condition and operating results may be adversely affected.

A decline in trading volume will decrease our trading revenues.

Trading volume is directly affected by economic, political and market conditions, broad trends in business and finance, unforeseen market closures or other disruptions in trading, the level and volatility of interest rates, inflation, changes in price levels of securities and the overall level of investor confidence. In recent years, trading volumes across our markets have fluctuated significantly depending on market conditions and other factors beyond our control. Current initiatives being considered by regulators and governments, such as restrictions on high frequency trading, could have a material adverse effect on overall trading volumes. Because a significant percentage of our revenues is tied directly to the volume of securities traded on our markets, it is likely that a general decline in trading volumes would lower revenues and may adversely affect our operating results if we are unable to offset falling volumes through our pricing. Declines in trading volumes may also impact our market share or pricing structures and adversely affect our business and financial condition.

Our market share of trading has declined and may continue to decline.

Our matched market share in NASDAQ-listed securities executed on NASDAQ declined from 46.1% in 2007 to 28.6% in 2010 and our combined matched market share in all U.S.-listed securities executed on all of our platforms declined from 29.1% in 2007 to 22.2% in 2010. In addition, as a result of the adoption of MiFID, a number of MTFs have launched, thereby significantly increasing competition in Europe. As a result, our matched market share in securities listed on our exchanges comprising NASDAQ OMX Nordic and NASDAQ OMX Baltic has declined from 100% in 2007 to 75% in 2010.

If our total market share in these securities continues to decrease relative to our competitors, our venues may be viewed as less attractive sources of liquidity. If growth in overall trading volume of these securities does not offset continued declines in our market share, or if our exchanges are perceived to be less liquid, then our business, financial condition and operating results could be adversely affected.

Declines in market share could result in issuers viewing the value of a listing on our exchanges as less attractive, thereby adversely affecting our listing business. Also, declines in market share of NASDAQ-listed securities could lower NASDAQ's share of tape pool revenues under the consolidated data plans, thereby reducing the revenues of our market data business.

Economic conditions and market factors, which are beyond our control, may adversely affect our business and financial condition.

Our business performance is impacted by a number of factors including general economic conditions, market volatility, and other factors that are generally beyond our control. Although access to credit markets has improved recently, a long-term continuation of challenging economic conditions is likely to negatively impact our business. Adverse market conditions could reduce customer demand for our services and the ability of our customers, lenders and other counterparties to meet their obligations to us. Poor economic conditions may result in a decline in trading volume, deterioration of the economic welfare of our listed companies and a reduction in the demand for our products, including our market data, indexes and market technology. Market volatility such as that seen with the "flash crash" on May 6, 2010 could drive investors away from cash equity markets. Trading volume is driven primarily by general market conditions and declines in trading volume may affect our market share and impact our pricing.

[Table of Contents](#)

The number of listings on our markets is primarily influenced by factors such as investor demand, the global economy, available sources of financing, and tax and regulatory policies. Adverse conditions may jeopardize the ability of our listed companies to comply with the continued listing requirements of our exchanges.

Market data revenues also may be significantly affected by global economic conditions. Professional subscriptions to our market data are at risk if staff reductions occur in financial services companies, which could result in significant reductions in our market data professional user revenue. In addition, adverse market conditions may cause reductions in the number of non-professional investors with investments in the market.

A reduction in trading volumes, market share of trading, the number of our listed companies and a decline in market data revenue due to economic conditions or other market factors could adversely affect our business, financial condition and operating results.

Declines in the initial public offering market could have an adverse effect on our revenues.

The market for initial public offerings is dependent on the prosperity of companies and the availability of risk capital, both of which have been severely tested in recent years. Stagnation or decline in the initial public offering market will impact the number of new listings on The NASDAQ Stock Market and the exchanges comprising NASDAQ OMX Nordic and NASDAQ OMX Baltic, and thus our related revenues. We recognize revenue from new listings on The NASDAQ Stock Market on a straight-line basis over an estimated six-year service period. As a result, a stagnant market for initial public offerings could cause a decrease in deferred revenues for future years. Furthermore, as initial public offerings are typically actively traded following their offering date, a prolonged decrease in the number of initial public offerings could negatively impact the growth of our transactions revenues.

System limitations, failures or security breaches could harm our business.

Our businesses depend on the integrity and performance of the computer and communications systems supporting them. If our systems cannot expand to cope with increased demand or otherwise fail to perform, we could experience unanticipated disruptions in service, slower response times and delays in the introduction of new products and services. These consequences could result in trade outages, lower trading volumes, financial losses, decreased customer service and satisfaction and regulatory sanctions. Our markets have experienced occasional systems failures and delays in the past and could experience future systems failures and delays.

Although we currently maintain and expect to maintain multiple computer facilities that are designed to provide redundancy and back-up to reduce the risk of system disruptions and have facilities in place that are expected to maintain service during a system disruption, such systems and facilities may prove inadequate. If trading volumes increase unexpectedly, we may need to expand and upgrade our technology, transaction processing systems and network infrastructure. We do not know whether we will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade our systems and infrastructure to accommodate any increases in a timely manner.

Our systems and operations also are vulnerable to damage or interruption from security breaches, data theft, human error, natural disasters, power loss, fire, sabotage, terrorism, computer viruses, intentional acts of vandalism and similar events. Given our position in the global securities industry, we may be more likely than other companies to be a direct target, or an indirect casualty, of such events. In February 2011, we announced that through our normal security monitoring systems, we detected suspicious files on our U.S. servers. The files were immediately removed and at this point there is no evidence that any customer information was accessed or acquired by third parties.

[Table of Contents](#)

While we have programs in place to identify and minimize our exposure to vulnerabilities and work in collaboration with the technology industry to share corrective measures with our business partners, we cannot guarantee that such events will not occur in the future. Any system issue that causes an interruption in services, decreases the responsiveness of our services or otherwise affects our services could impair our reputation, damage our brand name and negatively impact our business, financial condition and operating results.

Regulatory changes and changes in market structure, especially in response to adverse financial conditions, could have a material adverse effect on our business.

In recent years, the securities trading industry and, in particular, the securities markets have been subject to significant regulatory changes. Moreover, in the past two years, the securities markets have been the subject of increasing governmental and public scrutiny in response to the global economic crisis and market volatility, such as that seen with the regulation of short selling and the “flash crash” on May 6, 2010.

During the coming year, it is likely that there will be significant changes in the regulatory environment in which we operate our businesses, although we cannot predict the nature of these changes or their impact on our business at this time. For example, in January 2010, the SEC published a concept release covering a wide range of market structure issues, and on May 6, 2010, cash equity markets experienced record volatility, which resulted in accelerated SEC rulemaking. Both events could result in regulation that could significantly change the competitive landscape. The European Parliament has begun a review of MiFID that could affect our operations in Europe. In addition, actions on any of the specific regulatory issues currently under review in the U.S. and Europe such as short selling, co-location, high-frequency trading, market halts, the market data business, derivatives clearing, market transparency, taxes on stock transactions, restrictions on proprietary trading by certain of our customers and other related proposals could have a material impact on our business.

Our market participants also operate in a highly regulated industry. The SEC, the SFSA and other regulatory authorities could impose regulatory changes that could adversely impact the ability of our market participants to use our markets. Regulatory changes by the SEC, the SFSA or other regulatory authorities could result in the loss of a significant number of market participants or a reduction in trading activity on our markets.

We will need to invest in our operations to maintain and grow our business and to integrate acquisitions, and we may need additional funds, which may not be readily available.

We depend on the availability of adequate capital to maintain and develop our business. Although we believe that we can meet our current capital requirements from internally generated funds, cash on hand and available borrowings under our existing credit facilities, if the capital and credit markets experience volatility, access to capital or credit may not be available on terms acceptable to us or at all. Limited access to capital or credit in the future could have an impact on our ability to refinance debt, maintain our credit rating, meet our regulatory capital requirements, engage in strategic initiatives, make acquisitions or strategic investments in other companies or react to changing economic and business conditions. If we are unable to fund our capital or credit requirements, it could have an adverse effect on our business, financial condition and operating results.

In addition to our debt obligations, we will need to continue to invest in our operations for the foreseeable future to integrate acquired businesses and to fund new initiatives. If we do not achieve the expected operating results, we will need to reallocate our cash resources. This may include borrowing additional funds to service debt payments, which may impair our ability to make investments in our business or to integrate acquired businesses.

Should we need to raise funds through issuing additional equity, our equity holders will suffer dilution. Should we need to raise funds through incurring additional debt, we may become subject to covenants even more restrictive than those contained in our existing credit facilities, the indentures governing our notes and our other debt instruments. Furthermore, if adverse economic conditions occur, we could experience decreased revenues from our operations which could affect our ability to satisfy financial and other restrictive covenants to which we are subject under our existing indebtedness.

Any reduction in our credit rating could increase the cost of our funding from the capital markets.

Our long-term debt is currently rated investment grade by two of the major rating agencies. These rating agencies regularly evaluate us and their ratings of our long-term debt are based on a number of factors, including our financial strength as well as factors not entirely within our control, including conditions affecting the financial services industry generally. There can be no assurance that we will maintain our current ratings. Our failure to maintain those ratings could adversely affect the cost and other terms upon which we are able to obtain funding and increase our cost of capital. A reduction in credit ratings would also result in increases in the cost of our outstanding debt as the interest rate on the outstanding amounts under our term loans and our 5.25% senior notes due 2018 fluctuates based on our credit ratings.

We may not be able to keep up with rapid technological and other competitive changes affecting our industry.

The markets in which we compete are characterized by rapidly changing technology, evolving industry standards, frequent enhancements to existing products and services, the adoption of new services and products and changing customer demands. If our platforms fail to function as expected, our business would be negatively affected. In addition, our business, financial condition and operating results may be adversely affected if we cannot successfully develop, introduce or market new services and products or if we need to adopt costly and customized technology for our services and products. Further, our failure to anticipate or respond adequately to changes in technology and customer preferences, especially in our market technology business, or any significant delays in product development efforts, could have a material adverse effect on our business, financial condition and operating results.

We may not be able to successfully integrate acquired businesses, which may result in an inability to realize the anticipated benefits of our acquisitions.

We must rationalize, coordinate and integrate the operations of acquired businesses. This process involves complex technological, operational and personnel-related challenges, which are time-consuming and expensive and may disrupt our business. The difficulties, costs and delays that could be encountered may include:

- unforeseen difficulties, costs or complications in combining the companies' operations, which could lead to us not achieving the synergies we anticipate;
- unanticipated incompatibility of systems and operating methods;
- inability to use capital assets efficiently to develop the business of the combined company;
- the difficulty of complying with government-imposed regulations in the U.S. and abroad, which may be conflicting;
- resolving possible inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures;
- the diversion of management's attention from ongoing business concerns and other strategic opportunities;
- unforeseen difficulties in operating acquired businesses in parallel with similar businesses that we operated previously;
- unforeseen difficulties in operating businesses we have not operated before;
- unanticipated difficulty of integrating multiple acquired businesses simultaneously;
- the retention of key employees and management;

[Table of Contents](#)

- the implementation of disclosure controls, internal controls and financial reporting systems at non-U.S. subsidiaries to enable us to comply with U.S. generally accepted accounting principles, or U.S. GAAP, and U.S. securities laws and regulations, including the Sarbanes Oxley Act of 2002, required as a result of our status as a reporting company under the Exchange Act;
- the coordination of geographically separate organizations;
- the coordination and consolidation of ongoing and future research and development efforts;
- possible tax costs or inefficiencies associated with integrating the operations of a combined company;
- pre-tax restructuring and revenue investment costs;
- the retention of strategic partners and attracting new strategic partners; and
- negative impacts on employee morale and performance as a result of job changes and reassignments.

For these reasons, we may not achieve the anticipated financial and strategic benefits from our acquisitions. Any actual cost savings and synergies may be lower than we expect and may take a longer time to achieve than we anticipate, and we may fail to realize the anticipated benefits of acquisitions.

We may experience fluctuations in our operating results, which may adversely affect the market price of our common stock.

The financial services industry is risky and unpredictable and is directly affected by many national and international factors beyond our control, including:

- economic, political and geopolitical market conditions;
- natural disasters, terrorism, war or other catastrophes;
- broad trends in industry and finance;
- changes in price levels and volatility in the stock markets;
- the level and volatility of interest rates;
- changes in government monetary or tax policy;
- other legislative and regulatory changes;
- the perceived attractiveness of the U.S. or European capital markets; and
- inflation.

Any one of these factors could have a material adverse effect on our business, financial condition and operating results by causing a substantial decline in the financial services markets and reducing trading volumes.

Additionally, since borrowings under our credit facilities bear interest at variable rates, any increase in interest rates on debt that we have not fixed using interest rate hedges will increase our interest expense and reduce our cash flow. Other than variable rate debt, we believe our business has relatively large fixed costs and low variable costs, which magnifies the impact of revenue fluctuations on our operating results. As a result, a decline in our revenue may lead to a relatively larger impact on operating results. A substantial portion of our operating expenses will be related to personnel costs, regulation and corporate overhead, none of which can be adjusted quickly and some of which cannot be adjusted at all. Our operating expense levels will be based on our expectations for future revenue. If actual revenue is below management's expectations, or if our expenses increase before revenues do, both revenues less transaction rebates, brokerage, clearance and exchange fees and operating results would be materially and adversely affected. Because of these factors, it is possible that our operating results or other operating metrics may fail to meet the expectations of stock market analysts and investors. If this happens, the market price of our common stock may be adversely affected.

[Table of Contents](#)

We are exposed to credit risk from third parties, including customers, counterparties and clearing agents.

We are exposed to credit risk from third parties, including customers, counterparties and clearing agents. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons.

We clear or stand as riskless principal to a range of equity-related and fixed-income-related derivative products, energy-related commodity products and resale and repurchase agreements. We assume the counterparty risk for all transactions that are cleared through our markets and guarantee that our cleared contracts will be honored. We enforce minimum financial and operational criteria for membership eligibility, require members and investors to provide collateral, and maintain established risk policies and procedures to ensure that the counterparty risks are properly monitored and pro-actively managed; however, none of these measures provides absolute assurance against experiencing financial losses from defaults by our counterparties on their obligations. No guarantee can be given that the collateral provided will at all times be sufficient. Although we maintain clearing capital resources to serve as an additional layer of protection to help ensure that we are able to meet our obligations, these resources may not be sufficient.

Our subsidiaries Nasdaq Execution Services and NASDAQ Options Services may be exposed to credit risk, due to the default of trading counterparties, in connection with the clearing and routing services they provide for our trading customers. System trades in cash equities routed to other market centers for members of The NASDAQ Stock Market are cleared by Nasdaq Execution Services, as a member of the National Securities Clearing Corporation, or NSCC. System trades in derivative contracts for the opening and closing cross and trades routed to other market centers are cleared by NASDAQ Options Services, as a member of the OCC. Pursuant to the rules of the NSCC and Nasdaq Execution Services' clearing agreement, Nasdaq Execution Services is liable for any losses incurred due to counterparty or a clearing agent's failure to satisfy its contractual obligations, either by making payment or delivering securities. Pursuant to the rules of the OCC and NASDAQ Options Services' clearing agreement, NASDAQ Options Services is liable for any losses incurred due to counterparty or a clearing agent's failure to satisfy its contractual obligations, either by making payment or delivering securities. Adverse movements in the prices of securities and derivative contracts that are subject to these transactions can increase our credit risk. Credit difficulties or insolvency, or the perceived possibility of credit difficulties or insolvency, of one or more larger or visible market participants could also result in market-wide credit difficulties or other market disruptions.

We also have credit risk related to transaction fees that are billed to customers on a monthly basis, in arrears. Our customers are financial institutions whose ability to satisfy their contractual obligations may be impacted by volatile securities markets.

Credit losses such as those described above could adversely affect our consolidated financial position and results of operations.

Our leverage limits our financial flexibility, increases our exposure to weakening economic conditions and may adversely affect our ability to obtain additional financing.

In connection with recent acquisitions and share repurchases, we incurred a significant amount of indebtedness. Our indebtedness as of December 31, 2010 was approximately \$2.3 billion. We also may borrow up to an additional \$250 million under a revolver that is part of our credit facilities.

Our leverage could:

- reduce funds available to us for operations and general corporate purposes or for capital expenditures as a result of the dedication of a substantial portion of our consolidated cash flow from operations to the payment of principal and interest on our indebtedness;
- increase our exposure to a continued downturn in general economic conditions;

[Table of Contents](#)

- place us at a competitive disadvantage compared with our competitors with less debt; and
- affect our ability to obtain additional financing in the future for refinancing indebtedness, acquisitions, working capital, capital expenditures or other purposes.

In addition, we must comply with the covenants in our credit facilities. Among other things, these covenants restrict our ability to grant liens, incur additional indebtedness, pay dividends and conduct transactions with affiliates. Failure to meet any of the covenant terms of our credit facilities could result in an event of default. If an event of default occurs, and we are unable to receive a waiver of default, our lenders may increase our borrowing costs, restrict our ability to obtain additional borrowings and accelerate all amounts outstanding.

We may incur goodwill, intangible asset or other long-lived asset impairment charges in the future.

Our business acquisitions typically result in the recording of goodwill and intangible assets, and the recorded values of those assets may become impaired in the future. As of December 31, 2010, goodwill totaled approximately \$5.1 billion and intangible assets, net of accumulated amortization, totaled approximately \$1.7 billion. The determination of the value of such goodwill and intangible assets requires management to make estimates and assumptions that affect our consolidated financial statements. Goodwill for our three reporting units are reviewed for impairment annually, or in interim periods if certain events occur indicating that the carrying value may be impaired. We test for impairment during the fourth quarter of our fiscal year using October 1st carrying values. We assess potential impairments to goodwill and intangible assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate cash flow. Our judgments regarding the existence of impairment indicators and future cash flows related to goodwill and intangible assets are based on operational performance of our acquired businesses, market conditions, relevant trading multiples of comparable companies, the trading price of our common stock and other factors. Although there are inherent uncertainties in this assessment process, the estimates and assumptions we use are consistent with our internal planning. However, disruptions to our business, such as economic weakness and unexpected significant declines in operating results of reporting units, may result in our having to perform a goodwill impairment test for some or all of our reporting units prior to the required annual assessment. These types of events and the resulting analysis could result in goodwill or intangible asset impairment charges in the future. For goodwill, if the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill is less than the carrying value. For indefinite-lived intangible assets, impairment exists if the carrying value of the intangible asset exceeds its fair value.

We also assess potential impairments to our other long-lived assets, including finite-lived intangible assets, equity method investments, property and equipment and other assets, when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. An impairment loss is recognized when the carrying amount of the long-lived asset exceeds its fair value and is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to operating results.

If we incur goodwill, intangible asset or other long-lived asset impairment charges in the future our operating results could be adversely affected.

The regulatory framework under which we operate and new regulatory requirements or new interpretations of existing regulatory requirements could require substantial time and resources for compliance, which could make it difficult and costly for us to operate our business.

Our business is subject to extensive regulation. Under current U.S. federal securities laws, changes in the rules and operations of our markets, including our pricing structure, must be reviewed and in many cases

[Table of Contents](#)

explicitly approved by the SEC. The SEC may approve, disapprove, or recommend changes to proposals that we submit. In addition, the SEC may delay either the approval process or the initiation of the public comment process. Any delay in approving changes, or the altering of any proposed change, could have an adverse effect on our business, financial condition and operating results. We must compete not only with ATSS that are not subject to the same SEC approval process but also with other exchanges that may have lower regulation and surveillance costs than us. There is a risk that trading will shift to exchanges that charge lower fees because, among other reasons, they spend significantly less on regulation.

In addition, our registered broker-dealer subsidiaries are subject to regulation by the SEC, FINRA and other self-regulatory organizations. These subsidiaries are subject to regulatory requirements intended to ensure their general financial soundness and liquidity, which require that they comply with certain minimum capital requirements. The SEC and FINRA impose rules that require notification when a broker-dealer's net capital falls below certain predefined criteria, dictate the ratio of debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the Uniform Net Capital Rule and NYSE and FINRA rules impose certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC, the NYSE and FINRA for certain withdrawals of capital. Any failure to comply with these broker-dealer regulations could have a material adverse effect on the operation of our business, financial condition and operating results.

Our non-U.S. business is subject to regulatory oversight in all the countries in which we operate regulated businesses, such as exchanges or CSDs. The countries in which we currently operate or share ownership in regulated businesses include Sweden, Finland, Denmark, Iceland, Estonia, Lithuania, Latvia, Norway, Armenia, Switzerland, the Netherlands and the United Kingdom. In all the aforementioned countries, we have received authorization from the relevant authorities to conduct our regulated business activities. The authorities may revoke this authorization if we do not suitably carry out our regulated business activities. The authorities are also entitled to request that we adopt measures in order to ensure that we continue to fulfill the authorities' requirements.

Furthermore, we hold minority stakes in other regulated entities, and certain of our customers operate in a highly regulated industry. Regulatory authorities with jurisdiction over our non-U.S. entities could impose regulatory changes that could impact the ability of our customers to use our European exchanges. The loss of a significant number of customers or a reduction in trading activity on any of our European exchanges as a result of such changes could have a material adverse effect on our business, financial condition and operating results.

Our business may be impacted by the adoption and implementation of the Dodd-Frank Act.

On July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Act, a comprehensive banking and financial services reform package. Full implementation of the Act will require extensive rulemaking by the SEC, the CFTC, SROs and other regulators. In light of the uncertainty of the final implementation of the Act, there is a risk that the final regulations could include provisions that could impact our business.

The Act provides for central clearing of standardized over-the-counter swaps and requires cleared swaps to be traded on exchanges or swap execution facilities. While these new requirements may provide new opportunities for us, including the opportunity to expand the business of IDCG, our existing offering to clear over-the-counter interest rate swap products, other market participants have developed, and likely will develop in the future, competing clearing platforms and offerings. We cannot guarantee that we will be able to compete effectively or that our initiatives in this area will be successful.

In addition, market participants may change their behavior in response to the Act and the expected regulations. For example, the Act's prohibitions on proprietary trading and certain relationships with hedge funds and private equity funds may cause some of our major clients to curtail or eliminate their trading operations in

[Table of Contents](#)

advance of the effective date. To the extent that our existing customers and other market participants reduce the levels or restrict the nature of activity on our exchanges, our business, financial condition and operating results may be adversely affected. Furthermore, if the Act or any of the pending regulations are perceived as creating new burdensome legal and regulatory requirements on public companies in the U.S., it may decrease our ability to compete for listings with competitor exchanges in non-U.S. jurisdictions.

We have self-regulatory obligations and also operate for-profit businesses, and these two roles may create conflicts of interest.

We have obligations to regulate and monitor activities on our markets and ensure compliance with applicable law and the rules of our markets by market participants and listed companies. In the U.S., the SEC staff has expressed concern about potential conflicts of interest of “for-profit” markets performing the regulatory functions of a self-regulatory organization. Although our U.S. cash equities and options exchanges outsource the majority of their market regulation functions to FINRA, we do perform regulatory functions related to our listed companies and our markets. Any failure by us to diligently and fairly regulate our markets or to otherwise fulfill our regulatory obligations could significantly harm our reputation, prompt SEC scrutiny and adversely affect our business and reputation.

Our Nordic and Baltic exchanges also monitor trading and compliance with listing standards. They monitor the listing of cash equities and other financial instruments. The prime objective of such monitoring activities is to promote confidence in the exchanges among the general public and to ensure fair and orderly functioning markets. The monitoring functions within the exchanges comprising NASDAQ OMX Nordic and NASDAQ OMX Baltic are the responsibility of the surveillance departments or other surveillance personnel. The surveillance departments or personnel are intended to strengthen the integrity of and confidence in these exchanges and to avoid conflicts of interest. Any failure to diligently and fairly regulate the Nordic and Baltic exchanges could significantly harm our reputation, prompt scrutiny from regulators and adversely affect our business and reputation.

We are subject to risks relating to litigation, potential securities law liability and other liability.

Many aspects of our business potentially involve substantial liability risks. Although we are immune from private suits for self-regulatory organization activities, this immunity only covers certain of our activities in the U.S., and we could be exposed to liability under national and local laws, court decisions and rules and regulations promulgated by regulatory agencies.

In the U.S., we are subject to oversight by the SEC, and our subsidiaries NFX and IDCH are subject to oversight by the CFTC. Our subsidiary NOCC has applied to register with the CFTC and is regulated as a power marketer by the Federal Energy Regulatory Commission (for transactions in every state but Texas) and the Public Utility Commission of Texas (for transactions in Texas). In the case of non-compliance with our obligations under the securities, commodities or other laws, we could be subject to investigation and judicial or administrative proceedings that may result in substantial penalties.

Our non-U.S. business is regulated both at the national level in several countries and at the European Union level. Implementation and application of these regulations may be undertaken by one or more regulatory authorities, which may challenge compliance with one or more aspects of such regulations. If a regulatory authority makes a finding of non-compliance, conditional fines can be imposed and our licenses can be revoked.

Some of our other liability risks arise under the laws and regulations relating to the insurance, tax, intellectual property, anti-money laundering, technology export, foreign asset controls and foreign corrupt practices areas. Liability could also result from disputes over the terms of a trade, claims that a system failure or delay cost a customer money, claims we entered into an unauthorized transaction or claims that we provided

[Table of Contents](#)

materially false or misleading statements in connection with a securities transaction. As we intend to defend any such litigation actively, significant legal expenses could be incurred. Although we carry insurance that may limit our risk of damages in some cases, we still may sustain losses that would affect our financial condition and results of operations.

Failure to attract and retain key personnel may adversely affect our ability to conduct our business.

Our future success depends, in large part, upon our ability to attract and retain highly qualified professional personnel. Competition for key personnel in the various localities and business segments in which we operate is intense. Our ability to attract and retain key personnel, in particular senior officers, will be dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. There is no guarantee that we will have the continued service of key employees who we rely upon to execute our business strategy and identify and pursue strategic opportunities and initiatives. In particular, we may have to incur costs to replace senior officers or other key employees who leave, and our ability to execute our business strategy could be impaired if we are unable to replace such persons in a timely manner.

We are highly dependent on the continued services of Robert Greifeld, our Chief Executive Officer, and other senior officers and key employees who possess extensive financial markets knowledge and technology skills. We do not have employment agreements with some of these key senior officers. We do not maintain “key person” life insurance policies on any of our senior officers, managers, key employees or technical personnel. The loss of the services of these persons for any reason, as well as any negative market or industry perception arising from those losses, could have a material adverse effect on our business, financial condition and operating results.

Failure to protect our intellectual property rights, or allegations that we have infringed on the intellectual property rights of others, could harm our brand-building efforts and ability to compete effectively.

To protect our intellectual property rights, we rely on a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with our affiliates, clients, strategic partners and others. The protective steps that we take may be inadequate to deter misappropriation of our proprietary information. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights.

We have registered, or applied to register, our trademarks in the United States and in over 50 foreign jurisdictions and have pending U.S. and foreign applications for other trademarks. We also maintain copyright protection on our branded materials and pursue patent protection for software products, inventions and other processes developed by us. We also hold a number of patents, patent applications and licenses. Effective trademark, copyright, patent and trade secret protection may not be available in every country in which we offer our services. Failure to protect our intellectual property adequately could harm our brand and affect our ability to compete effectively. Further, defending our intellectual property rights could result in the expenditure of significant financial and managerial resources.

Third parties may assert intellectual property rights claims against us, which may be costly to defend, could require the payment of damages and could limit our ability to use certain technologies, trademarks or other intellectual property. Any intellectual property claims, with or without merit, could be expensive to litigate or settle and could divert management resources and attention. Successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe or violate the rights of others, or require us to purchase licenses from third parties, any of which could adversely affect our business, financial condition and operating results.

Damage to our reputation or brand name could have a material adverse effect on our businesses.

One of our competitive strengths is our strong reputation and brand name. Various issues may give rise to reputational risk, including issues relating to:

- the representation of our business in the media;
- the accuracy of our financial statements and other financial and statistical information;
- the accuracy of our financial guidance or other information provided to our investors;
- the quality of our corporate governance structure;
- the quality of our products, including the reliability of our transaction-based business, the accuracy of the quote and trade information provided by our market data business and the accuracy of calculations used by our Global Index Group for indexes and unit investment trusts;
- the ability to execute our business plan, key initiatives or new business ventures and the ability to keep up with changing customer demand;
- the quality of our disclosure controls or internal controls over financial reporting, including any failures in supervision;
- extreme price volatility on our markets, such as that seen with the “flash crash” on May 6, 2010;
- any negative publicity surrounding our listed companies; and
- any misconduct, fraudulent activity or theft by our employees or other persons formerly or currently associated with us.

Damage to our reputation could cause some issuers not to list their securities on our exchanges, as well as reduce the trading volume on our exchanges or cause us to lose customers in our market data, index or market technology businesses. This, in turn, may have a material adverse effect on our business, financial condition and operating results.

We rely on third parties to perform certain functions, and our business could be adversely affected if these third parties fail to perform as expected.

We rely on third parties for regulatory, data center and other services. For example, we have a contractual arrangement with FINRA pursuant to which FINRA performs certain regulatory functions on our behalf. We also are highly reliant on third-party data centers provided by Verizon. To the extent that FINRA, Verizon or any other vendor or third-party service provider experiences difficulties, materially changes their business relationship with us or is unable for any reason to perform their obligations, our business or our reputation may be materially adversely affected.

We also rely on members of our trading community to maintain markets and add liquidity. To the extent that any of our largest members experiences difficulties, materially changes their business relationship with us or is unable for any reason to perform market making activities, our business or our reputation may be materially adversely affected.

We are a holding company that depends on cash flow from our subsidiaries to meet our obligations, and any restrictions on our subsidiaries' ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition.

We are a holding company with no direct operating businesses other than the equity interests of our subsidiaries. We require dividends and other payments from our subsidiaries to meet cash requirements or to pay dividends. Minimum capital requirements mandated by regulatory authorities having jurisdiction over some of

[Table of Contents](#)

our regulated subsidiaries indirectly restrict the amount of dividends paid upstream. If our subsidiaries are unable to pay dividends and make other payments to us when needed, we may be unable to satisfy our obligations, which would have a material adverse effect on our business, financial condition and operating results.

Future acquisitions, investments, partnerships and joint ventures may require significant resources and/or result in significant unanticipated losses, costs or liabilities.

Over the past several years, acquisitions have been significant factors in our growth. Although we cannot predict our rate of growth as the result of acquisitions with complete accuracy, we believe that additional acquisitions and investments or entering into partnerships and joint ventures will be important to our growth strategy. Many of the other potential purchasers of assets in our industry have greater financial resources than we have. Therefore, we cannot be sure that we will be able to complete future acquisitions on terms favorable to us.

We may finance future acquisitions by issuing additional equity and/or debt. The issuance of additional equity in connection with any such transaction could be substantially dilutive to existing shareholders. The issuance of additional debt could increase our leverage substantially. In addition, announcement or implementation of future transactions by us or others could have a material effect on the price of our common stock. We could face financial risks associated with incurring additional debt, particularly if the debt results in significant incremental leverage. Additional debt may reduce our liquidity, curtail our access to financing markets, impact our standing with credit agencies and increase the cash flow required for debt service. Any incremental debt incurred to finance an acquisition could also place significant constraints on the operation of our business.

Furthermore, any future acquisitions of businesses or facilities could entail a number of additional risks, including:

- problems with effective integration of operations;
- the inability to maintain key pre-acquisition business relationships;
- increased operating costs;
- the diversion of our management team from its other operations;
- problems with regulatory bodies;
- exposure to unanticipated liabilities;
- difficulties in realizing projected efficiencies, synergies and cost savings; and
- changes in our credit rating and financing costs.

Our non-U.S. business operates in various international markets, particularly emerging markets, that are subject to greater political, economic and social uncertainties than developed countries.

The operations of our non-U.S. business are subject to the risk inherent in international operations, including but not limited to, risks with respect to operating in Iceland, the Baltics, Central and Eastern Europe, the Middle East and Asia. Some of these economies may be subject to greater political, economic and social uncertainties than countries with more developed institutional structures. Political, economic or social events or developments in one or more of these countries could adversely affect our operations and financial results.

We have invested substantial capital in system platforms, and a failure to successfully implement such systems could adversely affect our business.

In our technology operations, we have invested substantial amounts in the development of system platforms and in the rollout of our platforms. Although investments are carefully planned, there can be no assurance that the demand for such platforms will justify the related investments and that the future levels of transactions

[Table of Contents](#)

executed on these platforms will be sufficient to generate an acceptable return on such investments. If we fail to generate adequate revenue from planned system platforms, or if we fail to do so within the envisioned timeframe, it could have an adverse effect on our results of operations and financial condition.

Because we have operations in several countries, we are exposed to currency risk.

We have operations in the U.S., the Nordic and Baltic countries, Australia and many other foreign countries. We therefore have significant exposure to exchange rate movements between the Euro, Swedish Krona, Danish Krone, Norwegian Krone, Australian dollar and other foreign currencies towards the U.S. dollar. Significant inflation or disproportionate changes in foreign exchange rates with respect to one or more of these currencies could occur as a result of general economic conditions, acts of war or terrorism, changes in governmental monetary or tax policy or changes in local interest rates. These exchange rate differences will affect the translation of our non-U.S. results of operations and financial condition into U.S. dollars as part of the preparation of our consolidated financial statements.

Charges to earnings resulting from acquisition, restructuring and integration costs may materially adversely affect the market value of our common stock.

In accordance with U.S. GAAP, we are accounting for the completion of our acquisitions using the purchase method of accounting. We are allocating the total estimated purchase prices to net tangible assets, amortizable intangible assets and indefinite-lived intangibles, and based on their fair values as of the date of completion of the acquisitions, recording the excess of the purchase price over those fair values as goodwill. Our financial results, including earnings per share, or EPS, could be adversely affected by a number of financial adjustments required by U.S. GAAP including the following:

- we will incur additional amortization expense over the estimated useful lives of certain of the intangible assets acquired in connection with acquisitions during such estimated useful lives;
- we may have additional depreciation expense as a result of recording purchased tangible assets at fair value, in accordance with U.S. GAAP, as compared to book value as recorded;
- to the extent the value of goodwill or intangible assets becomes impaired, we may be required to incur material charges relating to the impairment of those assets; and
- we will incur certain adjustments to reflect the financial condition and operating results under U.S. GAAP and U.S. dollars.

Risks Relating to an Investment in Our Common Stock

Volatility in our stock price could adversely affect our stockholders.

The market price of our common stock is likely to be volatile. Broad market and industry factors may adversely affect the market price of our common stock, regardless of our actual operating performance. Factors that could cause fluctuations in our stock price may include, among other things:

- actual or anticipated variations in our quarterly operating results;
- changes in financial estimates by us or by any securities analysts who might cover our common stock;
- conditions or trends in our industry, including trading volumes, regulatory changes or changes in the securities marketplace;
- conditions or trends in the credit markets;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;

[Table of Contents](#)

- additions or departures of key personnel; and
- sales of our common stock, including sales of our common stock by our directors and officers, significant stockholders or our strategic investors.

The market price of our common stock could be negatively affected by sales of substantial amounts of our common stock in the public markets.

Sales of a substantial number of shares of our common stock in the public markets, or the perception that these sales might occur, could cause the market price of our common stock to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities. As of December 31, 2010, there were 175,782,683 shares of our common stock outstanding. All of our common stock is freely transferable, except shares held by our “affiliates,” as defined in Rule 144 under the Securities Act.

The number of freely transferable shares of our common stock will increase upon any exercise of outstanding options pursuant to our stock compensation and stock award plan for our employees. There were 6.1 million options exercisable as of December 31, 2010 at a weighted average exercise price of \$13.19.

It is our intent and policy to settle the principal amounts of our 2.50% convertible notes in cash, which will not impact the number of shares of our common stock. However, we have the option to settle the conversion premium in shares of our common stock or cash. The conversion rate will initially be 18.1386 shares of common stock per \$1,000 principal amount of notes, which is equivalent to a conversion price of \$55.13 per share of common stock.

Provisions of our certificate of incorporation, by-laws, exchange rules (including provisions included to address SEC concerns) and Delaware law could delay or prevent a change in control of us and entrench current management.

Our organizational documents place restrictions on the voting rights of certain stockholders. The holders of our common stock are entitled to one vote per share on all matters to be voted upon by the stockholders except that no person may exercise voting rights in respect of any shares in excess of 5% of the then outstanding shares of our common stock. Any change to the 5% voting limitation would require SEC approval.

In response to the SEC’s concern about a concentration of our ownership, the rules of our U.S. exchanges include a rule prohibiting any member or any person associated with a member of the exchange from beneficially owning more than 20% of our outstanding voting interests. SEC consent would be required before any investor could obtain more than a 20% voting interest in us. The rules of our U.S. exchanges also require the SEC’s approval of any business ventures with one of our members, subject to exceptions.

Our organizational documents contain provisions that may be deemed to have an anti-takeover effect and may delay, deter or prevent a change of control of us, such as a tender offer or takeover proposal that might result in a premium over the market price for our common stock. Additionally, certain of these provisions make it more difficult to bring about a change in the composition of our board of directors, which could result in entrenchment of current management.

Our certificate of incorporation and by-laws:

- require supermajority stockholder approval to remove directors;
- do not permit stockholders to act by written consent or to call special meetings;
- require certain advance notice for director nominations and actions to be taken at annual meetings;

Table of Contents

- require supermajority stockholder approval with respect to certain amendments to our certificate of incorporation and by-laws (including in respect of the provisions set forth above); and
- authorize the issuance of undesignated preferred stock, or “blank check” preferred stock, which could be issued by our board of directors without stockholder approval.

Section 203 of the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any holder of 15% or more (or, in some cases, a holder who previously held 15% or more) of our common stock. In general, Delaware law prohibits a publicly held corporation from engaging in a “business combination” with an “interested stockholder” for three years after the stockholder becomes an interested stockholder, unless the corporation’s board of directors and stockholders approve the business combination in a prescribed manner.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The following is a description of our principal properties.

<u>Location</u>	<u>Use</u>	<u>Size (approximate, in square feet)</u>	<u>Type of possession</u>
New York, New York	Location of MarketSite	38,000	Lease
New York, New York	U.S. headquarters	115,000	Subleased from FINRA with 17,931 square feet leased back to FINRA
New York, New York	General office space	53,000	Subleased to third parties
New York, New York	General office space	48,000	Lease
Philadelphia, Pennsylvania	Location of NASDAQ OMX PHLX	147,000	Lease
Rockville, Maryland	General office space	78,000	Lease
Shelton, Connecticut	General office space	29,000	Lease
Stockholm, Sweden	European headquarters	366,000	Lease
London, England	General office space	71,000	Lease
Helsinki, Finland	General office space	20,000	Lease
Copenhagen, Denmark	General office space	29,000	Lease

We also maintain local headquarters in each of the other European countries where we operate an exchange and office space in countries in which we conduct sales and operations, including Armenia, Australia, Canada, China, Estonia, Hong Kong, Iceland, Italy, Japan, Latvia, Lithuania, Norway, Singapore and United Arab Emirates.

In addition to the above, we currently lease administrative, sales and disaster preparedness facilities in California, Illinois, Massachusetts, Oregon and Washington, DC.

Generally, our properties are not earmarked for use by a particular segment; instead, most of our properties are used by two or more segments. We believe the facilities we occupy are adequate for the purposes for which they are currently used and are well-maintained. As of December 31, 2010, approximately 200,000 square feet of space was available for sublease.

[Table of Contents](#)

Item 3. Legal Proceedings.

We are not currently a party to any litigation that we believe could have a material adverse effect on our business, financial condition or operating results. However, from time to time, we have been threatened with, or named as a defendant in, lawsuits or involved in regulatory proceedings.

Item 4. (Removed and Reserved).

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock has been listed on The NASDAQ Stock Market (formerly The Nasdaq National Market) since February 10, 2005, under the ticker symbol "NDAQ." From July 1, 2002 through February 9, 2005, our common stock traded on the OTCBB under the symbol "NDAQ."

The following chart lists the quarterly high and low sales prices for shares of our common stock for fiscal years 2010 and 2009. These prices are between dealers and do not include retail markups, markdowns or other fees and commissions and may not represent actual transactions.

	<u>High</u>	<u>Low</u>
<i>Fiscal 2010</i>		
Fourth quarter	\$24.34	\$19.07
Third quarter	20.54	17.18
Second quarter	23.11	17.54
First quarter	21.33	17.87
<i>Fiscal 2009</i>		
Fourth quarter	\$21.02	\$17.63
Third quarter	23.24	18.71
Second quarter	22.93	17.51
First quarter	27.39	18.35

As of February 10, 2011, we had approximately 880 holders of record of our common stock. As of February 10, 2011, the closing price of our common stock was \$27.82. Our credit facilities limit our ability to pay dividends. Before our credit facilities were in place, it was not our policy to declare or pay cash dividends on our common stock.

Issuer Purchases of Equity Securities

Share Repurchase Program

During 2010, our board of directors approved a share repurchase program authorizing NASDAQ OMX to repurchase in the aggregate up to \$797 million of our outstanding common stock which includes the authorization for the repurchase of our common stock from Borse Dubai, discussed below. Prior to our share repurchase from Borse Dubai, during the first nine months of 2010, we repurchased 15,050,647 shares of our common stock at an average price of \$19.95 with an aggregate purchase price of \$300 million.

In December 2010, we purchased 22,781,000 shares of our common stock from Borse Dubai for \$21.82 per share with an aggregate purchase price of approximately \$497 million. This share purchase from Borse Dubai expanded, accelerated and completed the purchase of our shares pursuant to our previously announced share repurchase program.

Employee Transactions

In addition to our share repurchase program, during the fiscal quarter ended December 31, 2010 we also purchased shares from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants.

[Table of Contents](#)

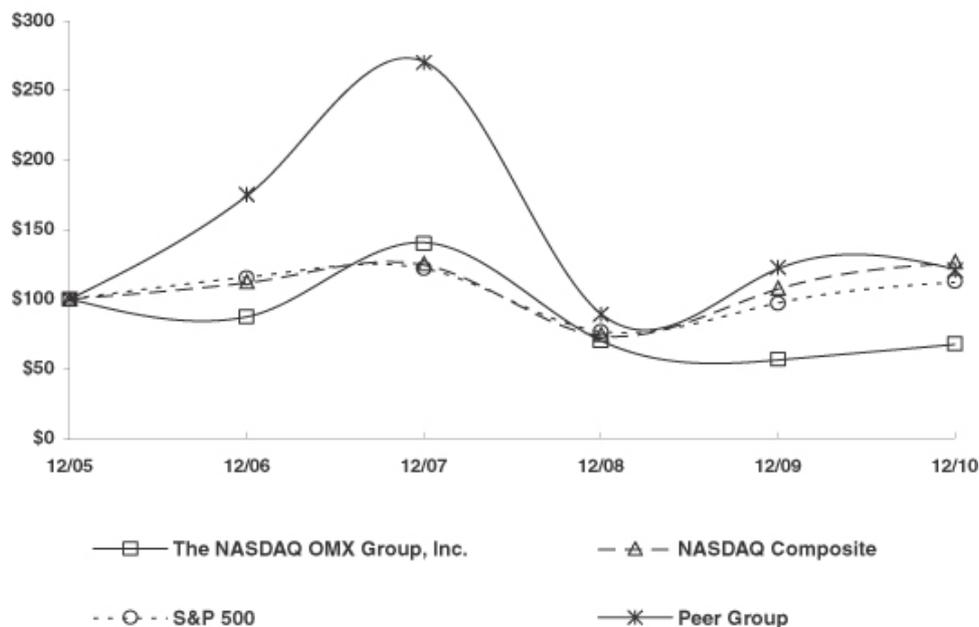
The table below represents repurchases made by or on behalf of us or any “affiliated purchaser” of our common stock during the fiscal quarter ended December 31, 2010:

<u>Period</u>	<u>(a) Total Number of Shares Purchased</u>	<u>(b) Average Price Paid Per Share</u>	<u>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>(d) Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)</u>
October 2010				
Share repurchase program	—	\$ —	—	\$ 250
Employee transactions	2,118	\$ 19.76	N/A	N/A
November 2010				
Share repurchase program	—	\$ —	—	\$ 250
Employee transactions	170	\$ 21.54	N/A	N/A
December 2010				
Share repurchase program	22,781,000	\$ 21.82	22,781,000	\$ —
Employee transactions	126,212	\$ 22.71	N/A	N/A
Total Fiscal Quarter Ended December 31, 2010				
Share repurchase program	<u>22,781,000</u>	<u>\$ 21.82</u>	<u>22,781,000</u>	<u>\$ —</u>
Employee transactions	<u>128,500</u>	<u>\$ 22.66</u>	<u>N/A</u>	<u>N/A</u>

PERFORMANCE GRAPH

The following graph compares the total return of our common stock with certain indices and a peer group. These include the NASDAQ Composite Stock Index and the Standard & Poor's, or S&P, 500 Stock Index as well as the peer group. The peer group includes the CME Group Inc., Deutsche Börse AG, Intercontinental Exchange Inc., LSE, and NYSE Euronext. Information for the indices and the peer group is provided from December 31, 2005 through December 31, 2010. The figures represented below assume an initial investment of \$100 in the common stock or index at the closing price on December 31, 2005 and the reinvestment of all dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among The NASDAQ OMX Group, Inc., The NASDAQ Composite Index,
The S&P 500 Index And A Peer Group



* \$100 invested on 12/31/05 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

Copyright © 2011 S&P, a division of The McGraw-Hill Companies Inc. All rights reserved.

	12/05	12/06	12/07	12/08	12/09	12/10
The NASDAQ OMX Group, Inc.	100.00	87.52	140.68	70.24	56.34	67.45
NASDAQ Composite	100.00	111.74	124.67	73.77	107.12	125.93
S&P 500	100.00	115.80	122.16	76.96	97.33	111.99
Peer Group	100.00	174.16	270.69	89.99	121.79	121.67

Item 6. Selected Financial Data.

On February 27, 2008, Nasdaq and OMX AB combined their businesses and Nasdaq was renamed The NASDAQ OMX Group, Inc. Under the purchase method of accounting, Nasdaq was treated as the accounting and legal acquirer in the business combination with OMX AB. We also completed our acquisitions of PHLX in July 2008, BSX in August 2008, certain businesses of Nord Pool in October 2008, the assets of North American Energy Credit and Clearing Corp. in March 2010, Nord Pool in May 2010, SMARTS in August 2010, as well as FTEN and ZVM in December 2010. These acquisitions also have been treated as purchases for accounting purposes, with NASDAQ OMX treated as the acquirer. Additionally, we purchased a majority stake in IDCG in December 2008 and a 22% equity interest in EMCF in January 2009. The financial results of these transactions are included in the consolidated financial results beginning on the date of each acquisition or strategic initiative.

The following table sets forth selected financial data on a historical basis for NASDAQ OMX. The following information should be read in conjunction with the consolidated financial statements and notes thereto of NASDAQ OMX included elsewhere in this Form 10-K.

Selected Financial Data

	Year Ended December 31,				
	2010	2009	2008	2007	2006
(in millions, except share and per share amounts)					
Statements of Income Data:					
Total revenues ⁽¹⁾	\$ 3,197	\$ 3,411	\$ 3,650	\$ 2,436	\$ 1,658
Cost of revenues ⁽¹⁾	(1,675)	(1,958)	(2,190)	(1,624)	(971)
Revenues less transaction rebates, brokerage, clearance and exchange fees	1,522	1,453	1,460	812	687
Total operating expenses	891	850	820	447	467
Operating income	631	603	640	365	220
Net income attributable to NASDAQ OMX	395	266	314	518	128
Net income applicable to common stockholders	394	266	314	518	127
Basic and diluted earnings per share:					
Basic earnings per share	\$ 1.94	\$ 1.30	\$ 1.65	\$ 4.47	\$ 1.22
Diluted earnings per share	\$ 1.91	\$ 1.25	\$ 1.55	\$ 3.46	\$ 0.95
Weighted-average common shares outstanding for earnings per share:					
Basic	202,975,623	204,698,277	190,362,605	116,064,240	104,311,040
Diluted	206,514,655	214,537,907	204,514,862	152,528,691	144,228,855
December 31,					
	2010	2009	2008	2007	2006
(in millions)					
Balance Sheets Data:					
Cash and cash equivalents and financial investments ⁽³⁾	\$ 568	\$ 902	\$ 601	\$ 1,325	\$ 1,950
Total assets ⁽²⁾	16,207	10,722	12,752	2,979	3,716
Total long-term liabilities ⁽³⁾	3,247	2,909	3,372	360	1,798
Total equity	4,729	4,944	4,303	2,208	1,457

[Table of Contents](#)

- (1) We record execution revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues.
- (2) At December 31, 2010, total assets included resale agreements, at contract value of \$3.4 billion. In September 2010, we launched a clearing service for the resale and repurchase agreement market. See “Resale and Repurchase Agreements, at Contract Value,” of Note 2, “Summary of Significant Accounting Policies,” to the consolidated financial statements for further discussion.
- (3) At December 31, 2006, cash and cash equivalents and financial investments included our investment in shares of LSE. Unrealized gains and losses, including foreign currency gains, were included in accumulated other comprehensive income until the sale of the shares in September 2007. On September 25, 2007, we completed the sale of shares at that time representing 28.0% of the share capital of LSE to Borse Dubai for \$1.6 billion in cash. We sold the remaining substantial balance of our holdings in LSE in open market transactions for approximately \$194 million in cash on September 26, 2007 for total proceeds of \$1.8 billion. As a result of the sale, we recognized a \$431 million pre-tax gain which is net of \$18 million of costs directly related to the sale, primarily broker fees. On September 28, 2007, we used approximately \$1.1 billion of the proceeds from the above transactions to repay in full and terminate our former credit facilities.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of the financial condition and results of operations of NASDAQ OMX in conjunction with our consolidated financial statements and related notes included in this Form 10-K, as well as the discussion under "Item 1A. Risk Factors."

Overview

We are a leading global exchange group that delivers trading, clearing, exchange technology, securities listing, and public company services across six continents. Our global offerings are diverse and include trading and clearing across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. Our technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing, settlement and many other functions.

On February 27, 2008, Nasdaq and OMX AB combined their businesses and Nasdaq was renamed The NASDAQ OMX Group, Inc. Under the purchase method of accounting, Nasdaq was treated as the accounting and legal acquirer in the business combination with OMX AB. We also completed our acquisitions of PHLX in July 2008, BSX in August 2008, certain businesses of Nord Pool in October 2008, the assets of North American Energy Credit and Clearing Corp. in March 2010, Nord Pool in May 2010, SMARTS in August 2010, as well as FTEN and ZVM in December 2010. These acquisitions also have been treated as purchases for accounting purposes, with NASDAQ OMX treated as the acquirer. Additionally, we purchased a majority stake in IDCG in December 2008 and a 22% equity interest in EMCF in January 2009. The financial results of these transactions are included in the consolidated financial results beginning on the date of each acquisition or strategic initiative.

Financial Highlights

The comparability of our operating results for the year ended December 31, 2009 to the same period in 2008 is significantly impacted by our business combination with OMX AB as well as the acquisition of PHLX and the acquisition of Nord Pool's derivatives, clearing and consulting subsidiaries. In our discussion and analysis of results of operations, we have quantified the contribution of additional revenues or expenses resulting from the operations of OMX, NASDAQ OMX PHLX and NASDAQ OMX Commodities wherever such amounts were material. While identified amounts may provide indications of general trends, the analysis cannot completely address the effects attributable to integration efforts.

In addition, fluctuations in the value of foreign currencies relative to the U.S. dollar impacted our operating results. Impacts associated with fluctuations in foreign currency are discussed in more detail under "Item 7A. Quantitative and Qualitative Disclosures about Market Risk." For the year ended December 31, 2010, approximately 33.9% of our revenues less transaction rebates, brokerage, clearance and exchange fees and 26.4% of our operating income were derived in currencies other than the U.S. dollar, primarily the Swedish Krona, Euro, Norwegian Krone and Danish Krone.

In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. The following discussion of results of operations isolates the impact of year-over-year foreign currency fluctuations to better measure the comparability of operating results between periods. Operating results excluding the impact of foreign currency fluctuations are calculated by translating the current year's results by the prior period's exchange rates.

The following summarizes significant changes in our financial performance for the year ended December 31, 2010 when compared with the same period in 2009:

- Revenues less transaction rebates, brokerage, clearance and exchange fees increased \$69 million, or 4.7%, to \$1,522 million in 2010, compared with \$1,453 million in 2009, reflecting an operational increase in revenues of \$52 million and a favorable impact from foreign exchange of \$17 million. The increase in operational revenues was primarily due to:

[Table of Contents](#)

- an increase in total derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees of \$38 million;
 - an increase in access services revenues of \$29 million;
 - an increase in total cash equity revenues less transaction rebates, brokerage, clearance and exchange fees of \$9 million;
 - an increase in global index group revenues of \$8 million; and
 - an increase in global listings services revenues of \$6 million, partially offset by;
 - a decrease in broker service revenues of \$18 million;
 - a decrease in market data revenues of \$13 million;
 - a decrease in other market services revenues of \$5 million; and
 - a decrease in market technology revenues of \$1 million.
- Operating expenses increased \$41 million, or 4.8%, to \$891 million in 2010, compared with \$850 million in 2009, reflecting an increase in operating expenses of \$27 million and an unfavorable impact from foreign exchange of \$14 million. The operational increase in operating expenses was primarily due to an increase in general, administrative and other expense of \$29 million primarily due to a pre-tax charge of \$40 million incurred in January 2010 as a result of the repayment of our senior secured credit facilities in place as of December 31, 2009, partially offset by asset retirements of \$10 million in 2009 related to obsolete technology assets.
 - Loss on divestiture of businesses was \$11 million in 2010. This charge was due to our decision to close the businesses of both NEURO and Agora-X during the second quarter of 2010.
 - Net income from unconsolidated investees was \$2 million in 2010, compared with a net loss of \$107 million in 2009. The net loss for 2009 is primarily due to \$87 million of impairment charges (\$82 million on our NASDAQ Dubai investment and \$5 million on our Agora-X investment), as well as a \$19 million loss related to the sale of our share capital in Orc Software AB, or Orc.
 - Gain on sales of businesses was \$12 million in 2009 and was related to the sale of substantially all of our Carpenter Moore insurance agency business for a gain of \$7 million and the sale of our Broker Services operations in the United Kingdom for a gain of \$5 million.
 - Debt conversion expense was \$25 million in 2009 and was related to the conversion of most of our 3.75% convertible notes into common stock. The \$25 million expense included a cash inducement of \$9 million, the then present value of series A convertible preferred stock issued totaling \$15 million, and debt issuance and other costs of \$1 million.

These current and prior year items are discussed in more detail below.

Business Environment

We serve listed companies, market participants and investors by providing high quality cash equity, derivative and commodities markets, thereby facilitating economic growth and corporate entrepreneurship. We also provide market technology to exchanges and markets around the world. In broad terms, our business performance is impacted by a number of drivers including macroeconomic events affecting the risk and return of financial assets, investor sentiment, government and private sector demands for capital, the regulatory environment for capital markets, and changing technology in the financial services industry. Our future revenues and net income will continue to be influenced by a number of domestic and international economic trends including:

- Trading volumes, particularly in U.S. and Nordic cash equity and derivative securities, which are driven primarily by overall macroeconomic conditions;

[Table of Contents](#)

- The number of companies seeking equity financing, which is affected by factors such as investor demand, the global economy, availability of diverse sources of financing as well as tax and regulatory policies;
- The emergence of new market participants seeking opportunities in the recovering global economy;
- The steady optimism of our technology customers about the outlook for capital markets and economic stability;
- Continuing pressure in transaction fee pricing due to intense competition in the U.S. and Europe;
- Competition for listings and trading related to pricing, product features and service offerings;
- Regulatory changes imposed upon certain types of instruments, transactions, or capital market participants; and
- Technological advancements and members' demand for speed, efficiency, and reliability.

Currently our business drivers are defined by investors' cautious outlook about the pace of global economic recovery, and governments' ability to fund their sovereign debt. The lack of confidence in the prospects for growth results in sporadic increases in the level of market volatility and lackluster trading volume. Additional impacts on our business drivers include the international enactment and implementation of new legislative and regulatory initiatives, and the continued rapid evolution and deployment of new technology in the financial services industry. The business environment that influenced our financial performance for the full year 2010 may be characterized as follows:

- A considerable increase in the pace of new equity issuance relative to a historically slow 2009 in the U.S. with 89 IPOs on The NASDAQ Stock Market, up from 33 in 2009. IPO activity also increased in the Nordics with 11 IPOs on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic;
- Matched share volume for all our U.S. markets decreased 16.2% relative to 2009 driven by a significant decline in overall U.S. volume and a modest decline in our market share;
- A 34.1% increase relative to 2009 in the number of cash equity transactions on our Nordic and Baltic exchanges driven by increased levels of participant trading as participants increasingly adopt algorithmic trading;
- A 1.6% increase relative to 2009 in the SEK value of cash equity transactions on our Nordic and Baltic exchanges resulting from increased volume levels and higher 12-month equity valuations;
- Growth of 30.1% experienced by our Nordic and Baltic exchanges relative to 2009 in the number of traded and cleared equity and fixed-income contracts (excluding EDX and Eurex) driven by an increase in the number of derivative exchange members and increased market share in competitively listed products;
- Intense competition among U.S. exchanges for both cash equity trading volume and listings, and strong competition between multilateral trading facilities and exchanges in Europe for equity trading volume;
- Globalization of exchanges, customers and competitors extending the competitive horizon beyond national markets; and
- Market trends requiring continued investment in technology to meet customers' demands for speed, capacity, and reliability as markets adapt to a global financial industry, as increasing numbers of new companies are created, and as emerging countries show ongoing interest in developing their financial markets.

2011 Outlook

We launched several strategic initiatives during 2010 which should benefit us during the challenging economic environment anticipated for 2011. For the third year in a row, more share value traded on The NASDAQ Stock Market than on any other single cash equities exchange in the world. Our platform continues to stand out as a reliable, flexible, and high capacity system delivering high levels of execution quality and speed under even extremely demanding market conditions. We continued to expand the application of our U.S. INET trading system with the successful launch of a new cash equities trading platform, NASDAQ OMX PSX, in 2010. The NASDAQ OMX PSX model prioritizes trading according to price and order size, thereby offering an exchange alternative to institutional and block traders. The standout performance and flexibility of our technology has enabled us to enter new markets with a low cost and highly regarded platform offering strong performance to both existing and new clients and creating additional sales opportunities for both our Transactions Services and Market Data businesses.

Our 2009 experiences with launching INET technology on our U.S. exchanges continued in 2010 with the NASDAQ OMX PSX cash equities market. Internationally, we developed and launched Genium INET for the NASDAQ OMX Nordic and NASDAQ OMX Baltic exchanges. By using NASDAQ OMX high performance systems in our major exchanges, the flexibility of INET and Genium INET technology has been demonstrated in both the U.S. and in Europe. The Australian Stock Exchange became our first Genium INET customer in late 2010 and we anticipate that the Singapore Stock Exchange will introduce their Genium INET based platform during 2011.

We expect global markets to continue to be marked by significant change in 2011. These changes will be driven primarily by regulatory initiatives in the U.S. and Europe as legislation created in the aftermath of the financial crisis is implemented and as the industry reacts to those initiatives. We expect that cash equities markets will continue to fragment into additional venues and trading will continue to migrate from exchanges to OTC systems. Conversely, trading in OTC derivatives will begin to move onto exchanges and other public execution facilities. Our investment in IDCG creates an opportunity for entering the clearing business for interest rate swap products.

Throughout 2010 there were signs of a recovery in the IPO market and we expect the demand for public equity capital from companies experiencing the return of global economic growth to support further increases in the number of IPOs. Furthermore, an improved outlook for equity investments and the number of private companies seeking capital is expected to add to the IPO pipeline in 2011. We continue to leverage the opportunities in market data brought about by the breadth of NASDAQ OMX's data distribution capabilities by offering new data products to our customer base and by strengthening our direct relationships with those customers.

We believe that the year ahead will be positive for our business drivers and our operations as the global economy slowly recovers. We believe that our aggressive steps in meeting our cost, revenue, and technology objectives over the last three years will enable us to benefit from improving economic conditions in 2011. We will continue to look for opportunities to further diversify our business with enhanced product offerings and/or acquisitions that are complementary to our existing businesses.

Business Segments

We manage, operate and provide our products and services in three business segments: Market Services, Issuer Services and Market Technology.

- The Market Services segment includes our U.S. and European Transaction Services businesses and our Market Data business, which are interrelated because the Transaction Services businesses generate the quote and trade information that we sell to market participants and data distributors. Market Services also includes our Broker Services business.

[Table of Contents](#)

- The Issuer Services segment includes our Global Listing Services and the Global Index Group businesses. The companies listed on The NASDAQ Stock Market, our Nordic and Baltic exchanges and NASDAQ OMX First North represent a diverse array of industries. This diversity of companies listed on NASDAQ OMX markets allows us to develop industry-specific and other indexes that we use to develop and license NASDAQ OMX branded indexes, associated derivatives and index products as part of our Global Index Group. The Global Listing Services business also includes our Corporate Solutions business.
- The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement, and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

Our management allocates resources, assesses performance and manages these businesses as three separate segments. See Note 18, “Segments,” to the consolidated financial statements for further discussion.

Sources of Revenues and Cost of Revenues

Market Services Revenues

Transaction Services

U.S. Cash Equity Trading

U.S. cash equity trading revenues are variable, based on individual customer share volumes, and recognized as transactions occur. We charge transaction fees for executing cash equity trades in NASDAQ-listed and other listed securities on The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX as well as on orders that are routed to other market venues for execution.

For The NASDAQ Stock Market and NASDAQ OMX PSX we credit a portion of the per share execution charge to the market participant that provides the liquidity and for NASDAQ OMX BX we credit a portion of the per share execution charge to the market participant that takes the liquidity. We record these credits as transaction rebates which are included in cost of revenues in the Consolidated Statements of Income. These transaction rebates are paid on a monthly basis and the amounts due are included in accounts payable and accrued expenses in the Consolidated Balance Sheets. Also, we pay Section 31 fees to the SEC for supervision and regulation of securities markets. We pass these costs along to our customers through our cash equity trading fees. We collect the fees as a pass-through charge from organizations executing eligible trades on NASDAQ's, NASDAQ OMX BX's and NASDAQ OMX PSX's platforms and we recognize these amounts in cost of revenues when invoiced. Section 31 fees received are included in cash and cash equivalents in the Consolidated Balance Sheets at the time of receipt and, as required by law, the amount due to the SEC is remitted semiannually and recorded as Section 31 fees payable to the SEC in the Consolidated Balance Sheets until paid. Since the amount recorded in revenues is equal to the amount recorded in cost of revenues, there is no impact on our revenues less transaction rebates, brokerage, clearance and exchange fees. As we hold the cash received until payment to the SEC, we earn interest income on the related cash balances.

European Cash Equity Trading

We charge transaction fees for executing trades on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic. The transaction fee for executing trades on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic is charged per executed order and as per value traded.

U.S. Derivative Trading and Clearing

U.S. derivative trading and clearing revenues are variable, based on traded and cleared volumes, and recognized when executed or when contracts are cleared. The principal types of derivative contracts traded on

Table of Contents

NASDAQ OMX PHLX and The NASDAQ Options Market are equity options, ETF options, index options and currency options. In the U.S., we also operate NFX, which offers trading for currency futures and other financial futures.

Similar to U.S. cash equity trading, we credit a portion of the per share execution charge to the market participant that provides the liquidity and record the transaction rebate as a cost of revenues in the Consolidated Statements of Income. Also, we pay Section 31 fees to the SEC for supervision and regulation of securities markets. See “U.S. Cash Equity Trading” above for further discussion.

Through NOCC, we engage in riskless principal trading of OTC power and gas contracts. Revenues are based on notional amounts or volume of power and gas transacted and/or delivered and are recognized upon settlement of the contracts.

European Derivative Trading and Clearing

European derivative trading and clearing revenues are also variable, based on the volume of traded and cleared contracts, and recognized when executed or when contracts are cleared. Derivative trading and clearing is conducted on NASDAQ OMX Stockholm and NASDAQ OMX Copenhagen. The principal types of derivative contracts traded are stock options and futures, index options and futures, fixed-income options and futures and stock loans. On NASDAQ OMX Stockholm, we offer clearing services for fixed-income options and futures, stock options and futures and index options and futures, by serving as the CCP. In doing so, we guarantee the completion of the transaction and market participants can thereby limit their counterparty risk. We also act as the counterparty for certain OTC contracts.

On NASDAQ OMX Stockholm, we also offer clearing services for resale and repurchase agreements. Clearing revenues for resale and repurchase agreements are based on the value and length of the contract and are recognized when cleared.

European derivative trading and clearing revenues also include clearing revenues for commodities. NASDAQ OMX Commodities provides access to the world’s largest power derivatives markets and one of Europe’s largest carbon markets. NASDAQ OMX Commodities offers international power derivatives and carbon products, operates a clearing business and offers consulting services to commodities markets globally. Our clearing revenues from trading transactions on Nord Pool are variable, based on cleared volume, and recognized when contracts are cleared. We also generate clearing revenues for contracts traded on the OTC derivative market which are also recognized when contracts are cleared. In addition, European derivatives revenues include annual renewal fees. Each January, NASDAQ OMX Commodities members are billed an annual fee which is recognized ratably over the following 12-month period.

Access Services

We generate revenues by providing market participants with several alternatives for accessing our markets for a fee. The type of connectivity is determined by the level of functionality a customer needs. As a result, access services revenues vary depending on the type of connection provided to customers. We provide co-location services to market participants whereby firms may lease space for equipment within our data center. These participants are charged monthly fees for cabinet space, connectivity and support. We also earn revenues from annual and monthly exchange membership and registration fees. Revenues for providing access to our markets, co-location services and revenues for monthly exchange membership and registration fees are recognized on a monthly basis as the service is provided. Revenues from annual fees for exchange membership and registration fees are recognized ratably over the following 12-month period.

Market Data

Market Data revenues are earned from U.S. tape plans and U.S. and European proprietary market data products.

Table of Contents

Net U.S. Tape Plans

Revenues from U.S. tape plans include eligible UTP Plan revenues which are shared among UTP Plan participants. Under the revenue sharing provision of the UTP Plan, we are permitted to deduct costs associated with acting as the exclusive Securities Information Processor from the total amount of tape fees collected. After these costs are deducted from the tape fees, we distribute to the respective UTP Plan participants, including The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX, their share of tape revenues based on a formula, required by Regulation NMS that takes into account both trading and quoting activity. In addition, all quotes and trades in NYSE- and NYSE Amex-listed securities are reported and disseminated in real time, and as such, we share in the tape revenues for information on NYSE- and NYSE Amex-listed securities. Revenues from net U.S. tape plans are recognized on a monthly basis.

U.S. Market Data Products

We collect, process and create information and earn revenues as a distributor of our own data, as well as select third-party content. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn sell subscriptions for this information. We earn revenues primarily based on the number of data subscribers and distributors of our data. U.S. Market Data revenues are recognized on a monthly basis. These revenues, which are subscription based, are recorded net of amounts due under revenue sharing arrangements with market participants.

European Market Data Products

European Market Data revenues are based on the trading information from the exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities for four classes of securities: cash equities, bonds, derivatives and commodities. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Revenues from European market data are subscription-based, are generated primarily based on the number of data subscribers and distributors of our data and are recognized on a monthly basis.

Broker Services

Our Broker Services operations offer technology and customized securities administration solutions to financial participants in the Nordic market. The primary services offered are flexible back-office systems. Our services allow customers to entirely or partly outsource their company's back-office functions. Revenues from broker services are based on a fixed basic fee for administration or licensing, maintenance and operations, and a variable portion that depends on the number of transactions completed. Broker Services revenues are recognized on a continuous basis as services are rendered.

In November 2009, we sold our Broker Services operations in the United Kingdom to TD Waterhouse and recorded a gain of \$5 million which is included in gain on sales of businesses in the Consolidated Statements of Income for the year ended December 31, 2009. The sale of our Broker Services operations in the United Kingdom will not have a material impact on our future consolidated results of operations.

Issuer Services Revenues

Global Listing Services

Listing Services revenues in the U.S. include annual renewal fees, listing of additional shares fees and initial listing fees. Annual renewal fees are recognized ratably over the following 12-month period. Listing of additional shares fees and initial listing fees are recognized on a straight-line basis over estimated service periods, which are four and six years, respectively, based on our historical listing experience and projected future listing duration. European listing fees, which are comprised of revenues derived from annual fees received from companies listed

[Table of Contents](#)

on our Nordic and Baltic exchanges and NASDAQ OMX First North, are directly related to the listed companies' market capitalization on a trailing 12-month basis. These revenues are recognized ratably over the following 12-month period.

Global Listing Services revenues also include fees from Corporate Solutions. Our Corporate Solutions business provides customer support services, products and programs to companies, including companies listed on our exchanges. Revenues primarily include subscription income from Shareholder.com and Directors Desk, fees from GlobeNewswire and revenues from Corporate Solutions Nordic. Prior to October 2009, Corporate Solutions revenues also included commission income from our Carpenter Moore insurance agency business. In October 2009, we sold substantially all of our Carpenter Moore insurance agency business and recorded a gain of \$7 million, which is included in gain on sales of businesses in the Consolidated Statements of Income for the year ended December 31, 2009. The sale of our Carpenter Moore business will not have a material impact on our future consolidated results of operations.

Fee income for services other than placement of insurance coverage is recognized as those services are provided. Shareholder.com revenues are based on subscription agreements with customers. Revenues from subscription agreements are recognized ratably over the contract period, generally one year in length. As part of subscription services, customers also are charged usage fees based upon actual usage of the services provided. Revenues from usage fees and other services are recognized when earned. Directors Desk revenues are based on subscriptions for online services for directors. Subscriptions are one year in length and revenues are recognized ratably over the year. GlobeNewswire generates fees primarily from wire distribution services, and revenues are recognized as services are provided. For our insurance agency business, commission income was recognized when coverage became effective, the premium due under the policy was known or could be reasonably estimated, and substantially all required services related to placing the insurance had been provided. Broker commission adjustments and commissions on premiums billed directly by underwriters were recognized when such amounts could be reasonably estimated.

Global Index Group

We develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group. Revenues primarily include license fees from these branded indexes, associated derivatives and financial products in the U.S. and abroad. We also generate revenues by licensing and listing third-party structured products and third-party sponsored ETFs. We primarily have two types of license agreements: transaction-based licenses and asset-based licenses. Transaction-based licenses are generally renewable long-term agreements. Customers are charged based on transaction volume or a minimum contract amount, or both. If a customer is charged based on transaction volume, we recognize revenue when the transaction occurs. If a customer is charged based on a minimum contract amount, we recognize revenue on a pro-rata basis over the licensing term. Asset-based licenses also are generally long-term agreements. Customers are charged based on a percentage of assets under management for licensed products, per the agreement, on a monthly or quarterly basis. These revenues are recorded on a monthly or quarterly basis over the term of the license agreement.

Market Technology Revenues

The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement, and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

Revenues are derived from the following primary sources: licensing, support and facility management revenues, delivery project revenues, as well as change request, advisory and broker surveillance revenues.

[Table of Contents](#)

We enter into multiple-element sales arrangements to provide technology solutions and services to our customers. In order to recognize revenues associated with each individual element of a multiple-element sales arrangement separately, we are required to establish the existence of Vendor Specific Objective Evidence, or VSOE, of fair value for each element. When VSOE for individual elements of an arrangement cannot be established, revenue is generally deferred and recognized over either the final element of the arrangement or the entire term of the arrangement for which the services will be delivered.

License and support revenues are derived from the system solutions developed and sold by NASDAQ OMX that are generally entered into in multiple-element sales arrangements. After we have developed and sold a system solution, the customer licenses the right to use the software and may require post contract support and other services. Facility management revenues are also generally entered into in multiple-element sales arrangements and are derived when NASDAQ OMX assumes responsibility for the continuous operation of a system platform for a customer and receives facility management revenues which can be both fixed and volume-based. Revenues for license, support and facility management services are generally deferred and recognized over either the final element of the arrangement or the entire term of the arrangement for which the services will be delivered. We record the deferral of revenue associated with multiple-element sales arrangements in deferred revenue and non-current deferred revenue and the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets.

