
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 3, 2013 (April 1, 2013)

The NASDAQ OMX Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-32651
(Commission
File Number)

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

One Liberty Plaza, New York, New York 10006
(Address of principal executive offices) (Zip code)

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

No change since last report
(Former Name or Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry into a Material Definitive Agreement.

Purchase Agreement

On April 1, 2013, The NASDAQ OMX Group, Inc. (“NASDAQ OMX”) entered into a Purchase Agreement (the “Purchase Agreement”) with BGC Partners, Inc., a Delaware corporation (“BGC Partners”), BGC Holdings, L.P., a Delaware limited partnership (“BGC Holdings”), and BGC Partners, L.P., a Delaware limited partnership (“BGC US” and together with BGC Partners and BGC Holdings, collectively, “Sellers,” and each individually, a “Seller”), and, solely for purposes of certain sections thereof, Cantor Fitzgerald, L.P., a Delaware limited partnership (“Cantor”). The Purchase Agreement provides that, at the closing, NASDAQ OMX will purchase certain assets, including 100% of the equity interest in eSpeed Technology Services, L.P., eSpeed Technology Services Holdings, LLC, Kleos Managed Services, L.P. and Kleos Managed Services Holdings, LLC; the eSpeed brand name; various assets comprising the fully electronic portion of BGC’s benchmark on-the-run U.S. Treasury brokerage and market data and co-location service businesses (the “Business”), and assume certain liabilities from Sellers and affiliates of Sellers (the “Transaction”).

Under the terms of the Purchase Agreement, the purchase price will consist of \$750 million in cash to be paid at the closing, subject to adjustment for certain pre-paid amounts and accrued costs and expenses, and contingent future issuances of NASDAQ OMX common stock approximating certain tax benefits associated with the Transaction. Such contingent future issuances of NASDAQ OMX common stock will be paid ratably over 15 years if NASDAQ OMX achieves a designated revenue target in each such year, with such common stock valued based on the volume-weighted average price of NASDAQ OMX common stock over a trading period prior to the closing. Based on the NASDAQ OMX stock price on the date of the Purchase Agreement, NASDAQ OMX currently expects to issue approximately one million shares annually over 15 years. The contingent future issuances of NASDAQ OMX common stock are subject to acceleration upon certain events and anti-dilution protections.

The Purchase Agreement contains customary representations, warranties, covenants relating to the operation of the Business between signing and closing and provides for indemnification of and by the parties. In addition, the parties have agreed to certain additional covenants, including: (a) that for three years after the consummation of the Transaction, Sellers and Cantor will not engage in the business of fully electronic brokerage of benchmark on-the-run U.S. Treasuries and certain transactions in first off-the-run U.S. Treasuries, subject to certain exceptions; (b) that Sellers and Cantor, on the one hand, and NASDAQ OMX, on the other hand, will not solicit or hire employees of the other until two years after the consummation of the Transaction (or two years after the termination of the Purchase Agreement, if so terminated) and (c) that Sellers and Cantor will grant to NASDAQ OMX a non-exclusive, irrevocable, royalty free right and license to use in the Business or U.S. Treasuries transactions any patents owned by Sellers or Cantor. Concurrent with the closing of the Transaction, the parties will execute certain agreements ancillary to the Transaction, including a transition services agreement; a registration rights agreement with respect to the NASDAQ OMX common stock to be issued to Sellers in the Transaction; and a license agreement, pursuant to which Sellers and Cantor will receive from NASDAQ OMX a perpetual and royalty-free market data license.

The Purchase Agreement provides that consummation of the Transaction is subject to the satisfaction or waiver of certain conditions, including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the “HSR Act”), as amended, the accuracy of each party’s representations and warranties at closing, subject to materiality qualifiers, and compliance in all material respects with each party’s covenants under the Purchase Agreement. The Purchase Agreement is subject to termination under certain circumstances, including that each party will have the right to terminate the Purchase Agreement if the closing has not occurred within 12 months after the date of the Purchase Agreement, except that if on such date, the only unsatisfied condition relates to antitrust clearance, then neither party may terminate the Purchase Agreement until a final governmental order preventing the closing has been issued.

NASDAQ OMX expects to finance the cash portion of the purchase price through the use of cash on hand, the incurrence of indebtedness and/or the issuance of securities. The Transaction is currently expected to close in the second half of 2013, subject to clearance under the HSR Act and satisfaction of other closing conditions. Upon consummation of the Transaction, the Business will be integrated into NASDAQ OMX’s Transaction Services US and UK business.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of such document.

