UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

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

Nasdaq, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**52-1165937** **(I.R.S. Employer Identification No.)**
One Liberty Plaza, New York, New York **(Address of Principal Executive Offices)**	**10006** **(Zip Code)**

+1 212 401 8700
(Registrant’s telephone number, including area code)

No changes
(Former name, former address and former fiscal year, if changed since last report)

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 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 ☒

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

Class	Outstanding at April 27, 2016
Common Stock, $.01 par value per share	164,514,657 shares

Nasdaq, Inc.

Form 10-Q
For the Quarterly Period Ended March 31, 2016

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About This Form 10-Q

Throughout this Form 10-Q, unless otherwise specified:

- “Nasdaq,” “we,” “us” and “our” refer to Nasdaq, Inc.
- “The NASDAQ Stock Market” and “NASDAQ” refer to the registered national securities exchange operated by The NASDAQ Stock Market LLC.
- “Nasdaq Nordic” refers to collectively, Nasdaq Clearing AB, Nasdaq Stockholm AB, Nasdaq Copenhagen A/S, Nasdaq Helsinki Ltd, and Nasdaq Iceland hf.
- “Nasdaq Baltic” refers to collectively, Nasdaq Tallinn AS, Nasdaq Riga, AS, and AB Nasdaq Vilnius.
- “Nasdaq Clearing” refers to the clearing operations conducted by Nasdaq Clearing AB.

* * * * * *

The following is a non-exclusive list of registered trademarks, registered service marks, or trademarks or service marks of Nasdaq or its subsidiaries, in the United States and/or other countries or jurisdictions:

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This Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q for initial public offerings, or IPOs, is based on data generated internally by us, which includes best efforts underwritings; therefore, the data may not be comparable to other publicly-available IPO data. Data in this Quarterly Report on Form 10-Q for new listings of equity securities on The NASDAQ Stock Market is based on data generated internally by us, which includes best efforts underwritings, issuers that switched from other listing venues, closed-end funds and exchange traded products, or ETPs. Data in this Quarterly Report on Form 10-Q for IPOs and new listings of equity securities on the Nasdaq Nordic and Nasdaq Baltic exchanges also is based on data generated internally by us. IPOs 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. We refer you to the “Risk Factors” section in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and the “Risk Factors” section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 that was filed with the U.S. Securities and Exchange Commission, or SEC, on February 26, 2016.

Forward-Looking Statements

The 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 Quarterly Report on Form 10-Q contains these types of statements. Words such as "may," "will," "could," "should," "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 2016 outlook;*
- *the scope, nature or impact of acquisitions, divestitures, 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, including acquisitions and other strategic, restructuring, technology, de-leveraging and capital return initiatives;*
- *our products, order backlog and services;*
- *the impact of pricing changes;*
- *tax matters;*
- *the cost and availability of liquidity; and*
- *any litigation or regulatory or government investigation or action to which we are or could become a party.*

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 and clearing volume, market share, listed companies or other customers;*
- *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 keep up with rapid technological advances and adequately address cybersecurity risks;*
- *the performance and reliability of our technology and technology of third parties;*
- *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;*
- *our ability to continue to generate cash and manage our indebtedness; 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 discussed under the caption "Part II. Item 1A. Risk Factors," in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and more fully described in the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 that was filed with the SEC on February 26, 2016. 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 Quarterly Report on Form 10-Q, including "Part 1. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," and the condensed 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 1—FINANCIAL INFORMATION
Item 1. Financial Statements.
Nasdaq, Inc.

Condensed Consolidated Balance Sheets
(in millions, except share and par value amounts)

	March 31, 2016	December 31, 2015
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 331	$ 301
Restricted cash	21	56
Financial investments, at fair value	259	201
Receivables, net	333	316
Default funds and margin deposits	3,614	2,228
Other current assets	164	158
Total current assets	4,722	3,260
Property and equipment, net	326	323
Deferred tax assets	604	643
Goodwill	5,663	5,395
Intangible assets, net	2,085	1,959
Other non-current assets	317	281
Total assets	$ 13,717	$ 11,861
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$ 175	$ 158
Section 31 fees payable to SEC	80	98
Accrued personnel costs	87	171
Deferred revenue	304	127
Other current liabilities	169	138
Default funds and margin deposits	3,614	2,228
Total current liabilities	4,429	2,920
Debt obligations	2,565	2,364
Deferred tax liabilities	678	626
Non-current deferred revenue	188	200
Other non-current liabilities	160	142
Total liabilities	8,020	6,252
Commitments and contingencies		
Equity		
Nasdaq stockholders' equity:		
Common stock, $0.01 par value, 300,000,000 shares authorized, shares issued: 167,955,072 at March 31, 2016 and 167,241,734 at December 31, 2015; shares outstanding: 164,502,699 at March 31, 2016 and 164,324,270 at December 31, 2015	2	2
Additional paid-in capital	3,001	3,011
Common stock in treasury, at cost: 3,452,373 shares at March 31, 2016 and 2,917,464 shares at December 31, 2015	(145)	(111)
Accumulated other comprehensive loss	(770)	(864)
Retained earnings	3,609	3,571
Total Nasdaq stockholders' equity	5,697	5,609
Total liabilities and equity	$ 13,717	$ 11,861

See accompanying notes to condensed consolidated financial statements.

Nasdaq, Inc.

Condensed Consolidated Statements of Income
(Unaudited)
(in millions, except per share amounts)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Revenues:		
Market Services	$ 572	$ 539
Listing Services	66	64
Information Services	133	125
Technology Solutions	134	130
Total revenues	905	858
Transaction-based expenses:		
Transaction rebates	(283)	(261)
Brokerage, clearance and exchange fees	(88)	(90)
Revenues less transaction-based expenses	534	507
Operating expenses:		
Compensation and benefits	152	147
Marketing and advertising	6	7
Depreciation and amortization	38	34
Professional and contract services	35	33
Computer operations and data communications	25	35
Occupancy	20	21
Regulatory	7	7
Merger and strategic initiatives	9	-
General, administrative and other	14	46
Restructuring charges	9	150
Total operating expenses	315	480
Operating income	219	27
Interest income	1	1
Interest expense	(28)	(28)
Other investment income	1	-
Net income from unconsolidated investees	2	14
Income before income taxes	195	14
Income tax provision	63	5
Net income attributable to Nasdaq	$ 132	$ 9
Per share information:		
Basic earnings per share	$ 0.80	$ 0.05
Diluted earnings per share	$ 0.78	$ 0.05
Cash dividends declared per common share	$ 0.57	$ 0.15

See accompanying notes to condensed consolidated financial statements.

Nasdaq, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(in millions)

	Three Months Ended March 31,	
	2016	**2015**
Net income	$ 132	$ 9
Other comprehensive income (loss):		
Foreign currency translation gains (losses):		
Net foreign currency translation gains (losses)	138	(314)
Income tax benefit (expense)	(44)	113
Total other comprehensive income (loss), net of tax	94	(201)
Comprehensive income (loss) attributable to Nasdaq	$ 226	$ (192)

See accompanying notes to condensed consolidated financial statements.

Nasdaq, Inc.

Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in millions)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Cash flows from operating activities:		
Net income	$ 132	$ 9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38	34
Share-based compensation	16	14
Excess tax benefits related to share-based payments	(2)	(2)
Deferred income taxes	2	(55)
Non-cash restructuring charges	3	128
Net income from unconsolidated investees	(2)	(14)
Other reconciling items included in net income	1	3
Net change in operating assets and liabilities, net of effects of acquisitions:		
Receivables, net	(5)	36
Other assets	34	17
Accounts payable and accrued expenses	14	36
Section 31 fees payable to SEC	(18)	(42)
Accrued personnel costs	(89)	(67)
Deferred revenue	147	121
Other liabilities	(20)	13
Net cash provided by operating activities	251	231
Cash flows from investing activities:		
Purchases of trading securities	(144)	(60)
Proceeds from sales and redemptions of trading securities	94	29
Purchases of available-for-sale investment securities	(5)	(12)
Proceeds from maturities of available-for-sale investment securities	7	3
Capital contribution in equity method investment	-	(30)
Acquisition of businesses, net of cash and cash equivalents acquired	(213)	(226)
Purchases of property and equipment	(23)	(24)
Other investment activities	(10)	(6)
Net cash used in investing activities	(294)	(326)
Cash flows from financing activities:		
Payments of debt obligations	(555)	(25)
Proceeds from utilization of credit commitment	325	100
Proceeds from issuance of term loan facility	399	-
Cash paid for repurchase of common stock	(29)	(30)
Cash dividends	(41)	(25)
Proceeds received from employee stock activity	1	6
Payments related to employee shares withheld for taxes	(34)	(24)
Excess tax benefits related to share-based payments	2	2
Other financing activities	-	-
Net cash provided by financing activities	68	4
Effect of exchange rate changes on cash and cash equivalents	5	(8)
Net increase (decrease) in cash and cash equivalents	30	(99)
Cash and cash equivalents at beginning of period	301	427
Cash and cash equivalents at end of period	$ 331	$ 328
Supplemental Disclosure Cash Flow Information		
Cash paid for:		
Interest	$ 28	$ 27
Income taxes, net of refund	$ 35	$ 18

See accompanying notes to condensed consolidated financial statements.

Nasdaq, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

1. Organization and Nature of Operations

Nasdaq, Inc. is a leading provider of trading, clearing, exchange technology, regulatory, securities listing, information and public company services across six continents. Our global offerings are diverse and include trading and clearing across multiple asset classes, access services, data products, financial indexes, capital formation solutions, corporate solutions and market technology products and services. Our technology powers markets across the globe, supporting equity derivatives trading, clearing and settlement, cash equity trading, fixed income trading and many other functions.

We manage, operate and provide our products and services in four business segments: Market Services, Listing Services, Information Services and Technology Solutions.

Market Services

Our Market Services segment includes our equity derivative trading and clearing, cash equity trading, fixed income, currency and commodities trading and clearing, or FICC, and access and broker services businesses. We operate multiple exchanges and other marketplace facilities across several asset classes, including derivatives, commodities, cash equity, debt, structured products and ETPs. In addition, in some countries where we operate exchanges, we also provide broker services, clearing, settlement and central depository services. Our transaction-based platforms provide market participants with the ability to access, process, display and integrate orders and quotes. The platforms allow the routing and execution of buy and sell orders as well as the reporting of transactions, providing fee-based revenues.

In the U.S., we operate three options exchanges, as well as three cash equity exchanges. The NASDAQ Stock Market, the largest of our cash equities exchanges, is the largest single venue of liquidity for trading U.S.-listed cash equities. We also operate a leading electronic platform for trading of U.S. Treasuries and Nasdaq Futures, Inc., or NFX, a U.S. based energy derivatives market which offers cash settled energy derivatives based on key energy benchmarks including oil, natural gas and U.S. power.

Through our acquisition of Chi-X Canada ATS Limited, or Chi-X Canada, in February 2016, we also operate two Canadian markets for the trading of Canadian-listed securities.

In Europe, we operate exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland, as well as the clearing operations of Nasdaq Clearing. We also operate exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania) as Nasdaq Baltic. Collectively, Nasdaq Nordic and Nasdaq Baltic offer trading in cash equities and depository receipts, warrants, convertibles, rights, fund units and exchange traded funds as well as trading and clearing of derivatives and clearing of resale and repurchase agreements. Through Nasdaq First North, our Nordic and Baltic operations also offer alternative marketplaces for smaller companies.

In addition, Nasdaq Commodities operates a power derivatives exchange regulated in Norway and a European carbon exchange. In the U.K., we operate Nasdaq NLX, a London-based multilateral trading venue that offers a range of both short-term interest rate and long-term interest rate euro- and sterling-based listed derivative products.

Through our Access and Broker Services business, we provide market participants with a wide variety of alternatives for connecting to and accessing our markets via a number of different protocols used for quoting, order entry, trade reporting, DROP functionality and connectivity to various data feeds. We also provide co-location services to market participants, whereby firms may lease cabinet space and power to house their own equipment and servers within our data center. Our broker services operations offer technology and customized securities administration solutions to financial participants in the Nordic market.

Listing Services

Our Listing Services segment includes our U.S. and European Listing Services 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 Nasdaq Nordic and Nasdaq Baltic exchanges. Our Listing Segment also includes The NASDAQ Private Market, LLC, or NPM, and SecondMarket Solutions, Inc., or SecondMarket, which are marketplaces for private growth companies.

As of March 31, 2016, The NASDAQ Stock Market was home to 2,852 listed companies with a combined market capitalization of approximately $8.0 trillion, and in Europe, the Nasdaq Nordic and Nasdaq Baltic exchanges, together with Nasdaq First North, were home to 847 listed companies with a combined market capitalization of approximately $1.3 trillion.

Information Services

Our Information Services segment includes our Data Products and our Index Licensing and Services businesses. Our Data Products business sells and distributes historical and real-time quote and trade information to market participants and data distributors.

Our data products enhance transparency of the market activity within the exchanges that we operate and provide critical information to professional and non-professional investors globally.

Our Index Licensing and Services business develops and licenses Nasdaq branded indexes, associated derivatives, and financial products and also provides custom calculation services for third-party clients. As of March 31, 2016, we had 226 ETPs licensed to Nasdaq's indexes and had over $105 billion of assets under management in licensed ETPs tracking Nasdaq indexes.

Technology Solutions

Our Technology Solutions segment includes our Corporate Solutions and Market Technology businesses.

Our Corporate Solutions business serves corporate clients, including companies listed on our exchanges. We help organizations manage the two-way flow of information with their key constituents, including their board members and investors, and with clients and the public through our suite of advanced technology, analytics, and consultative services. Our Corporate Solutions business primarily offers products to serve the following key areas: investor relations, public relations, multimedia solutions, and governance. We currently have over 17,000 Corporate Solutions clients.

Our Market Technology business is a leading global technology solutions provider and partner to exchanges, clearing organizations, central securities depositories, regulators, banks, brokers and corporate businesses. Our Market Technology business is the sales channel for our complete global offering to other marketplaces.

Market Technology provides technology solutions for trading, clearing, settlement, surveillance and information dissemination to markets with wide-ranging requirements, from the leading markets in the U.S., Europe and Asia to emerging markets in the Middle East, Latin America, and Africa. Our marketplace solutions can handle a wide array of assets including cash equities, equity derivatives, currencies, various interest-bearing securities, commodities, and energy products, and are currently powering more than 70 marketplaces in 50 countries. Market Technology also provides market surveillance services to broker-dealer firms worldwide, as well as enterprise governance, risk management and compliance software solutions.

2. Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The condensed consolidated financial statements include the accounts of Nasdaq, its wholly-owned subsidiaries and other entities in which Nasdaq has a controlling financial interest. When we do not have a controlling interest in an entity but exercise 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 the investee from the most recently available financial statements on a lag. See "Equity Method Investments," of Note 6, "Investments," for further discussion of our equity method investments.

The accompanying condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. These adjustments are of a normal recurring nature. All significant intercompany accounts and transactions have been eliminated in consolidation.

As permitted under U.S. GAAP, certain footnotes or other financial information can be condensed or omitted in the interim condensed consolidated financial statements. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in Nasdaq's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Certain prior period amounts have been reclassified to conform to the current period presentation.

The preparation of condensed 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 condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

We have evaluated subsequent events through the issuance date of this Quarterly Report on Form 10-Q. See Note 17, "Subsequent Event," for further discussion.

Tax Matters

We use the asset and liability method to determine income taxes on all transactions recorded in the condensed 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 recognition thresholds, the position is measured to determine the amount of benefit to be recognized in the condensed consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

Nasdaq's income tax provision was $63 million in the first quarter of 2016 compared with $5 million in the first quarter of 2015. The overall effective tax rate was 32.3% in the first quarter of 2016 compared with 35.7% in the first quarter of 2015. The lower effective tax rate in the first quarter of 2016 when compared with the same period in 2015 is primarily due to adjustments to deferred tax assets and liabilities associated with changes in statutory tax rates which resulted in a decrease to the tax provision. In addition, in the first quarter of 2015, we recorded adjustments related to prior year tax return liabilities which resulted in an increase to the tax provision. 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.

Nasdaq 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 2011 through 2013 are currently under audit by the Internal Revenue Service and we are subject to examination for the year 2014. Several state tax returns are currently under examination by the respective tax authorities for the years 2005 through 2013 and we are subject to examination for the year 2014. Non-U.S. tax returns are subject to examination by the respective tax authorities for the years 2008 through 2014. We anticipate that the amount of unrecognized tax benefits at March 31, 2016 will significantly decrease in the next twelve months as we expect to settle certain tax audits. 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 challenging certain interest expense deductions claimed by Nasdaq in Finland for the year 2008. The appeal also demanded certain penalties be paid with regard to the company's tax return filing position. In October 2012, the Finnish Appeals Board disagreed with the company's tax return filing position for years 2009 through 2011, even though the tax return position with respect to this deduction was previously reviewed and approved by the Finnish Tax Authority. In June 2014, the Finnish Administrative Court also disagreed with the company's tax return filing position for these years. We have appealed this ruling to the Finnish Supreme Administrative Court and expect to receive a favorable decision. Through March 31, 2016, we have recorded tax benefits of $30 million associated with this filing position. We have paid $41 million to the Finnish tax authorities, which includes $11 million in interest and penalties. We expect the Finnish Supreme Administrative Court to agree with our position, which would result in an expected refund to Nasdaq of $38 million, which reflects the impact of foreign currency translation. If the Finnish Supreme Administrative Court disagrees with our position, we would record tax expense of $38 million, or $0.23 per diluted share.

From 2009 through 2012, we recorded tax benefits associated with certain interest expense incurred in Sweden. Our position is supported by a 2011 ruling we received from the Swedish Supreme Administrative Court. However, under new legislation effective January 1, 2013, limitations are imposed on certain forms of interest expense. Because this legislation is unclear with regard to our ability to continue to claim such interest deductions, Nasdaq filed an application for an advance tax ruling with the Swedish Tax Council for Advance Tax Rulings. In June 2014, we received an unfavorable ruling from the Swedish Tax Council for Advance Tax Rulings. We appealed this ruling to the Swedish Supreme Administrative Court; however the Swedish Supreme Administrative Court denied our request for a ruling based on procedural requirements. In the third quarter of 2015, we received a notice from the Swedish Tax Agency that interest deductions for the year 2013 have been disallowed. We will appeal to the Swedish Lower Administrative Court. We continue to expect a favorable decision. Since January 1, 2013, we have recorded tax benefits of $46 million associated with this matter. We continue to pay all assessments from the Swedish Tax Agency while this matter is pending. If the Swedish Courts agree with our position we will receive a refund of all paid assessments; if the Swedish Courts disagree with our position, we will record tax expense of $34 million, or $0.20 per diluted share, which reflects the impact of foreign currency translation. We expect to record recurring quarterly tax benefits of $1 million to $2 million with respect to this matter for the foreseeable future.