Delivery project revenues are derived from the installation phase of the system solutions developed and sold by NASDAQ OMX. The majority of our delivery projects involve individual adaptations to the specific requirements of the customer, such as those relating to functionality and capacity. We may customize our software technology and make significant modifications to the software to meet the needs of our customers, and as such, we account for these arrangements under contract accounting. Under contract accounting, when VSOE for valuing certain elements of an arrangement cannot be established, total revenues, as well as costs incurred, are deferred until the customization and significant modifications are complete and are then recognized over the post contract support period. We record the deferral of this revenue in deferred revenue and non-current deferred revenue and the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets.

Change request revenues include customer specific adaptations and modifications of the system solution sold by NASDAQ OMX after delivery has occurred. Change request revenues are recognized in revenue when earned. Advisory services are designed to support our customers' strategies and help them with critical decisions in a highly demanding business environment. Advisory services revenues are recognized in revenue when earned. Broker surveillance revenues are derived from surveillance solutions targeting brokers and regulators throughout the world. Broker surveillance revenues are subscription based and are recognized in revenue when earned.

[Table of Contents](#)

NASDAQ OMX's Operating Results

Key Drivers

The following table includes key drivers for our Market Services, Issuer Services, and Market Technology segments. In evaluating the performance of our business, our senior management closely watches these key drivers.

	Year Ended December 31,		
	2010	2009	2008
Market Services			
Cash Equity Trading			
<u>NASDAQ securities</u>			
Average daily share volume (in billions)	2.19	2.24	2.28
Matched market share executed on NASDAQ	28.6%	33.0%	43.2%
Matched market share executed on NASDAQ OMX BX	2.9%	1.4%	—
Market share reported to the FINRA/NASDAQ Trade Reporting Facility ⁽¹⁾	35.5%	36.6%	22.6%
Total market share ⁽²⁾	67.1%	71.0%	65.8%
<u>NYSE securities</u>			
Average daily share volume (in billions)	4.83	5.64	5.06
Matched market share executed on NASDAQ	13.7%	15.7%	22.2%
Matched market share executed on NASDAQ OMX BX	3.6%	1.9%	—
Market share reported to the FINRA/NASDAQ Trade Reporting Facility ⁽¹⁾	31.3%	32.1%	19.3%
Total market share ⁽²⁾	48.7%	49.6%	41.5%
<u>NYSE Amex and regional securities</u>			
Average daily share volume (in billions)	1.45	1.89	1.49
Matched market share executed on NASDAQ	20.7%	24.4%	35.1%
Matched market share executed on NASDAQ OMX BX	3.1%	1.4%	—
Market share reported to the FINRA/NASDAQ Trade Reporting Facility ⁽¹⁾	28.7%	32.1%	16.2%
Total market share ⁽²⁾	52.6%	57.9%	51.4%
<u>Total U.S.-listed equities</u>			
Average daily share volume (in billions)	8.47	9.77	8.83
Matched share volume (in billions)	475.0	566.6	665.9
Matched market share executed on NASDAQ	18.8%	21.3%	29.8%
Matched market share executed on NASDAQ OMX BX	3.3%	1.7%	—
<u>NASDAQ OMX Nordic and NASDAQ OMX Baltic</u>			
Average daily number of equity trades	284,840	212,465	213,481
Average daily value of shares traded (in billions)	\$ 3.3	\$ 3.1	\$ 5.0
Derivative Trading and Clearing			
<u>U.S. Equity Options</u>			
Average daily volume (in millions)	14.3	13.4	13.0
NASDAQ OMX PHLX matched market share	23.4%	17.9%	16.4%
The NASDAQ Options Market matched market share	4.0%	3.1%	1.0%
<u>NASDAQ OMX Nordic and NASDAQ OMX Baltic</u>			
Average Daily Volume:			
Options, futures and fixed-income contracts	428,523	329,350	418,773
Nordic equity option contracts traded on EDX ⁽³⁾	—	95,374	153,686
Finnish option contracts traded on Eurex	117,450	77,312	73,870
<u>NASDAQ OMX Commodities</u>			
Clearing Turnover:			
Power contracts (TWh) ⁽⁴⁾	2,090	2,136	409
Carbon contracts (1000 tCO ₂) ⁽⁴⁾	31,500	45,765	13,261

Table of Contents

	Year Ended December 31,		
	2010	2009	2008
Issuer Services			
Initial public offerings:			
NASDAQ	89	33	26
Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic	11	1	17
New listings:			
NASDAQ ⁽⁵⁾	195	131	177
Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic ⁽⁶⁾	25	12	28
Number of listed companies:			
NASDAQ ⁽⁷⁾	2,778	2,852	3,023
Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic ⁽⁸⁾	780	797	824
Market Technology			
Order intake (in millions) ⁽⁹⁾	\$ 160	\$ 204	\$ 229
Total order value (in millions) ⁽¹⁰⁾	\$ 495	\$ 417	\$ 359

⁽¹⁾ Transactions reported to the FINRA/NASDAQ Trade Reporting Facility.

⁽²⁾ Includes transactions executed on NASDAQ's, NASDAQ OMX BX's and NASDAQ OMX PSX's systems plus trades reported through the FINRA/NASDAQ Trade Reporting Facility.

⁽³⁾ In December 2009, derivative volume was transferred to NASDAQ OMX from EDX.

⁽⁴⁾ Transactions executed on Nord Pool and reported for clearing to NASDAQ OMX Commodities measured by Terawatt hours (TWh) and one thousand metric tons of carbon dioxide (1000 tCO₂).

⁽⁵⁾ New listings include IPOs, including those completed on a best efforts basis, issuers that switched from other listing venues, closed-end funds and separately listed ETFs.

⁽⁶⁾ New listings include IPOs and represent companies listed on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and companies on the alternative markets, NASDAQ OMX First North.

⁽⁷⁾ Number of listed companies for NASDAQ at period end, including separately listed ETFs.

⁽⁸⁾ Represents companies listed on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and companies on the alternative markets, NASDAQ OMX First North, at period end.

⁽⁹⁾ Total contract value of orders signed.

⁽¹⁰⁾ Represents total contract value of orders signed that are yet to be recognized as revenue. Market Technology deferred revenue, as discussed in Note 7, "Deferred Revenue" to the consolidated financial statements, represents cash payments received that are yet to be recognized as revenue for these signed orders.

Segment Operating Results

Of our 2010 revenues less transaction rebates, brokerage, clearance and exchange fees of \$1,522 million, 67.3% was from our Market Services segment, 22.6% was from our Issuer Services segment, 10.0% was from our Market Technology segment and 0.1% related to other revenues. Of our 2009 revenues less transaction rebates, brokerage, clearance and exchange fees of \$1,453 million, 67.2% was from our Market Services segment, 22.7% was from our Issuer Services segment, 10.0% was from our Market Technology segment and 0.1% related to other revenues. Of our 2008 revenues less transaction rebates, brokerage, clearance and exchange fees of \$1,460 million, 67.5% was from our Market Services segment, 23.5% was from our Issuer Services segment, 8.2% was from our Market Technology segment and 0.8% related to other revenues.

[Table of Contents](#)

The following table shows our total revenues, cost of revenues and revenues less transaction rebates, brokerage, clearance and exchange fees by segment:

	Year Ended December 31,			Percentage Change	
	2010	2009 (in millions)	2008	2010 vs. 2009	2009 vs. 2008
Market Services	\$ 2,700	\$ 2,934	\$ 3,176	(8.0)%	(7.6)%
Cost of revenues	<u>(1,675)</u>	<u>(1,958)</u>	<u>(2,190)</u>	<u>(14.5)%</u>	<u>(10.6)%</u>
Market Services revenues less transaction rebates, brokerage, clearance and exchange fees	1,025	976	986	5.0%	(1.0)%
Issuer Services	344	330	343	4.2%	(3.8)%
Market Technology	152	145	119	4.8%	21.8%
Other	<u>1</u>	<u>2</u>	<u>12</u>	<u>(50.0)%</u>	<u>(83.3)%</u>
Total revenues less transaction rebates, brokerage, clearance and exchange fees	<u>\$ 1,522</u>	<u>\$ 1,453</u>	<u>\$ 1,460</u>	<u>4.7%</u>	<u>(0.5)%</u>

[Table of Contents](#)
MARKET SERVICES

The following table shows total revenues less transaction rebates, brokerage, clearance and exchange fees from our Market Services segment:

	Year Ended December 31,			Percentage Change	
	2010	2009 (in millions)	2008	2010 vs. 2009	2009 vs. 2008
Transaction Services					
Cash Equity Trading Revenues:					
U.S. cash equity trading ⁽¹⁾	\$ 1,600	\$ 2,010	\$ 2,412	(20.4)%	(16.7)%
Cost of revenues:					
Transaction rebates	(1,094)	(1,394)	(1,718)	(21.5)%	(18.9)%
Brokerage, clearance and exchange fees ⁽¹⁾	(341)	(467)	(444)	(27.0)%	5.2%
Total U.S. cash equity cost of revenues	(1,435)	(1,861)	(2,162)	(22.9)%	(13.9)%
U.S. cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees	165	149	250	10.7%	(40.4)%
European cash equity trading	90	95	116	(5.3)%	(18.1)%
Total cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees	255	244	366	4.5%	(33.3)%
Derivative Trading and Clearing Revenues:					
U.S. derivative trading and clearing ⁽²⁾	390	232	93	68.1%	#
Cost of revenues:					
Transaction rebates	(218)	(81)	(26)	#	#
Brokerage, clearance and exchange fees ⁽²⁾	(22)	(16)	(2)	37.5%	#
Total U.S. derivative trading and clearing cost of revenues	(240)	(97)	(28)	#	#
U.S. derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees	150	135	65	11.1%	#
European derivative trading and clearing revenues	115	87	64	32.2%	35.9%
Total derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees	265	222	129	19.4%	72.1%
Access Services Revenues	173	144	112	20.1%	28.6%
Total Transaction Services revenues less transaction rebates, brokerage, clearance and exchange fees	693	610	607	13.6%	0.5%
Market Data					
Net U.S. tape plans	117	128	146	(8.6)%	(12.3)%
U.S. market data products	126	119	107	5.9%	11.2%
European market data products	70	78	77	(10.3)%	1.3%
Total Market Data revenues	313	325	330	(3.7)%	(1.5)%
Broker Services	15	32	41	(53.1)%	(22.0)%
Other Market Services	4	9	8	(55.6)%	12.5%
Total Market Services revenues less transaction rebates, brokerage, clearance and exchange fees	\$ 1,025	\$ 976	\$ 986	5.0%	(1.0)%

Denotes a variance equal to or greater than 100.0%.

(1) Includes Section 31 fees of \$252 million in 2010, \$314 million in 2009 and \$207 million in 2008. Section 31 fees are recorded as U.S. cash equity trading revenues with a corresponding amount recorded in cost of revenues.

(2) Includes Section 31 fees of \$19 million in 2010, \$14 million in 2009 and \$2 million in 2008. Section 31 fees are recorded as U.S. derivative trading and clearing revenues with a corresponding amount recorded in cost of revenues.

Transaction Services

Transaction Services revenues less transaction rebates, brokerage, clearance and exchange fees increased in 2010 compared with 2009 and increased in 2009 compared with 2008. The increases were primarily due to increases in derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees and access services revenues. Partially offsetting the increase in 2009 was a decrease in cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees.

U.S. Cash Equity Trading Revenues

U.S. cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees increased in 2010 compared with 2009 and decreased in 2009 compared with 2008. The increase in 2010 was primarily due to modified rates and lower tiered rebate payouts, partially offset by a significant decline in industry volumes and a decline in our matched market share. The decrease in 2009 was primarily due to declines in matched share volume on NASDAQ's trading system and the average net fee per share matched on NASDAQ's trading system.

U.S. cash equity trading revenues decreased in 2010 compared with 2009 and decreased in 2009 compared with 2008. The decrease in 2010 was primarily due to declines in matched share volume on NASDAQ's trading system due to a significant decline in industry volumes, a decrease in Section 31 pass-through fee revenues charged by us to our customers and a decline in our matched market share. The decrease in 2009 was primarily due to declines in matched share volume on NASDAQ's trading system, partially offset by higher Section 31 revenues due to higher rates charged by us to customers beginning in the second quarter of 2009.

As discussed above, we record Section 31 fees as U.S. cash equity trading revenues with a corresponding amount recorded as cost of revenues. We are assessed these fees from the SEC and pass them through to our customers in the form of incremental fees. Pass-through fees can increase or decrease due to rate changes by the SEC, our percentage of the overall industry volumes processed on our systems, and differences in actual dollar value of the shares traded. Since the amount recorded in revenues is equal to the amount recorded in cost of revenues, there is no impact on our revenues less transaction rebates, brokerage, clearance and exchange fees. Section 31 fees were \$252 million in 2010, \$314 million in 2009 and \$207 million in 2008. The decrease in 2010 compared with 2009 was primarily due to lower Section 31 fee rates and lower dollar value traded on NASDAQ and NASDAQ OMX BX's trading systems. The increase in 2009 compared to 2008 was primarily due to higher Section 31 fee rates in 2009.

For The NASDAQ Stock Market and NASDAQ OMX PSX we credit a portion of the per share execution charge to the market participant that provides the liquidity and for NASDAQ OMX BX we credit a portion of the per share execution charge to the market participant that takes the liquidity. These transaction rebates decreased in 2010 compared to 2009 and decreased in 2009 compared with 2008. The decrease in 2010 was primarily due to declines in matched share volume on NASDAQ's trading system due to a significant decline in industry volumes, lower tiered rebate payouts and a decline in our matched market share. The decrease in 2009 was primarily due to a lower number of shares matched on NASDAQ's trading system, partially offset by an increase in the amount of the rebate offered to liquidity providers.

[Table of Contents](#)

Brokerage, clearance and exchange fees decreased in 2010 compared with 2009 and increased in 2009 compared with 2008. The decrease in 2010 was primarily due to a decrease in Section 31 pass-through fees, lower routing costs, and a decrease in the amount of volume routed by NASDAQ due to declines in industry volumes. The increase in 2009 was primarily due to higher Section 31 fee rates, partially offset by lower routing costs, a decrease in the amount of volume routed by NASDAQ and lower fees incurred from NSCC.

European Cash Equity Trading Revenues

European cash equity trading revenues include trading revenues from equity products traded on the NASDAQ OMX Nordic and NASDAQ OMX Baltic exchanges and NEURO (for periods prior to closing our NEURO business). European cash equity trading revenues decreased in 2010 compared with 2009 and decreased in 2009 compared with 2008. The decrease in 2010 was primarily due to revised trading fees introduced in the first quarter of 2010, partially offset by an increase in trading activity and a favorable impact from foreign exchange of \$2 million. The decrease in 2009 was primarily due to a decrease in the value traded per day due to lower average market capitalization of stocks traded, partially offset by the inclusion of European cash equity trading revenues for the full twelve-month period in 2009 compared to ten months in 2008. In addition, foreign exchange negatively impacted European cash equity trading revenues by \$11 million in 2009.

U.S. Derivative Trading and Clearing Revenues

U.S. derivative trading and clearing revenues and revenues less transaction rebates, brokerage, clearance and exchange fees increased in 2010 compared with 2009 and increased in 2009 compared with 2008. The increase in 2010 was primarily due to increases in volumes traded and market share, partially offset by lower average net fees for traded contracts. The increase in 2009 was primarily due to the inclusion of NASDAQ OMX PHLX's derivative trading revenues of \$196 million for the full twelve-month period in 2009 compared with the inclusion of five months of NASDAQ OMX PHLX's derivative trading revenues totaling \$78 million for 2008. In addition, an increase in market share contributed to these increases in 2009.

Similar to U.S. cash equity trading, Section 31 fees are recorded as derivative trading and clearing revenues with a corresponding amount recorded as cost of revenues. We are assessed these fees from the SEC and pass them through to our customers in the form of incremental fees. Since the amount recorded in revenues is equal to the amount recorded in cost of revenues, there is no impact on our revenues less transaction rebates, brokerage, clearance and exchange fees. Section 31 fees were \$19 million in 2010, \$14 million in 2009 and \$2 million 2008.

Transaction rebates, in which we credit a portion of the per share execution charge to the market participant, increased in 2010 compared with 2009 and increased in 2009 compared with 2008. The increase in 2010 was primarily due to a revised fee structure implemented in the first quarter of 2010 along with higher volumes traded and an increase in market share. The increase in 2009 was primarily due to the inclusion of NASDAQ OMX PHLX's transaction rebates of \$61 million for the full twelve-month period in 2009 compared with the inclusion of five months of NASDAQ OMX PHLX's transaction rebates totaling \$17 million in 2008. The increase in transaction rebates in 2009 was also due to an increase in market share as discussed above.

Brokerage, clearance and exchange fees increased in 2010 compared with 2009 and increased in 2009 compared with 2008. The increase in 2010 was primarily due to an increase in Section 31 pass-through fees. The increase in 2009 was primarily due to the inclusion of NASDAQ OMX PHLX's brokerage, clearance and exchange fees of \$11 million for the full twelve-month period in 2009 compared with the inclusion of five months of NASDAQ OMX PHLX's brokerage, clearance and exchange fees totaling \$2 million in 2008.

European Derivative Trading and Clearing Revenues

European derivative trading and clearing revenues include trading and clearing revenues from derivative products traded on NASDAQ OMX Stockholm, as well as clearing revenues from resale and repurchase agreements on NASDAQ OMX Stockholm, trading and clearing revenues from derivative products on NASDAQ

[Table of Contents](#)

OMX Copenhagen and revenues from NASDAQ OMX Commodities. European derivative trading and clearing revenues increased in 2010 compared with 2009 and increased in 2009 compared with 2008. The increase in 2010 was primarily due to higher trading and clearing revenues for energy contracts, options and futures contracts and fixed income products due to the transfer of derivative volume from EDX to NASDAQ OMX in the fourth quarter of 2009. Also contributing to the increase in 2010 was transaction activity associated with clearing resale and repurchase agreements which was launched in the fourth quarter of 2010 and a favorable impact from foreign exchange of \$5 million. The increase in 2009 was primarily due to the growth in cleared energy products and the transfer of derivative volume from EDX to NASDAQ OMX, partially offset by an unfavorable impact from foreign exchange of \$4 million in 2009.

European derivative trading and clearing revenues include:

- trading and clearing revenues for options and futures contracts of \$49 million in 2010 compared with \$33 million in 2009 and \$41 million in 2008;
- trading and clearing revenues for energy and carbon products of \$41 million in 2010 compared with \$35 million in 2009 and \$6 million for the two months included in 2008. Beginning in May 2010, trading and clearing revenues for energy and carbon products include revenues from Nord Pool;
- trading and clearing revenues from fixed income products of \$18 million in 2010 compared with \$14 million in both 2009 and 2008; and
- other revenues and fees of \$7 million in 2010 compared with \$5 million in 2009 and \$3 million in 2008. During 2009, we began providing trading and clearing operations to a Dutch trading platform called The Order Machine, which primarily contributed to the increase in other revenues and fees in 2010 and 2009.

Access Services Revenues

Access services revenues increased in 2010 compared with 2009 and increased in 2009 compared with 2008. The increase in 2010 was primarily due to increased demand for co-location and network connectivity services and a revised fee structure for access services. The increase in 2009 was primarily due to: (i) revised fees for access services, (ii) increases in customer demand for network connectivity, (iii) continued expansion of our co-location services and (iv) the inclusion of NASDAQ OMX PHLX's access services revenues of \$15 million for the full twelve-month period in 2009 compared with the inclusion of five months of NASDAQ OMX PHLX's access services revenues totaling \$10 million in 2008.

Market Data

Market Data revenues decreased in 2010 compared with 2009 and decreased in 2009 compared with 2008.

The decrease in 2010 was primarily due to decreases in net U.S. tape plans and European market data products revenues, partially offset by an increase in U.S. market data products revenues.

The decline in net U.S. tape plans revenues in 2010 compared with 2009 was primarily due to declines in NASDAQ's trading and quoting market share of U.S. cash equities, as calculated under the SEC-mandated market data revenue quoting and trading formula, and reductions in the size of the tape plan revenue pools mainly driven by declines in subscriber populations.

The increase in U.S. market data products revenues in 2010 compared with 2009 was primarily due to growth of new products such as BX TotalView, options data feeds and mutual fund products, partially offset by discontinued products.

The decrease in European market data products revenues in 2010 compared with 2009 was primarily due to declines in subscriber populations and discontinued products, partially offset by modified fees for market data products and a favorable impact from foreign exchange of \$1 million.

[Table of Contents](#)

The decrease in 2009 compared with 2008 was primarily due to a decrease in net U.S. tape plans revenues, partially offset by increases in U.S. market data products revenues and the inclusion of European market data products revenues for the full twelve-month period in 2009 compared with ten months in 2008, partially offset by an unfavorable impact from foreign exchange of \$6 million.

The decline in net U.S. tape plans revenues in 2009 was primarily due to a decline in NASDAQ's trading and quoting market share of U.S. cash equities and a reduction in the size of the tape plans revenue pools.

The increase in U.S. market data products revenues in 2009 was primarily due to growth of products such as the NASDAQ Global Index Data Service, which was launched in the first quarter of 2009, NASDAQ Last Sale, which was launched in the second quarter of 2008, and other proprietary data products.

Broker Services

Broker Services revenues decreased in 2010 compared with 2009 and decreased in 2009 compared with 2008. These decreases were primarily due to the sale of our Broker Services operations in the United Kingdom to TD Waterhouse in November 2009. The decrease in 2009 was also due to an unfavorable impact from foreign exchange of \$6 million.

ISSUER SERVICES

The following table shows revenues from our Issuer Services segment:

	<u>Year Ended December 31,</u>			<u>Percentage Change</u>	
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2010 vs. 2009</u>	<u>2009 vs. 2008</u>
	<u>(in millions)</u>				
Global Listing Services:					
Annual renewal fees	\$ 113	\$ 117	\$ 125	(3.4)%	(6.4)%
Listing of additional shares fees	39	37	40	5.4%	(7.5)%
Initial listing fees	18	20	22	(10.0)%	(9.1)%
Total U.S. listing fees	170	174	187	(2.3)%	(7.0)%
European listing fees	49	45	48	8.9%	(6.3)%
Corporate Solutions	78	72	64	8.3%	12.5%
Total Global Listing Services	297	291	299	2.1%	(2.7)%
Global Index Group	47	39	44	20.5%	(11.4)%
Total Issuer Services revenues	<u>\$ 344</u>	<u>\$ 330</u>	<u>\$ 343</u>	<u>4.2%</u>	<u>(3.8)%</u>

Global Listing Services

U.S. Listing Services Revenues

Annual renewal fees decreased in 2010 compared with 2009, primarily due to a decrease in the number of listed companies on The NASDAQ Stock Market. The number of companies listed on The NASDAQ Stock Market on January 1, 2010 was 2,852, compared to 3,023 on January 1, 2009, the date on which listed companies were billed their annual fees. The decrease in the number of listed companies was due to 302 delistings from The NASDAQ Stock Market in 2009, partially offset by 131 new listings in 2009.

Annual renewal fees decreased in 2009 compared with 2008, primarily due to a decrease in the number of listed companies on The NASDAQ Stock Market. The number of companies listed on The NASDAQ Stock Market on January 1, 2009 was 3,023, compared to 3,135 on January 1, 2008, the date on which listed companies were billed their annual fees. The decrease in the number of listed companies was due to 289 delistings from The NASDAQ Stock Market in 2008, partially offset by 177 new listings in 2008.

[Table of Contents](#)

The number of listed companies as of January 1, 2010, 2009 and 2008 includes separately listed ETFs. Annual renewal fees are recognized ratably over a 12-month period.

Listing of additional shares fees increased in 2010 compared with 2009 and decreased in 2009 compared to 2008. Listing of additional shares fees are amortized on a straight-line basis over an estimated service period of four years. Therefore, revenues for each year will vary depending on the change in the total shares outstanding for companies listed on The NASDAQ Stock Market in each of the preceding four years.

Initial listing fees decreased in 2010 compared with 2009 and in 2009 compared with 2008. Initial listing fees are amortized on a straight-line basis over an estimated service period of six years. Therefore, revenues for each year will vary depending on the number of new listings, which include IPOs, in each of the preceding six years. New listings were 195 during 2010 compared with 131 during 2009 and 177 during 2008. The increase in new listings during 2010 was primarily due to a stronger IPO market and will impact future revenues as these fees are amortized on a straight-line basis over the estimated service period of six years.

European Listing Services Revenues

European Listing Services revenues increased in 2010 compared with 2009 and decreased in 2009 compared with 2008.

The increase in 2010 was primarily due to an increase in the market capitalization of Nordic issuers, partially offset by a decrease in the number of listed companies from 797 as of December 31, 2009 to 780 as of December 31, 2010.

The decrease in 2009 was primarily due to a decline in the market capitalization of Nordic issuers as well as a decrease in the number of listed companies from 824 as of December 31, 2008 to 797 as of December 31, 2009. In addition, foreign exchange negatively impacted European Listing Services revenues by \$4 million in 2009. Partially offsetting the decline in 2009 was an increase in revenues due to the inclusion of European Listing Services revenues for the full twelve-month period in 2009 compared to ten months in 2008.

European Listing Services revenues are recognized ratably over a 12-month period.

Corporate Solutions Revenues

Corporate Solutions revenues increased in 2010 compared with 2009 and increased in 2009 compared with 2008, primarily due to expanding customer utilization of Shareholder.com, Directors Desk and GlobeNewswire, as well as revenues from Bloom Partners. In addition, the inclusion of Corporate Solutions Nordic for the full twelve-month period in 2009 compared with ten months in 2008 contributed to the increase in 2009. Partially offsetting these increases in 2010 and 2009 was a decrease in Carpenter Moore revenues primarily due to the sale of substantially all of our Carpenter Moore insurance agency business in October 2009.

Global Index Group Revenues

Global Index Group revenues increased in 2010 compared with 2009 and decreased in 2009 compared with 2008. The increase in 2010 was primarily due to an increase in underlying assets associated with NASDAQ OMX-licensed ETFs and other financial products. The Global Index Group has also seen growth in the number of products licensed and an increase in volume for licensed derivative products in 2010. The decrease in 2009 was primarily due to a decrease in underlying assets associated with NASDAQ OMX-licensed ETFs and a decrease in licensed derivatives and futures volumes, partially offset by futures price increases and the inclusion of a full twelve-month period of European global index revenues compared with ten months in 2008.

[Table of Contents](#)**MARKET TECHNOLOGY**

The following table shows the revenues from our Market Technology segment:

	Year Ended December 31,			Percentage Change	
	2010	2009	2008	2010 vs. 2009	2009 vs. 2008
	(in millions)				
Market Technology:					
License, support and facility management revenues	\$ 104	\$ 106	\$ 77	(1.9)%	37.7%
Delivery project revenues	17	20	13	(15.0)%	53.8%
Change request, advisory and broker surveillance revenues	31	19	29	63.2%	(34.5)%
Total Market Technology revenues	\$ 152	\$ 145	\$ 119	4.8%	21.8%

Market Technology revenues increased in 2010 compared with 2009 primarily due to an increase in change request, advisory and broker surveillance revenues, partially offset by decreases in delivery project revenues and license, support and facility management revenues.

License, support and facility management revenues decreased in 2010 compared with 2009 primarily due to a decrease in facility management revenues due to the loss of facility management customers. Partially offsetting this decrease was an increase in support revenues resulting from our acquisition of SMARTS in August 2010, clients entering the support stage of their contracts and a favorable impact from foreign exchange of \$6 million in 2010.

Delivery project revenues decreased in 2010 compared with 2009 primarily due to higher deliveries of market technology contracts during 2009, partially offset by a favorable impact from foreign exchange of \$1 million in 2010.

Change request, advisory and broker surveillance revenues increased in 2010 compared with 2009 primarily due to an increase in broker surveillance revenues resulting from our acquisition of SMARTS in August 2010, as well as higher change request activity during 2010.

Market Technology revenues increased in 2009 compared with 2008 primarily due to the inclusion of Market Technology revenues for the full twelve-month period in 2009 compared to ten months in 2008, as well as increased deliveries of market technology contracts during 2009. Partially offsetting these increases was an unfavorable impact from foreign exchange of \$14 million in 2009.

As of December 31, 2010, total order value, which represents the total contract value of orders signed that are yet to be recognized as revenues, was \$495 million. Market Technology deferred revenue of \$146 million, which is included in this amount, represents cash payments received that are yet to be recognized as revenue for these signed orders. See Note 7, "Deferred Revenue," to the consolidated financial statements for further discussion. The recognition and timing of these revenues depends on many factors, including those that are not within our control. As such, the following table of Market Technology revenues to be recognized in the future represents our best estimate:

	Total Order Value
	(in millions)
Fiscal year ended:	
2011	\$ 146
2012	117
2013	80
2014	59
2015	44
2016 and thereafter	49
Total	\$ 495

[Table of Contents](#)

Expenses

Operating Expenses

The following table shows our operating expenses:

	Year Ended December 31,			Percentage Change	
	2010	2009 (in millions)	2008	2010 vs. 2009	2009 vs. 2008
Compensation and benefits	\$ 416	\$ 412	\$ 401	1.0%	2.7%
Marketing and advertising	20	15	19	33.3%	(21.1)%
Depreciation and amortization	103	104	93	(1.0)%	11.8%
Professional and contract services	78	76	72	2.6%	5.6%
Computer operations and data communications	58	58	54	—	7.4%
Occupancy	88	81	65	8.6%	24.6%
Regulatory	35	32	29	9.4%	10.3%
Merger and strategic initiatives	4	17	25	(76.5)%	(32.0)%
General, administrative and other	89	55	62	61.8%	(11.3)%
Total operating expenses	<u>\$ 891</u>	<u>\$ 850</u>	<u>\$ 820</u>	<u>4.8%</u>	<u>3.7%</u>

Total operating expenses increased \$41 million in 2010 compared with 2009 and \$30 million in 2009 compared with 2008. The increase in 2010 reflects an increase in operating expenses of \$27 million and an unfavorable impact from foreign exchange of \$14 million. The increase in operating expenses of \$27 million in 2010 was primarily due to an increase in general, administrative and other expense for charges incurred in connection with the January 2010 repayment of our senior secured credit facilities in place as of December 31, 2009, partially offset by asset retirements in the third quarter of 2009 related to obsolete technology assets. The increase in 2009 reflects an increase in operating expenses of \$63 million, partially offset by a favorable impact from foreign exchange of \$33 million. The increase in operating expenses of \$63 million in 2009 was primarily due to the inclusion of OMX's operating expenses for the full twelve-month period in 2009 compared with ten months in 2008 and the inclusion of NASDAQ OMX PHLX's operating expenses for the full twelve-month period in 2009 compared with five months in 2008.

Compensation and benefits expense increased in 2010 compared with 2009 and in 2009 compared with 2008. The increase in 2010 was primarily due to an unfavorable impact from foreign exchange of \$7 million and higher compensation expenses reflecting stronger financial performance, partially offset by a decrease in salary expense primarily due to the sale of substantially all of our Carpenter Moore insurance agency business and our Broker Services operations in the United Kingdom in the fourth quarter of 2009. The increase in 2009 was primarily due to the inclusion of OMX's compensation and benefits expense for the full twelve-month period in 2009 compared with ten months in 2008 as well as increased compensation and stock based compensation as a result of other recent acquisitions. Partially offsetting the increase in compensation and benefits expense in 2009 was a decrease in incentive compensation reflecting stronger financial performance in 2008, as well as a favorable impact from foreign exchange of \$15 million. Headcount, including staff employed at consolidated entities where we have a controlling financial interest, increased to 2,395 employees at December 31, 2010 from 2,235 employees at December 31, 2009. Headcount at December 31, 2008 was 2,506 employees. The increase in headcount in 2010 compared with 2009 was primarily due to our recent acquisitions of SMARTS and FTEN. The decrease in headcount in 2009 compared with 2008 was primarily due to a reduction in staffing needs driven by successful integration efforts associated with our business combination with OMX AB and the acquisition of PHLX, as well as the sale of substantially all of our Carpenter Moore business and our Broker Services operations in the United Kingdom as noted above.

Marketing and advertising expense increased in 2010 compared with 2009 and decreased in 2009 compared with 2008. The increase in 2010 was primarily due to production and media costs of a television advertisement campaign in 2010, as well as increased advertising on behalf of new issuers. The decrease in 2009 was primarily due to a reduction in media production and advertising.

[Table of Contents](#)

Depreciation and amortization expense decreased slightly in 2010 compared with 2009 and increased in 2009 compared with 2008. The decrease in 2010 was primarily due to the full amortization of a technology intangible asset in January 2010, partially offset by an unfavorable impact from foreign currency of \$2 million. The increase in 2009 was primarily due to the inclusion of NASDAQ OMX PHLX's depreciation and amortization expense for the full twelve-month period in 2009 compared with five months in 2008 and the inclusion of OMX's depreciation and amortization expense for the full twelve-month period in 2009 compared with ten months in 2008, partially offset by a favorable impact from foreign exchange of \$5 million.

Professional and contract services expense increased in 2010 compared with 2009 and in 2009 compared with 2008. The increase in 2010 was primarily due to an unfavorable impact from foreign currency. The increase in 2009 was primarily due to expenses for consulting work performed on system upgrades, as well as the inclusion of NASDAQ OMX PHLX's professional and contract services expense for the full twelve-month period in 2009 compared with five months in 2008. Partially offsetting these increases were foreign exchange, which had a favorable impact of \$3 million in 2009, and lower costs due to cost savings programs that were put in place during 2009.

Computer operations and data communications expense remained flat in 2010 compared with 2009 and increased in 2009 compared with 2008. The increase in 2009 was primarily due to an increase in hardware maintenance, software leases and network costs to facilitate our recent acquisitions, as well as the inclusion of OMX's computer operations and data communications expense for the full twelve-month period in 2009 compared with ten months in 2008, partially offset by a favorable impact from foreign exchange of \$2 million.

Occupancy expense increased in 2010 compared with 2009 and in 2009 compared with 2008. The increase in 2010 was primarily due to an increase in co-location rent related to the build-out of our data centers, a \$5 million sublease loss reserve recorded in 2010 due to our decision to vacate space we currently lease in Philadelphia and San Francisco as well as London and an unfavorable impact from foreign exchange of \$1 million. Partially offsetting these increases in 2010 was a \$8 million sublease loss reserve recorded in 2009 on the space we occupy in Stockholm, Sweden, discussed below. The increase in 2009 was primarily due to a charge incurred as a result of our decision to exercise our option to terminate our lease contract for space we occupy in Stockholm before its term and our decision to vacate part of the space we occupy in Stockholm, which resulted in recording an estimated sublease loss reserve of \$8 million. In addition, an increase in co-location rent and the inclusion of NASDAQ OMX PHLX's occupancy expense for the full twelve-month period in 2009 compared with five months in 2008 contributed to the increase in 2009. Partially offsetting this increase was foreign exchange, which had a favorable impact of \$2 million for 2009.

Regulatory expense increased in 2010 compared with 2009 and in 2009 compared with 2008. The increase in 2010 was primarily due to outsourcing the regulation of NASDAQ OMX PHLX to FINRA in 2010. The increase in 2009 was primarily due to new regulatory fees from FINRA and an expansion of regulatory services to new markets. FINRA provides regulatory services to The NASDAQ Stock Market, The NASDAQ Options Market, NASDAQ OMX PHLX, NASDAQ OMX PSX and the markets operated and regulated by NASDAQ OMX BX, including the regulation of trading activity and surveillance and investigative functions.

Merger and strategic initiatives expense was \$4 million in 2010 compared with \$17 million for 2009 and \$25 million in 2008. Merger and strategic initiatives expense for 2010 included legal and consulting costs related to our recent acquisitions of SMARTS and FTEN and costs related to strategic initiatives. Merger expenses for 2009 and 2008 were directly attributable to the business combination with OMX AB and the acquisition of PHLX, but did not qualify as purchase accounting adjustments. The costs primarily included consulting and legal costs related to our integration of OMX AB and PHLX. Merger expenses in 2009 also included sales and use tax exposures which existed on previous acquisitions.

General, administrative and other expense increased in 2010 compared with 2009 and decreased in 2009 compared with 2008. The increase in 2010 was primarily due to charges incurred related to the repayment of our senior secured credit facilities in place as of December 31, 2009. In January 2010, we recorded a pre-tax charge

Table of Contents

of \$40 million, which included the write-off of the remaining unamortized balance of debt issuance costs incurred in conjunction with our senior secured credit facilities in place as of December 31, 2009 of \$28 million, costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge of \$9 million and other costs of \$3 million. See “Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009,” of Note 8, “Debt Obligations,” to the consolidated financial statements for further discussion. In addition, the increase was due to the recognition of pre-tax gains of \$4 million in 2009 on the early extinguishment of debt, net of debt issuance, discussed below. Partially offsetting these increases in 2010 were asset retirements of \$10 million in the third quarter of 2009 related to obsolete technology assets.

The decrease in general, administrative and other expense in 2009 compared with 2008 was primarily due to foreign exchange, which had a favorable impact of \$6 million, the recognition of pre-tax gains of \$4 million in 2009 on the early extinguishment of debt, net of debt issuance and other costs, and an improvement in collections of bad debts in 2009, partially offset by asset retirements of \$10 million in 2009 related to obsolete technology assets. See “Early Extinguishment of Debt,” of Note 8, “Debt Obligations,” to the consolidated financial statements for further discussion of the early extinguishment of debt.

Non-operating Income and Expenses

The following table presents our non-operating income and expenses:

	Year Ended December 31,			Percentage Change	
	2010	2009 (in millions)	2008	2010 vs. 2009	2009 vs. 2008
Interest income	\$ 9	\$ 13	\$ 35	(30.8)%	(62.9)%
Interest expense	(102)	(102)	(97)	—	5.2%
Net interest expense	(93)	(89)	(62)	4.5%	43.5%
Dividend and investment income	(3)	2	8	#	(75.0)%
Loss on divesture of businesses	(11)	—	—	#	#
Income (loss) from unconsolidated investees, net	2	(107)	27	#	#
Loss on sale of investment security	—	(5)	—	#	#
Gain on sales of businesses	—	12	—	#	#
Debt conversion expense	—	(25)	—	#	#
Asset impairment charges	—	—	(42)	#	#
Gain (loss) on foreign currency contracts, net	—	—	(58)	#	#
Total non-operating income and (expenses)	<u>\$ (105)</u>	<u>\$ (212)</u>	<u>\$ (127)</u>	<u>(50.5)%</u>	<u>66.9%</u>

Denotes a variance equal to or greater than 100.0%.

Interest Income

Interest income decreased in 2010 compared with 2009 and in 2009 compared with 2008. The decrease in 2010 was primarily due to lower average interest rates earned on our short term investments included in cash and cash equivalents, as well as on financial investments, at fair value in our Consolidated Balance Sheets. The decrease in 2009 was primarily due to lower interest rates of approximately 2% on our investments in 2009 compared with 2008.

Interest Expense

Interest expense for 2010 was \$102 million, and was comprised of \$81 million in interest expense, \$14 million of non-cash expense associated with accretion of the 2.50% convertible notes and \$7 million in non-cash debt issuance amortization expense. Interest expense remained flat in 2010 compared with 2009 as decreases in

Table of Contents

interest expense due to lower average outstanding debt obligations in 2010 resulting from principal amortization payments made in 2009 and 2010 and repurchases of our debt during 2009 were offset by increases in interest expense due to higher average interest rates on our debt obligations.

Interest expense for 2009 was \$102 million, and was comprised of \$67 million in interest expense, \$13 million of non-cash expense associated with accretion of the 2.50% convertible notes, \$11 million in non-cash debt issuance amortization expense and \$11 million in other related fees. Interest expense increased in 2009 compared with 2008 primarily due to a full twelve-month period of interest expense in 2009 on our outstanding debt obligations related to the OMX AB business combination compared with ten months of interest expense in 2008 and additional interest expense due to our increased outstanding debt obligations as a result of the acquisitions of PHLX and certain businesses of Nord Pool that were completed in the second half of 2008.

Dividend and Investment Income

Dividend and investment income decreased in 2010 compared with 2009 and in 2009 compared with 2008. The decrease in 2010 was primarily due to a decrease in the fair value of our government debt securities portfolio as a result of increased rates. The decrease in 2009 was primarily due to a decrease in the dividend per share received from our available-for-sale investment in the Oslo Børs Exchange, or Oslo, as well as a decrease in the fair value of our government debt securities portfolio classified as trading investment securities. Lower fair values were generally related to higher interest rates in 2009 on this portfolio.

Loss on Divestiture of Businesses

The loss on divestiture of businesses of \$11 million in 2010 was due to our decision to close the businesses of both NEURO (\$6 million) and Agora-X (\$5 million) in the second quarter of 2010.

Income (Loss) from Unconsolidated Investees, net

Net income from unconsolidated investees of \$2 million in 2010 was related to our share in the earnings and losses of our equity method investments. The net loss in 2009 of \$107 million was primarily due to impairment charges related to our investments in NASDAQ Dubai and Agora-X and the sale of our Orc shares. See below for further discussion. The net income in 2008 of \$27 million primarily related to the NASDAQ Dubai transaction in February 2008. We contributed intangible assets and \$50 million in cash to NASDAQ Dubai in exchange for a 33 1/3% equity stake in NASDAQ Dubai. One of the intangible assets contributed was the Nasdaq trade name, which had a zero carrying value on Nasdaq's books and records prior to the transfer. As a result, we recognized a \$26 million gain for the difference between Nasdaq's carrying value and the fair value of the contributed asset on this non-monetary exchange.

Impairment of NASDAQ Dubai

In December 2009, we agreed to participate in the realignment of the ownership structure of NASDAQ Dubai. The realignment was completed in May 2010 and at that time, NASDAQ Dubai became a wholly-owned subsidiary of DFM, a publicly traded company controlled by Borse Dubai. We received a 1% equity interest in DFM in exchange for our equity interest in NASDAQ Dubai. Our existing technology and trademark licensing arrangements with Borse Dubai and NASDAQ Dubai remain unchanged.

In connection with the realignment of the ownership structure discussed above, a third-party specialist determined the fair value of NASDAQ Dubai. Based on this valuation, we determined our carrying value of NASDAQ Dubai was no longer recoverable and was in fact impaired, and we wrote down our investment to fair value which resulted in an \$82 million pre-tax, non-cash impairment charge for the year ended December 31, 2009.

Table of Contents

At the time of the realignment in May 2010, we recorded a pre-tax, non cash loss of \$1 million in income (loss) from unconsolidated investees, net in the Consolidated Statements of Income, which was based on the difference between the price of DFM common stock multiplied by the number of shares of DFM acquired and the carrying value of our investment in NASDAQ Dubai at the time of the exchange.

NASDAQ OMX originally contributed intangible assets and \$50 million in cash to NASDAQ Dubai in exchange for a 33 1/3% equity stake in NASDAQ Dubai in February 2008. At that time, NASDAQ OMX valued its total NASDAQ Dubai investment at \$128 million. Prior to the impairment, the investment had a carrying value of \$120 million.

Impairment of Agora-X

In December 2009, we entered into an agreement to increase our investment in Agora-X from 20% to 85%. In evaluating the fair value of the total investment, it was determined that our carrying value of Agora-X was no longer recoverable and was in fact impaired, and we wrote down our investment to fair value which resulted in a pre-tax, non-cash impairment charge of \$5 million.

Sale of Orc Shares

During the second quarter of 2009, we sold our shares in Orc, representing 25.25% of the share capital of Orc, to a group of Swedish and other international investors for \$54 million in cash. As a result of the sale, we recognized a \$19 million loss, which is net of costs directly related to the sale, primarily broker fees.

Loss on Sale of Investment Security

In connection with our business combination with OMX AB, we acquired a long-term available-for-sale investment in Oslo. During the second quarter of 2009, we made a strategic decision to sell this investment, demonstrating our intent to no longer hold this investment, and recorded a \$5 million loss, which is net of costs directly related to the sale, primarily broker fees.

In 2008, we recorded a non-cash other-than-temporary impairment charge of \$35 million related to this investment, which was included in asset impairment charges in the Consolidated Statements of Income. See "Asset Impairment Charges" below for further discussion.

Gain on Sales of Businesses

In October 2009, we sold substantially all of our Carpenter Moore insurance agency business. Certain assets of the western region direct practice insurance brokerage business were sold to Woodruff-Sawyer & Co. and the eastern region insurance brokerage business was sold to Aon Risk Services Companies, Inc. In connection with these sales, we recorded a gain of \$7 million.

In November 2009, we sold our Broker Services operations in the United Kingdom to TD Waterhouse and recorded a gain of \$5 million.

Debt Conversion Expense

In the third quarter of 2009, we recorded debt conversion expense of \$25 million related to an inducement for conversion of most of the 3.75% convertible notes into common stock. The \$25 million expense included a cash inducement of \$9 million, the present value of the series A convertible preferred stock issued of \$15 million, and debt issuance and other costs of \$1 million. See "Conversion of 3.75% Convertible Notes," of Note 8, "Debt Obligations," and "Preferred Stock," of Note 12, "Stockholders' Equity," to the consolidated financial statements for further discussion.

[Table of Contents](#)

Asset Impairment Charges

In 2008, we recorded a non-cash other-than-temporary impairment charge of \$35 million related to our long-term available-for-sale investment security in Oslo. See “Financial Investments,” of Note 2, “Summary of Significant Accounting Policies,” to the consolidated financial statements for further discussion. We also recorded a non-cash impairment loss of \$7 million in 2008 from the write-down of finite-lived intangibles assets, primarily related to our insurance agency business. See Note 4, “Goodwill and Purchased Intangible Assets,” to the consolidated financial statements for further discussion.

Gain (Loss) on Foreign Currency Contracts, net

The loss on foreign currency contracts of \$58 million in 2008 primarily related to a forward contract entered into to hedge the NOK cash payment for the Nord Pool transaction (\$72 million) and our market technology forward currency contracts (\$13 million), partially offset by gains on forward contracts entered into to hedge the foreign currency exposure on our business combination with OMX AB (\$27 million).

See Note 15, “Derivative Financial Instruments and Hedging Activities,” to the consolidated financial statements for further discussion.

Income Taxes

NASDAQ OMX’s income tax provision was \$137 million in 2010 compared with \$128 million in 2009 and \$198 million in 2008. The overall effective tax rate was 26.0% in 2010, 32.7% in 2009 and 38.6% in 2008. The lower effective tax rate in 2010 when compared to 2009 was primarily due to the restructuring of certain NASDAQ OMX subsidiaries. These transactions resulted in one-time reductions in deferred tax liabilities due to a revised effective tax rate and a one-time tax deduction for a capital loss. The higher effective tax rate in 2009 was primarily due to losses on the sale of our equity method investment and an available-for-sale investment security, which are not deductible for tax purposes in the local jurisdiction where these investments were held. The lower effective tax rate in 2009 when compared with 2008 was primarily due to reductions in valuation allowances associated with certain deferred tax assets, and reductions in current year taxes in jurisdictions outside the U.S. Offsetting these decreases is the debt conversion expense, which is not deductible for U.S. tax purposes. The higher effective tax rate in 2008 was primarily due to the other-than-temporary impairment loss of \$35 million on a long-term available-for-sale investment security, which is not deductible for tax purposes.

The effective tax rate may vary from period to period depending on, among other factors, the geographic and business mix of earnings and losses. These same and other factors, including history of pre-tax earnings and losses, are taken into account in assessing the ability to realize deferred tax assets.

In order to recognize and measure our unrecognized tax benefits, management determines whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the recognition thresholds, the position is measured to determine the amount of benefit to be recognized in the consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

NASDAQ OMX and its eligible subsidiaries file a consolidated U.S. federal income tax return and applicable state and local income tax returns and non-U.S. income tax returns. Federal income tax returns for the years 2007 through 2009 are subject to examination by the Internal Revenue Service. Several state tax returns are currently under examination by the respective tax authorities for the years 2000 through 2008 and we are subject to examination for 2009. Non-U.S. tax returns are subject to review by the respective tax authorities for years 2003 through 2009. In August 2010 we paid the state of California \$2 million with respect to audits for the years 1996 through 1998 and the years 2000 through 2006. Since this amount was included in our unrecognized tax

[Table of Contents](#)

benefits as of December 31, 2009, such payment does not affect our 2010 effective tax rate. The outcome of these audits did not have a material impact on our financial position or results of operations. We anticipate that the amount of unrecognized tax benefits at December 31, 2010 will significantly decrease in the next twelve months as we expect to settle certain tax audits. The final outcome of such audits cannot yet be determined. We anticipate that such adjustments will not have a material impact on our consolidated financial position or results of operations.

In the fourth quarter of 2010, we received an appeal from the Finnish Tax Authority in which such authority challenges certain interest expense deductions claimed by NASDAQ OMX in Finland for the years 2009 and 2008. NASDAQ OMX's tax return position with respect to this deduction was previously reviewed and approved by the Finnish Tax Authority. The appeal also demands certain penalties be paid with regards to such tax return filing position. If the Finnish Tax Authority prevails in their challenge, additional tax and penalties for such years would total approximately \$10 million. We expect the Finnish Tax Authority to agree with our position once its review is completed and, as such, it is unlikely NASDAQ OMX will be assessed any additional tax and penalties. Through December 31, 2010, we have recorded the tax benefits associated with such filing position.

In June 2009, NASDAQ OMX filed an application for an advance tax ruling with the Swedish Tax Council for Advance Tax Rulings. The application was filed to confirm whether certain interest expense is deductible for Swedish tax purposes under legislation that became effective on January 1, 2009. In June 2010, we received a favorable response from the Swedish Tax Council for Advance Tax Rulings in which all members of the Council agreed that such interest expense is deductible for Swedish tax purposes. The Swedish Tax Agency has recently appealed such ruling to the Swedish Supreme Administrative Court. We expect the Swedish Supreme Administrative Court to agree with the ruling from the Swedish Tax Council for Advance Tax Rulings. For the year ended December 31, 2010, we recorded a tax benefit of \$18 million, or \$0.09 per diluted share, related to this matter. Since January 1, 2009, we have recorded a tax benefit of \$37 million, or \$0.18 per diluted share, related to this matter.

Net (Income) Loss Attributable to Noncontrolling Interests

Net loss attributable to noncontrolling interests was \$6 million in 2010 compared to a net loss of \$3 million in 2009 and net income of \$1 million in 2008. The 2010 and 2009 amounts primarily reflect losses attributable to noncontrolling interests in IDCG. The 2008 noncontrolling interests amount primarily represents 1.2% of OMX income for the period February 27, 2008 to August 27, 2008 (the effective date of the purchase of the remaining minority OMX AB shares).

Liquidity and Capital Resources

While 2010 was still a challenging economic environment, global market and economic conditions appear to have rebounded from adverse levels experienced during 2009, and this recovery has reinvigorated financial markets. Many lenders and institutional investors have re-established their lending practices and are now able to provide increased funding to borrowers, which has resulted in improved access to credit and positive liquidity growth. Our cost and availability of funding remain healthy and we expect to be positively impacted by continued improvements in the credit markets as we expect to be able to obtain improved terms should we seek either new debt financing or refinancing of our existing obligations.

In January 2010, NASDAQ OMX refinanced its existing credit facilities by issuing \$1 billion of senior unsecured notes, or the Notes, and entering into a \$950 million senior unsecured three-year credit facility. The new credit facility provides for an unfunded \$250 million revolving credit commitment (including a swingline facility and letter of credit facility), a \$350 million funded Tranche A term loan, or the Term Loan A, and a \$350 million funded Tranche X term loan, or the Term Loan X and, together with the Term Loan A, the Term Loans. The Notes were issued at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amounts. NASDAQ OMX applied the net proceeds of \$996 million from the

[Table of Contents](#)

Notes, the \$700 million funded Term Loans and cash on hand to repay all amounts outstanding under our senior secured credit facilities in place as of December 31, 2009 and related fees. As a result, NASDAQ OMX terminated the associated credit agreement.

In December 2010, we entered into a \$400 million senior unsecured bridge facility, of which proceeds of \$370 million were utilized to partially finance the purchase of 22,781,000 shares of our outstanding common stock from Borse Dubai. See “Share Repurchase from Borse Dubai,” of Note 12, “NASDAQ OMX Stockholders’ Equity,” to the consolidated financial statements for further discussion of our share repurchase from Borse Dubai. In December 2010, we also issued \$370 million of 5.25% senior unsecured notes, or the 2018 Notes. The 2018 Notes were issued at a discount and pay interest semiannually at a rate of 5.25% per annum until January 16, 2018. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. NASDAQ OMX applied the net proceeds of \$367 million from the 2018 Notes and cash on hand of \$3 million to repay all amounts outstanding under our bridge facility and terminated the bridge facility as of December 31, 2010.

Excluding the bridge facility, which was repaid with the net proceeds from the 2018 Notes, net proceeds from debt obligations were \$2.1 billion in 2010.

See “Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009,” “Bridge Facility,” and “5.25% Senior Unsecured Notes,” of Note 8, “Debt Obligations,” to the consolidated financial statements for further discussion.

Historically, we have funded our operating activities and met our commitments through cash generated by operations, augmented by the periodic issuance of our common stock in the capital markets and by issuing debt obligations. In addition to these cash sources, we have a \$250 million revolving credit commitment (including a swingline facility and letter of credit facility) under our credit facility to borrow funds.

In the near term, we expect that our operations will provide sufficient cash to fund our operating expenses, capital expenditures, and interest payments on our debt obligations. Working capital (calculated as current assets less current liabilities) was \$279 million at December 31, 2010, compared with \$516 million at December 31, 2009, a decrease of \$237 million. As of December 31, 2010, our cash and cash equivalents of \$315 million were primarily invested in money market funds. In the long-term, we may use both internally generated funds and external sources to satisfy our debt and other long-term liabilities.

Principal factors that could affect the availability of our internally-generated funds include:

- deterioration of our revenues in any of our business segments;
- changes in our working capital requirements; and
- an increase in our expenses.

Principal factors that could affect our ability to obtain cash from external sources include:

- operating covenants contained in our credit facility that limit our total borrowing capacity;
- increases in interest rates applicable to our floating rate loans under our credit facility;
- credit rating downgrades, which could limit our access to additional debt;
- a decrease in the market price of our common stock; and
- volatility in the public debt and equity markets.

Table of Contents

The following sections discuss the effects of changes in our cash and cash equivalents and cash flows, indebtedness, contractual obligations and contingent commitments and derivative clearing and broker-dealer net capital requirements on our liquidity and capital resources.

Cash and Cash Equivalents and Changes in Cash Flows

Cash and cash equivalents include cash in banks and all non-restricted highly liquid investments with original maturities of three months or less at the time of purchase. The balance retained in cash and cash equivalents is a function of anticipated or possible short-term cash needs, prevailing interest rates, our investment policy and alternative investment choices. Restricted cash, which was \$60 million as of December 31, 2010 and \$30 million as of December 31, 2009, is not available for general use by us due to regulatory and other requirements and is classified as restricted cash in the Consolidated Balance Sheets. As of December 31, 2010 and December 31, 2009, current restricted cash primarily includes cash held for regulatory purposes at NASDAQ OMX Nordic. In addition, as of December 31, 2010, restricted cash also includes cash held in customer margin accounts at IDCG and NOCC. Non-current restricted cash was \$105 million at December 31, 2010 and \$80 million at December 31, 2009, an increase of \$25 million. As of December 31, 2010 and 2009, non-current restricted cash includes a deposit in the guaranty fund of IDCG of \$80 million. In addition, as of December 31, 2010, non-current restricted cash includes \$25 million segregated for NOCC to improve its liquidity position and is not available for general use. These amounts are classified as non-current restricted cash in the Consolidated Balance Sheets.

The following tables summarize our cash and cash equivalents and changes in cash flows:

	December 31, 2010	December 31, 2009	Percentage Change
	(in millions)		
Cash and cash equivalents ⁽¹⁾	\$ 315	\$ 594	(47.0)%

⁽¹⁾ Cash and cash equivalents exclude restricted cash which is not available for general use by us due to regulatory and other requirements.

	Year Ended December 31,		Percentage Change
	2010	2009	
	(in millions)		
Cash provided by operating activities	\$ 440	\$ 582	(24.4)%
Cash used in investing activities	(118)	(53)	#
Cash used in financing activities	(595)	(336)	77.1%
Effect of exchange rate changes on cash and cash equivalents	(6)	27	#

Denotes a variance greater than 100.0%.

Cash and Cash Equivalents

Cash and cash equivalents decreased \$279 million from December 31, 2009 primarily due to cash used in financing activities and investing activities, partially offset by cash provided by operating activities.

[Table of Contents](#)

Changes in Cash Flows

Cash Provided by Operating Activities

The following items impacted our cash provided by operating activities for the year ended December 31, 2010:

- Net income of \$389 million, plus:
 - Non-cash items of \$172 million comprised primarily of \$103 million of depreciation and amortization expense, \$37 million for charges related to debt refinancing (including \$28 million for the write-off of the remaining unamortized balance of debt issuance costs incurred in conjunction with our senior secured credit facilities in place as of December 31, 2009 and \$9 million in costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge), \$33 million of share-based compensation expense, \$14 million related to accretion of our 2.50% convertible senior notes, \$11 million for loss on divestiture of businesses and asset retirements and impairment charges of \$6 million, partially offset by deferred taxes, net of \$35 million.

Partially offset by an:

- Increase in other assets of \$79 million primarily related to a prepaid expense for a data center lease of \$32 million, an increase in non-current restricted cash related to \$25 million segregated for NOCC to improve its liquidity position and an increase of \$30 million in current restricted cash which relates to cash held on customer margin accounts at IDCG and NOCC, as well as increases related to regulatory requirements within NASDAQ OMX Nordic.
- Decrease in Section 31 fees payable to SEC of \$55 million primarily due to the timing of payments, which are made twice a year in September and March, as well as lower fee rates.

The following items impacted our cash provided by operating activities for the year ended December 31, 2009:

- Net income of \$263 million, plus:
 - Non-cash items of \$271 million comprised primarily of loss from unconsolidated investees, net of \$107 million, depreciation and amortization of \$104 million, share-based compensation of \$35 million, debt conversion expense of \$25 million, accretion of 2.50% convertible senior notes of \$13 million and asset retirements and impairment charges of \$13 million, partially offset by gain on sales of businesses of \$12 million and deferred taxes, net of \$10 million.
 - Decrease in other assets of \$130 million primarily due to a decrease in restricted cash as a result of the release of NASDAQ OMX Commodities clearing capital due to changes in our clearing capital model.
 - Increase in Section 31 fees payable to SEC of \$88 million due to higher Section 31 fees as a result of rate increases.
 - Decrease in receivables, net of \$33 million primarily due to decreases in our transaction services trade receivables reflecting increased tape rebates, which are netted against our tape revenue billings.
- Partially offset by a:
 - Decrease in accounts payable and accrued expenses of \$125 million primarily due to lower rebates as a result of decreased trading activity, as well as the wind-down of activities at Carpenter Moore and our Broker Services operations in the United Kingdom, which were sold in the fourth quarter of 2009.

Table of Contents

- Decrease in accrued personnel costs of \$41 million primarily due to a decrease in our incentive compensation accrual reflecting stronger financial performance in 2008, as well as a reduction in the number of employees in 2009.
- Decrease in other current liabilities of \$37 million primarily due to decreases in accrued taxes as a result of payments made.

We expect that cash provided by operating activities may fluctuate in future periods as a result of a number of factors, including fluctuations in our operating results, accounts receivable collections, share-based compensation and the timing and amount of other payments that we make.

Cash Used in Investing Activities

Cash used in investing activities for the year ended December 31, 2010 is primarily due to purchases of trading securities, cash used for acquisitions, and purchases of property and equipment, partially offset by proceeds from sales and redemptions of trading securities. In 2009, cash used in investing activities primarily related to cash used in connection with the purchase of trading securities, as well as purchases of property and equipment. Partially offsetting cash used in 2009 was cash received from sales and redemptions of trading securities and our available-for-sale investment in Oslo, as well as cash received from the sale of our 25.25% equity method investment in Orc.

Cash Used in Financing Activities

Cash used in financing activities in 2010 primarily consisted of the repayment of debt obligations of \$2.2 billion consisting of the repayment of our senior secured credit facilities in place as of December 31, 2009 of \$1.7 billion, repayment of our bridge facility of \$370 million, repayment of \$130 million on our Term Loans, including optional payments totaling \$60 million made in the second and third quarters of 2010, and a \$16 million payment related to the payoff of our subordinated debt obligation assumed in the acquisition of Nord Pool's derivatives clearing and consulting subsidiaries. We also utilized \$797 million of cash in connection with our share repurchase program, which includes our stock repurchase from Borse Dubai. These decreases were partially offset by the net proceeds from debt obligations of \$2.4 billion, as discussed above.

See "Indebtedness" below for further discussion of our debt obligations. See "Share Repurchase from Borse Dubai," and "Share Repurchase Program," of Note 12, "NASDAQ OMX Stockholders' Equity," to the consolidated financial statements for further discussion of our share repurchase program.

Cash used in financing activities for 2009 consisted of \$225 million in principal payments made on our senior secured term loan facilities in place as of December 31, 2009 and a \$71 million payment to repay in full the vendor note issued to the previous owners of Nord Pool in connection with the acquisition of certain businesses of Nord Pool. In addition, we repurchased \$47 million principal amount of our 2.50% convertible senior notes for a cash payment of \$40 million and recognized a pre-tax gain of \$4 million, net of debt issuance and other costs, and made a \$4 million payment on our other credit facilities in 2009. We also made a \$9 million payment in connection with an inducement for the conversion of our 3.75% convertible notes. For further discussion of the \$9 million inducement payment, see Note 8, "Debt Obligations," and "Preferred Stock," of Note 12, "Stockholders' Equity," to the consolidated financial statements.

[Table of Contents](#)

Indebtedness

The following table summarizes our debt obligations by contractual maturity:

	<u>Maturity Date</u>	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
		<u>(in millions)</u>	
3.75% convertible notes (net of discount) ⁽¹⁾	October 2012	\$ —	\$ —
\$700 million senior unsecured term loan facility ⁽²⁾	January 2013	570	—
2.50% convertible senior notes	August 2013	388	374
4.00% senior unsecured notes (net of discount)	January 2015	398	—
5.25% senior unsecured notes (net of discount)	January 2018	367	—
5.55% senior unsecured notes (net of discount)	January 2020	598	—
6.25% subordinated debt assumed from the acquisition of Nord Pool's derivatives clearing and consulting subsidiaries	Repaid May 2010	—	18
	Repaid January 2010	—	1,700
\$2,000 million senior secured term loan facility		—	1,700
Total debt obligations		2,321	2,092
Less current portion		(140)	(225)
Total long-term debt obligations		\$ 2,181	\$ 1,867

⁽¹⁾ As of December 31, 2010 and December 31, 2009, approximately \$0.5 million aggregate principal amount of the 3.75% convertible notes remained outstanding.

⁽²⁾ In addition to our scheduled \$70 million quarterly payments, we made optional payments totaling \$60 million of principal on our Term Loans during the second and third quarters of 2010.

Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009

As discussed above and in Note 8, "Debt Obligations," to the consolidated financial statements, in January 2010 NASDAQ OMX issued \$1 billion of Notes and entered into a \$950 million senior unsecured three-year credit facility. The credit facility provides for an unfunded \$250 million revolving credit commitment (including a swingline facility and letter of credit facility) and \$700 million of funded Term Loans. NASDAQ OMX applied the net proceeds from the Notes, the \$700 million funded Term Loans and cash on hand to repay all amounts outstanding under our senior secured credit facilities in place as of December 31, 2009 and related fees. As a result, NASDAQ OMX terminated the associated credit agreement.

The senior unsecured credit facility contains financial and operating covenants. Financial covenants include an interest expense coverage ratio and a maximum leverage ratio. The interest expense coverage ratio requires NASDAQ OMX to maintain a minimum ratio of adjusted earnings before interest, taxes, depreciation and amortization (as defined by the credit agreement) to cash interest expense (as defined by the credit agreement) of 4.0 to 1.0. The maximum leverage ratio of debt (excluding up to \$100 million of short term borrowings in connection with regulatory requirements) to adjusted earnings before interest, taxes, depreciation and amortization (as defined by the credit agreement), is initially set at 3.5 to 1.0, stepping down to 3.25 to 1.0 beginning January 2012. Operating covenants include limitations on NASDAQ OMX's ability to incur additional indebtedness, grant liens on assets, enter into affiliate transactions and pay dividends.

The credit facility also contains customary affirmative covenants, including access to financial statements, notice of defaults and certain other material events, maintenance of business and insurance, and events of default, including cross-defaults to our material indebtedness.

NASDAQ OMX is permitted to repay borrowings under the credit facility at any time in whole or in part, without penalty. We also are required to repay loans outstanding under the credit facility with net cash proceeds

Table of Contents

from sales of property and assets of NASDAQ OMX and its subsidiaries (excluding inventory sales and other sales in the ordinary course of business) and casualty and condemnation proceeds, in each case subject to specified exceptions and thresholds.

Bridge Facility

As discussed above and in Note 8, "Debt Obligations," to the consolidated financial statements, in December 2010, NASDAQ OMX entered into a \$400 million senior unsecured bridge facility of which proceeds of \$370 million were utilized to partially finance the purchase of our stock from Borse Dubai. We applied the net proceeds from the issuance of our 2018 notes, discussed below, and cash on hand to repay all amounts outstanding under the bridge facility and terminated the bridge facility as of December 31, 2010.

5.25% Senior Unsecured Notes

In December 2010, NASDAQ OMX issued \$370 million of 5.25% senior unsecured notes due 2018, at a discount. The net proceeds were \$367 million. The 2018 Notes pay interest semiannually at a rate of 5.25% per annum until January 16, 2018. We applied the net proceeds from the 2018 Notes of \$367 million and cash on hand of \$3 million to repay all amounts outstanding under our bridge facility, as discussed above, as well as related fees.

Other Credit Facilities

In addition to the \$250 million revolving credit commitment discussed above, we also have other credit facilities related to our clearinghouses in order to meet liquidity and regulatory requirements. These credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled \$440 million (\$196 million in available liquidity and \$244 million to satisfy regulatory requirements), none of which was utilized at December 31, 2010. At December 31, 2009, these credit facilities totaled \$417 million (\$185 million in available liquidity and \$232 million to satisfy regulatory requirements), none of which was utilized.

Debt Covenants

At December 31, 2010, we were in compliance with the covenants of all of our debt obligations.

Debt Obligations by Contract Maturity

See "Contractual Obligations and Contingent Commitments" below for our debt obligations by contract maturity, which includes both principal and interest obligations. See Note 8, "Debt Obligations," to the consolidated financial statements for further discussion of our debt obligations.

Derivative Clearing and Broker-Dealer Net Capital Requirements

Derivative Clearing Operations Regulatory Capital Requirements

We are required to maintain minimum levels of regulatory capital for our clearing operations for NASDAQ OMX Stockholm, NASDAQ OMX Commodities and IDCG. The level of regulatory capital required to be maintained is dependent upon many factors, including market conditions and creditworthiness of the counterparty. At December 31, 2010, we were required to maintain regulatory capital of \$273 million which is comprised of:

- \$3 million of restricted cash;
- \$80 million of non-current restricted cash; and
- \$190 million primarily in Swedish government debt securities. These securities are included in financial investments, at fair value in the Consolidated Balance Sheets as of December 31, 2010.

[Table of Contents](#)

In addition, we have available credit facilities of \$244 million which can be utilized to satisfy our regulatory capital requirements.

Broker-Dealer Net Capital Requirements

Our broker-dealer subsidiaries, Nasdaq Execution Services and NASDAQ Options Services, are subject to regulatory requirements intended to ensure their general financial soundness and liquidity. These requirements obligate these subsidiaries to comply with minimum net capital requirements. At December 31, 2010, Nasdaq Execution Services was required to maintain minimum net capital of \$0.3 million and had total net capital of approximately \$8.1 million, or \$7.8 million in excess of the minimum amount required. At December 31, 2010, NASDAQ Options Services also was required to maintain minimum net capital of \$0.3 million and had total net capital of approximately \$5.4 million, or \$5.1 million in excess of the minimum amount required.

Other Capital Requirements

NASDAQ Options Services also is required to maintain a \$2.0 million minimum level of net capital under our clearing arrangement with OCC.

Non-GAAP Financial Measures

In addition to disclosing results determined in accordance with GAAP, we have also provided non-GAAP net income attributable to NASDAQ OMX and non-GAAP diluted earnings per share. Management uses this non-GAAP information internally, along with GAAP information, in evaluating our performance and in making financial and operational decisions.

We believe our presentation of these measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparison of results as the items described below do not reflect historical operating performance. These measures are not in accordance with, or an alternative to, GAAP, and may be different from non-GAAP measures used by other companies. Investors should not rely on any single financial measure when evaluating our business. We recommend investors review the GAAP financial measures included in this Annual Report on Form 10-K, including our consolidated financial statements and the notes thereto. When viewed in conjunction with our GAAP results and the accompanying reconciliation, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than GAAP measures alone. Our management uses these measures to evaluate operating performance and management decisions made during the reporting period by excluding certain items that we believe have less significance on, or do not impact, the day-to-day performance of our business. We understand that analysts and investors regularly rely on non-GAAP financial measures, such as non-GAAP net income and non-GAAP diluted earnings per share, to assess operating performance. We use non-GAAP net income attributable to NASDAQ OMX and non-GAAP diluted earnings per share because they more clearly highlight trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures, since these measures eliminate from our results specific financial items that have less bearing on our operating performance. Non-GAAP net income attributable to NASDAQ OMX for the periods presented below is calculated by adding net income attributable to NASDAQ OMX and various non-recurring, infrequent or other charges that are not routine operating expenses, and their related income tax effects. We do not believe these items are representative of our future operating performance since these charges were not consistent with our historical and normal operating performance.

Non-GAAP adjustments for the year ended December 31, 2010 primarily related to the following:

(i) debt related charges associated with the repayment of our senior secured credit facilities in place as of December 31, 2009, (ii) loss on divestiture of businesses due to our decision to close the businesses of both NEURO and Agora-X in the second quarter of 2010, (iii) asset retirement charges primarily related to obsolete

[Table of Contents](#)

technology, (iv) workforce reduction costs, (v) sublease loss reserve charge recorded on the space we occupy in Philadelphia, San Francisco and London due to our decision to vacate this space, (vi) merger and strategic initiatives costs, primarily legal and consulting, related to our recent acquisitions of SMARTS and FTEN, as well as costs related to other strategic initiatives, (vii) adjustment to the income tax provision to reflect these non-GAAP adjustments, and (viii) non-recurring tax items, net primarily due to the permanent tax effect of the restructuring of certain NASDAQ OMX subsidiaries. This resulted in a one-time reduction in deferred tax liabilities due to a revised effective tax rate and a one-time tax deduction for a capital loss.

Non-GAAP adjustments for the year ended December 31, 2009 primarily related to the following:

(i) debt conversion expense related to an inducement for conversion of most of our 3.75% convertible notes into common stock, (ii) gain on early extinguishment of a portion of our 2.50% convertible senior notes, net of costs, (iii) impairment charges related to our investments in NASDAQ Dubai and Agora-X, as well as the sale of our Orc shares, (iv) asset retirement charges primarily related to obsolete technology, (v) loss on the sale of our available-for-sale investment security in Oslo, (vi) gain on the sale of substantially all of our Carpenter Moore insurance agency business and a gain on the sale of our Broker Services operations in the United Kingdom, (vii) workforce reduction costs, (viii) sublease loss reserve charge recorded as a result of our decision to exercise our option to terminate our lease contract for space we occupy in Stockholm before its term and our decision to vacate part of this space, (ix) merger and strategic initiatives costs, directly attributable to the business combination with OMX AB and the acquisition of PHLX, which did not qualify as purchase accounting adjustments, (x) adjustment to the income tax provision to reflect these non-GAAP adjustments, (xi) non-recurring tax items, net primarily due to reductions in 2008 U.S. tax liabilities based on recent tax return filings and reductions in U.S. tax liabilities for years which are no longer subject to examination, and (xii) other.