Bridge Facility Commitment Letter

In connection with the Purchase Agreement, NASDAQ OMX entered into a commitment letter, dated April 1, 2013 (the "Bridge Facility Commitment Letter"), among NASDAQ OMX, Bank of America Merrill Lynch ("BofAML"), Deutsche Bank Securities ("DB"), Mizuho Corporate Bank, Ltd. ("Mizuho") and Skandinaviska Enskilda Banken AB (publ) ("SEB", and together with BofAML, DB and Mizuho, the "Commitment Parties"), pursuant to which the Commitment Parties have agreed to provide up to \$800 million of senior unsecured bridge loans (the "Bridge Facility") for the purpose of financing all or a portion of the cash consideration payable by NASDAQ OMX pursuant to the Purchase Agreement and transaction expenses.

Subject to certain exceptions, any debt incurred by NASDAQ OMX or its subsidiaries and any equity issued by NASDAQ OMX on or prior to the closing of the Transaction will reduce the amount of the commitments under the Bridge Facility. The funding of the Bridge Facility is contingent on the satisfaction of certain conditions set forth in the Bridge Facility Commitment Letter.

The foregoing description of the Bridge Facility Commitment Letter does not purport to be complete and is qualified in its entirety by reference to the full text of such document.

Item 8.01. Other Events.

On April 1, 2013, NASDAQ OMX issued a press release announcing the Transaction. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is filed as part of this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Description</u>
99.1	The NASDAQ OMX Group, Inc. Press Release, dated April 1, 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 3, 2013

THE NASDAQ OMX GROUP, INC.

By: /s/ Edward S. Knight

Name: Edward S. Knight

Title: Executive Vice President and General Counsel



NASDAQ OMX to Acquire eSpeed Platform for Trading of U.S. Treasuries

Transaction Drives Diversification and Strong Entry Point into the Electronic Fixed Income Business

Expected to be Accretive to EPS Within 12 Months, Excluding Transaction-Related Costs, and Generate Attractive Returns on Capital

NEW YORK, April 1, 2013 (GLOBE NEWSWIRE) — The NASDAQ OMX Group, Inc. (Nasdaq:NDAQ) today announced it has entered into an agreement with BGC Partners, Inc. to acquire the eSpeed platform for a purchase price of \$750 million in cash plus certain contingent issuances of stock that approximate certain tax benefits to NASDAQ OMX. eSpeed operates a fully executable central limit order book for electronic trading in U.S. Treasuries, which will give NASDAQ OMX a strong entry point in the electronic fixed income business — one of the largest and most liquid cash markets in the world. The transaction is expected to be accretive to earnings within the first twelve months after closing, excluding transaction-related costs, and to generate attractive returns on capital.

“We are building a diverse, customer-centric portfolio of corporate, trading, technology and information solutions,” said Bob Greifeld, Chief Executive Officer, NASDAQ OMX. “We view the eSpeed platform as a compelling extension of NASDAQ OMX’s strategic direction as eSpeed is a major player in the U.S. Treasury market, has derivative-industry margins, 70 percent of its revenue is derived from fixed contracts and it has a long-standing presence on trading desks around the world. The acquisition furthers our stated diversification strategy, and strengthens our commitment to deliver significant value to shareholders.”

Upon completion of the transaction, the eSpeed platform will be a part of the NASDAQ OMX Transaction Services business, which offers marketplaces in equities, derivatives, exchange traded products and commodities. NASDAQ OMX Transaction Services provides the financial services community with trading platforms, market quality programs and solutions that reduce operational costs for a wide range of market participants with diverse investment strategies, time horizons and risk tolerance.

“NASDAQ OMX is committed to offering our customers direct access to differentiated financial services platforms from an independent provider,” said Eric Noll, Executive Vice President, Transaction Services U.S. and U.K., NASDAQ OMX. “U.S. Treasuries represent a significant opportunity to expand NASDAQ OMX’s trading business into a sizable new asset class that will provide our customers with access to a variety of instruments to better meet their trading strategies.”

Market Expansion and Diversification

NASDAQ OMX expects U.S. Treasury volumes — already one of the largest markets in the world with over \$500 billion in daily trading volume — to increase, as core drivers gain momentum and economic headwinds subside. Positive market trends such as the stability in the issuance of new Treasuries, the continued electrification of the U.S. Treasury market and the resolution of fiscal uncertainty will drive volume growth. In addition, government intervention through quantitative easing and other market operations has artificially depressed the natural volatility in the U.S. Treasury market. eSpeed is well positioned, through the independent ownership of NASDAQ OMX, to benefit from the normalization of the U.S. government bond market and the cyclical drivers of volumes.