Other Tax Matter

In December 2012, the Swedish Tax Agency approved our 2010 amended value added tax, or VAT, tax return and we received a cash refund for the amount claimed. In 2013, we filed amended VAT tax returns for 2011 and 2012, utilizing the same approach which was approved for the 2010 filing. We also utilized this approach in our 2013 and 2014 filings. However, even though the VAT return position was previously reviewed and approved by the Swedish Tax Agency, the Swedish Tax Agency challenged our approach. The revised position of the Swedish Tax Agency was upheld by the Lower Administrative Court during the first quarter of 2015. As a result, in the first quarter of 2015, we reversed the previously recorded benefit of $12 million, based on the court decision. The decision of the Lower Administrative Court was upheld by the Court of Appeals in April 2016. We are evaluating whether we will appeal to the Supreme Administrative Court.

Recently Adopted Accounting Pronouncements

Income Taxes

In November 2015, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2015-17, "Balance Sheet Classification of Deferred Taxes," which eliminates the current requirement to present deferred tax liabilities and assets as current and non-current in a classified balance sheet. Instead, Nasdaq is required to classify all deferred tax liabilities and assets as non-current. In the first quarter of 2016, we elected to early adopt this guidance retrospectively for all periods presented in the Condensed Consolidated Balance Sheets. The adoption of this guidance resulted in the reclassification of current deferred tax assets of $24 million to non-current deferred tax assets and current deferred tax liabilities of $24 million to non-current deferred tax liabilities for the year ended December 31, 2015. This new standard is a change in balance sheet presentation only.

Business Combinations

In September 2015, the FASB issued ASU 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments," which eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. This guidance requires the acquirer to recognize adjustments to provisional amounts identified during the measurement period in the reporting period in which the adjustment amounts are determined. In addition, the amendments in this guidance require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. We adopted this new standard on January 1, 2016, which had no impact on our consolidated financial statements. We will apply the new guidance to future adjustments to provisional amounts, if any.

Recently Announced Accounting Pronouncements

Compensation – Stock Compensation

In March 2016, the FASB issued ASU 2016-09, "Improvements to Employee Share-Based Payment Accounting," which involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This new guidance will require all income tax effects of awards to be recognized as income tax expense or benefit in the income statement when the awards vest or are settled, as opposed to additional paid-in-capital where it is currently recorded. This guidance will impact the calculation of our total diluted share count for the earnings per share calculation, as calculated under the treasury stock method. It also will allow an employer to repurchase more of an employee's shares than it can today for tax withholding purposes without triggering liability accounting. All tax-related cash flows resulting from share-based payments are to be reported as operating activities on the statement of cash flows. In regards to forfeitures, Nasdaq can make a policy election to either estimate the number of awards that are expected to vest or account for forfeitures as they occur. This new standard is effective for us on January 1, 2017, with early adoption permitted. We are currently assessing the impact that this standard will have on our consolidated financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, "Leases." Under this new guidance, at the commencement date, lessees will be required to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This guidance is not applicable for leases with a term of 12 months or less. Lessor accounting is largely unchanged. The new standard is effective for us on January 1, 2019. Early adoption is permitted. We are currently assessing the impact that this standard will have on our consolidated financial statements.

Financial Instruments

In January 2016, the FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." This new standard requires that most equity investments be measured at fair value, with subsequent changes in fair value recognized in net income. Under this new guidance, Nasdaq will no longer be able to recognize unrealized holding gains and losses on equity securities classified today as available-for-sale in accumulated other comprehensive income within stockholders' equity. This new standard does not change the guidance for classifying and measuring investments in debt securities and loans. This new guidance also impacts financial liabilities accounted for under the fair value option and affects the presentation and disclosure requirements for financial assets and liabilities. This new standard is effective for us on January 1, 2018. Early adoption is not permitted. We do not anticipate a material impact on our consolidated financial statements at the time of adoption of this new standard.

Revenue From Contracts With Customers

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which supersedes the revenue recognition guidance in Accounting Standards Codification, "Revenue Recognition." The new revenue recognition standard sets forth a five-step revenue recognition model to determine when and how revenue is recognized. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration it expects to receive in exchange for those goods or services. The standard also requires more detailed disclosures.

The standard provides alternative methods of initial adoption. On July 9, 2015, the FASB approved the deferral of the effective date of the new revenue recognition standard by one year. As a result, this new standard will now be effective for us on January 1, 2018. Early adoption as of the original effective date is permitted. We are currently assessing the impact that this standard will have on our consolidated financial statements.

3. Restructuring Charges

2015 Restructuring Plan

During the first quarter of 2015, we performed a comprehensive review of our processes, businesses and systems in a company-wide effort to improve performance, cut costs, and reduce spending. In the first quarter of 2016, as part of our 2015 restructuring plan, we recognized net restructuring charges totaling $9 million. We currently estimate that we will recognize additional restructuring charges of $15 million through June 2016 and total net pre-tax charges of $196 million for the period March 2015 through June 2016. Through this initiative, we expect to generate pre-tax savings in 2016 of $25 million. Our 2015 restructuring plan will be completed in June 2016. Restructuring charges are recorded on restructuring plans that have been committed to by management and are, in part, based upon management's best estimates of future events. Changes to the estimates may require future adjustments to the restructuring reserve.

The following table presents a summary of the 2015 restructuring plan charges in the Condensed Consolidated Statements of Income:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
	(in millions)	(in millions)
Rebranding of trade name	$ -	$ 119
Severance	4	18
Facilities-related	-	3
Asset impairments	3	9
Other	2	1
Total restructuring charges	$ 9	$ 150

Rebranding of Trade Name

In connection with our global rebranding initiative, we decided to change our company name from The NASDAQ OMX Group, Inc. to Nasdaq, Inc., which became effective in the third quarter of 2015. In connection with this action, we decided to discontinue the use of the OMX trade name and recorded a pre-tax, non-cash impairment charge of $119 million in March 2015 because we no longer attribute any material value to the trade name. The impairment charge did not impact the company's consolidated cash flows, liquidity, or capital resources.

Severance

Severance, other termination benefits and other associated costs of $4 million for the three months ended March 31, 2016 and $18 million for the three months ended March 31, 2015, related to workforce reductions of 13 positions across our organization for the three months ended March 31, 2016 and 199 positions for the three months ended March 31, 2015. In addition to reducing our workforce, we have relocated certain functions to lower cost locations and expect to continue hiring in these lower cost locations to support the business.

Facilities-related

The facilities-related costs of $3 million for the three months ended March 31, 2015 primarily pertained to the consolidation of leased facilities.

Asset Impairments

Asset impairment charges of $3 million for the three months ended March 31, 2016 and $9 million for the three months ended March 31, 2015 primarily related to fixed assets and capitalized software that were retired during the respective period.

Restructuring Reserve

The following table presents the changes in the restructuring reserve during the three months ended March 31, 2016:

	Balance at December 31, 2015	Expense Incurred	Cash Payments	Balance at March 31, 2016
		(in millions)		
Severance	$ 12	$ 4	$ (5)	$ 11

As of March 31, 2016, the majority of the restructuring reserve is included in other current liabilities in the Condensed Consolidated Balance Sheets and will be paid during the remainder of 2016.

4. Acquisitions

2016 Acquisitions

We completed the following acquisitions in the first quarter of 2016. Financial results of each transaction are included in our Condensed Consolidated Statements of Income from the date of each acquisition.

	Purchase Consideration	Total Net Assets (Liabilities) Acquired	Acquired Intangible Assets	Goodwill
		(in millions)		
Chi-X Canada	$ 116	$ (14)	$ 76	$ 54
Marketwired	111	(11)	31	91

The amounts in the table above 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 recorded in the reporting period in which the adjustment amounts are determined. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill.

Acquisition of Chi-X Canada

In February 2016, we acquired Chi-X Canada for $116 million ($115 million in cash paid plus $1 million in working capital adjustments). With this acquisition, Nasdaq offers two Canadian markets for the trading of Canadian-listed securities. This acquisition will expand Nasdaq's cash equity trading business in North America. We acquired net assets, at fair value, totaling $6 million and recorded a deferred tax liability of $20 million related to differences in the U.S. GAAP and tax basis of our investment in Chi-X Canada, resulting in total net liabilities acquired of $14 million. Chi-X Canada is part of our Market Services segment and our Data Products business within our Information Services segment.

Nasdaq used cash on hand and borrowed $55 million under the revolving credit commitment of our 2014 Credit Facility, as defined in Note 8, "Debt Obligations," to fund this acquisition.

Intangible Assets

The following table presents the details of the Chi-X Canada acquired intangible asset. This asset is amortized using the straight-line method.

	Value	Estimated Average Remaining Useful Life
Intangible asset:	(in millions)	(in years)
Customer relationships	$ 76	17 years

Customer Relationships

Customer relationships represent the non-contractual and contractual relationships that Chi-X Canada has with its customers and represented the key intangible asset in this transaction. Customer relationships were valued individually for each of Chi-X Canada's businesses using the income approach, specifically an excess earnings method. The excess earnings method examines the economic returns contributed by the identified tangible and intangible assets of a company, and then isolates the excess return that is attributable to the intangible asset being valued.

A discount rate of 10.3% was utilized, which reflects the amount of risk associated with the hypothetical cash flows for the customer relationships relative to the overall business. In developing a discount rate for the customer relationships, we estimated a weighted average cost of capital for the overall business and we employed this rate when discounting the cash flows. The resulting discounted cash flows were then tax-effected at a rate of 40.0%, and a discounted tax amortization benefit was added to the fair value of the assets under the assumption that the customer relationships would be amortized for tax purposes over a period of 15 years.

Based on the historical behavior of the customers and a parallel analysis of the customers using the excess earnings method, we estimated the remaining useful life for the acquired customer relationships to be 17 years.

Acquisition of Marketwired

In February 2016, we acquired Marketwired for $111 million ($109 million in cash paid plus $2 million in working capital adjustments). Marketwired is a newswire operator and press release distributor. This acquisition expands Nasdaq's position as a leading global corporate solutions provider. We acquired net liabilities, at fair value, totaling $1 million and recorded a deferred tax liability of $10 million related to differences in the U.S. GAAP and tax basis of our investment in Marketwired, resulting in total net liabilities acquired of $11 million. Marketwired is part of our Corporate Solutions business within our Technology Solutions segment.

Nasdaq used cash on hand and borrowed $110 million under the revolving credit commitment of our 2014 Credit Facility to fund this acquisition.

Intangible Assets

The following table presents the details of the Marketwired acquired intangible assets. These assets are amortized using the straight-line method.

Intangible assets:	Value (in millions)	Estimated Average Remaining Useful Life (in years)
Customer relationships	$ 29	6 years
Trade name	2	2 years
Total intangible assets	$ 31	

Customer Relationships

Customer relationships represent the non-contractual and contractual relationships that Marketwired has with its customers and represented the key intangible asset in this transaction. The Marketwired customer relationships were valued using the income approach, specifically an excess earnings method. The excess earnings method examines the economic returns contributed by the identified tangible and intangible assets of a company, and then isolates the excess return that is attributable to the intangible asset being valued.

A discount rate of 16.4% was utilized, which reflects the amount of risk associated with the hypothetical cash flows for the customer relationships relative to the overall business. In developing a discount rate for the customer relationships, we estimated a weighted average cost of capital for the overall business and we employed this rate when discounting the cash flows. The resulting discounted cash flows were then tax-effected at a rate of 40.0%, and a discounted tax amortization benefit was added to the fair value of the assets under the assumption that the customer relationships would be amortized for tax purposes over a period of 15 years.

Based on the historical behavior of the customers and a parallel analysis of the customers using the excess earnings method, we estimated the remaining useful life for the acquired customer relationships to be 6 years.

March 31, 2016 Pending Acquisitions

International Securities Exchange

In March 2016, we entered into an agreement with Deutsche Börse AG and Eurex Frankfurt AG to acquire U.S. Exchange Holdings, Inc., together with its subsidiaries, or ISE, an operator of three electronic options exchanges, for $1.1 billion. We expect this acquisition to allow us to improve efficiencies for clients, broaden our technology offering, and provide the capability within the equity options industry to further innovate. Upon closing, ISE will be integrated into our Market Services segment. This pending transaction is subject to customary regulatory approvals and is expected to close in the second quarter of 2016.

Boardvantage, Inc.

In March 2016, we also entered into an agreement to acquire Boardvantage, Inc., a leading board portal solution provider which also specializes in leadership collaboration and meeting productivity. This acquisition closed on May 2, 2016, for approximately $200 million, net of acquired cash. Boardvantage is part of our Corporate Solutions business within our Technology Solutions segment and is expected to strengthen Nasdaq’s position as a leading global corporate solutions provider.

2015 Acquisitions

We completed the following acquisitions in 2015. Financial results are included in our Condensed Consolidated Statements of Income from the date of each acquisition.

	Purchase Consideration	Total Net Assets (Liabilities) Acquired	Acquired Intangible Assets	Goodwill
		(in millions)		
Dorsey, Wright & Associates, LLC	$ 226	$ (26)	$ 141	$ 111

The amounts in the table above represent the preliminary allocation of the purchase price and were subject to revision during the measurement period, a period not to exceed 12 months from the acquisition date. We finalized the allocation of the purchase price for the above acquisition in January 2016. There were no adjustments to the provisional values during the 12 month measurement period.

Acquisition of Dorsey, Wright & Associates, LLC

On January 30, 2015, we completed the acquisition of Dorsey, Wright & Associates, LLC, or DWA, for $226 million ($225 million cash paid plus $1 million in working capital adjustments). DWA is a market leader in data analytics, passive indexing and smart beta strategies. We acquired net assets, at fair value, totaling $8 million and recorded a deferred tax liability of $34 million related to differences in the U.S. GAAP and tax basis of our investment in DWA, resulting in total net liabilities acquired of $26 million. DWA is part of our Data Products and Index Licensing and Services businesses within our Information Services segment.

Nasdaq used cash on hand and borrowed $100 million under the revolving credit commitment of our 2014 Credit Facility to fund this acquisition.

Intangible Assets

The following table presents the details of the DWA acquired intangible assets. All acquired intangible assets with finite lives are amortized using the straight-line method.

	Value	Estimated Average Remaining Useful Life
Intangible assets:	(in millions)	(in years)
Trade name	$ 108	Indefinite
Customer relationships	29	15 years
Technology	4	5 years
Total intangible assets	$ 141	

Trade Name

The DWA trade name is recognized in the industry and carries a reputation for quality. As such, DWA's reputation and positive recognition embodied in the trade name is a valuable asset to Nasdaq. The trade name was considered the primary asset acquired in this transaction. In valuing the acquired trade name, we used the income approach, specifically the excess earnings method. The excess earnings method examines the economic returns contributed by the identified tangible and intangible assets of a company, and then isolates the excess return that is attributable to the intangible asset being valued.

A discount rate of 17.0% was utilized, which reflects the amount of risk associated with the hypothetical cash flows generated by the DWA trade name in the future. In developing a discount rate for the trade name, we estimated a weighted average cost of capital for the overall business and we employed this rate when discounting the cash flows. The resulting discounted cash flows were then tax-effected at a rate of 36.5%, and a discounted tax amortization benefit was added to the fair value of the asset under the assumption that the trade name would be amortized for tax purposes over a period of 15 years.

We estimated the useful life of the trade name to be indefinite. The useful life was based on several factors including the number of years the name has been in service, its popularity within the industry, and our intention to continue its use in the branding of products.

Customer Relationships

Customer relationships represent the non-contractual and contractual relationships that DWA has with its customers. The DWA customer relationships were valued individually for each of DWA's businesses using the income approach, specifically the with-and-without method. The with-and-without method is commonly used when the cash flows of a business can be estimated with and without the asset in place. The premise associated with this valuation technique is that the value of an asset is represented by the differences in the subject business' cash flows under scenarios where (a) the asset is present and is used in operations (with); and (b) the asset is absent and not used in operations (without). Cash flow differentials are then discounted to present value to arrive at an estimate of fair value for the asset.

We estimated that without current customer relationships, it would take approximately 3-6 years, depending on the business, for the customer base to grow to 100% of current projected revenues. We also made estimates related to compensation levels and other expenses such as sales and marketing that would be incurred as the business was ramped up through the year in which the customer base would be expected to reach the level that currently exists.

A discount rate of 17.5% was utilized, which reflects the amount of risk associated with the hypothetical cash flows generated by the customer relationships in the future. The resulting discounted cash flows were then tax-effected at a rate of 36.5%, and a discounted tax amortization benefit was added to the fair value of the asset under the assumption that the customer relationships would be amortized for tax purposes over a period of 15 years.

Based on the historical behavior of the customers and a parallel analysis of the customers using the excess earnings method, we estimated the remaining useful life for the acquired customer relationships to be 15 years.

Technology

The fair value of the acquired DWA developed technology was valued using the income approach, specifically the relief from royalty method, or RFRM. The RFRM is used to estimate the cost savings that accrue to the owner of an intangible asset who would otherwise have to pay royalties or license fees on revenues earned through the use of the asset. The royalty rate is applied to the projected revenue over the expected remaining life of the intangible asset to estimate royalty savings. The net after-tax royalty savings are calculated for each year in the remaining economic life of the intangible asset and discounted to present value.

To determine the royalty rate we searched for and identified market transactions and royalty rates for comparable technology. In addition, we performed a profit split analysis that produced a range of royalty rates that were then compared for reasonableness to the royalty rates identified in the market transactions and royalty rates for comparable technology. Profit split theory states that a reasonable market participant would be willing and able to make revenue-based royalty payments of 25.0% to 30.0% of their operating profit to receive the rights to certain licensable intellectual property necessary for conducting business. Conversely, the owner of such intellectual property would save that amount or be relieved from making those royalty payments. We estimated supportable royalty rates for the technology and selected a pre-tax royalty rate of 15.0%.

A discount rate of 17.0% was utilized, which reflects the estimated weighted average cost of capital for the overall business and we employed this rate when discounting the cash flows. The resulting discounted cash flows were then tax-effected at a rate of 36.5%, and a discounted tax amortization benefit was added to the fair value of the asset under the assumption that the technology would be amortized for tax purposes over a period of 15 years.

We have estimated the remaining useful life for the acquired developed technology to be 5 years.

Acquisition of Full Ownership of The NASDAQ Private Market, LLC and Acquisition of SecondMarket

In October 2015, we acquired full ownership of NPM following the acquisition of the minority stake that was previously held by a third party. In addition, through NPM, we acquired SecondMarket, a recognized innovator in facilitating liquidity for private company securities. The additional ownership interest in NPM and the acquisition of SecondMarket were purchased for an immaterial amount. NPM and SecondMarket are part of our Listing Services segment.

Pro Forma Results and Acquisition-related Costs

Pro forma financial results for the acquisitions completed in 2016 and 2015 have not been presented since the acquisitions, both individually and in the aggregate for each year, were not material to our financial results.