Non-GAAP adjustments for the year ended December 31, 2008 primarily related to the following:

(i) asset impairment charges related to a non-cash other-than-temporary impairment charge on our long-term available-for-sale investment security in Oslo and a non-cash impairment loss from the write-down of finite-lived intangible assets, primarily related to our Carpenter Moore insurance agency business, (ii) net loss on foreign currency contracts primarily related to our foreign currency forward contracts used to economically hedge our exposure related to our business combination with OMX AB and the Nord Pool transaction, (iii) a non-recurring gain on the contribution of the Nasdaq trade name in the transaction with NASDAQ Dubai, (iv) workforce reduction costs, (v) merger and strategic initiatives costs, directly attributable to the business combination with OMX AB and the acquisition of PHLX, which did not qualify as purchase accounting adjustments, (vi) adjustment to the income tax provision to reflect these non-GAAP adjustments, and (vii) other.

Table of Contents

The following table represents reconciliations between GAAP net income and diluted earnings per share and non-GAAP net income and diluted earnings per share:

	Year Ended December 31, 2010		Year Ended December 31, 2009		Year Ended December 31, 2008	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
(in millions, except per share amounts)						
GAAP net income and diluted earnings per share						
attributable to NASDAQ OMX	\$ 395	\$ 1.91	\$ 266	\$ 1.25	\$ 314	\$ 1.55
Non-GAAP adjustments:						
Debt repayment	40	0.20	—	—	—	—
Debt conversion expense	—	—	25	0.12	—	—
Gain on early extinguishment of debt	—	—	(4)	(0.02)	—	—
Impairment of NASDAQ Dubai	—	—	82	0.38	—	—
Impairment of Agora-X	—	—	5	0.02	—	—
Sale of Orc shares	—	—	19	0.09	—	—
Loss on divestiture of businesses	11	0.05	—	—	—	—
Asset retirements	2	0.01	13	0.06	—	—
Loss on sale of investment security	—	—	5	0.02	—	—
Gain on sale of businesses	—	—	(12)	(0.06)	—	—
Asset impairment charges	—	—	—	—	42	0.21
Net loss on foreign currency contracts	—	—	—	—	58	0.28
Gain on our transaction with NASDAQ Dubai	—	—	—	—	(26)	(0.13)
Workforce reductions	9	0.04	15	0.07	2	0.01
Sublease reserves	5	0.03	8	0.04	—	—
Merger and strategic initiatives	4	0.02	17	0.08	25	0.12
Adjustment to the income tax provision to reflect non-GAAP adjustments ⁽¹⁾	(28)	(0.14)	(47)	(0.21)	(17)	(0.08)
Non-recurring tax items, net	(32)	(0.15)	(8)	(0.04)	—	—
Other	5	0.02	5	0.02	2	0.01
Total non-GAAP adjustments, net of tax	16	0.08	123	0.57	86	0.42
Non-GAAP net income and diluted earnings per share						
attributable to NASDAQ OMX	\$ 411	\$ 1.99	\$ 389	\$ 1.82	\$ 400	\$ 1.97
Denominator for diluted earnings per share		206,514,655		214,537,907		204,514,862

⁽¹⁾ We determine the tax effect of each item based on the tax rules in the respective jurisdiction where the transaction occurred. The foreign currency revaluation has no associated tax impact.

[Table of Contents](#)

Contractual Obligations and Contingent Commitments

NASDAQ OMX has contractual obligations to make future payments under debt obligations by contract maturity, minimum rental commitments under non-cancelable operating leases, net and other obligations. The following table shows these contractual obligations as of December 31, 2010:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1-3 years (in millions)	3-5 years	More than 5 years
Debt obligations by contract maturity (See Note 8, "Debt Obligations") ⁽¹⁾	\$2,947	\$ 222	\$ 1,026	\$ 530	\$ 1,169
Minimum rental commitments under non-cancelable operating leases, net ⁽²⁾	515	82	137	108	188
Other obligations ⁽³⁾	25	3	22	—	—
Total	<u>\$3,487</u>	<u>\$ 307</u>	<u>\$ 1,185</u>	<u>\$ 638</u>	<u>\$ 1,357</u>

⁽¹⁾ Our debt obligations include both principal and interest obligations. A weighted-average interest rate of 2.41% at December 31, 2010 was used to compute the amount of the contractual obligations for interest on our Term Loans. All other debt obligations were calculated on a 360-day basis at the contractual fixed rate multiplied by the aggregate principal amount at December 31, 2010.

⁽²⁾ We lease some of our office space and equipment under non-cancelable operating leases with third parties and sublease office space to third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

⁽³⁾ In connection with our acquisitions of FTEN and SMARTS, we entered into escrow agreements to secure the payment of post-closing adjustments and other closing conditions. At December 31, 2010, these agreements provide for future payments of \$25 million.

Off-Balance Sheet Arrangements

Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available

Collateral Received for Clearing Operations

Through our clearing operations in the derivatives markets with NASDAQ OMX Commodities, NASDAQ OMX Stockholm and IDCG, as well as riskless principal trading at NOCC and the resale and repurchase market with NASDAQ OMX Stockholm, we are the legal counterparty for each position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by us for the purpose of trading on our own behalf and the resale and repurchase agreements are not used by us for financing purposes. The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from other clearinghouses. See "Derivative Positions, at Fair Value," of Note 14, "Fair Value of Financial Investments," for further discussion. As a legal counterparty of each transaction, we bear the counterparty risk between the purchaser and seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the application country, which requires us to provide minimum guarantees and maintain certain levels of regulatory capital.

We require our customers and clearing members to pledge collateral and meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. Total customer pledged collateral with NASDAQ OMX Commodities and NASDAQ OMX Stockholm was \$8.7 billion at December 31, 2010 and \$6.1 billion at December 31, 2009. This pledged collateral is held by a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. Since these funds are not held by NASDAQ OMX Commodities or NASDAQ OMX Stockholm and they are not available for our use, we do not receive any interest income on these funds.

Table of Contents

We also require market participants at IDCG and NOCC to meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations and to provide collateral to cover the daily margin call. Customer pledged cash collateral held by IDCG and NOCC, which was \$15 million at December 31, 2010, is included in restricted cash with an offsetting liability included in other current liabilities in the Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belongs to IDCG and NOCC. Clearing member pledged cash collateral, included in IDCG's guaranty fund, was \$8 million at December 31, 2010. This cash is included in non-current restricted cash with an offsetting liability included in other liabilities in the Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belongs to IDCG.

Through our clearing operations in the resale and repurchase markets with NASDAQ OMX Stockholm, pledged collateral which is transferred through NASDAQ OMX Stockholm at initiation of the bilateral contract between the two clearing member counterparties, primarily consists of Swedish government debt securities. In addition, market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. In the event that one of the members cannot fulfill its obligation to deliver or receive the underlying security at the agreed upon price, NASDAQ OMX Stockholm is required to buy or sell the security in the open market to fulfill its obligation. In order to protect itself against a price movement in the value of the underlying security, or price risk, NASDAQ OMX Stockholm requires all members to provide additional margin as needed, which is valued on a daily basis and is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX Stockholm in the event of default.

Guarantees Issued and Credit Facilities Available

In addition to the collateral pledged by market participants discussed above, we have obtained financial guarantees and credit facilities which are guaranteed by us through counter indemnities, to provide further liquidity and default protection. At December 31, 2010, financial guarantees issued to us totaled \$5 million. Credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled \$440 million (\$196 million in available liquidity and \$244 million to satisfy regulatory requirements), none of which was utilized at December 31, 2010. At December 31, 2009, these facilities totaled \$417 million (\$185 million in available liquidity and \$232 million to satisfy regulatory requirements), none of which was utilized.

We believe that the potential for us to be required to make payments under these arrangements is mitigated through the pledged collateral and our risk management policies. Accordingly, no contingent liability is recorded in the Consolidated Balance Sheets for these arrangements.

Leases

We lease some of our office space and equipment under non-cancelable operating leases with third parties and sublease office space to third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

Other Guarantees

We have provided other guarantees as of December 31, 2010 of \$18 million, primarily related to obligations for our rental and leasing contracts. In addition, for certain Market Technology contracts, we have performance guarantees of \$6 million related to the delivery of software technology and support services. We have received financial guarantees from various financial institutions to support these guarantees. These guarantees totaled \$35 million at December 31, 2009.

We have also provided a \$25 million guarantee to our wholly-owned subsidiary, NOCC, to cover losses associated with customer defaults, net of any collateral posted against such losses.

[Table of Contents](#)

We believe that the potential for us to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Consolidated Balance Sheets for the above guarantees.

Brokerage Activities

Nasdaq Execution Services and NASDAQ Options Services provide guarantees to securities clearinghouses and exchanges under their standard membership agreements, which require members to guarantee the performance of other members. If a member becomes unable to satisfy its obligations to the clearinghouses, other members would be required to meet its shortfalls. To mitigate these performance risks, the exchanges and clearinghouses often require members to post collateral as well as meet certain minimum financial standards. Nasdaq Execution Services' and NASDAQ Options Services' maximum potential liability under these arrangements cannot be quantified. However, we believe that the potential for Nasdaq Execution Services and NASDAQ Options Services to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Consolidated Balance Sheets for these arrangements.

Quantitative and Qualitative Disclosures About Market Risk

As a result of our operating and financing activities, we are exposed to market risks such as interest rate risk, foreign currency exchange rate risk, equity risk and credit risk.

We have implemented policies and procedures to measure, manage, monitor and report risk exposures, which are reviewed regularly by management and the board of directors. We identify risk exposures and monitor and manage such risks on a daily basis.

We perform sensitivity analyses to determine the effects that market risk exposures may have. We may use derivative instruments solely to hedge financial risks related to our financial positions or risks that are incurred during the normal course of business. We do not use derivative instruments for speculative purposes.

Interest Rate Risk

The following table summarizes our significant exposure to interest rate risk on our financial assets and liabilities as of December 31, 2010:

	<u>Financial Assets</u>	<u>Financial Liabilities⁽¹⁾</u> (in millions)	<u>Negative impact of a 100 bp adverse shift in interest rate⁽²⁾</u>
Floating rate positions ⁽³⁾	\$ 480	\$ 570	\$ 1
Fixed rate positions ⁽⁴⁾	220	1,798	2
Total	\$ 700	\$ 2,368	\$ 3

⁽¹⁾ Represents total contractual debt obligations.

⁽²⁾ Annualized impact of a 100 basis point parallel adverse shift in the yield curve.

⁽³⁾ Includes floating rate and fixed interest rates with a maturity or reset date due within 12 months.

⁽⁴⁾ Financial assets primarily consist of Swedish government debt securities, which are classified as trading investment securities, with an average duration of 1.60 years.

We are exposed to cash flow risk on floating rate positions, which totaled \$480 million at December 31, 2010. When interest rates on financial assets of floating rate positions decrease, net interest income decreases. When interest rates on financial liabilities of floating rate positions increase, net interest expense increases. Based on December 31, 2010 positions, each 1.0% change in interest rates on our net floating rate positions would impact annual pre-tax income negatively by \$1 million in total as reflected in the table above.

[Table of Contents](#)

We are exposed to price risk on our fixed rate financial investments, which totaled \$220 million at December 31, 2010. At December 31, 2010, these fixed rate positions have an average outstanding maturity or reset date falling in more than one year. A shift of 1.0% of the interest rate curve would in aggregate impact the fair value of these positions by approximately \$4 million. The average duration of the portfolio was 1.60 years. The net effect of such a yield curve shift, taking into account the change in fair value and the increase in interest income, would impact annual pre-tax income negatively by \$2 million.

Foreign Currency Exchange Rate Risk

As an international company, we are subject to currency translation risk. For the year ended December 31, 2010, approximately 33.9% of our revenues less transaction rebates, brokerage, clearance and exchange fees and 26.4% of our operating income were derived in currencies other than the U.S. dollar, primarily the Swedish Krona, Euro, Norwegian Krone and Danish Krone. For the year ended December 31, 2009, approximately 34.5% of our revenues less transaction rebates, brokerage, clearance and exchange fees and 21.2% of our operating income were derived in currencies other than the U.S. dollar, primarily the Swedish Krona, Euro and Norwegian Krone. The increase in the percentage of our operating income in currencies other than the U.S. dollar was primarily due to an increase in U.S. dollar operating expenses. In January 2010, we recorded a pre-tax charge of \$40 million, which included the write-off of the remaining unamortized balance of debt issuance costs incurred in conjunction with our senior secured credit facilities in place as of December 31, 2009 of \$28 million, costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge of \$9 million and other costs of \$3 million.

Our primary exposure to foreign denominated revenues less transaction rebates, brokerage, clearance and exchange fees and operating income for the year ended December 31, 2010 is presented in the following table:

	<u>Swedish Krona</u>	<u>Euro</u>	<u>Norwegian Krone</u> (in millions, except currency rate)	<u>Danish Krone</u>	<u>Other Foreign Currencies</u>
Average foreign currency rate to the U.S. dollar in 2010	0.1391	1.3272	0.1657	0.1782	#
Percentage of revenues less transaction rebates, brokerage, clearance and exchange fees	22.3%	3.4%	3.0%	3.0%	2.2%
Percentage of operating income	16.6%	5.6%	4.0%	4.4%	(4.2)%
Impact of a 10% adverse currency fluctuation on revenues less transaction rebates, brokerage, clearance and exchange fees	\$ (34)	\$ (5)	\$ (5)	\$ (5)	\$ (4)
Impact of a 10% adverse currency fluctuation on operating income	\$ (10)	\$ (3)	\$ (3)	\$ (3)	\$ —

Represents multiple foreign currency rates.

Our primary exposure to foreign denominated revenues less transaction rebates, brokerage, clearance and exchange fees and operating income for the year ended December 31, 2009 is presented in the following table:

	<u>Swedish Krona</u>	<u>Euro</u> (in millions, except currency rate)	<u>Norwegian Krone</u>	<u>Other Foreign Currencies</u>
Average foreign currency rate to the U.S. dollar in 2009	0.1315	1.3941	0.1598	#
Percentage of revenues less transaction rebates, brokerage, clearance and exchange fees	21.0%	4.3%	3.1%	6.1%
Percentage of operating income	11.3%	6.4%	3.5%	—
Impact of a 10% adverse currency fluctuation on revenues less transaction rebates, brokerage, clearance and exchange fees	\$ (30)	\$ (6)	\$ (5)	\$ (9)
Impact of a 10% adverse currency fluctuation on operating income	\$ (7)	\$ (4)	\$ (2)	\$ (2)

Represents multiple foreign currency rates.

[Table of Contents](#)

For the year ended December 31, 2008, our primary exposures to foreign currencies were to the Swedish Krona, Euro and Danish Krone. The average foreign currency exchange rate to the U.S. dollar in 2008 was 0.1516 for the Swedish Krona, 1.4712 for the Euro, and 0.1963 for the Danish Krone. Of our total consolidated operating income for the year ended December 31, 2008, 2% was denominated in Swedish Krona, 19% in Euros, and 2% in Danish Kroner.

Equity Risk

Our investments in foreign subsidiaries are exposed to volatility in currency exchange rates through translation of the foreign subsidiaries' net assets or equity to U.S. dollars. Substantially all of our foreign subsidiaries operate in functional currencies other than the U.S. dollar. Fluctuations in currency exchange rates may create volatility in our reported results as we are required to translate the balance sheets and operational results of these foreign currency denominated subsidiaries into U.S. dollars for consolidated reporting. The translation of foreign subsidiaries non-U.S. dollar balance sheets into U.S. dollars for consolidated reporting results in a cumulative translation adjustment which is recorded in accumulated other comprehensive (income) loss within stockholders' equity in the Consolidated Balance Sheets.

Our primary exposure to this equity risk as of December 31, 2010 is presented by foreign currency in the following table:

	<u>Net Investment</u>	<u>Impact on Consolidated Equity of a 10% Decrease in Foreign Currency</u>
		(millions of dollars)
Euro	\$ 211	\$ 21
Norwegian Krone	143	14
Australian Dollar	90	9
Swedish Krona	88	9
Danish Krone	75	8

Credit Risk

We are exposed to credit risk from third parties, including customers, counterparties and clearing agents. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. We limit our exposure to credit risk by rigorously selecting the counterparties with which we make investments and execute agreements. The financial investment portfolio objective is to invest in securities to preserve principal while maximizing yields, without significantly increasing risk. Credit risk associated with investments is minimized substantially by ensuring that these financial assets are placed with governments which have investment grade ratings, well-capitalized financial institutions and other creditworthy counterparties.

Nasdaq Execution Services and NASDAQ Options Services may be exposed to credit risk, due to the default of trading counterparties, in connection with the clearing and routing services they provide for our trading customers. System trades in cash equities routed to other market centers for members of The NASDAQ Stock Market are cleared by Nasdaq Execution Services, as a member of NSCC. System trades in derivative contracts executed in the opening and closing cross and trades routed to other market centers are cleared by NASDAQ Options Services, as a member of the OCC.

Pursuant to the rules of the NSCC and Nasdaq Execution Services' clearing agreement, Nasdaq Execution Services is liable for any losses incurred due to a counterparty or a clearing agent's failure to satisfy its contractual obligations, either by making payment or delivering securities. Pursuant to the rules of the OCC and NASDAQ Options Services' clearing agreement, NASDAQ Options Services is also liable for any losses incurred due to a counterparty or a clearing agent's failure to satisfy its contractual obligations, either by making

Table of Contents

payment or delivering securities. Adverse movements in the prices of securities and derivative contracts that are subject to these transactions can increase our credit risk. However, we believe that the risk of material loss is limited, as Nasdaq Execution Services' and NASDAQ Options Services' customers are not permitted to trade on margin and NSCC and OCC rules limit counterparty risk on self-cleared transactions by establishing credit limits and capital deposit requirements for all brokers that clear with NSCC and OCC. Historically, neither Nasdaq Execution Services nor NASDAQ Options Services has incurred a liability due to a customer's failure to satisfy its contractual obligations as counterparty to a system trade. Credit difficulties or insolvency or the perceived possibility of credit difficulties or insolvency of one or more larger or visible market participants could also result in market-wide credit difficulties or other market disruptions.

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities, NASDAQ OMX Stockholm and IDCG, as well as riskless principal trading at NOCC and the resale and repurchase market with NASDAQ OMX Stockholm, we are the legal counterparty for each position traded and thereby guarantee the fulfillment of each contract. See "Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available," of "Off-Balance Sheet Arrangements," above for further discussion.

We also have credit risk related to transaction fees that are billed to customers on a monthly basis, in arrears. Our potential exposure to credit losses on these transactions is represented by the receivable balances in our Consolidated Balance Sheets. Our customers are financial institutions whose ability to satisfy their contractual obligations may be impacted by volatile securities markets.

On an ongoing basis we review and evaluate changes in the status of our counterparty's creditworthiness. Credit losses such as those described above could adversely affect our consolidated financial position and results of operations.

Critical Accounting Policies and Estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to use judgment in making estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. The following critical accounting policies are based on, among other things, judgments and assumptions made by management that include inherent risk and uncertainties. Management's estimates are based on the relevant information available at the end of each period. For a summary of our significant accounting policies, including the accounting policies discussed below, see Note 2, "Summary of Significant Accounting Policies," to the consolidated financial statements for further discussion.

Revenue Recognition

Issuer Services Revenues

Global Listing Services

Listing Services revenues in the U.S. include annual renewal fees, listing of additional shares fees and initial listing fees. Annual renewal fees do not require any judgments or assumptions by management as these amounts are recognized ratably over the following 12-month period. However, listing of additional shares fees and initial listing fees are recognized on a straight-line basis over estimated service periods, which are four and six years, respectively, based on our historical listing experience and projected future listing duration.

Market Technology Revenues

The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement, and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

[Table of Contents](#)

Revenues are derived from the following primary sources: licensing, support and facility management revenues, delivery project revenues, as well as change request, advisory and broker surveillance revenues.

We enter into multiple-element sales arrangements to provide technology solutions and services to our customers. In order to recognize revenues associated with each individual element of a multiple-element sales arrangement separately, we are required to establish the existence of VSOE of fair value for each element. When VSOE for individual elements of an arrangement cannot be established, revenue is generally deferred and recognized over either the final element of the arrangement or the entire term of the arrangement for which the services will be delivered.

License and support revenues are derived from the system solutions developed and sold by NASDAQ OMX that are generally entered into in multiple-element sales arrangements. After we have developed and sold a system solution, the customer licenses the right to use the software and may require post contract support and other services. Facility management revenues are also generally entered into in multiple-element sales arrangements and are derived when NASDAQ OMX assumes responsibility for the continuous operation of a system platform for a customer and receives facility management revenues which can be both fixed and volume-based. Revenues for license, support and facility management services are generally deferred and recognized over either the final element of the arrangement or the entire term of the arrangement for which the services will be delivered. We record the deferral of revenue associated with multiple-element sales arrangements in deferred revenue and non-current deferred revenue and the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets.

Delivery project revenues are derived from the installation phase of the system solutions developed and sold by NASDAQ OMX. The majority of our delivery projects involve individual adaptations to the specific requirements of the customer, such as those relating to functionality and capacity. We may customize our software technology and make significant modifications to the software to meet the needs of our customers, and as such, we account for these arrangements under contract accounting. Under contract accounting, when VSOE for valuing certain elements of an arrangement cannot be established, total revenues, as well as costs incurred, are deferred until the customization and significant modifications are complete and are then recognized over the post contract support period. We record the deferral of this revenue in deferred revenue and non-current deferred revenue and the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets.

Change request, advisory and broker surveillance revenues do not require any judgments or assumptions by management as these amounts are recognized in revenue when earned.

Reserve for Bad Debts

The reserve for bad debts is maintained at a level that management believes to be sufficient to absorb estimated losses in the accounts receivable portfolio. The reserve is increased by the provision for bad debts which is charged against operating results and decreased by the amount of charge-offs, net of recoveries. The amount charged against operating results is based on several factors including, but not limited to, a continuous assessment of the collectability of each account, the length of time a receivable is past due and our historical experience with the particular customer. In circumstances where a specific customer's inability to meet its financial obligations is known (i.e., bankruptcy filings), we record a specific provision for bad debts against amounts due to reduce the receivable to the amount we reasonably believe will be collected. Due to changing economic, business and market conditions, we review the reserve for bad debts monthly and make changes to the reserve through the provision for bad debts as appropriate. If circumstances change (i.e., higher than expected defaults or an unexpected material adverse change in a major customer's ability to pay), our estimates of recoverability could be reduced by a material amount.

Goodwill and Indefinite-Lived Intangible Assets and Related Impairment

Our business acquisitions typically result in the recording of goodwill and intangible assets, and the recorded values of those assets may become impaired in the future. As of December 31, 2010, goodwill totaled \$5.1 billion and indefinite-lived intangible assets totaled \$993 million. The determination of the value of such goodwill and indefinite-lived intangible assets requires management to make estimates and assumptions that affect our consolidated financial statements. Goodwill for our three reporting units and indefinite-lived intangible assets are reviewed for impairment annually, or in interim periods if certain events occur indicating that the carrying value may be impaired. We test for impairment during the fourth quarter of our fiscal year using October 1st carrying values. We assess potential impairments to goodwill and indefinite-lived intangible assets when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. For goodwill, if the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill is less than the carrying value. For indefinite-lived intangible assets, impairment exists if the carrying value of the intangible asset exceeds its fair value.

Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate cash flows. Our judgments regarding the existence of impairment indicators and future cash flows related to goodwill and indefinite-lived intangible assets are based on the operational performance of our acquired businesses, market conditions, relevant trading multiples of comparable companies, the trading price of our common stock and other factors. Although there are inherent uncertainties in this assessment process, the estimates and assumptions we use are consistent with our internal planning. However, disruptions to our business such as economic weakness and unexpected significant declines in operating results of reporting units, may result in our having to perform an impairment test for goodwill for some or all of our reporting units and indefinite-lived intangible assets prior to the required annual assessment. These types of events and the resulting analysis could result in goodwill or indefinite-lived intangible asset impairment charges in the future.

As of December 31, 2010, there were no reporting units deemed to be at risk of failing the goodwill impairment test. Also, we do not have any indefinite-lived intangible assets at risk of failing our impairment test. There have been no significant events since the timing of our impairment tests that would have triggered additional impairment testing. No impairments of goodwill or indefinite-lived intangible assets were recorded in 2010, 2009 or 2008.

Other Long-Lived Assets and Related Impairment

We also assess potential impairments to our other long-lived assets, including finite-lived intangible assets, equity method investments, property and equipment and other assets, when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. An impairment loss is recognized when the carrying amount of the long-lived asset exceeds its fair value and is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. We evaluate our equity method investments for other-than-temporary declines in value by considering a variety of factors such as the earnings capacity of the investment and the fair value of the investment compared to its carrying amount. In addition, for investments where the market value is readily determinable, we consider the underlying stock price as an additional factor. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to operating results.

In 2009, we recorded losses of \$87 million due to impairment charges related to NASDAQ Dubai and Agora-X. These charges were included in income (loss) from unconsolidated investees, net in the Consolidated Statements of Income. See Note 5, "Investments," to the consolidated financial statements for further discussion. In 2008, we recorded an impairment loss of finite-lived intangible assets of \$7 million primarily related to our insurance agency business, which was part of Corporate Solutions within our Issuer Services segment. This

[Table of Contents](#)

charge was included in asset impairment charges in the Consolidated Statements of Income. See Note 4, “Goodwill and Purchased Intangible Assets,” to the consolidated financial statements for further discussion. No other impairments of long-lived assets were recorded in 2010, 2009 or 2008.

Amortization Periods of Intangible Assets with Finite-Lives

Intangible assets, net, primarily include exchange and clearing registrations, customer relationships, trade names, licenses and technology. Intangible assets with finite-lives are amortized on a straight-line basis over their average estimated useful lives as follows:

- Technology: 3—10 years
- Customer relationships: 10—30 years
- Other: 4—10 years

The estimated useful life of developed and new technology is based on the likely duration of benefits to be derived from the technology. We consider such factors as the migration cycle for re-platforming existing technologies and the development of future generations of technology. We also give consideration to the pace of the technological changes in the industries in which we sell our products.

The estimated useful life of customer relationships is determined based on an analysis of the historical attrition rates of customers and an analysis of the legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of customer relationships.

See Note 3, “Acquisitions and Strategic Initiatives,” and Note 4, “Goodwill and Purchased Intangible Assets,” to the consolidated financial statements for further discussion of intangible assets.

Income Taxes

Estimates and judgments are required in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred tax assets, which arise from net operating loss carryforwards, tax credit carryforwards and temporary differences between the tax and financial statement recognition of revenue and expense. Our deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. Management is required to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the recognition thresholds, the position is measured to determine the amount of benefit to be recognized in the consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

In assessing the need for a valuation allowance, we consider all available evidence including past operating results, the existence of cumulative losses in the most recent fiscal years, estimates of future taxable income and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

In addition, the calculation of our tax liabilities involves uncertainties in the application of tax regulations in the U.S. and other tax jurisdictions. We recognize potential liabilities for anticipated tax audit issues in such jurisdictions based on our estimate of whether, and the extent to which, additional taxes and interest may be due. While we believe that our tax liabilities reflect the probable outcome of identified tax uncertainties, it is reasonably possible that the ultimate resolution of any tax matter may be greater or less than the amount accrued. If events occur and the payment of these amounts ultimately proves unnecessary, the reversal of the liabilities

[Table of Contents](#)

would result in tax benefits being recognized in the period when we determine the liabilities are no longer necessary. If our estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Pension and Post-Retirement Benefits

Pension and other post-retirement benefit plan information for financial reporting purposes is developed using actuarial valuations. We assess our pension and other post-retirement benefit plan assumptions on a regular basis. In evaluating these assumptions, we consider many factors, including evaluation of the discount rate, expected rate of return on plan assets, healthcare cost trend rate, retirement age assumption, our historical assumptions compared with actual results and analysis of current market conditions and asset allocations. See Note 10, "Employee Benefits," to the consolidated financial statements for further discussion.

Discount rates used for pension and other post-retirement benefit plan calculations are evaluated annually and modified to reflect the prevailing market rates at the measurement date of a high-quality fixed-income debt instrument portfolio that would provide the future cash flows needed to pay the benefits included in the benefit obligations as they come due. Actuarial assumptions are based upon management's best estimates and judgment.

The expected rate of return on plan assets for our U.S. pension plans represents our long-term assessment of return expectations which may change based on significant shifts in economic and financial market conditions. The long-term rate of return on plan assets is derived from return assumptions based on targeted allocations for various asset classes. While we consider the pension plans' recent performance and other economic growth and inflation factors, which are supported by long-term historical data, the return expectations for the targeted asset categories represents a long-term prospective return.

Share-Based Compensation

The accounting for share-based compensation requires the measurement and recognition of compensation expense for all share-based awards made to employees based on estimated fair values. Share-based awards, or equity awards, include employee stock options, restricted stock and performance service units, or PSUs. Prior to October 2008, restricted stock generally refers to restricted stock awards and after October 2008, restricted stock generally refers to restricted stock units.

We estimate the fair value of employee stock options using the Black-Scholes valuation model. Assumptions used in the Black-Scholes valuation model include the expected life of the award, the weighted-average risk free rate, the expected volatility, and the dividend yield. Our computation of expected life is based on historical exercise patterns. The risk free interest rate for periods within the expected life of the award is based on the U.S. Treasury yield curve in effect at the time of grant. Our computation of expected volatility is based on a combination of historical and market-based implied volatility. Our credit facilities restrict our ability to pay dividends. Before our credit facilities were in place, it was not our policy to declare or pay cash dividends on our common stock.

See Note 11, "Share-Based Compensation," to the consolidated financial statements for further discussion.

Software Costs

We capitalize and amortize significant purchased application software and operational software that are an integral part of computer hardware on the straight-line method over their estimated useful lives, generally two to five years. We expense other purchased software as incurred.

Certain costs incurred in connection with developing or obtaining internal use software are capitalized. We capitalize internal and third party costs incurred in connection with the development of internal use software.

[Table of Contents](#)

Under our Market Technology segment, costs of computer software to be sold, leased, or otherwise marketed as a separate product or as part of a product or process are capitalized after the product has reached technological feasibility. Technological feasibility is established upon completion of a detail program design or, in its absence, completion. Thereafter, all software production costs shall be capitalized. Prior to reaching technological feasibility, all costs are charged to expense. Capitalized costs are amortized on a straight-line basis over the remaining estimated economic life of the product and are included in depreciation and amortization expense in the Consolidated Statements of Income.

Foreign Currency Translation

Foreign denominated assets and liabilities are remeasured into the functional currency at exchange rates in effect at the balance sheet date through the income statement. Gains or losses resulting from foreign currency transactions are remeasured using the rates on the dates on which those elements are recognized during the period, and are included in general, administrative and other expense in the Consolidated Statements of Income.

Translation gains or losses resulting from translating our subsidiaries' financial statements from the local functional currency to the reporting currency, net of tax, are included in accumulated other comprehensive income (loss) within stockholders' equity in the Consolidated Balance Sheets. Assets and liabilities are translated at the balance sheet date while revenues and expenses are recorded at the date the transaction occurs or at an applicable average rate.

Recently Adopted Accounting Pronouncements

ASC Topic 605.25—In October 2009, the Financial Accounting Standards Board, or FASB, issued authoritative guidance on FASB Accounting Standards Codification, or ASC, Topic 605.25, "Revenue Recognition—Multiple-Element Arrangements." This guidance modifies the revenue recognition guidance for arrangements that involve the delivery of multiple-elements, such as product, software, services or support, to a customer at different times as part of a single revenue generating transaction. This standard provides principles and application guidance to determine whether multiple deliverables exist, how the individual deliverables should be separated and how to allocate the revenue in the arrangement among those separate deliverables. The standard also expands the disclosure requirements for multiple deliverable revenue arrangements. This accounting guidance was effective for us on January 1, 2011, but allowed for early adoption as of the first quarter of 2010 or through a retrospective application to all revenue arrangements for all periods presented in the financial statements. We adopted this guidance in the first quarter of 2010. The adoption did not have a significant impact on our financial position or results of operations.

ASC Topic 820—In January 2010, the FASB issued amended guidance relating to ASC Topic 820, "Fair Value Measurements and Disclosures." The amended guidance requires new disclosures as follows:

- Amounts related to transfers in and out of Levels 1 and 2 shall be disclosed separately and the reasons for the transfers shall be described.
- In the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements on a gross basis.

The guidance also provides amendments that clarify existing disclosures related to the following:

- Reporting fair value measurement disclosures for each class of assets and liabilities.
- Providing disclosure surrounding the valuation techniques and inputs used to measure fair value for both Level 2 and Level 3 fair value measurements.

[Table of Contents](#)

This accounting guidance was effective for us beginning on January 1, 2010, except for the disclosure requirements surrounding the reconciliation of Level 3 fair value measurements, which were effective for us on January 1, 2011. Since this guidance only requires additional disclosure, it did not and will not affect our financial position or results of operations.

ASC Topic 855—In February 2010, the FASB issued amended guidance on subsequent events. Under this amended guidance, entities that file with the SEC are no longer required to disclose the date through which subsequent events have been evaluated in originally issued or revised financial statements. This amended guidance was effective immediately and we adopted the new requirements as of March 31, 2010.

Summarized Quarterly Financial Data (Unaudited)

	<u>1st Qtr 2010</u>	<u>2nd Qtr 2010</u>	<u>3rd Qtr 2010</u>	<u>4th Qtr 2010</u>
	(in millions, except per share amounts)			
Total revenues	\$ 771	\$ 886	\$ 758	\$ 783
Cost of revenues	(411)	(496)	(386)	(383)
Revenues less transaction rebates, brokerage, clearance and exchange fees	360	390	372	400
Total operating expenses	248	211	207	225
Operating income	<u>112</u>	<u>179</u>	<u>165</u>	<u>175</u>
Net income attributable to NASDAQ OMX	<u>\$ 61</u>	<u>\$ 96</u>	<u>\$ 101</u>	<u>\$ 137</u>
Basic earnings per share	<u>\$0.29</u>	<u>\$ 0.46</u>	<u>\$ 0.51</u>	<u>\$ 0.70</u>
Diluted earnings per share	<u>\$0.28</u>	<u>\$ 0.46</u>	<u>\$ 0.50</u>	<u>\$ 0.69</u>
	<u>1st Qtr 2009</u>	<u>2nd Qtr 2009</u>	<u>3rd Qtr 2009</u>	<u>4th Qtr 2009</u>
Total revenues	\$ 895	\$ 889	\$ 810	\$ 817
Cost of revenues	(526)	(522)	(461)	(448)
Revenues less transaction rebates, brokerage, clearance and exchange fees	369	367	349	369
Total operating expenses	203	208	218	220
Operating income	<u>166</u>	<u>159</u>	<u>131</u>	<u>149</u>
Net income attributable to NASDAQ OMX	<u>\$ 94</u>	<u>\$ 69</u>	<u>\$ 60</u>	<u>\$ 43</u>
Basic earnings per share	<u>\$0.47</u>	<u>\$ 0.34</u>	<u>\$ 0.30</u>	<u>\$ 0.20</u>
Diluted earnings per share	<u>\$0.44</u>	<u>\$ 0.33</u>	<u>\$ 0.28</u>	<u>\$ 0.20</u>

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Information about quantitative and qualitative disclosures about market risk is incorporated herein by reference from “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk.”

Item 8. Financial Statements and Supplementary Data.

NASDAQ OMX’s consolidated financial statements, including Consolidated Balance Sheets as of December 31, 2010 and 2009, Consolidated Statements of Income for the years ended December 31, 2010, 2009 and 2008, Consolidated Statements of Changes in Equity for the years ended December 31, 2010, 2009 and 2008, Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2010, 2009 and

[Table of Contents](#)

2008, Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008 and notes to our consolidated financial statements, together with a report thereon of Ernst & Young LLP, dated February 24, 2011, are attached hereto as pages F-1 through F-79 and incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

(a). **Disclosure controls and procedures.** NASDAQ OMX's management, with the participation of NASDAQ OMX's Chief Executive Officer and Executive Vice President and Chief Financial Officer, has evaluated the effectiveness of NASDAQ OMX's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, NASDAQ OMX's Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded that, as of the end of such period, NASDAQ OMX's disclosure controls and procedures are effective.

(b). **Internal controls over financial reporting.** There have been no changes in NASDAQ OMX's internal controls over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, NASDAQ OMX's internal controls over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for the preparation and integrity of the consolidated financial statements appearing in the reports that we file with the SEC. The consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles and include amounts based on management's estimates and judgments.

Management is also responsible for establishing and maintaining adequate internal control over NASDAQ OMX's financial reporting. Although there are inherent limitations in the effectiveness of any system of internal control over financial reporting, we maintain a system of internal control that is designed to provide reasonable assurance as to the fair and reliable preparation and presentation of the consolidated financial statements, as well as to safeguard assets from unauthorized use or disposition that could have a material effect on the financial statements.

Our management assessed the effectiveness of our internal control over financial reporting, as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on its assessment, our management believes that, as of December 31, 2010, our internal control over financial reporting is effective.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on NASDAQ OMX's internal control over financial reporting, which is included herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of The NASDAQ OMX Group, Inc.

We have audited The NASDAQ OMX Group, Inc.'s internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The NASDAQ OMX Group, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis of our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, The NASDAQ OMX Group, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standard of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The NASDAQ OMX Group, Inc. as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in equity, comprehensive income (loss), and cash flows for each of the three years in the period ended December 31, 2010 of The NASDAQ OMX Group, Inc. and our report dated February 24, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
February 24, 2011

Item 9B. Other Information.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Information about NASDAQ OMX's directors, as required by Item 401 of Regulation S-K, is incorporated by reference from the discussion under the caption "Proposal I: Election of Directors" in NASDAQ OMX's proxy statement for the 2011 Annual Meeting of Stockholders, or the Proxy. Information about NASDAQ OMX's executive officers, as required by Item 401 of Regulation S-K, is incorporated by reference from the discussion under the caption "Executive Officers of NASDAQ OMX" in the Proxy. Information about Section 16 reports, as required by Item 405 of Regulation S-K, is incorporated by reference from the discussion under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy. Information about NASDAQ OMX's code of ethics, as required by Item 406 of Regulation S-K, is incorporated by reference from the discussion under the caption "NASDAQ OMX Corporate Governance Guidelines and Code of Ethics" in the Proxy. Information about NASDAQ OMX's nomination procedures, audit committee and audit committee financial experts, as required by Items 407(c)(3), 407(d)(4) and 407(d)(5) of Regulation S-K, is incorporated by reference from the discussion under the caption "Proposal I: Election of Directors" in the Proxy.

Item 11. Executive Compensation.

Information about NASDAQ OMX's director and executive compensation, as required by Items 402, 407(e)(4) and 407(e)(5) of Regulation S-K, is incorporated by reference from the discussion under the captions "Compensation Discussion and Analysis," "Director Compensation" and "Executive Compensation" in the Proxy.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information about security ownership of certain beneficial owners and management, as required by Item 403 of Regulation S-K, is incorporated by reference from the discussion under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy.

Equity Compensation Plan Information

NASDAQ OMX's Equity Plan provides for the issuance of our equity securities to our officers and other employees, directors and consultants. In addition, most employees of NASDAQ OMX and its subsidiaries are eligible to participate in the NASDAQ OMX Employee Stock Purchase Plan, or ESPP, at 85.0% of the fair market value of our common stock on the price calculation date. The Equity Plan and the ESPP have been approved previously by our stockholders. In 2003, we granted non-qualified stock options for 1,000,000 shares of common stock and 100,000 shares of restricted stock to Robert Greifeld, our Chief Executive Officer, as inducement awards to secure his employment with NASDAQ OMX. These two inducement awards were outside of the Equity Plan. The following table sets forth information regarding outstanding options and shares reserved for future issuance under all of NASDAQ OMX's compensation plans as of December 31, 2010.

<u>Plan Category</u>	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a) ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in column (a))(c)
Equity compensation plans approved by stockholders	9,412,842	\$ 17.79	12,316,604 ⁽²⁾
Equity compensation plans not approved by stockholders	700,000 ⁽³⁾⁽⁴⁾	\$ 5.28	
Total	10,112,842	\$ 16.92	12,316,604⁽²⁾

- ⁽¹⁾ The amounts in this column include only the number of shares to be issued upon exercise of outstanding options, warrants and rights. At December 31, 2010, we also had 3,857,720 shares to be issued upon vesting of outstanding restricted stock and PSUs.
- ⁽²⁾ This amount includes 8,445,563 shares of common stock that may be awarded pursuant to the Equity Plan and 3,871,041 shares of common stock that may be issued pursuant to the ESPP.
- ⁽³⁾ Mr. Greifeld received an inducement award of non-qualified stock options exercisable for 1,000,000 shares of common stock pursuant to the terms of his 2003 employment agreement, of which he has exercised 300,000 shares. The award was granted on April 15, 2003 at an exercise price of \$5.28 per share and expires on April 15, 2013. The option became exercisable with respect to 250,000 shares on July 10, 2003 and became exercisable with respect to 250,000 shares on each of April 15, 2004, 2005 and 2006. In the event Mr. Greifeld's employment is terminated by NASDAQ OMX for cause or by Mr. Greifeld without good reason (each as defined in the employment agreement he entered into with us in 2003), the vested options will remain exercisable for a period ending on the earlier of ten days after termination or the expiration date. In the event Mr. Greifeld's employment is terminated by NASDAQ OMX without cause, by Mr. Greifeld for good reason or in the event of death or disability, Mr. Greifeld would have the earlier of 24 months after the termination date or the expiration date to exercise the vested options. If Mr. Greifeld's employment terminates as a result of retirement (as defined in the employment agreement he entered into with us in 2003), he would have the earlier of 370 days or the expiration date to exercise the vested options. In the event Mr. Greifeld's employment terminates as a result of a non-renewal by NASDAQ OMX, any vested options will be exercisable until the earlier of 24 months from termination or the expiration date. This inducement award is transferable by Mr. Greifeld only to certain immediate family members or to a trust or other entity for the exclusive benefit of such immediate family members.
- ⁽⁴⁾ Does not include 100,000 shares of restricted stock granted to Mr. Greifeld as an inducement award on June 11, 2003. The shares of restricted stock vested in equal amounts on each of the first three anniversaries of May 12, 2003, Mr. Greifeld's date of commencement of employment. This inducement award is transferable only by the laws of descent and distribution.

[Table of Contents](#)

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information about certain relationships and related transactions, as required by Item 404 of Regulation S-K, is incorporated herein by reference from the discussion under the caption “Certain Relationships and Related Transactions” in the Proxy. Information about director independence, as required by Item 407(a) of Regulation S-K, is incorporated herein by reference from the discussion under the caption “Proposal I: Election of Directors” in the Proxy.

Item 14. Principal Accountant Fees and Services.

Information about principal accountant fees and services, as required by Item 9(e) of Schedule 14A, is incorporated herein by reference from the discussion under the caption “Proposal II: Ratify the Appointment of Independent Registered Public Accounting Firm” in the Proxy.

Part IV

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) Financial Statements

See “Index to Consolidated Financial Statements.”

(a)(2) Financial Statement Schedules

See “Index to Consolidated Financial Statements.”

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(a)(3) Exhibits

Exhibit Index

Exhibit Number

3.1	Restated Certificate of Incorporation of NASDAQ OMX (incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009).
3.1.1	Certificate of Designation of Series A Convertible Preferred Stock of NASDAQ OMX (incorporated herein by reference to Exhibit 3.1.8 to the Current Report on Form 8-K filed on October 6, 2009).
3.2	By-Laws of NASDAQ OMX (incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K filed on April 22, 2010).
4.1	Form of Common Stock certificate (incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form 10 filed on April 30, 2001).
4.2	Amended and Restated Securityholders Agreement, dated as of April 22, 2005, among Norway Acquisition SPV, LLC, Hellman & Friedman Capital Partners IV, L.P., H&F Executive Fund IV, L.P., H&F International Partners IV-A, L.P., and H&F International Partners IV-B, L.P., Silver Lake Partners TSA, L.P., Silver Lake Investors, L.P., VAB Investors, LLC and Integral Capital Partners VI, L.P. (incorporated herein by reference to Exhibit 4.5 to the Current Report on Form 8-K filed on April 28, 2005).

Table of Contents

Exhibit

Number

- 4.3 Registration Rights Agreement, dated as of April 22, 2005, among Nasdaq, Hellman & Friedman Capital Partners IV, L.P., H&F Executive Fund IV, L.P., H&F International Partners IV-A, L.P., and H&F International Partners IV-B, L.P., Silver Lake Partners TSA, L.P., Silver Lake Investors, L.P., VAB Investors, LLC and Integral Capital Partners VI, L.P. (incorporated herein by reference to Exhibit 4.4 to the Current Report on Form 8-K filed on April 28, 2005).
- 4.4 Indenture, dated as February 26, 2008, between Nasdaq and The Bank of New York (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on March 3, 2008)
- 4.5 Form of 2.50% Convertible Senior Note due 2013 (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on March 3, 2008).
- 4.6 Registration Rights Agreement, dated February 26, 2008, among The NASDAQ OMX Group, Inc., J.P. Morgan Securities Inc. and Banc of America Securities LLC (incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K filed on March 3, 2008).
- 4.7 The NASDAQ OMX Group Inc.'s Stockholders' Agreement, dated as of February 27, 2008, between The NASDAQ OMX Group, Inc. and Borse Dubai Limited (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on March 3, 2008).
- 4.7.1 First Amendment to The NASDAQ OMX Group Inc.'s Stockholders' Agreement, dated as of February 19, 2009, between The NASDAQ OMX Group, Inc. and Borse Dubai Limited (incorporated herein by reference to Exhibit 4.10.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).
- 4.8 Registration Rights Agreement, dated as of February 27, 2008, among The NASDAQ OMX Group, Inc., Borse Dubai Limited and Borse Dubai Nasdaq Share Trust (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K filed on March 3, 2008).
- 4.8.1 First Amendment to Registration Rights Agreement, dated as of February 19, 2009, among The NASDAQ OMX Group, Inc., Borse Dubai Limited and Borse Dubai Nasdaq Share Trust (incorporated herein by reference to Exhibit 4.11.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).
- 4.9 Indenture, dated as of January 15, 2010, between NASDAQ OMX and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on January 19, 2010).
- 4.10 Supplemental Indenture, dated as of January 15, 2010, among NASDAQ OMX and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on January 19, 2010).
- 4.11 Supplemental Indenture, dated as of December 17, 2010, among NASDAQ OMX and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on December 21, 2010).
- 4.12 NASDAQ Stockholders' Agreement, dated as of December 16, 2010, between The NASDAQ OMX Group, Inc. and Investor AB.
- 10.1 Amended and Restated Board Compensation Policy, approved as of July 27, 2010 (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 filed on August 4, 2010).*
- 10.2 The NASDAQ OMX Group, Inc. 2010 Executive Corporate Incentive Plan, effective as of January 1, 2010 (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 filed on August 4, 2010).*

Table of Contents

<u>Exhibit Number</u>	
10.3	Form of NASDAQ OMX Non-Qualified Stock Option Award Certificate.*
10.4	Form of NASDAQ OMX Restricted Unit Award Certificate (employees).*
10.5	Form of NASDAQ OMX Restricted Stock Unit Agreement (directors) (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009).*
10.6	Form of NASDAQ OMX Performance Share Unit Agreement.*
10.7	Amended and Restated Supplemental Executive Retirement Plan, dated as of December 17, 2008 (incorporated herein by reference to Exhibit 10.6 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.7.1	Amendment No. 1 to Amended and Restated Supplemental Executive Retirement Plan, effective as of December 31, 2008 (incorporated herein by reference to Exhibit 10.6.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.8	The NASDAQ OMX Group, Inc. Supplemental Employer Retirement Contribution Plan, dated as of December 17, 2008 (incorporated herein by reference to Exhibit 10.7 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.9	Employment Agreement by and between Nasdaq and Robert Greifeld, effective as of January 1, 2007 (incorporated herein by reference to Exhibit 10.5 to the Annual Report on Form 10-K filed on February 28, 2007).*
10.9.1	Amendment to Employment Agreement by and between NASDAQ OMX and Robert Greifeld, effective as of December 31, 2008 (incorporated herein by reference to Exhibit 10.8.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.10	Nonqualified Stock Option Agreement between Nasdaq and Robert Greifeld reflecting December 13, 2006 grant (incorporated herein by reference to Exhibit 10.13 to the Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 25, 2008).*
10.11	Nonqualified Stock Option Agreement between NASDAQ OMX and Robert Greifeld reflecting June 30, 2009 grant (incorporated herein by reference to Exhibit 10.11 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 18, 2010).*
10.12	2007 Performance Share Unit Agreement between Nasdaq and Robert Greifeld (incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 25, 2008).*
10.13	2008 Performance Share Unit Agreement between Nasdaq and Robert Greifeld (incorporated herein by reference to Exhibit 10.15 to the Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 25, 2008).*
10.14	2009 Performance Share Unit Agreement between NASDAQ OMX and Robert Greifeld (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009).*
10.15	2010 Performance Share Unit Agreement between NASDAQ OMX and Robert Greifeld (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 filed on November 3, 2010).*
10.16	Form of Amended and Restated Letter Agreement, effective as of December 31, 2008, between NASDAQ OMX and Certain Executive Officers (incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*

Table of Contents

<u>Exhibit Number</u>	
10.17	Employment Agreement between Nasdaq and Edward Knight, effective as of December 29, 2000 Nasdaq (incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 31, 2003).*
10.17.1	First Amendment to Employment Agreement between Nasdaq and Edward Knight, effective February 1, 2002 Nasdaq (incorporated herein by reference to Exhibit 10.14.1 to the Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 31, 2003).*
10.17.2	Second Amendment to Employment Agreement between NASDAQ OMX and Edward Knight, effective as of December 31, 2008 (incorporated herein by reference to Exhibit 10.13.2 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.18	Amendment to Nonqualified Stock Option Agreements, effective as of October 21, 2009, between NASDAQ OMX and David P. Warren (incorporated herein by reference to Exhibit 10.17 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 18, 2010).*
10.19	Employment Agreement, dated as of June 24, 2008, between OMX AB and Hans-Ole Jochumsen (incorporated herein by reference to Exhibit 10.18 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 18, 2010).*
10.20	Credit Agreement, dated as of January 15, 2010, among NASDAQ OMX, the Lenders party thereto, Bank of America, N.A., as administrative agent, Nordea Bank AB (publ.) and Skandinaviska Enskilda Banken AB (publ.), as Nordic Lead Arrangers and Joint Bookrunning Managers, Banc of America Securities LLC and J.P. Morgan Securities Inc., as U.S. Lead Arrangers and Joint Bookrunning Managers and J.P. Morgan Chase Bank, N.A., Nordea Bank AB (publ.) and Skandinaviska Enskilda Banken AB (publ.) as documentation agents (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on January 19, 2010).
10.21	Credit Agreement, dated as of December 17, 2010, among NASDAQ OMX, the Lenders party thereto, J.P. Morgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities LLC, as Sole Lead Arranger and Sole Lead Bookrunning Manager.
11	Statement regarding computation of per share earnings (incorporated herein by reference from Note 13 to the consolidated financial statements under Part II, Item 9 of this Form 10-K).
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	List of all subsidiaries.
23.1	Consent of Ernst & Young.
24.1	Powers of Attorney.
31.1	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”).
31.2	Certification of Executive Vice President and Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley.
32.1	Certifications Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley.
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema

Table of Contents

<u>Exhibit Number</u>	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Management contract or compensatory plan or arrangement.

** The following materials from The NASDAQ OMX Group, Inc. Annual Report on Form 10-K for the year ended December 31, 2010, formatted in XBRL (eXtensible Business Reporting Language); (i) Consolidated Statements of Income for the years ended December 31, 2010, 2009 and 2008; (ii) Consolidated Balance Sheets at December 31, 2010 and December 31, 2009; (iii) Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2010, 2009 and 2008; (iv) Consolidated Statements of Changes in Equity for the years ended December 31, 2010, 2009 and 2008; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008; and (vi) notes to consolidated financial statements, tagged as block of text. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

(b) Exhibits:

See Item 15(a)(3) above.

(c) Financial Statement Schedules:

See Item 15(a)(2) above.

[Table of Contents](#)

<u>Name</u>	<u>Title</u>
* _____ Hans Munk Nielsen	Director
* _____ Thomas F. O'Neill	Director
* _____ James S. Riepe	Director
* _____ Michael R. Splinter	Director
* _____ Lars Wedenborn	Director
* _____ Deborah L. Wince-Smith	Director

* Pursuant to Power of Attorney

By: _____ /s/ EDWARD S. KNIGHT
Edward S. Knight
Attorney-in-Fact

[Table of Contents](#)

THE NASDAQ OMX GROUP, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

The following consolidated financial statements of The NASDAQ OMX Group, Inc. and its subsidiaries are presented herein on the page indicated:

Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets	F-3
Consolidated Statements of Income	F-4
Consolidated Statements of Changes in Equity	F-5
Consolidated Statements of Comprehensive Income (Loss)	F-7
Consolidated Statements of Cash Flows	F-8
Notes to Consolidated Financial Statements	F-9
Financial Statement Schedule: Schedule II—Valuation and Qualifying Accounts	1

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of The NASDAQ OMX Group, Inc.

We have audited the accompanying consolidated balance sheets of The NASDAQ OMX Group, Inc. (the “Company”) as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in equity, comprehensive income (loss), and cash flows for each of the three years in the period ended December 31, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The NASDAQ OMX Group, Inc. at December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), The NASDAQ OMX Group, Inc.’s internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
February 24, 2011

The NASDAQ OMX Group, Inc.
Consolidated Balance Sheets
(in millions, except share and par value amounts)

	December 31,	
	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 315	\$ 594
Restricted cash	60	30
Financial investments, at fair value	253	308
Receivables, net	298	301
Deferred tax assets	13	25
Open clearing contracts:		
Derivative positions, at fair value	4,037	2,054
Resale agreements, at contract value	3,441	—
Other current assets	93	58
Total current assets	8,510	3,370
Non-current restricted cash	105	80
Property and equipment, net	164	164
Non-current deferred tax assets	433	504
Goodwill	5,127	4,800
Intangible assets, net	1,719	1,631
Other assets	149	173
Total assets	\$16,207	\$10,722
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 142	\$ 125
Section 31 fees payable to SEC	82	137
Accrued personnel costs	122	114
Deferred revenue	122	105
Other current liabilities	119	71
Deferred tax liabilities	26	23
Open clearing contracts:		
Derivative positions, at fair value	4,037	2,054
Repurchase agreements, at contract value	3,441	—
Current portion of debt obligations	140	225
Total current liabilities	8,231	2,854
Debt obligations	2,181	1,867
Non-current deferred tax liabilities	698	683
Non-current deferred revenue	170	160
Other liabilities	198	199
Total liabilities	11,478	5,763
Commitments and contingencies		
Series A convertible preferred stock	—	15
Equity		
NASDAQ OMX stockholders' equity:		
Common stock, \$0.01 par value, 300,000,000 shares authorized, shares issued: 213,370,086 at December 31, 2010 and 211,713,186 at December 31, 2009; shares outstanding: 175,782,683 at December 31, 2010 and 211,385,464 at December 31, 2009	2	2
Preferred stock, 30,000,000 shares authorized, series A convertible preferred stock: shares issued: 1,600,000 at December 31, 2010 and December 31, 2009; shares outstanding: none at December 31, 2010 and 1,600,000 at December 31, 2009 (classified above at December 31, 2009 as temporary equity)	—	—
Additional paid-in capital	3,780	3,736
Common stock in treasury, at cost: 37,587,403 shares at December 31, 2010 and 327,722 shares at December 31, 2009	(796)	(10)
Accumulated other comprehensive loss	(272)	(406)
Retained earnings	2,004	1,610
Total NASDAQ OMX stockholders' equity	4,718	4,932
Noncontrolling interests	11	12
Total equity	4,729	4,944
Total liabilities, series A convertible preferred stock and equity	\$16,207	\$10,722

See accompanying notes to consolidated financial statements.

The NASDAQ OMX Group, Inc.
Consolidated Statements of Income
(in millions, except per share amounts)

	Year Ended December 31,		
	2010	2009	2008
Revenues			
Market Services	\$ 2,700	\$ 2,934	\$ 3,176
Issuer Services	344	330	343
Market Technology	152	145	119
Other	1	2	12
Total revenues	<u>3,197</u>	<u>3,411</u>	<u>3,650</u>
Cost of revenues			
Transaction rebates	(1,312)	(1,475)	(1,744)
Brokerage, clearance and exchange fees	(363)	(483)	(446)
Total cost of revenues	<u>(1,675)</u>	<u>(1,958)</u>	<u>(2,190)</u>
Revenues less transaction rebates, brokerage, clearance and exchange fees	<u>1,522</u>	<u>1,453</u>	<u>1,460</u>
Operating Expenses			
Compensation and benefits	416	412	401
Marketing and advertising	20	15	19
Depreciation and amortization	103	104	93
Professional and contract services	78	76	72
Computer operations and data communications	58	58	54
Occupancy	88	81	65
Regulatory	35	32	29
Merger and strategic initiatives	4	17	25
General, administrative and other	89	55	62
Total operating expenses	<u>891</u>	<u>850</u>	<u>820</u>
Operating income	631	603	640
Interest income	9	13	35
Interest expense	(102)	(102)	(97)
Dividend and investment income	(3)	2	8
Loss on divestiture of businesses	(11)	—	—
Income (loss) from unconsolidated investees, net	2	(107)	27
Loss on sale of investment security	—	(5)	—
Gain on sales of businesses	—	12	—
Debt conversion expense	—	(25)	—
Asset impairment charges	—	—	(42)
Gain (loss) on foreign currency contracts, net	—	—	(58)
Income before income taxes	<u>526</u>	<u>391</u>	<u>513</u>
Income tax provision	137	128	198
Net income	<u>389</u>	<u>263</u>	<u>315</u>
Net (income) loss attributable to noncontrolling interests	6	3	(1)
Net income attributable to NASDAQ OMX	<u>\$ 395</u>	<u>\$ 266</u>	<u>\$ 314</u>
Basic and diluted earnings per share:			
Basic earnings per share	<u>\$ 1.94</u>	<u>\$ 1.30</u>	<u>\$ 1.65</u>
Diluted earnings per share	<u>\$ 1.91</u>	<u>\$ 1.25</u>	<u>\$ 1.55</u>

See accompanying notes to consolidated financial statements.

The NASDAQ OMX Group, Inc.
Consolidated Statements of Changes in Equity
(in millions, except share amounts)

	Number of Common Shares Outstanding	Common Stock at Par Value	Additional Paid-in Capital	Common Stock in Treasury at Cost	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
Balance at January 1, 2007	138,869,150	\$ 1	\$ 1,189	\$ (8)	\$ (5)	\$ 1,030	\$ —	\$ 2,207
Net income	—	—	—	—	—	314	1	315
Change in unrealized losses on derivative financial instruments that qualify as cash flow hedges, net of tax of \$4	—	—	—	—	(7)	—	—	(7)
Foreign currency translation, net of tax of \$437	—	—	—	—	(601)	—	—	(601)
Employee benefit plan adjustments, net of tax of \$1	—	—	—	—	(6)	—	—	(6)
Business combination with OMX AB	60,561,515	1	2,266	—	—	—	16	2,283
Conversion of 3.75% convertible notes and exercise of warrants	1,531,451	—	22	—	—	—	—	22
Adoption of new accounting guidance for 2.50% convertible senior notes	—	—	51	—	—	—	—	51
Amortization and vesting of restricted stock and PSUs	164,507	—	15	(2)	—	—	—	13
Stock options exercised, net	712,860	—	23	—	—	—	—	23
Other purchases of common stock, net	57,217	—	3	—	—	—	—	3
Balance at December 31, 2008	201,896,700	\$ 2	\$ 3,569	\$ (10)	\$ (619)	\$ 1,344	\$ 17	\$ 4,303
Net income (loss)	—	—	—	—	—	266	(3)	263
Change in unrealized losses on derivative financial instruments that qualify as cash flow hedges, net of tax of (\$1)	—	—	—	—	1	—	—	1
Foreign currency translation, net of tax of (\$184)	—	—	—	—	215	—	—	215
Employee benefit plan adjustments, net of tax of \$6	—	—	—	—	(3)	—	—	(3)
Conversion of 3.75% convertible notes	8,246,680	—	118	—	—	—	—	118
Early extinguishment of a portion of 2.50% convertible senior notes	—	—	(3)	—	—	—	—	(3)
Amortization and vesting of restricted stock and PSUs	260,721	—	20	—	—	—	—	20
Stock options exercised, net	814,575	—	22	—	—	—	—	22
Other purchases of common stock, net	166,788	—	7	—	—	—	—	7
Purchases of subsidiary shares from noncontrolling interests	—	—	(2)	—	—	—	(5)	(7)
Sale of subsidiary shares to noncontrolling interests	—	—	5	—	—	—	3	8
Balance at December 31, 2009	211,385,464	\$ 2	\$ 3,736	\$ (10)	\$ (406)	\$ 1,610	\$ 12	\$ 4,944

[Table of Contents](#)

	Number of Common Shares Outstanding	Common Stock at Par Value	Additional Paid-in Capital	Common Stock in Treasury at Cost	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
Net income (loss)	—	—	—	—	—	395	(6)	389
Reclassification adjustment for loss realized in net income on cash flow hedges, net of tax of (\$3)	—	—	—	—	6	—	—	6
Foreign currency translation, net of tax of (\$98)	—	—	—	—	133	—	—	133
Employee benefit plan adjustment losses, net of tax of \$2	—	—	—	—	(3)	—	—	(3)
Net unrealized holding gains (losses) on available- for-sale securities, net of tax of \$1	—	—	—	—	(2)	—	—	(2)
Share repurchase program	(37,831,647)	—	—	(797)	—	—	—	(797)
Conversion of series A convertible preferred stock to common stock and accretion	845,646	—	16	—	—	(1)	—	15
Amortization and vesting of restricted stock and PSUs	579,759	—	23	(4)	—	—	—	19
Stock options exercised, net	708,731	—	5	9	—	—	—	14
Other purchases of common stock, net	94,730	—	1	6	—	—	—	7
Purchases of subsidiary shares from noncontrolling interests	—	—	(1)	—	—	—	(1)	(2)
Sale of subsidiary shares to noncontrolling interests and other adjustments	—	—	—	—	—	—	6	6
Balance at December 31, 2010	<u>175,782,683</u>	<u>\$ 2</u>	<u>\$ 3,780</u>	<u>\$ (796)</u>	<u>\$ (272)</u>	<u>\$ 2,004</u>	<u>\$ 11</u>	<u>\$ 4,729</u>

See accompanying notes to consolidated financial statements.

The NASDAQ OMX Group, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(in millions)

	<u>Year Ended December 31,</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net income	\$ 389	\$ 263	\$ 315
Other comprehensive income (loss):			
Net unrealized holding losses on available-for-sale investment securities:			
Unrealized holding losses arising during the period	(3)	(5)	(35)
Income tax benefit	1	—	—
Reclassification adjustment for losses realized in net income on available-for-sale investment security	—	5	35
Total	<u>(2)</u>	<u>—</u>	<u>—</u>
Foreign currency translation gains (losses):			
Net foreign currency translation gains (losses)	231	399	(1,038)
Income tax (expense) benefit	(98)	(184)	437
Total	<u>133</u>	<u>215</u>	<u>(601)</u>
Unrealized gains (losses) on cash flow hedges:			
Unrealized gains (losses) on cash flow hedges arising during the period	—	2	(11)
Income tax (expense) benefit	—	(1)	4
Reclassification adjustment for loss realized in net income on cash flow hedges	9	—	—
Income tax benefit recognized in net income during the period	(3)	—	—
Total	<u>6</u>	<u>1</u>	<u>(7)</u>
Employee benefit plans:			
Employee benefit plan adjustment losses	(5)	(9)	(7)
Income tax benefit	2	6	1
Total	<u>(3)</u>	<u>(3)</u>	<u>(6)</u>
Total other comprehensive income (loss), net of tax	<u>134</u>	<u>213</u>	<u>(614)</u>
Comprehensive income (loss)	523	476	(299)
Comprehensive (income) loss attributable to noncontrolling interests	6	3	(1)
Comprehensive income (loss) attributable to NASDAQ OMX	<u>\$ 529</u>	<u>\$ 479</u>	<u>\$ (300)</u>

See accompanying notes to consolidated financial statements.

The NASDAQ OMX Group, Inc.
Consolidated Statements of Cash Flows
(in millions)

	Year Ended December 31,		
	2010	2009	2008
Cash flows from operating activities			
Net income	\$ 389	\$ 263	\$ 315
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	103	104	93
Share-based compensation	33	35	26
Excess tax benefits related to share-based compensation	(2)	(4)	(5)
Loss on divestiture of businesses	11	—	—
Provision for bad debts	5	1	4
Charges related to debt refinancing	37	—	—
Gain on the early extinguishment of debt obligations	—	(4)	—
Deferred taxes, net	(35)	(10)	(107)
Loss on sale of investment security	—	5	—
Gain on sales of businesses	—	(12)	—
Net (income) loss from unconsolidated investees	(2)	107	(27)
Debt conversion expense	—	25	—
Asset retirements and impairment charges	6	13	42
Loss on foreign currency contracts, net	—	—	58
Accretion of 2.50% convertible senior notes	14	13	11
Other non-cash items included in net income	2	(2)	2
Net change in operating assets and liabilities, net of effects of acquisitions and divestitures:			
Receivables, net	5	33	31
Other assets	(79)	130	(181)
Accounts payable and accrued expenses	4	(125)	20
Section 31 fees payable to SEC	(55)	88	(54)
Accrued personnel costs	2	(41)	21
Deferred revenue	14	4	(42)
Other current liabilities	6	(37)	(9)
Other liabilities	(18)	(4)	18
Cash provided by operating activities	<u>440</u>	<u>582</u>	<u>216</u>
Cash flows from investing activities			
Purchases of trading securities	(237)	(607)	(164)
Purchase of equity method investment	—	(16)	—
Proceeds from sales and redemptions of trading securities	350	542	—
Proceeds from sales and redemptions of available-for-sale investment securities	—	25	15
Proceeds from sales of equity method investments	1	54	—
Purchases of foreign currency contracts	—	—	(13)
Settlement of foreign currency contracts	—	—	67
Acquisitions of businesses, net of cash and cash equivalents acquired and purchase accounting adjustments	(190)	(6)	(2,999)
Dispositions of businesses, net of cash and cash equivalents disposed	—	14	—
Purchases of property and equipment	(42)	(59)	(55)
Cash used in investing activities	<u>(118)</u>	<u>(53)</u>	<u>(3,149)</u>
Cash flows from financing activities			
Proceeds from debt obligations, net of debt issuance costs	2,409	—	2,422
Payments of debt obligations	(2,216)	(340)	(428)
Cash paid for repurchase of common stock	(797)	—	—
Purchases of noncontrolling interests	(2)	(6)	—
Proceeds from contributions of noncontrolling interests	3	7	—
Cash inducement payment	—	(9)	—
Net proceeds from exercise of warrants	—	—	22
Issuances of common stock, net of treasury stock purchases	6	8	8
Excess tax benefits related to share-based compensation	2	4	5
Cash provided by (used in) financing activities	<u>(595)</u>	<u>(336)</u>	<u>2,029</u>
Effect of exchange rate changes on cash and cash equivalents	(6)	27	(47)
Increase (decrease) in cash and cash equivalents	(279)	220	(951)
Cash and cash equivalents at beginning of period	594	374	1,325
Cash and cash equivalents at end of period	<u>\$ 315</u>	<u>\$ 594</u>	<u>\$ 374</u>
Supplemental Disclosure Cash Flow Information			
Cash paid for:			
Interest	\$ 53	\$ 71	\$ 67
Income taxes, net of refund	\$ 148	\$ 153	\$ 266

See accompanying notes to consolidated financial statements.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements

1. Organization and Nature of Operations

We are a leading global exchange group that delivers trading, clearing, exchange technology, securities listing, and public company services across six continents. Our global offerings are diverse and include trading and clearing across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. Our technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing, and settlement and many other functions.

In the U.S., we operate The NASDAQ Stock Market, a registered national securities exchange. The NASDAQ Stock Market is the largest single cash equities securities market in the U.S. in terms of listed companies and in the world in terms of share value traded. As of December 31, 2010, The NASDAQ Stock Market was home to 2,778 listed companies with a combined market capitalization of approximately \$4.6 trillion. In addition, in the U.S. we operate two additional cash equities trading markets, two options markets, a futures market and a derivatives clearinghouse. We also engage in riskless principal trading of OTC power and gas contracts.

In Europe, we operate exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland as NASDAQ OMX Nordic, and exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania) as NASDAQ OMX Baltic. Collectively, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic offer trading in cash equities, bonds, structured products and ETFs, as well as trading and clearing of derivatives and clearing of resale and repurchase agreements. Our Nordic and Baltic operations also offer alternative marketplaces for smaller companies called NASDAQ OMX First North. As of December 31, 2010, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, together with NASDAQ OMX First North, were home to 780 listed companies with a combined market capitalization of approximately \$1.1 trillion.

We also operate NASDAQ OMX Armenia. In addition, NASDAQ OMX Commodities operates the world's largest power derivatives exchange, one of Europe's largest carbon exchanges and N2EX, a marketplace for physical U.K. power contracts.

In some of the countries where we operate exchanges, we also provide clearing, settlement and depository services.

We manage, operate and provide our products and services in three business segments: Market Services, Issuer Services and Market Technology.

Market Services

Our Market Services segment includes our U.S. and European Transaction Services businesses, as well as our Market Data and Broker Services businesses. We offer trading on multiple exchanges and facilities across several asset classes, including cash equities, derivatives, debt, commodities, structured products and ETFs. In addition, in some of the countries where we operate exchanges, we also provide clearing, settlement and depository services.

U.S. Transaction Services

In the U.S., we offer trading in cash equity securities, derivatives and ETFs on The NASDAQ Stock Market, The NASDAQ Options Market, NASDAQ OMX PHLX, NASDAQ OMX BX, NASDAQ OMX PSX and NFX, and engage in riskless principal trading of OTC power and gas contracts through NOCC. Our transaction-based

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

platforms in the U.S. provide market participants with the ability to access, process, display and integrate orders and quotes for cash equity securities, derivatives and ETFs. The platforms allow the routing and execution of buy and sell orders as well as the reporting of transactions for cash equity securities, derivatives and ETFs, providing fee-based revenues.

Cash Equities Trading

The NASDAQ Stock Market is the largest single pool of liquidity for trading U.S.-listed cash equities, matching an average of approximately 18.8% of all U.S. cash equities volume for 2010. In January 2009, we launched a second U.S. cash equities market called NASDAQ OMX BX. With NASDAQ OMX BX, we offer a second quote within the U.S. cash equities marketplace providing our customers enhanced trading choices and pricing flexibility within the U.S. cash equities marketplace. During the year ended December 31, 2010, NASDAQ OMX BX matched an average of approximately 3.3% of all U.S. cash equities volume.

In October 2010, we launched a third U.S. cash equities market, called NASDAQ OMX PSX. This new market utilizes a price-size priority model and also runs on INET technology, leveraging the speed and efficiency benefits offered throughout NASDAQ OMX globally.