At the same time, the acquisition diversifies NASDAQ OMX Transaction Services and allows the Company to maximize new opportunities in the trading of fixed income securities around the globe. NASDAQ OMX expects to utilize the acquisition of eSpeed to trade additional fixed income products, offering customers increased access to a greater variety of trading instruments.

Proposed Acquisition Details

Under the terms of the acquisition, NASDAQ OMX has entered into an agreement to acquire the eSpeed benchmark, on-the-run platform from BGC Partners, Inc. for a purchase price of \$750 million in cash plus certain contingent issuances of NASDAQ OMX stock over 15 years that approximate certain tax benefits to NASDAQ OMX associated with the transaction. Based on the current stock price, NASDAQ OMX expects to issue approximately one million shares annually over 15 years. Committed bridge financing is in place and the Company expects to fund the cash purchase price with cash on hand and in the long-term debt markets.

In line with NASDAQ OMX’s acquisition strategy, the transaction is expected to be accretive to earnings within the first twelve months after closing, excluding transaction related costs, and to generate attractive returns on capital. NASDAQ OMX expects the transaction to close in mid- 2013, subject to receipt of regulatory approvals.

NASDAQ OMX will hold an investor conference call today at 5:00 p.m. Eastern Time. Bob Greinfeld, Lee Shavel and Eric Noll will be available for questions from shareholders following prepared remarks via the following telephone numbers:

Telephone: (877) 645-6210 (U.S.)
(914) 495-8566 (International)

Conference ID: 31542605

All participants can access the conference via Internet webcast through the NASDAQ OMX Investor Relations website at <http://ir.nasdaqomx.com/events.cfm>.

An audio replay of the conference will be available after the call on the NASDAQ OMX Investor Relations website at <http://ir.nasdaqomx.com/events.cfm> or by dialing (855) 859-2056 (U.S.) or (404) 537-3406 (International); Passcode: 31542605

Additional information:

Deutsche Bank is acting as financial advisor to NASDAQ OMX.

About NASDAQ OMX:

The inventor of the electronic exchange, The NASDAQ OMX Group, Inc., fuels economies and provides transformative technologies for the entire lifecycle of a trade - from risk management to trade to surveillance to clearing. In the U.S. and Europe, we own and operate 24 markets, 3 clearinghouses and 5 central securities depositories supporting equities, options, fixed income, derivatives, commodities, futures and structured products. Able to process more than 1 million messages per second at sub-40 microsecond speeds with 99.999% uptime, our technology drives more than 70 marketplaces in 50 developed and emerging countries into the future, powering 1 in 10 of the world's securities transactions. Our award-winning data products and worldwide indexes are the benchmarks in the financial industry. Home to approximately 3,400 listed companies worth \$6 trillion in market cap whose innovations shape our world, we give the ideas of tomorrow access to capital today. Welcome to where the world takes a big leap forward, daily. Welcome to the NASDAQ OMX Century. To learn more, visit www.nasdaqomx.com. Follow us on Facebook (<http://www.facebook.com/NASDAQ>) and Twitter (<http://www.twitter.com/nasdaqomx>). (Symbol: NDAQ and member of S&P 500)

Cautionary Note Regarding Forward-Looking Statements

The matters described herein contain forward-looking statements that are made under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about NASDAQ OMX's acquisition of the eSpeed platform, the benefits of the transaction, the U.S. Treasury market, the proposed financing, the implementation date of the transaction, NASDAQ OMX's plans, objectives, expectations and intentions and other statements that are not historical facts. We caution that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond NASDAQ OMX's control. These factors include, but are not limited to factors detailed in NASDAQ OMX's annual report on Form 10-K, and periodic reports filed with the U.S. Securities and Exchange Commission. We undertake no obligation to release any revisions to any forward-looking statements.

NDAQG

CONTACT: Media Contacts:

Joseph Christinat

NASDAQ OMX

+1 646 441 5121

Joseph.Christinat@NASDAQOMX.com

Robert Madden

NASDAQ OMX

+1 646 441 5045

Robert.Madden@NASDAQOMX.com

Investor Relations Contact:

Edward Ditmire, CFA

NASDAQ OMX

+1 212 401 8737

Edward.Ditmire@NASDAQOMX.com



Source: The NASDAQ OMX Group, Inc.

News Provided by Acquire Media