Acquisition-related costs for the transactions described above were expensed as incurred and are included in merger and strategic initiatives expense in the Condensed Consolidated Statements of Income.

5. Goodwill and Acquired Intangible Assets

Goodwill

The following table presents the changes in goodwill by business segment during the three months ended March 31, 2016:

	Market Services	Listing Services	Information Services	Technology Solutions	Total
			(in millions)		
Balance at December 31, 2015	$ 2,941	$ 112	$ 1,823	$ 519	$ 5,395
Goodwill acquired	38	-	16	91	145
Foreign currency translation adjustment	68	4	40	11	123
Balance at March 31, 2016	$ 3,047	$ 116	$ 1,879	$ 621	$ 5,663

The goodwill acquired for Market Services and Information Services shown above relates to our acquisition of Chi-X Canada and the goodwill acquired for Technology Solutions shown above relates to our acquisition of Marketwired. See “2016 Acquisitions,” of Note 4, “Acquisitions,” for further discussion.

As of March 31, 2016, the amount of goodwill that is expected to be deductible for tax purposes in future periods is $932 million, of which $539 million is related to our acquisition of certain assets and assumption of certain liabilities of the eSpeed business, or eSpeed, $252 million is related to our acquisition of the Investor Relations, Public Relations and Multimedia Solutions businesses of Thomson Reuters, and $141 million is related to other acquisitions.

Goodwill represents the excess of the 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 test goodwill for impairment at the reporting unit level annually, or in interim periods if certain events occur indicating that the carrying amount may be impaired, such as changes in the business climate, poor indicators of operating performance or the sale or disposition of a significant portion of a reporting unit. There was no impairment of goodwill for the three months ended March 31, 2016 and 2015; however, events such as economic weakness or unexpected significant declines in operating results of a reporting unit may result in goodwill impairment charges in the future.

Acquired Intangible Assets

The following table presents details of our total acquired intangible assets, both finite- and indefinite-lived:

	March 31, 2016				December 31, 2015			
	Gross Amount	Accumulated Amortization	Net Amount	Weighted-Average Useful Life (in Years)	Gross Amount	Accumulated Amortization	Net Amount	Weighted-Average Useful Life (in Years)
		(in millions)				(in millions)		
Finite-Lived Intangible Assets								
Technology	$ 38	$ (24)	$ 14	5	$ 39	$ (23)	$ 16	5
Customer relationships	1,143	(403)	740	19	1,038	(387)	651	20
Other	5	(3)	2	8	5	(4)	1	9
Foreign currency translation adjustment	(112)	38	(74)		(138)	43	(95)	
Total finite-lived intangible assets	$ 1,074	$ (392)	$ 682		$ 944	$ (371)	$ 573	
Indefinite-Lived Intangible Assets								
Exchange and clearing registrations	$ 790	$ -	$ 790		$ 790	$ -	$ 790	
Trade names	700	-	700		700	-	700	
Licenses	51	-	51		51	-	51	
Foreign currency translation adjustment	(138)	-	(138)		(155)	-	(155)	
Total indefinite-lived intangible assets	$ 1,403	$ -	$ 1,403		$ 1,386	$ -	$ 1,386	
Total intangible assets	$ 2,477	$ (392)	$ 2,085		$ 2,330	$ (371)	$ 1,959	

Amortization expense for purchased finite-lived intangible assets was $17 million for the three months ended March 31, 2016 and $15 million for the three months ended March 31, 2015.

The estimated future amortization expense (excluding the impact of foreign currency translation adjustments of $74 million as of March 31, 2016) of acquired finite-lived intangible assets as of March 31, 2016 is as follows:

	(in millions)
2016[(1)]	$ 57
2017	74
2018	70
2019	56
2020	55
2021 and thereafter	444
Total	$ 756

(1) Represents the estimated amortization to be recognized for the remaining nine months of 2016.

6. Investments

Trading Securities

Trading securities, which are included in financial investments, at fair value in the Condensed Consolidated Balance Sheets, were $249 million as of March 31, 2016 and $189 million as of December 31, 2015. These securities are primarily comprised of highly rated European government debt securities, of which $175 million as of March 31, 2016 and $166 million as of December 31, 2015, are assets utilized to meet regulatory capital requirements primarily for our clearing operations at Nasdaq Clearing.

Available-for-Sale Investment Securities

Available-for-sale investment securities, which are included in financial investments, at fair value in the Condensed Consolidated Balance Sheets, were $10 million as of March 31, 2016 and $12 million as of December 31, 2015. These securities are primarily comprised of short-term commercial paper. As of March 31, 2016 and December 31, 2015, the cumulative unrealized gains and losses on these securities were immaterial.

Equity Method Investments

The carrying amounts of our equity method investments totaled $70 million as of March 31, 2016 and $72 million as of December 31, 2015 and are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of March 31, 2016 and December 31, 2015, our equity method investments primarily included equity interests in The Options Clearing Corporation, or OCC, EuroCCP N.V. and The Order Machine, or TOM.

Net income recognized from our equity interest in the earnings and losses of these equity method investments was $2 million for the three months ended March 31, 2016 and $14 million for the three months ended March 31, 2015. The decrease in the first quarter compared with the same periods in 2015 is primarily due to income recognized from our equity method investment in OCC in 2015. We were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when OCC's financial statements were made available to us. As a result, we recorded other income of $13 million in March 2015 relating to our share of OCC's income for the year ended December 31, 2014. This income is included in net income from unconsolidated investees in the Condensed Consolidated Statements of Income for the three months ended March 31, 2015.

Capital Contribution to OCC

In March 2015, in connection with being designated systemically important by the Financial Stability Oversight Council, OCC implemented a capital plan under which the options exchanges that are OCC's stockholders made new capital contributions to OCC, committed to make further capital contributions in the future under certain specified circumstances, and received certain commitments from OCC with respect to future dividend payments and related matters. Under the OCC capital plan, OCC's existing exchange stockholders, including Nasdaq, each contributed a pro-rata share of $150 million in new equity capital. Nasdaq's capital contribution was $30 million. OCC's exchange stockholders also committed to provide, as may become necessary from time to time, additional replenishment capital on a pro-rata basis if certain capital thresholds are triggered. For its part, OCC adopted specific policies with respect to fees, customer refunds and stockholder dividends, which envision an annual dividend payment to its stockholders equal to the portion of OCC's after-tax income that exceeds OCC's capital requirements after payment of refunds to OCC's clearing members (with such customer refunds generally to constitute 50% of the portion of OCC's pre-tax income that exceeds OCC's capital requirements). After the SEC staff approved the OCC capital plan and the stockholders made their capital contributions, the plan's further effectiveness was suspended under the applicable SEC rules because certain parties petitioned the full Commission to reconsider the capital plan's approval. This stay was lifted by the SEC in September 2015, allowing OCC to implement the plan and in February 2016, the SEC issued an order approving the OCC capital plan as previously implemented and dismissed the petitions challenging that plan. The petitioners appealed the SEC's order to the Federal Court of Appeals for the District of Columbia Circuit. The petitioners also filed for a stay of the SEC's order, which would have blocked OCC from paying a dividend under the OCC capital plan. The Court of Appeals denied the requested stay, permitting OCC to pay a dividend which Nasdaq received in February 2016.

Cost Method Investments

The carrying amount of our cost method investments totaled $145 million as of March 31, 2016 and $132 million as of December 31, 2015 and is included in other non-current assets in the Condensed Consolidated Balance Sheets. As of March 31, 2016 and December 31, 2015, our cost method investments primarily represent our 5% ownership interest in Borsa Istanbul and our 5% ownership interest in LCH.Clearnet Group Limited, or LCH.

The Borsa Istanbul shares, which were issued to us in the first quarter of 2014, are part of the consideration to be received under a market technology agreement. This investment has a cost basis of $75 million which is guaranteed to us via a put option negotiated as part of the market technology agreement.

7. Deferred Revenue

Deferred revenue represents consideration received that is yet to be recognized as revenue. The changes in our deferred revenue during the three months ended March 31, 2016 and 2015 are reflected in the following table.

	Initial Listing Revenues	Listing of Additional Shares Revenues	Annual Renewal and Other Revenues	Technology Solutions Revenues[2]	Total
			(in millions)		
Balance at January 1, 2016	$ 59	$ 53	$ 16	$ 199	$ 327
Additions[1]	1	2	259	122	384
Amortization[1]	(4)	(7)	(97)	(110)	(218)
Translation adjustment	-	-	1	(2)	(1)
Balance at March 31, 2016	$ 56	$ 48	$ 179	$ 209	$ 492

Balance at January 1, 2015	$ 54	$ 78	$ 13	$ 247	$ 392
Additions[(1)]	4	3	218	161	386
Amortization[(1)]	(4)	(10)	(63)	(192)	(269)
Translation adjustment	-	-	(1)	(16)	(17)
Balance at March 31, 2015	$ 54	$ 71	$ 167	$ 200	$ 492

[(1)]The additions and amortization for initial listing revenues, listing of additional shares revenues and annual renewal and other revenues primarily reflect revenues from our U.S. Listing Services business.

[(2)]Technology solutions deferred revenue primarily includes revenues from our corporate solutions subscription-based contracts, which are primarily billed quarterly in advance, and our market technology client contracts where customization and significant modifications to the software are made to meet the needs of our customers. For our market technology contracts, 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. For these market technology contracts, we have included the deferral of costs in other current assets and other non-current assets in the Condensed Consolidated Balance Sheets.

At March 31, 2016, we estimate that our deferred revenue, which is primarily listing services and technology solutions revenues, will be recognized in the following years:

	Initial Listing Revenues	Listing of Additional Shares Revenues	Annual Renewal and Other Revenues	Technology Solutions Revenues[(2)]	Total
			(in millions)		
Fiscal year ended:					
2016[(1)]	$ 12	$ 20	$ 178	$ 72	$ 282
2017	14	18	1	37	70
2018	12	8	-	32	52
2019	10	2	-	28	40
2020	6	-	-	25	31
2021 and thereafter	2	-	-	15	17
	$ 56	$ 48	$ 179	$ 209	$ 492

[(1)] Represents deferred revenue that is anticipated to be recognized over the remaining nine months of 2016.

[(2)]Technology solutions deferred revenue primarily includes corporate solutions and market technology deferred revenue. The timing of recognition of our deferred technology solutions revenues is primarily dependent upon the completion of customization and any significant modifications made pursuant to existing market technology contracts. As such, as it relates to market technology revenues, the timing represents our best estimate.

8. Debt Obligations

The following table presents the changes in the carrying amount of our debt obligations during the three months ended March 31, 2016:

	December 31, 2015	Additions	Payments, Accretion and Other	March 31, 2016
		(in millions)		
5.55% senior unsecured notes due January 15, 2020 [(1)(2)]	$ 597	$ -	$ -	$ 597
5.25% senior unsecured notes due January 16, 2018 [(1)(2)]	368	-	-	368
3.875% senior unsecured notes due June 7, 2021 [(1)(2)]	646	-	32	678
4.25% senior unsecured notes due June 1, 2024 [(1)(2)]	495	-	-	495
$400 million senior unsecured term loan facility due November 25, 2019 (average interest rate of 1.94% for the period March 17, 2016 through March 31, 2016)[(3)]	-	399	-	399
$750 million revolving credit commitment due November 25, 2019 (average interest rate of 1.61% for the period January 1, 2016 through March 31, 2016)[(4)]	258	325	(555)	28
Total long-term debt obligations	$ 2,364	$ 724	$ (523)	$ 2,565

[(1)] See "Senior Unsecured Notes" below for further discussion.

(2) Net of unamortized debt discount and debt issuance costs.
(3) Net of unamortized debt issuance costs. See “2016 Credit Facility” below for further discussion.
(4) Net of unamortized debt issuance costs. See “2014 Credit Facility” below for further discussion.

Senior Unsecured Notes

5.55% Senior Unsecured Notes

In January 2010, Nasdaq issued $600 million aggregate principal amount of 5.55% senior notes due January 15, 2020, or the 2020 Notes, at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. As of March 31, 2016, the balance of $597 million reflects the aggregate principal amount, less the unamortized debt discount and the unamortized debt issuance costs. The unamortized debt discount and the unamortized debt issuance costs are being accreted through interest expense over the life of the 2020 Notes.

The 2020 Notes pay interest semiannually at a rate of 5.55% per annum until January 15, 2020. The 2020 Notes are general unsecured obligations of ours and rank equally with all of our existing and future unsubordinated obligations. The 2020 Notes are not guaranteed by any of our subsidiaries. The 2020 Notes were issued under indentures that, among other things, limit our ability to consolidate, merge or sell all or substantially all of our assets, create liens, and enter into sale and leaseback transactions.

5.25% Senior Unsecured Notes

In December 2010, Nasdaq issued $370 million aggregate principal amount of 5.25% senior unsecured notes due January 16, 2018, or the 2018 Notes, at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. As of March 31, 2016, the balance of $368 million reflects the aggregate principal amount, less the unamortized debt discount and the unamortized debt issuance costs. The unamortized debt discount and the unamortized debt issuance costs are being 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 such rate may vary with Nasdaq’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, limit 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.

3.875% Senior Unsecured Notes

In June 2013, Nasdaq issued €600 million aggregate principal amount of 3.875% senior unsecured notes due June 7, 2021, or the 2021 Notes, at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. As of March 31, 2016, the balance of $678 million reflects the aggregate principal amount translated into U.S. dollars, less the unamortized debt discount and the unamortized debt issuance costs. The unamortized debt discount and the unamortized debt issuance costs are being accreted through interest expense over the life of the 2021 Notes.

The 2021 Notes pay interest annually at a rate of 3.875% per annum until June 7, 2021 and such rate may vary with Nasdaq’s debt rating up to a rate not to exceed 5.875%. The 2021 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 2021 Notes were issued under indentures that among other things, limit 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.

The 2021 Notes have been designated as a hedge of our net investment in certain foreign subsidiaries to mitigate the foreign exchange risk associated with certain investments in these subsidiaries. The increase in the carrying amount of $32 million noted in the “Payments, Accretion and Other” column in the table above reflects the translation of the 2021 Notes into U.S. dollars and is recorded in accumulated other comprehensive loss within stockholders’ equity in the Condensed Consolidated Balance Sheets as of March 31, 2016.

4.25% Senior Unsecured Notes

In May 2014, Nasdaq issued $500 million aggregate principal amount of 4.25% senior unsecured notes due June 1, 2024, or the 2024 Notes, at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. As of March 31, 2016, the balance of $495 million reflects the aggregate principal amount, less the unamortized debt discount and the unamortized debt issuance costs. The unamortized debt discount and the unamortized debt issuance costs are being accreted through interest expense over the life of the 2024 Notes.

The 2024 Notes pay interest semiannually at a rate of 4.25% per annum until June 1, 2024 and such rate may vary with Nasdaq's debt rating up to a rate not to exceed 6.25%. The 2024 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 2024 Notes were issued under indentures that among other things, limit 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.

Credit Facilities

2016 Credit Facility

In March 2016, Nasdaq entered into a credit agreement which provides for a $400 million senior unsecured term loan facility which matures on November 25, 2019, or the 2016 Credit Facility. In March 2016, loans in an aggregate principal amount of $400 million were drawn under the 2016 Credit Facility and the net proceeds of $399 million were used to partially repay amounts outstanding under the revolving credit commitment of the 2014 Credit Facility, as discussed and defined below. As of March 31, 2016, the balance of $399 million reflects the aggregate principal amount, less the unamortized debt issuance costs. The unamortized debt issuance costs are being accreted through interest expense over the life of the 2016 Credit Facility.

Loans under the 2016 Credit Facility pay interest monthly at a variable interest rate based on either the London Interbank Offered Rate, or LIBOR, or the base rate (or other applicable rate with respect to non-dollar borrowings), plus an applicable margin that varies with Nasdaq's debt rating. Under the 2016 Credit Facility, we are required to make quarterly principal payments beginning in March 2018 equal to 2.50% of the aggregate original principal amounts borrowed with the remaining amounts due at maturity.

The credit agreement contains financial and operating covenants. Financial covenants include a minimum interest expense coverage ratio and a maximum leverage ratio. Operating covenants include, among other things, limitations on Nasdaq's ability to incur additional indebtedness, grant liens on assets, enter into affiliate transactions, disposition of assets by Nasdaq and pay dividends.

Nasdaq is permitted to repay borrowings under the 2016 Credit Facility at any time in whole or in part, without penalty. We are also required to repay loans outstanding under the 2016 Credit Facility with net cash proceeds from sales of property and assets of Nasdaq 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.

2014 Credit Facility

In November 2014, Nasdaq entered into a $750 million senior unsecured five-year credit facility which matures on November 25, 2019, or the 2014 Credit Facility. The 2014 Credit Facility consists of a $750 million revolving credit commitment (with sublimits for non-dollar borrowings, swingline borrowings and letters of credit). During the first quarter of 2016, we borrowed $165 million under the revolving credit commitment of the 2014 Credit Facility to partially fund our acquisitions of Chi-X Canada and Marketwired. See "2016 Acquisitions," of Note 4, "Acquisitions," for further discussion of the Chi-X Canada and Marketwired acquisitions. During the first quarter of 2016, we also borrowed $160 million for general corporate purposes. In March 2016, we used the net proceeds from our 2016 Credit Facility and cash on hand to repay $555 million under the revolving credit commitment of the 2014 Credit Facility. As of March 31, 2016, the balance of $28 million reflects the outstanding amount under the 2014 Credit Facility, less the unamortized debt issuance costs. The unamortized debt issuance costs are being accreted through interest expense over the life of the 2014 Credit Facility.

The loans under the 2014 Credit Facility have a variable interest rate based on either the LIBOR or the base rate (as defined in the credit agreement) (or other applicable rate with respect to non-dollar borrowings), plus an applicable margin that varies with Nasdaq's debt rating.

The 2014 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's ability to incur additional indebtedness, grant liens on assets, enter into affiliate transactions and pay dividends. Our 2014 Credit Facility allows us to pay cash dividends on our common stock. The 2014 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 is permitted to repay borrowings under the 2014 Credit Facility at any time in whole or in part, without penalty. We are also required to repay loans outstanding under the 2014 Credit Facility with net cash proceeds from sales of property and assets of Nasdaq 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.

Other Credit Facilities

In addition to the revolving credit commitment under our 2014 Credit Facility discussed above, we have credit facilities related to our Nasdaq Clearing operations in order to provide further liquidity. Credit facilities, which are available in multiple currencies, primarily Swedish Krona, totaled $209 million at March 31, 2016 and $202 million at December 31, 2015 in available liquidity, none of which was utilized.

Debt Covenants

At March 31, 2016, we were in compliance with the covenants of all of our debt obligations.

9. 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 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. As such, net periodic benefit cost was immaterial for both the three months ended March 31, 2016 and 2015.

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 Condensed Consolidated Statements of Income and were $4 million for the three months ended March 31, 2016 and $5 million for the three months ended March 31, 2015.