U.S. Derivative Trading and Clearing

In the U.S., we operate The NASDAQ Options Market and NASDAQ OMX PHLX for the trading of equity options, ETF options, index options and currency options. As of December 31, 2010, NASDAQ OMX PHLX was the largest options market in the U.S. NASDAQ OMX PHLX operates a hybrid electronic and floor-based market as a distinct market alongside The NASDAQ Options Market. During the year ended December 31, 2010, NASDAQ OMX PHLX and The NASDAQ Options Market had an average combined market share of approximately 27.4% in the U.S. equity options market, consisting of approximately 23.4% at NASDAQ OMX PHLX and approximately 4.0% at The NASDAQ Options Market. Together, the 27.4% represented the largest share of the U.S. equity and ETF options market. Our options trading platforms provide trading opportunities to both retail investors and high frequency trading firms, who tend to prefer electronic trading, and institutional investors, who typically pursue more complex trading strategies and often prefer to trade on the floor.

In the U.S., we also operate NFX which offers trading for currency futures and other financial futures. Most futures traded on NFX clear at the OCC. In addition, NFX serves as the designated contract market for interest rate swap futures that are cleared through IDCH.

Through IDCH, our majority-owned subsidiary IDCG brings a centrally-cleared solution to the largest segment of the OTC derivatives marketplace, specifically interest rate derivative products. IDCH acts as the CCP for clearing interest rate swap futures contracts. IDCH utilizes NASDAQ OMX matching and clearing technology to clear and settle these interest rate derivative products.

With the purchase of the assets of North American Energy Credit and Clearing Corp. in March 2010 by our newly-established subsidiary NOCC, NASDAQ OMX expanded its presence in the OTC energy commodity markets.

European Transaction Services

Nordic Transaction Services

The exchanges that comprise NASDAQ OMX Nordic offer trading for cash equities and bonds, trading and clearing services for derivatives, and clearing services for resale and repurchase agreements. Our platform allows

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

the exchanges to share the same trading system which enables efficient cross-border trading and settlement, cross membership and a single source for Nordic market data.

Trading is offered in Nordic securities such as cash equities and depository receipts, warrants, convertibles, rights, fund units, ETFs, bonds and other interest-related products. NASDAQ OMX Stockholm and NASDAQ OMX Copenhagen also offer trading in derivatives, such as stock options and futures, index options and futures, fixed-income options and futures and stock loans. Settlement and registration of cash trading takes place in Sweden, Finland, Denmark and Iceland via the local central securities depositories.

On NASDAQ OMX Stockholm, we offer clearing services for fixed-income options and futures, stock options and futures and index options and futures by serving as the CCP. In doing so, we guarantee the completion of the transaction and market participants can thereby limit their counterparty risk. We also act as the counterparty for certain OTC contracts. Beginning in October 2009, most of our cash equity trades on the exchanges that comprise NASDAQ OMX Nordic are centrally cleared by EMCF, a leading European clearinghouse in which we own a 22% equity stake.

In September 2010, NASDAQ OMX launched a clearing service for resale and repurchase agreements. As a result of an agreement between the Swedish Money Market Council and NASDAQ OMX, the entire Swedish Interbank resale and repurchase market will ultimately be cleared through NASDAQ OMX Stockholm.

For further discussion of our Nordic clearing operations, see “Derivative Positions, at Fair Value,” and “Resale and Repurchase Agreements, at Contract Value,” of Note 2, “Summary of Significant Accounting Policies.”

In 2009, NASDAQ OMX expanded its trading offering to include cash equities listed in Norway and launched a new portfolio of Norwegian derivatives products. The offering is designed to provide lower trading costs and other benefits for customers seeking to trade all Nordic equity products on one platform.

Baltic Transaction Services

NASDAQ OMX Baltic operations comprise the exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania). During the first quarter of 2010, we acquired the remaining 7% minority holding in NASDAQ OMX Tallinn and an additional ownership stake of 0.4% in NASDAQ OMX Vilnius, both for immaterial amounts. As of December 31, 2010, NASDAQ OMX owns 100% of NASDAQ OMX Tallinn, 95% of NASDAQ OMX Vilnius and 93% of NASDAQ OMX Riga. In addition, NASDAQ OMX Tallinn owns 100% of the central securities depository in Estonia, NASDAQ OMX Riga owns 100% of the central securities depository in Latvia, and NASDAQ OMX Vilnius owns 40% of the central securities depository in Lithuania.

The exchanges that comprise NASDAQ OMX Baltic offer their members trading, clearing, payment and custody services. Issuers, primarily large local companies, are offered listing and a distribution network for their securities. The securities traded are mainly cash equities, bonds and treasury bills. Clearing, payment and custody services are offered through the central securities depositories in Estonia, Latvia and Lithuania. In addition, in Estonia and Latvia, NASDAQ OMX offers registry maintenance of fund units included in obligatory pension funds, and in Estonia, NASDAQ OMX offers the maintenance of shareholder registers for listed companies. The Baltic central securities depositories offer a complete range of cross-border settlement services.

Pan-European Transaction Services

In the second quarter of 2010, we made a strategic decision to close the business of NEURO. We retained our London office and data hub, where we support trading and market data clients, run the U.K. power exchange

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

N2EX, and manage our overseas listings operation. As a result of this decision, we recorded a loss of \$6 million in the second quarter of 2010. This charge was included in loss on divestiture of businesses in the Consolidated Statements of Income for the year ended December 31, 2010. Our decision to close the business of NEURO will not have a significant impact on our future results of operations.

Commodities Trading and Clearing

NASDAQ OMX Commodities offers derivatives and carbon products, operates a clearing business and offers consulting services to commodities markets globally. With our acquisition of Nord Pool, NASDAQ OMX Commodities' offering now includes the world's largest power derivatives exchange and one of Europe's largest carbon exchanges.

NASDAQ OMX Commodities has 361 members across a wide range of energy producers and consumers, as well as financial institutions. NASDAQ OMX Commodities' offering is designed for banks, brokers, hedge funds and other financial institutions, as well as power utilities, industrial, manufacturing and oil companies. NASDAQ OMX Commodities offers clearing services for energy derivative and carbon product contracts by serving as the CCP. In doing so, we guarantee the completion of the transaction and market participants can thereby limit their counterparty risk. We also act as the counterparty for certain trades on OTC derivative contracts.

In January 2010, NASDAQ OMX Commodities and Nord Pool Spot launched N2EX, a marketplace for physical UK power contracts.

For further discussion of our NASDAQ OMX Commodities clearing operations, see "Derivative Positions, at Fair Value," of Note 2, "Summary of Significant Accounting Policies."

Access Services

We provide market participants with several alternatives for accessing our markets for a fee. We provide co-location services to market participants whereby firms may lease space for equipment within our data center. These participants are charged monthly fees for cabinet space, connectivity and support. We also earn revenues from annual and monthly exchange membership and registration fees.

Market Data

We earn Market Data revenues from U.S. tape plans and U.S. and European proprietary market data products.

Net U.S. Tape Plans

The NASDAQ Stock Market operates as the exclusive Securities Information Processor of the UTP Plan for the collection and dissemination of best bid and offer information and last transaction information from markets that quote and trade in NASDAQ-listed securities. The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX are participants in the UTP Plan and share in the net distribution of revenue according to the plan on the same terms as the other plan participants. In the role as the Securities Information Processor, The NASDAQ Stock Market collects and disseminates quotation and last sale information for all transactions in NASDAQ-listed securities whether traded on The NASDAQ Stock Market or other exchanges. We sell this information to market participants and to data distributors, who then provide the information to subscribers. After deducting costs associated with our role as an exclusive Securities Information Processor, as permitted under the

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

revenue sharing provision of the UTP Plan, we distribute the tape revenues to the respective UTP Plan participants, including The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX, based on a formula required by Regulation NMS that takes into account both trading and quoting activity. In addition, all quotes and trades in NYSE- and NYSE Amex-listed securities are reported and disseminated in real time, and as such, we share in the tape revenues for information on NYSE- and NYSE Amex-listed securities.

U.S. Market Data Products

Our market data products enhance transparency and provide critical information to professional and non-professional investors. We collect, process and create information and earn revenues as a distributor of our own, as well as select third-party content. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Our systems enable distributors to gain direct access to our market depth, index values, mutual fund valuation, order imbalances, market sentiment and other analytical data. We earn revenues primarily based on the number of data subscribers and distributors of our data.

European Market Data Products

The exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities offer European market data products and services. These data products and services provide critical market transparency to professional and non-professional investors who participate in European marketplaces and, at the same time, give investors greater insight into these markets.

European market data products and services are based on the trading information from the exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities for four classes of assets: cash equities, bonds, derivatives and commodities. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Revenues from European market data are subscription-based and are generated primarily based on the number of data subscribers and distributors of our data.

Broker Services

Our Broker Services operations offer technology and customized securities administration solutions to financial participants in the Nordic market. Broker Services provide services through a registered securities company which is regulated by the SFSA. The primary services consist of flexible back-office systems, which allow customers to entirely or partly outsource their company's back-office functions.

We offer customer and account registration, business registration, clearing and settlement, corporate action handling for reconciliations and reporting to authorities. Available services also include direct settlement with the Nordic central securities depositories, real-time updating and communication via SWIFT to deposit banks. Revenues are based on a fixed basic fee for back-office brokerage services, such as administration or licensing, maintenance and operations, and a variable portion that depends on the number of transactions completed.

Acquisition of FTEN

In December 2010, we completed our acquisition of FTEN, a leading provider of RTRM solutions for the financial securities market. As a market leader in RTRM, FTEN is well positioned to grow as the industry is becoming more focused on solutions for effectively managing risk. Market participants are seeking tools that

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

provide real-time, low latency enterprise-wide risk management, market awareness and control. FTEN's technology provides broker-dealers and their clients the ability to manage risk more effectively in real-time, which leads to better utilization of capital as well as improved regulatory compliance. We will offer FTEN solutions to our global base of broker-dealers and the international exchange community. For further discussion of our FTEN acquisition, see Note 3, "Acquisitions and Strategic Initiatives."

Issuer Services

Our Issuer Services segment includes our Global Listing Services and Global Index Group businesses.

We operate a variety of listing platforms around the world to provide multiple global capital raising solutions for private and public companies. Our main listing markets are The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic. We offer a consolidated global listing application to companies to enable them to apply for listing on The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, as well as NASDAQ Dubai.

Global Listing Services

Our Global Listing Services business includes our U.S. Listings, European Listings and Corporate Solutions businesses.

U.S. Listings

Companies listed on The NASDAQ Stock Market represent a diverse array of industries including health care, consumer products, telecommunication services, information technology, financial services, industrials and energy. There are three types of fees applicable to companies that list on The NASDAQ Stock Market: an annual renewal fee, a listing of additional shares fees and an initial listing fee. Annual renewal fees for securities listed on The NASDAQ Stock Market are based on total shares outstanding. The fee for listing of additional shares is also based on the total shares outstanding, which we review quarterly, and the initial listing fee for securities listed on The NASDAQ Stock Market includes a listing application fee and a total shares outstanding fee.

European Listings

We also offer listings on our Nordic and Baltic exchanges and NASDAQ OMX First North. Revenues are generated through annual fees paid by companies listed on these exchanges, which are measured in terms of the listed company's market capitalization on a trailing 12-month basis. Our European listing customers are organizations such as companies, funds or governments that issue and list securities on the exchanges of NASDAQ OMX Nordic and NASDAQ OMX Baltic. Customers issue securities in the forms of cash equities, depository receipts, warrants, ETFs, convertibles, rights, options, bonds and fixed-income related products.

For smaller companies and growth companies, we offer access to the financial markets through the NASDAQ OMX First North alternative marketplaces.

Corporate Solutions

Our Corporate Solutions business provides customer support services, products and programs to companies, including companies listed on our exchanges. Through our Corporate Solutions offerings, companies gain access

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

to innovative products and services that ease transparency, mitigate risk, maximize board efficiency and facilitate better corporate governance.

Acquisition of Zoomvision Mamato

In December 2010, we completed our acquisition of ZVM, a provider of webcasting and investor relations communication services for companies in the Nordic regions. ZVM, which is the leading provider of webcasting services in Northern Europe, will add to the growing range of capabilities and services NASDAQ OMX offers public and private companies in the U.S. and Europe.

Global Index Group

We develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group. We believe that these indexes and products leverage, extend and enhance the NASDAQ OMX brand. License fees for our trademark licenses vary by product based on a percentage of underlying assets, dollar value of a product issuance, number of products or number of contracts traded. In addition to generating licensing revenues, these products, particularly mutual funds and ETFs, lead to increased investments in companies listed on our global exchanges, which enhances our ability to attract new listings. We also license cash-settled options, futures and options on futures on our indexes.

Market Technology

The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement, and information dissemination, and also offers facility management integration, surveillance solutions and advisory services to over 70 exchanges, clearing organizations and central securities depositories in more than 50 countries. We serve as a technology partner to some of the world's most prominent exchanges, and we also provide critical technical support to start-ups and new entrants in the exchange space. Revenues are derived from the following primary sources:

- license, support and facility management revenues;
- delivery project revenues; and
- change request, advisory and broker surveillance revenues

License and support revenues are derived from the system solutions developed and sold by NASDAQ OMX. After we have developed and sold a system solution, the customer licenses the right to use the software and may require post contract support and other services. Facility management revenues are derived when NASDAQ OMX assumes responsibility for the continuous operation of a system platform for a customer.

Delivery project revenues are derived from the installation phase of the system solutions developed and sold by NASDAQ OMX. The majority of our delivery projects involve individual adaptations to the specific requirements of the customer, such as those relating to functionality and capacity.

Change request revenues include customer specific adaptations and modifications of the system solution sold by NASDAQ OMX after delivery has occurred. Advisory services are designed to support our customers' strategies and help them with critical decisions in a highly demanding business environment. Broker surveillance revenues are derived from surveillance solutions targeting brokers and regulators throughout the world.

In August 2010, we completed our acquisition of SMARTS, a leading technology provider of surveillance solutions to exchanges, regulators and brokers. This acquisition is part of our strategy to diversify our Market

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

technology business and enter the broker surveillance and compliance market. We believe that this acquisition will strengthen our position as the leading technology partner to marketplaces worldwide. For further discussion of our SMARTS acquisition, see Note 3, “Acquisitions and Strategic Initiatives.”

For further discussion of our segments, see Note 18, “Segments.” For further discussion of our revenue recognition policies, see “Revenue Recognition and Cost of Revenues,” of Note 2, “Summary of Significant Accounting Policies.”

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared in accordance with U.S. GAAP. The financial statements include the accounts of NASDAQ OMX, its wholly-owned subsidiaries and other entities in which NASDAQ OMX has a controlling financial interest. All significant intercompany accounts and transactions have been eliminated in consolidation. We consolidate those entities in which we are the primary beneficiary of a variable-interest entity, or VIE, and entities where we have a controlling financial interest. We were not the primary beneficiary of any VIE for any of the three years in the period ended December 31, 2010. When NASDAQ OMX is not the primary beneficiary of a VIE or does not have a controlling interest in an entity but exercises significant influence over the entity’s operating and financial policies, such investment is accounted for under the equity method of accounting. We recognize our share of earnings or losses of an equity method investee based on our ownership percentage. As permitted under U.S. GAAP, for certain equity method investments for which financial information is not sufficiently timely for us to apply the equity method of accounting currently, we record our share of the earnings or losses of an investee from the most recent available financial statements on a lag. See Note 5, “Investments,” for further discussion of our equity method investments.

We have evaluated our subsequent events through the issuance date of this Annual Report on Form 10-K. Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Foreign Currency Translation

Foreign denominated assets and liabilities are remeasured into the functional currency at exchange rates in effect at the balance sheet date through the income statement. Gains or losses resulting from foreign currency transactions are remeasured using the rates on the dates on which those elements are recognized during the period, and are included in general, administrative and other expense in the Consolidated Statements of Income.

Translation gains or losses resulting from translating our subsidiaries’ financial statements from the local functional currency to the reporting currency, net of tax, are included in accumulated other comprehensive income (loss) within stockholders’ equity in the Consolidated Balance Sheets. Assets and liabilities are translated at the balance sheet date while revenues and expenses are translated at the date the transaction occurs or at an applicable average rate.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and all non-restricted highly liquid investments with original maturities of three months or less at the time of purchase. Such equivalent investments included in cash

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

and cash equivalents in the Consolidated Balance Sheets were \$215 million as of December 31, 2010 and \$314 million as of December 31, 2009. Cash equivalents are carried at cost plus accrued interest, which approximates fair value due to the short maturities of these investments.

Restricted Cash

Restricted cash, which was \$60 million as of December 31, 2010 and \$30 million as of December 31, 2009, is not available for general use by us due to regulatory and other requirements and is classified as restricted cash in the Consolidated Balance Sheets. Non-current restricted cash was \$105 million as of December 31, 2010 and \$80 million as of December 31, 2009. As of December 31, 2010 and 2009, non-current restricted cash includes a deposit in the guaranty fund of IDCG of \$80 million which may consist of cash, cash equivalents, or short-term investments. As of December 31, 2010, a portion of IDCG's guaranty fund was invested in short-term reverse repurchase agreements. These reverse repurchase agreements, which totaled \$16 million as of December 31, 2010, are recorded at the contract amount plus accrued interest, which approximates fair value. In addition, as of December 31, 2010, non-current restricted cash includes our \$25 million capital injection to NOCC to improve its liquidity position. These amounts are classified as non-current restricted cash in the Consolidated Balance Sheets.

Financial Investments

Financial investments, at fair value in the Consolidated Balance Sheets, represent debt securities that are classified as trading investment securities and our available-for-sale investment security in DFM. Debt securities are bought principally to meet regulatory capital requirements for NASDAQ OMX Stockholm's clearing operations and are generally sold in the near term. Changes in fair value of trading investment securities are included in dividend and investment income in the Consolidated Statements of Income. Equity securities that are classified as long-term available-for-sale investment securities are carried at fair value in the Consolidated Balance Sheets in other assets with unrealized gains and losses, net of tax, reported in accumulated other comprehensive income (loss) within stockholders' equity. Realized gains and losses on these securities are included in earnings upon disposition of the securities using the specific identification method. In addition, realized losses are recognized when management determines that a decline in value is other-than-temporary, which requires judgment regarding the amount and timing of recovery. Indicators of other-than-temporary impairment for debt securities include issuer downgrade, default, or bankruptcy. For equity securities we also consider the extent to which cost exceeds fair value, the duration of that difference and management's judgment about the issuer's current and prospective financial condition, as well as our intent and ability to hold the security until recovery of the unrealized losses. In addition, for equity securities we also consider the performance of the investee's stock price in relation to industry indexes and review the investee's credit profile. In 2008, we recorded an other-than-temporary impairment loss on our Oslo long-term available-for-sale investment security of \$35 million in asset impairment charges in the Consolidated Statements of Income. In 2009, we sold this investment security and recognized a \$5 million loss which is recorded in loss on sale of investment security in the Consolidated Statements of Income.

Fair value of both available-for-sale and trading investment securities are generally obtained from third party pricing sources. When available, quoted market prices are used to determine fair value. If quoted market prices are not available, fair values are estimated using pricing models, where the inputs to those models are based on observable market inputs. The inputs to the valuation models vary by the type of security being priced but are typically benchmark yields, reported trades, broker dealer quotes, and prices of similar assets. Pricing models generally do not entail material subjectivity because the methodologies employed use inputs observed from active markets. See Note 14, "Fair Value of Financial Instruments," for further discussion of fair value measures.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Receivables, net

Our receivables are concentrated with our member firms, market data distributors, listed companies and market technology customers. Receivables are shown net of reserves for uncollectible accounts. The reserve for bad debts is maintained at a level that management believes to be sufficient to absorb estimated losses in the accounts receivable portfolio. The reserve is increased by the provision for bad debts which is charged against operating results and decreased by the amount of charge-offs, net of recoveries. The amount charged against operating results is based on several factors including, but not limited to, a continuous assessment of the collectability of each account, the length of time a receivable is past due and our historical experience with the particular customer. In circumstances where a specific customer's inability to meet its financial obligations is known (i.e., bankruptcy filings), we record a specific provision for bad debts against amounts due to reduce the receivable to the amount we reasonably believe will be collected. Due to changing economic, business and market conditions, we review the reserve for bad debts monthly and make changes to the reserve through the provision for bad debts as appropriate. If circumstances change (i.e., higher than expected defaults or an unexpected material adverse change in a major customer's ability to pay), our estimates of recoverability could be reduced by a material amount. Total reserves netted against receivables in the Consolidated Balance Sheets were \$3 million at December 31, 2010 and December 31, 2009.

Derivative Positions, at Fair Value

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities and NASDAQ OMX Stockholm, we are the legal counterparty for each derivative position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by NASDAQ OMX Commodities or NASDAQ OMX Stockholm for the purpose of trading on their own behalf. As the legal counterparty of each transaction, NASDAQ OMX Commodities and NASDAQ OMX Stockholm bear the counterparty risk between the purchaser and the seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the applicable country, which requires us to provide minimum guarantees and maintain certain levels of regulatory capital.

The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from other clearinghouses. NASDAQ OMX Commodities and NASDAQ OMX Stockholm are not member-owned organizations, do not maintain a guarantee fund to which members contribute and do not enforce loss sharing assessments amongst members. In addition, unlike other clearinghouses, they do not record any margin deposits and guarantee funds in the Consolidated Balance Sheets, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. Market participants must provide collateral to cover the daily margin call as needed, which is in addition to the initial collateral placed when entering into the transaction. Acceptable collateral is cash and eligible securities in a pledged bank account and/or an on-demand guarantee. All collateral is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. In addition, market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. For NASDAQ Commodities, trading on the contracts can take place up until the delivery period which can occur over a period of several years. For NASDAQ OMX Stockholm, following the completion of a transaction, settlement primarily takes place between parties by net cash settlement or with the exchange of securities and funds. For those transactions where there is an exchange of securities and funds, the transfer of ownership is registered and the securities are stored on the owner's behalf.

The fair value of these derivative contracts with NASDAQ OMX Commodities and NASDAQ OMX Stockholm is reported gross in the Consolidated Balance Sheets as a receivable pertaining to the purchasing party

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

and a payable pertaining to the selling party. Such receivables and liabilities attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, that it is our intention to settle these items.

We have the responsibility for clearing, or settlement of payment, for the derivative and equity transactions. Certain timing differences may exist related to the periodic cash settlement of counterparty trades between NASDAQ OMX Stockholm and other clearinghouses and customers, where we are acting as intermediary and guaranteeing the fulfillment of each contract. We have recorded receivables and payables associated with such timing differences in other current assets and other current liabilities, respectively, in the Consolidated Balance Sheets. Nord Pool is responsible for exchange operations and trading activities on all counterparty trades where NASDAQ OMX Commodities is acting as intermediary. There are no timing differences related to the settlement of these transactions as all trades occur through Nord Pool and not between other exchanges with different settlement requirements.

Resale and Repurchase Agreements, at Contract Value

Through our clearing operations in the resale and repurchase markets with NASDAQ OMX Stockholm, we are the legal counterparty for each resale and repurchase contract traded and thereby guarantee the fulfillment of each contract. We only clear these transactions once a bilateral contract between members has been entered into whereby the two members have agreed on all terms in the transaction. The resale and repurchase agreements are not used for financing purposes by NASDAQ OMX Stockholm. As the legal counterparty of each transaction, NASDAQ OMX Stockholm bears the counterparty risk between the purchaser and the seller in the resale and repurchase agreement.

The structure and operations for the resale and repurchase market is similar to the derivative markets for NASDAQ OMX Commodities and NASDAQ OMX Stockholm. As discussed above in “Derivative Positions, at Fair Value,” NASDAQ OMX Commodities and NASDAQ OMX Stockholm are not member-owned organizations, do not maintain a guarantee fund to which members contribute and do not enforce loss sharing assessments amongst members. In addition, unlike other clearinghouses, they do not record any margin deposits and guarantee funds in the Consolidated Balance Sheets, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. For resale and repurchase agreements, collateral is not held by NASDAQ OMX Stockholm. All resale and repurchase clearing activities are transacted under our clearing member agreements that give us the right, in the event of default, to liquidate collateral pledged between the clearing members and to offset receivables and payables with the same counterparty.

Pledged collateral, which is transferred through NASDAQ OMX Stockholm at initiation of the bilateral contract between the two clearing member counterparties, primarily consists of Swedish government debt securities. Market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. In the event that one of the participants cannot fulfill its obligation to deliver or receive the underlying security at the agreed upon price, NASDAQ OMX Stockholm is required to buy or sell the security in the open market to fulfill its obligation. In order to protect itself against a price movement in the value of the underlying security, or price risk, NASDAQ OMX Stockholm requires all participants to provide additional margin as needed, which is valued on a daily basis and is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX Stockholm in the event of default.

We record resale and repurchase agreements at contract value plus interest gross in the Consolidated Balance Sheets as a receivable pertaining to the purchasing party and a payable pertaining to the selling party. Such receivables and liabilities attributable to outstanding resale and repurchase agreements have been netted to the extent that such a legal offset right exists and, at the same time, that it is our intention to settle these items.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Derivative Financial Instruments and Hedging Activities

At December 31, 2009, we held derivative financial instruments which were designated and qualified for hedge accounting. Derivative financial instruments, which are designated or qualify for hedge accounting, are recognized in the balance sheets at fair value as either assets or liabilities. The fair value of our derivative financial instruments is determined using either market quotes or valuation models that are based upon the net present value of estimated future cash flows and incorporate current market data inputs. We report our derivative assets in either other current assets or other assets and our derivative liabilities in either other current liabilities or other liabilities in the Consolidated Balance Sheets depending on the terms of the contract. Any ineffectiveness is recorded in earnings. The accounting for the change in the fair value of a derivative financial instrument depends on its intended use and the resulting hedge designation, if any. As of December 31, 2010, there were no derivative financial instruments that were designated or qualified for hedge accounting. As of December 31, 2009, our derivative financial instruments which were designated and qualified for hedge accounting were cash flow hedges of our floating rate debt. As such, the accounting for the change in fair value of the derivative was included in accumulated other comprehensive loss in the Consolidated Balance Sheets. In the first quarter of 2010, in connection with the repayment of our senior secured credit facilities in place as of December 31, 2009, we terminated our interest rate swaps and reclassified into earnings the unrealized loss of \$9 million which was included in accumulated other comprehensive loss in the Consolidated Balance Sheets at December 31, 2009. This loss is included in general, administrative and other expense in the Consolidated Statements of Income for the year ended December 31, 2010. Any ineffectiveness would impact earnings through interest expense. There was no material ineffectiveness recorded in earnings for the years ended December 31, 2010 and December 31, 2009. For further discussion of hedging activities, see below and Note 15, "Derivative Financial Instruments and Hedging Activities."

Derivative Financial Instruments that Qualify for Hedge Accounting

Derivative financial instruments that are entered into for hedging purposes are designated as such when we enter into the contract. For all derivative financial instruments that are designated for hedging activities, we formally document all of the hedging relationships between the hedge instruments and the hedged items at the inception of the relationships. We also formally document our risk management objectives and strategies for entering into the hedge transactions. We formally assess, at inception and on a quarterly basis, whether derivatives designated as hedges are highly effective in offsetting the fair value or cash flows of hedged items. If it is determined that a derivative is no longer highly effective as a hedge, we will discontinue the application of hedge accounting.

Non-Designated Derivatives

We also use derivatives as economic hedges that are not designed as accounting hedges or do not qualify for hedge accounting treatment. For derivative financial instruments that do not qualify for hedge accounting or are not designated as hedges, changes in fair value are reported in current period earnings. As of December 31, 2008, we had open foreign currency contracts hedging currency risk and recorded a \$58 million net loss within gain (loss) on foreign currency contracts in the Consolidated Statements of Income. See Note 15, "Derivative Financial Instruments and Hedging Activities," for further discussion. We did not enter into any material economic hedges that did not qualify for or were not designated for hedge accounting during the years ended December 31, 2010 and 2009.

Property and Equipment, net

Property and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are generally recognized over the estimated useful

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

lives of the related assets. Estimated useful lives generally range from 10 to 40 years for buildings and improvements, two to five years for data processing equipment and software and five to 10 years for furniture and equipment. Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining term of the related lease. Depreciation and amortization are computed using the straight-line method. See Note 6, “Property and Equipment, net,” for further discussion.

Goodwill

Goodwill represents the excess of purchase price over the value assigned to the net tangible and identifiable intangible assets of a business acquired. Goodwill is allocated to our reporting units based on the assignment of the fair values of each reporting unit of the acquired company. We are required to test goodwill for impairment at the reporting unit level annually, or in interim periods if certain events occur indicating that the carrying value may be impaired. We test for impairment during the fourth quarter of our fiscal year using October 1st carrying values. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill is less than the carrying value. The determination of fair value includes considerations of projected cash flows, relevant trading multiples of comparable companies and the trading price of our common stock and other factors. There was no impairment of goodwill for the years ended December 31, 2010, 2009 and 2008. Although there is no impairment as of December 31, 2010, events such as economic weakness and unexpected significant declines in operating results of reporting units may result in our having to perform a goodwill impairment test for some or all of our reporting units prior to the required annual assessment. These types of events and the resulting analysis could result in goodwill impairment charges in the future. See Note 4, “Goodwill and Purchased Intangible Assets,” for further discussion.

Intangible Assets, net

Intangible assets, net, primarily include exchange and clearing registrations, customer relationships, trade names, licenses and technology. Intangible assets with finite lives are amortized on a straight-line basis over their average estimated useful lives as follows:

- Technology: 3—10 years
- Customer relationships: 10—30 years
- Other: 4—10 years

Intangible assets deemed to have indefinite useful lives are not amortized but instead are tested for impairment at least annually and more frequently whenever events or changes in circumstances indicate that the fair value of the asset may be less than its carrying amount. Similar to goodwill impairment testing, we test for impairment of indefinite-lived intangible assets during the fourth quarter of our fiscal year using October 1st carrying values. Impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. For finite-lived intangible assets subject to amortization, impairment is considered upon certain “triggering events” and is recognized if the carrying amount is not recoverable and the carrying amount exceeds the fair value of the intangible asset. In 2008, we recorded an impairment loss of finite-lived intangible assets of \$7 million primarily related to our insurance agency business, which was part of Corporate Solutions within our Issuer Services segment. This charge was included in asset impairment charges in the Consolidated Statements of Income. See Note 4, “Goodwill and Purchased Intangible Assets,” for further discussion. There was no impairment of finite-lived intangible assets in the years ended December 31, 2010 and 2009. There was no impairment of indefinite-lived intangible assets in the years ended December 31, 2010, 2009 and 2008.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Valuation of Other Long-Lived Assets

We also assess potential impairments to our other long-lived assets, including property and equipment, when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. An impairment loss is recognized when the carrying amount of the long-lived asset exceeds its fair value and is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to operating results. There was no impairment of other long-lived assets in the years ended December 31, 2010, 2009 and 2008.

Equity Method Investments

The equity method of accounting is used when we own less than 50% of the outstanding voting stock of a company, but exercise significant influence over the operating and financial policies of that company. We have certain investments in which we have determined that we have significant influence and as such account for the investments under the equity method of accounting. As such, we record our pro-rata share of earnings or losses each period and record any dividends as a reduction in the investment balance. We evaluate our equity method investments for other-than-temporary declines in value by considering a variety of factors such as the earnings capacity of the investment and the fair value of the investment compared to its carrying amount. In addition, for investments where the market value is readily determinable, we consider the underlying stock price as an additional factor. If the estimated fair value of the investment is less than the carrying value and management considers the decline in value to be other-than-temporary, the excess of the carrying value over the estimated fair value is recognized in the financial statements as an impairment. In December 2009, we recorded impairment losses on equity method investments of \$87 million related to our investments in NASDAQ Dubai and Agora-X. No other impairments of equity method investments were recorded in 2010, 2009 or 2008.

We also recognized a \$19 million loss on the sale of our Orc shares during 2009. See Note 5, "Investments," for further discussion.

Revenue Recognition and Cost of Revenues

Market Services Revenues

Transaction Services

U.S. Cash Equity Trading

U.S. cash equity trading revenues are variable, based on individual customer share volumes, and recognized as transactions occur. We charge transaction fees for executing cash equity trades in NASDAQ-listed and other listed securities on The NASDAQ Stock Market, NASDAQ OMX BX, and NASDAQ OMX PSX, as well as on orders that are routed to other market venues for execution.

In the U.S., we record execution revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues. Nasdaq Execution Services, which is registered with the SEC as a broker-dealer, operates as The NASDAQ Stock Market's, NASDAQ OMX BX's and NASDAQ OMX PSX's routing broker-dealer for sending orders to other venues for execution in accordance with member order instructions and requirements.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

Under our Limitation of Liability Rule and procedures, we, subject to certain caps, provide compensation for losses directly resulting from the systems' actual failure to correctly process an order, quote, message or other data into our platform. We do not record a liability for any potential claims that may be submitted under the Limitation of Liability Rule unless they meet the provisions required in accordance with U.S. GAAP. As such, losses arising as a result of the rule are accrued and charged to expense only if the loss is probable and estimable. The Limitation of Liability Rule and procedures apply to both U.S. cash equity and U.S. derivative trading in the aggregate.

For The NASDAQ Stock Market and NASDAQ OMX PSX we credit a portion of the per share execution charge to the market participant that provides the liquidity. For NASDAQ OMX BX we credit a portion of the per share execution charge to the market participant that takes the liquidity. We record these transaction rebates as U.S. cash equity trading cost of revenues in the Consolidated Statements of Income. These transaction rebates are paid on a monthly basis and the amounts due are included in accounts payable and accrued expenses in the Consolidated Balance Sheets.

Also, we pay Section 31 fees to the SEC for supervision and regulation of securities markets. We pass these costs along to our customers through our cash equity trading fees. We collect the fees as a pass-through charge from organizations executing eligible trades on NASDAQ's, NASDAQ OMX BX's and NASDAQ OMX PSX's platforms and we recognize these amounts in U.S. cash equity trading cost of revenues when incurred. Section 31 fees received are included in cash and cash equivalents in the Consolidated Balance Sheets, at the time of receipt and, as required by law, the amount due to the SEC is remitted semiannually and recorded as Section 31 fees payable to the SEC in the Consolidated Balance Sheets until paid. Since the amount recorded in revenues is equal to the amount recorded in cost of revenues, there is no impact on our revenues less transaction rebates, brokerage, clearance and exchange fees. As we hold the cash received until payment to the SEC, we earn interest income on the related cash balances.

European Cash Equity Trading

We charge transaction fees for executing trades on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic. The transaction fee for executing trades on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic is charged per executed order and as per value traded.

The exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic do not have any revenue sharing agreements or cost of revenues, such as transaction rebates and brokerage, clearance and exchange fees.

U.S. Derivative Trading and Clearing

U.S. derivative trading and clearing revenues are variable, based on traded and cleared volumes, and recognized when executed or when contracts are cleared. The principal types of derivative contracts traded on NASDAQ OMX PHLX and The NASDAQ Options Market are equity options, ETF options, index options and currency options. We also operate NEX, which offers trading for currency futures and other financial futures. Similar to U.S. cash equity trading, we record derivative trading and clearing revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues, as we have certain risk associated with trade execution. For further discussion see "U.S. Cash Equity Trading" above.

As discussed under U.S. cash equity trading, for U.S. derivative trading and clearing we also credit a portion of the per share execution charge to the market participant that provides the liquidity and record the transaction rebate as U.S. derivative trading and clearing cost of revenues in the Consolidated Statements of Income. These transaction rebates are paid on a monthly basis and the amounts due are included in receivables, net in the Consolidated Balance Sheets.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

Also, we pay Section 31 fees to the SEC for supervision and regulation of securities markets. We pass these costs along to our customers through our derivative trading and clearing fees. We collect the fees as a pass-through charge from organizations executing eligible trades on NASDAQ OMX PHLX and The NASDAQ Options Market platforms and we recognize these amounts in U.S. derivative trading and clearing cost of revenues when incurred.

Through NOCC, we engage in riskless principal trading of OTC power and gas contracts. Revenues are based on notional amounts or volume of power and gas transacted and/or delivered and are recognized upon settlement of the contracts.

As discussed above, in the U.S., our Limitation of Liability Rule and procedures apply to both U.S. cash equity and U.S. derivative trading and clearing in the aggregate. Under this rule, we, subject to certain caps, provide compensation for losses directly resulting from the systems' actual failure to correctly process an order, quote, message or other data into our platform.

European Derivative Trading and Clearing

European derivative trading and clearing revenues are also variable, based on the volume of traded and cleared contracts, and recognized when executed or when contracts are cleared. Derivative trading and clearing is conducted on NASDAQ OMX Stockholm and NASDAQ OMX Copenhagen. The principal types of derivative contracts traded are stock options and futures, index options and futures, fixed-income options and futures and stock loans. On NASDAQ OMX Stockholm, we offer clearing services for fixed-income options and futures, stock options and futures and index options and futures by serving as the CCP. In doing so, we guarantee the completion of the transaction and market participants can thereby limit their counterparty risk. We also act as the counterparty for certain OTC contracts.

On NASDAQ OMX Stockholm, we also offer clearing services for resale and repurchase agreements. Clearing revenues for resale and repurchase agreements are based on the value and length of the contract and are recognized when cleared.

European derivative trading and clearing revenues also include clearing revenues for commodities. NASDAQ OMX Commodities provides access to the world's largest power derivatives markets and one of Europe's largest carbon markets. NASDAQ OMX Commodities offers trading of international power derivatives and carbon products, operates a clearing business and offers consulting services to commodities markets globally. Our clearing revenues from trading transactions on Nord Pool are variable, based on cleared volume, and recognized when contracts are cleared. We also generate clearing revenues for contracts traded on the OTC derivative market which are also recognized when contracts are cleared. In addition, European derivatives revenues include annual renewal fees. Each January, NASDAQ OMX Commodities members are billed an annual fee which is recognized ratably over the following 12-month period.

NASDAQ OMX Commodities and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic do not have any revenue sharing agreements or cost of revenues, such as transaction rebates and brokerage, clearance and exchange fees.

Access Services

We generate revenues by providing market participants with several alternatives for accessing our markets for a fee. The type of connectivity is determined by the level of functionality a customer needs. As a result,

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

access services revenues vary depending on the type of connection provided to customers. We provide co-location services to market participants whereby firms may lease space for equipment within our data center. These participants are charged monthly fees for cabinet space, connectivity and support. We also earn revenues from annual and monthly exchange membership and registration fees. Revenues for providing access to our markets, co-location services and revenues for monthly exchange membership and registration fees are recognized on a monthly basis as the service is provided. Revenues from annual fees for exchange membership and registration fees are recognized ratably over the following 12-month period.

Market Data

We earn Market Data revenues from U.S. tape plans and U.S. and European proprietary market data products.

Net U.S. Tape Plans

Revenues from U.S. tape plans include eligible UTP Plan revenues which are shared among UTP Plan participants and are presented on a net basis. See “Market Data Revenue Sharing” below for further discussion of net reporting. Under the revenue sharing provision of the UTP Plan, we are permitted to deduct costs associated with acting as the exclusive Securities Information Processor from the total amount of tape revenues collected. After these costs are deducted from the tape revenues, we distribute to the respective UTP Plan participants, including The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX, their share of tape revenues based on a formula, required by Regulation NMS, that takes into account both trading and quoting activity. In addition, all quotes and trades in NYSE- and NYSE Amex-listed securities are reported and disseminated in real time, and as such, we share in the tape revenues for information on NYSE- and NYSE Amex-listed securities. Revenues from net U.S. tape plans are recognized on a monthly basis.

U.S. Market Data Products

We collect and process information and earn revenues as a distributor of our market data. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn sell subscriptions for this information to the public. We earn revenues primarily based on the number of data subscribers and distributors of our data. U.S. Market Data revenues are recognized on a monthly basis. These revenues, which are subscription based, are recorded net of amounts due under revenue sharing arrangements with market participants.

European Market Data Products

European Market Data revenues, which are subscription based, are generated primarily through the sale and distribution of trading information based on data generated through trading on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and are recognized on a monthly basis.

Market Data Revenue Sharing

The most significant component of Market Data revenues presented on a net basis is the UTP Plan revenue sharing in the U.S. All indicators of gross vs. net reporting under U.S. GAAP have been considered in analyzing the appropriate presentation of UTP Plan revenue sharing. However, the following are the primary indicators of net reporting:

- **Primary Obligor:** We are the Securities Information Processor for the UTP Plan, in addition to being a participant in the UTP Plan. In our unique role as Securities Information Processor, we facilitate the

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

collection and dissemination of revenues on behalf of the UTP Plan participants. As a participant, we share in the net distribution of revenues according to the plan on the same terms as all other plan participants.

- Risk of Loss/Credit Risk: Risk of loss on the revenue is shared equally among plan participants according to the UTP Plan.
- Price Latitude: The operating committee of the UTP Plan, which is comprised of representatives from each of the participants, including us solely in our capacity as a UTP Plan participant, is responsible for setting the level of fees to be paid by distributors and subscribers and taking action in accordance with the provisions of the UTP Plan, subject to SEC approval.

The exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic do not have any market data revenue sharing agreements or cost of revenues, such as transaction rebates and brokerage, clearance and exchange fees.

Broker Services

Our Broker Services operations offer technology and customized securities administration solutions to financial participants in the Nordic market. The primary services consist of flexible back-office systems, which allow customers to entirely or partly outsource their company's back-office functions. Revenues from broker services are based on a fixed basic fee for administration or licensing, maintenance and operations, and a variable portion that depends on the number of transactions completed. Broker Services revenues are recognized on a continuous basis as services are rendered.

Prior to November 2009, we also offered Broker Services operations in the United Kingdom. In November 2009, we sold our Broker Services operations in the United Kingdom to TD Waterhouse and recorded a gain of \$5 million, which is included in gain on sales of businesses in the Consolidated Statements of Income for the year ended December 31, 2009.

Issuer Services Revenues

Global Listing Services

U.S. Listing Services

Listing Services revenues in the U.S. include annual renewal fees, listing of additional shares fees and initial listing fees. Annual renewal fees are recognized ratably over the following 12-month period. Listing of additional shares fees and initial listing fees are recognized on a straight-line basis over estimated service periods, which are four and six years, respectively, based on our historical listing experience and projected future listing duration.

European Listing Services

European listing fees, which are comprised of revenues derived from annual fees received from listed companies on our Nordic and Baltic exchanges and NASDAQ OMX First North, are directly related to the listed companies' market capitalization on a trailing 12-month basis. These revenues are recognized ratably over the following 12-month period.

Corporate Solutions

Global Listing Services revenues also include fees from Corporate Solutions. These fees include subscription income from Shareholder.com and Directors Desk, fees from GlobeNewswire and revenues from

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

Corporate Solutions Nordic. Prior to October 2009, Corporate Solutions revenues also included commission income from our Carpenter Moore insurance agency business. In October 2009, we sold substantially all of our Carpenter Moore business and recorded a gain of \$7 million which is included in gain on sales of businesses in the Consolidated Statements of Income for the year ended December 31, 2009. Fee income for services other than placement of insurance coverage is recognized as those services are provided. Shareholder.com revenues are based on subscription agreements with customers. Revenues from subscription agreements are recognized ratably over the contract period, generally one year in length. As part of subscription services, customers also are charged usage fees based upon actual usage of the services provided. Revenues from usage fees and other services are recognized when earned. Directors Desk revenues are based on subscriptions for online services for directors. Subscriptions are one year in length and revenues are recognized ratably over the year. GlobeNewswire generates fees primarily from wire distribution services, and revenues are recognized as services are provided. For our insurance agency business, commission income was recognized when coverage became effective, the premium due under the policy was known or could be reasonably estimated, and substantially all required services related to placing the insurance had been provided. Broker commission adjustments and commissions on premiums billed directly by underwriters were recognized when such amounts could be reasonably estimated.

Global Index Group

We develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group business. Revenues primarily include license fees from these branded indexes, associated derivatives and financial products in the U.S. and abroad. We also generate revenues by licensing and listing third-party structured products and third-party sponsored ETFs. We primarily have two types of license agreements: transaction-based licenses and asset-based licenses. Transaction-based licenses are generally renewable long-term agreements. Customers are charged based on transaction volume or a minimum contract amount, or both. If a customer is charged based on transaction volume, we recognize revenue when the transaction occurs. If a customer is charged based on a minimum contract amount, we recognize revenue on a pro-rata basis over the licensing term. Asset-based licenses are also generally long-term agreements. Customers are charged based on a percentage of assets under management for licensed products, per the agreement, on a monthly or quarterly basis. These revenues are recorded on a monthly or quarterly basis over the term of the license agreement.

Market Technology Revenues

The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

Revenues are derived from the following primary sources: licensing, support and facility management revenues, delivery project revenues, as well as change request, advisory and broker surveillance revenues.

We enter into multiple-element sales arrangements to provide technology solutions and services to our customers. In order to recognize revenues associated with each individual element of a multiple-element sales arrangement separately, we are required to establish the existence of Vendor Specific Objective Evidence, or VSOE, of fair value for each element. When VSOE for individual elements of an arrangement cannot be established, revenue is generally deferred and recognized over either the final element of the arrangement or the entire term of the arrangement for which the services will be delivered.

License and support revenues are derived from the system solutions developed and sold by NASDAQ OMX and are generally entered into in multiple-element sales arrangements. After we have developed and sold a

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

system solution, the customer licenses the right to use the software and may require post contract support and other services. Facility management revenues are also generally entered into in multiple-element sales arrangements and are derived when NASDAQ OMX assumes responsibility for the continuous operation of a system platform for a customer and receives facility management revenues which can be both fixed and volume-based. Revenues for license, support and facility management services are generally deferred and recognized over either the final element of the arrangement or the entire term of the arrangement for which the services will be delivered. We record the deferral of revenue associated with multiple-element sales arrangements in deferred revenue and non-current deferred revenue and the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets.

Delivery project revenues are derived from the installation phase of the system solutions developed and sold by NASDAQ OMX. The majority of our delivery projects involve individual adaptations to the specific requirements of the customer, such as those relating to functionality and capacity. We may customize our software technology and make significant modifications to the software to meet the needs of our customers, and as such, we account for these arrangements under contract accounting. Under contract accounting, when VSOE for valuing certain elements of an arrangement cannot be established, total revenues, as well as costs incurred, are deferred until the customization and significant modifications are complete and are then recognized over the post contract support period. We record the deferral of this revenue in deferred revenue and non-current deferred revenue and the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets.

Change request revenues include customer specific adaptations and modifications of the system solution sold by NASDAQ OMX after delivery has occurred. Change request revenues are recognized in revenue when earned. Advisory services are designed to support our customers' strategies and help them with critical decisions in a highly demanding business environment. Advisory services revenues are recognized in revenue when earned. Broker surveillance revenues are derived from surveillance solutions targeting brokers and regulators throughout the world. Broker surveillance revenues are subscription based and are recognized in revenue when earned.

Earnings per Share

We present both basic and diluted EPS. Basic EPS is computed by dividing net income attributable to NASDAQ OMX adjusted for accretion on our series A convertible preferred stock by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income attributable to NASDAQ OMX adjusted for accretion on our series A convertible preferred stock and the interest impact of our 3.75% convertible notes, net of tax by the weighted-average number of common shares and common share equivalents outstanding during the period and reflects the assumed conversion of all dilutive securities which consist primarily of convertible notes, employee stock options, restricted stock and PSUs. Common share equivalents are excluded from the computation in periods for which they have an anti-dilutive effect. Stock options for which the exercise price exceeds the average market price over the period are anti-dilutive and, accordingly, are excluded from the calculation. See Note 13, "Earnings per Common Share," for further discussion.

Share-Based Compensation

Accounting for share-based compensation requires the measurement and recognition of compensation expense for all equity awards based on estimated fair values. We recognize compensation expense for equity awards on a straight-line basis over the requisite service period of the award. See Note 11, "Share-Based Compensation," for further discussion.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Deferred Revenue

Deferred revenue represents revenues for services not yet rendered, primarily for Global Listing Services and Market Technology. See Note 7, “Deferred Revenue,” for further discussion.

Advertising Costs

We expense advertising costs, which include media advertising and production costs, in the periods in which the costs are incurred. Media advertising and production costs included as marketing and advertising expense in the Consolidated Statements of Income totaled \$9 million in 2010, \$5 million for 2009 and \$7 million for 2008.

Software Costs

Significant purchased application software and operational software that are an integral part of computer hardware are capitalized and amortized on a straight-line basis over their estimated useful lives, generally two to five years. All other purchased software is charged to expense as incurred. We develop systems solutions for both internal and external use.

Certain costs incurred in connection with developing or obtaining internal use software are capitalized. Unamortized capitalized software development costs are included in data processing equipment and software, within property and equipment, net in the Consolidated Balance Sheets. Amortization of costs capitalized is included in depreciation and amortization expense in the Consolidated Statements of Income.

Certain costs of computer software to be sold, leased, or otherwise marketed as a separate product or as part of a product or process are capitalized after the product has reached technological feasibility. Technological feasibility is established upon completion of a detail program design or, in its absence, completion. Thereafter, all software production costs are capitalized. Prior to reaching technological feasibility, all costs are charged to expense. Capitalized costs are amortized on a straight-line basis over the remaining estimated economic life of the product and are included in depreciation and amortization expense in the Consolidated Statements of Income.

Leases

We expense rent from non-cancellable operating leases, net of sublease income, on a straight line basis, based on future minimum lease payments. The net costs are included in occupancy expense in the Consolidated Statements of Income. See Note 16, “Leases,” for further discussion.

Income Taxes

We use the asset and liability method to provide income taxes on all transactions recorded in the consolidated financial statements. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities (i.e., temporary differences) and are measured at the enacted rates that will be in effect when these differences are realized. If necessary, a valuation allowance is established to reduce deferred tax assets to the amount that is more likely than not to be realized.

In order to recognize and measure our unrecognized tax benefits, management determines whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

recognition thresholds, the position is measured to determine the amount of benefit to be recognized in the consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

Recently Adopted Accounting Pronouncements

ASC Topic 605.25— In October 2009, the Financial Accounting Standards Board, or FASB, issued authoritative guidance on FASB Accounting Standards Codification, or ASC, Topic 605.25, “Revenue Recognition—Multiple-Element Arrangements.” This guidance modifies the revenue recognition guidance for arrangements that involve the delivery of multiple-elements, such as product, software, services or support, to a customer at different times as part of a single revenue generating transaction. This standard provides principles and application guidance to determine whether multiple deliverables exist, how the individual deliverables should be separated and how to allocate the revenue in the arrangement among those separate deliverables. The standard also expands the disclosure requirements for multiple deliverable revenue arrangements. This accounting guidance was effective for us on January 1, 2011, but allowed early adoption as of the first quarter of 2010 or through a retrospective application to all revenue arrangements for all periods presented in the financial statements. We adopted this guidance in the first quarter of 2010. The adoption did not have a significant impact on our financial position or results of operations.

ASC Topic 820—In January 2010, the FASB issued amended guidance relating to ASC Topic 820, “Fair Value Measurements and Disclosures.” The amended guidance requires new disclosures as follows:

- Amounts related to transfers in and out of Levels 1 and 2 shall be disclosed separately and the reasons for the transfers shall be described.
- In the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements on a gross basis.

The guidance also provides amendments that clarify existing disclosures related to the following:

- Reporting fair value measurement disclosures for each class of assets and liabilities.
- Providing disclosure surrounding the valuation techniques and inputs used to measure fair value for both Level 2 and Level 3 fair value measurements.

This accounting guidance was effective for us beginning on January 1, 2010, except for the disclosure requirements surrounding the reconciliation of Level 3 fair value measurements, which were effective for us on January 1, 2011. Since this guidance only requires additional disclosure, it did not and will not affect our financial position or results of operations.

ASC Topic 855—In February 2010, the FASB issued amended guidance on subsequent events. Under this amended guidance, entities that file with the SEC are no longer required to disclose the date through which subsequent events have been evaluated in originally issued or revised financial statements. This amended guidance was effective immediately and we adopted the new requirements as of March 31, 2010.

3. Acquisitions and Strategic Initiatives

We completed the following acquisitions and strategic initiatives in 2010, 2009 and 2008. The results of operations of each transaction are included in our Consolidated Statements of Income from the dates of each acquisition or strategic initiative.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

2010 Acquisitions

We completed the following acquisitions during 2010:

	<u>Purchase Consideration</u>	<u>Total Net (Liabilities) Assets Acquired</u>	<u>Purchased Intangible Assets</u>	<u>Goodwill</u>
		(in millions)		
FTEN ⁽¹⁾	\$ 110	\$ (1)	\$ 46	\$ 65
SMARTS ⁽²⁾	77	(5)	28	54
Nord Pool ASA ⁽³⁾	17	7	2	8
Total for 2010	<u>\$ 204</u>	<u>\$ 1</u>	<u>\$ 76</u>	<u>\$ 127</u>

⁽¹⁾ In December 2010, we acquired FTEN, a leading provider of RTRM solutions for the financial securities market for \$110 million. FTEN purchase consideration includes \$1 million held in escrow to be paid in 2011 and \$11 million held in escrow to be paid in 2012, in accordance with the purchase agreement. We acquired net assets, at fair value, totaling \$3 million and recorded a current deferred tax liability of \$2 million and a non-current deferred tax liability of \$16 million related to purchased intangible assets, and we also recorded a non-current deferred tax asset of \$14 million related to net operating loss carry forwards, resulting in total net liabilities acquired of \$1 million. The total deferred tax liabilities of \$18 million represent the tax effect of the difference between the estimated assigned fair value of the acquired intangible assets (\$46 million) and the tax basis (\$0) of such assets. The estimated amount of \$18 million is determined by multiplying the difference of \$46 million by FTEN's effective tax rate of 39.55%. The purchased intangible assets of \$46 million consisted of \$23 million in customer relationships, \$12 million in technology, \$9 million for the FTEN trade name and \$2 million related to non-compete agreements.

⁽²⁾ In August 2010, we acquired SMARTS, a leading technology provider of surveillance solutions to exchanges, regulators and brokers to diversify our Market Technology business and enter the broker surveillance and compliance market. We completed our acquisition of SMARTS for \$77 million, which included a \$75 million initial purchase price as well as a \$2 million working capital adjustment. SMARTS purchase consideration also includes \$2 million held in escrow to be paid in 2011 and \$11 million held in escrow to be paid in 2012, in accordance with the purchase agreement. We acquired net assets, at fair value, totaling \$3 million and recorded a current deferred tax liability of \$1 million and a non-current deferred tax liability of \$7 million related to purchased intangible assets, resulting in total net liabilities acquired of \$5 million. The total deferred tax liabilities of \$8 million represent the tax effect of the difference between the estimated assigned fair value of the acquired intangible assets (\$28 million) and the tax basis (\$0) of such assets. The estimated amount of \$8 million is determined by multiplying the difference of \$28 million by SMARTS' effective tax rate of 30%. The purchased intangible assets of \$28 million consisted of \$11 million in technology and \$17 million in customer relationships.

⁽³⁾ In May 2010, we acquired Nord Pool, a derivatives trading market, for \$17 million (101 million NOK). We acquired net assets, at fair value, totaling \$8 million and recorded deferred tax liabilities of \$1 million related to purchased intangible assets, resulting in total net assets acquired of \$7 million. Through this acquisition, we now hold a Norwegian exchange license and operate the Nordic power market and the European carbon market on one trading platform.

The above amounts represent the preliminary allocation of the purchase price and are subject to revision during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date. Adjustments to the provisional values during the measurement period will be pushed back to the date of acquisition. Comparative information for periods after acquisition but before the period in which the adjustments are identified will be adjusted to reflect the effects of the adjustments as if they were taken into account as of the acquisition date. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill. There were no adjustments to the provisional values during the year ended December 31, 2010.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Acquisition of ZVM

In December 2010, we acquired ZVM, a provider of webcasting and investor relation communication services for companies in the Nordic region, for an immaterial amount. ZVM, which is the leading provider of webcasting services in Northern Europe, will add to the growing range of capabilities and services NASDAQ OMX offers public and private companies in the U.S. and Europe.

Acquisition of Assets of North American Energy Credit and Clearing Corp.

In March 2010, we also purchased the assets of North American Energy Credit and Clearing Corp. for an immaterial amount. With this purchase, NASDAQ OMX expanded its presence in the OTC energy commodity markets. As previously discussed, the acquisition of these assets was effected through our newly-established subsidiary, NOCC. In March 2010, we also provided an additional \$25 million in capital to NOCC to improve its liquidity position. As of December 31, 2010, this amount is classified as non-current restricted cash in the Consolidated Balance Sheets.

2010 Acquisition-related Costs

For the year ended December 31, 2010, acquisition-related transaction costs for the 2010 acquisitions described above are included in merger and strategic initiatives expense in the Consolidated Statements of Income.

2009 Strategic Initiative

Investment in European Multilateral Clearing Facility N.V.

In January 2009, we acquired a 22% stake in EMCF, a leading European clearinghouse, which is accounted for under the equity method of accounting.

2008 Acquisitions and Strategic Initiatives

Combination with OMX AB and Strategic Partnership with Borse Dubai Limited

On February 27, 2008, Nasdaq and OMX AB combined their businesses pursuant to an agreement with Borse Dubai. The purchase price of OMX AB was \$4.4 billion, consisting of an equity component and a cash component. Our business combination with OMX AB created a premier global exchange company, bringing together complementary businesses, diversifying our operations, enhancing our existing product offerings and solidifying our leadership in global exchange technology.

Concurrently with the business combination with OMX AB, we also acquired a 33 1/3% equity stake in NASDAQ Dubai in exchange for a contribution of \$50 million in cash and the entry into certain technology and trademark licensing agreements. In November 2008, we listed our common stock on NASDAQ Dubai. In December 2009, we agreed to participate in the realignment of the ownership structure of NASDAQ Dubai. As part of this realignment, NASDAQ Dubai became a wholly-owned subsidiary of DFM, a publicly traded company controlled by Borse Dubai and NASDAQ OMX received a 1% equity interest in DFM in exchange for its equity interest in NASDAQ Dubai. In connection with the realignment, in December 2009, we recorded an impairment charge of \$82 million to write down our investment in NASDAQ Dubai to its estimated fair value. See Note 5, "Investments," for further discussion.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Acquisition of the Philadelphia Stock Exchange

In July 2008, we completed our acquisition of PHLX, expanding our presence in the derivatives market. The acquisition of PHLX provided us with one of the largest options market in the U.S. and with increased exposure to a fast growing asset class and diversification into an area adjacent to our core equity trading business. PHLX, renamed NASDAQ OMX PHLX, operates as a distinct market alongside The NASDAQ Options Market, our options platform that was launched in March 2008. With the acquisition of PHLX and the launch of The NASDAQ Options Market, we have substantially increased our footprint in global derivatives.

Acquisition of the Boston Stock Exchange

We completed our acquisition of BSX in August 2008. The BSX acquisition provided us with an additional license for trading both cash equities and options and a clearing license. We used the BSX license to create a second U.S. cash equities market, called NASDAQ OMX BX, which was launched in January 2009. With NASDAQ OMX BX, we were able to offer an additional quote within the U.S. cash equities marketplace, providing our customers enhanced trading choices and price flexibility. We have been able to leverage our INET trading system, which runs The NASDAQ Stock Market, to operate NASDAQ OMX BX, providing customers an additional fast and efficient cash equities market.

Acquisition of Certain Businesses from Nord Pool

In October 2008, we acquired Nord Pool's clearing, international derivatives and consulting subsidiaries. As a result of the acquisition, we launched NASDAQ OMX Commodities, which offers energy and carbon derivatives products. NASDAQ OMX Commodities provides access to the world's largest power derivatives markets and one of Europe's largest carbon markets.

Acquisition of a Majority Interest in International Derivatives Clearing Group

In December 2008, we acquired a majority interest in IDCG, and IDCG became an independently operated subsidiary of NASDAQ OMX. IDCG provides CCP clearing for interest rate swap products through its clearinghouse subsidiary IDCH. NFX is serving as the designated contract market for trading of certain of these interest rate swap products.

Investment in Agora-X, LLC

As of December 31, 2008, we had a 20% aggregate equity interest in Agora-X and increased our ownership interest to 85% in December 2009, resulting in a majority stake. In the second quarter of 2010, we made a strategic decision to close our Agora-X business and recorded a loss of \$5 million. This charge was included in loss on divestiture of businesses in the Consolidated Statements of Income for the year ended December 31, 2010.

The following table presents a summary of our acquisitions in 2008:

	<u>Purchase Consideration⁽¹⁾</u>	<u>Total Net (Liabilities) Assets Acquired⁽²⁾</u> (in millions)	<u>Purchased Intangible Assets</u>	<u>Goodwill</u>
2008				
OMX AB	\$ 4,371	\$ (340)	\$ 1,207	\$ 3,504
PHLX	708	(99)	337	470
BSX	43	(44)	52	35
Nord Pool	317	68 ⁽³⁾	81 ⁽³⁾	168 ⁽³⁾
IDCG	85	59	26	—
Total for 2008	<u>\$ 5,524</u>	<u>\$ (356)</u>	<u>\$ 1,703</u>	<u>\$ 4,177</u>

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- (1) OMX AB consideration includes \$2,267 million for the value of common stock issued to Borse Dubai, \$2,029 million in cash and \$75 million in acquisition costs. PHLX consideration includes \$652 million in cash, \$12 million in acquisition costs and \$44 million in working capital adjustments. PHLX consideration included \$15 million held in escrow at December 31, 2008, which was paid in 2009 in accordance with the purchase agreement. BSX consideration includes the \$61 million purchase price, plus \$5 million for the settlement of a loan, less \$23 million of negative working capital adjustments. BSX consideration included \$3 million held in escrow, which was paid in 2010 in accordance with the purchase agreement. Nord Pool consideration includes \$249 million in cash, \$66 million in a vendor note which was settled in 2009 and \$2 million in acquisition costs. IDCG purchase consideration consisted primarily of cash.
- (2) We acquired net assets of OMX AB totaling \$137 million and recorded deferred tax liabilities of \$477 million related to OMX AB's intangible assets. We acquired net assets of PHLX totaling \$55 million and recorded deferred tax liabilities of \$154 million related to PHLX's intangible assets. The PHLX net assets of \$55 million were reduced by \$44 million of working capital, which was included as an adjustment to the purchase consideration. We acquired net liabilities of BSX totaling \$22 million and recorded deferred tax liabilities of \$22 million related to BSX's intangible assets. The BSX net liabilities of \$22 million include \$23 million of negative working capital, which was included as an adjustment to the purchase consideration. We acquired net assets in the Nord Pool transaction totaling \$91 million and recorded deferred tax liabilities of \$23 million related to Nord Pool's intangible assets. See (3) below for adjustments to Nord Pool's intangible assets and deferred tax liabilities. We acquired net assets of IDCG of \$59 million, which included cash received from NASDAQ OMX for the acquisition consideration.
- (3) As we finalized the purchase price allocation for the Nord Pool transaction in the fourth quarter of 2009, the fair values of the purchased intangible assets were adjusted, resulting in a decrease of \$8 million, an increase to goodwill of \$7 million and a decrease to deferred tax liabilities of \$1 million. The impact on amortization expense was immaterial.

The following table presents the details of the purchased intangible assets acquired in the above 2008 acquisitions. All purchased finite-lived intangible assets are amortized using the straight-line method. See Note 4, "Goodwill and Purchased Intangible Assets," for further discussion.

	<u>Technology</u>		<u>Customer Relationships</u>		<u>Registrations, Licenses and Trade Names</u>		<u>Total</u>
	<u>Estimated Useful Life (in Years)</u>	<u>Amount</u>	<u>Estimated Useful Life (in Years)</u>	<u>Amount</u>	<u>Estimated Useful Life (in Years)</u>	<u>Amount</u>	
<u>2008</u>							
OMX AB	3-10	\$ 40	20-33	\$ 420	Indefinite ⁽¹⁾	\$ 747	\$ 1,207
PHLX	2-5	11	19-23	113	Indefinite ⁽²⁾	213	337
BSX	—	—	17	2	Indefinite ⁽³⁾	50	52
Nord Pool	7	1	22	77 ⁽⁶⁾	10 ⁽⁴⁾	3	81
IDCG	—	—	—	—	Indefinite ⁽⁵⁾	26	26
Total for 2008		<u>\$ 52</u>		<u>\$ 612</u>		<u>\$ 1,039</u>	<u>\$ 1,703</u>

- (1) Includes exchange and clearing registrations and the OMX AB trade name which we determined to have an indefinite estimated useful life.
- (2) Includes exchange and futures registrations and the PHLX trade name which we determined to have an indefinite estimated useful life.
- (3) Includes SRO and clearing licenses which we determined to have an indefinite estimated useful life.
- (4) Includes the Nord Pool trade name which we determined to have an estimated useful life of 10 years.
- (5) Includes derivative clearing license for interest rate swap products which we determined to have an indefinite estimated useful life.

The NASDAQ OMX Group, Inc.**Notes to Consolidated Financial Statements—(Continued)**

⁽⁶⁾ As we finalized the purchase price allocation for the Nord Pool transaction in the fourth quarter of 2009, the fair values of the purchased intangible assets were adjusted, resulting in a decrease of \$8 million, an increase to goodwill of \$7 million and a decrease to deferred tax liabilities of \$1 million. The impact on amortization expense was immaterial.

Pro Forma Results

The consolidated financial statements for the years ended December 31, 2010, 2009 and 2008 include the financial results of the above 2010, 2009 and 2008 acquisitions and strategic initiatives from the date of each acquisition or strategic initiative. Pro forma results of operations for the acquisitions completed in 2010 and the strategic initiative completed in 2009 have not been presented since these acquisitions and the strategic initiative both individually and in the aggregate were not material to our financial results.

The unaudited pro forma combined historical results for the year ended December 31, 2008, shown in the table below, include the combined historical Consolidated Statements of Income of Nasdaq, OMX AB and PHLX giving effect to the OMX AB business combination and PHLX acquisition as if they had occurred at the beginning of 2008. We also acquired BSX, Nord Pool and IDCG in 2008, but we have not included their results prior to their respective closing dates in these pro forma results as these transactions were not considered significant.

	<u>December 31, 2008</u> <u>(in millions, except per share amounts)</u>
Revenues	\$ 3,853
Revenues less transaction rebates, brokerage, clearance and exchange fees	1,652
Net income	309
Net income attributable to NASDAQ OMX	308
Basic earnings per share	\$ 1.54
Diluted earnings per share	\$ 1.45

The pro forma results for the year ended December 31, 2008 primarily includes adjustments for amortization of the intangible assets acquired in the business combination with OMX AB and the PHLX acquisition, the elimination of OMX AB's historical amortization expense, elimination of PHLX's non-recurring expenses related to the acquisition, additional interest expense on our prior credit facilities and the 2.50% convertible senior notes, elimination of OMX AB's historical interest expense related to OMX AB's debt that was refinanced and related tax adjustments.

The pro forma results for the year ended December 31, 2008 also include the elimination of the non-recurring gain on the contribution of the Nasdaq trade name in the transaction with NASDAQ Dubai discussed above, as well as adjustments to eliminate interest income related to the net cash received from the sale of our investment in LSE.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

4. Goodwill and Purchased Intangible Assets

Goodwill

The following table presents the changes in goodwill by business segment during the year ended December 31, 2010:

	<u>Market Services</u>	<u>Issuer Services</u>	<u>Market Technology</u>	<u>Total</u>
	(in millions)			
Balance at December 31, 2009	\$4,432	\$ 273	\$ 95	\$4,800
Goodwill acquired	73	—	54	127
Foreign currency translation adjustment and other	174	19	7	200
Balance at December 31, 2010	<u>\$4,679</u>	<u>\$ 292</u>	<u>\$ 156</u>	<u>\$5,127</u>

As of December 31, 2010, the amount of goodwill that is expected to be deductible for tax purposes in future periods is \$107 million.

The goodwill acquired for Market Services shown above relates to our acquisitions of FTEN in December 2010 and Nord Pool in May 2010. The goodwill acquired for Market Technology relates to our acquisition of SMARTS in August 2010. See Note 3, "Acquisitions and Strategic Initiatives," for further discussion.

Purchased Intangible Assets

The following table presents details of our total purchased intangible assets, both finite- and indefinite-lived:

	<u>December 31, 2010</u>				<u>December 31, 2009</u>			
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u> (in millions)	<u>Net Intangible Assets</u>	<u>Weighted- Average Useful Life (in Years)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u> (in millions)	<u>Net Intangible Assets</u>	<u>Weighted- Average Useful Life (in Years)</u>
Finite-Lived Intangible Assets								
Technology	\$ 72	\$ (41)	\$ 31	6	\$ 65	\$ (41)	\$ 24	4
Customer relationships	853	(152)	701	21	813	(110)	703	21
Other	6	(1)	5	8	5	(1)	4	10
Foreign currency translation adjustment	(15)	4	(11)		(45)	7	(38)	
Total finite-lived intangible assets	<u>\$ 916</u>	<u>\$ (190)</u>	<u>\$ 726</u>		<u>\$ 838</u>	<u>\$ (145)</u>	<u>\$ 693</u>	
Indefinite-Lived Intangible Assets								
Exchange and clearing registrations	\$ 790	\$ —	\$ 790		\$ 790	\$ —	\$ 790	
Trade names	181	—	181		173	—	173	
Licenses	78	—	78		76	—	76	
Foreign currency translation adjustment	(56)	—	(56)		(101)	—	(101)	
Total indefinite-lived intangible assets	<u>\$ 993</u>	<u>\$ —</u>	<u>\$ 993</u>		<u>\$ 938</u>	<u>\$ —</u>	<u>\$ 938</u>	
Total intangible assets	<u>\$ 1,909</u>	<u>\$ (190)</u>	<u>\$ 1,719</u>		<u>\$ 1,776</u>	<u>\$ (145)</u>	<u>\$ 1,631</u>	

The NASDAQ OMX Group, Inc.**Notes to Consolidated Financial Statements—(Continued)**

Amortization expense for purchased finite-lived intangible assets was \$57 million for the years ended December 31, 2010 and 2009 and \$48 million for the year ended December 31, 2008. The increase in amortization expense in 2009 compared to 2008 was primarily due to intangible asset amortization expense on identifiable finite-lived intangible assets purchased in connection with the OMX AB business combination and the acquisitions of PHLX and certain businesses of Nord Pool from the date of each acquisition.

In 2008, due to an operating loss and a projection of future cash flow losses due to lower contract rates for Carpenter Moore, which was part of Corporate Solutions within our Issuer Services segment, we evaluated the ongoing value of the intangible assets associated with this business. Based on this evaluation, we determined that finite-lived intangible assets, consisting primarily of customer relationships and technology, with a carrying value of approximately \$7 million, were no longer recoverable and were in fact impaired, and wrote them down to their estimated fair value of zero. The risk-adjusted discount rates used to compute the present value of the expected net cash flows of individual intangible assets were based on Carpenter Moore's weighted average cost of capital, which ranged from 14.5% to 16.9%. These discount rates were determined after consideration of Carpenter Moore's rate of return on debt and equity and the weighted-average return on invested capital. We recorded the impairment loss in asset impairment charges in the Consolidated Statements of Income for the year ended December 31, 2008. In October 2009, we sold substantially all of our Carpenter Moore business and recorded a gain of \$7 million included in gain on sales of businesses in the Consolidated Statements of Income.

The estimated future amortization expense (excluding the impact of foreign currency translation adjustments of \$11 million as of December 31, 2010) of purchased intangible assets as of December 31, 2010 is as follows:

	<u>(in millions)</u>
2011	\$ 53
2012	50
2013	49
2014	47
2015	45
2016 and thereafter	493
Total	<u>\$ 737</u>

5. Investments**Trading Securities**

Trading securities, which are included in financial investments, at fair value in the Consolidated Balance Sheets, were \$220 million as of December 31, 2010 and \$308 million as of December 31, 2009. These securities are primarily comprised of Swedish government debt securities, of which \$190 million as of December 31, 2010 and \$183 million as of December 31, 2009, are restricted assets to meet regulatory capital requirements for NASDAQ OMX Stockholm's clearing operations.

Available-for-Sale Investment Securities**Investment in DFM**

Our available-for-sale investment security, which is included in financial investments, at fair value in the Consolidated Balance Sheets, represents our 1% investment in DFM. In May 2010, we completed the exchange of our equity interest in NASDAQ Dubai for a 1% investment in DFM. See "Investment in NASDAQ Dubai" below for further discussion.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

As of December 31, 2010, the cost basis of this security was \$36 million and the fair value was \$33 million. The \$3 million change between the cost basis and fair value is reflected as an unrealized holding loss in accumulated other comprehensive loss in the Consolidated Balance Sheets. We reviewed the carrying value of this investment security to determine whether an other-than-temporary decline in value exists. We considered factors affecting the investee, factors affecting the industry the investee operates in and general market trends. We also considered the length of time the market value has been below the cost basis and the near-term prospects for recovery of unrealized losses. As of December 31, 2010, we have not recognized an other-than-temporary decline in value on this investment security.

Investment in Oslo

In connection with our business combination with OMX AB, we acquired a long-term available-for-sale investment security in Oslo. In 2008, we recorded an other-than-temporary impairment loss on this investment security of \$35 million in asset impairment charges in the Consolidated Statements of Income. During the second quarter of 2009, we made a strategic decision to sell this investment security, demonstrating our intent to no longer hold this investment, and recorded a \$5 million loss, which includes costs directly related to the sale, primarily broker fees. This loss is included in loss on sale of investment security in the Consolidated Statements of Income for the year ended December 31, 2009.

Equity Method Investments

The equity method of accounting is used when we own less than 50% of the outstanding voting stock, but exercise significant influence over the operating and financial policies of a company.

Equity interest in our equity method investments was \$27 million as of December 31, 2010, which consisted primarily of our equity interest in EMCF. Equity interest in our equity method investments was \$66 million as of December 31, 2009, which consisted primarily of our equity interests in NASDAQ Dubai and EMCF. Equity method investments are included in other assets in the Consolidated Balance Sheets. As discussed above, we completed the exchange of our equity interest in NASDAQ Dubai for a 1% available-for-sale investment in DFM in May 2010. See “Investment in NASDAQ Dubai” below for further discussion.

Income (loss) recognized from our equity interest in the earnings and losses of these companies was a net gain of \$2 million for the year ended December 31, 2010 compared with a net loss of \$107 million for the year ended December 31, 2009. The net loss during the year ended December 31, 2009 was primarily due to impairment charges relating to NASDAQ Dubai and Agora-X and the sale of our investment in Orc. See “Investment in NASDAQ Dubai,” “Investment in Orc Software,” and “Impairment of Agora-X,” below for further discussion.

Income (loss) recognized from our equity method investments is included in income (loss) from unconsolidated investees, net in the Consolidated Statements of Income.

Investment in NASDAQ Dubai

In December 2009, we agreed to participate in the realignment of the ownership structure of NASDAQ Dubai. The realignment was completed in May 2010 and at that time, NASDAQ Dubai became a wholly-owned subsidiary of DFM, a publicly traded company controlled by Borse Dubai. We received a 1% equity interest in DFM in exchange for our equity interest in NASDAQ Dubai. Our existing technology and trademark licensing arrangements with Borse Dubai and NASDAQ Dubai remain unchanged.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

In connection with the realignment of the ownership structure discussed above, a third-party specialist determined the fair value of NASDAQ Dubai. Based on this valuation, we determined our carrying value of NASDAQ Dubai was no longer recoverable and was in fact impaired, and we wrote down our investment to fair value which resulted in an \$82 million pre-tax, non-cash impairment charge for the year ended December 31, 2009.

At the time of the realignment in May 2010, we recorded a pre-tax, non cash loss of \$1 million in income (loss) from unconsolidated investees, net in the Consolidated Statements of Income, which was based on the difference between the price of DFM common stock multiplied by the number of shares of DFM acquired and the carrying value of our investment in NASDAQ Dubai at the time of the exchange.

NASDAQ Dubai and DFM are related parties, as both of them are primarily owned by Borse Dubai, our largest stockholder.

Investment in Orc Software

During the second quarter of 2009, we made a strategic decision to sell our investment in Orc, demonstrating our intent to no longer hold this investment. We sold shares representing 25.25% of the share capital of Orc to a group of Swedish and other international investors for \$54 million in cash. As a result of the sale, we recognized a \$19 million loss, which includes costs directly related to the sale, primarily broker fees. The loss is included in income (loss) from unconsolidated investees, net in the Consolidated Statements of Income for the year ended December 31, 2009.

Impairment of Agora-X

In December 2009, we entered into an agreement to increase our investment in Agora-X from 20% to 85%. In evaluating the fair value of the total investment, it was determined that our carrying value of Agora-X was no longer recoverable and was in fact impaired, and we wrote down our investment to fair value which resulted in a pre-tax, non-cash impairment charge of \$5 million.

6. Property and Equipment, net

The following table presents our major categories of property and equipment, net:

	December 31,	
	2010	2009
	(in millions)	
Data processing equipment and software	\$ 348	\$ 313
Furniture, equipment and leasehold improvements	180	178
	528	491
Less: accumulated depreciation and amortization	(364)	(327)
Total property and equipment, net	<u>\$ 164</u>	<u>\$ 164</u>

Depreciation and amortization expense for property and equipment was \$46 million for the year ended December 31, 2010, \$47 million for the year ended December 31, 2009 and \$45 million for the year ended December 31, 2008. These amounts are included in depreciation and amortization expense in the Consolidated Statements of Income.

As of December 31, 2010 and 2009, we do not own any real estate properties.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

7. Deferred Revenue

Deferred revenue represents cash payments received that are yet to be recognized as revenue. At December 31, 2010, we have estimated that our deferred revenue, which is primarily related to Global Listing Services and Market Technology fees, will be recognized in the following years:

Fiscal year ended:	<u>Initial Listing Fees</u>	<u>Listing of Additional Shares Fees</u>	<u>Annual Renewal Fees and Other</u> (in millions)	<u>Market Technology⁽¹⁾</u>	<u>Total</u>
2011	\$ 15	\$ 35	\$ 21	\$ 51	\$ 122
2012	11	25	—	29	65
2013	7	17	—	28	52
2014	5	6	—	19	30
2015	3	—	—	11	14
2016 and thereafter	1	—	—	8	9
	<u>\$ 42</u>	<u>\$ 83</u>	<u>\$ 21</u>	<u>\$ 146</u>	<u>\$ 292</u>

⁽¹⁾ The timing of recognition of our deferred Market Technology revenues is dependent upon when significant modifications are made pursuant to existing contracts. As such, as it relates to these fees, the timing represents our best estimate.

Our deferred revenue during the years ended December 31, 2010 and 2009 is reflected in the following table.

	<u>Initial Listing Fees</u>	<u>Listing of Additional Shares Fees</u>	<u>Annual Renewal Fees and Other</u> (in millions)	<u>Market Technology⁽²⁾</u>	<u>Total</u>
Balance at January 1, 2009	\$ 57	\$ 74	\$ 21	\$ 101	\$ 253
Additions ⁽¹⁾	9	39	169	87	304
Amortization ⁽¹⁾	(20)	(37)	(173)	(64)	(294)
Foreign currency translation adjustment	—	—	1	1	2
Balance at December 31, 2009	<u>\$ 46</u>	<u>\$ 76</u>	<u>\$ 18</u>	<u>\$ 125</u>	<u>\$ 265</u>
Additions ⁽¹⁾	14	46	222	32	314
Amortization ⁽¹⁾	(18)	(39)	(219)	(13)	(289)
Foreign currency translation adjustment	—	—	—	2	2
Balance at December 31, 2010	<u>\$ 42</u>	<u>\$ 83</u>	<u>\$ 21</u>	<u>\$ 146</u>	<u>\$ 292</u>

⁽¹⁾ The additions and amortization for initial listing fees, listing of additional shares fees and annual renewal fees and other primarily reflect Issuer Services revenues from U.S. listing fees.

⁽²⁾ Market Technology deferred revenues include revenues from delivered client contracts in the support phase charged during the period. Under contract accounting, where customization and significant modifications to the software are made to meet the needs of our customers, total revenues as well as costs incurred, are deferred until significant modifications are completed and delivered. Once delivered, deferred revenue and the related deferred costs are recognized over the post contract support period. We have included the deferral of costs in other current assets and other assets in the Consolidated Balance Sheets. The amortization of Market Technology deferred revenue includes revenues earned from client contracts recognized during the period and from the technology licenses contributed to NASDAQ Dubai.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

8. Debt Obligations

The following table presents the changes in our debt obligations during the year ended December 31, 2010:

	December 31, 2009	Additions	Payments, Conversions, Accretion and Other	December 31, 2010
	(in millions)			
3.75% convertible notes due October 22, 2012 (net of discount) ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
2.50% convertible senior notes due August 15, 2013	374	—	14	388
4.00% senior unsecured notes due January 15, 2015 (net of discount) ⁽²⁾	—	398	—	398
5.55% senior unsecured notes due January 15, 2020 (net of discount) ⁽²⁾	—	598	—	598
\$700 million senior unsecured term loan facility credit agreement due January 15, 2013 (average interest rate of 2.33% for the year ended December 31, 2010) ⁽²⁾	—	700	(130)	570
5.25% senior unsecured notes due January 16, 2018, (net of discount) ⁽³⁾	—	367	—	367
Senior unsecured bridge facility ⁽⁴⁾	—	370	(370)	—
6.25% subordinated debt assumed from the acquisition of Nord Pool's derivatives, clearing and consulting subsidiaries repaid in May 2010 ⁽⁵⁾	18	—	(18)	—
\$2,000 million senior secured term credit facilities repaid January 2010 ⁽²⁾	1,700	—	(1,700)	—
Total debt obligations	2,092	2,433	(2,204)	2,321
Less current portion	(225)	—	85	(140)
Total long-term debt obligations	<u>\$ 1,867</u>	<u>\$ 2,433</u>	<u>\$ (2,119)</u>	<u>\$ 2,181</u>

⁽¹⁾ In September 2009, most holders of our outstanding 3.75% convertible notes converted their outstanding positions into common stock. As of December 31, 2010 and December 31, 2009, approximately \$0.5 million aggregate principal amount of the 3.75% convertible notes remained outstanding. For further discussion, see "3.75% Convertible Notes" below.

⁽²⁾ See "Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009" below for further discussion.

⁽³⁾ See "5.25% Senior Unsecured Notes" below for further discussion.

⁽⁴⁾ See "Bridge Facility" below for further discussion.

⁽⁵⁾ Our subordinated debt obligation assumed in the acquisition of Nord Pool's derivatives, clearing and consulting subsidiaries was denominated in Norwegian Krone and totaled 100 million Norwegian Krone (\$18 million as of December 31, 2009 and \$16 million at the time of the repayment in May 2010). The difference of \$2 million reflects changes in foreign currency exchange rates.

3.75% Convertible Notes

The 3.75% convertible notes were originally issued to Hellman & Friedman, or H&F (\$300 million), SLP (\$141 million) and other holders (\$4 million) in order to finance the acquisition of INET. These notes were convertible into our common stock at a price of \$14.50 per share, representing 30,689,655 shares subject to adjustment in general for any stock split, dividend, combination, recapitalization or similar event. We also issued warrants to purchase shares of our common stock at a price of \$14.50 per share to H&F (3,400,000 shares), SLP

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

(1,523,325 shares) and other holders (39,175 shares). The warrants became exercisable on April 22, 2006 and would have expired on December 8, 2008. During 2007, H&F converted all of their 3.75% convertible notes into common stock and exercised all of their outstanding warrants prior to expiration. During 2007 and 2008, SLP and other holders converted a portion of their 3.75% convertible notes into common stock and exercised all of their outstanding warrants prior to expiration. In September 2009, SLP and another holder, or Holders, converted their remaining outstanding 3.75% convertible notes into common stock in accordance with the terms of the notes. As an inducement for conversion, we agreed to pay the Holders and certain of their affiliates an aggregate amount of \$9 million in cash and issue to the Holders shares of our series A convertible preferred stock, with an aggregate initial liquidation preference amount of \$16 million. See “Preferred Stock,” of Note 12, “NASDAQ OMX Stockholders’ Equity,” for further discussion.

As of December 31, 2010 and 2009, approximately \$0.5 million aggregate principal amount of the 3.75% convertible notes remained outstanding.

2.50% Convertible Senior Notes

During the first quarter of 2008, in connection with the business combination with OMX AB, we completed the offering of \$475 million aggregate principal amount of 2.50% convertible senior notes due 2013. The interest rate on the notes is 2.50% per annum payable semi-annually in arrears on February 15 and August 15 and will mature on August 15, 2013.

The notes are convertible in certain circumstances specified in the indenture for the notes. Upon conversion, holders will receive, at the election of NASDAQ OMX, cash, common stock or a combination of cash and common stock. It is our current intent and policy to settle the principal amount of the notes in cash. The conversion rate will initially be 18.1386 shares of common stock per \$1,000 principal amount of notes, which is equivalent to a conversion price of approximately \$55.13 per share of common stock. At December 31, 2010, the 2.50% convertible senior notes are convertible into 7,757,283 shares of our common stock, subject to adjustment upon the occurrence of specified events. Subject to certain exceptions, if we undergo a “fundamental change” as described in the indenture, holders may require us to purchase their notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest.

Since the settlement structure of our 2.50% convertible senior notes permits settlement in cash upon conversion, we are required to separately account for the liability and equity components of the convertible debt in a manner that reflects our nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. This entails bifurcation of a component of the debt, classification of that component in equity and then accretion of the resulting discount on the debt being reflected in the income statement as part of interest expense.

The changes in the liability and equity components of our 2.50% convertible senior notes during the year ended December 31, 2010 and 2009 are as follows:

	<u>Liability Component</u>			<u>Equity Component</u>		
	<u>Principal Balance</u>	<u>Unamortized Debt Discount</u>	<u>Net Carrying Amount</u>	<u>Gross Equity Component</u>	<u>(in millions) Deferred Taxes</u>	<u>Net Equity Component</u>
January 1, 2009	\$ 475	\$ 74	\$ 401	\$ 85	\$ 34	\$ 51
Accretion of debt discount	—	(13)	13	—	—	—
Early extinguishment of debt	(47)	(7)	(40)	(5)	(2)	(3)
December 31, 2009	\$ 428	\$ 54	\$ 374	\$ 80	\$ 32	\$ 48
Accretion of debt discount	—	(14)	14	—	—	—
December 31, 2010	<u>\$ 428</u>	<u>\$ 40</u>	<u>\$ 388</u>	<u>\$ 80</u>	<u>\$ 32</u>	<u>\$ 48</u>

The NASDAQ OMX Group, Inc.**Notes to Consolidated Financial Statements—(Continued)**

The unamortized debt discount on the convertible debt was \$40 million as of December 31, 2010 and \$54 million as of December 31, 2009 and is included in debt obligations in the Consolidated Balance Sheets. This amount will be accreted as part of interest expense through the maturity date of the convertible debt of August 15, 2013. The effective annual interest rate on the 2.50% convertible senior notes was 6.53% for the years ended December 31, 2010 and 2009, which includes the accretion of the debt discount in addition to the annual contractual interest rate of 2.50%.

As of December 31, 2010 and December 31, 2009, the equity component of the convertible debt included in additional paid-in capital in the Consolidated Balance Sheets was \$48 million. This amount is calculated as follows: \$80 million of excess principal of the convertible debt over the carrying amount less \$32 million of deferred taxes. The deferred tax liability is determined by multiplying the \$80 million of excess principal of the convertible debt over the carrying amount by the U.S. marginal tax rate of 39.55%.

Interest expense recognized on our 2.50% convertible senior notes in the Consolidated Statements of Income for the years ended December 31, 2010, 2009 and 2008 is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(in millions)		
Components of interest expense recognized on our 2.50% convertible senior notes			
Accretion of debt discount	\$ 14	\$ 13	\$ 11
Contractual interest	10	11	10
Total interest expense recognized on our 2.50% convertible senior notes	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 21</u>

Early Extinguishment of Debt

In 2009, we repurchased \$47 million principal amount of the 2.50% convertible senior notes for a cash payment of \$40 million and recognized a pre-tax gain on the early extinguishment of debt of \$4 million (net of debt issuance and other costs of \$0.8 million) which is recorded in general, administrative and other expense in the Consolidated Statements of Income. As a result of the \$47 million repurchase, the remaining aggregate principal amount outstanding on these notes as of December 31, 2009 was \$428 million. See above for further discussion.

Debt Issuance Costs

In 2008, in conjunction with the issuance of the 2.50% convertible senior notes, we incurred debt issuance costs of \$10 million. These costs, which are capitalized and included in other assets in the Consolidated Balance Sheets, are being amortized over the life of the debt obligation. In connection with the early extinguishment of a portion of these notes, we recorded a pre-tax charge of \$0.8 million for the year ended December 31, 2009 for debt issuance costs. See "Early Extinguishment of Debt" above for further discussion. Amortization expense, which is recorded as additional interest expense for these costs, was \$2 million for the years ended December 31, 2010, 2009 and 2008.

Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009

In January 2010, NASDAQ OMX issued \$1 billion of senior unsecured notes, or the Notes, and entered into a \$950 million senior unsecured three-year credit facility. The credit facility provides for an unfunded \$250

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

million revolving credit commitment (including a swingline facility and letter of credit facility), a \$350 million funded Tranche A term loan and a \$350 million funded Tranche X term loan. NASDAQ OMX applied the net proceeds from the Notes, the \$700 million funded Term Loans and cash on hand to repay all amounts outstanding under our senior secured credit facilities in place as of December 31, 2009 and related fees. As a result, NASDAQ OMX terminated the associated credit agreement.

The Notes

The Notes were issued at a discount in two separate series consisting of \$400 million aggregate principal amount of 4.00% senior notes due 2015 and \$600 million aggregate principal amount of 5.55% senior notes due 2020. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amounts. As of December 31, 2010, the balance of \$398 million for the 4.00% senior notes due 2015 and the balance of \$598 million for the 5.55% senior notes due 2020, reflects the aggregate principal amounts, less the unamortized debt discount. The unamortized debt discount will be accreted through interest expense over the life of the Notes.

The 2015 Notes pay interest semiannually at a rate of 4.00% per annum until January 15, 2015, and the 2020 Notes pay interest semiannually at a rate of 5.55% per annum until January 15, 2020. The Notes are general unsecured obligations of ours and rank equally with all of our existing and future unsubordinated obligations. The Notes are not guaranteed by any of our subsidiaries. The Notes were issued under an indenture that, among other things, limits our ability to consolidate, merge or sell all or substantially all of our assets, create liens, and enter into sale and leaseback transactions.

Credit Facility

The credit facility provides for an unfunded \$250 million revolving credit commitment (including a swingline facility and letter of credit facility), a \$350 million funded Term Loan A and a \$350 million funded Term Loan X. The loans under the credit facility have a variable interest rate based on either the London Interbank Offered Rate, or LIBOR, or the Federal Funds Rate, plus an applicable margin that varies with NASDAQ OMX's debt rating.

As required under our credit facility, we paid quarterly principal payments of \$35 million on our Term Loans beginning in the third quarter of 2010. Total required payments were \$70 million during 2010. In addition to the required quarterly payments, we made optional payments totaling \$60 million of principal on our Term Loans during 2010.

The credit facility contains financial and operating covenants. Financial covenants include an interest expense coverage ratio and a maximum leverage ratio. Operating covenants include limitations on NASDAQ OMX's ability to incur additional indebtedness, grant liens on assets, enter into affiliate transactions and pay dividends.

The credit facility also contains customary affirmative covenants, including access to financial statements, notice of defaults and certain other material events, maintenance of business and insurance, and events of default, including cross-defaults to our material indebtedness.

NASDAQ OMX is permitted to repay borrowings under the credit facility at any time in whole or in part, without penalty. We also are required to repay loans outstanding under the credit facility with net cash proceeds from sales of property and assets of NASDAQ OMX and its subsidiaries (excluding inventory sales and other

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

sales in the ordinary course of business) and casualty and condemnation proceeds, in each case subject to specified exceptions and thresholds.

Debt Issuance Costs

We incurred debt issuance and other costs of \$21 million in connection with the issuance of the Notes and the entry into the new credit facility. These costs, which are capitalized and included in other assets in the Consolidated Balance Sheets, are being amortized over the life of the debt obligations. Amortization expense, which is recorded as additional interest expense for these costs, was \$5 million for the year ended December 31, 2010.

Bridge Facility

In December 2010, NASDAQ OMX entered into a \$400 million senior unsecured bridge facility and borrowed \$370 million to partially finance the purchase of our stock from Borse Dubai. See “Share Repurchase from Borse Dubai,” of Note 12, “NASDAQ OMX Stockholders’ Equity,” for further discussion of our share repurchase from Borse Dubai. We applied the net proceeds from the issuance of our 2018 notes, discussed below, and cash on hand to repay all amounts outstanding under the bridge facility and terminated the bridge facility as of December 31, 2010. The effective interest rate on borrowings under the bridge facility was 1.76%. Interest expense was immaterial for the year ended December 31, 2010.

5.25% Senior Unsecured Notes

In December 2010, NASDAQ OMX issued \$370 million of 5.25% senior unsecured notes due 2018. We applied the net proceeds from the 2018 Notes of \$367 million and cash on hand of \$3 million to repay all amounts outstanding under our bridge facility, discussed above, as well as related fees.

The 2018 Notes were issued at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. As of December 31, 2010, the balance of \$367 million reflects the aggregate principal amount, less the unamortized debt discount. The unamortized debt discount will be accreted through interest expense over the life of the 2018 Notes.

The 2018 Notes pay interest semiannually at a rate of 5.25% per annum until January 16, 2018 and may vary with NASDAQ OMX’s debt rating up to a rate not to exceed 7.25%. The 2018 Notes are general unsecured obligations of ours and rank equally with all of our existing and future unsubordinated obligations. They are not guaranteed by any of our subsidiaries. The 2018 Notes were issued under indentures that among other things, limits our ability to consolidate, merge or sell all or substantially all of our assets, create liens, and enter into sale and leaseback transactions. In addition, upon a change of control triggering event (as defined in the indenture), the terms require us to repurchase all or part of each holder’s notes for cash equal to 101% of the aggregate principal amount purchased plus accrued and unpaid interest, if any.

Debt Issuance Costs

We incurred debt issuance and other costs of \$3 million in connection with the issuance of the 2018 Notes. These costs, which are capitalized and included in other assets in the Consolidated Balance Sheets, are being amortized over the life of the debt obligation. Amortization expense, which is recorded as additional interest expense for these costs, was immaterial for the year ended December 31, 2010.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

Senior Secured Credit Facilities in Place as of December 31, 2009

In connection with the business combination with OMX AB, on February 27, 2008, NASDAQ OMX entered into a credit agreement which provided for up to \$2,075 million of senior secured loans, which included (i) a five-year, \$2,000 million senior secured term loan facility, or the Term Loan Facility, which consisted of (a) a \$1,050 million term loan facility allocated to the OMX AB business combination, (b) a \$650 million term loan facility allocated to the acquisition of PHLX, and (c) a \$300 million term loan facility allocated to the Nord Pool transaction, and (ii) a five-year, \$75 million senior secured revolving credit facility, with a letter of credit subfacility and swingline loan subfacility, or the Revolving Credit Facility, and together with the Term Loan Facility, the senior secured credit facilities in place as of December 31, 2009. The Revolving Credit Facility was undrawn as of December 31, 2009.

In addition, NASDAQ OMX may have requested that prospective additional lenders under the senior secured credit facilities in place as of December 31, 2009 agree to make available incremental term loans and incremental revolving commitments from time to time in an aggregate amount not to exceed \$200 million.

In addition to financing the business combination with OMX AB, the acquisition of PHLX and the Nord Pool transaction, we used the debt financing under the senior secured credit facilities in place as of December 31, 2009 to pay fees and expenses incurred in connection with such transactions and repay certain indebtedness of OMX AB.

In January 2010, NASDAQ OMX applied the net proceeds from the Notes, the \$700 million funded Term Loans and cash on hand to repay all amounts outstanding under our senior secured credit facilities in place as of December 31, 2009 and related fees. As a result, NASDAQ OMX terminated the associated credit agreement.

Borrowings under the senior secured credit facilities in place as of December 31, 2009 (other than swingline loans) bore interest at (i) the base rate (the higher of the prime rate announced by the Bank of America, N.A. and the federal funds effective rate plus 0.50%), plus an applicable margin, or (ii) the LIBO rate (set by the British Bankers Association LIBOR Rate), plus an applicable margin. The interest rate on swingline loans made under the senior secured credit facilities in place as of December 31, 2009 was the base rate, plus an applicable margin.

NASDAQ OMX's obligations under the senior secured credit facilities in place as of December 31, 2009 (i) were guaranteed by each of the existing and future direct and indirect material wholly-owned domestic subsidiaries of NASDAQ OMX, subject to certain exceptions, and (ii) were secured, subject to certain exceptions, by all the capital stock of each of our present and future subsidiaries (limited, in the case of foreign subsidiaries, to 65.0% of the voting stock of such subsidiaries) and all of the present and future property and assets (real and personal) of NASDAQ OMX and the guarantors.

NASDAQ OMX was permitted to repay borrowings under the senior secured credit facilities in place as of December 31, 2009 at any time in whole or in part, without penalty.

Principal Amortization Payment

As required under our senior secured credit facilities in place as of December 31, 2009, during 2009, we repaid a principal amount of \$225 million on our borrowings under the senior secured credit facilities in place as of December 31, 2009.

Interest Rate Swaps

Under the provisions of our senior secured credit facilities in place as of December 31, 2009, we were required to maintain approximately 30% of our debt structure on a fixed rate basis for two years from the date of

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

the credit agreement. As such, in August 2008, we entered into interest rate swap agreements that effectively converted \$200 million of funds borrowed under our senior secured credit facilities in place as of December 31, 2009, which was floating rate debt, to a fixed rate basis through August 2011. The interest rate swaps were fixed to a base rate of 3.73% plus the current credit spread of 200 basis points as of December 31, 2009. The credit spread (not to exceed 200 basis points) was subject to change based upon the leverage ratio in accordance with the senior secured credit facilities in place as of December 31, 2009. In connection with the repayment of these senior secured credit facilities in place as of December 31, 2009 in January 2010, we terminated our interest rate swaps. See “Cash Flow Hedges,” of Note 15, “Derivative Financial Instruments and Hedging Activities,” for further discussion.

Debt Issuance Costs

In 2008, in conjunction with our senior secured credit facilities in place as of December 31, 2009, we incurred debt issuance costs of \$44 million. These costs, which were capitalized and included in other assets in the Consolidated Balance Sheets, were being amortized over the life of the debt obligation. Amortization expense, which was recorded as additional interest expense for these costs, was \$9 million for the year ended December 31, 2009 and \$7 million for the year ended December 31, 2008.

In January 2010, as a result of the repayment of our senior secured credit facilities in place as of December 31, 2009, we recorded a pre-tax charge of \$40 million, which included the write-off of the remaining unamortized balance of debt issuance costs incurred of \$28 million, costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge of \$9 million and other costs of \$3 million. These charges are included in general, administrative and other expense in the Consolidated Statements of Income for the year ended December 31, 2010.

Other Credit Facilities

In addition to the \$250 million revolving credit commitment discussed above, we have credit facilities related to our clearinghouses in order to meet liquidity and regulatory requirements. These credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled \$440 million (\$196 million in available liquidity and \$244 million to satisfy regulatory requirements), none of which was utilized at December 31, 2010. At December 31, 2009, these facilities totaled \$417 million (\$185 million in available liquidity which can be pledged as collateral and \$232 million to satisfy regulatory requirements), none of which was utilized.

Debt Covenants

At December 31, 2010, we were in compliance with the covenants of all of our debt obligations.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

9. Income Taxes

The income tax provision consists of the following amounts:

	Year Ended December 31,		
	2010	2009	2008
	(in millions)		
Current income taxes:			
Federal	\$ 116	\$ 96	\$ 220
State	36	32	49
Foreign	20	10	36
Total current income taxes	<u>172</u>	<u>138</u>	<u>305</u>
Deferred income taxes:			
Federal	(25)	(26)	(61)
State	(26)	8	(14)
Foreign	16	8	(32)
Total deferred income taxes	<u>(35)</u>	<u>(10)</u>	<u>(107)</u>
Total income tax provision	<u>\$ 137</u>	<u>\$ 128</u>	<u>\$ 198</u>

U.S. federal taxes have not been provided on undistributed earnings of certain non-U.S. subsidiaries to the extent such earnings will be reinvested abroad for an indefinite period of time. At December 31, 2010, the cumulative amount of undistributed earnings in these subsidiaries is approximately \$70 million. We have the intent and ability to indefinitely reinvest the undistributed earnings of our non-U.S. subsidiaries.

A reconciliation of the income tax provision, based on the U.S. federal statutory rate, to our actual income tax provision for the years ended December 31, 2010, 2009 and 2008 is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(in millions)		
Federal income tax provision at the statutory rate	35.0%	35.0%	35.0%
State income tax provision, net of federal effect	4.2%	6.6%	4.5%
Foreign income tax provision at a rate different than the federal rate	(3.2)%	(3.6)%	(3.3)%
Foreign asset impairment loss, not deductible for tax purposes	—	—	1.9%
Earnings from foreign affiliates, not subject to tax	(3.5)%	(4.8)%	—
Nondeductible expenses	0.3%	2.8%	0.2%
Change in deferred taxes due to change in tax rate ⁽¹⁾	(3.0)%	—	—
Excess capital loss carry back ⁽¹⁾	(2.4)%	—	—
Other, net	<u>(1.4)%</u>	<u>(3.3)%</u>	<u>0.3%</u>
Actual income tax provision ⁽¹⁾	<u>26.0%</u>	<u>32.7%</u>	<u>38.6%</u>

⁽¹⁾ The lower effective tax rate in 2010 when compared to 2009 was primarily due to the restructuring of certain NASDAQ OMX subsidiaries. These transactions resulted in one-time reductions in deferred tax liabilities due to a revised effective tax rate and a one-time tax deduction for a capital loss.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The temporary differences, which give rise to our deferred tax assets and (liabilities), consisted of the following:

	December 31,	
	2010	2009
	(in millions)	
Deferred tax assets:		
Deferred revenues	\$ 28	\$ 31
U.S. federal net operating loss	20	4
Foreign net operating loss	104	129
State net operating loss	1	4
Compensation and benefits	77	68
Investments	—	55
Foreign currency translation	155	253
Lease reserves	8	18
Tax credits	5	5
Excess capital loss	64	—
Other	15	14
Gross deferred tax assets	477	581
Deferred tax liabilities:		
Amortization of software development costs and depreciation	(25)	(24)
Amortization of acquired intangible assets	(653)	(644)
Adoption of ASC 470.20, net of accretion	(19)	(24)
Other	(27)	(14)
Gross deferred tax liabilities	(724)	(706)
Net deferred tax liabilities before valuation allowance	(247)	(125)
Less: valuation allowance	(31)	(52)
Net deferred tax liabilities	\$ (278)	\$ (177)

A valuation allowance has been established with regards to the tax benefits associated with certain net operating losses, as it is more likely than not that these losses will not be realized in the future.

The U.S. federal net operating loss of \$20 million, which includes \$14 million related to the acquisition of FTEN in December 2010 and \$6 million related to subsidiaries of OMX that are not included in our U.S. federal consolidated income tax return, will expire in years 2022-2030. Of the \$104 million foreign net operating loss, \$17 million will expire in years 2018-2025 and \$87 million has no expiration date. The \$1 million state net operating loss will expire in years 2013-2029. The excess capital loss of \$64 million will be offset against capital gains realized in 2007.

The following represents the domestic and foreign components of income before income tax provision:

	Year Ended December 31,		
	2010	2009	2008
	(in millions)		
Domestic	\$ 393	\$ 325	\$ 448
Foreign	133	66	65
Income before income tax provision	\$ 526	\$ 391	\$ 513

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

In 2010, 2009 and 2008, we recorded income tax benefits of \$2 million, \$4 million and \$5 million, respectively, primarily related to employee stock option exercises. These amounts were recorded as additional paid-in-capital in the Consolidated Balance Sheets.

We are subject to examination by federal, state and local, and foreign tax authorities. We regularly assess the likelihood of additional assessments by each jurisdiction and have established tax reserves that we believe are adequate in relation to the potential for additional assessments. We believe that the resolution of tax matters will not have a material effect on our financial condition but may be material to our operating results for a particular period and upon the effective tax rate for that period.

As of December 31, 2010, we had \$12 million of unrecognized benefits, of which \$8 million would affect our effective tax rate if recognized. As of December 31, 2009, we had \$11 million of unrecognized benefits, of which \$6 million would affect our effective tax rate if recognized.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,	
	2010	2009
	(in millions)	
Beginning balance	\$ 11	\$ 9
Additions as a result of tax positions taken in prior periods	1	1
Additions as a result of tax positions taken in the current period	2	3
Reductions due to the settlement from tax authorities	(2)	(2)
Ending balance	<u>\$ 12</u>	<u>\$ 11</u>

Our policy is to recognize interest and/or penalties related to income tax matters in income tax expense. As of December 31, 2010, we had accrued \$4 million for interest and penalties, net of tax effect. As of December 31, 2009, we had accrued \$2 million for interest and penalties, net of tax effect.

NASDAQ OMX and its eligible subsidiaries file a consolidated U.S. federal income tax return and applicable state and local income tax returns and non-U.S. income tax returns. Federal income tax returns for the years 2007 through 2009 are subject to examination by the Internal Revenue Service. Several state tax returns are currently under examination by the respective tax authorities for the years 2000 through 2008 and we are subject to examination for 2009. Non-U.S. tax returns are subject to review by the respective tax authorities for the years 2003 through 2009. In August 2010, we paid the state of California \$2 million with respect to audits for the years 1996 through 1998 and the years 2000 through 2006. Since this amount was included in our unrecognized tax benefits as of December 31, 2009, such payment does not affect our 2010 effective tax rate. The outcome of these audits did not have a material impact on our financial position or results of operations. We anticipate that the amount of unrecognized tax benefits at December 31, 2010 will significantly decrease in the next twelve months as we expect to settle certain tax audits. The final outcome of such audits cannot yet be determined. We anticipate that such adjustments will not have a material impact on our consolidated financial position or results of operations.

In the fourth quarter of 2010, we received an appeal from the Finnish Tax Authority in which such authority challenges certain interest expense deductions claimed by NASDAQ OMX in Finland for the years 2009 and 2008. NASDAQ OMX's tax return position with respect to this deduction was previously reviewed and approved by the Finnish Tax Authority. The appeal also demands certain penalties be paid with regards to such tax return

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

filing position. If the Finnish Tax Authority prevails in their challenge, additional tax and penalties for such years would total approximately \$10 million. We expect the Finnish Tax Authority to agree with our position once its review is completed and, as such, it is unlikely NASDAQ OMX will be assessed any additional tax and penalties. Through December 31, 2010, we have recorded the tax benefits associated with such filing position.

In June 2009, NASDAQ OMX filed an application for an advance tax ruling with the Swedish Tax Council for Advance Tax Rulings. The application was filed to confirm whether certain interest expense is deductible for Swedish tax purposes under legislation that became effective on January 1, 2009. In June 2010, we received a favorable response from the Swedish Tax Council for Advance Tax Rulings in which all members of the Council agreed that such interest expense is deductible for Swedish tax purposes. The Swedish Tax Agency has recently appealed such ruling to the Swedish Supreme Administrative Court. We expect the Swedish Supreme Administrative Court to agree with the ruling from the Swedish Tax Council for Advance Tax Rulings. For the year ended December 31, 2010, we recorded a tax benefit of \$18 million, or \$0.09 per diluted share, related to this matter. Since January 1, 2009, we have recorded a tax benefit of \$37 million, or \$0.18 per diluted share, related to this matter.

10. Employee Benefits

U.S. Defined-Benefit Pension and Supplemental Executive Retirement Plans

We maintain non-contributory, defined-benefit pension plans, non-qualified supplemental executive retirement plans, or SERPs, for certain senior executives and post-retirement benefit plans for eligible employees in the U.S., collectively referred to as the NASDAQ OMX Benefit Plans.

Our pension plans and SERPs are frozen. Future service and salary for all participants do not count toward an accrual of benefits under the pension plans and SERPs.

Components of Net Periodic Benefit Cost

The following table sets forth the components of net periodic pension, SERP and post-retirement benefits costs from the NASDAQ OMX Benefit Plans recognized in compensation and benefits expense in the Consolidated Statements of Income:

	Year Ended December 31,		
	<u>2010</u>	<u>2009</u> (in millions)	<u>2008⁽¹⁾</u>
Components of net periodic benefit cost			
Service cost	\$ —	\$ —	\$ 1
Interest cost	7	7	4
Expected return on plan assets	(5)	(4)	(3)
Recognized net actuarial (gain) loss	3	(2)	—
Settlement loss recognized	1	1	—
Curtailement gain	—	—	(1)
Benefit cost (gain)	<u>\$ 6</u>	<u>\$ 2</u>	<u>\$ 1</u>

⁽¹⁾ The NASDAQ OMX PHLX benefit costs are from the date of acquisition.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Benefit Obligations and Funded Status

The following table provides a reconciliation of the changes in the benefit obligation, the plan assets and the funded status of the NASDAQ OMX Benefit Plans.

	2010				2009			
	Pension	SERP	Post-retirement	Total	Pension	SERP	Post-retirement	Total
	(in millions)							
Change in benefit obligation								
Benefit obligation at beginning of year	\$ 77	\$ 29	\$ 9	\$ 115	\$ 61	\$ 29	\$ 10	\$ 100
Interest cost	4	2	1	7	4	2	1	7
Actuarial losses (gains)	—	—	1	1	1	(3)	(3)	(5)
Benefits paid	(2)	(2)	—	(4)	(1)	(2)	—	(3)
Settlements	(3)	—	—	(3)	(3)	—	—	(3)
Loss due to change in discount rate	7	1	1	9	15	3	1	19
Benefit obligation at end of year	83	30	12	125	77	29	9	115
Change in plan assets								
Fair value of plan assets at beginning of year	58	—	—	58	43	—	—	43
Actual return on plan assets	4	—	—	4	10	—	—	10
Company contributions	5	2	—	7	9	2	—	11
Benefits paid	(2)	(2)	—	(4)	(1)	(2)	—	(3)
Settlements	(3)	—	—	(3)	(3)	—	—	(3)
Fair value of plan assets at end of year	62	—	—	62	58	—	—	58
Underfunded status of the plans	(21)	(30)	(12)	(63)	(19)	(29)	(9)	(57)
Accumulated benefit obligation	\$ 83	\$ 30	\$ 12	\$ 125	\$ 77	\$ 29	\$ 9	\$ 115

The total underfunded status of the NASDAQ OMX Benefit Plans of \$63 million at December 31, 2010 and \$57 million at December 31, 2009 is included in other liabilities and accrued personnel costs in the Consolidated Balance Sheets. No plan assets are expected to be returned to us during the year ending December 31, 2011.

Actuarial Assumptions

The following tables provide the weighted-average actuarial assumptions for the NASDAQ OMX Benefit Plans.

Weighted-average assumptions used to determine benefit obligations at the end of the fiscal year:

	2010	2009
Discount rate:		
Pension	5.25%	5.75%
SERP	5.25%	5.75%
Post-retirement	5.25%	5.75%
Rate of compensation increase:		
Pension	N/A	N/A
SERP	N/A	N/A
Post-retirement	N/A	N/A

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Weighted-average assumptions used to determine net benefit cost for the fiscal year:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Discount rate:			
Pension	5.75%	7.00%	6.10%
SERP	5.75%	7.00%	6.10%
Post-retirement	5.75%	7.00%	6.00%
Rate of compensation increase:			
Pension	N/A	N/A	N/A
SERP	N/A	N/A	N/A
Post-retirement	N/A	N/A	N/A
Expected return on plan assets:			
Pension	8.00%	8.00%	8.40%
SERP	N/A	N/A	N/A
Post-retirement	N/A	N/A	N/A

N/A—Not applicable

The assumptions above are used to develop the benefit obligations at fiscal year-end and to develop the net periodic benefit cost for the subsequent fiscal year. Therefore, the assumptions used to determine benefit obligations were established at each year-end while the assumptions used to determine net periodic benefit cost for each year are established at the end of each previous year.

The net periodic benefit obligations and the net periodic benefit cost are based on actuarial assumptions that are reviewed on an annual basis. We revise these assumptions based on an annual evaluation of long-term trends, as well as market conditions, which may have an impact on the cost of providing retirement benefits.

For 2011, the weighted-average assumed healthcare cost trend rate used for post-retirement measurement purposes for the NASDAQ OMX Benefit Plans is 10% prior to age 65 and 5.5% to 10% after age 65. A one percent increase or decrease in the assumed healthcare cost trend would have an immaterial effect on the post-retirement service and interest cost and post-retirement benefit obligation for both plans.

Plan Assets of the NASDAQ OMX Benefit Plans

NASDAQ OMX's Pension and 401(k) Committee has oversight responsibility for the plan assets of the NASDAQ OMX Benefit Plans. The investment policy and strategy of the plan assets, which was adopted by NASDAQ OMX's Pension and 401(k) Committee, is to provide for preservation of principal, both in nominal and real terms, in order to meet the long-term spending needs of the NASDAQ OMX Benefit Plans. We invest in securities per the target allocations stated below. Target allocations for plan assets as of December 31, 2010 were as follows:

	<u>Target Allocation</u>
Mutual funds ⁽¹⁾	75%
U.S. equity securities	10%
Other investment strategies and cash	15%
Total	<u>100%</u>

⁽¹⁾ Securities are held in a broad array of asset classes.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

Asset allocations are reviewed quarterly and adjusted, as appropriate, to remain within target allocations. The investment policy is reviewed on an annual basis, under the advisement of an investment consultant, to determine if the policy or asset allocation targets should be changed.

The fair value of the plan assets for the NASDAQ OMX Benefit Plans at December 31, 2010, by asset category and fair value hierarchy, are as follows:

	Total Benefit Plan Assets as of December 31, 2010	Fair Value Measurements ⁽¹⁾		
		(Level 1)	(Level 2) (in millions)	(Level 3)
Mutual funds ⁽²⁾	\$ 47	\$ 47	\$ —	\$ —
U.S. equity securities	6	6	—	—
Other investment strategies and cash ⁽³⁾	9	3	6	—
Total benefit plan assets	\$ 62	\$ 56	\$ 6	\$ —

⁽¹⁾ See Note 14, "Fair Value of Financial Instruments," for further discussion of fair value measurements.

⁽²⁾ Securities are held in various classes of domestic, international and emerging market equity and fixed-income securities.

⁽³⁾ Includes cash and multi-strategy hedge funds. Securities held in multi-strategy hedge funds are held in multiple asset classes and include investments in equity and fixed-income securities, arbitrage investments, and futures.

The expected rate of return on plan assets for the NASDAQ OMX Benefit Plans represents our long-term assessment of return expectations which may change based on significant shifts in economic and financial market conditions. The long-term rate of return on plan assets is derived from return assumptions determined based on asset classes held and weighted based on the current target allocation for each class. Over the long-term, our investments in bond mutual funds are expected to return between 1% and 6%, investments in equity mutual funds are expected to return between 4% and 10%, investments in U.S. equity securities are expected to return between 5% to 10% and other investment strategies are anticipated to yield between 6% and 7%. While we considered the NASDAQ OMX Benefit Plans recent performance and other economic growth and inflation factors, which are supported by long-term historical data, the return expectations for each of these asset categories represents a long-term prospective return. Based on historical experience, the committee expects that the plans' asset managers overall will provide a modest (1% per annum) premium to their respective market benchmark indexes.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss), as of December 31, 2010, consisted of the following amounts that have yet to be recognized in net periodic benefit costs for the NASDAQ OMX Benefit Plans:

	Pension	SERP	Post- retirement	Total
	(in millions)			
Unrecognized net actuarial gain/(loss)	\$ (27)	\$ (4)	\$ —	\$ (31)
Income tax (expense)/benefit	11	2	—	13
Employee benefit plan adjustments, net of tax	\$ (16)	\$ (2)	\$ —	\$ (18)

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Estimated Future Benefit Payments

We expect to make the following benefit payments to participants in the next ten fiscal years for the NASDAQ OMX Benefit Plans:

	<u>Pension</u>	<u>SERP</u>	<u>Post- retirement</u>	<u>Total</u>
	(in millions)			
Fiscal year ended:				
2011	\$ 4	\$ 2	\$ 1	\$ 7
2012	3	2	—	5
2013	3	10	1	14
2014	3	2	1	6
2015	3	3	1	7
2016 through 2020	23	9	3	35
	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 7</u>	<u>\$ 74</u>

Non—U.S. Benefit Plans

Most employees outside the U.S. are covered by local retirement plans or by applicable social laws. Benefits under social laws are generally expensed in the periods in which the costs are incurred. These costs are included in compensation and benefits expense in the Consolidated Statements of Income and were \$13 million in 2010, \$14 million in 2009 and \$16 million in 2008.

In 2008, as part of the acquisition of Nord Pool's derivatives clearing, and consulting subsidiaries, we assumed the obligation for several pension plans providing benefits for their employees. Employees covered under these pension plans are entitled to defined future pension benefits based on the number of years of employment and pay at retirement age. The measurement date of the plan obligations is December 31. The projected benefit obligation was \$14 million at December 31, 2010 and \$10 million at December 31, 2009. The fair value of the plan assets was \$6 million at December 31, 2010 and \$5 million at December 31, 2009. The underfunded status of the plans was \$8 million at December 31, 2010 and \$5 million at December 31, 2009 and was included in other liabilities in the Consolidated Balance Sheets. The benefit cost for these plans was \$1 million in 2010, \$3 million in 2009 and immaterial in 2008.

Defined Contribution Savings Plan

We sponsor a voluntary defined contribution savings plan, or 401(k) Plan, for U.S. employees. Employees are immediately eligible to make contributions to the plan and are also eligible for an employer contribution match at an amount equal to 100.0% of the first 4.0% of eligible employee contributions. Savings plan expense included in compensation and benefits expense in the Consolidated Statements of Income was \$4 million in 2010, 2009 and 2008.

We have a profit-sharing contribution feature to our 401(k) plan which allows eligible U.S. employees to receive employer retirement contributions, or ERCs, when we meet our annual corporate goals. In addition, we have a supplemental ERC for select highly compensated employees whose ERCs are limited by the annual Internal Revenue Service compensation limit. ERC expense recorded in compensation and benefits expense in the Consolidated Statements of Income was \$4 million in 2010, 2009 and 2008.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Employee Stock Purchase Plan

We have an ESPP under which approximately 3.9 million shares of our common stock have been reserved for future issuance as of December 31, 2010.

Our ESPP allows eligible U.S. and non-U.S. employees to purchase a limited number of shares of our common stock at six-month intervals, called offering periods, at 85.0% of the lower of the fair market value on the first or the last day of each offering period. The 15.0% discount given to our employees is included in compensation and benefits expense in the Consolidated Statements of Income.

Under our ESPP, employees may purchase shares having a value not exceeding 10.0% of their annual compensation, subject to applicable annual Internal Revenue Service limitations. During 2010, employees purchased 242,865 shares at a weighted-average price of \$15.08, during 2009, employees purchased 201,559 shares at a weighted-average price of \$17.68 and during 2008, employees purchased 112,852 shares at a weighted-average price of \$22.01 under the ESPP. We recorded compensation expense of \$0.8 million for the year ended December 31, 2010, \$0.6 million for the year ended December 31, 2009 and \$0.4 million for the year ended December 31, 2008 for the 15.0% discount that is given to our employees.

11. Share-Based Compensation

We have a share-based compensation program that provides our board of directors broad discretion in creating employee equity incentives. Share-based awards, or equity awards, include employee stock options, restricted stock (which includes awards and units) and PSUs. Grants of equity awards are designed to reward employees for their long-term contributions and provide incentives for them to remain with us. For accounting purposes, we consider PSUs to be a form of restricted stock. Restricted stock is generally time-based and vests over two to five-year periods beginning on the date of the grant. Stock options are also generally time-based and expire ten years from the grant date. Stock option awards granted prior to January 1, 2005 generally vested 33% on each annual anniversary of the grant date over three years. Stock option and restricted stock awards granted after January 1, 2005 generally include performance-based accelerated vesting features based on achievement of specific levels of corporate performance. If NASDAQ OMX exceeds the applicable performance parameters, the grants vest on the third anniversary of the grant date, if NASDAQ OMX meets the applicable performance parameters, the grants vest on the fourth anniversary of the grant date, and if NASDAQ OMX does not meet the applicable performance parameters, the grants vest on the fifth anniversary of the grant date.

PSUs are based on performance measures that impact the amount of shares that each recipient will receive upon vesting. PSUs are granted at the fair market value of our stock on the grant date and compensation cost is recognized over the performance period and, in certain cases, an additional vesting period. For each grant of PSUs, an employee may receive from 0% to 150% of the target amount granted, depending on the achievement of performance measures. We report the target number of PSUs granted, unless we have determined that it is more likely than not, based on the actual achievement of performance measures, that an employee will receive a different amount of shares underlying the PSUs, in which case we report the amount of shares the employee is likely to receive.

Stock Option Exchange Program

In May 2010, NASDAQ OMX shareholders approved a proposal to allow for a one-time voluntary stock option exchange program, designed to provide eligible employees an opportunity to exchange some or all of their eligible underwater stock options for a lesser amount of replacement stock options to be granted with a lower exercise price and a longer vesting period. Participants in the program were entitled to receive one replacement

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

option for each 1.4 eligible options exchanged. Stock options eligible for the exchange were granted on or after January 1, 2006 and on or before June 30, 2008 with an exercise price greater than \$30.00. The program commenced on July 7, 2010 and expired on August 3, 2010. A total of 0.8 million eligible stock options were tendered by employees, representing 90% of the total stock options eligible for exchange. On August 3, 2010, we granted 0.6 million new replacement stock options with an exercise price of \$20.04, which was equal to the closing price of our common stock on that date. The replacement options are subject to a new vesting schedule and will vest in three equal annual installments on August 3, 2011, August 3, 2012 and August 3, 2013 and have a term of seven years. No incremental stock option expense was recognized for the replacement options as the fair value of the replacement options did not exceed the fair value of the exchanged options.

Summary of 2010 Equity Awards

In March 2010, we granted non-qualified stock options and/or restricted stock to most active employees. Both the stock options and restricted stock granted included a performance-based accelerated vesting feature based on achievement of specific levels of corporate performance, as described above. In 2010, we achieved the applicable performance parameters, and therefore, we will continue to expense the grant over the four-year vesting period.

In 2010, certain executive officers received grants of 629,743 PSUs. Of these PSUs granted, 80,000 units are subject to a three year performance period and vest at the end of the period. The remaining 549,743 units are subject to a one year performance period and generally will vest ratably on an annual basis on December 31, 2011 through December 31, 2013. During 2010, certain grants exceeded the applicable performance parameters for the one year performance PSUs. As a result, an additional 19,142 units were considered granted in February 2011.

See “Summary of Stock Option Activity” and “Summary of Restricted Stock and PSU Activity” below for further discussion.

Summary of 2009 Equity Awards

In 2009, certain executive officers received grants of 105,641 PSUs. Of these PSUs granted, 80,000 units are subject to a three year performance period and vest at the end of the period. The remaining 25,641 units were subject to a one year performance period and will vest ratably on an annual basis on December 31, 2010 through December 31, 2012. During 2009, we exceeded the applicable performance parameters for the one year performance PSUs. As a result, an additional 12,308 units were considered granted in February 2010.

Also in 2009, certain executive officers received grants of 972,319 non-qualified stock options that expire ten years from the grant date. Of these options granted, 900,000 will vest 50% on December 31, 2011 and 50% on December 31, 2012 and are not subject to any performance measures. The remaining 72,319 options granted will vest 100% on the fourth anniversary of the grant date and include a performance based accelerated vesting feature based on us achieving specific levels of performance, as described above. In 2009, we achieved the applicable performance parameters, and therefore, we will continue to expense the grant over the four-year vesting period.

Additionally, certain executive officers received grants of restricted stock of 725,000 in 2009. Of these grants, 675,000 will vest 30% on the second anniversary of the grant date and 70% on the third anniversary of the grant date. The remaining 50,000 grants of restricted stock will vest on March 31, 2012.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Summary of 2008 Equity Awards

In December 2008, we granted non-qualified stock options and/or restricted stock to most active employees. Both the stock options and restricted stock granted included a performance based accelerated vesting feature based on us achieving specific levels of performance, as described above. In 2009, we achieved the applicable performance parameters, and therefore, we will continue to expense the grant over the four-year vesting period.

In December 2008, certain executive officers and a select group of non-officer employees also received grants of 244,034 PSUs. These PSUs were subject to a one year performance period and will vest three years after the end of the performance period. During 2009, we exceeded the applicable performance parameters and as a result, an additional 72,277 units were considered granted in February 2010.

Also in 2008, certain executive officers received grants of 120,896 PSUs. Of these PSUs granted, 80,000 units are subject to a three year performance period and vest at the end of the period. The remaining 40,896 units were subject to a one year performance period and vest three years after the end of the performance period. During 2008, we exceeded the applicable performance parameters for the one year performance PSUs and determined that it would be more likely than not that the target performance levels will be exceeded for the three year performance PSUs. As a result, an additional 60,449 units were considered granted. However, in February 2011, it was determined that we did not exceed the applicable performance parameters for the three year performance PSUs and therefore only 53,333 PSUs were considered granted and ultimately vested.

Common Shares Available Under Our Equity Incentive Plan

As of December 31, 2010, we had approximately 8.4 million shares of common stock authorized for future issuance under our equity incentive plan.

Summary of Share-Based Compensation Expense

The following table shows the total share-based compensation expense resulting from equity awards and the 15.0% discount for the ESPP for the years ended December 31, 2010, 2009 and 2008 in the Consolidated Statements of Income:

	Year Ended December 31,		
	2010	2009 (in millions)	2008
Share-based compensation expense before income taxes	\$ 33	\$ 35	\$ 26
Income tax benefit	(13)	(14)	(10)
Total share-based compensation expense after income taxes	<u>\$ 20</u>	<u>\$ 21</u>	<u>\$ 16</u>

We estimated the fair value of stock option awards using the Black-Scholes valuation model with the following weighted-average assumptions:

	Year Ended December 31,		
	2010	2009	2008
Expected life (in years)	5	5	5
Weighted-average risk free interest rate	2.03%	2.52%	1.63%
Expected volatility	32.0%	36.0%	35.5%
Dividend yield	—	—	—
Weighted-average fair value at grant date	\$ 6.30	\$ 7.40	\$ 9.17

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Our computation of expected life is based on historical exercise patterns. The interest rate for periods within the expected life of the award is based on the U.S. Treasury yield curve in effect at the time of grant. Our computation of expected volatility is based on a combination of historical and market-based implied volatility. Our credit facilities limit our ability to pay dividends. Before our credit facilities were in place, it was not our policy to declare or pay cash dividends on our common stock.

Summary of Stock Option Activity

A summary of stock option activity for the years ended December 31, 2010, 2009 and 2008 is as follows:

	Stock Options Outstanding	
	Number Outstanding	Weighted- Average Exercise Price Per Share
Outstanding at January 1, 2008	9,998,114	\$ 16.25
Grants	1,686,839	27.48
Exercises	(712,860)	8.96
Forfeitures or expirations	(245,188)	31.43
Outstanding at December 31, 2008	10,726,905	\$ 18.08
Grants	1,018,155	21.13
Exercises	(814,575)	7.93
Forfeitures or expirations	(723,614)	32.32
Outstanding at December 31, 2009	10,206,871	\$ 18.18
Grants ⁽¹⁾	1,855,979	19.87
Exercises	(708,731)	9.23
Forfeitures or expirations	(395,148)	29.87
Stock option exchange program ⁽²⁾	(846,129)	38.96
Outstanding at December 31, 2010	<u>10,112,842</u>	<u>\$ 16.92</u>

⁽¹⁾ Primarily reflects our company wide equity grant issued in March 2010, which included a performance-based accelerated vesting feature based on achievement of specific levels of corporate performance, as described above, and issuance of replacement stock options resulting from our stock option exchange program. See “Stock Option Exchange Program” above for further discussion.

⁽²⁾ Represents stock options tendered in our stock option exchange program. See “Stock Option Exchange Program” above for further discussion.

We received net cash proceeds of \$7 million from the exercise of approximately 0.7 million stock options for the year ended December 31, 2010, received net cash proceeds of \$6 million from the exercise of approximately 0.8 million stock options for the year ended December 31, 2009, and received net cash proceeds of \$7 million from the exercise of approximately 0.7 million stock options for the year ended December 31, 2008. We present excess tax benefits from the exercise of stock options, if any, as financing cash flows.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The following table summarizes significant ranges of outstanding and exercisable stock options as of December 31, 2010:

Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life- Outstanding (in years)	Weighted-Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions)	Number Exercisable	Weighted-Average Remaining Contractual Life- Exercisable (in years)	Weighted-Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions)
\$ 5.28 - \$ 7.34	1,911,250	2.3	\$ 5.92	\$ 34	1,911,250	2.3	\$ 5.92	\$ 34
\$ 7.35 - \$ 8.34	1,758,869	4.1	\$ 7.36	29	1,758,869	4.1	\$ 7.36	29
\$ 8.35 - \$10.24	910,306	3.1	\$ 8.84	13	910,240	3.1	\$ 8.84	13
\$10.25 - \$14.49	249,918	0.7	\$ 13.00	3	249,918	0.7	\$ 13.00	3
\$14.50 - \$19.69	125,834	8.4	\$ 19.12	1	17,448	5.3	\$ 17.80	—
\$19.70 - \$25.01	2,744,005	9.0	\$ 20.38	9	67,263	3.6	\$ 20.84	—
\$25.02 - \$30.09	1,022,494	8.0	\$ 25.22	—	62,080	6.5	\$ 26.88	—
\$30.10 - \$35.91	12,561	6.3	\$ 31.74	—	9,781	6.1	\$ 31.64	—
\$35.92 - \$38.99	1,185,178	6.1	\$ 35.93	—	945,178	6.1	\$ 35.94	—
\$39.00 - \$42.28	55,556	6.5	\$ 40.83	—	23,294	5.3	\$ 41.40	—
\$42.29 - \$48.81	136,871	7.1	\$ 45.38	—	136,806	7.1	\$ 45.38	—
Total	<u>10,112,842</u>	5.7	\$ 16.92	<u>\$ 89</u>	<u>6,092,127</u>	3.7	\$ 13.19	<u>\$ 79</u>

The aggregate intrinsic value in the above table represents the total pre-tax intrinsic value (i.e., the difference between our closing stock price on December 31, 2010 of \$23.73 and the exercise price, times the number of shares) based on stock options with an exercise price less than NASDAQ OMX's closing price of \$23.73 as of December 31, 2010, which would have been received by the option holders had the option holders exercised their stock options on that date. This amount changes based on the fair market value of our common stock. The total number of in-the-money stock options exercisable as of December 31, 2010 was 4.9 million. As of December 31, 2009, 6.8 million outstanding stock options were exercisable and the weighted-average exercise price was \$12.56.

Total fair value of stock options vested was \$5 million for the year ended December 31, 2010 and \$12 million for the year ended December 31, 2009. The total pre-tax intrinsic value of stock options exercised was \$8 million during 2010, \$10 million during 2009 and \$16 million during 2008.

At December 31, 2010, \$14 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 1.7 years.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Summary of Restricted Stock and PSU Activity

The following table summarizes our restricted stock and PSU activity for the years ended December 31, 2010, 2009 and 2008:

	Restricted Stock	Weighted Average Grant Date Fair Value	PSUs	Weighted Average Grant Date Fair Value
Unvested balances at January 1, 2008	994,723	\$ 37.23	181,152	\$ 37.31
Granted	1,158,875	27.36	455,955 ⁽¹⁾	32.60
Vested	(164,507)	23.75	—	—
Forfeited	(104,619)	38.70	(5,139)	41.36
Unvested balances at December 31, 2008	1,884,472	\$ 32.23	631,968	\$ 33.87
Granted	861,919	20.79	105,641	22.77
Vested	(260,721)	34.27	—	—
Forfeited	(276,922)	32.53	(184,927)	34.37
Unvested balances at December 31, 2009	2,208,748	\$ 27.48	552,682	\$ 31.59
Granted ⁽²⁾	1,223,921	19.80	714,328	20.31
Vested	(459,759)	39.89	(120,000)	33.19
Forfeited	(213,819)	26.87	(48,381)	27.79
Unvested balances at December 31, 2010	<u>2,759,091</u>	<u>\$ 22.00</u>	<u>1,098,629</u>	<u>\$ 24.25</u>

⁽¹⁾ This amount includes 91,025 additional PSUs for which we determined that performance measures will more likely than not be achieved.

⁽²⁾ Restricted stock grants in 2010 primarily reflect our company wide grant issued in March 2010, which included a performance- based accelerated vesting feature based on achievement of specific levels of corporate performance, as described above.

At December 31, 2010, \$38 million of total unrecognized compensation cost related to restricted stock and PSUs is expected to be recognized over a weighted-average period of 1.7 years.

12. NASDAQ OMX Stockholders' Equity**Common Stock**

At December 31, 2010, 300,000,000 shares of our common stock were authorized, 213,370,086 shares were issued and 175,782,683 shares were outstanding. The holders of common stock are entitled to one vote per share, except that our certificate of incorporation limits the ability of any person to vote in excess of 5.0% of the then-outstanding shares of NASDAQ OMX common stock. This limitation does not apply to persons exempted from this limitation by our board of directors prior to the time such person owns more than 5.0% of the then-outstanding shares of NASDAQ OMX common stock.

In 2008, we issued 60,561,515 shares of common stock to Borse Dubai and a trust for Borse Dubai's economic benefit in connection with the OMX AB business combination. In December 2010, we purchased 22,781,000 shares of our stock from Borse Dubai. See "Share Repurchase from Borse Dubai" below for further discussion. In addition, Borse Dubai agreed to sell in a private transaction 8,000,000 shares of our stock to Nomura International plc. Nomura International plc agreed, under a forward sale agreement, to sell these 8,000,000 shares to Investor AB. As a result of the settlement of this forward sale agreement, Investor AB's ownership in NASDAQ OMX increased to 17,004,142 shares. As of December 31, 2010, Borse Dubai and a trust

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

for Borse Dubai's economic benefit held 29,780,515 shares of our common stock. In addition, as of December 31, 2010, SLP held 10,539,614 shares of our common stock, and subsequently sold these shares in February 2011. Investor AB purchased 1,000,000 of the shares sold by SLP and currently owns 18,004,142 shares of our common stock.

Common Stock in Treasury, at Cost

We account for the purchase of treasury stock under the cost method with the shares of stock repurchased reflected as a reduction to NASDAQ OMX stockholders' equity and included in common stock in treasury, at cost in the Consolidated Balance Sheets. When treasury shares are reissued, they are recorded at the average cost of the treasury shares acquired. As of December 31, 2010, we held 37,587,403 shares of common stock in treasury and held 327,722 shares as of December 31, 2009. The increase during the year ended December 31, 2010 was primarily due to our share repurchase program. See "Share Repurchase Program" below for further discussion.

Share Repurchase from Borse Dubai

In December 2010, we purchased 22,781,000 shares of common stock from Borse Dubai for \$21.82 per share for an aggregate purchase price of approximately \$497 million. We entered into a \$400 million senior unsecured bridge facility, of which proceeds of \$370 million were utilized to partially finance the purchase of common stock from Borse Dubai. See "Bridge Facility," of Note 8, "Debt Obligations," for further discussion. This transaction expanded, accelerated and completed the purchase of our shares pursuant to our previously announced share repurchase program. See "Share Repurchase Program" below for further discussion of our share repurchase program.

Share Repurchase Program

On March 2, 2010, we announced that our board of directors had approved a share repurchase program authorizing NASDAQ OMX to repurchase in the aggregate up to \$300 million of our outstanding common stock. In July 2010, our board of directors authorized a repurchase of up to an additional \$100 million of our outstanding common stock under the share repurchase program and in October 2010 authorized a repurchase of up to an additional \$150 million shares bringing the total authorized amount to \$550 million of our outstanding common stock. Prior to our share repurchase from Borse Dubai, discussed above, we had repurchased 15,050,647 shares of our common stock at an average price of \$19.95, with an aggregate purchase price of \$300 million. The share repurchase from Borse Dubai expanded, accelerated and completed this share repurchase program. The shares repurchased under the share repurchase program and from Borse Dubai are available for general corporate purposes.

Purchases by NASDAQ OMX under this program were made from time to time at prevailing market prices in open market purchases, privately-negotiated transactions, block purchase techniques or otherwise, as determined by our management. These purchases were funded from existing cash balances. The share repurchase program did not obligate us to acquire any particular amount of common stock. The timing, frequency and amount of repurchase activity depended on a variety of factors, such as levels of cash generation from operations, cash requirements for investments in our businesses, current stock price, market conditions and other factors.

Other Repurchases of Common Stock

For the year ended December 31, 2010, we repurchased 194,655 shares of our common stock in settlement of employee tax withholding obligations due upon the vesting of restricted stock.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Preferred Stock

Our certificate of incorporation authorizes the issuance of 30,000,000 shares of preferred stock, par value \$0.01 per share, issuable from time to time in one or more series. At December 31, 2010, 1,600,000 shares of series A convertible preferred stock were issued and none were outstanding. At December 31, 2009, 1,600,000 shares of series A convertible preferred stock were issued and outstanding, and were classified as temporary equity in the Consolidated Balance Sheets.

In 2009, as an inducement for the conversion of our 3.75% convertible notes, we agreed to pay the Holders and certain of their affiliates an aggregate amount of \$9 million in cash and to issue to the Holders 1,600,000 shares of our series A convertible preferred stock, with an aggregate initial liquidation preference amount of \$16 million. Conversion of the series A convertible preferred stock was contingent upon shareholder approval and did not represent an unconditional obligation to transfer assets. In accordance with U.S. GAAP, if the conversion and subsequent issuance of equity shares is not solely in the control of the issuer and the instrument does not represent an unconditional obligation to transfer assets, permanent equity classification is not permitted. Therefore, we recorded the fair value of the series A convertible preferred stock of \$15 million as temporary equity in the Consolidated Balance Sheets as of December 31, 2009. The series A convertible preferred stock was accreted through retained earnings, through the date of shareholder approval, up to the aggregate liquidation preference amount of \$16 million.

At our annual shareholders' meeting in May 2010, the shareholders approved the conversion of the series A convertible preferred stock into common stock. The series A convertible preferred stock automatically converted into 845,646 shares of common stock determined by dividing the initial liquidation preference amount of \$16 million by \$18.92, which represents the average daily volume weighted-average price, or VWAP, of NASDAQ OMX's common stock during the 10 day period immediately preceding the date on which the results of the shareholder vote was calculated. At the time of conversion, the VWAP was subject to a floor price of 80% of the price of NASDAQ OMX's common stock as of the initial issuance date, and a ceiling price of 120% of the price of NASDAQ OMX's common stock as of the initial issuance date. The changes in our series A convertible preferred stock during the year ended December 31, 2010 are as follows:

	<u>Series A Convertible Preferred Stock</u> (in millions)
Balance as of December 31, 2009	\$ 15
Accretion for the year ended December 31, 2010	1
Conversion into common stock	(16)
Balance as of December 31, 2010	<u>\$ —</u>

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is composed of unrealized holding gains and losses on available-for-sale securities, foreign currency translation adjustments, unrealized gains and losses on derivative financial instruments that qualify as cash flow hedges and employee benefit plan adjustments.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The following table outlines the components of accumulated other comprehensive loss:

	Unrealized Holding Gains(Losses) on Available-For-Sale Securities ⁽¹⁾	Foreign Currency Translation Adjustments ⁽²⁾	Unrealized Gains(Losses) on Cash Flow Hedges ⁽³⁾	Employee Benefit Plan Adjustments ⁽⁴⁾	Accumulated Other Comprehensive Loss
Gross balance, December 31, 2009	\$ —	\$ (638)	\$ (9)	\$ (26)	\$ (673)
Income taxes	—	253	3	11	267
Net balance, December 31, 2009	<u>\$ —</u>	<u>\$ (385)</u>	<u>\$ (6)</u>	<u>\$ (15)</u>	<u>\$ (406)</u>
Gross balance, December 31, 2010	\$ (3)	\$ (407)	\$ —	\$ (31)	\$ (441)
Income taxes	1	155	—	13	169
Net balance, December 31, 2010	<u>\$ (2)</u>	<u>\$ (252)</u>	<u>\$ —</u>	<u>\$ (18)</u>	<u>\$ (272)</u>

- ⁽¹⁾ Amount includes cumulative gains and losses on our available-for-sale investment in DFM. See Note 5, "Investments," for further discussion.
- ⁽²⁾ Amounts include cumulative gains and losses on foreign currency translation adjustments from non-U.S. subsidiaries for which the functional currency is other than the U.S. dollar.
- ⁽³⁾ Cash flow hedges were entered into to effectively convert a portion of our floating rate debt to a fixed rate basis. We recorded an unrealized pre-tax loss in accumulated other comprehensive loss of \$9 million (\$6 million after tax) as of December 31, 2009 as a result of the fair value measurement of these swaps. The fair value of these swaps is included in other liabilities in the Consolidated Balance Sheet as of December 31, 2009. In January 2010, in connection with the repayment of our senior secured credit facilities in place as of December 31, 2009, we terminated our interest rate swaps and reclassified into earnings the unrealized loss of \$9 million (\$6 million after tax) relating to these interest rate swaps. See "Senior Secured Credit Facilities in Place as of December 31, 2009," of Note 8, "Debt Obligations," for further discussion.
- ⁽⁴⁾ Amounts primarily represent unrecognized net actuarial gains (losses) related to the NASDAQ OMX Benefit Plans.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

13. Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per share:

	Year Ended December 31,		
	2010	2009	2008
	(in millions, except share and per share amounts)		
Numerator:			
Net income attributable to NASDAQ OMX	\$ 395	\$ 266	\$ 314
Accretion on series A convertible preferred stock	(1)	—	—
Net income for basic earnings per share	\$ 394	\$ 266	\$ 314
Interest impact of 3.75% convertible notes, net of tax	—	2	3
Net income for diluted earnings per share	\$ 394	\$ 268	\$ 317
Denominator:			
Weighted-average common shares outstanding for basic earnings per share ⁽¹⁾	202,975,623	204,698,277	190,362,605
Weighted-average effect of dilutive securities:			
Employee equity awards	3,504,550	3,772,645	5,061,943
3.75% convertible notes assumed converted into common stock	34,482	6,066,985	8,281,167
Warrants	—	—	809,147
Denominator for diluted earnings per share	206,514,655	214,537,907	204,514,862
Basic and diluted earnings per share:			
Basic earnings per share	\$ 1.94	\$ 1.30	\$ 1.65
Diluted earnings per share	\$ 1.91	\$ 1.25	\$ 1.55

⁽¹⁾ For the year ended December 31, 2008, amounts include 60,561,515 shares of common stock issued to Borse Dubai and a trust for Borse Dubai's economic benefit in conjunction with the business combination with OMX AB on a weighted-average basis from the closing date of the business combination.

For the year ended December 31, 2010, the weighted-average common shares outstanding for basic earnings per share include the weighted-average impact of our share repurchase program and our share repurchase from Borse Dubai. For the year ended December 31, 2010, we repurchased 15,050,647 shares of our common stock through our share repurchase program and 22,781,000 shares of our common stock through the share repurchase from Borse Dubai. In addition, for the year ended December 31, 2010, the weighted-average common shares outstanding for basic earnings per share include the weighted-average impact of 845,646 shares of our common stock that were issued in connection with the conversion of our series A convertible preferred stock in the second quarter of 2010. See "Share Repurchase from Borse Dubai," "Share Repurchase Program," and "Preferred Stock," of Note 12, "NASDAQ OMX Stockholders' Equity," for further discussion.