U.S. Defined Contribution Savings Plan

We sponsor a voluntary defined contribution savings 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 6.0% of eligible employee contributions. Savings plan expense is included in compensation and benefits expense in the Condensed Consolidated Statements of Income and was $3 million for both three months ended March 31, 2016 and 2015.

Employee Stock Purchase Plan

We have an employee stock purchase plan, or ESPP, under which approximately 2.6 million shares of our common stock have been reserved for future issuance as of March 31, 2016.

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 Condensed Consolidated Statements of Income and was $1 million for both the three months ended March 31, 2016 and March 31, 2015.

10. 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, granted under this program include stock options, restricted stock (consisting of restricted stock units), and performance share units, or 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 and restricted stock awards granted prior to 2014 generally included performance-based accelerated vesting features based on achievement of specific levels of corporate performance. If Nasdaq exceeded the applicable performance parameters, the grants vest on the third anniversary of the grant date, if Nasdaq met the applicable performance parameters, the grants vest on the fourth anniversary of the grant date, and if Nasdaq did not meet the applicable performance parameters, the grants vest on the fifth anniversary of the grant date. Beginning in 2014, restricted stock awards granted vest 25% on the second anniversary of the grant date, 25% on the third anniversary of the grant date, and 50% on the fourth anniversary of the grant date. The grant date fair value of restricted stock awards is based on the closing price at the date of grant less the present value of future cash dividends.

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.

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.

We also have a performance-based long-term incentive program for our chief executive officer, presidents, executive vice presidents and senior vice presidents that focuses on total shareholder return, or TSR. This program represents 100% of our chief executive officer's, presidents' and executive vice presidents' long-term stock-based compensation and 50% of our senior vice presidents' long-term stock-based compensation. Under the program, each individual receives PSUs with a three-year cumulative performance period that vest at the end of the performance period. Performance will be determined by comparing Nasdaq's TSR to two peer groups, each weighted 50%. The first peer group consists of exchange companies, and the second peer group consists of all companies in the Standard & Poor's 500 Index. Nasdaq's relative performance ranking against each of these groups will determine the final number of shares delivered to each individual under the program. The payout under this program will be between 0% and 200% of the number of PSUs granted and will be determined by Nasdaq's overall performance against both peer groups. However, if Nasdaq's TSR is negative for the three-year performance period, regardless of TSR ranking, the payout will not exceed 100% of the number of PSUs granted. We estimate the fair value of PSU's granted under the TSR program using the Monte Carlo simulation model, as these awards contain a market condition. The following weighted-average assumptions were used to determine the weighted-average fair values of the PSU awards granted under the TSR program during the three months ended March 31, 2016 and 2015:

	Three Months Ended March 31,	
	2016	2015
Weighted-average risk free interest rate	0.84%	0.81%
Expected volatility[1]	21.0%	21.5%
Grant date share price	$ 66.38	$ 50.94
Weighted-average fair value at grant date	$ 93.30	$ 64.03

[1] We use historic volatility for PSU awards issued under the TSR program, as implied volatility data could not be obtained for all the companies in the peer groups used for relative performance measurement within the TSR program.

In addition, the annual dividend assumption utilized in the Monte Carlo simulation model is based on Nasdaq's dividend yield at the date of the grant.

Summary of 2016 Equity Awards

In March 2016, we granted restricted stock to most active employees. During the first three months of 2016, certain officers received grants of 498,048 PSUs. Of these PSUs granted, 344,031 units are subject to the performance measures and vesting schedules of the TSR program as discussed above, and the remaining 154,017 units are subject to a one-year performance period and generally vest ratably on an annual basis from December 31, 2017 through December 31, 2019. See "Summary of Restricted Stock and PSU Activity" below for further discussion.

During 2015, certain grants of PSUs with a one-year performance period exceeded the applicable performance parameters. As a result, an additional 87,582 units were considered granted in the first quarter of 2016.

Certain grants of PSUs that were issued in 2013 under the TSR program with a three-year performance period exceeded the applicable performance parameters. As a result, an additional 406,075 units were considered granted in the first quarter of 2016.

See "Summary of Restricted Stock and PSU Activity" below for further discussion.

Common Shares Available Under Our Equity Plan

As of March 31, 2016, we had approximately 6.0 million shares of common stock authorized for future issuance under Nasdaq's 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 three months ended March 31, 2016 and 2015 in the Condensed Consolidated Statements of Income:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
	(in millions)	
Share-based compensation expense before income taxes	$ 16	$ 14
Income tax benefit	(7)	(6)
Share-based compensation expense after income taxes	$ 9	$ 8

Summary of Restricted Stock and PSU Activity

The following table summarizes our restricted stock and PSU activity for the three months ended March 31, 2016:

	Restricted Stock		PSUs	
	Number of Awards	Weighted-Average Grant Date Fair Value	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested balances at January 1, 2016	3,343,738	$ 35.36	1,863,685	$ 47.57
Granted	570,806 (1)	62.81	991,705 (2)	64.51
Vested	(236,303)	36.45	(879,926)	43.81
Forfeited	(52,787)	35.38	(6,369)	42.15
Unvested balances at March 31, 2016	3,625,454	$ 39.61	1,969,095	$ 57.80

(1) Primarily reflects our company-wide equity grant issued in March 2016, as discussed above.
(2) PSUs granted in 2016 reflect awards issued to certain officers, as described above.

At March 31, 2016, $136 million of total unrecognized compensation cost related to restricted stock and PSUs is expected to be recognized over a weighted-average period of 1.8 years.

Summary of Stock Option Activity

The following table summarizes our stock option activity for the three months ended March 31, 2016:

	Number of Stock Options(1)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
			(in years)	(in millions)
Outstanding at January 1, 2016	2,626,487	$ 27.74	2.63	$ 80
Exercised	(86,811)	24.05		
Outstanding at March 31, 2016	2,539,676	$ 27.87	2.32	$ 98
Exercisable at March 31, 2016	2,539,676	$ 27.87	2.32	$ 98

(1) No stock option awards were granted during the three months ended March 31, 2016. All stock options were vested in 2014.

We received net cash proceeds of $2 million from the exercise of 86,811 stock options during the three months ended March 31, 2016 and received net cash proceeds of $6 million from the exercise of 232,459 stock options during the three months ended March 31, 2015. We present excess tax benefits from the exercise of stock options, if any, as financing cash flows.

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 March 31, 2016 of $66.38 and the exercise price, times the number of shares) based on stock options with an exercise price less than Nasdaq's closing price of $66.38 as of March 31, 2016, which would have been received by the option holders had the option holders exercised their stock options on that date. This amount can change based on the fair market value of our common stock. The total number of in-the-money stock options exercisable as of March 31, 2016 was 2.5 million. As of March 31, 2015, 3.1 million outstanding stock options were exercisable and the weighted-average exercise price was $27.69.

The total pre-tax intrinsic value of stock options exercised was $3 million for the three months ended March 31, 2016 and $5 million for the three months ended March 31, 2015.

11. Nasdaq Stockholders' Equity

Common Stock

At March 31, 2016, 300,000,000 shares of our common stock were authorized, 167,955,072 shares were issued and 164,502,699 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 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 stockholders' equity and included in common stock in treasury, at cost in the Condensed Consolidated Balance Sheets. Most shares repurchased under our share repurchase program are retired and cancelled, and the remaining shares are available for general corporate purposes. When treasury shares are reissued, they are recorded at the average cost of the treasury shares acquired. We held 3,452,373 shares of common stock in treasury as of March 31, 2016 and 2,917,464 shares as of December 31, 2015.

Share Repurchase Program

In the fourth quarter of 2014, our board of directors authorized the repurchase of up to $500 million of our outstanding common stock and in the first quarter of 2016, our board of directors authorized the repurchase of an additional $370 million of our outstanding common stock under our share repurchase program.

These purchases may be 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. The purchases are funded from existing cash balances. The share repurchase program may be suspended, modified or discontinued at any time.

During the first three months of 2016, we repurchased 490,032 shares of our common stock at an average price of $59.37, for an aggregate purchase price of $29 million. As discussed above in "Common Stock in Treasury, at Cost," most shares repurchased under the share repurchase program are retired and cancelled, and the remaining shares are available for general corporate purposes. As of March 31, 2016, the remaining amount authorized for share repurchases under the program was $500 million.

Other Repurchases of Common Stock

During the three months ended March 31, 2016, we repurchased 534,909 shares of our common stock in settlement of employee tax withholding obligations due upon the vesting of restricted stock.

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 March 31, 2016 and December 31, 2015, no shares of preferred stock were issued or outstanding.

Cash Dividends on Common Stock

During the three months ended March 31, 2016, our board of directors declared the following cash dividends:

Declaration Date	Dividend Per Common Share	Record Date	Total Amount[(1)] (in millions)	Payment Date
January 28, 2016	$ 0.25	March 14, 2016	$ 41	March 28, 2016
March 28, 2016	$ 0.32	June 10, 2016	$ 53	June 24, 2016

(1) These amounts were recorded in retained earnings in the Condensed Consolidated Balance Sheets at March 31, 2016.

The dividend declared in March 2016 of $0.32 per share on our outstanding common stock reflects a 28% increase from our prior quarterly cash dividend of $0.25. Future declarations of quarterly dividends and the establishment of future record and payment dates are subject to approval by the board of directors.

12. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
	(in millions, except share and per share amounts)	
Numerator:		
Net income attributable to common shareholders	$ 132	$ 9
Denominator:		
Weighted-average common shares outstanding for basic earnings per share	164,281,692	168,985,956
Weighted-average effect of dilutive securities:		
Employee equity awards	4,086,752	3,691,163
Weighted-average common shares outstanding for diluted earnings per share	168,368,444	172,677,119
Basic and diluted earnings per share:		
Basic earnings per share	$ 0.80	$ 0.05
Diluted earnings per share	$ 0.78	$ 0.05

Stock options to purchase 2,539,676 shares of common stock and 5,594,549 shares of restricted stock and PSUs were outstanding at March 31, 2016. For the three months ended March 31, 2016, we included all of the outstanding stock options and 4,533,893 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 shares of restricted stock and PSUs are antidilutive, and as such, they were properly excluded.

Stock options to purchase 3,084,323 shares of common stock and 5,917,005 shares of restricted stock and PSUs were outstanding at March 31, 2015. For the three months ended March 31, 2015, we included all of the outstanding stock options and 4,573,314 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.

13. Fair Value of Financial Instruments

The fair value of our financial instruments are measured based on a three-level 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.

This hierarchy requires the use of observable market data when available.

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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 as of March 31, 2016 and December 31, 2015.

	March 31, 2016			
	Total	Level 1	Level 2	Level 3
	(in millions)			
Financial Assets Measured at Fair Value on a Recurring Basis				
Financial investments, at fair value[1]	$ 259	$ 249	$ 10	$ -
Default fund and margin deposit investments[2]	2,352	1,449	903	-
Total	$ 2,611	$ 1,698	$ 913	$ -

	December 31, 2015			
	Total	Level 1	Level 2	Level 3
	(in millions)			
Financial Assets Measured at Fair Value on a Recurring Basis				
Financial investments, at fair value[1]	$ 201	$ 189	$ 12	$ -
Default fund and margin deposit investments[2]	1,556	1,253	303	-
Total	$ 1,757	$ 1,442	$ 315	$ -

(1) As of March 31, 2016 and December 31, 2015, Level 1 financial investments, at fair value were primarily comprised of trading securities, mainly highly rated European government debt securities. Of these securities, $175 million as of March 31, 2016 and $166 million as of December 31, 2015 are assets utilized to meet regulatory capital requirements, primarily for the clearing operations at Nasdaq Clearing. As of March 31, 2016 and December 31, 2015, Level 2 financial investments, at fair value were primarily comprised of available-for-sale investment securities in short-term commercial paper.

(2) Default fund and margin deposit investments include cash contributions invested by Nasdaq Clearing, in accordance with its investment policy, either in highly rated European, and to a lesser extent, U.S. government debt securities, time deposits or reverse repurchase agreements with highly rated government debt securities as collateral. Of the total balance of $3,614 million recorded in the Condensed Consolidated Balance Sheets as of March 31, 2016, $903 million of cash contributions have been invested in reverse repurchase agreements and $1,449 million of cash contributions have been invested in highly rated European, and to a lesser extent, U.S. government debt securities and time deposits. The remainder of this balance is held in cash. Of the total balance of $2,228 million recorded in the Condensed Consolidated Balance Sheets as of December 31, 2015, $303 million of cash contributions have been invested in reverse repurchase agreements and $1,253 million of cash contributions have been invested in highly rated European, and to a lesser extent, U.S. government debt securities. The remainder of this balance is held in cash. See Note 14, "Clearing Operations," for further discussion of default fund contributions and margin deposits.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy as of March 31, 2016 and December 31, 2015.

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, accounts payable and accrued expenses, Section 31 fees payable to SEC, accrued personnel costs, and certain other current liabilities.

In addition, our investments in OCC, EuroCCP N.V. and TOM are accounted for under the equity method of accounting and our investments in Borsa Istanbul and LCH are carried at cost. See "Equity Method Investments," and "Cost Method Investments," of Note 6, "Investments," for further discussion.

We also consider our debt obligations to be financial instruments. The fair value of our debt, utilizing discounted cash flow analyses for our floating rate debt and prevailing market rates for our fixed rate debt, was $2.8 billion at March 31, 2016 and $2.5 billion at December 31, 2015. The discounted cash flow analyses are based on borrowing rates currently available to us for debt with similar terms and maturities. Our fixed rate and our floating rate debt is categorized as Level 2 in the fair value hierarchy. For further discussion of our debt obligations, see Note 8, "Debt Obligations."

14. Clearing Operations

Nasdaq Clearing

Nasdaq Clearing is authorized and supervised under the European Market Infrastructure Regulation as a multi-asset clearinghouse by the Swedish Financial Supervisory Authority, or SFSA, and is authorized to conduct clearing operations in Norway by the Norwegian Ministry of Finance. The clearinghouse acts as the central counterparty, or CCP, for exchange and over-the-counter, or OTC, trades in equity derivatives, fixed income derivatives, resale and repurchase contracts, power derivatives, emission allowance derivatives, freight and fuel oil derivatives, iron ore derivatives and seafood derivatives.

Through our clearing operations in the financial markets, which include the resale and repurchase market, the commodities markets, and the seafood market, Nasdaq Clearing is the legal counterparty for, and guarantees the fulfillment of, each contract cleared. These contracts are not used by Nasdaq Clearing for the purpose of trading on its own behalf. As the legal counterparty of each transaction, Nasdaq Clearing bears the counterparty risk between the purchaser and seller in the contract. In its guarantor role, Nasdaq Clearing has precisely equal and offsetting claims to and from clearing members on opposite sides of each contract, standing as the CCP on every contract cleared. In accordance with the rules and regulations of Nasdaq Clearing, clearing members' open positions are aggregated to create a single portfolio for which default fund and margin collateral requirements are calculated. See "Default Fund Contributions and Margin Deposits" below for further discussion of Nasdaq Clearing's default fund and margin requirements.

Nasdaq Clearing maintains four member sponsored default funds: one related to financial markets, one related to commodities markets, one related to the seafood market, and a mutualized fund. Under this structure, Nasdaq Clearing and its clearing members must contribute to the total regulatory capital related to the clearing operations of Nasdaq Clearing. This structure applies an initial separation of default fund contributions for the financial, commodities and seafood markets in order to create a buffer for each market's counterparty risks. Simultaneously, a mutualized default fund provides capital efficiencies to Nasdaq Clearing's members with regard to total regulatory capital required. See "Default Fund Contributions" below for further discussion of Nasdaq Clearing's default fund. Power of assessment and a liability waterfall also have been implemented. See "Power of Assessment" and "Liability Waterfall" below for further discussion. These requirements ensure the alignment of risk between Nasdaq Clearing and its clearing members.

Default Fund Contributions and Margin Deposits

As of March 31, 2016, clearing member default fund contributions and margin deposits were as follows:

	March 31, 2016		
	Cash Contributions[1]	Non-Cash Contributions	Total Contributions
	(in millions)		
Default fund contributions	$ 381	$ 93	$ 474
Margin deposits	3,233	3,381	6,614
Total	$ 3,614	$ 3,474	$ 7,088

[1] As of March 31, 2016, in accordance with its investment policy, Nasdaq Clearing has invested cash contributions of $903 million in reverse repurchase agreements and $1,449 million in highly rated European, and to a lesser extent, U.S. government debt securities and time deposits. The remainder of this balance is held in cash.

Default Fund Contributions

Contributions made to the default funds are proportional to the exposures of each clearing member. When a clearing member is active in more than one market, contributions must be made to all markets' default funds in which the member is active. Clearing members' eligible contributions may include cash and non-cash contributions. Cash contributions received are held in cash or invested by Nasdaq Clearing, in accordance with its investment policy, either in highly rated government debt securities, time deposits or reverse repurchase agreements with highly rated government debt securities as collateral. Nasdaq Clearing maintains and manages all cash deposits related to margin collateral. All risks and rewards of collateral ownership, including interest, belong to Nasdaq Clearing. Clearing members' cash contributions are included in default funds and margin deposits in the Condensed Consolidated Balance Sheets as both a current asset and a current liability. Non-cash contributions include highly rated government debt securities that must meet specific criteria approved by Nasdaq Clearing. Non-cash contributions are pledged assets that are not recorded in the Condensed Consolidated Balance Sheets as Nasdaq Clearing does not take legal ownership of these assets and the risks and rewards remain with the clearing members. These balances may fluctuate over time due to changes in the amount of deposits required and whether members choose to provide cash or non-cash contributions. Assets pledged are held at a nominee account in Nasdaq Clearing's name for the benefit of the clearing members and are immediately accessible by Nasdaq Clearing in the event of a default. In addition to clearing members' required contributions to the default funds, Nasdaq Clearing is also required to contribute capital to the default funds and overall regulatory capital as specified under its clearinghouse rules. As of March 31, 2016, Nasdaq Clearing committed capital totaling $132 million to the member sponsored default funds and overall regulatory capital, in the form of government debt securities, which are recorded as financial investments, at fair value in the Condensed Consolidated Balance Sheets. The combined regulatory capital of the clearing members and Nasdaq Clearing will serve to secure the obligations of a clearing member and may be used to cover losses sustained by a clearing member in the event of a default.

Margin Deposits

Nasdaq Clearing requires all clearing members to provide collateral, which may consist of cash and non-cash contributions, to guarantee performance on the clearing members' open positions, or initial margin. In addition, clearing members must also provide collateral to cover the daily margin call if needed. See "Default Fund Contributions" above for further discussion of cash and non-cash contributions.

Nasdaq Clearing maintains and manages all cash deposits related to margin collateral. All risks and rewards of collateral ownership, including interest, belong to Nasdaq Clearing. These cash deposits are recorded in default funds and margin deposits in the Condensed Consolidated Balance Sheets as both a current asset and current liability. Pledged margin collateral is not recorded in our Condensed Consolidated Balance Sheets as all risks and rewards of collateral ownership, including interest, belong to the counterparty. Assets pledged are held at a nominee account in Nasdaq Clearing's name for the benefit of the clearing members and are immediately accessible by Nasdaq Clearing in the event of a default.