Stock options to purchase 10,112,842 shares of common stock, 3,857,720 shares of restricted stock and PSUs, and convertible notes convertible into 34,482 shares of common stock were outstanding at December 31, 2010. For the year ended December 31, 2010, we included 4,873,543 of the outstanding stock options and 1,086,998 shares of restricted stock and PSUs in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive. The remaining stock options and shares of restricted stock and PSUs are antidilutive, and as such, they were properly excluded.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

In September 2009, most of the holders of our outstanding 3.75% convertible notes converted their remaining outstanding notes into common stock in accordance with the terms of the notes, which resulted in the issuance of an aggregate of 8,246,680 shares of our common stock. The 3.75% convertible notes were accounted for under the if-converted method, as we settled the convertible notes in shares of our common stock. For the year ended December 31, 2010, all of the shares underlying the outstanding 3.75% convertible notes were included in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive.

The 2.50% convertible senior notes are accounted for under the treasury stock method as it is our intent and policy to settle the principal amount of the notes in cash. Based on the settlement structure of the 2.50% convertible senior notes, which permits the principal amount to be settled in cash and the conversion premium to be settled in shares of our common stock or cash, we will reflect the impact of the convertible spread portion of the convertible notes in the diluted calculation using the treasury stock method. For the years ended December 31, 2010 and 2009, the conversion spread of our 2.50% convertible senior notes was out of the money, and as such, they were properly excluded from the computation of diluted earnings per share.

Stock options to purchase 10,206,871 shares of common stock, 2,761,430 shares of restricted stock and PSUs, and convertible notes convertible into 34,482 shares of common stock were outstanding at December 31, 2009. For the year ended December 31, 2009, we included 5,601,324 of the outstanding stock options and 1,134,138 shares of restricted stock and PSUs in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive. The remaining stock options and shares of restricted stock and PSUs are antidilutive, and as such, they were properly excluded.

Stock options to purchase 10,726,905 shares of common stock and 2,516,440 shares of restricted stock and PSUs, and convertible notes convertible into 8,281,162 shares of common stock were outstanding at December 31, 2008. For the year ended December 31, 2008, we included 6,654,784 of the stock options outstanding, 2,000,424 shares of restricted stock and PSUs, all of the shares underlying the 3.75% convertible notes, which includes all outstanding 3.75% convertible notes and 3.75% convertible notes converted into 2,000 shares of common stock during 2008 and warrants exercised into 1,539,489 shares of common stock, up to the time of exercise in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive. The remaining stock options and shares of restricted stock and PSUs are antidilutive and the conversion spread of our 2.50% convertible senior notes was out of the money, and as such, they were properly excluded.

14. Fair Value of Financial Instruments

Fair Value Measurement—Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants at the measurement date. Fair value measurement establishes a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect NASDAQ OMX's market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1—Quoted prices for identical instruments in active markets.
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3—Instruments whose significant value drivers are unobservable.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

This hierarchy requires the use of observable market data when available.

The following table presents for each of the above hierarchy levels, our financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2010.

	<u>Balance as of December 31, 2010</u>	<u>Fair Value Measurements</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u> (in millions)	<u>(Level 3)</u>
<u>Financial Assets Measured at Fair Value on a Recurring Basis</u>				
Derivative positions, at fair value ⁽¹⁾	\$ 4,037	\$ —	\$ 4,037	\$ —
Financial investments, at fair value ⁽²⁾	253	253	—	—
Total	<u>\$ 4,290</u>	<u>\$ 253</u>	<u>\$ 4,037</u>	<u>\$ —</u>
<u>Financial Liabilities Measured at Fair Value on a Recurring Basis</u>				
Derivative positions, at fair value ⁽¹⁾	\$ 4,037	\$ —	\$ 4,037	\$ —
Total	<u>\$ 4,037</u>	<u>\$ —</u>	<u>\$ 4,037</u>	<u>\$ —</u>

⁽¹⁾ Represents net amounts associated with our clearing operations in the derivative markets of NASDAQ OMX Commodities and NASDAQ OMX Stockholm. Receivables and payables attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, if it is our intention to settle these items. See "Derivative Positions, at Fair Value" below for further discussion.

⁽²⁾ Primarily comprised of Swedish government debt securities of \$220 million. These securities are classified as trading securities and \$190 million are restricted assets to meet regulatory capital requirements for NASDAQ OMX Stockholm's clearing operations. Also includes our 1% available-for-sale investment in DFM of \$33 million that is classified as an available-for-sale security. See Note 5, "Investments," for further discussion of our trading investment securities and available-for-sale investment security.

The following table presents for each of the above hierarchy levels, our financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2009:

	<u>Balance as of December 31, 2009</u>	<u>Fair Value Measurements</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u> (in millions)	<u>(Level 3)</u>
<u>Financial Assets Measured at Fair Value on a Recurring Basis</u>				
Derivative positions, at fair value ⁽¹⁾	\$ 2,054	\$ —	\$ 2,054	\$ —
Financial investments, at fair value ⁽²⁾	308	308	—	—
Total	<u>\$ 2,362</u>	<u>\$ 308</u>	<u>\$ 2,054</u>	<u>\$ —</u>
<u>Financial Liabilities Measured at Fair Value on a Recurring Basis</u>				
Derivative positions, at fair value ⁽¹⁾	\$ 2,054	\$ —	\$ 2,054	\$ —
Other liabilities ⁽³⁾	10	—	10	—
Total	<u>\$ 2,064</u>	<u>\$ —</u>	<u>\$ 2,064</u>	<u>\$ —</u>

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- ⁽¹⁾ Represents net amounts associated with our clearing operations in the derivative markets of NASDAQ OMX Commodities and NASDAQ OMX Stockholm. Receivables and payables attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, if it is our intention to settle these items. See “Derivative Positions, at Fair Value,” below for further discussion.
- ⁽²⁾ Primarily comprised of Swedish government debt securities. These securities are classified as trading securities and \$183 million are restricted assets to meet regulatory capital requirements for NASDAQ OMX Stockholm’s clearing operations.
- ⁽³⁾ Primarily includes our interest rate swaps of \$9 million included in other liabilities in the Consolidated Balance Sheets. We determine the fair value of our interest rate swap contracts using standard valuation models that are based on market-based observable inputs including forward and spot exchange rates and interest rate curves. See “Cash Flow Hedges,” of Note 15, “Derivative Financial Instruments and Hedging Activities,” for further discussion.

Open Clearing Contracts at NASDAQ OMX Commodities and NASDAQ OMX Stockholm

Derivative Positions, at Fair Value

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities and NASDAQ OMX Stockholm, we are the legal counterparty for each derivative position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by NASDAQ OMX Commodities or NASDAQ OMX Stockholm for the purpose of trading on their own behalf. As the legal counterparty of each transaction, NASDAQ OMX Commodities and NASDAQ OMX Stockholm bear the counterparty risk between the purchaser and seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the applicable country, which requires us to provide minimum guarantees and maintain certain levels of regulatory capital.

The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from other clearinghouses. NASDAQ OMX Commodities and NASDAQ OMX Stockholm are not member-owned organizations, do not maintain a guarantee fund to which members contribute and do not enforce loss sharing assessments amongst members. In addition, unlike other clearinghouses, they do not record any margin deposits and guarantee funds in the Consolidated Balance Sheets, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. Market participants must provide collateral to cover the daily margin call as needed, which is in addition to the initial collateral placed when entering into the transaction. Acceptable collateral is cash and eligible securities in a pledged bank account and/or an on-demand guarantee. All collateral is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. In addition, market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. For NASDAQ Commodities, trading on the contracts can take place up until the delivery period which can occur over a period of several years. For NASDAQ OMX Stockholm, following the completion of a transaction, settlement primarily takes place between parties by net cash settlement or with the exchange of securities and funds. For those transactions where there is an exchange of securities and funds, the transfer of ownership is registered and the securities are stored on the owner’s behalf.

The fair value of these derivative contracts with NASDAQ OMX Commodities and NASDAQ OMX Stockholm is reported gross in the Consolidated Balance Sheets as a receivable pertaining to the purchasing party and a payable pertaining to the selling party. Such receivables and payables attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, that it is our

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

intention to settle these items. At December 31, 2010, our derivative positions, at fair value in the Consolidated Balance Sheets were \$4.0 billion. See “Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available,” of Note 17, “Commitments, Contingencies and Guarantees,” for further discussion of our guarantees on the fulfillment of these contracts and collateral received.

The following table presents the fair value of our outstanding derivative positions at December 31, 2010 and 2009 prior to netting:

	December 31, 2010		December 31, 2009	
	Asset	Liability	Asset	Liability
	(in millions)			
Commodity forwards and options ^{(1) (2)}	\$3,437	\$3,437	\$1,642	\$1,642
Fixed-income options and futures ^{(2) (3)}	578	578	131	131
Stock options and futures ^{(2) (3)}	237	237	194	194
Index options and futures ^{(2) (3)}	208	208	235	235
Total	\$4,460	\$4,460	\$2,202	\$2,202

⁽¹⁾ We determine the fair value of our forward contracts using standard valuation models that are based on market-based observable inputs including LIBOR rates and the spot price of the underlying instrument.

⁽²⁾ We determine the fair value of our option contracts using standard valuation models that are based on market-based observable inputs including implied volatility, interest rates and the spot price of the underlying instrument.

⁽³⁾ We determine the fair value of our future contracts based upon quoted market prices and average quoted market yields.

Resale and Repurchase Agreements, at Contract Value

Through our clearing operations in the resale and repurchase markets with NASDAQ OMX Stockholm, we are the legal counterparty for each resale and repurchase contract traded and thereby guarantee the fulfillment of each contract. We only clear these transactions once a bilateral contract between members has been entered into whereby the two members have agreed on all terms in the transaction. The resale and repurchase agreements are not used for financing purposes by NASDAQ OMX. As the legal counterparty of each transaction, NASDAQ OMX Stockholm bears the counterparty risk between the purchaser and seller in the resale and repurchase agreement.

The structure and operations for the resale and repurchase market is similar to the derivative markets for NASDAQ OMX Commodities and NASDAQ OMX Stockholm. As discussed above in “Derivative Positions, at Fair Value,” NASDAQ OMX Commodities and NASDAQ OMX Stockholm are not member-owned organizations, do not maintain a guarantee fund to which members contribute and do not enforce loss sharing assessments amongst members. In addition, unlike other clearinghouses, they do not record any margin deposits and guarantee funds in the Consolidated Balance Sheets, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. For resale and repurchase agreements, collateral is not held by NASDAQ OMX Stockholm. All resale and repurchase clearing activities are transacted under our clearing member agreements that give us the right, in the event of default, to liquidate collateral pledged between the clearing members and to offset receivables and payables with the same counterparty.

Pledged collateral, which is transferred through NASDAQ OMX Stockholm at initiation of the bilateral contract between the two clearing member counterparties, primarily consists of Swedish government debt

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

securities. Market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. In the event that one of the participants cannot fulfill its obligation to deliver or receive the underlying security at the agreed upon price, NASDAQ OMX Stockholm is required to buy or sell the security in the open market to fulfill its obligation. In order to protect itself against a price movement in the value of the underlying security, or price risk, NASDAQ OMX Stockholm requires all participants to provide additional margin as needed, which is valued on a daily basis and is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX Stockholm in the event of default.

We record resale and repurchase agreements at contract value plus interest gross in the Consolidated Balance Sheets as a receivable pertaining to the purchasing party and a payable pertaining to the selling party. Such receivables and liabilities attributable to outstanding resale and repurchase agreements have been netted to the extent that such a legal offset right exists and, at the same time, that it is our intention to settle these items. At December 31, 2010, our resale and repurchase agreements, at contract value in the Consolidated Balance Sheets was \$3.4 billion. The resale and repurchase agreements are recorded at their contractual amounts plus interest which approximates fair value, as the fair value of these items are not materially sensitive to shifts in market interest rates because of the short-term nature of these instruments and/or variable interest rates or to credit risk because the resale and repurchase agreements are fully collateralized. The resale and repurchase agreements generally mature in less than 30 days. See “Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available,” of Note 17, “Commitments, Contingencies and Guarantees,” for further discussion of our guarantees on the fulfillment of these contracts and collateral received.

Financial Instruments Not Measured at Fair Value on a Recurring Basis

Some of our financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include: cash and cash equivalents, restricted cash, receivables, net, certain other current assets, non-current restricted cash, accounts payable and accrued expenses, Section 31 fees payable to SEC, accrued personnel costs, and certain other current liabilities.

We also consider our debt obligations to be financial instruments. The fair value of our debt obligations was estimated using discounted cash flow analyses based on our assumed incremental borrowing rates for similar types of borrowing arrangements and a Black-Scholes valuation technique that is utilized to calculate the convertible option value for the 3.75% convertible notes and the 2.50% convertible senior notes. At December 31, 2010, the carrying value of our debt obligations, before the \$40 million unamortized debt discount on the 2.50% convertible senior notes, was approximately \$17 million less than fair value. The difference primarily relates to an increase in the fair value of the 2.50% convertible senior notes as a result of changes in current market interest rates during the period, partially offset by a decrease in fair value on the 2.50% convertible senior notes due to the convertible option feature which is equivalent to a conversion price of approximately \$55.13 as compared to the closing price of \$23.73 at December 31, 2010. At December 31, 2009, the carrying value of our debt obligations, before the \$54 million unamortized debt discount on the 2.50% convertible senior notes, was approximately \$20 million more than fair value, primarily due to a decrease in fair value on the 2.50% convertible senior notes due to the convertible option feature which is equivalent to a conversion price of approximately \$55.13 as compared to the closing price of \$19.82 at December 31, 2009. For further discussion of our debt obligations, see Note 8, “Debt Obligations.”

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

15. Derivative Financial Instruments and Hedging Activities

In the ordinary course of business, we may enter into various types of derivative transactions. These derivative transactions include:

- *Futures and foreign currency forward contracts* which are commitments to buy or sell at a future date a financial instrument, commodity or currency at a contracted price and may be settled in cash or through delivery.
- *Interest rate swap contracts* which are agreements between two parties to exchange one stream of future interest payments for another based on a specified principal amount over a set period of time.
- *Foreign currency option contracts* which give the purchaser, for a fee, the right, but not the obligation, to buy or sell within a limited time a financial instrument or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

NASDAQ OMX may use these derivative financial instruments to manage exposure to various market risks, primarily foreign currency exchange rate fluctuations and changes in interest rates on our variable rate debt. Such instruments are an integral component of our market risk and related asset/liability management strategy and processes.

Fair Value Hedges

Depending on market conditions, we may use foreign currency future, forward and option contracts to limit our exposure to foreign currency exchange rate fluctuations on contracted revenue streams (hedged item) relating to our Market Technology sales. When the contracted revenue streams meet the definition of a firm commitment, these derivative contracts may be designated as fair value hedges if the applicable hedge criteria are met. Changes in fair value on the derivatives and the related hedged items are recognized in the Consolidated Statements of Income. As of December 31, 2010 and 2009, there were no outstanding fair value hedges.

Cash Flow Hedges

In the third quarter of 2008, we entered into interest rate swap agreements that effectively converted \$200 million of our senior secured credit facilities in place as of December 31, 2009, which was floating rate debt, to a fixed rate basis through August 2011, thus reducing the impact of interest rate changes on future interest expense. As of December 31, 2009, these interest rate swaps were in a net liability position of \$9 million and were recorded in other liabilities in the Consolidated Balance Sheets. In the first quarter of 2010, in connection with the repayment of our senior secured credit facilities in place as of December 31, 2009, we terminated our interest rate swaps and reclassified into earnings the unrealized loss of \$9 million which was included in accumulated other comprehensive loss in the Consolidated Balance Sheets at December 31, 2009. This loss is included in general, administrative and other expense in the Consolidated Statements of Income for the year ended December 31, 2010. See “Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009,” of Note 8, “Debt Obligations,” for further discussion.

All derivative contracts used to manage interest rate risk are measured at fair value and are recorded in assets or liabilities as appropriate with the offset in accumulated other comprehensive loss within NASDAQ OMX stockholders’ equity in the Consolidated Balance Sheets. Any ineffectiveness would impact earnings through interest expense. There was no material ineffectiveness recorded in earnings for the years ended December 31, 2010, 2009 and 2008. As of December 31, 2010, there were no outstanding cash flow hedges.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Net Investment Hedges

Net assets of our foreign subsidiaries are exposed to volatility in foreign currency exchange rates. We may utilize net investment hedges to offset the translation adjustment arising from remeasuring our investment in foreign subsidiaries. As of December 31, 2010 and 2009, there were no outstanding net investment hedges.

Derivatives Not Designated as Hedges

NASDAQ OMX may also enter into economic hedges that either do not qualify or are not designated for hedge accounting treatment. This type of hedge is undertaken when hedge accounting requirements cannot be achieved or management decides not to apply hedge accounting.

In order to economically hedge the foreign currency exposure on our business combination with OMX AB, we entered into foreign currency option and forward contracts beginning at the time of the announcement of the proposed combination. A derivative used to hedge exposure related to an anticipated business combination does not qualify for specialized hedge accounting, and as such, was marked to market through the income statement in gain (loss) on foreign currency contracts each reporting period. In the first quarter of 2008, we entered into a forward contract for the Nord Pool transaction. See below for further discussion of these contracts. For additional discussion of the business combination with OMX AB and the Nord Pool transaction, see “Combination with OMX AB and Strategic Partnership with Borse Dubai Limited,” and “Acquisition of Certain Businesses from Nord Pool,” of Note 3, “Acquisitions and Strategic Initiatives.”

In 2008, we also entered into foreign currency contracts, primarily foreign currency option and forward contracts, to partially or fully economically hedge foreign currency transactions and non-U.S. dollar cash flow exposures on our Market Technology contracts. These hedges generally matured within one year and changes in fair value of these derivatives were recognized in gain (loss) on foreign currency contracts, net in the Consolidated Statements of Income.

We did not enter into any material economic hedges that did not qualify or were not designated for hedge accounting during the years ended December 31, 2010 and 2009.

The following table presents the realized and unrealized gain/(loss) recognized in the Consolidated Statements of Income for the year ended December 31, 2008 related to our foreign currency forward contracts. For the cumulative realized gain (loss) related to our foreign currency option contracts, see below.

	<u>Realized Gain (Loss)</u>	<u>Unrealized Loss (in millions)</u>	<u>Total Gain/ (Loss) for the Year Ended December 31, 2008</u>
SEK 2008 Forward Contracts	\$ 34	\$ —	\$ 34
NOK 2008 Forward Contract	(72)	—	(72)
Other ⁽¹⁾	(4)	(9)	(13)
Total	<u>\$ (42)</u>	<u>\$ (9)</u>	<u>\$ (51)</u>

⁽¹⁾ Primarily represents market technology forward currency contracts used to limit our exposure to foreign currency exchange rate fluctuations on contracted revenue streams which do not qualify for hedge accounting.

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

In the first quarter of 2008, we entered into forward contracts to hedge the SEK cash payment made in connection with the business combination with OMX AB. We recorded a gain of \$34 million upon the closing of the business acquisition in the first quarter of 2008 relating to the cash payments for the SEK forward contracts.

Also in the first quarter of 2008, we entered into a forward contract to hedge the NOK cash payment for the Nord Pool transaction of approximately \$320 million. We entered into a forward contract to buy NOK and sell U.S. dollars at an exchange rate of 5.2129. Upon the closing of the Nord Pool transaction on October 21, 2008, we closed out the NOK forward contract, resulting in a realized loss of approximately \$72 million.

The following table presents the cumulative realized gain/(loss) on each option contract and the total loss recognized in the Consolidated Statements of Income for year ended December 31, 2008 related to our foreign currency option contracts.

	<u>Purchase</u>	<u>Sale/ Expiration</u>	<u>Cumulative Realized Gain (Loss)</u> (in millions)	<u>Change in Unrealized Loss</u>	<u>Total Gain/(Loss) for the Year Ended December 31, 2008</u>
SEK 2007 Option Contract ⁽¹⁾	\$ 39	\$ 67	\$ 28	\$ (22)	\$ 6
SEK 2008 Option Contract ⁽²⁾	13	—	(13)	—	(13)
Total	<u>\$ 52</u>	<u>\$ 67</u>	<u>\$ 15</u>	<u>\$ (22)</u>	<u>\$ (7)</u>

⁽¹⁾ This contract, which was originally purchased in October 2007 to economically hedge the foreign currency exposure on our business combination with OMX AB, had a fair value at December 31, 2007 of \$61 million. On January 7, 2008, we sold the SEK 2007 option contract for \$67 million and recorded a gain of \$6 million.

⁽²⁾ On January 7, 2008, we purchased a new contract for \$13 million, which expired out-of-the-money in February 2008 and we recorded a loss for the purchase amount of \$13 million.

As shown in the above two tables, for the year ended December 31, 2008, we recognized a loss of \$7 million related to option contracts and also recognized a loss of \$51 million related to forward contracts for a total loss of \$58 million.

As of December 31, 2010, the fair value amounts of our derivative instruments was immaterial. The following table presents the fair value amounts and balance sheet location of our derivative instruments prior to netting as of December 31, 2009.

	<u>December 31, 2009</u> <u>Fair Value</u>	
	<u>Asset</u>	<u>Liability</u>
(in millions)		
Derivatives Designated as Hedging Instruments		
Cash flow hedges		
Interest rate swaps	\$ —	\$ 9 ⁽¹⁾
Derivatives Not Designated as Hedging Instruments		
Foreign exchange contracts	—	1 ⁽²⁾
Total derivatives not designated as hedging instruments	—	1
Total derivatives	<u>\$ —</u>	<u>\$ 10</u>

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

⁽¹⁾ Included in other liabilities in the Consolidated Balance Sheets.

⁽²⁾ Included in other current liabilities in the Consolidated Balance Sheets.

16. Leases

We lease office space and equipment under non-cancelable operating leases with third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

As of December 31, 2010, future minimum lease payments under non-cancelable operating leases (net of sublease income) are as follows:

	<u>Gross Lease Commitments</u>	<u>Sublease Income</u> (in millions)	<u>Net Lease Commitments</u>
Year ending December 31:			
2011	\$ 88	\$ 7	\$ 81
2012	78	6	72
2013	71	6	65
2014	68	6	62
2015	50	4	46
Thereafter	203	14	189
Total future minimum lease payments	<u>\$ 558</u>	<u>\$ 43</u>	<u>\$ 515</u>

Rent expense for operating leases (net of sublease income of \$5 million in 2010, \$3 million in 2009 and \$7 million in 2008) was \$78 million in 2010, \$72 million in 2009 and \$57 million in 2008.

17. Commitments, Contingencies and Guarantees

Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available

Collateral Received for Clearing Operations

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities, NASDAQ OMX Stockholm and IDCG, as well as riskless principal trading at NOCC and the resale and repurchase market with NASDAQ OMX Stockholm, we are the legal counterparty for each position traded and thereby guarantee the fulfillment of each contract. The derivatives are not used by the above entities for the purpose of trading on their own behalf and the resale and repurchase agreements are not used for financing purposes by NASDAQ OMX Stockholm. The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from other clearinghouses. See "Derivative Positions, at Fair Value," and "Resale and Repurchase Agreements, at Contract Value," of Note 14, "Fair Value of Financial Investments," for further discussion.

We require market participants at NASDAQ OMX Commodities and NASDAQ OMX Stockholm to provide collateral and meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. Total customer pledged collateral with NASDAQ OMX Commodities and NASDAQ OMX Stockholm was \$8.7 billion at December 31, 2010 and \$6.1 billion at December 31, 2009. This pledged collateral is held by a third-party custodian bank for the benefit of the clearing members and is accessible by

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

NASDAQ OMX in the event of default. NASDAQ OMX Commodities and NASDAQ OMX Stockholm does not receive any interest on these funds as the risks and rewards of collateral ownership, including interest, belongs to the counterparty.

We also require market participants at IDCG and NOCC to meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations and to provide collateral to cover the daily margin call as needed. Customer pledged cash collateral held by IDCG and NOCC, which was \$15 million at December 31, 2010, is included in restricted cash with an offsetting liability included in other current liabilities in the Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belongs to IDCG and NOCC. Clearing member pledged cash collateral, included in IDCG's guaranty fund, was \$8 million at December 31, 2010. This cash is included in non-current restricted cash with an offsetting liability included in other liabilities in the Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belongs to IDCG.

Guarantees Issued and Credit Facilities Available

In addition to the collateral pledged by market participants discussed above, we have obtained financial guarantees and credit facilities which are guaranteed by us through counter indemnities, to provide further liquidity and default protection related to our clearing businesses. At December 31, 2010, financial guarantees issued to us totaled \$5 million. Credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled \$440 million (\$196 million in available liquidity and \$244 million to satisfy regulatory requirements), none of which was utilized at December 31, 2010. At December 31, 2009, these facilities totaled \$417 million (\$185 million in available liquidity and \$232 million to satisfy regulatory requirements), none of which was utilized.

We believe that the potential for us to be required to make payments under these arrangements is mitigated through the pledged collateral and our risk management policies. Accordingly, no contingent liability is recorded in the Consolidated Balance Sheets for these arrangements.

Leases

We lease some of our office space and equipment under non-cancelable operating leases with third parties and sublease office space to third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

Other Guarantees

We have provided other guarantees as of December 31, 2010 of \$18 million, primarily related to obligations for our rental and leasing contracts. In addition, for certain Market Technology contracts, we have provided performance guarantees of \$6 million related to the delivery of software technology and support services. We have received financial guarantees from various financial institutions to support the above guarantees. At December 31, 2009, the total of these guarantees was \$35 million.

We have also provided a \$25 million guarantee to our wholly-owned subsidiary NOCC to cover losses associated with customer defaults, net of any collateral posted against such losses.

We believe that the potential for us to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Consolidated Balance Sheets for the above guarantees.

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Escrow Agreements

In connection with our acquisitions of FTEN and SMARTS, we entered into escrow agreements to secure the payments of post-closing adjustments and other closing conditions. At December 31, 2010, these escrow agreements provide for future payments of \$3 million in 2011 and \$22 million in 2012.

Brokerage Activities

Nasdaq Execution Services and NASDAQ Options Services provide guarantees to securities clearinghouses and exchanges under their standard membership agreements, which require members to guarantee the performance of other members. If a member becomes unable to satisfy its obligations to a clearinghouses or exchange, other members would be required to meet its shortfalls. To mitigate these performance risks, the exchanges and clearinghouses often require members to post collateral as well as meet certain minimum financial standards. Nasdaq Execution Services' and NASDAQ Options Services' maximum potential liability under these arrangements cannot be quantified. However, we believe that the potential for Nasdaq Execution Services and NASDAQ Options Services to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Consolidated Balance Sheets for these arrangements.

Litigation

We may be subject to claims arising out of the conduct of our business. We are not currently a party to any litigation that we believe could have a material adverse effect on our business, financial condition, or operating results. However, from time to time, we have been threatened with, or named as a defendant in, lawsuits or involved in regulatory proceedings.

18. Segments

We manage, operate and provide our products and services in three business segments: our Market Services segment, our Issuer Services segment and our Market Technology segment.

Our Market Services segment includes our U.S. and European Transaction Services businesses and our Market Data business, which are interrelated because the Transaction Services businesses generate the quote and trade information that we sell to market participants and data distributors. Market Services also includes our Broker Services business, which offers technology and customized securities administration solutions to financial participants in the Nordic markets.

Our Issuer Services segment includes our Global Listing Services and Global Index Group businesses. The companies listed on The NASDAQ Stock Market, our Nordic and Baltic exchanges and NASDAQ OMX First North represent a diverse array of industries. This diversity of companies listed on NASDAQ OMX markets allows us to develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group. The Global Listing Services business also includes our Corporate Solutions business, which generates revenues through our shareholder, directors, newswire and other services.

Our Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement, and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

Our management allocates resources, assesses performance and manages these businesses as three separate segments. We evaluate the performance of our segments based on several factors, of which the primary financial

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

measure is income before income taxes. Results of individual businesses are presented based on our management accounting practices and our management structure. Certain amounts are allocated to corporate items in our management reports based on the decision that those activities should not be used to evaluate the segment's operating performance. These amounts include, but are not limited to, amounts related to mergers, strategic initiatives and financing activities. See below for further discussion.

The following table presents certain information regarding these operating segments for the years ended December 31, 2010, 2009 and 2008.

	<u>Market Services</u>	<u>Issuer Services</u>	<u>Market Technology</u> (in millions)	<u>Corporate Items and Eliminations</u>	<u>Consolidated</u>
2010					
Total revenues	\$ 2,700	\$ 344	\$ 152	\$ 1	\$ 3,197
Cost of revenues	(1,675)	—	—	—	(1,675)
Revenues less transaction rebates, brokerage, clearance and exchange fees	1,025	344	152	1	1,522
Depreciation and amortization	77	17	5	4	103
Net interest expense	63	21	9	—	93
Income (loss) before income taxes	450	119	11	(54) ⁽²⁾	526
Total assets ⁽¹⁾	14,331	714	415	747	16,207
Purchases of property and equipment	29	4	7	2	42
2009					
Total revenues	\$ 2,934	\$ 330	\$ 145	\$ 2	\$ 3,411
Cost of revenues	(1,958)	—	—	—	(1,958)
Revenues less transaction rebates, brokerage, clearance and exchange fees	976	330	145	2	1,453
Depreciation and amortization	84	11	6	3	104
Net interest expense	59	20	9	1	89
Income (loss) before income taxes	408	110	14	(141) ⁽³⁾	391
Total assets ⁽¹⁾	8,453	692	260	1,317	10,722
Purchases of property and equipment	46	4	9	—	59
2008					
Total revenues	\$ 3,176	\$ 343	\$ 119	\$ 12	\$ 3,650
Cost of revenues	(2,190)	—	—	—	(2,190)
Revenues less transaction rebates, brokerage, clearance and exchange fees	986	343	119	12	1,460
Depreciation and amortization	63	14	10	6	93
Net interest expense	43	14	5	—	62
Income (loss) before income taxes	496	77	(22)	(38) ⁽⁴⁾	513
Total assets ⁽¹⁾	10,412	698	259	1,383	12,752
Purchases of property and equipment	31	10	13	1	55

⁽¹⁾ Total assets increased \$5.5 billion at December 31, 2010 as compared to December 31, 2009 primarily due to an increase in open clearing contracts reflecting increases in derivative positions, at fair value as well as

The NASDAQ OMX Group, Inc.

Notes to Consolidated Financial Statements—(Continued)

increases in resale agreements, at contract value within our Market Services segment. The increase in derivative positions, at fair value primarily reflects increased activity and higher price levels on derivative positions in the energy market. The increase for resale agreements, at contract value reflects our new clearing business launched in 2010. Total assets decreased \$2.0 billion at December 31, 2009 as compared to December 31, 2008 primarily due to a decrease in our derivative positions, at fair value held within our Market Services segment. The decrease was primarily due to the high volatility in market prices that existed at December 31, 2008 due to the global financial and economic crisis, which created large unrealized positions. As of December 31, 2009, the global economic market had shown signs of recovery from 2008 levels and the outstanding positions that contributed to the large unrealized positions as of December 31, 2008 either expired or were settled.

(2) The 2010 corporate items and eliminations primarily include:

- charges of \$40 million related to the repayment of our senior secured credit facilities in place as of December 31, 2009. See “Senior Unsecured Notes, Credit Facility and Repayment of Our Senior Secured Credit Facilities in Place as of December 31, 2009,” of Note 8, “Debt Obligations,” for further discussion; and
- \$11 million related to loss on divestiture of businesses as a result of our decision to close the businesses of both NEURO (\$6 million) and Agora-X (\$5 million).

(3) The 2009 corporate items and eliminations primarily include:

- loss from unconsolidated investees, net of \$107 million which is mainly comprised of \$87 million related to impairment charges recorded on our equity method investments in NASDAQ Dubai (\$82 million) and Agora-X (\$5 million) and a loss of \$19 million on the sale of our 25.25% share capital in Orc. See “Investment in NASDAQ Dubai,” and “Impairment of Agora-X,” as well as “Investment in Orc Software,” of Note 5, “Investments,” for further discussion;
- debt conversion expense of \$25 million related to an inducement for the conversion of our 3.75% convertible notes. See “3.75% Convertible Notes,” of Note 8, “Debt Obligations,” for further discussion; and
- loss of \$5 million on the sale of an available-for-sale investment security in Oslo, which was acquired as part of our business combination with OMX AB. See “Investment in Oslo,” of Note 5, “Investments” for further discussion.

(4) The 2008 corporate items and eliminations primarily include:

- a net loss on foreign currency contracts of \$45 million, primarily related to our Nord Pool transaction (\$72 million), partially offset by a \$27 million gain related to our business combination with OMX AB. See Note 15, “Derivative Financial Instruments and Hedging Activities,” for further discussion;
- income from unconsolidated investees, net of \$27 million, primarily related to our gain on the non-monetary contribution of the Nasdaq trade name to obtain an equity interest in NASDAQ Dubai; and
- an other-than-temporary impairment on a long-term available-for-sale investment security of \$35 million. See “Investment in Oslo” of Note 5, “Investments,” for further discussion.

For further discussion of our segments’ results, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Segment Operating Results.”

The NASDAQ OMX Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Geographic Data

The following table presents revenues and property and equipment, net by geographic area for 2010, 2009 and 2008. Revenues are classified based upon the location of the customer. Property and equipment information is based on the physical location of the assets.

	<u>Total Revenues</u>	<u>Property and Equipment, Net</u>
	(in millions)	
2010:		
United States	\$ 2,564	\$ 99
All other countries	633	65
Total	<u>\$ 3,197</u>	<u>\$ 164</u>
2009:		
United States	\$ 2,744	\$ 102
All other countries	667	62
Total	<u>\$ 3,411</u>	<u>\$ 164</u>
2008:		
United States	\$ 3,093	\$ 109
All other countries	557	74
Total	<u>\$ 3,650</u>	<u>\$ 183</u>

No single customer accounted for 10.0% or more of our revenues in 2010, 2009 and 2008.

Schedule II—Valuation and Qualifying Accounts
Three Years Ended December 31, 2010
(in millions)

	<u>Reserve for Bad Debts</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Balance at beginning of period	\$ 3	\$ 9	\$ 3
Additions:			
Charges to income	5	1	4
Recoveries of amounts previously written-off	1	2	1
Acquisitions ⁽¹⁾	—	—	3
Deductions:			
Charges for which reserves were provided	(6)	(9)	(2)
Balance at end of period	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 9</u>

⁽¹⁾ Relates to the business combination with OMX AB and the acquisition of PHLX in 2008.

Exhibit Index

<u>Exhibit Number</u>	
3.1	Restated Certificate of Incorporation of NASDAQ OMX (incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009).
3.1.1	Certificate of Designation of Series A Convertible Preferred Stock of NASDAQ OMX (incorporated herein by reference to Exhibit 3.1.8 to the Current Report on Form 8-K filed on October 6, 2009).
3.2	By-Laws of NASDAQ OMX (incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K filed on April 22, 2010).
4.1	Form of Common Stock certificate (incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form 10 filed on April 30, 2001).
4.2	Amended and Restated Securityholders Agreement, dated as of April 22, 2005, among Norway Acquisition SPV, LLC, Hellman & Friedman Capital Partners IV, L.P., H&F Executive Fund IV, L.P., H&F International Partners IV-A, L.P., and H&F International Partners IV-B, L.P., Silver Lake Partners TSA, L.P., Silver Lake Investors, L.P., VAB Investors, LLC and Integral Capital Partners VI, L.P. (incorporated herein by reference to Exhibit 4.5 to the Current Report on Form 8-K filed on April 28, 2005).
4.3	Registration Rights Agreement, dated as of April 22, 2005, among Nasdaq, Hellman & Friedman Capital Partners IV, L.P., H&F Executive Fund IV, L.P., H&F International Partners IV-A, L.P., and H&F International Partners IV-B, L.P., Silver Lake Partners TSA, L.P., Silver Lake Investors, L.P., VAB Investors, LLC and Integral Capital Partners VI, L.P. (incorporated herein by reference to Exhibit 4.4 to the Current Report on Form 8-K filed on April 28, 2005).
4.4	Indenture, dated as February 26, 2008, between Nasdaq and The Bank of New York (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on March 3, 2008)
4.5	Form of 2.50% Convertible Senior Note due 2013 (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on March 3, 2008).
4.6	Registration Rights Agreement, dated February 26, 2008, among The NASDAQ OMX Group, Inc., J.P. Morgan Securities Inc. and Banc of America Securities LLC (incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K filed on March 3, 2008).
4.7	The NASDAQ OMX Group Inc.'s Stockholders' Agreement, dated as of February 27, 2008, between The NASDAQ OMX Group, Inc. and Borse Dubai Limited (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on March 3, 2008).
4.7.1	First Amendment to The NASDAQ OMX Group Inc.'s Stockholders' Agreement, dated as of February 19, 2009, between The NASDAQ OMX Group, Inc. and Borse Dubai Limited (incorporated herein by reference to Exhibit 4.10.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).
4.8	Registration Rights Agreement, dated as of February 27, 2008, among The NASDAQ OMX Group, Inc., Borse Dubai Limited and Borse Dubai Nasdaq Share Trust (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K filed on March 3, 2008).
4.8.1	First Amendment to Registration Rights Agreement, dated as of February 19, 2009, among The NASDAQ OMX Group, Inc., Borse Dubai Limited and Borse Dubai Nasdaq Share Trust (incorporated herein by reference to Exhibit 4.11.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).

Table of Contents

Exhibit Number

4.9	Indenture, dated as of January 15, 2010, between NASDAQ OMX and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on January 19, 2010).
4.10	Supplemental Indenture, dated as of January 15, 2010, among NASDAQ OMX and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on January 19, 2010).
4.11	Supplemental Indenture, dated as of December 17, 2010, among NASDAQ OMX and Wells Fargo Bank, National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on December 21, 2010).
4.12	NASDAQ Stockholders' Agreement, dated as of December 16, 2010, between The NASDAQ OMX Group, Inc. and Investor AB.
10.1	Amended and Restated Board Compensation Policy, approved as of July 27, 2010 (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 filed on August 4, 2010).*
10.2	The NASDAQ OMX Group, Inc. 2010 Executive Corporate Incentive Plan, effective as of January 1, 2010 (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 filed on August 4, 2010).*
10.3	Form of NASDAQ OMX Non-Qualified Stock Option Award Certificate.*
10.4	Form of NASDAQ OMX Restricted Stock Unit Award Certificate (employees).*
10.5	Form of NASDAQ OMX Restricted Stock Unit Agreement (directors) (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009).*
10.6	Form of NASDAQ OMX Performance Share Unit Agreement.*
10.7	Amended and Restated Supplemental Executive Retirement Plan, dated as of December 17, 2008 (incorporated herein by reference to Exhibit 10.6 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.7.1	Amendment No. 1 to Amended and Restated Supplemental Executive Retirement Plan, effective as of December 31, 2008 (incorporated herein by reference to Exhibit 10.6.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.8	The NASDAQ OMX Group, Inc. Supplemental Employer Retirement Contribution Plan, dated as of December 17, 2008 (incorporated herein by reference to Exhibit 10.7 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.9	Employment Agreement by and between Nasdaq and Robert Greifeld, effective as of January 1, 2007 (incorporated herein by reference to Exhibit 10.5 to the Annual Report on Form 10-K filed on February 28, 2007).*
10.9.1	Amendment to Employment Agreement by and between NASDAQ OMX and Robert Greifeld, effective as of December 31, 2008 (incorporated herein by reference to Exhibit 10.8.1 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.10	Nonqualified Stock Option Agreement between Nasdaq and Robert Greifeld reflecting December 13, 2006 grant (incorporated herein by reference to Exhibit 10.13 to the Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 25, 2008).*

Table of Contents

<u>Exhibit Number</u>	
10.11	Nonqualified Stock Option Agreement between NASDAQ OMX and Robert Greifeld reflecting June 30, 2009 grant (incorporated herein by reference to Exhibit 10.11 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 18, 2010).*
10.12	2007 Performance Share Unit Agreement between Nasdaq and Robert Greifeld (incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 25, 2008).*
10.13	2008 Performance Share Unit Agreement between Nasdaq and Robert Greifeld (incorporated herein by reference to Exhibit 10.15 to the Annual Report on Form 10-K for the year ended December 31, 2007 filed on February 25, 2008).*
10.14	2009 Performance Share Unit Agreement between NASDAQ OMX and Robert Greifeld (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009).*
10.15	2010 Performance Share Unit Agreement between NASDAQ OMX and Robert Greifeld (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 filed on November 3, 2010).*
10.16	Form of Amended and Restated Letter Agreement, effective as of December 31, 2008, between NASDAQ OMX and Certain Executive Officers (incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.17	Employment Agreement between Nasdaq and Edward Knight, effective as of December 29, 2000 Nasdaq (incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 31, 2003).*
10.17.1	First Amendment to Employment Agreement between Nasdaq and Edward Knight, effective February 1, 2002 Nasdaq (incorporated herein by reference to Exhibit 10.14.1 to the Annual Report on Form 10-K for the year ended December 31, 2002 filed on March 31, 2003).*
10.17.2	Second Amendment to Employment Agreement between NASDAQ OMX and Edward Knight, effective as of December 31, 2008 (incorporated herein by reference to Exhibit 10.13.2 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2009).*
10.18	Amendment to Nonqualified Stock Option Agreements, effective as of October 21, 2009, between NASDAQ OMX and David P. Warren (incorporated herein by reference to Exhibit 10.17 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 18, 2010).*
10.19	Employment Agreement, dated as of June 24, 2008, between OMX AB and Hans-Ole Jochumsen (incorporated herein by reference to Exhibit 10.18 to the Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 18, 2010).*
10.20	Credit Agreement, dated as of January 15, 2010, among NASDAQ OMX, the Lenders party thereto, Bank of America, N.A., as administrative agent, Nordea Bank AB (publ.) and Skandinaviska Enskilda Banken AB (publ.), as Nordic Lead Arrangers and Joint Bookrunning Managers, Banc of America Securities LLC and J.P. Morgan Securities Inc., as U.S. Lead Arrangers and Joint Bookrunning Managers and J.P. Morgan Chase Bank, N.A., Nordea Bank AB (publ.) and Skandinaviska Enskilda Banken AB (publ.) as documentation agents (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on January 19, 2010).

Table of Contents

<u>Exhibit Number</u>	
10.21	Credit Agreement, dated as of December 17, 2010, among NASDAQ OMX, the Lenders party thereto, J.P. Morgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities LLC, as Sole Lead Arranger and Sole Lead Bookrunning Manager.
11	Statement regarding computation of per share earnings (incorporated herein by reference from Note 13 to the consolidated financial statements under Part II, Item 9 of this Form 10-K).
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	List of all subsidiaries.
23.1	Consent of Ernst & Young.
24.1	Powers of Attorney.
31.1	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley").
31.2	Certification of Executive Vice President and Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley.
32.1	Certifications Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley.
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Management contract or compensatory plan or arrangement.

** The following materials from The NASDAQ OMX Group, Inc. Annual Report on Form 10-K for the year ended December 31, 2010, formatted in XBRL (eXtensible Business Reporting Language); (i) Consolidated Statements of Income for the years ended December 31, 2010, 2009 and 2008; (ii) Consolidated Balance Sheets at December 31, 2010 and December 31, 2009; (iii) Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2010, 2009 and 2008; (iv) Consolidated Statements of Changes in Equity for the years ended December 31, 2010, 2009 and 2008; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008; and (vi) notes to consolidated financial statements, tagged as block of text. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

(b) Exhibits:
See Item 15(a)(3) above.

(c) Financial Statement Schedules:
See Item 15(a)(2) above.

NASDAQ STOCKHOLDERS' AGREEMENT

dated as of

December 16, 2010

between

THE NASDAQ OMX GROUP, INC.

and

INVESTOR AB

NASDAQ STOCKHOLDERS' AGREEMENT

This NASDAQ STOCKHOLDERS' AGREEMENT, dated as of December 16, 2010 (this "Nasdaq Stockholders' Agreement"), among THE NASDAQ OMX GROUP, INC., a Delaware corporation (together with any successor entity thereto, "Nasdaq") and Investor AB, a corporation organized under the laws of Sweden ("Investor AB"). Nasdaq and Investor AB are sometimes referred to herein as a "Party" and collectively as the "Parties".

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants set forth herein, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

(a) The following terms, as used herein, have the following meanings:

"2008 Registration Rights Agreement" means that certain Registration Rights Agreement, dated as of February 27, 2008, among Nasdaq, Borse Dubai Limited and the trustee thereunder.

“Affiliate” of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing. Notwithstanding the foregoing Nasdaq and its Affiliates, on the one hand, will not be deemed to be Affiliates of any of Investor AB and its Affiliates, on the other hand, and vice versa.

“Authority” means any domestic (including federal, state or local) or foreign court, arbitrator, administrative, regulatory or other governmental department, agency, official, commission, tribunal, authority or instrumentality, non-government authority or Self-Regulatory Organization.

“beneficial owner” or “beneficially own” and words of similar import have the meaning given such term in Rule 13d-3 under the Exchange Act; provided, however, that for purposes of determining beneficial ownership, (i) a Person shall be deemed to be the beneficial owner of any security that may be acquired by such Person, whether within 60 days or thereafter, upon the conversion, exchange or exercise of any warrants, options, rights or other securities and (ii) no Person shall be deemed to beneficially own any security solely as a result of such Person’s execution of this Nasdaq Stockholders’ Agreement.

“Board of Directors” means the board of directors of Nasdaq.

“Business Day” means any day that is not a Saturday or Sunday or a day on which banks are required or permitted to be closed in the State of New York or Stockholm, Sweden.

“Cause” means any Investor AB Board Designee’s or Investor AB Committee Designee’s: (i) conviction of, or guilty plea, to a felony charge (other than felonies related solely to automobile infractions, unless such designee is incarcerated as a result thereof) or (ii) fraudulent conduct or an intentional act or acts of dishonesty in the performance of his or her service as a director that is materially injurious to the financial condition, results of operations or business regulation of Nasdaq.

“Change of Control” means the occurrence of any of the following events: (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the outstanding capital stock of Nasdaq or 50% of the total number of outstanding shares of capital stock of Nasdaq, (ii) Nasdaq merges with or into, or consolidates with, or consummates any reorganization or similar transaction with, another Person and, immediately after giving effect to such transaction, less than 50% of the total voting power of the outstanding capital stock of the surviving or resulting person is beneficially owned in the aggregate by the stockholders of Nasdaq immediately prior to such transaction, (iii) in one transaction or a series of related transactions, Nasdaq, directly or indirectly (including through one or more of its subsidiaries) sells, assigns, conveys, transfers, leases or otherwise disposes of, all or substantially all of the assets or properties (including capital stock of subsidiaries) of Nasdaq, but excluding sales, assignments, conveyances, transfers, leases or other dispositions of assets or properties

(including capital stock of subsidiaries) by Nasdaq or any of its subsidiaries to any direct or indirect wholly-owned subsidiary of Nasdaq, (iv) individuals who as of the date hereof constitute the Board of Directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board of Directors (other than in connection with a transaction described in (i), (ii) or (iii) above); provided, however, that any individual becoming a director whose election, or nomination for election, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board or (v) the liquidation or dissolution of Nasdaq.

“Commission” means the Securities and Exchange Commission.

“Common Stock” means shares of common stock, par value \$0.01 per share, of Nasdaq.

“Competitor” means any Person (other than an Affiliate of Investor AB) that, during the 12 calendar months preceding the date of transfer derived more than 20% of its gross revenues from (i) the provision by such Person of listing, order execution or matching services for securities, (ii) the conduct by such Person of an international or national securities market or exchange, (iii) acting as a Self-Regulatory Organization, (iv) operating an “electronic communications network,” as defined under the Exchange Act or (v) operating an “alternative trading system” as defined in Regulation ATS under the Exchange Act.

“Derivative Securities” means options, warrants, rights to purchase capital stock of Nasdaq, or any securities that are exercisable, convertible or exchangeable for capital stock of Nasdaq.

“Excess Shares” has the meaning assigned thereto in Nasdaq’s Amended and Restated Certificate of Incorporation.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means the following:

(a) In the case of securities quoted on any exchange, the “Fair Market Value” of such securities will be equal to the 5-day volume weighted average price of such securities on the primary exchange on which they are listed on the five trading days immediately preceding the date such distribution is declared by the Board of Directors.

(b) In the case of any other property, the “Fair Market Value” means the value of such property, assuming an arm’s-length transaction between a willing buyer and seller, capable of being sold free of restriction in a liquid market without giving effect to any discounts (for minority interests), taking into account any other factors that the Persons making such determination reasonably believe should be taken into account, and, if such property includes Common Stock, assuming carrying on of Nasdaq as a going concern. Absent agreement by the applicable parties as to the “Fair Market Value” within 20 days after the date such distribution is declared by the Board of Directors, the applicable parties shall each designate, within 10 days after such 20-day period, an Investment Bank to determine the Fair Market Value. Within 30 days after the Investment Banks are chosen, each Investment Bank shall determine its final view as to the Fair Market Value and shall deliver such final view to the applicable parties. If the

difference between the higher and the lower of the respective final views of the two Investment Banks is less than 10% of the higher of the respective final views, then the Fair Market Value determined shall be the average of those two views. If the difference between the higher and the lower of the respective final views of the two Investment Banks is equal to or greater than 10% of the higher of the respective final views, the applicable parties shall instruct the Investment Banks jointly to designate a third Investment Bank who shall be an Independent Investment Bank (the "Mutually Designated Appraiser"). The Mutually Designated Appraiser shall be designated within 15 days following the determination of the final views of the two Investment Banks as described above and shall, within 30 days of such designation, determine its final view as to the Fair Market Value and shall deliver such final view to Investor AB and Nasdaq. The Fair Market Value, if a Mutually Designated Appraiser is used, shall be equal to the average of the two closest Fair Market Value determinations of the three appraisers, or, if the difference between the highest and middle determination is equal to the difference between the middle and lowest determination, then the Fair Market Value will be equal to the middle determination. The Fair Market Value as designated by the Mutually Designated Appraiser, shall be final and binding on the parties, and may be entered and enforced in any court having jurisdiction. Each party shall bear the fees and expenses of its Investment Bank. Fees and expenses of the Mutually Designated Appraiser shall be borne equally by the applicable parties. Notwithstanding the foregoing, in the event that one of the applicable parties does not appoint an Investment Bank within the time periods specified above, such party shall have waived its rights to appoint an Investment Bank and the determination of the Fair Market Value shall be made solely by the Investment Banks of the party who did appoint an Investment Bank. Each of the parties (on its own behalf and on behalf of its respective Affiliates) shall cooperate with each of the Investment Banks and the Mutually Designated Appraiser to provide such information as may reasonably be requested. In addition, if the property being valued includes Investor AB Shares, Investor AB shall use commercially reasonable efforts to cause Investor AB to provide to each of the Investment Banks and the Mutually Designated Appraiser reasonable access to management of Investor AB and to the books and records of Investor AB so as to allow each of them to conduct due diligence examinations in scope and duration as are customary in valuations of this kind.

"FINRA" means the Financial Industry Regulatory Authority, Inc. and its successors.

"H&F and SLP" means Hellman & Friedman Capital Partners IV, L.P., H&F International Partners IV-A, L.P., H & F International Partners IV-B, L.P., H&F Executive Fund, IV L.P.; Silver Lake Partners II TSA, L.P., Silver Lake Technology Investors II, L.L.C., Silver Lake Partners TSA, L.P., and Silver Lake Investors, L.P. or their respective affiliated investment funds that are: (1) under common management and control, (2) comprised of members or partners with the same ultimate ownership and (3) subject to terms and conditions substantially identical in all material respects.

"HSR Approval" means that the waiting period applicable to the consummation of the purchase of 8 million shares of Common Stock of the Company contemplated by the Term Sheet under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder, shall have expired or been terminated.

"Independent Investment Bank" means, as of any date of determination, an Investment Bank that (i) is not a Party or an Affiliate of a Party and (ii) has not performed work more than *de minimis* in amount or significance for a Party or an Affiliate of any Party within the prior two years from the date of determination.

“Investment Bank” means any investment banking firm of international standing.

“Investor AB” has the meaning set forth in the recitals.

“Investor AB Threshold” means, at any time of determination, 19.99% of the issued and outstanding Common Stock calculated on a fully diluted basis, which shall be calculated in accordance with the methodology set forth on Schedule A.

“Nasdaq” has the meaning set forth in the recitals.

“Nominating Committee” means the Nominating Committee of the Board of Directors

“Person” means an individual or a corporation, partnership, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Proceeding” means any claim, suit, action or legal, administrative, arbitration or other alternative dispute resolution proceeding or investigation.

“Representatives” means, with respect to any Party, the directors, officers, employees, agents, attorneys, accountants, consultants, current or potential lenders, financial and other advisors of such Party.

“Securities Act” means the Securities Act of 1933, as amended.

“Self-Regulatory Organization” means FINRA, any United States or non-United States securities exchange, commodities exchange, registered securities association, the Municipal Securities Rulemaking Board, National Futures Association, and any other board or body, whether United States or non-United States, that regulates brokers, dealers, commodity pool operators, commodity trading advisors or future commission merchants.

“Shares” means shares of Common Stock.

“SLP Registration Rights Agreement” means, collectively, (i) that certain Registration Rights Agreement, dated as of April 22, 2005, among Nasdaq, Hellman & Friedman Capital Partners IV, L.P., H&F Executive Fund IV, L.P., H&F International Partners IV-A, L.P., and H&F International Partners IV-B, L.P., Silver Lake Partners TSA, L.P., Silver Lake Investors, L.P., VAB Investors, LLC and Integral Capital Partners VI, L.P. and (ii) that certain Registration Rights Agreement, dated as of September 25, 2009 among Nasdaq and certain holders named therein.

“Subsidiary” means, with respect to any Person, any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

“Third Party Tender Offer” means a bona fide public offer subject to the provisions of Regulation 14D or 14E under the Exchange Act, by a Person (that is not made by and does not include Nasdaq or any of its Affiliates, Investor AB or any of its Affiliates or any group that includes as a member Investor AB or any of its Affiliates) to purchase or exchange for cash or other consideration all of the outstanding capital stock of Nasdaq.

ARTICLE II TRANSFER RESTRICTIONS

Section 2.1 Transfer.

(a) For six months following the date of this Nasdaq Stockholders’ Agreement, Investor AB shall not transfer, sell, assign, or otherwise dispose of (“Transfer”) any of the Shares beneficially owned by it, except (A) in compliance with all applicable federal securities laws and (B):

(i) to one or more Affiliates, so long as such Affiliates agree in writing to be bound by and Investor AB continues to be bound by the terms of this Nasdaq Stockholders’ Agreement (for the avoidance of doubt, upon such Transfer, Investor AB and such Affiliates will be treated as one “party” for all purposes under this Nasdaq Stockholders’ Agreement); provided, however, that if any such transferee ceases to be an Affiliate of Investor AB, then such transferee shall transfer its Shares to Investor AB or one of its Affiliates then a Party to this Nasdaq Stockholders’ Agreement;

(ii) to Nasdaq or any of its Subsidiaries, including pursuant to a share buyback (for the avoidance of doubt, to the extent that Investor AB’s participation in such buyback is limited to its pro rata interest, such interest shall be based on its beneficial ownership, provided, however, that in no event shall Investor AB’s participation in any buyback for which participation is so limited exceed the pro rata interest based on Investor AB’s beneficial ownership);

(iii) pursuant to a merger, consolidation, share exchange, tender offer or other similar transaction involving Nasdaq; provided, however, that notwithstanding the foregoing, a Transfer pursuant to a voluntary tender of Shares may only be undertaken in reliance on this clause (iii) if, within 10 Business Days of the date on which notice of such transaction is first sent or given to the Board of Directors, the Board of Directors does not recommend rejection of such transaction; or

(iv) with the prior written consent of Nasdaq.

(b) Notwithstanding anything in the foregoing to the contrary, Investor AB shall not Transfer any Shares to any Competitor except (A) pursuant to a merger, consolidation, share exchange, tender offer or other similar transaction involving Nasdaq, (B) in any such Transfer pursuant to a public offering or a sale pursuant to Rule 144 under the Securities Act, *provided* that Investor AB does not have actual knowledge that a purchaser pursuant thereto is a Competitor, or (C) to any investment bank or its Affiliate (1) in the capacity of an underwriter, placement agent, broker, dealer or similar function or (2) in a transaction (or series of related transactions) involving the transfer of Shares representing less than 5.0% of the outstanding Common Stock; and

(c) To the extent any securities have been registered in accordance with Section 2.1(c) or Section 2.1(d) of the 2005 Registration Rights Agreement, and for so long as Investor AB continue to own any Registrable Securities (as defined in the 2008 Registration Rights Agreement, but without giving effect to the second sentence of such definition), Investor AB shall not effect any sale or distributions of Shares, including a sale pursuant to Rule 144 (except as part of any such registration, if permitted), during such period as the lead underwriter of such registration may reasonably request, no greater than ninety (90) days, beginning on the effective date of any registration statement relating to an offering under Section 2.1(c) of the 2005 Registration Rights Agreement or the pricing of an offering under Section 2.1(d) of the 2005 Registration Rights Agreement.

Section 2.2 Hedging Transactions. For six months following the date of this Nasdaq Stockholders' Agreement, Investor AB will not enter into any swap or any other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock, whether such transaction is to be settled by delivery of shares of Common Stock, other securities, cash or otherwise. Thereafter, Investor AB will maintain a "net long position" (as such term is defined in Rule 14e-4 of the Exchange Act) with respect to the Shares it beneficially owns.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 Board Appointment Obligation.

(a) For so long as Investor AB continues to beneficially own at least five percent (5%) of the outstanding capital stock of Nasdaq, Investor AB shall have the right to nominate a person reasonably acceptable to the Nominating Committee (or an successor committee serving such function) (the "Investor AB Board Designee") as director to the Board of Directors. Nasdaq hereby agrees to (i) include the Investor AB Board Designee as nominees to the Board of Directors on each slate of nominees for election to the Board of Directors proposed by management of Nasdaq, (ii) recommend the election of the Investor AB Board Designee to the shareholders of Nasdaq and (iii) without limiting the foregoing, otherwise use its reasonable best efforts to cause the Investor AB Board Designee to be elected to the Board of Directors. The initial Investor AB Board Designee, Borje Ekholm, shall be nominated to the Board of Directors following the Effective Date.

(b) For so long as Investor AB beneficially owns at least five percent (5%) of the outstanding capital stock of Nasdaq, Nasdaq hereby agrees to use its reasonable best efforts to: (1) cause the appointment of the Investor AB Board Designee (but only if such Investor AB Board Designee meets the requirements to sit on any such committee) to a committee of the Board of Directors reasonably agreed to by Investor AB and the Company and (2) cause the appointment of one person designated by Investor AB who shall not be an Investor AB Board

Designee and who shall be reasonably acceptable to the Nominating Committee (or an successor committee serving such function) (the “Investor AB Committee Designee”) to a committee of the Board reasonably agreed to by Investor AB and the Company (the “Committee”), in each of the foregoing subject to applicable law, regulation, stock exchange listing standard or committee composition standards. The initial Investor AB Committee Designee shall be designated by Investor AB as soon as reasonably practicable after the Effective Date Nasdaq (A) shall promptly thereafter cause the appointment of such designee to the Committee and (B) covenants that the Nominating Committee shall take no action until such designee has been appointed to the Committee.

(c) In the event that any Investor AB Board Designee or Investor AB Committee Designee for any reason ceases to serve as such during his or her term of office, to the extent Investor AB is entitled to designate an Investor AB Board Designee or Investor AB Committee Designee pursuant to this Section 3.1, the resulting vacancy on the Board of Directors, any committees of the Board of Directors or the Nominating Committee shall be filled by a person designated by Investor AB and reasonably acceptable to the Nominating Committee (or an successor committee serving such function).

(d) Any Investor AB Board Designee and Investor AB Committee Designee may be removed for Cause at any time by a majority of the Board of Directors.

Section 3.2 No Interference with Board Rights. Nasdaq will use its reasonable best efforts not to, directly or indirectly, propose or take any action to encourage any modification to the composition of the Board of Directors, in Nasdaq’s reasonable judgment, would likely result in the elimination or significant diminishment of the rights of Investor AB specified in Section 3.1; *provided* that the foregoing shall in no way limit Nasdaq’s right to increase the number of directors on the Board of Directors.

ARTICLE IV VOTING RIGHTS

Section 4.1 Voting Rights. If, after the Effective Date, the Board of Directors, in its sole discretion, determines it is in Nasdaq’s interests to seek Commission approval for the exemption from Article Fourth, Section C.2 of Nasdaq’s Amended and Restated Certificate of Incorporation for Excess Shares held by any major investor then Nasdaq shall use its commercially reasonable best efforts to obtain a similar approval of the Commission with respect to Investor AB.

ARTICLE V STANDSTILL

Section 5.1 Standstill. Investor AB (on behalf of itself and its Affiliates) hereby agrees that, from the Effective Date until the Standstill Termination Date (as defined in Section 5.3), neither Investor AB nor any of its Affiliates will:

(a) purchase or otherwise acquire, offer or propose to acquire, or solicit an offer to sell or agree to acquire, directly or indirectly, alone or in concert with others, beneficial or record ownership of any shares of the capital stock of Nasdaq or any Derivative Securities (excluding

shares and securities received by way of stock dividend, stock reclassification or other distributions or offerings made available on a pro rata basis to Nasdaq's stockholders) if, after giving effect thereto, Investor AB, its Affiliates and all groups of which Investor AB or any of its Affiliates is a member would beneficially own an amount of shares of capital stock of Nasdaq, including any Derivative Securities on an as-exercised, converted or exchanged basis, as applicable, in excess of the Investor AB Threshold; provided, however, that, if as a result of a reduction in the number of shares of Common Stock outstanding due to the repurchase of shares of Common Stock by Nasdaq, Investor AB beneficially owns an amount of shares of capital stock of Nasdaq, including any Derivative Securities on an as-exercised, converted or exchanged basis, as applicable, in excess of the Investor AB Threshold, Investor AB shall not be in violation of this Section 5.1(a) so long as Investor AB does not take any of the actions referred to in the first clause of this Section 5.1(a) and Investor AB complies with Section 2.1(c) hereof;

(b) make, or in any way participate in, directly or indirectly, alone or in concert with others (including by or through any group of which Investor AB or any of its Affiliates is a member), any "solicitation" of "proxies" (as such terms are defined or used in Regulation 14A under the Exchange Act) to vote securities of Nasdaq or to provide or withhold consents with respect to securities of Nasdaq, whether subject to or exempt from the proxy rules, or seek to advise or influence any person or entity with respect to, the voting of, or the providing or withholding consent with respect to, any securities of Nasdaq;

(c) either directly or indirectly in concert with others (including by or through any group of which Investor AB or any of its Affiliates is a member) make any offer with respect to, or make or submit a proposal with respect to, or ask or request any other person to make an offer or proposal with respect to, or in any other way support, any transaction that would, if consummated, be reasonably likely to result in a Change of Control, including a merger, business combination, restructuring, reorganization, recapitalization, tender or exchange offer or asset disposition involving Nasdaq or any of its Affiliates;

(d) except as provided in Article III hereof, either directly or indirectly in concert with others (including by or through any group of which Investor AB or any of its Affiliates is a member) seek representation on the Board of Directors or the board of directors or equivalent of any of Nasdaq's controlled Affiliates, seek to remove any members of the Board of Directors or expand or reduce the size of the Board of Directors or otherwise act alone or in concert with others (including by or through any group of which Investor AB or any of its Affiliates is a member) to make public statements or otherwise seek to control or influence the management or Board of Directors of Nasdaq or any of its controlled Affiliates;

(e) form, join or any way participate in a "group" within the meaning of Section 13(d)(3) of the Exchange Act with respect to any securities of Nasdaq; or

(f) either directly or indirectly in concert with others (including by or through any group of which Investor AB or any of its Affiliates is a member) publicly announce or disclose any intention, or enter into or disclose any plan or arrangement inconsistent with the foregoing (including publicly making a request that Nasdaq or the Board of Directors waive, amend or terminate any provisions of this Nasdaq Stockholders' Agreement or making such a request if such request would reasonably be likely to require public disclosure by any Person or otherwise result in public disclosure).

Section 5.2 Permitted Action. Notwithstanding the provisions of Section 5.1, nothing herein shall prohibit or restrict Investor AB or its Affiliates from making any disclosure pursuant to Section 13(d) of the Exchange Act that Investor AB or such Affiliate reasonably believes, based on the advice of independent legal counsel, is required in connection with any action taken by Investor AB or such Affiliate that is not inconsistent with this Nasdaq Stockholders' Agreement.

Section 5.3 Suspension and Termination.

(a) The restrictions contained in Section 5.1 shall terminate and shall cease to apply upon the earliest to occur of the following (the "Standstill Termination Date"): (i) the 10th anniversary of the date of this Nasdaq Stockholders' Agreement, (ii) Investor AB beneficially owning less than 5% of the outstanding Shares, (iii) Nasdaq entering into a definitive agreement which, if consummated, would result in a Change of Control, (iv) the consummation of a Change of Control or (v) the Investor AB Board Designee has not been elected to the Board of Directors by shareholders at a meeting of shareholders of Nasdaq held for purposes of the election of directors and for which an Investor AB Board Designee has been nominated.

(b) On the Standstill Termination Date, (x) if any Investor AB Board Designee are members of the Board of Directors or an Investor AB Committee Designee is a member of the Nominating Committee, then at the Board of Directors' request such Investor AB Board Designee shall immediately resign from the Board of Directors and all committees thereof and the Investor AB Committee Designee shall immediately resign from the Nominating Committee and (y) any rights of Investor AB under Section 3.1 of this Nasdaq Stockholders' Agreement shall immediately and permanently terminate.

Section 5.4 Certain Tender Offers. Notwithstanding the provisions of Section 5.1, if a Third Party Tender Offer is made and, within 10 Business Days of the date on which the Third Party Tender Offer is first published or sent or given, the Board of Directors does not recommend rejection of the Third Party Tender Offer in accordance with Rule 14e-2 under the Exchange Act, then Investor AB may tender into such Third Party Tender Offer, but in all other respects the provisions of Section 5.1 shall continue to apply.

ARTICLE VI
INDEMNIFICATION

Section 6.1 Indemnification. Nasdaq will indemnify, exonerate and hold Investor AB and each of its partners, stockholders, members, directors, officers, fiduciaries, managers, controlling Persons, employees and agents of each of the partners, stockholders, members, directors, officers, fiduciaries, managers, controlling Persons, employees and agents of each of the foregoing (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, claims, liabilities, losses, damages and costs and out-of-pocket expenses in connection therewith (including reasonable attorneys' fees and expenses) incurred by the Indemnified Parties or any of them before or after the date hereof (collectively,

the “Indemnified Liabilities”), arising out of any actual or threatened action, cause of action, suit, or claim arising directly or indirectly out of Investor AB’s actual, alleged or deemed control or ability to influence Nasdaq or any of its Subsidiaries (other than any such Indemnified Liabilities that arise out of any breach of this Nasdaq Stockholders’ Agreement by such Indemnified Party or other related Persons); *provided* that if and to the extent that the foregoing undertaking may be unavailable or unenforceable for any reason, Nasdaq hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law. The rights of any Indemnified Party to indemnification hereunder will be in addition to any other rights any such Person may have under any other agreement or instrument to which such Indemnified Party is or becomes a party or is or otherwise becomes a beneficiary or under law or regulation or under the certificate of incorporation, bylaws or other organizational documents of Nasdaq or any of its Subsidiaries and shall extend to such Indemnified Party’s successors and assigns.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Notices.

(a) All notices, requests and other communications to any Party hereunder shall be in writing (including facsimile or similar writing) and shall be given to:

(b) Nasdaq at:

THE NASDAQ OMX GROUP, INC.
One Liberty Plaza
New York, NY 10006
Attn: Edward S. Knight, Esq.
Fax: (301) 978-8471

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attn: Yossi Vebman, Esq.
Fax: (917) 777-3719

(c) If to Investor AB, to:

INVESTOR AB
Arsenalsgatan SC, SE-103 32
Stockholm, Sweden
Attn: Petra Hedengran
Fax: + 46 8 614 21 98

with a copy to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attn: Alan Klein, Esq.
Fax: (212) 455-2502

or such other address or facsimile number as such Party may hereinafter specify for the purpose of giving such notice to the Party. Each such notice, request or other communication shall be deemed to have been received (i) if given by facsimile, when such facsimile is transmitted to the Fax number specified pursuant to this Section 7.1 and confirmation of receipt is received or (ii) if given by any other means, when delivered at the address specified in this Section 7.1.

Section 7.2 No Waivers; Amendments.

(a) No failure or delay on the part of any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Neither this Nasdaq Stockholders' Agreement nor any term or provision hereof may be amended or waived in any manner other than by instrument in writing signed, in the case of an amendment, by each of Investor AB and Nasdaq, or in the case of a waiver, by the Party against whom the enforcement of such waiver is sought.

Section 7.3 Non-Disparagement. Until the termination of this Nasdaq Stockholders' Agreement, each of the Parties agrees that none of it or its respective Subsidiaries, Affiliates, successors or assigns shall, and each Party shall instruct its Representatives not to, in any way intentionally disparage, attempt to discredit, or otherwise call into disrepute, any other Party or such other Party's Subsidiaries, Affiliates, successors, assigns, stockholders or Representatives, or any of such Party's products or services, in any manner that could reasonably be expected to (i) damage the business or reputation of such other Party, its products or services or its Subsidiaries, Affiliates, successors, assigns or Representatives or (ii), subject to the terms of this Nasdaq Stockholders' Agreement, disrupt, impede, hinder or delay such other Party's attempts to consummate the transactions contemplated by this Nasdaq Stockholders' Agreement. Without limiting the foregoing, neither Party shall make any comments or statements to any non-party (including the press, employees or former employees of the other Party, any client or prospective or former client of the other Party, any individual or entity with whom the other Party has a business relationship or any other Person), if such comment or statement reasonably could be expected to adversely affect the conduct of the business of the other Party, or any of its plans or prospects or the business reputation of such other Party or any of such other Party's products or services or that of any of its Subsidiaries, Affiliates, successors, assigns or Representatives, except as may be required by applicable law, Authority, judicial order or subpoena; provided, however, that any party making such comments or statements to comply with applicable law, Authority, judicial order or subpoena shall, to the extent that such grant would not conflict with applicable law, first grant each other party reasonable opportunity to review such comments or statements.

Section 7.4 Termination. Subject to Article VI, this Nasdaq Stockholders' Agreement shall terminate and be of no further force or effect with respect to Investor AB upon such date that Investor AB no longer holds any Shares; provided, however, that each Party shall retain all rights and claims following such termination with respect to breaches of the covenants and agreements set forth herein occurring prior to such termination. The provisions of Section 7.5 shall survive any termination of this Nasdaq Stockholders' Agreement.

Section 7.5 Confidentiality. Each of the Parties shall, and shall cause its Affiliates to, keep confidential, disclose only to its Affiliates or Representatives and use only in connection with the transactions contemplated by this Nasdaq Stockholders' Agreement all information and data obtained by them from the other Party or its Affiliates or Representatives relating to such other Party or the transactions contemplated hereby (other than information or data that (i) is or becomes available to the public other than as a result of a breach of this Section 7.5, (ii) was available on a non-confidential basis prior to its disclosure to or by one Party to another, or (iii) becomes available to one Party on a non-confidential basis from a source other than the other Party, provided that such source is not known by the receiving Party, after reasonable inquiry, to be bound by a confidentiality agreement with either of the non-receiving Parties or their Representatives and is not otherwise prohibited from transmitting the information to the receiving Party by a contractual, legal or fiduciary obligation), unless disclosure of such information or data is required by applicable law.

Section 7.6 Successors and Assigns. All the terms and provisions of this Nasdaq Stockholders' Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and the successors and assigns of each Party, whether so expressed or not. None of the Parties may assign any of its rights or obligations hereunder, in whole or in part, by operation of law or otherwise, without the prior written consent of the other Parties, and any such assignment without such prior written consent shall be null and void; provided, however, that Investor AB may assign this Nasdaq Stockholders' Agreement, in whole or in part, to any Subsidiary of Investor AB without the prior consent of Nasdaq; provided further, however, that such assignment shall only be valid for so long as such Subsidiary remains a Subsidiary of Investor AB, provided still further, however, that no assignment shall limit the assignor's obligations hereunder. Except as expressly set forth herein, this Nasdaq Stockholders' Agreement shall not inure to the benefit of or be enforceable by any other Person.

Section 7.7 Headings. The headings in this Nasdaq Stockholders' Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

Section 7.8 No Inconsistent Agreements. Nasdaq will not hereafter enter into any agreement with respect to its securities that is inconsistent with the rights granted to Investor AB in this Nasdaq Stockholders' Agreement.

Section 7.9 Severability. The invalidity or unenforceability of any provision of this Nasdaq Stockholders' Agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this Nasdaq Stockholders' Agreement in such jurisdiction or the validity, legality or enforceability of this Nasdaq Stockholders' Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the Parties hereunder will be enforceable to the fullest extent permitted by applicable law.

Section 7.10 Recapitalization, Etc. In case of any consolidation, merger, reorganization, reclassification, sale, conveyance, consolidation, spin-off, partial or complete liquidation, stock dividend, transfer or lease in which Nasdaq is not the surviving person, then (a) all rights and obligations of Nasdaq under this Nasdaq Stockholders' Agreement shall be assumed by and transferred to any such successor person, with the same effect as if it had been named herein as the party of this first part and (b) all references in this Nasdaq Stockholders' Agreement to "Nasdaq" shall be deemed to refer to such person; *provided, however*, in any case, Nasdaq will not effect any such transaction unless the successor delivers to Investor AB an agreement in writing in a form reasonably satisfactory to Investor AB agreeing to be bound by the terms of this Nasdaq Stockholders' Agreement. The intent of the Parties is to fairly and equitably preserve the original rights and obligations of the Parties hereto under this Nasdaq Stockholders' Agreement.

Section 7.11 No Affiliation. Nothing in this Nasdaq Stockholders' Agreement shall be deemed to constitute the parties as partners, co-venturers or agents of each other.

Section 7.12 Specific Performance. The Parties hereby acknowledge and agree that the failure of any Party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part to the consummation of the transactions contemplated hereby, will cause irreparable injury to the other Parties, for which damages, even if available, will not be an adequate remedy. Accordingly, each Party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such Party's obligations, to prevent breaches of this Nasdaq Stockholders' Agreement by such Party and to the granting by any court of the remedy of specific performance of such Party's obligations hereunder, without bond or other security being required, in addition to any other remedy to which any Party is entitled at law or in equity. Each Party irrevocably waives any defenses based on adequacy of any other remedy, whether at law or in equity, that might be asserted as a bar to the remedy of specific performance of any of the terms or provisions hereof or injunctive relief in any action brought therefor by any Party.

The Parties hereto agree that if any of the provisions of this Nasdaq Stockholders' Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the Parties shall be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy, in addition to any other remedy at law or equity.

Section 7.13 Other Agreements.

(a) Nothing contained in this Nasdaq Stockholders' Agreement shall be deemed to be a waiver of, or release from, any obligations any Party hereto may have under, or any restrictions on the Transfer of Shares or other securities of Nasdaq or any direct or indirect Subsidiary of Nasdaq imposed by, any other agreement.

(b) Nothing contained in this Nasdaq Stockholders' Agreement is intended to prohibit the consummation of the transactions contemplated by the Term sheet dated December 16, 2010 between Investor AB and Nomura International plc (the "Term Sheet").

(c) Pursuant to Section 7.2 of the 2008 Registration Rights Agreement Investor AB, as transferee, shall be entitled to the rights and subject to the obligations under the 2008 Registration Rights Agreement.

Section 7.14 New York Law. The enforceability and validity of this Nasdaq Stockholders' Agreement, the construction of its terms and the interpretation of the rights and duties of the Parties shall be governed by the laws of the State of New York, without regard to conflict of law principles thereof that would mandate the application of the laws of another jurisdiction.

Section 7.15 Jurisdiction; Service of Process; Waiver of Jury Trial.

(a) Each of the Parties unconditionally and irrevocably agrees to submit to the exclusive jurisdiction of the state and federal courts located in New York, New York for any suit, action or Proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Nasdaq Stockholders' Agreement or the transactions contemplated hereby and hereby irrevocably waives, to the fullest extent permitted by applicable law, and agrees not to assert any objection, whether as a defense or otherwise, which such Party may now or hereafter have to the laying of the venue of any such suit, action or Proceeding in any such court or that any such suit, action or Proceeding which is brought in any such court has been brought in an inconvenient forum or that such suit, action or Proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Nasdaq Stockholders' Agreement may not be enforced in or by such courts. Each Party agrees that a final judgment in any such suit, action or Proceeding shall be conclusive and may be enforced in any other jurisdiction in which a Party may be found or may have assets by suit on the judgment or in any other manner provided by applicable law, and agrees to the fullest extent permitted by law to consent to the enforcement of any such judgment and not to oppose such enforcement or to seek review on the merits of any such judgment in any such jurisdiction.

(b) Each of the Parties hereby irrevocably consents to the service of process outside the territorial jurisdiction of such courts in any suit, Proceeding or action by giving copies thereof by hand-delivery of air courier to the address of such Party specified in Section 7.1 and such service of process shall be deemed effective service of process on such Party. However, the foregoing shall not limit the right of any Party to effect service of process on the other Parties by any other legally available method.

(c) To the extent that any Party hereto (including assignees of any Party's rights or obligations under this Nasdaq Stockholders' Agreement) may be entitled, in any jurisdiction, to claim for itself or its revenues, assets or properties, sovereign immunity from service of process, from suit, from the jurisdiction of any court or arbitral tribunal, from attachment prior to judgment, from attachment in aid of execution or enforcement of a judgment (interlocutory or final), or from any other legal process, and to the extent that, in any such jurisdiction there may be attributed such a sovereign immunity (whether claimed or not), each Party hereto hereby irrevocably agrees not to claim, and hereby irrevocably waives to the fullest extent permitted by law, such sovereign immunity.

(d) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 7.15 Counterparts; Effectiveness. This Nasdaq Stockholders' Agreement may be executed in any number of counterparts (including by facsimile), each of which will be an original with the same effect as if the signatures thereto and hereto were upon the same instrument. This Nasdaq Stockholders' Agreement shall become effective on such date that Investor AB receives the HSR Approval and consummates the purchase contemplated thereunder (the "Effective Date"); provided that Articles VI and VII shall become effective on the date hereof.

Section 7.16 Entire Agreement. This Nasdaq Stockholders' Agreement constitute the entire agreement and understanding among the Parties and supersede any and all prior agreements and understandings, written or oral, relating to the subject matter hereof.

Section 7.17 Interpretation.

(a) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Nasdaq Stockholders' Agreement as a whole and not to any particular provision of this Nasdaq Stockholders' Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Nasdaq Stockholders' Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Nasdaq Stockholders' Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Nasdaq Stockholders' Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Nasdaq Stockholders' Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. In this Nasdaq Stockholders' Agreement, all references to "\$" are to United States dollars and all references to "SEK" are to Swedish kronor. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

(b) The Parties have participated jointly in the negotiation and drafting of this Nasdaq Stockholders' Agreement. In the event an ambiguity or question of intent or interpretation arises, this Nasdaq Stockholders' Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Nasdaq Stockholders' Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties has caused this Nasdaq Stockholders' Agreement to be duly executed, all as of the date first above written.

THE NASDAQ OMX GROUP, INC.

By: /s/ Adena T. Friedman

Name: Adena T. Friedman

Title: Chief Financial Officer

INVESTOR AB

By: /s/ Börje Ekholm

Name: Börje Ekholm

Title: President and Chief Executive Officer

Methodology for Calculating the Issued and Outstanding
Common Stock on a Fully-Diluted Basis

Methodology:

- The Common Stock price (the “Common Stock Price”) to be used in each calculation herein shall be the volume-weighted average price on the last trading day immediately prior to the measuring date (the “Measuring Date”).
- The number of outstanding shares of Common Stock shall be the actual shares outstanding (not weighted) at the Measuring Date, plus the Nasdaq Shares.
- The number of unvested shares of restricted stock shall be calculated using the treasury stock method of computing the dilutive impact at the Common Stock Price based the unvested shares of restricted stock outstanding on the Measuring Date.
- The number of shares of Common Stock underlying options shall be calculated using the treasury stock method of computing the dilutive impact at the Common Stock Price, including all options outstanding but exercisable on the Measuring Date, with no weighting and no forfeitures.
- The number of shares of Common Stock underlying convertible debt shall be calculated using the if converted method at the Common Stock Price.
- The number of shares underlying warrants shall be calculated using the treasury stock method at the Common Stock Price.

Sample Calculation:

Shares of Common Stock outstanding	113,234,706
Unvested restricted stock	155,157
Shares underlying options	5,536,023
Shares underlying convertible debt	30,689,655
Shares underlying warrants	2,759,308
Total shares outstanding	152,374,849

Based on the following assumptions:

- All Share data as of August 31, 2007.
- Closing stock price of \$32.66 on August 31, 2007.

THE NASDAQ OMX GROUP, INC.
NON-QUALIFIED STOCK OPTION AWARD CERTIFICATE

Grant Date: _____

Number of Options Granted: _____

Exercise Price per Share: _____

Expiration Date: _____

Option Type: Non-qualified Stock Option

Vesting Schedule: See below

THIS CERTIFIES THAT The NASDAQ OMX Group, Inc. (the "Company") has on the Grant Date specified above awarded to

[NAME OF PARTICIPANT]

(the "Optionee") options (the "Options") to purchase any part or all of an aggregate number of Shares of the Company's common stock equal to the number of Options granted as indicated above, at a purchase price equal to the Exercise Price indicated above. The Options are intended to be Non-Qualified Stock Options and not Incentive Stock Options within the meaning of Section 422 of the Internal Revenue Code.

The foregoing grant of Options is subject to the terms and conditions contained in this Award Certificate and The NASDAQ OMX Group, Inc. Equity Incentive Plan, as amended and restated on May 27, 2010 (the "Plan"). Capitalized terms not otherwise defined have the meanings set forth in the Plan. A copy of the Plan is available from Human Resources, and is also available on the Company's website.

* * * *

1. Vesting.

- (a) Subject to Section 3 hereof and contingent upon the Optionee's continued employment with the Company until the applicable vesting date (except as otherwise provided in paragraphs (b) and (c) below) the Options shall vest as follows:

[VESTING

SCHEDULE]

As used herein, "vested" Options shall mean those Options which (1) shall have become exercisable pursuant to the terms of this Agreement and (2) shall not have been previously exercised.

- (b) If, prior to vesting of the Options under paragraph (a) above the Optionee has a Separation from Service (as defined in the Plan) with the Company or any of its subsidiaries for any reason (voluntary or involuntary), then such non-vested Options shall be immediately and irrevocably forfeited, except as otherwise provided in Section 6(j)(ii) of the Plan (Separation from Service by reason of death or Retirement) or Section 11 of the Plan (Separation from Service following a Change in Control. Following Separation from Service, the Optionee's vested Options shall remain exercisable for a limited period of time, as set forth in Section 6(j) or Section 11 of the Plan, as applicable. Notwithstanding anything to the contrary in the Plan or this Award Certificate, and for purposes of clarity, any Separation from Service shall be effective as of the date the Optionee's active employment ends and shall not be extended by any statutory or common law notice period.

- (c) If, prior to the vesting of the Options under paragraph (a) above the Optionee is determined by the insurance carrier under the Company's then-current long-term disability plan to be entitled to receive benefits under such plan, and, by reason of such disability, is deemed to have a Separation from Service (within the meaning of the Plan), then an amount of unvested Options shall vest as described on Section 6(j)(iii) of the Plan, and the Optionee's vested Options shall be exercisable for a limited period of time as described in Section 6(j)(iii) of the Plan.

2. Exercise of the Options.

- (a) Subject to the provisions of the Plan (including without limitation Section 6(j) of the Plan (Separation from Service) and Section 11 of the Plan (Change in Control)) and this Award Certificate, the Optionee may exercise all or a portion of the vested Options at any time prior to the Expiration Date; provided that Options may be exercised with respect to whole Shares only; and provided further that Options may not be exercised at any one time as to fewer than 100 Shares (or such number of Shares as to which the Options are then exercisable if such number is less than 100). In no event shall the Options be exercisable on or after the Expiration Date.
- (b) In accordance with Section 2(a) hereof, the Options may be exercised by delivering to the Company a notice of intent to exercise. The Optionee shall deliver such notice by such method (whether telephonic, electronic or written) as may be specified by the Committee from time to time. The date of exercise shall be the date the required notice is received by the Company; provided, however, that if payment in full is not received by the Company as described herein or as otherwise permitted, such notice shall be deemed not to have been received. Such notice shall specify the number of Shares as to which the Options are being exercised and shall be accompanied by payment in full, or adequate provision therefor, of the Exercise Price and any applicable withholding tax.
- (c) The payment of the Exercise Price shall be made in accordance with any process or procedure permitted by the Plan as of the date of exercise, including without limitation payment (i) in cash, or its equivalent, (ii) by exchanging Shares owned by the Optionee for at least six months (which are not the subject of any pledge or other security interest), (iii) by having the Company "net settle" the Shares by withholding from the Shares which would otherwise be delivered to the Optionee such Shares with a Fair Market Value sufficient to satisfy the minimum withholding required with respect thereto as determined by the Committee, (iv) through any broker's cashless exercise procedure approved by the Committee, or (v) by a combination of the foregoing, provided that the combined value of all cash and cash equivalents and the Fair Market Value of any such Shares so tendered to the Company as of the date of such tender is at least equal to such Exercise Price and, if applicable, the withholding tax. Any broker-assisted exercise procedure must comply with all applicable laws at the time of exercise, and the Optionee shall be responsible for all broker fees. At the time of exercise of the Options, the Optionee shall pay such amount to the Company as the Company deems necessary to satisfy its obligation to withhold federal, state or local income or other taxes incurred by reason of such exercise or make such other arrangements as are acceptable to the Company, all in accordance with the provisions of Section 6 hereof. The net settlement of shares and the exchange of Shares previously owned and herein specifically authorized alternatives for the payment of the Exercise Price and/or the satisfaction of withholding obligations.
- (d) Notwithstanding any other provision of the Plan or this Award Certificate to the contrary, no Option may be exercised prior to the completion of any registration or qualification of such Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any government body, national securities exchange, or inter-dealer market system that the Committee shall in its sole discretion determine to be necessary or advisable.
- (e) As soon as practicable following the Company's determination that an Option has been validly exercised as to any of the Shares, and the receipt by the Company of payment in full of the Exercise Price (as well as any applicable tax withholding as described in Section 5 hereof), the registrar for the

Company will make an entry on its books and records evidencing that such Shares have been duly issued as of that date; provided, however, that the Optionee may, in the alternative, elect in writing prior thereto to receive a stock certificate representing the full number of Shares acquired, which certificates may bear a restrictive legend prohibiting the transfer of such Shares for such period as may be prescribed by the Company until certain conditions are met. The Company shall not be liable to the Optionee for damages relating to any delays in issuing the certificates or in the certificates themselves.

3. No Right to Continued Employment: No Rights as a Shareholder. Neither the Plan nor this Award Certificate shall confer on the Optionee any right to be retained in any position, as an employee, consultant or director of the Company. Further, nothing in the Plan or this Award Certificate shall be construed to limit the discretion of the Company to terminate the Optionee's employment at any time, with or without cause. The Optionee shall not have any rights as a shareholder with respect to any Shares subject to an Option prior to the date of exercise of the Option.
4. Transferability.
 - (a) Except as provided below, the Options are nontransferable and may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Optionee, except by will or the laws of descent and distribution. Notwithstanding the foregoing, the Optionee may transfer vested Options to members of his or her immediate family (defined as his or her spouse, children or grandchildren (including children or grandchildren by means of adoption, and stepchildren)) or to one or more trusts for the exclusive benefit of such immediate family members or partnerships in which such immediate family members are the only partners if the transfer is approved by the Committee and the Optionee does not receive any consideration for the transfer. Any such transferred Options shall continue to be subject to the same terms and conditions that were applicable to the Options immediately prior to transfer (except that such transferred Options shall not be further transferable by the transferee). No transfer of an Option shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions hereof.
 - (b) In order to comply with any applicable securities laws, the Option Shares may only be sold by the Optionee following registration under the Securities Act of 1933, as amended, or pursuant to an exemption therefrom.
5. Tax Liability and Withholding. Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items legally due by the Optionee is and remains the Optionee's responsibility, and the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including the grant of the Options, the vesting of the Options, the exercise of the Options, the subsequent sale of any Shares acquired pursuant to the Options and the receipt of any dividends; and (b) does not commit to structure the terms of the grant or any aspect of the Options to reduce or eliminate the Optionee's liability for Tax-Related Items.

Prior to the delivery of the Shares upon the exercise of the Options, if any taxing jurisdiction requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole Shares otherwise issuable upon the exercise of the Options that have an aggregate Fair Market Value (as defined under the Plan) sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares. The cash equivalent of the Shares withheld will be used to settle the obligation to withhold the Tax-Related Items. No fractional Shares will be withheld or issued pursuant to the grant of the Options and the issuance of Shares hereunder. Alternatively, the Company may, in its discretion and with the consent of the Optionee, withhold any amount necessary to pay the Tax-Related Items from the Optionee's salary or

other amounts payable to the Optionee, with no withholding in Shares. In the event the withholding requirements are not satisfied through the withholding of Shares or through the Optionee's salary or other amounts payable to the Optionee, no Shares will be issued upon exercise of the Options unless and until satisfactory arrangements (as determined by the Committee) have been made by the Optionee with respect to the payment of any Tax-Related Items which the Company determines, in its sole discretion, must be withheld or collected with respect to such Options. All other Tax-Related Items related to the Options and any Shares delivered in payment thereof are the Optionee's sole responsibility.

6. Securities Laws. The Company may require, as a condition of the exercise of an Option, that upon the acquisition of any Shares pursuant to the exercise of the Option, the Optionee or the Optionee's transferee, if applicable, make or enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws, with this Award Certificate, or as the Committee otherwise deems necessary or advisable. The Committee may require that the Optionee, as a condition of the exercise of an Option, execute a stockholders agreement containing terms and conditions generally applicable to some or all of the stockholders of the Company.
7. Administration. This Award Certificate shall at all times be subject to the terms and conditions of the Plan. Capitalized terms not defined in this Award Certificate shall have the meanings set forth in the Plan. The Committee shall have sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee with respect thereto and this Award Certificate shall be final and binding upon the Optionee and the Company. The Committee has the authority and discretion to determine any questions which arise in connection with the grant of the Options hereunder.
8. Code Section 409A. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Award Certificate as may be necessary to ensure that all grants, vesting and exercises provided under this Award Certificate are made in a manner that is exempt from Section 409A of the Code; provided, however, that the Company makes no representation that the Options provided under this Award Certificate will be exempt from and/or comply with Section 409A of the Code.
9. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require, as a condition of the exercise of an Option, the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
10. Amendments. The Committee has the right, as set forth in the Plan, to amend, alter, suspend, discontinue or cancel this Award, prospectively or retroactively; provided however, that no such amendment, alteration, suspension, discontinuance or cancelation of the Options will adversely affect Optionee's material rights under this Award Certificate without Optionee's consent. The Company has the authority to amend this Award Certificate, consistent with the foregoing, without the Optionee's written agreement, except as set forth in this Section 10.

In the event that the Company is reorganized or liquidated, or if all or substantially all of its assets are sold, or if the Company is merged or consolidated with another corporation or entity (or in the event the Company consummates a written agreement to accomplish any of the foregoing), the Committee may, in its sole discretion and upon at least 10 days advance notice to the Optionee, cancel any outstanding Options and cause the Optionee to be paid (in cash or in stock, or any combination thereof) the value of such Options based upon the price per share received or to be received in the transaction.
11. Notices. Any notice, request, instruction or other document given under this Award Certificate shall be in writing and may be delivered by such method as may be permitted by the Company, and shall be addressed and delivered, in the case of the Company, to the Secretary of the Company at the principal office of the

Company and, in the case of the Optionee, to the Optionee's address as shown in the records of the Company or to such other address as may be designated in writing (or by such other method approved by the Company) by either party.

12. Option Subject to Plan; Amendments to the Award Certificate. This Award Certificate is subject to the Plan as approved by the shareholders of the Company. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of this Award Certificate will govern and prevail.
13. Severability. The invalidity or unenforceability of any provision of the Plan or this Award Certificate shall not affect the validity or enforceability of any other provision of the Plan or this Award Certificate, and each other provision of the Plan and this Award Certificate shall be severable and enforceable to the extent permitted by law.
14. Discretionary Nature of Plan; No Vested Rights. The Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Options represented by this Award Certificate does not create any contractual or other right to receive an award or benefits in lieu of Options in the future. Future Awards, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of an Award, the number of Shares subject to the Award, and the vesting provisions. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Optionee's employment with the Company.
15. No Impact on Other Benefits. The value of the Optionee's Options is not part of the Optionee's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

The NASDAQ OMX Group, Inc.

By: _____

THE NASDAQ OMX GROUP, INC.
RESTRICTED STOCK UNIT AWARD CERTIFICATE

Award Date: _____	Number of Restricted Stock Units: _____	Final Vesting Date: _____ (See below)
-------------------	--------------------------------------------	------------------------------------------

THIS CERTIFIES THAT The NASDAQ OMX Group, Inc. (the "Company") has on the Award Date specified above granted to

[NAME OF PARTICIPANT]

(the "Participant") an award (the "Award") to receive the number of Restricted Stock Units (the "RSUs") indicated in the box above labeled "Number of Restricted Stock Units," each RSU representing the right to receive one share of the Company's common stock, \$.01 per value per share (the "Common Stock"), subject to certain restrictions and on the terms and conditions contained in this Award Certificate and The NASDAQ OMX Group, Inc. Amended and Restated Equity Incentive Plan (the "Plan"). Capitalized terms not otherwise defined have the meanings set forth in the Plan. A copy of the Plan is available from Human Resources, and is also available on the Company's website.

* * *

1. Rights of the Participant with Respect to the Restricted Stock Units.

(a) Prior to vesting of the Restricted Stock Units pursuant to Section 2, (i) the Participant shall not be treated as a shareholder as to Shares issuable to the Participant with respect to such Restricted Stock Units, and shall only have a contractual right to receive such Shares following such vesting, unsecured by any assets of the Company or its Subsidiaries; (ii) the Participant shall not be permitted to vote the Restricted Stock Units or the Shares issuable with respect to such Restricted Stock Units; and (iii) the Participant's right to receive such Shares following vesting of the Restricted Stock Units shall be subject to the adjustment provisions set forth in Section 12 of the Plan. The Restricted Stock Units shall be subject to all of the restrictions hereinafter set forth.

(b) At the sole discretion of the Committee, the Participant shall be permitted to receive cash payments equal to the dividends and distributions paid on Shares (other than dividends or distributions of securities of the Company which may be issued with respect to Shares by virtue of any stock split, combination, stock dividend or recapitalization) to the same extent as if each Restricted Stock Unit was a Share, and those Shares were not subject to the restrictions imposed by this Award Certificate and the Plan; provided, however, that no dividends or distributions shall be payable to or for the benefit of the Participant with respect to record dates for such dividends or distributions occurring on or after the date, if any, on which the Participant has forfeited the Restricted Stock Units.

2. Vesting.

(a) Except as otherwise provided in this Section 2 and Section 4 hereof, and contingent upon the Participant's continued employment with the Company until the applicable date, 100% of the Restricted Stock Units shall vest as follows:

[VESTING

SCHEDULE]

(b) If, prior to vesting of the RSUs under paragraph (a) above the Participant has a Separation from Service (as defined in the Plan) with the Company or any of its Subsidiaries for any reason (voluntary or involuntary), then such non-vested RSUs shall be immediately and irrevocably forfeited, except as otherwise provided in Section 7(e)(ii) of the Plan (Separation from Service by reason of death or Retirement) or Section 11 of the Plan (Separation from Service following a Change in Control). Notwithstanding anything to the contrary in the Plan or this Award Certificate, and for purposes of clarity, any Separation from Service shall be effective as of the date the Participant's active employment ends and shall not be extended by any statutory or common law notice period.

(c) If, prior to the vesting of the RSUs under paragraph (a) above the Participant is determined by the insurance carrier under the Company's then-current long-term disability plan to be entitled to receive benefits under such plan, and, by reason of such Disability, is deemed to have a Separation from Service (within the meaning of the Plan), then an amount of unvested RSUs shall vest as described on Section 7(e)(iii) of the Plan.

3. Issuance of Certificates. Following the applicable vesting date with respect to the Restricted Stock Units, and subject to the terms and conditions of the Plan, the Company will issue a stock certificate for the Shares issuable with respect to such vested Restricted Stock Units, net of any Shares withheld by the Company to satisfy the payment of taxes as described in Section 6 herein. Such issuance shall take place as soon as practicable following the applicable vesting date (but in no event later than two and one-half months following the end of the calendar year in which the vesting date occurs). The certificates representing the Shares issued in respect of the Restricted Stock Units shall be subject to such stop transfer orders and other restrictions as the Committee may determine is required by the rules, regulations, and other requirements of the Securities and Exchange Commission, The Nasdaq Stock Market, any applicable federal or state laws and the Company's Certificate of Incorporation and Bylaws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

4. No Right to Continued Employment. Neither the Plan nor this Award Certificate shall confer on the Participant any right to be retained, in any position, as an employee, consultant or director of the Company, and nothing in this Award Certificate or the Plan shall be construed to limit the discretion of the Company (or subsidiary of the Company that employs the Participant) to terminate the Participant's employment at any time, with or without cause.

5. Transferability.

(a) The Restricted Stock Units are not transferable and may not be sold, assigned, transferred, disposed of, pledged or otherwise encumbered by the Participant, other than by will or the laws of descent and distribution. Upon such transfer (by will or the laws of descent and distribution), such transferee in interest shall take the rights granted herein subject to all the terms and conditions hereof.

(b) Subject to Section 5(a) hereof, in order to comply with any applicable securities laws, the Shares issued to the Participant with respect to vested Restricted Stock Units may only be sold by the Participant following registration of such Shares under the Securities Act of 1933, as amended, or pursuant to an exemption therefrom.

6. Withholding.

(a) In order to comply with all applicable federal, state and local tax laws or regulations, the Company may take such actions as it deems appropriate to ensure that all applicable federal, state and local payroll, withholding, income or other taxes are withheld or collected from the Participant.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee under the Plan, the Participant may elect to satisfy the Participant's federal, state and local tax withholding obligations arising from the receipt of, the vesting of or the lapse of restrictions relating to, the RSUs, by (i) delivering cash, check or money order payable to the Company, (ii) delivering to the Company other Common Stock already owned for at least six (6) months, (iii) having the Company withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value sufficient to satisfy the minimum withholding required with respect thereto to the extent permitted by the Company; or (iv) having the Company (or the Subsidiary of the Company that employs the Participant) withhold any amounts necessary to pay the minimum withholding required from the Participant's salary or other amounts payable to the Participant. The Company will not deliver any fractional shares of Common Stock but will instead round down to the next full number the amount of shares of Common Stock to be delivered. The Participant's election must be made on or before the date that any such withholding obligation with respect to the RSUs arises. If the Participant fails to timely make such an election, the Company shall have the right to withhold a portion of the shares of Common Stock otherwise to be delivered having a Fair Market Value equal to the minimum amount of withholding with respect to applicable taxes, as determined by the Company in its sole discretion. The net settlement of the shares underlying the vested RSUs and the delivery of shares of Common Stock previously owned are hereby specifically authorized alternatives for the satisfaction of the foregoing withholding obligation.

7. Governing Law. This Award Certificate shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law provisions thereof.

8. Amendments. The Company, acting by means of the Committee, has the right, as set forth in the Plan, to amend, alter, suspend, discontinue or cancel this Award, prospectively or retroactively; provided however, that no such amendment, alteration, suspension, discontinuance or cancellation of the RSUs will adversely affect the Participant's material rights under this Award Certificate without The Participant's consent. The Company has the authority to amend this Award Certificate, consistent with the foregoing, without the Participant's written Award Certificate, except as set forth in this Section 8.

In the event that the Company is reorganized or liquidated, or if all or substantially all of its assets are sold, or if the Company is merged or consolidated with another corporation or entity (or in the event the Company consummates a written Award Certificate to accomplish any of the foregoing), the Committee may, in its sole discretion and upon at least 10 days advance notice to the Participant, cancel any outstanding RSUs and cause the Participant to be paid (in cash or in stock, or any combination thereof) the value of such RSUs based upon the price per share of Common Stock received or to be received in the transaction.

9. Administration. This Award Certificate shall at all times be subject to the terms and conditions of the Plan. Capitalized terms not defined in this Award Certificate shall have the meanings set forth in the Plan. The Committee shall have sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee with respect thereto and this Award Certificate shall be final and binding upon the Participant and the Company. The Committee has the authority and discretion to determine any questions which arise in connection with the award of the Restricted Share Units hereunder.

10. Compliance with Code Section 409A.

(a) Distributions of Common Stock in payment for RSUs as described herein which represent a "deferral of compensation" within the meaning of Code section 409A shall conform to the applicable requirements of Code section 409A including, without limitation, the requirement that a distribution to a Participant who is a "specified employee" within the meaning of Code section 409A(a)(2)(B)(i) which is made on account of the specified employee's Separation from Service shall not be made before the date which is six (6) months after the date of Separation from Service. However, distributions as aforesaid shall not be deemed to be a "deferral of compensation" subject to Code section 409A to the extent provided in the exception in Treasury Regulation Section 1.409A-1(b)(4) for short-term deferrals.

(b) It is the intention of the Company and Participant that this Award Certificate not result in an unfavorable tax consequences to Participant under Code Section 409A. Accordingly, as permitted by the Plan, the Company may at any time (without the consent of the Participant) modify or amend the Plan or this Award Certificate to the extent necessary to ensure that the Award is not “deferred compensation” subject to Code Section 409A (or, alternatively, to conform to the requirements of Code Section 409A). Any such amendments shall be made in a manner that preserves to the maximum extent possible the intended benefits to Participant. This paragraph does not create an obligation on the part of Company to modify this Award Certificate and does not guarantee that the amounts or benefits owed under this Award Certificate will not be subject to interest and penalties under Code Section 409A.

11. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Participant, as a condition of receipt of shares of Common Stock underlying a RSU, to sign any additional Award Certificates or undertakings that may be necessary to accomplish the foregoing.

12. Notices. Any notice, request, instruction or other document given under this Award Certificate shall be in writing and may be delivered by such method as may be permitted by the Company, and shall be addressed and delivered, in the case of the Company, to the Secretary of the Company at the principal office of the Company and, in the case of the Participant, to the Participant’s address as shown in the records of the Company or to such other address as may be designated in writing (or by such other method approved by the Company) by either party.

13. Severability. The invalidity or unenforceability of any provision of this Award Certificate shall not affect the validity or enforceability of any other provision of this Award Certificate, and each other provision of the Award Certificate shall be severable and enforceable to the extent permitted by law.

14. Award Subject to Plan; Amendments to Award. This Award is subject to the Plan as approved by the shareholders of the Company. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained in this Award Certificate and a term or provision of the Plan, the applicable terms and provisions of this Award Certificate will govern and prevail.

15. Discretionary Nature of Plan; No Vested Rights. The Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Award represented by this Award Certificate does not create any contractual or other right to receive an award in the future. Future Awards, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of an Award, the number of shares of Common Stock subject to the Award, and the vesting provisions. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant’s employment with the Company.

The NASDAQ OMX Group, Inc.

By: _____

**THE NASDAQ OMX GROUP, INC.
PERFORMANCE SHARE UNIT AGREEMENT**

This PERFORMANCE SHARE UNIT AGREEMENT (this “Agreement”) between The NASDAQ OMX Group, Inc., a Delaware corporation (the “Company”), and [NAME] (the “Grantee”) memorializes the grant by the Management Compensation Committee of the Board of Directors of the Company (the “Committee”) on [DATE] (the “Grant Date”) of performance share units to the Grantee on the terms and conditions set out below.

RECITALS:

The Company has adopted The NASDAQ OMX Group, Inc. Equity Incentive Plan (the “Plan”), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan. The Plan in relevant part provides for the issuance of stock-based awards that are subject to the attainment of performance goals as established by the Committee.

The Committee has determined that it is in the best interests of the Company and its shareholders to grant the performance share units provided for herein to the Grantee pursuant to the Plan and under the terms set forth herein as an increased incentive for the Grantee to contribute to the Company’s future success and prosperity.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Performance-Based Award. The Company hereby grants to the Grantee { } performance share units (the “Performance Share Units”), which Performance Share Units shall entitle the Grantee to receive up to { } Shares (or a lesser number of Shares, or no Shares whatsoever), subject to the terms and conditions set forth in this Agreement and the Plan. (A complete copy of the Plan, as in effect on the date of grant, is available to the Grantee upon request.). Shares corresponding to the Performance Share Units granted herein are in all events to be delivered to the Grantee only after the Grantee has become vested in the Performance Share Units pursuant to Section 4, below.

2. Performance Period. For purposes of this Agreement, the term “Performance Period” shall be the period commencing on [DATE] and ending on [DATE].

3. Performance Goal.

(a) Subject to the following sentence, the Performance Goal is set out in Appendix A hereto, which Appendix A is incorporated by reference herein and made a part hereof. Notwithstanding the foregoing, the provisions of Section 13 or any other provision of this Agreement to the contrary, the Committee reserves the right to unilaterally change or otherwise modify the Performance Goal in any manner whatsoever (including substituting a new Performance Goal), but only to the extent that the Committee has first determined that the exercise of such discretion would not cause the Performance Share Units to fail to qualify as “performance-based compensation” under Section 162(m) of the Code. If the Committee exercises such discretionary authority to any extent, the Committee shall provide the Grantee with a new Appendix A in substitution for the Appendix A attached hereto, and such new Appendix A and the Performance Goal set out therein (rather than the Appendix A attached hereto and the Performance Goal set out therein) shall in all events apply for all purposes of this Agreement.

(b) Depending upon the extent, if any, to which the Performance Goal has been achieved, and subject to compliance with the requirements of Section 4, each Performance Share Unit shall entitle the Grantee to

receive, at such time as is determined in accordance with the provisions of Section 5, between 0 and 1.5 Shares for each Performance Share Unit. The Committee shall, as soon as practicable following the last day of the Performance Period, certify (i) the extent, if any, to which, in accordance with Appendix A, the Performance Goal has been achieved with respect to the Performance Period and (ii) the number of whole and/or partial Shares, if any, which, subject to compliance with the vesting requirements of Section 4, the Grantee shall be entitled to receive with respect to each Performance Share Unit (with such number of whole and/or partial Shares being hereafter referred to as the "Share Delivery Factor"). Such certification shall be final, conclusive and binding on the Grantee, and on all other persons, to the maximum extent permitted by law.

4. Vesting of Performance Share Units.

(a) The Performance Share Units are subject to forfeiture to the Company until they become nonforfeitable in accordance with this Section 4. Except as provided in the following sentence, (i) the risk of forfeiture shall lapse as to 100% of the Performance Share Units and such Performance Share Units shall thereupon become vested, only if the Grantee remains employed by the Company [**VESTING SCHEDULE**] (the "Vest Date"). Notwithstanding the foregoing, if the Grantee's employment with the Company terminates by reason of death prior to the Vest Date, the risk of forfeiture shall lapse on all Performance Share Units, and all unvested Performance Share Units shall thereupon become vested on the date of death (or, if later, following the end of the Performance Period on which the Committee determines whether, and to what extent the Performance Share Units are earned in accordance with Section 3(b) of this Agreement.

(b) In the event that (i) the Company terminates the Grantee's employment with the Company for any reason prior to a Vest Date or (ii) the Grantee terminates employment with the Company for any reason (other than death) prior to such date, all unvested Performance Share Units shall be cancelled and forfeited, effective as of the Grantee's separation from service.

5. Delivery of Shares. As soon as practicable following the applicable Vest Date, and compliance with all applicable tax withholding as described in Section 11 hereof, but in no event later than two and one-half months after the end of the calendar year in which the Vest Date occurs, the Company shall instruct the registrar for the Company to make an entry on its books and records evidencing that the Shares underlying such vested Performance Share Units have been duly issued as of that date; provided, however, that the Grantee may, in the alternative, elect in writing prior thereto to receive a stock certificate representing the full number of Shares acquired, which certificate may bear a restrictive legend prohibiting the transfer of such Shares for such period as may be prescribed by the Company. The Company shall not be liable to the Grantee for damages relating to any delays in issuing the certificates. The underlying Shares may be registered in the name of the Grantee's legal representative or estate in the event of the death of the Grantee. In the event of the acceleration of the lapse of forfeiture restrictions upon the death of the Grantee as contemplated by Section 4(a) of this Agreement, this process shall occur as soon as possible following such vesting date, but in no event later than two and one-half months after the end of the calendar year in which such vesting date occurs.

6. Tax Consequences. The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee's alternatives under Section 83(b) of the Code in connection with the award, earning or vesting of the Performance Share Units and the delivery of Shares in connection therewith.

7. Transferability.

(a) Except as provided below, or except to the minimal extent required by law, the Performance Share Units are nontransferable and may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee, except by will or the laws of descent and distribution, and upon any such transfer, by will or the laws of descent and distribution (or upon such transfer required by law), the transferee shall hold such Performance Share Units subject to all the terms and conditions that were

applicable to the Grantee immediately prior to such transfer. Notwithstanding the foregoing, the Grantee may transfer any vested Performance Share Units to members of his immediate family (defined as his spouse, children or grandchildren) or to one or more trusts for the exclusive benefit of such immediate family members or partnerships in which such immediate family members are the only partners if the transfer is approved by the Committee and the Grantee does not receive any consideration for the transfer. Any such transferred portion of the Performance Share Units shall continue to be subject to the same terms and conditions that were applicable to such portion of the Performance Share Units immediately prior to transfer (except that such transferred Performance Share Units shall not be further transferable by the transferee). No transfer of a portion of the Performance Share Units shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions hereof.

(b) Upon any transfer by will or the laws of descent and distribution (or upon any such transfer required by law), such transferee shall take the Performance Share Units and the Shares delivered in connection therewith (the "Transferee Shares") subject to all the terms and conditions that were (or would have been) applicable to the Performance Share Units and the Transferee Shares immediately prior to such transfer.

8. Rights of Grantee. Prior to the delivery, if any, of Shares to the Grantee pursuant to the provisions of Section 5, the Grantee shall not have any rights of a shareholder of the Company on account of the Performance Share Units.

9. Unfunded Nature of Performance Share Units. The Company will not segregate any funds representing the potential liability arising under this Agreement. The Grantee's rights in respect of this Agreement are those of an unsecured general creditor of the Company. The liability for any payment under this Agreement will be a liability of the Company and not a liability of any of its officers, directors or Affiliates.

10. Securities Laws. The Company may condition delivery of certificates for Shares delivered for any vested Performance Share Units upon the prior receipt from the Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

11. Withholding. The Grantee shall pay to the Company promptly upon request, and in any event, no later than at the time the Company determines that the Grantee will recognize taxable income in respect of the Performance Share Units, an amount equal to the federal, state, local or foreign taxes the Company determines it is required to withhold with respect to the Performance Share Units. Such payment shall be made in the form of (i) cash, (ii) delivery of Shares already owned for at least six months, (iii) net settling with the Company that portion of the Shares otherwise to be delivered to the Grantee with respect to the Performance Share Units sufficient to satisfy the minimum withholding required with respect thereto or (iv) in a combination of such methods as irrevocably elected by the Grantee prior to the applicable tax due date with respect to the Performance Share Units. The net settlement of the Shares underlying the vesting Performance Share Units and the delivery of Shares previously owned are hereby specifically authorized alternatives for the satisfaction of the foregoing withholding obligation.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any principle of law that could result in the application of the law of any other jurisdiction.

13. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, except as otherwise provided in Section 3(a) or Sections 15 or 16 of this Agreement regarding permitted unilateral action by the Committee or in Section 12(a) of the Plan related to amendments or alterations that do not adversely affect the rights of the Grantee in this Award.

14. Administration. This Agreement shall at all times be subject to the terms and conditions of the Plan. The Committee shall have sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee with respect thereto and this Agreement shall be final and binding upon the Grantee and the Company. In the event of any conflict between the terms and conditions of this Agreement and the Plan, the provisions of this Agreement shall control. The Committee has the authority and discretion to determine any questions which arise in connection with the award of the Performance Share Units hereunder.

15. Compliance with Code Section 409A. It is the intention of the Company and Grantee that this Agreement not result in an unfavorable tax consequences to Grantee under Code Section 409A. Accordingly, Grantee consents to any amendment of this Agreement as the Company may reasonably make in furtherance of such intention, and the Company shall promptly provide, or make available to, Grantee a copy of such amendment. Any such amendments shall be made in a manner that preserves to the maximum extent possible the intended benefits to Grantee. This paragraph does not create an obligation on the part of Company to modify this Agreement and does not guarantee that the amounts or benefits owed under the Agreement will not be subject to interest and penalties under Code Section 409A.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Performance Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Grantee agrees, upon demand of the Company or the Committee, to do all acts and execute, deliver and perform all additional documents, instruments and agreements which may be reasonably required by the Company or the Committee, as the case may be, to implement the provisions and purposes of the Plan and this Agreement.

17. No Right to Continued Employment. This Agreement shall not confer on the Grantee any right to be retained, in any position, as an employee, consultant or director of the Company.

18. Notices. Any notice, request, instruction or other document given under this Agreement shall be in writing and may be delivered by such method as may be permitted by the Company, and shall be addressed and delivered, in the case of the Company, to the Secretary of the Company at the principal office of the Company and, in the case of the Grantee, to the Grantee's address as shown in the records of the Company or to such other address as may be designated in writing (or by such other method, approved by the Company) by either party.

19. Conflict. In the event of conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of this Agreement will govern and prevail.

20. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

21. Execution. This Agreement may be executed, including execution by facsimile signature, in one or more counterparts, each of which will be deemed an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Performance Share Unit Agreement on the _____ day of _____, 20____. By execution of this Performance Share Unit Agreement the Grantee acknowledges receipt of a copy of the Plan, and agrees to the terms and conditions of the Plan and this Agreement.

THE NASDAQ OMX GROUP, INC.

By:

Title:

NAME

Appendix A

Performance Goal for Performance Share Unit Grant
[DATE] Performance Period

This Appendix A to the Performance Share Unit Agreement sets forth the Performance Goal to be achieved and, depending upon the extent (if any) to which the Performance Goal is achieved, the number of whole and/or partial Shares, if any, which the Grantee shall have the right to receive with respect to each Performance Share Unit. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement and the Plan.

[GOAL]

Table 1: Levels of Achievement of the Performance Goal

Below Threshold	Threshold Performance	Target Performance	Maximum Performance
{ }	{ }	{ }	{ }
{ }	{ }	{ }	{ }

The following table sets forth, subject to the vesting conditions set forth in the Agreement, the total number of Shares deliverable to the Grantee as a result of achievement of each such Performance Goal levels.

**Table 2: Number of Shares Deliverable Upon Achievement
of Performance Goal**

Threshold Performance	Target Performance	Maximum Performance
{ }	{ }	{ }

All actions taken by the Committee pursuant to this Appendix A shall be final, conclusive and binding upon the Grantee, and all other persons, to the maximum extent permitted by law.

CREDIT AGREEMENT

dated as of December 17, 2010

among

THE NASDAQ OMX GROUP, INC.,
as Borrower,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES LLC
as Sole Lead Arranger and Sole Bookrunning Manager

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I		
DEFINITIONS		
SECTION 1.01	Defined Terms	1
SECTION 1.02	Classification of Loans and Borrowings	18
SECTION 1.03	Terms Generally	19
SECTION 1.04	Accounting Terms; GAAP	19
SECTION 1.05	Pro Forma Calculations	19
ARTICLE II		
THE LOANS		
SECTION 2.01	Commitments	19
SECTION 2.02	Funding of Loans	19
SECTION 2.03	Requests for Borrowings	20
SECTION 2.04	[Reserved]	21
SECTION 2.05	[Reserved]	21
SECTION 2.06	Termination of Commitments	21
SECTION 2.07	Repayment of Loans; Evidence of Debt	21
SECTION 2.08	[Reserved]	22
SECTION 2.09	Prepayment of Loans	22
SECTION 2.10	Fees	23
SECTION 2.11	Interest	23
SECTION 2.12	Alternate Rate of Interest	24
SECTION 2.13	Increased Costs	24
SECTION 2.14	Break Funding Payments	25
SECTION 2.15	Taxes	26
SECTION 2.16	Payments Generally; Pro Rata Treatment; Sharing of Setoffs	27
SECTION 2.17	Mitigation Obligations; Replacement of Lenders	29
SECTION 2.18	[Reserved]	29
SECTION 2.19	Determination of Eurocurrency Rate	29
ARTICLE III		
REPRESENTATIONS AND WARRANTIES		
SECTION 3.01	Organization; Powers	29
SECTION 3.02	Authorization; Enforceability	30
SECTION 3.03	Governmental Approvals; No Conflicts	30
SECTION 3.04	Financial Condition; No Material Adverse Change	30
SECTION 3.05	Properties	31
SECTION 3.06	Litigation and Environmental Matters	31
SECTION 3.07	Compliance with Laws and Agreements	31
SECTION 3.08	Investment Company Status	31
SECTION 3.09	Taxes	31
SECTION 3.10	ERISA	32
SECTION 3.11	Disclosure	32
SECTION 3.12	Subsidiaries	32
SECTION 3.13	Insurance	32
SECTION 3.14	Labor Matters	32
SECTION 3.15	Solvency	33
SECTION 3.16	Federal Reserve Regulations	33

ARTICLE IV

CONDITIONS

SECTION 4.01	Conditions to the Closing Date	33
SECTION 4.02	General Conditions	34

ARTICLE V

AFFIRMATIVE COVENANTS

SECTION 5.01	Financial Statements and Other Information	34
SECTION 5.02	Notices of Material Events	35
SECTION 5.03	Existence; Conduct of Business	36
SECTION 5.04	Payment of Obligations	36
SECTION 5.05	Maintenance of Properties	36
SECTION 5.06	Insurance	36
SECTION 5.07	Books and Records; Inspection and Audit Rights	37
SECTION 5.08	Compliance with Laws	37
SECTION 5.09	Use of Proceeds	37

ARTICLE VI

NEGATIVE COVENANTS

SECTION 6.01	Indebtedness of Subsidiaries	37
SECTION 6.02	Liens	39
SECTION 6.03	Fundamental Changes and Lines of Business	40
SECTION 6.04	Investments, Loans, Advances, Guarantees and Acquisitions	40
SECTION 6.05	Asset Sales	41
SECTION 6.06	Restricted Payments	42
SECTION 6.07	Transactions with Affiliates	42
SECTION 6.08	Interest Expense Coverage Ratio	43
SECTION 6.09	Leverage Ratio	43

ARTICLE VII

EVENTS OF DEFAULT

ARTICLE VIII

REGARDING THE ADMINISTRATIVE AGENT

ARTICLE IX

MISCELLANEOUS

SECTION 9.01	Notices	47
SECTION 9.02	Waivers; Amendments	48
SECTION 9.03	Expenses; Indemnity; Damage Waiver	49
SECTION 9.04	Successors and Assigns	50
SECTION 9.05	Survival	53
SECTION 9.06	Counterparts; Integration; Effectiveness	53
SECTION 9.07	Severability	54
SECTION 9.08	Right of Setoff	54
SECTION 9.09	Governing Law; Jurisdiction; Consent to Service of Process	54
SECTION 9.10	WAIVER OF JURY TRIAL	55
SECTION 9.11	Headings	55

		<u>Page</u>
SECTION 9.12	Confidentiality	55
SECTION 9.13	Interest Rate Limitation	56
SECTION 9.14	USA Patriot Act	56
SECTION 9.15	No Advisory or Fiduciary Responsibility	56

SCHEDULES:

Schedule 1.01	—	Mandatory Costs
Schedule 1.04	—	Investment Policy
Schedule 2.01	—	Commitments
Schedule 3.12	—	Subsidiaries
Schedule 9.01	—	Administrative Agent's Office

EXHIBITS:

Exhibit A	—	Form of Assignment and Assumption
Exhibit B	—	Form of Borrowing Request
Exhibit C	—	[Reserved]
Exhibit D	—	Form of United States Tax Compliance Certificate

CREDIT AGREEMENT dated as of December 17, 2010 (this “Credit Agreement” or this “Agreement”), among THE NASDAQ OMX GROUP, INC., a Delaware corporation (the “Borrower”), the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The Borrower has requested that the Lenders extend credit in the form of Loans on the Closing Date in an aggregate principal amount not in excess of \$400,000,000.

The Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein.

Accordingly, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Base Rate.

“Acceptable Bank” means (i) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of A2 or higher by S&P, F2 or higher by Fitch Ratings Ltd or P2 or higher by Moody’s or a comparable rating from an internationally recognized credit rating agency or (ii) any other bank or financial institution approved by the Administrative Agent.

“Acquisition” means any acquisition by the Borrower or a Subsidiary (and including any Investments by the Borrower or any Subsidiary in any other Subsidiary for purposes of financing such acquisition) of (i) a majority of the outstanding Equity Interests in, or all or substantially all the assets of, or the assets constituting a division or line of business of, a Person or (ii) any asset of another Person constituting a business unit of such other Person.

“Act” has the meaning set forth in Section 9.14.

“Administrative Agent” means JPMCB, in its capacity as administrative agent for the Lenders hereunder, and its successors in such capacity as provided in Article VIII.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 9.01, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided, however, that for purposes of Section 6.07, the term “Affiliate” shall also include any person that directly, or indirectly through one or more intermediaries, owns 5% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

“Agent Parties” has the meaning set forth in Section 9.01.

“Agreement” has the meaning assigned to such term in the preamble hereto.

“Applicable Rate” means, from time to time, the following percentages per annum, based upon the Debt Rating as set forth below:

<u>Pricing Level</u>	<u>Debt Rating</u>	<u>Applicable Margin for Eurocurrency Loans</u>	<u>Applicable Margin for ABR Loans</u>
1	³ BBB+ / Baa1	1.50%	0.50%
2	BBB / Baa2	1.50%	0.50%
3	BBB- / Baa3	2.25%	1.25%
4	Either rating < BBB- / Baa3	2.75%	1.75%
5	Both ratings < BBB- / Baa3	3.25%	2.25%

provided that from and after (i) January 1, 2011 each of the Applicable Margins set forth above for each Pricing Level shall be increased by 50 basis points from the levels set forth above and (ii) the date that is 180 days after the Closing Date each of the Applicable Margins (as previously increased pursuant to subclause (i) above) set forth above for each Pricing Level shall be increased by an additional 25 basis points and (iii) the date that is 270 days after the Closing Date each of the Applicable Margins (as previously increased pursuant to subclauses (i) and (ii) above) set forth above for each Pricing Level shall be increased by an additional 25 basis points.

Initially, the Applicable Rate shall be determined based upon Pricing Level 2. Thereafter, each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective, in the case of an upgrade, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change and, in the case of a downgrade, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

“Applicable Requirements” means any Requirement of Law or any request by any Governmental Authority or any minimum capital requirements imposed by any Governmental Authority applicable to any Regulated Subsidiary.

“Approved Fund” has the meaning assigned to such term in Section 9.04(b).

“Arranger” means J.P. Morgan Securities LLC in its capacity as sole lead arranger and sole bookrunning manager.

“Asset Sale” has the meaning assigned to such term in Section 6.05.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Base Rate” means, for any day, a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the one month BBA LIBOR (as defined in the definition of Eurocurrency Rate) plus 1% and (c) the rate of interest in effect for such day as publicly announced from time to time by JPMCB as its “prime rate.” The “prime rate” is a rate set by JPMCB based upon various factors including JPMCB’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by JPMCB shall take effect at the opening of business on the day specified in the public announcement of such change.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” has the meaning assigned to such term in the preamble to this Agreement.

“Borrower Materials” has the meaning set forth in Section 5.01.

“Borrowing” means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03 which, if in writing, shall be in the form of Exhibit B.

“Broker Dealer Subsidiary” means any Subsidiary that is registered as a broker dealer pursuant to Section 15 of the Exchange Act (as in effect from time to time) or that is regulated as a broker dealer or underwriter under any foreign securities law.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws, rules, regulations, ordinances, codes or administrative or judicial authorities of, or in fact are closed in, New York City and if such day relates to any interest rate settings as to a Eurocurrency Loan, any fundings, disbursements, settlements and payments in respect of any such Eurocurrency Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Eurocurrency Loan, means any such day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change in Control” means:

(a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act, and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing either (x) more than 35% of the aggregate ordinary voting power (it being understood that to the extent that Equity Interests held by any such Person or group are disregarded for ordinary voting purposes pursuant to the terms of the Borrower’s Organizational Documents, such Equity Interests shall not be included for purposes of determining whether the threshold set forth in this subclause (x) has been met) or (y) more than 50% of the aggregate equity value represented by the issued and outstanding Equity Interests in the Borrower; or

(b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who are not Continuing Directors; or

(c) the occurrence of a “Change in Control” (or similar event, however denominated), as defined in any indenture or agreement in respect of Material Indebtedness of the Borrower or any Subsidiary.

“Change in Law” means (a) the adoption of any law, rule or regulation after January 15, 2010, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after January 15, 2010 or (c) compliance by any Lender (or, for purposes of Section 2.13(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after January 15, 2010.

“Charges” has the meaning set forth in Section 9.13.

“CLO” has the meaning assigned to such term in Section 9.04(b).

“Closing Date” means the first Business Day on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02) and Loans are made hereunder.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make a Loan hereunder, expressed as an amount representing the maximum principal amount of the Loans to be made by such Lender, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01. The initial aggregate amount of the Lenders’ Commitments is \$400,000,000.

“Consolidated Cash Interest Expense” means, for any period, the excess of (a) the sum of (i) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of the Borrower and the Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, (ii) any interest accrued during such period in respect of Indebtedness of the Borrower or any Subsidiary that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP and (iii) any cash payments made during such period in respect of obligations referred to in clause (b)(ii) below that were amortized or accrued in a previous period, minus (b) the sum of (i) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of financing costs paid in a previous period, (ii) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of debt discounts or accrued interest payable in kind for such period, and (iii) any break funding payment made pursuant to Section 2.14.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (iv) any non-recurring non-cash charges for such period, (v) non-recurring charges incurred during such period in respect of restructurings, headcount reductions or other similar actions, including severance charges in respect of employee terminations, in an amount not to exceed \$45.0 million for all periods since January 15, 2010 and \$15.0 million during any one fiscal year of the Borrower, (vi) non-cash expenses resulting from the grant of stock options or other equity-related incentives to any director, officer or employee of the Borrower or any Subsidiary pursuant to a written plan or agreement approved by the board of directors of the Borrower, (vii) non-cash charges attributable to impairment of goodwill or other intangible assets or impairment of long-lived assets, (viii) the aggregate amount of all deferred financing fees and expenses incurred during such period in connection with the Transactions and the Refinancing Transactions, all non-recurring fees and expenses (excluding interest charges) paid during such period in connection with the Transactions and the Refinancing Transactions (including, without limitation, fees and expenses incurred in connection with the issuance or extinguishment of debt incurred in connection with the Transactions and the Refinancing Transactions) and related fees and expenses paid to advisors (but excluding integration and restructuring charges incurred or paid in connection with the Transactions and the Refinancing Transactions), (ix) all non-cash expenses or charges (to the extent not included in (viii) above) incurred during such period in connection with the Transactions and the Refinancing Transactions, (x) integration and restructuring expenses and charges incurred during such period in connection with Acquisitions consummated prior to the Closing Date in an aggregate amount not to exceed since January 1, 2010, \$75,000,000, in each case set forth in reasonable detail and certified by a Financial Officer of the Borrower and (xi) any costs, fees and expenses incurred in connection with any actual or proposed Acquisition, merger, any acquisition, joint venture, issuance of Equity

Interests, issuance or prepayments of Indebtedness, disposition or Investment permitted herein, in each case whether or not consummated, and minus (b) without duplication and (except in the case of clause (i) to the extent included in determining such Consolidated Net Income), the sum of (i) any cash disbursements during such period that relate to non-cash charges or losses added to Consolidated Net Income pursuant to clause (a)(iv) or (a)(vi) of this definition in any prior period, (ii) any extraordinary gains for such period, (iii) any non-cash gains for such period that represent the reversal of any accrual in a prior period for, or the reversal of any cash reserves established in a prior period for, anticipated cash charges, (iv) any income relating to defined benefits pension or post-retirement benefit plans and (v) all gains during such period resulting from the sale or disposition of any asset of the Borrower or any Subsidiary outside the ordinary course of business, all determined on a consolidated basis in accordance with GAAP.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, provided that there shall be excluded (a) the income of any Subsidiary (other than any Regulated Subsidiary) to the extent that the declaration or payment of dividends or other distributions by such Subsidiary of that income is not at the time permitted by any of its Organizational Documents, a Requirement of Law or any agreement or instrument applicable to such Subsidiary, except to the extent of the amount of cash dividends or other cash distributions actually paid to the Borrower or any Subsidiary (unless the income of such Subsidiary in receipt of such cash dividend or other cash distribution would be excluded from Consolidated Net Income pursuant to this definition) during such period, (b) the income of any Regulated Subsidiary (i) to the extent that the declaration or payment of dividends or other distributions by such Regulated Subsidiary of that income is not at the time permitted by any of its Organizational Documents or any agreement or instrument applicable to such Regulated Subsidiary (other than any agreement or instrument with such Regulated Subsidiary’s applicable Governmental Authorities) and (ii) other than to the extent that such Regulated Subsidiary reasonably believes, in good faith, that such income could be distributed, declared and paid as a dividend or similar distribution without causing such Regulated Subsidiary’s capital, share capital or equity, as applicable, to be at or below the highest level at which dividends by such Regulated Subsidiary may be restricted, other activities undertaken by such Regulated Subsidiary may be limited or other regulatory actions with respect to such Regulated Subsidiary may be taken, in each case by applicable Governmental Authorities based upon such capital, share capital or equity, as applicable (but for the avoidance of doubt, cash dividends or other cash distributions actually paid to the Borrower or any Subsidiary (unless the income of such Subsidiary in receipt of such cash dividend or other cash distribution would be excluded from Consolidated Net Income pursuant to this definition) by such Regulated Subsidiary during such period shall be included in Consolidated Net Income for such period), (c) the income of any Person (other than the Borrower or any Subsidiary) in which the Borrower or any Subsidiary owns an Equity Interest, except to the extent of the amount of cash dividends or other cash distributions actually paid to the Borrower or any Subsidiary (unless the income of such Subsidiary would be excluded from Consolidated Net Income pursuant to this proviso) during such period and (d) the income of any non-Wholly-Owned Subsidiary (whether or not consolidated for financial reporting purposes with the Borrower) attributable to minority equity interests in such Subsidiary held by Persons other than the Borrower and its Wholly-Owned Subsidiaries. For purposes of calculating a Regulated Subsidiary’s capital, share capital and/or equity at any time pursuant to clause (b)(ii) of this definition, as applicable, receivables that are less than 30 days old at such time and are reasonably expected to be collected shall be deemed to be cash in an amount equal to 80% of the balance sheet value of such receivables.

“Continuing Director” means (a) any member of the Board of Directors of the Borrower who was a member of the Board of Directors of the Borrower on the date of this Agreement and (b) any individual who becomes a member of the Board of Directors of the Borrower after the date of this Agreement if such individual was appointed, elected or nominated for election to the Board of Directors of the Borrower with the affirmative vote of at least a majority of the directors then still in office.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Cost of Funds Rate” means, as of any day, the rate of interest determined by the Administrative Agent to be representative of its or the Lenders’ cost of funds, as applicable, to extend or maintain credit under this Agreement on such day.

“Debt Rating” means, as of any date of determination, the rating as determined by either S&P or Moody’s (collectively, the “Debt Ratings”) of the Borrower’s non-credit-enhanced, senior unsecured long-term debt; provided that (a) if the respective Debt Ratings issued by the foregoing rating agencies differ by one level, then the Pricing Level for the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 1 being the highest and the Debt Rating for Pricing Level 5 being the lowest); (b) if there is a split in Debt Ratings of more than one level, then the Pricing Level that is one level higher than the Pricing Level of the lower Debt Rating shall apply; (c) if the Borrower has only one Debt Rating, the Pricing Level that is one level lower than that of such Debt Rating shall apply; and (d) if the Borrower does not have any Debt Rating, Pricing Level 5 shall apply.

“Default” means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06 to the Existing Credit Agreement.

“Disqualified Equity Interests” means Equity Interests that (a) require the payment of any dividends (other than dividends payable solely in shares of Qualified Equity Interests), (b) mature or are mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation, on a fixed date or otherwise, prior to the date that is 91 days after the Maturity Date (other than upon payment in full of the Obligations and termination of the Commitments or upon a “change in control,” provided that any payment required pursuant to a “change in control” is contractually subordinated in right of payment to the Obligations on terms reasonably satisfactory to the Administrative Agent and such requirement is not applicable in more circumstances than pursuant to the change of control provisions in the Senior Notes Documents), or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Equity Interests or other assets other than Qualified Equity Interests.

“Dollars” or “\$” refers to lawful money of the United States of America.

“EMU Legislation” means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“Environmental Laws” means all treaties, laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, the preservation or reclamation of natural resources, the generation, management, Release or threatened Release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of medical monitoring, costs of environmental remediation or restoration, administrative oversight costs, consultants’ fees, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law or permit, license or approval issued thereunder, (b) the generation, use, handling, transportation, storage, treatment or disposal of any

Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Equivalents” means all securities convertible into or exchangeable for Equity Interests, and all warrants, options or other rights to purchase or subscribe for any Equity Interests, whether or not presently convertible, exchangeable or exercisable.

“Equity Interests” means shares, shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Euro” means the lawful currency of the Participating Member States introduced in accordance with the EMU Legislation.

“Eurocurrency,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurocurrency Rate.

“Eurocurrency Rate” means, for any Interest Period with respect to a Eurocurrency Loan, the rate per annum equal to the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason (as provided in Section 2.19), then the “Eurocurrency Rate” for such Interest Period shall be the rate per annum determined as the Quoted Rate supplied to the Administrative Agent by the Reference Bank in accordance with Section 2.19.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange and Clearing Operations” means the business relating to exchange and clearing, depository and settlement operations conducted by any Subsidiary.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any U.S. federal withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.15(a), or (ii) is attributable to such Foreign Lender’s failure to comply with Section 2.15(e).

“Existing Credit Agreement” means the Credit Agreement, dated as of January 15, 2010, by and among the Borrower, Bank of America, N.A., as administrative agent, the lenders party thereto and the other parties thereto.

“Existing Term Loans” means the Term A Loans and the Term X Loans outstanding under the Existing Credit Agreement.

“Fair Labor Standards Act” means the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to JPMCB on such day on such transactions as determined by the Administrative Agent.

“Fee Letter” means the fee letter, dated as of December 16, 2010 by and among the Borrower, JPMCB and the Arranger.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Foreign Lender” means any Lender that is not a “United States person” as defined in Section 7701(a)(30) of the Code.

“Foreign Subsidiary” means any Subsidiary that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

“Funded Indebtedness” means, with respect to any Person;

- (a) all obligations of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments;

(c) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable and other accrued obligations, in each case incurred in the ordinary course of business);

(d) all Funded Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Funded Indebtedness secured thereby has been assumed;

(e) all Guarantees by such Person of Funded Indebtedness of others;

(f) all Capital Lease Obligations of such Person; and

(g) all drafts drawn (to the extent unreimbursed) under any letter of credit, letter of guaranty or bankers' acceptance for the account of such Person.

Notwithstanding any other provision of this Agreement to the contrary, (i) the term "Funded Indebtedness" shall not include contingent post-closing purchase price adjustments or earn-outs to which the seller in any Acquisition may become entitled and (ii) the amount of Consolidated Indebtedness for which recourse is limited either to a specified amount or to an identified asset of such Person shall be deemed to be equal to such specified amount or the fair market value of such identified asset as determined by such Person in good faith. For the avoidance of doubt, Qualified Equity Interests shall not be deemed Funded Indebtedness.

"GAAP" means generally accepted accounting principles in the United States of America; provided that the Borrower may make a one-time election to switch to IFRS, if permitted to do so by the SEC in the Borrower's filings with the SEC, and following such election and the notification in writing to the Administrative Agent by the Borrower thereof, "GAAP" shall mean IFRS. After such election, the Borrower cannot subsequently elect to report under generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Granting Lender" has the meaning assigned to such term in Section 9.04(e).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation, provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances, materials or wastes and all hazardous or toxic substances, materials, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances, materials or wastes of any nature regulated pursuant to any Environmental Law.

"IDCG" means International Derivatives Clearing Group LLC, a Delaware limited liability company, and its subsidiaries.

“IFRS” means the International Financial Reporting Standards issued and/or adopted by the International Accounting Standards Board, as in effect from time to time.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable and other accrued obligations, in each case incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. Notwithstanding the foregoing, in connection with any Acquisition, the term “Indebtedness” shall not include contingent post-closing purchase price adjustments or earn-outs to which the seller in such Acquisition may become entitled. For the avoidance of doubt, Qualified Equity Interests shall not be deemed Indebtedness.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning set forth in Section 9.03(b).

“Information” has the meaning set forth in Section 9.12.

“Interest Coverage Ratio” means, on any date, the ratio of (a) Consolidated EBITDA to (b) Consolidated Cash Interest Expense for the period of four consecutive fiscal quarters of the Borrower ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter of the Borrower most-recently ended prior to such date for which financial statements have been or were required to be delivered pursuant to clause (a) or (b) of Section 5.01).

“Interest Payment Date” means (a) with respect to any ABR Loan, the last Business Day of each March, June, September and December and the Maturity Date and (b) with respect to any Eurocurrency Loan, the last Business Day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each Business Day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Maturity Date.

“Interest Period” means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one month thereafter, provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (c) no Interest Period for any Borrowing shall extend past the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” has the meaning set forth in Section 6.04.

“JPMCB” means JPMorgan Chase Bank, N.A. and its successors.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to Section 9.04, other than any such Person that ceases to be a party hereto pursuant to Section 9.04.

“Leverage Ratio” means as of any date, the ratio of (a) Total Indebtedness as of such date minus the lesser of (i) cash and cash equivalents (determined in accordance with GAAP) of the Borrower and the Subsidiaries, other than cash and cash equivalents not readily available for use by the Borrower in its discretion (including customer-segregated cash and cash equivalents and cash and cash equivalents required by applicable law or regulatory requirement to be maintained as such by the Borrower or any Subsidiary), and (ii) \$150,000,000, to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of the Borrower ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter of the Borrower most recently ended prior to such date for which financial statements have been delivered pursuant to Section 5.01).

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Loan Documents” means this Agreement and, solely for purposes of clause (e) of Article VII, the Fee Letter.

“Loans” means the loans made by the Lenders to the Borrower pursuant to Section 2.01.

“Mandatory Cost” means, with respect to any period, the percentage rate per annum determined in accordance with Schedule 1.01.

“Margin Stock” has the meaning assigned thereto in Regulation U of the Board.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, properties or financial condition of the Borrower and the Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its material obligations under any Loan Document or (c) the rights of or remedies available to the Lenders under the Loan Documents, taken as a whole.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and the Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Subsidiary” means, at any date of determination, each of the Borrower’s Subsidiaries (i) which the Borrower has elected to treat as a Material Subsidiary or (ii) (a) whose total assets (on a consolidated basis with its subsidiaries) at the last day of the relevant fiscal year (individually or in the aggregate) were equal to or greater than 5.0% of the consolidated total assets of the Borrower and the Subsidiaries at such date or (b) whose revenues (on a consolidated basis with its subsidiaries) for the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 5.01(a) (individually or in the aggregate) are equal to or greater than 5.0% of the consolidated revenues of the Borrower and the Subsidiaries for such fiscal year;

provided that at no time shall the total consolidated assets or total consolidated revenues of all Subsidiaries that are not Material Subsidiaries in reliance on clause (ii) above exceed, at such time, 5.0% of the consolidated total assets or 5.0% of the consolidated total revenues, respectively, of the Borrower and its Subsidiaries and if either such aggregate threshold is exceeded then the Borrower shall designate a sufficient number of Subsidiaries which would not constitute Material Subsidiaries under clause (ii) above as Material Subsidiaries such that neither such aggregate threshold is exceeded. For the avoidance of doubt, for purposes of determining whether any Subsidiary is a Material Subsidiary for purposes of clauses (f), (g), (h), (i), (j) or (k) of Article VII (each, a “Specified Exception”), all Subsidiaries as to which the Borrower has previously relied on a Specified Exception shall be aggregated (based on the calculation of the amounts set forth in clause (ii) of the preceding sentence as of the time such Specified Exception was relied on with respect to each such Subsidiary) for purposes of determining whether a Subsidiary is a Material Subsidiary for purposes of such Specified Exception (e.g., if on March 1, 2010, a Subsidiary which accounted for 3.0% of the Borrower’s consolidated assets as of December 31, 2009 and 3.0% of the Borrower’s consolidated revenues for the year ended December 31, 2009 becomes subject to a proceeding described in clause (h) of Article VII, then for purposes of determining whether a second Subsidiary is a “Material Subsidiary” for purposes of Article VII on March 1, 2011, if such second Subsidiary accounted for 2% of the Borrower’s consolidated assets as of December 31, 2010 and 2% of the Borrower’s consolidated revenues for the year ended December 31, 2010, such second Subsidiary would not be a “Material Subsidiary” for purposes of Article VII but if such second Subsidiary accounted for 2.5% of the Borrower’s consolidated assets as of December 31, 2010 and 2.5% of the Borrower’s consolidated revenues for the year ended December 31, 2010, then such second Subsidiary would constitute a “Material Subsidiary” for purposes of Article VII).

“Maturity Date” means December 16, 2011.

“Maximum Rate” has the meaning set forth in Section 9.13.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received in respect of such event, including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or earn-out, but excluding any interest payments, but only as and when received), (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum of (i) all customary fees and out-of-pocket expenses paid by the Borrower and the Subsidiaries to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments that are permitted hereunder and are made by the Borrower and the Subsidiaries as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by the Borrower and the Subsidiaries, and the amount of any reserves established by the Borrower and the Subsidiaries to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer), provided that any reduction at any time in the amount of any such reserves (other than as a result of payments made in respect thereof) shall be deemed to constitute the receipt by the Borrower at such time of Net Proceeds in the amount of such reduction. Without limiting the generality of the foregoing, proceeds received in any Prepayment Event with respect to any Regulated Subsidiary shall not constitute Net Proceeds if and to the extent that at the time the related prepayment of Loans pursuant to Section 2.09 would be required to be made by the Borrower in good faith believes that the distribution of such proceeds to the Borrower would result in the capital of such Regulated Subsidiary being below the minimum capital requirement set forth by an applicable Governmental Authority for such Regulated Subsidiary.

“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(c).

“Obligations” means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans under this Credit Agreement paid equally and ratably, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, in each case, free and clear and without deduction for any Indemnified Taxes or Other Taxes and (ii) all other monetary obligations of the Borrower to the Administrative Agent or any of the Lenders under this Credit Agreement and each of the other Loan Documents, paid equally and ratably, including obligations to pay fees (including participation and commitment fees), expense reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), and (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to this Credit Agreement and each of the other Loan Documents.

“OMX” means OMX AB (publ), a public limited liability company, registered with the Swedish Companies Registration Office with corporate identity number 556243-8001.

“OMX Group” means OMX and its Subsidiaries.

“Organizational Documents” means, with respect to any Person, the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person.

“Other Taxes” means any and all present or future recording, stamp, documentary, excise, transfer, sales, property or similar Taxes, charges or levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

“Outstanding Amount” means with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Loans occurring on such date.

“Overnight Rate” means, for any day, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

“Participant” has the meaning assigned to such term in Section 9.04(c).