Nasdaq Clearing marks to market all outstanding contracts and requires payment from clearing members whose positions have lost value. The mark-to-market process helps identify any clearing members that may not be able to satisfy their financial obligations in a timely manner allowing Nasdaq Clearing the ability to mitigate the risk of a clearing member defaulting due to exceptionally large losses. In the event of a default, Nasdaq Clearing can access the defaulting member's margin deposits to cover the defaulting member's losses.

Regulatory Capital and Risk Management Calculations

Nasdaq Clearing manages risk through a comprehensive counterparty risk management framework, which is comprised of policies, procedures, standards and financial resources. The level of regulatory capital is determined in accordance with Nasdaq Clearing's regulatory capital policy, as approved by the SFSA. Regulatory capital calculations are continuously updated through a proprietary capital-at-risk calculation model that establishes the appropriate level of capital.

As mentioned above, Nasdaq Clearing is the legal counterparty for each contract traded and thereby guarantees the fulfillment of each contract. Nasdaq Clearing accounts for this guarantee as a performance guarantee. We determine the fair value of the performance guarantee by considering daily settlement of contracts and other margining and default fund requirements, the risk management program, historical evidence of default payments, and the estimated probability of potential default payouts. The calculation is determined using proprietary risk management software that simulates gains and losses based on historical market prices, extreme but plausible market scenarios, volatility and other factors present at that point in time for those particular unsettled contracts. Based on this analysis, the estimated liability was nominal and no liability was recorded as of March 31, 2016.

The market value of derivative contracts outstanding prior to netting was as follows:

	March 31, 2016 (in millions)
Commodity and seafood options, futures and forwards[(1)(2)(3)]	$ 2,007
Fixed-income options and futures[(1)(2)]	924
Stock options and futures[(1)(2)]	186
Index options and futures[(1)(2)]	137
Total	$ 3,254

(1) We determined the fair value of our option contracts using standard valuation models that were based on market-based observable inputs including implied volatility, interest rates and the spot price of the underlying instrument.
(2) We determined the fair value of our futures contracts based upon quoted market prices and average quoted market yields.
(3) We determined the fair value of our forward contracts using standard valuation models that were based on market-based observable inputs including LIBOR rates and the spot price of the underlying instrument.

The total number of derivative contracts cleared through Nasdaq Clearing for the three months ended March 31, 2016 and 2015 was as follows:

	March 31, 2016	March 31, 2015
Commodity and seafood options, futures and forwards[(1)]	907,921	620,417
Fixed-income options and futures	4,368,986	4,449,856
Stock options and futures	8,303,721	9,981,753
Index options and futures	14,685,731	13,115,693
Total	28,266,359	28,167,719

(1) The total volume in cleared power related to commodity contracts was 420 Terawatt hours (TWh) for the three months ended March 31, 2016 and 363 TWh for the three months ended March 31, 2015.

The outstanding contract value of resale and repurchase agreements was $6.4 billion as of March 31, 2016 and $3.6 billion as of March 31, 2015. The total number of resale and repurchase contracts cleared was 1,820,753 for the three months ended March 31, 2016 and was 1,582,082 for the three months ended March 31, 2015.

Power of Assessment

To further strengthen the contingent financial resources of the clearinghouse, Nasdaq Clearing has power of assessment that provides the ability to collect additional funds from its clearing members to cover a defaulting member's remaining obligations up to the limits established under the terms of the clearinghouse rules. The power of assessment corresponds to 100.0% of the clearing member's aggregate contribution to the financial, commodities, and seafood markets' default funds.

Liability Waterfall

The liability waterfall is the priority order in which the capital resources would be utilized in the event of a default where the defaulting clearing member's collateral would not be sufficient to cover the cost to settle its portfolio. If a default occurs and the defaulting clearing member's collateral, including cash deposits and pledged assets, is depleted, then capital is utilized in the following amount and order:

- junior capital contributed by Nasdaq Clearing, which totaled $22 million at March 31, 2016;
- a loss sharing pool related only to the financial market that is contributed to by clearing members and only applies if the defaulting member's portfolio includes interest rate swap products;
- specific market default fund where the loss occurred (i.e., the financial, commodities, or seafood market), which includes capital contributions of both the clearing members and Nasdaq Clearing on a pro-rata basis;
- senior capital contributed to each specific market by Nasdaq Clearing, calculated in accordance with clearinghouse rules, which totaled $25 million at March 31, 2016; and
- mutualized default fund, which includes capital contributions of both the clearing members and Nasdaq Clearing on a pro-rata basis.

If additional funds are needed after utilization of the mutualized default fund, then Nasdaq Clearing will utilize its power of assessment and additional capital contributions will be required by non-defaulting members up to the limits established under the terms of the clearinghouse rules.

15. Commitments, Contingencies and Guarantees

Guarantees Issued and Credit Facilities Available

In addition to the default fund contributions and margin collateral pledged by clearing members discussed in Note 14, "Clearing Operations," we have obtained financial guarantees and credit facilities which are guaranteed by us through counter indemnities, to provide further liquidity related to our clearing businesses. Financial guarantees issued to us totaled $15 million at March 31, 2016 and $13 million at December 31, 2015. As discussed in "Other Credit Facilities," of Note 8, "Debt Obligations," at March 31, 2016, credit facilities, which are available in multiple currencies, primarily Swedish Krona, totaled $209 million in available liquidity, none of which was utilized. At December 31, 2015, credit facilities, which are available in multiple currencies, primarily Swedish Krona, totaled $202 million in available liquidity, none of which was utilized.

Execution Access, LLC is an introducing broker which operates the eSpeed trading platform for U.S. Treasury securities. Execution Access has a clearing arrangement with Cantor Fitzgerald & Co. As of March 31, 2016, we have contributed $19 million of clearing deposits to Cantor Fitzgerald in connection with this clearing arrangement. These deposits are recorded in other current assets in our Condensed Consolidated Balance Sheets. Some of the trading activity in Execution Access is cleared by Cantor Fitzgerald through the Fixed Income Clearing Corporation. Execution Access assumes the counterparty risk of clients that do not clear through the Fixed Income Clearing Corporation. Counterparty risk of clients exists for Execution Access between the trade date and the settlement date of the individual transactions, which is one business day. All of Execution Access' obligations under the clearing arrangement with Cantor Fitzgerald are guaranteed by Nasdaq. Counterparties that do not clear through the Fixed Income Clearing Corporation are subject to a credit due diligence process and may be required to post collateral, provide principal letters, or provide other forms of credit enhancement to Execution Access for the purpose of mitigating counterparty risk.

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 Condensed Consolidated Balance Sheets for these arrangements.

Lease Commitments

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 lease agreements contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

Other Guarantees

We have provided other guarantees of $10 million as of March 31, 2016 and $11 million at December 31, 2015. These guarantees are primarily related to obligations for our rental and leasing contracts as well as performance guarantees on certain market technology contracts related to the delivery of software technology and support services. We have received financial guarantees from various financial institutions to support the above guarantees.

We have provided a guarantee related to lease obligations for The Nasdaq Entrepreneurial Center Inc., or the Entrepreneurial Center. The Entrepreneurial Center is a not-for-profit organization designed to convene, connect and engage aspiring and current entrepreneurs. This entity is not included in the condensed consolidated financial statements of Nasdaq.

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 Condensed Consolidated Balance Sheets for the above guarantees.

Non-Cash Contingent Consideration

As part of the eSpeed purchase price consideration, we have agreed to future annual issuances of 992,247 shares of Nasdaq common stock which approximated certain tax benefits associated with the transaction. Such contingent future issuances of Nasdaq common stock will be paid ratably through 2027 if Nasdaq's total gross revenues equal or exceed $25 million in each such year. The contingent future issuances of Nasdaq common stock are subject to anti-dilution protections and acceleration upon certain events.

Other Transactions

2016 Pending Acquisitions

For further discussion of our pending acquisitions, see "2016 Pending Acquisitions," of Note 4, "Acquisitions."

Escrow Agreements

In connection with prior acquisitions, we entered into escrow agreements to secure the payment of post-closing adjustments and to ensure other closing conditions. At March 31, 2016, these escrow agreements provide for future payment of $23 million and are included in other current and non-current liabilities in the Condensed Consolidated Balance Sheets.

Routing Brokerage Activities

One of our broker-dealer subsidiaries, Nasdaq Execution Services, LLC provides a guarantee to securities clearinghouses and exchanges under its standard membership agreements, which require members to guarantee the performance of other members. If a member becomes unable to satisfy its obligations to a clearinghouse 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' maximum potential liability under these arrangements cannot be quantified. However, we believe that the potential for Nasdaq Execution Services to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for these arrangements.

Litigation

As previously disclosed, we were named as a defendant in a putative class action, Rabin v. NASDAQ OMX PHLX LLC, et al., No. 15-551 (E.D. Pa.), filed in 2015 in the United States District Court for the Eastern District of Pennsylvania. On April 21, 2016, the court entered an order granting our motion to dismiss the complaint. The period during which an appeal of the decision may be filed has not yet expired.

We also are named as one of many defendants in City of Providence v. BATS Global Markets, Inc., et al., 14 Civ. 2811 (S.D.N.Y.), which was filed on April 18, 2014 in the United States District Court for the Southern District of New York. The district court appointed lead counsel, who filed an amended complaint on September 2, 2014. The amended complaint names as defendants seven national exchanges, as well as Barclays PLC, which operated a private alternative trading system. On behalf of a putative class of securities traders, the plaintiffs allege that the defendants engaged in a scheme to manipulate the markets through high-frequency trading; the amended complaint asserts claims against us under Section 10(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Rule 10b-5, as well as under Section 6(b) of the Exchange Act. We filed a motion to dismiss the amended complaint on November 3, 2014. In response, the plaintiffs filed a second amended complaint on November 24, 2014, which names the same defendants and alleges essentially the same violations. We then filed a motion to dismiss the second amended complaint on January 23, 2015. The court heard oral argument on the motion on June 18, 2015. On August 26, 2015, the district court entered an order dismissing the second amended complaint in its entirety with prejudice, concluding that most of the plaintiffs' theories were foreclosed by absolute immunity and in any event that the plaintiffs failed to state any claim. The plaintiffs have appealed the judgment of dismissal to the United States Court of Appeals for the Second Circuit. Given the preliminary nature of the proceedings, and particularly the fact that the complaints have been dismissed, we are unable to estimate what, if any, liability may result from this litigation. However, we believe (as the district court concluded) that the claims are without merit and intend to litigate the appeal vigorously.

In addition, we are named as one of many exchange defendants in Lanier v. BATS Exchange Inc., et al., 14 Civ. 3745 (S.D.N.Y.), Lanier v. BATS Exchange Inc., et al., 14 Civ. 3865 (S.D.N.Y.), and Lanier v. Bats Exchange Inc., 14 Civ. 3866 (S.D.N.Y.), which were filed between May 23, 2014 and May 30, 2014 in the United States District Court for the Southern District of New York. The plaintiff is the same in each of these cases, and the three complaints contain substantially similar allegations. On behalf of a putative class of subscribers for market data provided by national exchanges, the plaintiff alleges that the exchanges provided data more quickly to certain market participants than to others, supposedly in breach of the exchanges' plans for dissemination of market data and subscriber agreements executed under those plans. The complaint asserts contractual theories under state law based on these alleged breaches. On September 29, 2014, we filed a motion to dismiss the complaints. The court heard oral argument on the motion on January 16, 2015. On April 28, 2015, the district court entered an order dismissing the complaints in their entirety with prejudice, concluding that they are foreclosed by the Exchange Act and in any event do not state a claim under the contracts. The plaintiff has appealed the judgment of dismissal to the United States Court of Appeals for the Second Circuit. The Second Circuit heard oral argument on March 3, 2016. Given the preliminary nature of the proceedings, and particularly the fact that the complaints have been dismissed, we are unable to estimate what, if any, liability may result from this litigation. However, we believe (as the district court concluded) that the claims are without merit and intend to litigate the appeal vigorously.

Except as disclosed above and in prior reports filed under the Exchange Act, we are not currently a party to any litigation or proceeding that we believe could have a material adverse effect on our business, consolidated 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.

Tax Audits

We are engaged in ongoing discussions and audits with taxing authorities on various tax matters, the resolutions of which are uncertain. Currently, there are matters that may lead to assessments, some of which may not be resolved for several years. Based on currently available information, we believe we have adequately provided for any assessments that could result from those proceedings where it is more likely than not that we will be assessed. We review our positions on these matters as they progress.

16. Business Segments

We manage, operate and provide our products and services in four business segments: Market Services, Listing Services, Information Services and Technology Solutions. See Note 1, "Organization and Nature of Operations," to the condensed consolidated financial statements for further discussion of our reportable segments.

Our management allocates resources, assesses performance and manages these businesses as four separate segments. We evaluate the performance of our segments based on several factors, of which the primary financial measure is operating income. Results of individual businesses are presented based on our management accounting practices and 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. Since management does not consider intangible asset amortization expense for the purpose of evaluating the performance of the business or its managers or when making decisions to allocate resources, such expenses are shown in corporate items in our management reports. See below for further discussion.

The following table presents certain information regarding our operating segments for the three months ended March 31, 2016 and 2015.

	Market Services	Listing Services	Information Services	Technology Solutions	Corporate Items and Eliminations	Consolidated
			(in millions)			
Three Months Ended March 31, 2016						
Total revenues	$ 572	$ 66	$ 133	$ 134	$ -	$ 905
Transaction-based expenses	(371)	-	-	-	-	(371)
Revenues less transaction-based expenses	201	66	133	134	-	534
Operating income (loss)(1)	$ 113	$ 28	$ 97	$ 16	$ (35)	$ 219
Three Months Ended March 31, 2015						
Total revenues	$ 539	$ 64	$ 125	$ 130	$ -	$ 858
Transaction-based expenses	(351)	-	-	-	-	(351)
Revenues less transaction-based expenses	188	64	125	130	-	507
Operating income (loss)(2)	$ 101	$ 28	$ 92	$ 14	$ (208)	$ 27

(1) Corporate items and eliminations for the three months ended March 31, 2016 include:

- amortization expense of acquired intangible assets of $17 million;
- restructuring charges of $9 million. See Note 3, "Restructuring Charges," for further discussion; and
- merger and other strategic initiatives costs of $9 million primarily related to our announced acquisitions of Chi-X Canada, Marketwired, Boardvantage, and ISE.

(2) Corporate items and eliminations for the three months ended March 31, 2015 primarily include:

- amortization expense of acquired intangible assets of $15 million;

- restructuring charges of $150 million. See Note 3, “Restructuring Charges,” for further discussion;
- loss reserve of $31 million; and
- reversal of VAT refund receivables no longer deemed collectible of $12 million.

For further discussion of our segments’ results, see “Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Segment Operating Results.”

17. Subsequent Event

On May 2, 2016, we acquired Boardvantage, a leading board portal solution provider which also specializes in leadership collaboration and meeting productivity, for approximately $200 million, net of acquired cash. Boardvantage is part of our Corporate Solutions business within our Technology Solutions segment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the financial condition and results of operations of Nasdaq should be read in conjunction with our condensed consolidated financial statements and related notes included in this Form 10-Q.

Business Overview

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

Business Segments

We manage, operate and provide our products and services in four business segments: Market Services, Listing Services, Information Services and Technology Solutions. See Note 1, "Organization and Nature of Operations," to the condensed consolidated financial statements for further discussion of our reportable segments and Note 16, "Business Segments," to the condensed consolidated financial statements for further discussion of how management allocates resources, assesses performance and manages these businesses as four separate segments.

Business Environment

We serve listed companies, market participants and investors by providing derivative, commodities, cash equity, and fixed income markets, thereby facilitating economic growth and corporate entrepreneurship. We provide market technology to exchanges, clearing organizations and central securities depositories around the world. We also offer companies and other organizations access to innovative products, software solutions and services that increase transparency, mitigate risk, improve board efficiency and facilitate better corporate governance. 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, particularly 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 in equity derivative, cash equity and FICC, which are driven primarily by overall macroeconomic conditions;
- The number of companies seeking equity financing, which is affected by factors such as investor demand, the global economy, and availability of diverse sources of financing, as well as tax and regulatory policies;
- The demand for information about, or access to, our markets, which is dependent on the products we trade, our importance as a liquidity center, and the quality and pricing of our data and access services;
- The demand by companies and other organizations for the products sold by our Corporate Solutions business, which is largely driven by the overall state of the economy and the attractiveness of our offerings;
- The demand for licensed ETPs and other financial products based on our indexes as well as changes to the underlying assets associated with existing licensed financial products;
- The challenges created by the automation of market data consumption, including competition and the quickly evolving nature of the data business;
- The outlook of our technology customers for capital market activity;
- 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 relating to market structure or affecting certain types of instruments, transactions, pricing structures or capital market participants; and
- Technological advances and members' demand for speed, efficiency, and reliability.

Currently our business drivers are defined by investors' and companies' increasingly cautious outlook about the pace of future global economic growth. The current consensus forecasts for gross domestic product growth in 2016 are 2.0% for the United States and 1.5% for the Euro Zone. Forecasts for both regions have been experiencing downward revisions over the last year as the outlook for growth deteriorates. While we expect continued modest annual growth in many of our non-transactional businesses, we recognize that there are a number of significant structural and political issues continuing to impact the global economy. Consequently, sustained instability could return at any time, resulting in an increased level of market volatility, oscillating trading volumes, and a more cautious outlook by the clients of our non-transactional businesses. Market volatility surged during the third quarter of 2015 and remained at relatively elevated levels for the first few months of 2016. As a result of this higher average market volatility, our U.S. and European cash equity trading businesses and our European equity derivative business experienced increases in trading volume. However, our U.S. equity options business experienced a decrease in daily matched volume as market share losses more than offset higher industry volume. Volatility and market uncertainty in the first quarter of 2016 led to the worst quarter for the number of IPO listings since 2009. Additional impacts on our business drivers included the international enactment and implementation of new legislative and regulatory initiatives, the evolution of market participants' trading behavior, and the continued rapid progression and deployment of new technology in the financial services industry. The business environment that influenced our financial performance for the first quarter of 2016 may be characterized as follows:

- A slower pace of new equity issuance in the U.S. with 10 IPOs on The NASDAQ Stock Market in the first quarter of 2016, down from 27 in the first quarter of 2015. IPO activity in the Nordics began slowly in 2016 with 8 IPOs in the first quarter of 2016 compared to 17 IPOs in first quarter of 2015 on the Nasdaq Nordic and Nasdaq Baltic exchanges;
- Average daily matched equity options volume for our three U.S. options exchanges decreased 10.7% in the first quarter of 2016 compared with the same period in 2015. Overall average daily U.S. options volume increased 3.4% while our combined matched market share for our three U.S. options exchanges decreased by 3.7 percentage points;
- Matched share volume for all of our U.S. cash equity markets increased by 12.8%, while average daily U.S. share volume increased by 23.7% relative to the same period in 2015. Volatility, often a driver of volume levels, remained relatively high in the first two months of 2016, leading to higher matched share volumes. Despite an increase in matched share volumes on our U.S. equity exchanges, our market share has fallen from 19.7% in the first quarter of 2015 (NASDAQ 16.9%; Nasdaq BX 1.8%; Nasdaq PSX 1.0%) to 17.9% in the first quarter of 2016 (NASDAQ 14.9%; Nasdaq BX 2.0%; Nasdaq PSX 1.0%);
- A 15.2% increase relative to the first quarter of 2015 in the average daily number of cash equity trades executed on our Nasdaq Nordic and Nasdaq Baltic exchanges;
- A 4.6% decline relative to the first quarter of 2015 in the Swedish Krona value of cash equity transactions on our Nasdaq Nordic and Nasdaq Baltic exchanges;
- A 28.7% decline in U.S. fixed income notional trading volume, a 5.2% decline in total average daily volume of Nordic and Baltic fixed income derivative contracts, and a 15.7% increase in total cleared power contracts in the first quarter of 2016 compared with the same period in 2015;
- A 12.4% increase in the total average daily volume of options and futures contracts traded on our Nasdaq Nordic and Nasdaq Baltic exchanges relative to the first quarter of 2015 (including Finnish option contracts traded on EUREX Group);
- Intense competition among U.S. exchanges and dealer-owned systems for cash equity trading volume and strong competition between multilateral trading facilities and exchanges in Europe for cash 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' and regulators' demands 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.