“Participating Member State” means any member state of the European Communities that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes, assessments or other governmental charges that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s, landlords’ and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, pension liabilities, unemployment insurance and other social security laws or regulations or other insurance-related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens arising from Permitted Investments described in clause (g) of the definition of the term "Permitted Investments";

(h) Liens arising in connection with ordinary course non-speculative hedging arrangements and bankers' Liens granted in the ordinary course of business relating to the operation of bank accounts maintained by the Borrower or its Subsidiaries or as part of letter of credit transactions and Liens granted in customary escrow arrangements on sales and acquisitions permitted by this Agreement;

(i) any netting or setoff arrangement entered into by the Borrower or any of its Subsidiaries in the ordinary course of its banking arrangements or in connection with the cash pooling activities of the Borrower and its Subsidiaries entered into in the ordinary course of business;

(j) customary Liens over goods, inventory or documents of title where the shipment or storage price is financed by a documentary credit;

(k) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(l) Liens constituting contractual rights of setoff under agreements with customers, in each case, entered into in the ordinary course of business; and

(m) the filing of UCC financing statements solely as a precautionary measure in connection with operating leases or consignment of goods;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness for borrowed money.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) any Investment in marketable debt obligations issued or guaranteed by the government of the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them whose indebtedness is rated not less than A by S&P or A2 by Moody's (or equivalent from an internationally recognized credit rating agency) maturing within one year from the date of acquisition thereof;

(c) Investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(d) Investments in commercial paper not convertible or exchangeable to any other security (i) for which a recognized trading market exists, (ii) issued by an issuer incorporated in the United Kingdom, any member state of the European Economic Area or any Participating Member State, (iii) which matures within one year after the relevant date of calculation and (iv) which has a credit rating of either A-1 or higher by S&P or Fitch Ratings Ltd or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(e) Investments in certificates of deposit, banker's acceptances and time or demand deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any Acceptable Bank;

(f) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(g) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (b) above;

(h) Investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in Investments of the type described in clauses (a) through (c) above;

(i) any Investment accessible within 60 days in money market funds which have a credit rating of either A-1 or higher by S&P or Fitch Rating Ltd or P-1 or higher by Moody's and which invest substantially all their assets in securities of the types described in clauses (a) through (c) above;

(j) Investments that comply with the Investment Policy set forth on Schedule 1.04; and

(k) in the case of any Foreign Subsidiary, other high quality Investments similar in tenure and credit quality to those described in clauses (a) through (j) above that are customarily used by companies in the jurisdictions in which such Foreign Subsidiary operates for short term cash management purposes.

"Person" means any natural person or entity, including any corporation, limited liability company, trust, joint venture, association, company, partnership or Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" has the meaning set forth in Section 5.01.

"Prepayment Event" means:

(a) any sale, transfer or other disposition (including by way of merger or consolidation) of any property or asset of the Borrower or any Subsidiary pursuant to clause (j) of Section 6.05, resulting in aggregate Net Proceeds exceeding \$10,000,000; or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary with respect to any series of related events resulting in aggregate Net Proceeds exceeding \$10,000,000.

"Pro Forma Basis" means, with respect to the calculation of the Leverage Ratio or the Interest Coverage Ratio, that such calculation shall give pro forma effect to all Restricted Payments, creation or incurrence of Liens or Acquisitions, all issuances, incurrences or assumptions and all repayments of Indebtedness (with any such

Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) and all sales, transfers or other dispositions of any material assets outside the ordinary course of business that have occurred since the beginning of the four consecutive fiscal quarter period of the Borrower most-recently ended on or prior to such date for which financial statements have been or were required to be delivered pursuant to paragraph (a) or (b) of Section 5.01 as if they occurred on the first day of such four consecutive fiscal quarter period (including cost savings resulting from headcount reductions, facility closings or similar restructurings to the extent such cost savings (a) would be permitted to be reflected in pro forma financial information complying with the requirements of GAAP and Article XI of Regulation S-X under the Securities Act of 1933, as amended, as interpreted by the Staff of the SEC, and as certified by a Financial Officer or (b) have been realized or for which the steps necessary for realization have been taken, and as certified by a Financial Officer.

“Proposed Change” has the meaning assigned to such term in Section 9.02(b).

“Public Lender” has the meaning set forth in Section 5.01.

“Qualified Equity Interests” means Equity Interests of the Borrower other than Disqualified Equity Interests.

“Quotation Day” in respect of the determination of the Eurocurrency Rate for any Interest Period for any Borrowing, conversion or continuation, means the day on which quotations would normally be given by prime banks in the London interbank market for deposits in Dollars for delivery on the first day of such Interest Period; provided that if quotations would normally be given on more than one date, the Quotation Day for such Interest Period shall be the last of such dates.

“Quoted Rate” means, with respect to any Borrowing, conversion or continuation, the rate at which deposits in Dollars for delivery on the first day of the relevant Interest Period in Same Day Funds in the approximate amount of the Eurocurrency Rate Loan being made, converted or continued are offered by the Reference Bank in the London interbank market at 11:00 a.m., London time on the Quotation Day prior to the commencement of such Interest Period.

“Reference Bank” means JPMCB.

“Refinancing Transactions” means the “Transactions” as defined in the Existing Credit Agreement.

“Register” has the meaning assigned to such term in Section 9.04(b).

“Regulated Subsidiary” means (i) any Broker Dealer Subsidiary, (ii) any Subsidiary regulated as an insurance company or clearinghouse, and (iii) any Subsidiary whose dividends may be restricted, other activities undertaken by such Subsidiary may be limited or other regulatory actions with respect to such Subsidiary may be taken, in each case by applicable Governmental Authorities in the event that such Subsidiary does not maintain capital at the level required by applicable Governmental Authorities.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents, trustees and advisors of such Person and such Person’s Affiliates.

“Release” means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within or upon any building, structure, facility or fixture.

“Required Lenders” means, at any time, Lenders having outstanding Loans and unused Commitments, collectively, representing more than 50% of the aggregate outstanding Loans and unused Commitments at such time.

“Requirement of Law” means, with respect to any Person, any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means the chief executive officer, president, vice president, chief financial officer, treasurer or assistant treasurer or other similar officer or Person performing similar functions of the Borrower and, as to any document delivered on the Effective Date, any secretary or assistant secretary of the Borrower. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary, or any other payment (including any payment under any Swap Agreement) that has a substantially similar effect to any of the foregoing, in each case, other than through the issuance of Qualified Equity Interests. For the avoidance of doubt, payments with respect to Indebtedness convertible into Equity Interests shall not be deemed to be Restricted Payments.

“S&P” means Standard & Poor’s Ratings Group, Inc.

“Same Day Funds” means immediately available funds.

“SEC” means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

“Senior Notes” means the senior unsecured notes of the Borrower issued and sold on January 15, 2010 pursuant to the Senior Notes Documents.

“Senior Notes Documents” means the Senior Notes Indenture and all side letters, instruments, agreements and other documents evidencing or governing the Senior Notes, providing for any right in respect thereof, affecting the terms thereof or entered into in connection therewith and all schedules, exhibits and annexes to each of the foregoing.

“Senior Notes Indenture” means the Indenture dated as of January 15, 2010, between the Borrower and the trustee party thereto, in respect of the Senior Notes.

“SFSA” means the Swedish Financial Supervisory Authority (*Sw: Finansinspektionen*).

“Specified Indebtedness” means any debt securities (including debt securities convertible into Equity Interests) issued by the Borrower or any of its Subsidiaries (other than to the Borrower or any of its Subsidiaries).

“SPV” has the meaning assigned to such term in Section 9.04(e).

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50%

of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Swap Agreement” means any agreement with respect to any swap, forward, future, spot currency purchase, hedging or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions, provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings now or hereafter imposed, levied, collected or withheld by any Governmental Authority, and any interest, penalties or additions to tax related thereto.

“Total Indebtedness” means, without duplication, as of any date, the aggregate principal amount of Indebtedness of the Borrower and the Subsidiaries included as a liability on the balance sheet of the Borrower and its Subsidiaries, determined on a consolidated basis plus any guarantee of indebtedness of any third party, provided that the term “Indebtedness” shall not include (i) contingent obligations of the Borrower or any Subsidiary as an account party or applicant in respect of any letter of credit or letter of guaranty unless such letter of credit or letter of guaranty supports an obligation that constitutes Indebtedness and (ii) any unfunded commitment or (iii) any Indebtedness or Guarantees permitted by Section 6.01(xii) and outstanding in reliance of such Section 6.01(xii).

“Transaction Costs” means all fees, costs and expense incurred or payable by the Borrower or any Subsidiary in connection with the Transactions.

“Transactions” means the execution, delivery and performance by the Borrower of the Loan Documents, the borrowing of Loans and the use of the proceeds thereof to repurchase approximately 22,800,000 shares of common stock of the Borrower on December 21, 2010 and the payment of the Transaction Costs.

“Type,” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Eurocurrency Rate or the Base Rate.

“UK ESOP Program” means any program in which any member of the OMX Group acts as an intermediary in the UK for customers’ exercise of employee stock option programs and/or equivalent incentive schemes that the customers have for its employees.

“Wholly-Owned Subsidiary” means, with respect to any Person at any date, a subsidiary of such Person of which securities or other ownership interests representing 100% of the Equity Interests (other than directors’ qualifying shares) are, as of such date, owned, controlled or held by such Person or one or more Wholly-Owned Subsidiaries of such Person or by such Person and one or more Wholly-Owned Subsidiaries of such Person.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Type (e.g., a “Eurocurrency Loan” or “Eurocurrency Borrowing”).

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless otherwise indicated or the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision (including any definition) hereof to eliminate the effect of any change occurring after the date hereof in GAAP (including any election by the Borrower to operate under IFRS) or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change or election shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05 Pro Forma Calculations. For purposes of any determination of the Interest Coverage Ratio or Leverage Ratio pursuant to Section 2.09 or any covenant set forth in Article VI (a) for any period during which any Acquisition or any sale, transfer or other disposition of any material assets outside the ordinary course of business occurs (or has occurred since the last day of such period), the calculation of the Interest Coverage Ratio or Leverage Ratio with respect to such period for such purpose shall be made on a Pro Forma Basis and (b) prior to the delivery date for financial statements under Section 5.01(a) for the fiscal period ended December 31, 2010, the calculation of the Interest Coverage Ratio or Leverage Ratio shall be as of the end of the period for which the most recent financial statements of the Borrower have been furnished pursuant to either Section 3.04 or Section 5.01(a) or (b), and the levels for such Interest Coverage Ratio and Leverage Ratio shall be the levels set forth in Section 6.08 and 6.09 for the fiscal period ended December 31, 2010.

ARTICLE II THE LOANS

SECTION 2.01 Commitments.

Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make to the Borrower a single loan denominated in Dollars equal to such Lender’s Commitment on the Closing Date. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed. Loans may be ABR Loans or Eurocurrency Loans, as further provided herein.

SECTION 2.02 Funding of Loans. Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any

Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder, provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

SECTION 2.03 Requests for Borrowings.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 12:00 noon, New York City time, (i) three (3) Business Days prior to the requested date of any Borrowing or continuation of Eurocurrency Loans or any conversion of ABR Loans to Eurocurrency Loans (or on the Closing Date in the case of the initial Borrowing) and (ii) on the requested date of any Borrowing of ABR Loans. Each telephonic notice by the Borrower pursuant to this Section 2.03(a) must be confirmed promptly by delivery to the Administrative Agent of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurocurrency Loans shall be in an amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Borrowing of or conversion to ABR Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Borrowing Request (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing of Loans, a conversion of Loans from one Type to the other, or a continuation of Eurocurrency Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued and (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted. If the Borrower fails to specify a Type of Loan in a Borrowing Request or fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, ABR Loans. Any such automatic conversion to ABR Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Loans.

(b) Following receipt of a Borrowing Request, the Administrative Agent shall promptly notify each Lender of the amount of its pro rata share of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to ABR Loans described in Section 2.03(a). In the case of each Borrowing, each applicable Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office not later than 1:00 p.m., New York City time, on the Business Day specified in the Borrowing Request. Upon satisfaction of the applicable conditions set forth in Article IV, the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurocurrency Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Loan. During the existence of an Event of Default, the Required Lenders may require that no Loans may be converted to or continued as Eurocurrency Loans.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Loans upon determination of such interest rate. The determination of the Eurocurrency Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that ABR Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in the Administrative Agent's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than two (2) Interest Periods in effect unless otherwise agreed between the Borrower and the Administrative Agent.

(f) Unless the Administrative Agent shall have received notice from a Lender prior to the Closing Date that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (b) above, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and the Borrower severally agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Overnight Rate plus any administrative, processing, or similar fees customarily charged by the Administrative Agent in accordance with the foregoing. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 2.03(f) shall be conclusive in the absence of manifest error. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing and the Administrative Agent shall promptly remit to Borrower any amounts previously paid by Borrower in respect of such Borrowing under this Section 2.03. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.04 [Reserved].

SECTION 2.05 [Reserved].

SECTION 2.06 Termination of Commitments.

Unless previously terminated, the Commitments shall terminate at 5:00 p.m., New York City time, on the Closing Date.

SECTION 2.07 Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan of such Lender on the Maturity Date in Dollars.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) Absent manifest error, the entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein,

provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans and pay interest thereon in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.08 [Reserved].

SECTION 2.09 Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section.

(b) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Borrower or any Subsidiary from the issuance and sale of any Specified Indebtedness, the Borrower shall, within three Business Days after such Net Proceeds are received, prepay Loans in accordance with subsection (e) below in an amount equal to the amount of such Net Proceeds.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Borrower or any Subsidiary in respect of any Prepayment Event, the Borrower shall, within three Business Days after such Net Proceeds are received, prepay Loans in accordance with subsection (e) below, in an aggregate amount equal to the lesser of the amount (i) of such Net Proceeds and (ii) of Loans required to be prepaid in order to reduce the Borrower's Leverage Ratio to 2.50 to 1.00 on a Pro Forma Basis after giving effect to such Prepayment Event and the prepayment of Loans; provided that if the Borrower and the Subsidiaries apply the Net Proceeds from such event (or a portion thereof) within 270 days after receipt of such Net Proceeds and at a time when no Default has occurred and is continuing, to acquire real property, equipment or other tangible assets to be used in the business of the Borrower and the Subsidiaries (provided that the Borrower has delivered to the Administrative Agent within three Business Days after such Net Proceeds are received a certificate of a Financial Officer stating its intention to do so and certifying that no Default has occurred and is continuing), then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds in respect of such event (or the portion of such Net Proceeds specified in such certificate, if applicable) except to the extent of any such Net Proceeds therefrom that have not been so applied or contractually committed by the end of such 270-day period (and, if so contractually committed in writing but not applied prior to the end of such 270-day period, applied within 90 days of such commitment) or cease to be contractually committed after such 270-day period, at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied. Notwithstanding the foregoing, the Borrower may satisfy its obligation to prepay Loans under this Section 2.09(c) by prepaying a like principal amount of Existing Term Loans in lieu of prepaying the Loans.

(d) Prior to any optional prepayment of Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (e) of this Section.

(e) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy or otherwise in writing) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing not later than 12:00 p.m., New York City time, three Business Days before the date of prepayment and (ii) in the case of prepayment of an ABR Borrowing, not later than 12:00 p.m., New York City time, one Business Day before the

date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment, provided that a notice of optional prepayment may state that such notice is conditional upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to 12:00 noon New York City time, on the specified date) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.03(a), except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11, except in the case of partial prepayment of ABR Loans, which interest shall be payable on the next scheduled interest payment date.

SECTION 2.10 Fees.

The Borrower agrees to pay to the Administrative Agent and the Arranger, for their own respective accounts, fees payable in the amounts and at the times separately agreed upon between the Borrower, the Administrative Agent and the Arranger, as set forth in the Fee Letter.

SECTION 2.11 Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the applicable Eurocurrency Rate for Borrowings for the Interest Period in effect for such Borrowing plus the Applicable Rate plus (in the case of a Eurocurrency Loan of any Lender which is lent from a lending office in the United Kingdom or a Participating Member State), Mandatory Costs.

(c) Notwithstanding the foregoing, (i) if any amount (other than principal of any Loan) payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such amount shall bear interest, after as well as before judgment, at a rate per annum equal to 2.00% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section, (ii) if any principal of any Loan payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to 2.00% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section, and (iii) upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a rate per annum equal to 2.00% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan, provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All computations of interest for ABR Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is

made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12 Alternate Rate of Interest.

(a) If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for any Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Eurocurrency Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (1) any request pursuant to Section 2.03(a) that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective and (2) if any Borrowing Request requests a Eurocurrency Borrowing, the interest rate applicable to such Borrowing shall be for a Borrowing of Base Rate Loans in the amount specified therein.

(b) If any event described in the first sentence of Section 2.12(a) or in Section 2.12(b) occurs and results in the application of the Cost of Funds Rate, then at the request of the Administrative Agent or the Borrower, the Administrative Agent and the Borrower shall enter into good faith negotiations for a period of no more than 30 days for the purpose of agreeing to a substitute basis for determining the rate of interest to be applied to the applicable Borrowing (and, to the extent required, any future Borrowings). Any substitute basis agreed upon shall be, with the consent of all Lenders, binding on all of the parties to this Agreement.

SECTION 2.13 Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except (A) any such reserve requirement contemplated by Section 2.13(e) and (B) the requirements of the Bank of England and the Financial Services Authority or the European Central Bank reflected in the Mandatory Cost, other than as set forth below);

(ii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans made by such Lender;

(iii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Indemnified Taxes or Other Taxes indemnified by Section 2.15, and the imposition of, or any change in the rate of, any Excluded Taxes); or

(iv) result in the failure of the Mandatory Cost, as calculated hereunder, to represent the cost to any Lender of complying with the requirements of the Bank of England and/or the Financial Services Authority or the European Central Bank in relation to its making, funding or maintaining Eurocurrency Rate Loans;

(v) require any Lender to maintain increased liquidity as a result of credit extended hereunder;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan (or, in the case of clause (iii), any Loan), or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.13 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) The Borrower shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurocurrency Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurocurrency Rate Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which in each case shall be due and payable on each date or which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest or costs shall be due and payable 10 days from receipt of such notice.

SECTION 2.14 Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan following December 15, 2010 and other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(e) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17 or Section 9.02(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or

expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Eurocurrency Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for deposits in Dollars of a comparable amount and period from other banks in the Eurocurrency market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.15 Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes, provided that if any applicable withholding agent shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable by the Borrower shall be increased as necessary so that after making all such required deductions (including such deductions applicable to additional sums payable under this Section 2.15) the Administrative Agent or Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable withholding agent shall make such deductions, and (iii) the applicable withholding agent shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify and hold harmless the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes payable by the Administrative Agent or such Lender (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The written demand shall be made in a certificate setting forth the amount of such Indemnified Taxes or Other Taxes and, in reasonable detail, the calculation and basis for such Indemnified Taxes or Other Taxes.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt, if available, issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) Each Lender that is a United States person as defined in Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two duly completed and signed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from federal backup withholding.

(ii) Each Lender that is a Foreign Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement whichever of the following is applicable:

(A) two duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for the benefits of an income tax treaty to which the United States is a party,

(B) two duly completed copies of Internal Revenue Service Form W-8ECI,

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (A) a certificate substantially in the form of Exhibit D (any such certificate a “United States Tax Compliance Certificate”) and (B) two duly completed copies of Internal Revenue Service Form W-8BEN, or

(D) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership, or is a Participant holding a participation granted by a participating Lender), Internal Revenue Service Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN, United States Tax Compliance Certificate, Form W-9 or any other required information from each beneficial owner, as applicable.

(iii) Without limitation of its obligations under paragraphs (i) or (ii), each Lender shall, at such time as reasonably requested by the Borrower or the Administrative Agent, provide the Borrower and the Administrative Agent with any other documentation prescribed by applicable law, properly completed and executed, as will permit payments made to such Lender under the Loan Documents to be made without or at a reduced rate of withholding tax.

(iv) Each Lender shall deliver to the Borrower and the Administrative Agent two further copies of any previously delivered form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete or inaccurate and promptly after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower or the Administrative Agent, or promptly notify the Borrower and the Administrative Agent that it is unable to do so. Each Lender shall promptly notify the Borrower and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered form or certification to the Borrower or the Administrative Agent.

(v) Notwithstanding any other provision of this paragraph (e), a Lender shall not be required to deliver any form that such Lender is not legally able to deliver.

(vi) The Administrative Agent in its capacity as such shall, to the extent it is legally entitled to do so, from time to time deliver to the Borrower a properly executed copy of Internal Revenue Service Form W-8IMY or W-9, as applicable.

(f) If the Administrative Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

SECTION 2.16 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment required to be made by it under any Loan Document (whether of principal, interest, fees or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 3:00 p.m., New York City time), on the date when due, in immediately available

funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Administrative Agent's Office, except that payments pursuant to Sections 2.13, 2.14, 2.15 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in Same Day Funds. Except as otherwise expressly provided herein, all payments by the Borrower hereunder with respect to principal and interest on Loans shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office. The Administrative Agent will promptly distribute to each Lender its pro rata (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's lending office.

(b) Subject to Section 2.16(e), if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Subject to Section 2.16(e), if any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans, provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or other Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption and in its sole discretion, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.03(b), 2.16(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.17 Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not be inconsistent with its internal policies or otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee or the Borrower, (iii) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b) and (iv) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise (including as a result of any action taken by such Lender under paragraph (a) above), the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.18 [Reserved].

SECTION 2.19 Determination of Eurocurrency Rate. If with respect to any determination of the Eurocurrency Rate the Administrative Agent determines (which determination shall be conclusive absent manifest error) that BBA LIBOR will not be available on a Quotation Day using Reuters or another commercially available source providing quotations of BBA LIBOR, the Administrative Agent shall promptly request that the Reference Bank supply it with its Quoted Rate, and the Eurocurrency Rate to be used to determine the interest rate applicable to the relevant Borrowing, conversion or continuation shall be the Quoted Rate supplied to the Administrative Agent by the Reference Bank.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of the Borrower and its Subsidiaries (other than Subsidiaries that are not Material Subsidiaries) (a) is duly organized, validly existing and (where such concept exists) in good

standing (or its equivalent, if any) under the laws of the jurisdiction of its organization, (b) has all requisite corporate power and authority to carry on its business as now conducted except where the failure to have the same could not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (c) has all requisite corporate power and authority to execute, deliver and perform its obligations under each Loan Document to which it is a party, except where the failure to have the same could not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect and (d) is qualified to do business in, and (where such concept exists) is in good standing (or its equivalent, if any) in, every jurisdiction where such qualification is required except where the failure to be so qualified or to be (where such concept exists) in good standing (or its equivalent, if any) could not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02 Authorization; Enforceability.

(a) The Transactions to be entered into and the execution and delivery of this Agreement by the Borrower and all other agreements to be entered into in connection with the Transactions are within the Borrower's corporate powers and have been or will by the time required be duly authorized by all necessary corporate or other action.

(b) This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document to which the Borrower is to be a party, when executed and delivered by the Borrower, will constitute, a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions and the execution and delivery of this Agreement by the Borrower (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been, or will be by the time required, obtained or made and are, or will be by the time required, in full force and effect, (b) will not violate the Organizational Documents of the Borrower, (c) will not violate any Requirement of Law applicable to the Borrower, (d) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any Subsidiary or their respective assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any Subsidiary or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation thereunder, and (e) will not result in the creation or imposition of any Lien on any asset of the Borrower or any Subsidiary, except Liens permitted by Section 6.02, except, in the case of clauses (c) and (d), for any such violations or defaults that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.04 Financial Condition; No Material Adverse Change.

(a) The Borrower has heretofore furnished to the Lenders or publicly filed (i) its consolidated balance sheet as of the end of the fiscal years ended December 31, 2008 and 2009 and consolidated statements of income, stockholders' equity and cash flows for the fiscal years ended December 31, 2007, December 31, 2008 and December 31, 2009, in each case reported on by Ernst & Young LLP, independent public accountants for the Borrower, and (ii) its consolidated balance sheet as of September 30, 2010 and consolidated statements of income and cash flows for the portion of the fiscal year ended September 2010 (and comparable periods for the prior fiscal year), certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and the Subsidiaries as of such dates and for such periods in accordance with GAAP consistently applied, subject in the case of clause (ii) to normal year-end audit adjustments and the absence of footnotes.

(b) Except as disclosed in the financial statements referred to above or the notes thereto and except for the Disclosed Matters, after giving effect to the Transactions, none of the Borrower or the Subsidiaries has, as of the Closing Date, any material direct or contingent liabilities or long-term commitments.

(c) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect since December 31, 2009.

SECTION 3.05 Properties.

(a) Each of the Borrower and the Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business (including the Mortgaged Properties), except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or as proposed to be conducted or to utilize such properties for their intended purposes.

(b) Each of the Borrower and the Subsidiaries owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and the Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any of the Loan Documents.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, or (iii) has received notice of any claim with respect to any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or a Material Adverse Effect.

SECTION 3.07 Compliance with Laws and Agreements. Each of the Borrower and the Subsidiaries is in compliance with (a) its Organizational Documents, (b) all Requirements of Law applicable to it or its property and (c) all indentures, agreements and other instruments binding upon it or its property, except, in the case of clauses (b) and (c) of this Section, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08 Investment Company Status. None of the Borrower or any Subsidiary is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09 Taxes. Except for failures that would not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect, each of the Borrower and the Subsidiaries has (i) timely filed or caused to be filed all Tax returns and reports required to have been filed; (ii) paid or caused to be paid all Taxes required to have been paid by it, other than any Taxes that are being contested in good faith by appropriate proceedings if such contest shall have the effect of suspending the collection (or the enforcement of any Liens) for such Taxes and adequate reserves for such Taxes have been provided on the books of the Borrower or its Subsidiaries in accordance with GAAP; and (iii) complied with all Tax withholding obligations.

SECTION 3.10 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The minimum funding standards of ERISA and the Code with respect to each Plan have been satisfied. The present value of all accumulated benefit obligations under all underfunded Plans (determined for each Plan based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount that, if required to be paid by the Borrower and the Subsidiaries, could reasonably be expected to have a Material Adverse Effect.

SECTION 3.11 Disclosure. To the best of Borrower's knowledge, none of the reports, financial statements, certificates or other information, if any, furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or delivered thereunder (as modified or supplemented by other information so furnished and taken together as a whole) contains any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that, with respect to projected financial information, the Borrower represents only that such information was prepared based upon good faith assumptions believed by it to be reasonable at the time delivered (it being understood that such forecasts and projections are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that forecasts or projections will be realized, and that actual results may differ from projections and such difference may be material).

SECTION 3.12 Subsidiaries. Schedule 3.12 sets forth the name of, and the ownership interest of the Borrower and each Subsidiary in, each Subsidiary as of the Closing Date.

SECTION 3.13 Insurance. The Borrower believes that the insurance maintained by or on behalf of the Borrower and the Subsidiaries is in such amounts (with no greater risk retention) and against such risks as is (i) customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) adequate.

SECTION 3.14 Labor Matters. As of the Closing Date, there are no strikes or lockouts or any other material labor disputes against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower, threatened. Except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (a) the hours worked by and payments made to employees of the Borrower and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, and (b) all payments due from the Borrower or any Subsidiary on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Borrower or such Subsidiary. There is no organizing activity involving the Borrower or any Subsidiary pending or, to the knowledge of the Borrower or any Subsidiary, threatened by any labor union or group of employees, except those that, in the aggregate, would not reasonably be expected to have a Material Adverse Effect. There are no representation proceedings pending or, to the knowledge of the Borrower or any Subsidiary, threatened with the National Mediation Board, and no labor organization or group of employees of the Borrower or any Subsidiary has made a pending demand for recognition, except those that, in the aggregate, would not reasonably be expected to have a Material Adverse Effect. There are no material complaints or charges against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower or any Subsidiary, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by the Borrower or any Subsidiary of any individual, except those that, in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower or any Subsidiary is bound.

SECTION 3.15 Solvency. Immediately after the consummation of the Transactions to occur on the Closing Date, (a) the fair value of the assets of the Borrower and its Subsidiaries (on a consolidated basis), at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of the Borrower and its Subsidiaries (on a consolidated basis) will be greater than the amount that will be required to pay the liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become matured, (c) the Borrower and its Subsidiaries (on a consolidated basis) will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become matured, and (d) the Borrower and its Subsidiaries (on a consolidated basis) will not have unreasonably small capital with which to conduct their business.

SECTION 3.16 Federal Reserve Regulations.

(a) The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) Taking into account all of the Transactions, no part of the proceeds of the Loans will be used for any purpose that violates the provisions of the Regulations of the Board, including Regulation T, U or X.

ARTICLE IV

CONDITIONS

SECTION 4.01 Conditions to the Closing Date. The obligations of the Lenders to make Loans hereunder shall become effective on the first date when each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent shall have received the following, each of which shall be originals, telecopies or electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the Borrower, each dated a date on or prior to the Closing Date and each in form and substance satisfactory to the Administrative Agent and the Arranger:

(i) executed counterparts of this Agreement from the Borrower;

(ii) a promissory note executed by the Borrower in favor of each Lender requesting three Business Days in advance a promissory note evidencing the Loan provided by such Lender;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party or is to be a party;

(iv) a certificate of good standing for the Borrower from its jurisdiction of organization;

(v) a certificate signed by the Chief Financial Officer of the Borrower certifying (A) as to the solvency of the Borrower and its Subsidiaries (on a consolidated basis) after giving effect to the Transaction and the incurrence of all Indebtedness related thereto, (B) as to the Debt Rating then in effect and (C) that the conditions specified in Section 4.02(a) and (b) have been satisfied; and

(vi) a favorable opinion of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Borrower, and the general counsel of the Borrower, addressed to the Administrative Agent and each Lender, in form and substance reasonably satisfactory to the Administrative Agent.

(b) The Borrower shall have paid all fees then due and payable under the Fee Letter.

(c) The Administrative Agent shall have received a Borrowing Request in accordance with the requirements of Section 2.03 hereof.

SECTION 4.02 General Conditions. The obligation of each Lender to make a Loan on the Closing Date is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set forth in the Loan Documents shall be true and correct in all material respects on and as of the Closing Date (except to the extent that any representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date).

(b) at the time of and immediately after giving effect to the Borrowing to occur on the Closing Date, no Default shall have occurred and be continuing.

The Borrowing of Loans on the Closing Date shall be deemed to constitute a representation and warranty by the Borrower on the Closing Date as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

AFFIRMATIVE COVENANTS

Beginning on the Closing Date after giving effect to the Loans made on the Closing Date and continuing thereafter until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent on behalf of each Lender:

(a) within 90 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2010, its audited consolidated balance sheet and audited consolidated statements of income, stockholders' equity and cash flows as of the end of and for such year, and related notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and the Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, commencing with the fiscal quarter ending March 31, 2011, its unaudited consolidated balance sheet and unaudited consolidated statements of income, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the Borrower and the Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a certificate of a Financial Officer (i) stating that, except as set forth in such certificate, such Financial Officer has no knowledge of any Default having occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed

calculations (including the amounts representing each clause set forth in the definition of "Consolidated EBITDA") demonstrating compliance with the covenants contained in Sections 6.08 and 6.09 and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the Borrower's audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) within 45 days after the commencement of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2010, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and consolidated statements of projected income and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(e) promptly after the same become publicly available, copies of all periodic reports, proxy statements and other material filings (as reasonably determined by the Borrower) filed by the Borrower or any Subsidiary with the SEC or with any national securities exchange, or distributed by the Borrower to the holders of its Equity Interests generally; and

(f) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent or the Arranger may reasonably request.

Information required to be delivered pursuant to clauses (a), (b) and (e) shall be deemed to have been delivered on the date on which the Borrower provides notice to the Administrative Agent and the Lenders that such information has been posted on the Borrower's website on the Internet at <http://ir.nasdaqomx.com/sec.cfm>, at www.sec.gov/edgar/searchedgar/webusers.htm or at another website identified in such notice and accessible by the Lenders without charge, provided that (i) such notice may be included in a certificate delivered pursuant to clause (c) and (ii) the Borrower shall deliver paper copies of the information required to be delivered pursuant to clauses (a), (b) and (e) to any Lender that requests such delivery.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arranger will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a "Public Lender"). The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Arranger and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 9.12); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

SECTION 5.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to each Lender through the Administrative Agent) prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of a Financial Officer or another executive officer of the Borrower or any Subsidiary, affecting the Borrower or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) within three Business Days after the Borrower becomes aware of the occurrence of any ERISA Event or any fact or circumstance that gives rise to a reasonable expectation that any ERISA Event will occur that, in either case, alone or together with any other ERISA Events that have occurred or are reasonably expected to occur, could reasonably be expected to result in material liability of the Borrower and the Subsidiaries;

(d) within five Business Days after any change in the ratings of the credit facilities made available under this Agreement by S&P or Moody's, or any notice from either such agency indicating its intent to effect such a change or to place the Borrower or such credit facilities on a "CreditWatch" or "WatchList" or any similar list, in each case with negative implications, or its cessation of, or its intent to cease, rating such credit facilities; and

(e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a written statement of a Responsible Officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. The Borrower will, and will cause each Material Subsidiary to, do or cause to be done all things necessary to obtain, preserve, renew and keep in full force and effect (a) its legal existence and (b) the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, except, in the case of clause (b), to the extent that failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04 Payment of Obligations. The Borrower will, and will cause each Material Subsidiary to, pay its obligations (other than Indebtedness and any obligations in respect of any Swap Agreements), including Tax liabilities that, if unpaid, could result in a Lien on any of its assets or properties, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such contests shall have the effect of suspending any collection or the enforcement of such obligations, (c) the Borrower or such Material Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, and (d) any failures to make such payments pending such contests could not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties. The Borrower will, and will cause each Material Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06 Insurance. The Borrower will, and will cause each Material Subsidiary to, maintain, with financially sound and reputable insurance companies, (a) insurance in such amounts (with no greater risk retention) and against such risks as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all other insurance as may be required by law or any other Loan Document. The Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.07 Books and Records; Inspection and Audit Rights. The Borrower will, and will cause each Subsidiary to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Subject to Section 9.12, the Borrower will, and will cause each Subsidiary to, permit any representatives designated by the Administrative Agent or any Lender (which shall be coordinated through the Administrative Agent), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested, provided that, excluding any such visits and inspections during the continuation of an Event of Default, the Administrative Agent and the Lenders shall not exercise such rights more often than two times during any calendar year.

SECTION 5.08 Compliance with Laws. The Borrower will, and will cause each Subsidiary to, comply with all Requirements of Law with respect to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.09 Use of Proceeds. The proceeds of the Loans will be used, directly or indirectly, to consummate the Transactions and to pay Transaction Costs. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

ARTICLE VI NEGATIVE COVENANTS

Beginning on the Closing Date after giving effect to the Loans made on the Closing Date and continuing thereafter until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable (other than contingent amounts not yet due) under any Loan Document have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness of Subsidiaries.

The Borrower will not permit any Subsidiary to create, incur, assume or permit to exist any Funded Indebtedness other than:

- (i) Indebtedness of any Subsidiary to the Borrower or any other Subsidiary;
- (ii) Guarantees by any Subsidiary of Indebtedness of any other Subsidiary, provided that the Indebtedness so Guaranteed is otherwise permitted by this Section 6.01;
- (iii) other Indebtedness of the Subsidiaries in an aggregate principal amount not exceeding \$250,000,000 at any time outstanding;
- (iv) Indebtedness owed to any Person (including obligations in respect of letters of credit for the benefit of such Person) providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;
- (v) Indebtedness of any Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees and similar obligations (other than in respect of other Indebtedness for borrowed money), in each case provided in the ordinary course of business;
- (vi) Indebtedness of a Subsidiary in respect of non-speculative Swap Agreements relating to the business or operations of such Subsidiary;

(vii) Indebtedness arising from the honoring by a bank or financial institution of a check or similar instrument drawn against insufficient funds in the ordinary course of business, so long as such Indebtedness is repaid within five Business Days;

(viii) Indebtedness in respect of letters of credit, guarantees, counter-indemnities and short term facilities incurred by any Subsidiary engaged in Exchange and Clearing Operations in connection with the ordinary clearing, depository and settlement procedures (including, without limitation, any letter of credit or guarantees provided to any central securities depositories or external custodians) relating thereto; provided that any advances thereunder are repaid within 10 days following the date of such advance or any drawing under any letter of credit or guarantee;

(ix) any Indebtedness arising under arrangements in connection with the participation in or through any clearing system or investment, commodities or stock exchange where the Indebtedness arises under the rules, normal procedures, agreements or legislation governing trading on or through such system or exchange; provided that any advances thereunder are repaid within 10 days following the date of such advance or any drawing under any letter of credit or guarantee;

(x) any Indebtedness arising as a result of short-term sale and repurchase transactions entered into by a Subsidiary on market terms and in respect of marketable securities held for investment purposes where the applicable Subsidiary enters into back to back, foreign exchange, swap or derivative transaction in the ordinary course of business, provided that the amount of such Indebtedness doesn't exceed the principal amount of the securities sold;

(xi) Indebtedness incurred in connection with the administration of the UK ESOP Program in the ordinary course of business and not outstanding longer than seven days;

(xii) Indebtedness of Regulated Subsidiaries or any direct or indirect parent of any such Regulated Subsidiary incurred to satisfy such Regulated Subsidiary's determination of any requirement imposed at any time or from time to time by any Governmental Authority in an aggregate principal amount not to exceed \$100,000,000 at any time outstanding; provided that any such Indebtedness is not outstanding for longer than 45 days;

(xiii) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business;

(xiv) Indebtedness of the OMX Group incurred on behalf of its customers in its market technology business consisting of purchase money Indebtedness and Capital Lease Obligations not to exceed \$50,000,000 outstanding at any time in respect of back-to-back lease arrangements;

(xv) Indebtedness arising from agreements of any Subsidiary providing for indemnification, adjustment of purchase or acquisition price or similar obligations, in each case, incurred or assumed in connection with any Acquisition or the disposition of any business, assets or a Subsidiary not prohibited by this Agreement;

(xvi) Indebtedness supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit; and

(xvii) Indebtedness of any Person that is merged or consolidated with and into any Subsidiary or of any Person that otherwise becomes a Subsidiary after the Closing Date, provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary, and extensions, renewals and replacements of any such Indebtedness so long as the principal amount of such extensions, renewals and replacements does not exceed the principal amount of the Indebtedness being extended, renewed or replaced (plus any accrued but unpaid interest and redemption premium payable by the terms of such Indebtedness thereon), provided that (i) the Borrower would be in compliance on a Pro Forma Basis with the covenants set forth in Section 6.08 and Section 6.09 as of the most recent test date for which financial statements have been delivered pursuant to paragraph (a) or (b) of Section 5.01, (ii) the aggregate principal amount of Indebtedness permitted by this clause (xvii) shall not exceed \$75,000,000 at any time outstanding and (iii) any such Indebtedness permitted by this clause (xvii) is not outstanding for longer than 180 days after such merger or consolidation.

SECTION 6.02 Liens. The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02 to the Existing Credit Agreement, provided that (A) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (B) such Lien shall secure only those obligations that it secures on the date hereof and refinancings, extensions, renewals and replacements thereof so long as the principal amount of such refinancings, extensions, renewals and replacements does not exceed the principal amount of the obligations being refinanced, extended, renewed or replaced (plus any accrued but unpaid interest and premium or penalty payable by the terms of such obligations thereon and reasonable fees and expenses associated therewith);

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (B) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary other than proceeds of such property or asset and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and refinancings, extensions, renewals and replacements thereof so long as the principal amount of such refinancings, extensions, renewals and replacements does not exceed the principal amount of the obligations being refinanced, extended, renewed or replaced (plus any accrued but unpaid interest and premium or penalty payable by the terms of such obligations thereon and reasonable fees and expenses associated therewith);

(d) Liens on fixed or capital assets acquired, constructed or improved (including any such assets made the subject of a Capital Lease Obligation incurred) by the Borrower or any Subsidiary, provided that (A) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital asset and (B) such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary other than proceeds of such property or assets;

(e) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(f) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor under any lease or license permitted by this Agreement;

(g) Liens not otherwise permitted by this Section to the extent that the aggregate outstanding principal amount of the obligations secured thereby does not exceed \$100,000,000 at any time outstanding;

(h) Liens granted by a Subsidiary in favor of the Borrower or another Subsidiary in respect of Indebtedness or other obligations owed by such Subsidiary to the Borrower or such other Subsidiary;

(i) Liens on insurance policies and the proceeds thereof securing Indebtedness permitted by Section 6.01(xiii);

(j) Liens granted by a Subsidiary to secure obligations that do not constitute Indebtedness and are incurred in connection with the exchange and clearing operations of such Subsidiary in the ordinary course of business;

(k) Liens solely on earnest money deposits made by the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement in respect of any Acquisition or other Investment permitted under Section 6.04; and

(l) Liens securing obligations in respect of non-speculative Swap Agreements relating to the business or operations of the Borrower or its Subsidiaries.

SECTION 6.03 Fundamental Changes and Lines of Business.

(a) The Borrower will not, nor will it permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Subsidiary may merge into any Person in order to consummate an Investment or Asset Sale permitted by Section 6.04 or 6.05, (iii) any Subsidiary may merge into the Borrower or any other Subsidiary and (iv) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders.

(b) The Borrower will not, nor will it permit any Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and the Subsidiaries on the Closing Date and businesses reasonably incidental or related thereto or constituting reasonable extensions thereof.

SECTION 6.04 Investments, Loans, Advances, Guarantees and Acquisitions.

The Borrower will not, nor will it permit any Subsidiary to, purchase or acquire (including pursuant to any merger with any Person that was not a Wholly-Owned Subsidiary prior to such merger) any Equity Interests in or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, (each an "Investment"), except:

(i) Permitted Investments;

(ii) Investments existing on the date hereof and set forth on Schedule 6.04 to the Existing Credit Agreement or made pursuant to binding commitments existing on the date hereof and set forth on Schedule 6.04 to the Existing Credit Agreement;

(iii) Investments by the Borrower and the Subsidiaries in the Borrower or any Subsidiary;

(iv) Guarantees of Indebtedness of the Borrower or any Subsidiary that are permitted by Section 6.01;

(v) loans or advances to employees, officers and directors of the Borrower or any Subsidiary made in the ordinary course of business of the Borrower or any Subsidiary not exceeding \$5,000,000 in the aggregate outstanding at any time (determined without regard to any write-downs or write-offs of such loans or advances), provided that no such loans or advances to any single employee, officer or director shall exceed \$2,000,000 in the aggregate outstanding at any time (determined without regard to any write-downs or write-offs of such loans or advances);

(vi) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses of the Borrower or any Subsidiary for accounting purposes and that are made in the ordinary course of business;

(vii) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(viii) Investments in the form of Swap Agreements for non-speculative purposes;

(ix) Investments resulting from pledges or deposits described in clause (c) or (d) of the definition of the term "Permitted Encumbrance";

(x) receivables or other trade payables owing to the Borrower or a Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, provided that such trade terms may include such concessionary trade terms as the Borrower or any Subsidiary deems reasonable under the circumstances;

(xi) Investments in the Depository Trust Clearing Corporation or any other entity that is regulated as a clearing corporation to the extent required by applicable law;

(xii) asset purchases (including purchases of inventory, supplies and materials) and the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business;

(xiii) Guarantees by the Borrower or any Subsidiary of leases (other than capitalized leases) or other obligations of the Borrower or any Subsidiary that do not constitute Indebtedness in the ordinary course of business; and

(xiv) so long as no Default has occurred and is continuing, other Investments otherwise restricted by this Section 6.04(a) so long as on a Pro Forma Basis, the Borrower would be in compliance with the covenants set forth in Section 6.08 and Section 6.09 as of the most recent test date for which financial statements have been delivered pursuant to paragraph (a) or (b) of Section 5.01.

For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested without adjustment for subsequent increases in the value of such Investment.

SECTION 6.05 Asset Sales. The Borrower will not, nor will it permit any Subsidiary to, sell, transfer, license, lease or otherwise dispose of any asset, including any Equity Interest (other than Equity Interests of the Borrower) owned by it, nor will the Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than directors' qualifying shares and Equity Interests issued to the Borrower or another Subsidiary (each of the foregoing an "Asset Sale")), except:

(a) sales, transfers, leases and other dispositions of (i) inventory, (ii) used or surplus equipment and (iii) Permitted Investments, in each case in the ordinary course of business;

(b) Asset Sales made by any Broker Dealer Subsidiary in the ordinary course of business;

(c) sales, transfers, leases and other dispositions to the Borrower or a Subsidiary;

(d) sales, transfers and other dispositions of accounts receivable in connection with the compromise, settlement or collection thereof consistent with past practice;

(e) sales, transfers, leases and other dispositions of property to the extent that such property constitutes an Investment permitted by Section 6.04;

(f) leases entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Subsidiary;

(g) licenses or sublicenses of intellectual property in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Subsidiary;

(h) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary;

(i) issuances of Equity Interests of IDCG and sales, transfers and other dispositions of Equity Interests of IDCG; and

(j) so long as the Borrower would be in compliance on a Pro Forma Basis with the covenants set forth in Section 6.08 and Section 6.09 as of the most recent test date for which financial statements have been

delivered pursuant to paragraph (a) or (b) of Section 5.01, Asset Sales of assets that are not otherwise permitted by any other clause of this Section, provided that such (i) assets sold in any calendar year shall not, in the aggregate, account for more than 20.0% of Consolidated EBITDA or more than 20.0% of the Borrower's consolidated total revenues for the prior calendar year and (ii) as of any time of determination, such assets sold during the term of this Agreement shall not, in the aggregate, account for more than 40.0% of Consolidated EBITDA or more than 40.0% of the Borrower's consolidated total revenues, in each case on a cumulative basis from January 1, 2010 through the most recently completed fiscal quarter for which financial statements are available.

For the avoidance of doubt, the granting of Liens permitted by Section 6.02, the making of Investments permitted by Section 6.04, any mergers, consolidations, liquidations or dissolutions permitted by Section 6.03(a) and any Restricted Payment permitted by Section 6.06 will not be deemed to be Asset Sales for purposes of this Section 6.05.

SECTION 6.06 Restricted Payments.

The Borrower will not, nor will it permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except (i) the Subsidiaries may declare and pay dividends ratably with respect to the applicable class of their Equity Interests; (ii) the Borrower may declare and pay dividends with respect to its Equity Interests or with respect to Equity Equivalents, in each case, payable solely in Equity Interests or Equity Equivalents (other than Disqualified Equity Interests); (iii) the Borrower and its Subsidiaries may make Restricted Payments not exceeding \$10,000,000 during any fiscal year pursuant to and in accordance with stock option plans, employment agreements or other benefit plans approved by the Borrower's board of directors for management, directors, former directors, employees and former employees of the Borrower and the Subsidiaries; (iv) the Borrower may make Restricted Payments, provided that (x) on a Pro Forma Basis (A) the Leverage Ratio as of the last day of the Borrower's most recently ended fiscal quarter for which financial statements have been delivered pursuant to paragraph (a) or (b) of Section 5.01 would be equal to or less than 3.0 to 1.0 and (B) the Borrower would be in compliance on a Pro Forma Basis with the covenant set forth in Section 6.08 as of the most recent test date as of the most recent test date for which financial statements have been delivered pursuant to paragraph (a) or (b) of Section 5.01 and (y) at the time of any such payment, no Default shall have occurred and be continuing or would result therefrom; (v) the Borrower may make additional Restricted Payments not otherwise permitted by this Section 6.06 in an aggregate amount not exceeding \$100,000,000; (vi) the Borrower or its Subsidiaries may redeem, repurchase or otherwise acquire Qualified Equity Interests or options in exchange for (or out of the proceeds of a substantially concurrent offering of) Qualified Equity Interests of the Borrower or newly issued options to acquire Equity Interests of the Borrower; (vii) the Borrower or any Subsidiary may redeem, repurchase or otherwise acquire Equity Interests of any Subsidiary that is not a Wholly-Owned Subsidiary from any holder of Equity Interests in such Subsidiary so long as, after giving effect thereto, (x) no Default has occurred and is continuing and (y) the Borrower shall be in compliance, on a Pro Forma Basis, with the covenants set forth in Section 6.08 and Section 6.09 as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been or were required to be delivered pursuant to paragraph (a) or (b) of Section 5.01 and (viii) the Borrower or any Subsidiary may redeem, repurchase or otherwise acquire Qualified Equity Interests within 180 days of any Acquisition which was funded in whole or in part through the issuance of Qualified Equity Interests to the sellers of the business acquired in such Acquisition so long as the amount expended does not exceed the current market value (as determined in good faith by the Borrower) of the Qualified Equity Interests issued to such sellers in such Acquisition.

SECTION 6.07 Transactions with Affiliates. The Borrower will not, nor will it permit any Subsidiary to, sell, lease, license or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) transactions in the ordinary course of business at prices and on terms and conditions not materially less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated

third parties, (ii) transactions between or among the Borrower and the Subsidiaries, (iii) loans or advances to employees permitted under Section 6.04, (iv) payroll, travel and similar advances to cover matters permitted under Section 6.04(a)(vi), (v) the payment of reasonable fees to directors of the Borrower or any Subsidiary who are not employees of the Borrower or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrower or the Subsidiaries in the ordinary course of business, (vi) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by the Borrower's board of directors, (vii) employment and severance arrangements entered into in the ordinary course of business between the Borrower or any Subsidiary and any employee thereof and approved by the Borrower's board of directors, (viii) any Restricted Payment permitted by Section 6.06, (ix) transactions pursuant to the agreements set forth on Schedule 6.07 to the Existing Credit Agreement, and (x) any transaction with an Affiliate (other than the Borrower or any Subsidiary) where the only consideration paid to such Affiliate is Qualified Capital Stock of the Borrower including conversions pursuant to any convertible debt instrument.

SECTION 6.08 Interest Expense Coverage Ratio. The Borrower will not permit the Interest Coverage Ratio for any period of four consecutive fiscal quarters of the Borrower ending on the last day of any fiscal quarter of the Borrower to be less than 4.00 to 1.00.

SECTION 6.09 Leverage Ratio. The Borrower will not permit the Leverage Ratio as of the last day of any period of four consecutive fiscal quarters of the Borrower to be greater than 3.50 to 1.00.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events (any such event, an "Event of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in paragraph (a) of this Article) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall, if qualified by materiality, prove to have been incorrect or, if not so qualified, prove to have been incorrect in any material respect, in each case when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a) or in Article VI;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraph (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from any Lender or the Administrative Agent to the Borrower;

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable or within any applicable grace period;

(g) any event or condition occurs that results in any Material Indebtedness of the Borrower or any Subsidiary becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness of the Borrower or any Subsidiary or any trustee or agent on its or their behalf to cause any Material Indebtedness of the Borrower or any Subsidiary to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, provided that this paragraph (g) shall not apply to secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in paragraph (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$50,000,000 shall be rendered against the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Material Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) (i) the SEC shall have revoked or suspended the status of the Borrower, or any Subsidiary with total capital in excess of \$10,000,000 in the aggregate of all such entities, as a national securities exchange under the Exchange Act (if such status has been granted) or as a broker or dealer under the Exchange Act, or (ii) the Securities Investor Protection Corporation shall have applied for a protective decree with respect to the Borrower or any Subsidiary with total capital in excess of \$10,000,000 in the aggregate of all such entities;

(n) the SFSA has pursuant to the Securities Market Act (*Sw. lagen 2007:528 (om värdepappersmarknaden)*) (i) revoked any of the Borrower's permits and authorizations to indirectly own shares in a Broker Dealer Subsidiary, and/or (ii) revoked any Broker Dealer Subsidiary's authorizations and/or permits; or

(o) a Change in Control shall occur,

then, and in every such event (other than an event with respect to the Borrower described in paragraph (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any Event of Default with respect to the Borrower described in paragraph (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

REGARDING THE ADMINISTRATIVE AGENT

Each of the Lenders hereby irrevocably appoints JPMCB to act on its behalf as Administrative Agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent, by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

The bank serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary or believed by the such Agent in good faith to be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any Subsidiary that is communicated to or obtained by the bank serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or

conditions set forth in any Loan Document or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by The Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of The Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as The Administrative Agent.

The Administrative Agent may resign at any time upon notice to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after such retiring Administrative Agent gives notice of its resignation, then such retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent that shall be a bank with an office in the United States or an Affiliate of any such bank, provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) such retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from all its duties and obligations under the Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After such Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this any Loan Document or any related agreement or any document furnished thereunder.

In case of the pendency of any proceeding under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise, to (a) file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and their respective agents and counsel and all other amounts due the Lenders under Section 2.12) allowed in such judicial proceeding, and (b) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.10.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or in any such proceeding.

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any other authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding tax ineffective), such Lender shall indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower pursuant to Section 2.13 or Section 2.15 and without limiting the obligation of the Borrower to do so) for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

Notwithstanding anything herein to the contrary, the institution identified as the Arranger on the cover page hereof shall not have any powers, duties or responsibilities under any Loan Document.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01 Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

- (a) if to the Borrower, to it at 9600 Blackwell Road, Rockville, Maryland 20850, Attention of General Counsel (Telecopy No. (301) 978-8472);
- (b) if to the Administrative Agent, to the Administrative Agent's Office; and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. Notices and other communications to the Lenders hereunder may also be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

SECTION 9.02 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither any Loan Document nor any provision thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Borrower, in each case with the consent of the Required Lenders, provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or

reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the maturity of any Loan, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied as among the Lenders or Types of Loans or change Section 2.16(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, in each case without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section or the percentage set forth in the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (vi) modify the protections afforded to an SPV pursuant to the provisions of Section 9.04(e) without the written consent of such SPV or (vii) make any changes that impose any restriction on the ability of any Lender to assign any of its rights or obligations, without the written consent of each Lender affected thereby; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, upon the election of the Borrower to switch from GAAP to IFRS this Agreement may be amended (or amended and restated) with only the written consent of the Administrative Agent and the Borrower (and not any other Lender or the Required Lenders) to eliminate any changes to the meaning of this Agreement as a result of such election.

(c) In connection with any proposed amendment, modification, waiver or termination (a "Proposed Change") requiring the consent of all Lenders or all affected Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a "Non-Consenting Lender"), then, the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the Administrative Agent, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that (a) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (b) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (c) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b).

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Arranger and their respective Affiliates, including the reasonable fees, charges and disbursements of counsels for the Administrative Agent and the Arranger, in connection with the syndication of the credit facilities provided for herein (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof and (iii) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify and hold harmless the Administrative Agent, each Lender, the Arranger and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee and any settlement costs, incurred by or asserted against any Indemnitee by any third party or by the Borrower or any Subsidiary arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated thereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on, at, to or from any property currently or formerly owned or operated by the Borrower or any Subsidiary, or any other Environmental Liability related in any material respect to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any Subsidiary and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or any of its officers’, directors’, employees’, or solely to the extent acting on behalf of any of the foregoing, agents’, advisors’ or other representatives’.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section but without affecting the Borrower’s obligations thereunder, each Lender severally agrees to pay to the Administrative Agent such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such. For purposes hereof, a Lender’s “pro rata share” shall be determined based upon its share of the aggregate outstanding Loans and unused Commitments at the time such indemnity or reimbursement is sought. The obligations of the Lenders under this paragraph (c) are subject to the second sentence of Section 2.02 (which shall apply mutatis mutandis to the Lenders’ obligations under this paragraph (c)).

(d) To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated thereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than five Business Days after written demand therefor.

SECTION 9.04 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its

Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of (A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below) or, if a Default has occurred and is continuing, any other assignee, (B) the Administrative Agent, not to be unreasonably withheld, provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Loan to a Lender, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions: (A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the trade date specified in the Assignment and Assumption with respect to such assignment or, if no trade date is so specified, as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000, unless the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing, (B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, (C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount of \$3,500 (it being understood that the Administrative Agent may elect, in its sole discretion, to waive such processing and recordation fee for any assignment and only one such Fee shall be payable in connection with simultaneous assignments to or by two or more Approved Funds); provided that assignments made pursuant to Section 2.17(b) or Section 9.02(b) shall not require the signature of the assigning Lender to become effective, and (D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and any tax forms required by Section 2.15(e).

For purposes of paragraph (b) of this Section, the terms "Approved Fund" and "CLO" have the following meanings:

"Approved Fund" means (a) a CLO and (b) with respect to any Lender that is a fund that invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"CLO" means an entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its activities and is administered or managed by a Lender or an Affiliate of such Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c)(i) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and interest thereon owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the

Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Promptly upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by Section 2.15(e) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) The words "execution," "signed," "signature" and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it), provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents, provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15, subject to the requirements and limitations therein (provided that such Participant agrees to be subject to Section 2.16(c) as though it were a Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.16(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or Section 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent not to be unreasonably withheld or delayed.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to

a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPV"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement, provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, such party will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and Administrative Agent) providing liquidity or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. Each party hereto hereby agrees that an SPV shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 (subject to the requirements and limitations therein), but neither the grant to any SPV nor the exercise by any SPV of such option shall increase the costs or expenses or otherwise increase the obligations of the Borrower under such Sections unless the grant to the SPV was made with the Borrower's prior written consent (not to be unreasonably withheld or delayed),

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to any Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of the Loans and Commitments constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Article IV, this Agreement shall become effective when it shall have been executed

by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmaturing or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such Indebtedness. The applicable Lender shall notify the Borrower and the Administrative Agent of such setoff and application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender and their respective Affiliates may have.

SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to any Loan Document against the Borrower or their respective properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in any Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below) and neither use nor disclose such Information, except that Information may be used by such Person in evaluating the credit worthiness of the Borrower or in providing financial services to Borrower or any of its Subsidiaries and may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (in which case the Borrower will be promptly notified), (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any pledgee referred to in Section 9.04(d) or (iii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary thereof relating to the Borrower or any Subsidiary thereof or their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower or any Subsidiary thereof, provided that, in the case of information received from the Borrower or any such Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable law, including Federal and state securities laws.

SECTION 9.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14 USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

SECTION 9.15 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Borrower acknowledges and agrees that: (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm’s-length commercial transaction between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Arranger, on the other hand, and the Borrower is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, the Administrative Agent and the Arranger each is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the Administrative Agent nor the Arranger has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether the Administrative Agent or the Arranger has advised or is currently advising the Borrower or any of its Affiliates on other matters) and neither the Administrative Agent nor the Arranger has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Administrative Agent and the Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor the Arranger has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Administrative Agent and the Arranger have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent and the Arranger with respect to any breach or alleged breach of agency or fiduciary duty.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE NASDAQ OMX GROUP, INC.,

By: /s/ Adena T. Friedman

Name: Adena T. Friedman

Title: Executive Vice President and
Chief Financial Officer

JPMORGAN CHASE BANK, N.A., as Administrative Agent
and Lender

By: /s/ Alexeev J. Taboas

Name: Alexeev J. Taboas

Title: Vice President

The NASDAQ OMX Group, Inc.
Computation of Ratio of Earnings to Fixed Charges
And Preferred Stock Dividends
(Dollars in Millions)
Unaudited

	Year Ended December 31,				
	2010 ⁽¹⁾	2009	2008 ⁽¹⁾	2007	2006
Pre-tax income from continuing operations	\$522 ⁽²⁾	\$388 ⁽²⁾	\$511 ⁽²⁾	\$ 794 ⁽⁴⁾	\$213 ⁽⁵⁾
Add: fixed charges	<u>117</u>	<u>118</u>	<u>111</u>	<u>73</u>	<u>91</u>
Pre-tax income before fixed charges	639	506	622	867	304
Fixed charges:					
Interest expense ⁽³⁾	<u>117</u>	<u>118</u>	<u>111</u>	<u>73</u>	<u>91</u>
Total fixed charges	<u>117</u>	<u>118</u>	<u>111</u>	<u>73</u>	<u>91</u>
Preferred stock dividend requirements	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total combined fixed charges and preferred stock dividends	<u>\$ 117</u>	<u>\$ 118</u>	<u>\$ 111</u>	<u>\$ 73</u>	<u>\$ 91</u>
Ratio of earnings to fixed charges	5.46	4.29	5.60	11.88	3.34
Ratio of earnings to fixed charges and preferred stock dividends	5.46	4.29	5.60	11.88	3.34

⁽¹⁾ The results of Nord Pool have been included since May 31, 2010 and the results of SMARTS have been included since July 1, 2010. The results of OMX have been included in this calculation since February 27, 2008. PHLX is included beginning July 24, 2008, BSX is included beginning August 29, 2008, certain businesses of Nord Pool are included beginning October 21, 2008 and IDCG is included beginning December 19, 2008.

⁽²⁾ 2010, 2009 and 2008 pre-tax income from continuing operations is before equity in earnings of 50%-or-less-owned companies and adjustment for noncontrolling interests.

⁽³⁾ Consists of interest expense on all debt obligations (including amortization of deferred financing costs) and the portion of operating lease rental expense that is representative of the interest factor.

⁽⁴⁾ Includes costs of \$4 million associated with Nasdaq's 2007 cost reductions.

⁽⁵⁾ Includes costs of \$41 million associated with Nasdaq's 2006 cost reductions.

SUBSIDIARIES**Domestic Subsidiaries**

1. Agora-X, LLC (organized in Delaware)
2. Boston Options Exchange Regulation, LLC (organized in Delaware)
3. Boston Stock Exchange Clearing Corporation (incorporated in Massachusetts)
4. Directors Desk, LLC (organized in Delaware)
5. EA LLC (organized in Delaware)
6. Exchange Access LLC (organized in Delaware)
7. Execution Access, LLC (organized in Delaware)
8. FTEN FinTech LLC (organized in Delaware)
9. FTEN, Inc. (incorporated in Delaware)
10. GlobeNewswire, Inc. (incorporated in California)
11. Independent Research Network, LLC (organized in Delaware)
12. Inet Futures Exchange, LLC (organized in Delaware)
13. INET Technology Services, LLC (organized in Delaware)
14. International Derivatives Clearing Group, LLC (organized in Delaware)
15. International Derivatives Clearinghouse, LLC (organized in Delaware)
16. International Derivatives EBOT, LLC (organized in Delaware)
17. International Derivatives Exchange, LLC (organized in Delaware)
18. Nasdaq Execution Services, LLC (organized in Delaware)
19. NASDAQ Global, Inc. (incorporated in Delaware)
20. Nasdaq International Marketing Initiatives, Inc. (incorporated in Delaware)
21. NASDAQ OMX BX, Inc. (incorporated in Delaware)
22. NASDAQ OMX BX Equities LLC (organized in Delaware)
23. NASDAQ OMX Commodities Clearing Company (organized in Delaware)
24. NASDAQ OMX Commodities Clearing–Finance LLC (organized in Delaware)
25. NASDAQ OMX Futures Exchange, Inc. (incorporated in Pennsylvania)
26. NASDAQ OMX Group Corporate Services, Inc. (incorporated in Delaware)
27. NASDAQ OMX Information, LLC (organized in Delaware)
28. NASDAQ OMX PHLX LLC (organized in Delaware)
29. NASDAQ OMX (San Francisco) Insurance LLC (organized in Delaware)
30. NASDAQ Options Services, LLC (organized in Delaware)
31. Nasdaq Technology Services, LLC (organized in Delaware)
32. Norway Acquisition LLC (organized in Delaware)
33. OM Technology (US) Inc. (incorporated in Delaware)
34. OMX (US) Inc. (incorporated in Delaware)
35. SMARTS Group, Inc. (organized in Delaware)
36. The NASDAQ Options Market LLC (organized in Delaware)
37. The NASDAQ OMX Group Educational Foundation, Inc. (incorporated in Delaware) (non-profit)
38. The NASDAQ Stock Market LLC (organized in Delaware)
39. The Stock Clearing Corporation of Philadelphia (incorporated in Pennsylvania)
40. The Trade Reporting Facility, LLC (organized in Delaware)
41. Urban Labs LLC (organized in Delaware)

Foreign Subsidiaries*

1. AB NASDAQ OMX Vilnius (organized in Lithuania)
2. AS eCSD Expert (organized in Estonia)
3. AS Eesti Väärtpaberikeskus (organized in Estonia)

4. AS Latvijas Centralais depozitārijs (organized in Latvia)
5. AS OMX Registrikeskus (organized in Estonia)
6. Carpenter Moore Insurance Services Ltd. (organized in the United Kingdom)
7. "Central Depository of Armenia" Open Joint Stock Company (organized in Armenia)
8. Clearing Control CC AB (organized in Sweden)
9. Eignarhaldsfelagid Verdbrefathing hf. (organized in Iceland)
10. Findata AB (organized in Sweden)
11. FTEN Europe Ltd. (organized in the United Kingdom)
12. Mamato Motion AB (organized in Sweden)
13. Nasdaq Canada Inc. (organized in Canada)
14. Nasdaq International Limited (organized in the United Kingdom)
15. "NASDAQ OMX Armenia" Open Joint Stock Company (organized in Armenia)
16. NASDAQ OMX Australia Holding Pty Ltd (organized in Australia)
17. NASDAQ OMX Broker Services AB (organized in Sweden)
18. NASDAQ OMX Copenhagen A/S (organized in Denmark)
19. NASDAQ OMX Europe Limited (organized in the United Kingdom)
20. NASDAQ OMX Helsinki Ltd (organized in Finland)
21. NASDAQ OMX Holding AB (organized in Sweden)
22. NASDAQ OMX Holding Danmark A/S (organized in Denmark)
23. NASDAQ OMX Holding Luxembourg Sàrl (organized in Luxembourg)
24. NASDAQ OMX Iceland hf. (organized in Iceland)
25. NASDAQ OMX Nordic Ltd (organized in Finland)
26. NASDAQ OMX Oslo ASA (organized in Norway)
27. NASDAQ OMX Riga, AS (organized in Latvia)
28. NASDAQ OMX Stockholm AB (organized in Sweden)
29. NASDAQ OMX Tallinn AS (organized in Estonia)
30. NASDAQ OMX Technology Support AB (organized in Sweden)
31. Nightingale Acquisition Limited (organized in the United Kingdom)
32. Nord Pool AB (organized in Sweden)
33. Nord Pool Clearing AB (organized in Sweden)
34. OM London Exchange Ltd. (organized in the United Kingdom)
35. OMX Technology Canada Inc. (organized in Canada)
36. OMX AB (organized in Sweden)
37. OMX Capital Insurance AG (organized in Switzerland)
38. OMX Derivatives A/S (organized in Denmark)
39. OMX Ltd. (organized in China)
40. OMX Netherlands BV (organized in the Netherlands)
41. OMX Netherlands Holding BV (organized in the Netherlands)
42. OMX Pte Ltd. (organized in Singapore)
43. OMX Technology AB (organized in Sweden)
44. OMX Technology Australia Pty Limited (organized in Australia)
45. OMX Technology Energy Systems AS (organized in Norway)
46. OMX Technology (Ireland) Ltd. (organized in Ireland)
47. OMX Technology Italy Srl (organized in Italy)
48. OMX Technology Japan Limited (organized in Japan)
49. OMX Technology Ltd. (organized in the United Kingdom)
50. OMX Technology (UK) Ltd. (organized in the United Kingdom)
51. OMX Treasury AB (organized in Sweden)
52. OMX Treasury Euro AB (organized in Sweden)
53. OMX Treasury Euro Holding AB (organized in Sweden)
54. Shareholder.com B.V. (organized in the Netherlands)
55. SMARTS (Asia) Ltd (organized in China)
56. SMARTS Broker Compliance Pty Ltd (organized in Australia)
57. SMARTS Group Europe Ltd (organized in U.K.)

-
58. SMARTS Group Holdings Pty Ltd (organized in Australia)
 59. SMARTS (Japan) Ltd (organized in Japan)
 60. SMARTS Market Surveillance Pty Ltd (organized in Australia)
 61. Stockholms Fondbörs AB (organized in Sweden)
 62. UAB OMX Nordic Exchange Service Provider (organized in Lithuania)
 63. Verdbrefaskraning Islands hf. (organized in Iceland)
 64. Zoom Vision Mamato AB (organized in Sweden)
 65. Zoom Vision Mamato ApS (organized in Denmark)

* The list of subsidiaries does not include foreign branches of particular subsidiaries.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-164284) of The NASDAQ OMX Group, Inc.,
- (2) Registration Statement (Form S-3 No. 333-157020) of The NASDAQ OMX Group, Inc.,
- (3) Registration Statement (Form S-8 No. 333-167724) pertaining to The NASDAQ OMX Group, Inc. Employee Stock Purchase Plan,
- (4) Registration Statement (Form S-8 No. 333-167723) pertaining to The NASDAQ OMX Group, Inc. Equity Incentive Plan,
- (5) Registration Statement (Form S-8 No. 333-110602) pertaining to The Nasdaq Stock Market, Inc. Equity Incentive Plan,
- (6) Registration Statement (Form S-8 No. 333-106945) pertaining to the Employment Agreement with Robert Greifeld of The Nasdaq Stock Market, Inc.,
- (7) Registration Statement (Form S-8 No. 333-76064) pertaining to The Nasdaq Stock Market, Inc. 2000 Employee Stock Purchase Plan,
- (8) Registration Statement (Form S-8 No. 333-72852) pertaining to The Nasdaq Stock Market, Inc. 2000 Employee Stock Purchase Plan, and
- (9) Registration Statement (Form S-8 No. 333-70992) pertaining to The Nasdaq Stock Market, Inc. Equity Incentive Plan;

of our reports dated February 24, 2011, with respect to the consolidated financial statements and schedule of The NASDAQ OMX Group, Inc. and the effectiveness of internal control over financial reporting of The NASDAQ OMX Group, Inc. included in this Annual Report (Form 10-K) of The NASDAQ OMX Group, Inc. for the year ended December 31, 2010.

/s/ Ernst & Young LLP
New York, New York
February 24, 2011

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Urban Bäckström

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ H. Furlong Baldwin

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 22, 2011.

/s/ Michael Casey

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Börje Ekholm

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Lon Gorman

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 22, 2011.

/s/ Glenn H. Hutchins

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Birgitta Kantola

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 22, 2011.

/s/ Essa Kazim

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ John D. Markese

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Hans Munk Nielsen

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 17, 2011.

/s/ Thomas F. O'Neill

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ James S. Riepe

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Michael R. Splinter

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Lars Wedenborn

Signature

POWER OF ATTORNEY
ANNUAL REPORT ON FORM 10-K
THE NASDAQ OMX GROUP, INC.

Know all men by these presents, that the undersigned, a director of The NASDAQ OMX Group, Inc., a Delaware corporation, hereby constitutes and appoints Edward S. Knight and Joan C. Conley, and each of them acting individually, the undersigned's true and lawful attorneys-in-fact and agents, each with full power and substitution and resubstitution, for him and in his name, place, and stead, in any case and all capacities to:

(1) execute for and on behalf of the undersigned, an Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. for the fiscal year ended December 31, 2010, including any and all amendments and additions thereto (collectively, the "Annual Report") in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to file, or cause to be filed, the Annual Report with all exhibits thereto (including this Power of Attorney), and other documents in connection therewith, with the United States Securities and Exchange Commission; and

(3) take any other action or any type whatsoever in connection with the foregoing which, in the opinion of such attorneys-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorneys-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorneys-in-fact may approve in such attorneys-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 23, 2011.

/s/ Deborah L. Wince-Smith

Signature

CERTIFICATION

I, Robert Greifeld, certify that:

1. I have reviewed this Annual Report on Form 10-K of The NASDAQ OMX Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert Greifeld

Name: Robert Greifeld
Title: Chief Executive Officer

Date: February 24, 2011

CERTIFICATION

I, Adena T. Friedman, certify that:

1. I have reviewed this Annual Report on Form 10-K of The NASDAQ OMX Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Adena T. Friedman

Name: Adena T. Friedman

Title: Executive Vice President and Chief Financial Officer

Date: February 24, 2011

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of The NASDAQ OMX Group, Inc. (the "Company") for the year ended December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert Greifeld, as Chief Executive Officer of the Company and Adena T. Friedman, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

/s/ Robert Greifeld

Name: Robert Greifeld
Title: Chief Executive Officer
Date: February 24, 2011

/s/ Adena T. Friedman

Name: Adena T. Friedman
Title: Executive Vice President and Chief Financial Officer
Date: February 24, 2011

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.