Financial Summary

The following table summarizes our financial performance for the three months ended March 31, 2016 when compared with the same period in 2015. The comparability of our results of operations between reported periods is impacted by the acquisitions of Chi-X Canada and Marketwired in February 2016. See “Acquisition of Chi-X Canada,” and “Acquisition of Marketwired,” of Note 4, “Acquisitions,” to the condensed consolidated financial statements for further discussion.

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions, except per share amounts)		
Revenues less transaction-based expenses	$ 534	$ 507	5.3%
Operating expenses	315	480	(34.4)%
Operating income	219	27	#
Interest expense	28	28	-
Net income from unconsolidated investees	2	14	(85.7)%
Income before income taxes	195	14	#
Income tax provision	63	5	#
Net income attributable to Nasdaq	$ 132	$ 9	#
Diluted earnings per share	$ 0.78	$ 0.05	#

# Denotes a variance greater than 100.0%.

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 period’s results by the prior period’s exchange rates.

Impacts on our revenues less transaction-based expenses and operating income associated with fluctuations in foreign currency are discussed in more detail under “Item 3. Quantitative and Qualitative Disclosures about Market Risk.”

The following summarizes significant changes in our financial performance for the three months ended March 31, 2016 when compared with the same period in 2015:

- Revenues less transaction-based expenses increased $27 million, or 5.3%, to $534 million in the first quarter of 2016, compared with $507 million in the same period in 2015, reflecting an operational increase in revenues of $29 million, partially offset by an unfavorable impact from foreign exchange of $2 million. The increase in operational revenues was primarily due to an:
  - increase in cash equity trading revenues less transaction-based expenses of $12 million, primarily from U.S. cash equity trading;
  - increase in data products revenues of $6 million, primarily from U.S. data products;
  - increase in access and broker services revenues of $4 million;
  - increase in corporate solutions revenues of $3 million;
  - increase in index licensing and services revenues of $3 million; and
  - increase in listing services revenues of $2 million.
- Operating expenses decreased $165 million, or 34.4%, to $315 million in the first quarter of 2016, compared with $480 million in the same period of 2015, reflecting an operational decrease of $161 million and a favorable impact from foreign exchange of $4 million. The decrease in operational expenses was primarily due to decreases in restructuring charges, general, administrative and other expense, and computer operations and data communication expense, partially offset by an increase in compensation and benefit expense and an increase in merger and strategic initiatives expense.
- Income tax provision increased $58 million in the first quarter of 2016 compared with the same period in 2015, primarily due to an increase in income before income taxes.

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

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Nasdaq's Operating Results

Key Drivers

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

	Three Months Ended March 31,	
	2016	2015
Market Services		
Equity Derivative Trading and Clearing		
U.S. Equity Options		
Total industry average daily volume (in millions)	15.3	14.8
Nasdaq PHLX matched market share	16.1%	17.6%
The NASDAQ Options Market matched market share	7.1%	9.5%
Nasdaq BX Options Market matched market share	0.9%	0.7%
Total matched market share executed on Nasdaq's exchanges	24.1%	27.8%
Nasdaq Nordic and Nasdaq Baltic options and futures		
Total average daily volume options and futures contracts[1]	452,178	402,421
Cash Equity Trading		
Total U.S.-listed securities		
Total industry average daily share volume (in billions)	8.56	6.92
Matched share volume (in billions)	93.7	83.1
Matched market share executed on NASDAQ	14.9%	16.9%
Matched market share executed on Nasdaq BX	2.0%	1.8%
Matched market share executed on Nasdaq PSX	1.0%	1.0%
Total matched market share executed on Nasdaq's exchanges	17.9%	19.7%
Market share reported to the FINRA/NASDAQ Trade Reporting Facility	31.9%	31.4%
Total market share[2]	49.8%	51.1%
Nasdaq Nordic and Nasdaq Baltic securities		
Average daily number of equity trades executed on Nasdaq's exchanges	506,790	439,938
Total average daily value of shares traded (in billions)	$ 5.7	$ 5.5
Total market share executed on Nasdaq's exchanges	62.5%	68.8%
Fixed Income, Currency and Commodities Trading and Clearing		
Total U.S. fixed income		
U.S. fixed income notional trading volume (in billions)	$ 5,968	$ 8,365
Nasdaq Nordic and Nasdaq Baltic fixed income		
Total average daily volume fixed income contracts	101,470	107,031
Nasdaq Commodities		
Power contracts cleared (TWh)[3]	420	363
Listing Services		
Initial public offerings		
NASDAQ	10	27
Exchanges that comprise Nasdaq Nordic and Nasdaq Baltic	8	17
Total New listings		
NASDAQ[4]	47	43
Exchanges that comprise Nasdaq Nordic and Nasdaq Baltic[5]	14	18
Number of listed companies		
NASDAQ[6]	2,852	2,779
Exchanges that comprise Nasdaq Nordic and Nasdaq Baltic[7]	847	804
Information Services		
Number of licensed exchange traded products	226	187
ETP assets under management tracking Nasdaq indexes (in billions)[8]	$ 105	$ 105
Technology Solutions		
Market Technology		
Order intake (in millions)[9]	$ 22	$ 40
Total order value (in millions)[10]	$ 783	$ 728

(1) Includes Finnish option contracts traded on EUREX Group.

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

(3) Transactions executed on Nasdaq Commodities or OTC and reported for clearing to Nasdaq Commodities measured by TWh.

(4) 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 ETPs.

(5) New listings include IPOs and represent companies listed on the Nasdaq Nordic and Nasdaq Baltic exchanges and companies on the alternative markets of Nasdaq First North.

(6) Number of listed companies for NASDAQ at period end, including separately listed ETPs.

(7) Represents companies listed on the Nasdaq Nordic and Nasdaq Baltic exchanges and companies on the alternative markets of Nasdaq First North at period end.

(8) Represents assets under management in licensed ETPs.

(9) Total contract value of orders signed during the period.

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

Segment Operating Results

The following table shows our revenues by segment, transaction-based expenses for our Market Services segment and total revenues less transaction-based expenses:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions)		
Market Services	$ 572	$ 539	6.1%
Transaction-based expenses	(371)	(351)	5.7%
Market Services revenues less transaction-based expenses	201	188	6.9%
Listing Services	66	64	3.1%
Information Services	133	125	6.4%
Technology Solutions	134	130	3.1%
Total revenues less transaction-based expenses	$ 534	$ 507	5.3%

Of our first quarter 2016 total revenues less transaction-based expenses of $534 million, 37.6% was from our Market Services segment, 12.4% was from our Listing Services segment, 24.9% was from our Information Services segment and 25.1% was from our Technology Solutions segment. Of our first quarter 2015 total revenues less transaction-based expenses of $507 million, 37.1% was from our Market Services segment, 12.6% was from our Listing Services segment, 24.7% was from our Information Services segment and 25.6% was from our Technology Solutions segment.

MARKET SERVICES

The following table shows total revenues, transaction-based expenses, and total revenues less transaction-based expenses from our Market Services segment:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions)		
Market Services Revenues:			
Equity Derivative Trading and Clearing Revenues[1]	$ 101	$ 116	(12.9)%
Transaction-based expenses:			
Transaction rebates	(48)	(64)	(25.0)%
Brokerage, clearance and exchange fees[1]	(5)	(6)	(16.7)%
Equity derivative trading and clearing revenues less transaction-based expenses	48	46	4.3%
Cash Equity Trading Revenues[2]	382	339	12.7%
Transaction-based expenses:			
Transaction rebates	(230)	(197)	16.8%
Brokerage, clearance and exchange fees[2]	(82)	(83)	(1.2)%
Cash equity trading revenues less transaction-based expenses	70	59	18.6%
Fixed Income, Currency and Commodities Trading and Clearing Revenues	26	25	4.0%
Transaction-based expenses:			
Transaction rebates	(5)	-	#
Brokerage, clearance and exchange fees	(1)	(1)	-
Fixed income, currency and commodities trading and clearing revenues less transaction-based expenses	20	24	(16.7)%
Access and Broker Services Revenues	63	59	6.8%
Total Market Services revenues less transaction-based expenses	$ 201	$ 188	6.9%

\# Denotes a variance equal to 100.0%.

(1) Includes Section 31 fees of $5 million in the first quarter of 2016 and $6 million in the first quarter of 2015. Section 31 fees are recorded as equity derivative trading and clearing revenues with a corresponding amount recorded in transaction-based expenses.

(2) Includes Section 31 fees of $75 million in the first quarter of 2016 and $77 million in the first quarter of 2015. Section 31 fees are recorded as cash equity trading revenues with a corresponding amount recorded in transaction-based expenses.

Market services revenues less transaction-based expenses increased in the first quarter of 2016 compared with the same period in 2015 primarily due to an increase in cash equity trading revenues less transaction-based expenses and an increase in access and broker services revenues, partially offset by a decrease in FICC revenues less transaction-based expenses. Market services revenues included an unfavorable impact from foreign exchange of $1 million in the first quarter of 2016.

Equity Derivative Trading and Clearing Revenues

Equity derivative trading and clearing revenues decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to a decline in overall market share at our three U.S. options exchanges and a decrease in average gross capture, partially offset by an increase in U.S. industry trading volumes.

Equity derivative trading and clearing revenues less transaction-based expenses increased in the first quarter of 2016 compared with the same period in 2015 primarily due to higher U.S. industry trading volumes and higher U.S. average net capture, partially offset by a decline in overall market share at our three U.S. options exchanges.

Section 31 fees are recorded as equity derivative trading and clearing revenues with a corresponding amount recorded as transaction-based expenses. In the U.S., 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 shares traded. Since the amount recorded in revenues is equal to the amount recorded as transaction-based expenses, there is no impact on our revenues less transaction-based expenses. Section 31 fees were $5 million in the first quarter of 2016 and $6 million in the first quarter of 2015. The decrease was primarily due to lower average SEC fee rates and lower dollar value traded.

Transaction rebates, in which we credit a portion of the per share execution charge to the market participant, decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to a decrease in overall rebate capture and a decline in overall market share at our three U.S. options exchanges, partially offset by an increase in U.S. industry trading volumes.

Brokerage, clearance and exchange fees decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to lower Section 31 pass-through fees and a decline in volume routed.

Cash Equity Trading Revenues

Cash equity trading revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to higher U.S. and European industry trading volumes and the inclusion of revenues associated with our acquisition of Chi-X Canada in February 2016, partially offset by a decrease in our overall U.S. and European matched market share and an unfavorable impact from foreign exchange of $1 million.

Cash equity trading revenues less transaction-based expenses increased in the first quarter of 2016 compared with the same period in 2015 primarily due to higher U.S. and European industry trading volumes, higher U.S. average net capture, and the inclusion of revenues associated with our acquisition of Chi-X Canada in February 2016, partially offset by a decrease in our overall U.S. and European matched market share and an unfavorable impact from foreign exchange of $1 million.

Similar to equity derivative trading and clearing, in the U.S. we record Section 31 fees as cash equity trading revenues with a corresponding amount recorded as transaction-based expenses. 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 as transaction-based expenses, there is no impact on our revenues less transaction-based expenses. Section 31 fees were $75 million in the first quarter of 2016 and $77 million in the first quarter of 2015. The decrease in the first quarter of 2016 was primarily due to lower average SEC fee rates, partially offset by higher dollar value traded on Nasdaq's trading systems.

For NASDAQ and Nasdaq PSX, we credit a portion of the per share execution charge to the market participant that provides the liquidity and for Nasdaq BX, we credit a portion of the per share execution charge to the market participant that removes the liquidity. These transaction rebates increased in the first quarter of 2016 compared with the same period in 2015 primarily due to an increase in U.S. industry trading volumes, partially offset by a decline in rebate capture and a decrease in our overall U.S. matched market share.

Brokerage, clearance and exchange fees decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to a decrease in Section 31 pass-through fees.

FICC Revenues

FICC revenues less transaction-based expenses decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to the impact of NFX trading incentives and volume declines in U.S. fixed income products. These decreases were partially offset by an increase in European fixed income and commodities revenues.

Access and Broker Services Revenues

Access and Broker Services revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to an increase in customer demand for network connectivity.

LISTING SERVICES

The following table shows revenues from our Listing Services segment:

	Three Months Ended March 31,		Percentage Change
	2016	2015	
	(in millions)		
Listing Services Revenues	$ 66	$ 64	3.1%

Listing Services revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to an increase in U.S. and European listed companies. The number of NASDAQ listed companies was 2,852 as of March 31, 2016 compared with 2,779 as of March 31, 2015, and in Europe, the Nasdaq Nordic and Nasdaq Baltic exchanges, together with Nasdaq First North, were home to 847 listed companies as of March 31, 2016 compared with 804 as of March 31, 2015.

INFORMATION SERVICES

The following table shows revenues from our Information Services segment:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions)		
Information Services Revenues:			
Data products revenues	$ 105	$ 100	5.0%
Index licensing and services revenues	28	25	12.0%
Total Information Services Revenues	$ 133	$ 125	6.4%

Information Services

Information Services revenues increased in the first quarter of 2016 compared with the same period in 2015 due to an increase in both data products revenues and index licensing and services revenues, partially offset by an unfavorable impact from foreign exchange of $1 million.

Data Products Revenues

Data products revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to higher customer demand for U.S. proprietary data products and the inclusion of revenues associated with the acquisitions of Chi-X Canada in February 2016 and DWA in January 2015, partially offset by an unfavorable impact from foreign exchange of $1 million.

Index Licensing and Services Revenues

Index licensing and services revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to the inclusion of revenues associated with the acquisition of DWA in January 2015 and growth in DWA revenues since the closing of the acquisition.

TECHNOLOGY SOLUTIONS

The following table shows revenues from our Technology Solutions segment:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions)		
Technology Solutions Revenues:			
Corporate Solutions revenues	$ 77	$ 75	2.7%
Market Technology revenues	57	55	3.6%
Total Technology Solutions Revenues	$ 134	$ 130	3.1%

Technology Solutions

Technology solutions revenues increased in the first quarter of 2016 compared with the same period in 2015 due to increases in both corporate solutions and market technology revenues.

Corporate Solutions Revenues

Corporate solutions revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to the inclusion of revenues associated with the acquisition of Marketwired and growth in Directors Desk revenues, partially offset by lower multimedia related revenues and an unfavorable impact from foreign exchange of $1 million.

Market Technology Revenues

Market technology revenues increased in the first quarter of 2016 compared with the same period in 2015 primarily due to an increase in software as a service revenues mainly reflecting higher surveillance revenues.

Total Order Value

As of March 31, 2016, total order value, which represents the total contract value of orders signed that are yet to be recognized as revenues, was $783 million. Total order value as of March 31, 2015 was $728 million. Market technology deferred revenue, included in total technology solutions deferred revenue of $209 million, represents consideration received that is yet to be recognized as revenue for these signed orders. See Note 7, “Deferred Revenue,” to the condensed 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:	
2016[1]	$ 183
2017	212
2018	129
2019	86
2020	74
2021 and thereafter	99
Total	$ 783

(1) Represents revenues that are anticipated to be recognized over the remaining nine months of 2016.

Expenses

Operating Expenses

The following table shows our operating expenses:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions)		
Compensation and benefits	$ 152	$ 147	3.4%
Marketing and advertising	6	7	(14.3)%
Depreciation and amortization	38	34	11.8%
Professional and contract services	35	33	6.1%
Computer operations and data communications	25	35	(28.6)%
Occupancy	20	21	(4.8)%
Regulatory	7	7	-
Merger and strategic initiatives	9	-	#
General, administrative and other	14	46	(69.6)%
Restructuring charges	9	150	(94.0)%
Total operating expenses	$ 315	$ 480	(34.4)%

# Denotes a variance equal to 100.0%.

Total operating expenses decreased $165 million in the first quarter of 2016 compared with the same period in 2015. The decrease reflects an operational decrease of $161 million and a favorable impact from foreign exchange of $4 million. The operational decrease was primarily due to lower restructuring charges, lower general, administrative and other expense and a decrease in computer operations and data communications expense, partially offset by higher merger and strategic initiatives expense, higher compensation and benefits expense, and an increase in depreciation and amortization expense.

Compensation and benefits expense increased in the first quarter of 2016 compared with the same period in 2015 primarily due to overall higher compensation costs resulting from our acquisitions of Chi-X Canada and Marketwired in February 2016. Partially offsetting these increases was a favorable impact from foreign exchange of $2 million. Headcount, including staff employed at consolidated entities where we have a controlling financial interest, increased to 4,167 employees at March 31, 2016 from 3,730 employees at March 31, 2015.

Depreciation and amortization expense increased in the first quarter of 2016 compared with the same period in 2015 mainly due to additional amortization expense associated with software assets placed in service and acquired intangible assets, primarily related to our acquisitions of Chi-X Canada and Marketwired, partially offset by a favorable impact from foreign exchange of $1 million.

Professional and contract services expense increased in the first quarter of 2016 compared with the same period in 2015 primarily due to higher consulting expenses, partially offset by a favorable impact from foreign exchange of $1 million.

Computer operations and data communications expense decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to a decrease in VAT, reflecting a charge for the reversal of previously recorded VAT receivables no longer deemed collectible of $12 million in the first quarter of 2015, partially offset by higher maintenance costs.

Occupancy expense decreased slightly in the first quarter of 2016 compared with the same period in 2015 reflecting lower facility and rent costs as a result of our restructuring activities.

Merger and strategic initiatives expense was $9 million in the first quarter of 2016 and primarily related to our announced acquisitions of Chi-X Canada, Marketwired, Boardvantage, and ISE.

General, administrative and other expense decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to a reserve of $31 million for litigation arising from the Facebook IPO recorded in March 2015.

Restructuring charges were $9 million in the first quarter of 2016 and $150 million in the same period of 2015. See Note 3, “Restructuring Charges,” to the condensed consolidated financial statements for a discussion of our restructuring charges recorded during the first quarters of 2016 and 2015.

Non-operating Income and Expenses

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

	Three Months Ended March 31,		Percentage Change
	2016	2015	
	(in millions)		
Interest income	$ 1	$ 1	-
Interest expense	(28)	(28)	-
Net interest expense	(27)	(27)	-
Other investment income	1	-	#
Net income from unconsolidated investees	2	14	(85.7)%
Total non-operating expenses	$ (24)	$ (13)	84.6%

\# Denotes a variance equal to 100.0%.

Total non-operating expenses increased in the first quarter of 2016 compared with the same period in 2015 primarily due to a decrease in net income from unconsolidated investees.

Interest Expense

Interest expense for the first quarter of 2016 and 2015 was $28 million and was comprised of $27 million of interest expense and $1 million of non-cash debt issuance amortization expense.

See Note 8, “Debt Obligations,” to the condensed consolidated financial statements for further discussion of our debt obligations.

Net Income from Unconsolidated Investees

Net income from unconsolidated investees decreased in the first quarter of 2016 compared with the same period in 2015 primarily due to lower income recognized from our equity method investment in OCC. We were not able to determine what our share of OCC’s income was for the year ended December 31, 2014 until the first quarter of 2015, when financial statements were made available to us. As a result, we recorded other income of $13 million in the first quarter of 2015 relating to our share of OCC’s income for the year ended December 31, 2014.

See “Equity Method Investments,” of Note 6, “Investments,” to the condensed consolidated financial statements for further discussion of our investment in OCC.

Tax Matters

Nasdaq’s income tax provision was $63 million in the first quarter of 2016 compared with $5 million in the first quarter of 2015. The overall effective tax rate was 32.3% in the first quarter of 2016 compared with 35.7% in the first quarter of 2015. For further discussion of our tax matters, see “Tax Matters,” of Note 2, “Basis of Presentation and Principles of Consolidation.”

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 condensed consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

Non-GAAP Financial Measures

In addition to disclosing results determined in accordance with U.S. GAAP, we also have provided non-GAAP net income attributable to Nasdaq and non-GAAP diluted earnings per share. Management uses this non-GAAP information internally, along with U.S. 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 operating performance. These measures are not in accordance with, or an alternative to, U.S. 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 U.S. GAAP financial measures included in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the notes thereto. When viewed in conjunction with our U.S. 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 U.S. GAAP measures alone. Our management uses these measures to evaluate operating performance, and management decisions during the reporting period are made by excluding certain items that we believe have less significance on, or do not impact, the day-to-day performance of our business. In addition, since management does not consider intangible asset amortization expense for the purpose of evaluating the performance of the business or its managers or when making decisions to allocate resources, such expenses have been shown as a non-GAAP adjustment.

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 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 U.S. 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 for the periods presented below is calculated by adjusting net income attributable to Nasdaq for charges or gains related to acquisition and divestiture transactions, integration activities related to acquisitions, amortization expense of acquired intangible assets, other significant infrequent charges or gains and their related income tax effects that are not related to our core business. We do not believe these items are representative of our future operating performance since these charges were not consistent with our core operating performance.

Non-GAAP adjustments for the quarter ended March 31, 2016 primarily related to the following:

(i) amortization expense of acquired intangible assets of $17 million, (ii) restructuring charges of $9 million (see Note 3, “Restructuring Charges,” to the condensed consolidated financial statements for further discussion), (iii) merger and strategic initiatives costs of $9 million primarily related to our announced acquisitions of Chi-X Canada, Marketwired, Boardvantage, and ISE, and (iv) adjustment to the income tax provision of $14 million to reflect these non-GAAP adjustments.

Non-GAAP adjustments for the quarter ended March 31, 2015 primarily related to the following:

(i) amortization expense of acquired intangible assets of $15 million, (ii) restructuring charges of $150 million (see Note 3, “Restructuring Charges,” to the condensed consolidated financial statements for further discussion), (iii) loss reserve of $31 million, (iv) reversal of previously recorded VAT receivables no longer deemed collectible of $12 million, (v) other income from OCC equity investment of $13 million. See “Equity Method Investments,” of Note 6, “Investments,” to the condensed consolidated financial statements for further discussion, and (vi) adjustment to the income tax provision of $66 million to reflect these non-GAAP adjustments.

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

	Three Months Ended March 31, 2016		Three Months Ended March 31, 2015	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
	(in millions, except share and per share amounts)			
U.S. GAAP net income attributable to Nasdaq and diluted earnings per share	$ 132	$ 0.78	$ 9	$ 0.05
Non-GAAP adjustments:				
Amortization expense of acquired intangible assets	17	0.10	15	0.09
Restructuring charges	9	0.05	150	0.87
Merger and strategic initiatives	9	0.05	-	-
Loss reserve	-	-	31	0.18
Reversal of value added tax refund	-	-	12	0.07
Income from OCC equity investment	-	-	(13)	(0.08)
Adjustment to the income tax provision to reflect non-GAAP adjustments[(1)]	(14)	(0.07)	(66)	(0.38)
Total non-GAAP adjustments, net of tax	21	0.13	129	0.75
Non-GAAP net income attributable to Nasdaq and diluted earnings per share	$ 153	$ 0.91	$ 138	$ 0.80
Weighted-average common shares outstanding for diluted earnings per share		168,368,444		172,677,119

[(1)] We determine the tax effect of each item based on the tax rules in the respective jurisdiction where the transaction occurred.

Liquidity and Capital Resources

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 and debt. See Note 8, “Debt Obligations,” to the condensed consolidated financial statements for further discussion of our debt obligations. Currently, our cost and availability of funding remain healthy.

As part of the acquisition of eSpeed, Nasdaq has contingent future obligations to issue 992,247 shares of Nasdaq common stock annually which approximated certain tax benefits associated with the transaction of $484 million. Such contingent future issuances of Nasdaq common stock will be paid ratably through 2027 if Nasdaq’s total gross revenues equal or exceed $25 million in each such year. The contingent future issuances of Nasdaq common stock are subject to anti-dilution protections and acceleration upon certain events.

In March 2016, Nasdaq entered into the 2016 Credit Facility which provides for a $400 million senior unsecured term loan facility. In March 2016, loans in an aggregate principal amount of $400 million were drawn under the 2016 Credit Facility and the net proceeds of $399 million were used to partially repay amounts outstanding under the revolving credit commitment of the 2014 Credit Facility. As of March 31, 2016, the balance of $399 million reflects the aggregate principal amount, less the unamortized debt issuance costs. See “2016 Credit Facility,” of Note 8, “Debt Obligations,” to the condensed consolidated financial statements for further discussion.

Our 2014 Credit Facility consists of a $750 million revolving credit commitment (with sublimits for non-dollar borrowings, swingline borrowings and letters of credit). As of March 31, 2016, availability under the revolving credit commitment was $720 million. See “2014 Credit Facility,” of Note 8, “Debt Obligations,” to the condensed consolidated financial statements for further discussion.

In the near term, we expect that our operations and availability under our revolving credit commitment will provide sufficient cash to fund our operating expenses, capital expenditures, debt repayments, any share repurchases, and any dividends.

Various assets and liabilities, including cash and cash equivalents, receivables, accounts payable and accrued expenses, can fluctuate from month to month. Working capital (calculated as current assets less current liabilities) was $293 million at March 31, 2016, compared with $340 million at December 31, 2015, a decrease of $47 million. Current asset balance changes increased working capital by $1,462 million, with increases in default funds and margin deposits, financial investments, at fair value, receivables, net, cash and cash equivalents, and other current assets, partially offset by a decrease in restricted cash. Current liability balance changes decreased working capital by $1,509 million, due to increases in default funds and margin deposits, deferred revenue, other current liabilities, and accounts payable and accrued expenses, partially offset by decreases in accrued personnel costs and Section 31 fees payable to the SEC.

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 facilities that limit our total borrowing capacity;
- increases in interest rates under our credit facilities;
- 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.

The following sections discuss the effects of changes in our financial assets, debt obligations, clearing and broker-dealer net capital requirements, and cash flows on our liquidity and capital resources.

Financial Assets

The following table summarizes our financial assets:

	March 31, 2016	December 31, 2015
	(in millions)	
Cash and cash equivalents	$ 331	$ 301
Restricted cash	21	56
Financial investments, at fair value	259	201
Total financial assets	$ 611	$ 558

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash in banks and all non-restricted highly liquid investments with original maturities of 90 days 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. As of March 31, 2016, our cash and cash equivalents of $331 million were primarily invested in bank deposits, money market funds and commercial paper. In the long-term, we may use both internally generated funds and external sources to satisfy our debt obligations and other long-term liabilities. Cash and cash equivalents as of March 31, 2016 increased $30 million from December 31, 2015 primarily due to net cash provided by operating and financing activities, partially offset by net cash used in investing activities. See “Cash Flow Analysis” below for further discussion.

As of March 31, 2016 and December 31, 2015, current restricted cash included cash held for regulatory purposes and other requirements and is not available for general use. Current restricted cash was $21 million as of March 31, 2016 and $56 million as of December 31, 2015, a decrease of $35 million. The decrease is primarily due to lower restricted cash held at SecondMarket. Current restricted cash is classified as restricted cash in the Condensed Consolidated Balance Sheets.

Repatriation of Cash

Our cash and cash equivalents held outside of the U.S. in various foreign subsidiaries totaled $119 million as of March 31, 2016 and $105 million as of December 31, 2015. The remaining balance held in the U.S. totaled $212 million as of March 31, 2016 and $196 million as of December 31, 2015.

Unremitted earnings of subsidiaries outside of the U.S. are used to finance our international operations and are generally considered to be indefinitely reinvested. It is not our current intent to change this position. However, the majority of cash held outside the U.S. is available for repatriation, but under current law, could subject us to additional U.S. income taxes, less applicable foreign tax credits.

Share Repurchase Program

See “Share Repurchase Program,” of Note 11, “Nasdaq Stockholders’ Equity,” to the condensed consolidated financial statements for further discussion of our share repurchase program.

Cash Dividends on Common Stock

In March 2016, we paid a quarterly cash dividend of $0.25 per share on our outstanding common stock. In March 2016, we also declared a dividend of $0.32 per share on our outstanding common stock, which will be payable in June 2016, and reflects a 28% increase from our prior quarterly cash dividend of $0.25. See “Cash Dividends on Common Stock,” of Note 11, “Nasdaq Stockholders’ Equity,” to the condensed consolidated financial statements for further discussion of the dividends.

Financial Investments, at Fair Value

Our financial investments, at fair value totaled $259 million as of March 31, 2016 and $201 million as of December 31, 2015 and are primarily comprised of trading securities, mainly highly rated European government debt securities. Of these securities, $175 million as of March 31, 2016 and $166 million as of December 31, 2015 are assets utilized to meet regulatory capital requirements primarily for clearing operations at Nasdaq Clearing. See Note 6, “Investments,” to the condensed consolidated financial statements for further discussion of our trading investment securities.

Debt Obligations

The following table summarizes our debt obligations by contractual maturity:

	Maturity Date	March 31, 2016	December 31, 2015
		(in millions)	
5.25% senior unsecured notes [1]	January 2018	$ 368	$ 368
$750 million revolving credit commitment [2]	November 2019	28	258
$400 million senior unsecured term loan facility[2]	November 2019	399	-
5.55% senior unsecured notes [1]	January 2020	597	597
3.875% senior unsecured notes [1]	June 2021	678	646
4.25% senior unsecured notes [1]	June 2024	495	495
Total long-term debt obligations		$ 2,565	$ 2,364

(1) Net of unamortized debt discount and debt issuance costs.
(2) Net of unamortized debt issuance costs.

In addition to the $750 million revolving credit commitment and $400 million term loan facility, we also have other credit facilities related to our Nasdaq Clearing operations in order to provide further liquidity. At March 31, 2016, credit facilities, which are available in multiple currencies, primarily Swedish Krona, totaled $209 million in available liquidity, none of which was utilized. At December 31, 2015, credit facilities, which are available in multiple currencies, primarily Swedish Krona, totaled $202 million in available liquidity, none of which was utilized.

At March 31, 2016, we were in compliance with the covenants of all of our debt obligations.

See Note 8, “Debt Obligations,” to the condensed consolidated financial statements for further discussion of our debt obligations.

Clearing and Broker-Dealer Net Capital Requirements

Clearing Operations Regulatory Capital Requirements

We are required to maintain minimum levels of regulatory capital for the clearing operations of Nasdaq Clearing. The level of regulatory capital required to be maintained is dependent upon many factors, including market conditions and creditworthiness of the counterparty. At March 31, 2016, our required regulatory capital consisted of $175 million of highly rated European government debt securities that are included in financial investments, at fair value in the Condensed Consolidated Balance Sheets.

Broker-Dealer Net Capital Requirements

Our operating broker-dealer subsidiaries, Nasdaq Execution Services, Execution Access, NPM Securities, LLC and SMTX, LLC 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. The following table summarizes the capital requirements for our broker-dealer subsidiaries as of March 31, 2016:

Broker-Dealer Subsidiaries	Total Net Capital	Required Minimum Net Capital	Excess Capital
		(in millions)	
Nasdaq Execution Services	$ 8.9	$ 0.3	$ 8.6
Execution Access	48.2	0.3	47.9
NPM Securities	0.4	-	0.4
SMTX	0.5	0.3	0.2

Other Capital Requirements

Nasdaq Execution Services

Nasdaq Execution Services also is required to maintain a $2 million minimum level of net capital under our clearing arrangement with OCC.

Chi-X Canada

As a member of the Investment Industry Regulatory Organization of Canada, or IIROC, Chi-X Canada is subject to IIROC regulatory requirements which are intended to ensure its general financial soundness and liquidity. Under IIROC rules, Chi-X Canada is required to comply with minimum net capital requirements. At March 31, 2016, Chi-X Canada was required to maintain minimum net capital of $0.3 million and had total net capital of approximately $4.5 million, or $4.2 million in excess of the minimum amount required.

Cash Flow Analysis

The following tables summarize the changes in cash flows:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Percentage Change
	(in millions)		
Net cash provided by (used in):			
Operating activities	$ 251	$ 231	8.7%
Investing activities	(294)	(326)	(9.8)%
Financing activities	68	4	#
Effect of exchange rate changes on cash and cash equivalents	5	(8)	#
Net increase (decrease) in cash and cash equivalents	30	(99)	#
Cash and cash equivalents at the beginning of period	301	427	(29.5)%
Cash and cash equivalents at the end of period	$ 331	$ 328	0.9%

\# Denotes a variance greater than 100.0%.

Net Cash Provided by Operating Activities

The following items impacted our net cash provided by operating activities for the three months ended March 31, 2016:

- Net income of $132 million, plus:
  - Adjustments to reconcile net income to net cash provided by operating activities of $56 million comprised primarily of $38 million of depreciation and amortization expense, $16 million of share-based compensation expense, $3 million in non-cash restructuring charges, and deferred income taxes of $2 million, partially offset by $2 million of excess tax benefits related to share-based payments and net income from unconsolidated investees of $2 million.
- Increase in deferred revenue of $147 million mainly due to the Listing Services' annual billings.
- Decrease in other assets of $34 million primarily reflecting a decline in customer funds held as restricted cash in connection with privately negotiated securities transactions at SecondMarket, partially offset by an increase in deferred costs associated with the timing and delivery of technology projects.
- Increase in accounts payable and accrued expenses of $14 million primarily due to the timing of payments and activity of trade payables.

Partially offset by a:

- Decrease in accrued personnel costs of $89 million primarily due to the payment of our 2015 incentive compensation in the first quarter of 2016, partially offset by the 2016 accrual.
- Decrease of $20 million in other liabilities primarily reflecting a decline in customer funds held in connection with privately negotiated securities transactions at SecondMarket, partially offset by an increase in accrued taxes.
- Decrease in Section 31 fees payable to the SEC of $18 million primarily due to timing of payments, which are made twice a year in September and March.

The following items impacted our net cash provided by operating activities for the three months ended March 31, 2015:

- Net income of $9 million, plus:
  - Adjustments to reconcile net income to net cash provided by operating activities of $108 million comprised primarily of $128 million in non-cash restructuring charges, $34 million of depreciation and amortization expense, and $14 million of share-based compensation expense, partially offset by deferred income taxes of $55 million and net income from unconsolidated investees of $14 million.

- Increase in deferred revenue of $121 million mainly due to Listing Services' annual billings.
- Decrease in accounts receivable, net of $36 million primarily due to the timing of collections and activity.
- Increase in accounts payable and accrued expenses of $36 million primarily reflecting a loss reserve of $31 million relating to certain legal proceedings.

Partially offset by a:

- Decrease in accrued personnel costs of $67 million primarily due to the payment of our 2014 incentive compensation in the first quarter of 2015, partially offset by the 2015 accrual.
- Decrease in Section 31 fees payable to the SEC of $42 million primarily due to timing of payments, which are made twice a year in September and March.

Net Cash Used in Investing Activities

Net cash used in investing activities for the three months ended March 31, 2016 primarily consisted of our acquisitions of Chi-X Canada and Marketwired in February 2016 of $213 million, our purchases of trading and available-for-sale investment securities of $149 million and purchases of property and equipment of $23 million, partially offset by proceeds from sales and redemptions of trading securities of $94 million and proceeds from maturities of available-for-sale investment securities of $7 million.

Net cash used in investing activities for the three months ended March 31, 2015 primarily consisted of our acquisition of DWA in January 2015 of $226 million, our purchases of trading and available-for-sale investment securities of $72 million, a capital contribution of $30 million in connection with our equity method investment in OCC, and purchases of property and equipment of $24 million, partially offset by proceeds from sales and redemptions of trading securities of $29 million and proceeds from maturities of available-for-sale investment securities of $3 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2016 primarily consisted of $555 million of cash used in connection with the repayment of the revolving credit commitment under our 2014 Credit Facility, $41 million related to cash dividends paid on our common stock, and $29 million related to the repurchase our common stock, partially offset by net proceeds of $399 million from our 2016 Credit Facility and proceeds from the utilization of our 2014 Credit Facility of $325 million to partially fund our acquisitions of Chi-X Canada and Marketwired and other general corporate purposes.

Net cash provided by financing activities for the three months ended March 31, 2015 primarily consisted of $100 million from the partial utilization of the revolving credit commitment under our 2014 Credit Facility to partially fund our acquisition of DWA, partially offset by $30 million related to the repurchase of our common stock, $25 million related to cash dividends paid on our common stock, and $25 million of cash used in connection with the repayment of the revolving credit commitment under our 2014 Credit Facility.

For further discussion of our Chi-X Canada, Marketwired, and DWA acquisitions, see "Acquisition of Chi-X Canada," "Acquisition of Marketwired," and "Acquisition of Dorsey, Wright & Associates, LLC," of Note 4, "Acquisitions," to the condensed consolidated financial statements. For further discussion of our debt obligations, see Note 8, "Debt Obligations," to the condensed consolidated financial statements. For further discussion of our share repurchase program and cash dividends paid on our common stock, see "Share Repurchase Program," and "Cash Dividends on Common Stock," of Note 11, "Nasdaq Stockholders' Equity," to the condensed consolidated financial statements.

Contractual Obligations and Contingent Commitments

Nasdaq 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 March 31, 2016:

Contractual Obligations	Payments Due by Period Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in millions)		
Debt obligations by contract maturity[1]	$ 3,129	$ 81	$ 620	$ 1,144	$ 1,284
Minimum rental commitments under non-cancelable operating leases, net[2]	311	58	89	72	92
Other obligations[3]	25	11	14	-	-
Total	$ 3,465	$ 150	$ 723	$ 1,216	$ 1,376

(1)Our debt obligations include both principal and interest obligations. At March 31, 2016, an interest rate of 2.35% was used to compute the amount of the contractual obligations for interest on the 2016 Credit Facility and 2.02% was used to compute the amount of the contractual obligations for interest on the 2014 Credit Facility. All other debt obligations were primarily calculated on a 360-day basis at the contractual fixed rate multiplied by the aggregate principal amount at March 31, 2016. See Note 8, "Debt Obligations," to the condensed consolidated financial statements for further discussion.

(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)Other obligations primarily consist of potential future escrow agreement payments related to prior acquisitions as well as other service agreement payments.

Off-Balance Sheet Arrangements

For discussion of off-balance sheet arrangements see:

- Note 14, "Clearing Operations," to the condensed consolidated financial statements for further discussion of our non-cash default fund contributions and margin deposits received for clearing operations; and
- Note 15, "Commitments, Contingencies and Guarantees," to the condensed consolidated financial statements for further discussion of:
  - Guarantees issued and credit facilities available;
  - Lease commitments;
  - Other guarantees;
  - Non-cash contingent consideration;
  - Other transactions;
  - Escrow agreements;
  - Routing brokerage activities;
  - Litigation; and
  - Tax audits.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the potential for losses that may result from changes in the market value of a financial instrument due to changes in market conditions. As a result of our operating, investing and financing activities, we are exposed to market risks such as interest rate risk and foreign currency exchange rate risk. We are also exposed to credit risk as a result of our normal business activities.

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 of market risk exposures. 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

We are subject to the risk of fluctuating interest rates in the normal course of business. Our exposure to market risk for changes in interest rates relates primarily to our financial investments and debt obligations which are discussed below.

Financial Investments

As of March 31, 2016, our investment portfolio was primarily comprised of trading securities, mainly highly rated European government debt securities, which pay a fixed rate of interest. These securities are subject to interest rate risk and will decrease in value if market interest rates increase. If market interest rates were to increase immediately and uniformly by 100 basis points from levels as of March 31, 2016, the fair value of this portfolio would have declined by $6 million.

Debt Obligations

As of March 31, 2016, substantially all of our debt obligations are fixed-rate obligations. While changes in interest rates will have no impact on the interest we pay on fixed-rate obligations, we are exposed to changes in interest rates as a result of borrowings under our 2016 Credit Facility and the 2014 Credit Facility, as the interest rates on these facilities have variable interest rates. As of March 31, 2016, the principal amount outstanding under the 2016 Credit Facility was $400 million and the 2014 Credit Facility was

$30 million. A hypothetical 100 basis points increase in interest rates on the 2016 Credit Facility and the 2014 Credit Facility would increase interest expense by approximately $4 million based on borrowings as of March 31, 2016.

Foreign Currency Exchange Rate Risk

As a leading global exchange group, we are subject to foreign currency transaction risk. For the three months ended March 31, 2016, approximately 24.7% of our revenues less transaction rebates, brokerage, clearance and exchange fees and 11.1% of our operating income were derived in currencies other than the U.S. dollar, primarily the Euro and Swedish Krona.

Our primary exposure to foreign currency denominated revenues less transaction-based expenses and operating income for the three months ended March 31, 2016 is presented in the following table:

	Euro	Swedish Krona	Other Foreign Currencies	U.S. Dollar	Total
		(in millions, except currency rate)			
Three Months Ended March 31, 2016					
Average foreign currency rate to the U.S. dollar	1.1037	0.1183	#	N/A	N/A
Percentage of revenues less transaction-based expenses	10.4%	9.2%	5.1%	75.3%	100.0%
Percentage of operating income	17.4%	3.1%	(8.3)%	87.8%	100.0%
Impact of a 10% adverse currency fluctuation on revenues less transaction-based expenses	$ (5)	$ (5)	$ (3)	$ -	$ (13)
Impact of a 10% adverse currency fluctuation on operating income	$ (4)	$ (1)	$ (2)	$ -	$ (7)

\# Represents multiple foreign currency rates.
N/A Not applicable.

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 results of operations 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 loss within stockholders' equity in the Condensed Consolidated Balance Sheets.

Our primary exposure to net assets in foreign currencies as of March 31, 2016 is presented in the following table:

	Net Assets	Impact of a 10% Adverse Currency Fluctuation
	(in millions)	
Swedish Krona[(1)]	$ 3,518	$ (352)
Norwegian Krone	194	(19)
Euro	142	(14)
British Pound	129	(13)
Australian Dollar	85	(9)

(1) Includes goodwill of $2,693 million and intangible assets, net of $667 million.

Credit Risk

Credit risk is the potential loss due to the default or deterioration in credit quality of customers or counterparties. 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 evaluating 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.

Our subsidiary Nasdaq Execution Services may be exposed to credit risk, due to the default of trading counterparties, in connection with the routing services it provides for our trading customers. System trades in cash equities routed to other market centers for members of our cash equity exchanges are routed by Nasdaq Execution Services for clearing to the National Securities Clearing Corporation, or NSCC. In this function, Nasdaq Execution Services is to be neutral by the end of the trading day, but may be exposed to intraday risk if a trade extends beyond the trading day and into the next day, thereby leaving Nasdaq Execution Services susceptible to counterparty risk in the period between accepting the trade and routing it to the clearinghouse. In this interim period, Nasdaq Execution Services is not novating like a clearing broker but instead is subject to the short-term risk of counterparty failure before the clearinghouse enters the transaction. Once the clearinghouse officially accepts the trade for novation, Nasdaq Execution Services is legally removed from trade execution risk. However, Nasdaq has membership obligations to NSCC independent of Nasdaq Execution Services' arrangements.

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. Adverse movements in the prices of securities 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' customers are not permitted to trade on margin and NSCC rules limit counterparty risk on self-cleared transactions by establishing credit limits and capital deposit requirements for all brokers that clear with NSCC. Historically, Nasdaq Execution Services has never 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.

Execution Access is an introducing broker which operates the eSpeed trading platform for U.S. Treasury securities. Execution Access has a clearing arrangement with Cantor Fitzgerald. As of March 31, 2016, we have contributed $19 million of clearing deposits to Cantor Fitzgerald in connection with this clearing arrangement. These deposits are recorded in other current assets in our Condensed Consolidated Balance Sheets. Some of the trading activity in Execution Access is cleared by Cantor Fitzgerald through the Fixed Income Clearing Corporation. Execution Access assumes the counterparty risk of clients that do not clear through the Fixed Income Clearing Corporation. Counterparty risk of clients exists for Execution Access between the trade date and settlement date of the individual transactions, which is one business day. All of Execution Access' obligations under the clearing arrangement with Cantor Fitzgerald are guaranteed by Nasdaq. Counterparties that do not clear through the Fixed Income Clearing Corporation are subject to a credit due diligence process and may be required to post collateral, provide principal letters, or provide other forms of credit enhancement to Execution Access for the purpose of mitigating counterparty risk.

We are exposed to credit risk through our clearing operations with Nasdaq Clearing. See Note 14, "Clearing Operations," to the condensed consolidated financial statements for further discussion.

We also have credit risk related to transaction and subscription-based revenues that are billed to customers on a monthly or quarterly basis, in arrears. Our potential exposure to credit losses on these transactions is represented by the receivable balances in our Condensed Consolidated Balance Sheets. On an ongoing basis, we review and evaluate changes in the status of our counterparties' creditworthiness.

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

Item 4. Controls and Procedures.

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

(b) ***Internal control over financial reporting.*** There have been no changes in Nasdaq'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 March 31, 2016 that have materially affected, or are reasonably likely to materially affect, Nasdaq's internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

See "Litigation," of Note 15, "Commitments, Contingencies and Guarantees," to the condensed consolidated financial statements for further discussion.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed with the SEC on February 26, 2016. These risks could materially and adversely affect our business, financial condition and results of operations. The risks and uncertainties in our Form 10-K and Form 10-Q 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Share Repurchase Program

See “Share Repurchase Program,” of Note 11, “Nasdaq Stockholders’ Equity,” to the condensed consolidated financial statements for further discussion of our share repurchase program.

Employee Transactions

During the fiscal quarter ended March 31, 2016, we purchased shares from employees in connection with the settlement of employee tax withholding obligations arising from the vesting of restricted stock.

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 March 31, 2016.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 2016				
Share repurchase program	-	$ -	-	$ 159
Employee transactions	749	$ 56.40	N/A	N/A
February 2016				
Share repurchase program	490,032	$ 59.37	490,032	$ 130
Employee transactions	458,673	$ 63.74	N/A	N/A
March 2016				
Share repurchase program	-	$ -	-	$ 500
Employee transactions	75,487	$ 66.35	N/A	N/A
Total Quarter Ended March 31, 2016				
Share repurchase program	490,032	$ 59.37	490,032	$ 500
Employee transactions	534,909	$ 64.10	N/A	N/A

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

The exhibits required by this item are listed on the Exhibit Index.

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 thereunto duly authorized.

The Nasdaq, Inc.
(Registrant)

Date: May 5, 2016	By:	/s/ Robert Greifeld
	Name:	**Robert Greifeld**
	Title:	**Chief Executive Officer**
Date: May 5, 2016	By:	/s/ Ronald Hassen
	Name:	**Ronald Hassen**
	Title:	**Interim Chief Financial Officer and Senior Vice President**

Exhibit Index

Exhibit Number	
2.1	Stock Purchase Agreement, dated as of March 9, 2016, by and among Deutsche Börse AG and Eurex Frankfurt AG and Nasdaq, Inc. (incorporated herein by reference to the Current Report on Form 8-K filed on March 15, 2016).
3.2	Nasdaq's By-Laws (incorporated herein by reference to the Current Report on Form 8-K filed on February 26, 2016).
10.1	Credit Agreement, dated March 17, 2016, among Nasdaq, Inc., the various lenders party thereto and Bank of America, N.A., as Administrative Agent (incorporated herein by reference to the Current Report on Form 8-K filed on March 22, 2016).
10.2	General Release and Retirement Agreement between Nasdaq, Inc. and Lee Shavel, effective January 26, 2016.
11	Statement regarding computation of per share earnings (incorporated herein by reference from Note 12 to the condensed consolidated financial statements under Part I, Item 1 of this Form 10-Q).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley").
31.2	Certification of Interim Chief Financial Officer and Senior Vice President 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 Nasdaq, Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2016 are formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at March 31, 2016 and December 31, 2015; (ii) Condensed Consolidated Statements of Income for the three months ended March 31, 2016 and 2015; (iii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2016 and 2015; (iv) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015; and (v) notes to condensed consolidated financial statements.

GENERAL RELEASE AND RETIREMENT AGREEMENT

January 26, 2016

Dear Lee:

This General Release and Retirement Agreement ("Agreement"), reflects our mutual agreement and understanding concerning your retirement from employment with Nasdaq, Inc. or any of its subsidiaries or affiliates (the "Company") in accordance with the terms and conditions set forth below.

1. **Retirement Date and Transition Period**

As of March 31, 2016, you will retire from service as an employee of the Company ("Retirement Date"). Between now and January 31, 2016, you will remain in your current position of Executive Vice President and Chief Financial Officer. Effective February 1, 2016 (the "Transition Period"), you agree to transition into the role of Strategic Advisor and satisfactorily perform the duties of the role as assigned while continuing to receive your regular salary as an employee of the Company during the Transition Period.

a. From this date through your Retirement Date, you shall remain fully eligible for participation in the Company's compensation and benefits plans in which you now participate. You will also be paid for all accrued but unused vacation, in the first payroll period after the end of the Transition Period, along with any unreimbursed business expenses for which you have submitted invoices in accordance with Company policy. If you do not execute this Agreement, your health benefits provided through the Company will continue through March 31, 2016 (or at the end of the last month of your employment, if prior to March 2016). Pursuant to federal law, and independent of this Agreement, you and your eligible dependents will be eligible to elect benefit continuation coverage if you timely apply for COBRA benefits. Information regarding your rights under COBRA will be provided to you in a separate mailing. If you choose to accept the offer of severance and benefits set forth in Paragraph 2 of this Agreement, your group health, vision, and dental benefits will end in accordance with Paragraph 2. You will be separately notified of your benefit conversion privileges and COBRA rights.

b. From this date through your Retirement Date, you will remain an at-will employee of the Company, meaning that you or the Company can terminate your employment at any time, with or without notice or reason. During the Transition Period, the Company reserves the right in its sole discretion to relieve you from all job duties, alter your job duties (but consistent with your role as Strategic Advisor), or require you to work from home. During the Transition Period, you agree to (i) continue to satisfactorily perform your lawful job duties, as assigned; (ii) comply with all published Company policies, including but not limited to the Code of Ethics; (iii) transition and transfer knowledge of your job duties to others as requested, and; (iv) maintain a professional demeanor and attitude toward internal associates, managers and external customers. During this period, you will continue to be fully indemnified to the same extent that you are currently indemnified and will be covered under the Company's directors' and officers' liability insurance policy.

c. The Company acknowledges and agrees that you may accept a position on or after the date hereof to serve on the board of directors of a company which you previously identified to the Company and that such board service shall neither be deemed a violation of any obligations that you have under this Agreement nor a violation of any non-competition restrictions otherwise applicable to you under any plan, program, policy or agreement of the Company.

2. **Retirement Benefits**

In consideration for signing and not revoking this Agreement, in full settlement of any compensation and benefits to which you would otherwise be entitled, and in exchange for the promises, covenants, releases, and waivers set forth herein, the Company, subject to final approval by the Management Compensation Committee, will do the following:

a. You will remain eligible for continued vesting and the performance-based earn-out of the Three-Year Performance Share Units granted on July 31, 2013 ("2013 Grant"), March 31, 2014 ("2014 Grant") and March 31, 2015 ("2015 Grant"), unless your employment ends any time before March 31, 2016 due to your resignation, gross misconduct, insubordination or gross negligence. To the extent this Agreement conflicts with the Three-Year Performance Share Unit (PSU) Agreements for the 2013 Grant, 2014 Grant or 2015 Grant, this Agreement will apply, provided that the time and form of settlement of the PSU's shall be governed by the terms of the applicable award agreement and governing plan document.

b. Provided that you timely elect to continue coverage pursuant to COBRA, the Company agrees to continue to pay the employer's share (on the same basis as if you were actively employed by the Company) of your medical, dental and vision premiums for which continuation coverage was elected by you for up to 18 months after the Retirement Date ("COBRA Reimbursement Period"), provided you pay the employee share of the premium in the manner reasonably specified by the plan administrator, and provided that if you cease making such payment your applicable COBRA coverage will cease. Should you obtain employment with an employer who provides comparable health insurance benefits to you during the COBRA Reimbursement Period, the Company's obligation under this paragraph shall forever cease upon the expiration of the waiting period (if any) for entitlement to insurance coverage through your new employer. You agree to notify the Company in writing within seven (7) days of your commencement of full-time employment during the COBRA Reimbursement Period. In any event, and notwithstanding any provision to the contrary in this paragraph, the Company shall have no obligation to make any payments for COBRA premiums paid for health insurance coverage beyond the expiration of the COBRA Reimbursement Period. Nothing in this paragraph will affect the continuation coverage rules under COBRA, except that the Company's payment of any applicable insurance premiums during the COBRA Reimbursement Period will be credited as payment by the Company for purposes of your payment required under COBRA.

c. You will be eligible for senior executive full service professional outplacement assistance pursuant to the Company's contract with Ayers Group (or the professional outplacement company of your choice, upon prior consultation with the Company) for a period of 12 months, at the Company's expense, up to a maximum of $50,000. You may use all or part of the $50,000 identified in this paragraph for board director training.

d. You will be eligible for 18 months of executive physical exams (currently provided by EHE International), immediately following your Retirement Date.

e. You acknowledge and agree that the Retirement Benefits and any other payment or benefits provided to you and on your behalf pursuant to this Agreement, including but not limited to, the legal representation and indemnification identified in Paragraph 6 of this Agreement: (i) are in full discharge of any and all liabilities and obligations of the Company to you, monetarily or with respect to your employment; and (ii) exceed any payment, benefit, or other thing of value to which you might otherwise be entitled.

f. The Company will pay you your 2015 award under the Executive Corporate Incentive Plan ("ECIP") (the "ECIP Payment"). The payment shall be determined in accordance with the terms of the ECIP and based on actual results, and paid in a lump sum cash payment, provided that such payment shall be paid no later than March 15, 2016. In determining your ECIP Payment entitlement, (i) the Company shall not take into consideration the fact that your employment will be terminating as of the Retirement Date and (ii) you shall be treated consistently with other similarly situated executives of the Company.

g. If you accept another position as an employee with the Company or any of its affiliates while you are receiving any of the benefits provided under this Section 2 ("Retirement Benefits"), you will not receive any additional Retirement Benefits, or any other payments or benefits under this Agreement following your start date in the new position.

h. For the avoidance of doubt, you will be fully vested as of the end of the Transition Period in all outstanding stock options previously awarded to you by the Company as of the end of the Transition Period and in accordance with their respective terms and conditions, such options shall remain exercisable until the earlier of the one-year anniversary of the end of the Transition Period or the original term of each such option.

3. **<u>General Release of Claims</u>**. You, for yourself and your heirs, executors, administrators, assigns, agents and beneficiaries, if any, do hereby agree to execute and be bound by this General Release of Claims. You waive, release, and forever discharge the Company of and from any and all Claims (as defined below) through the date of this Agreement. You agree not to file a lawsuit or arbitration to assert any such Claim. Further, you agree that should any other person, organization or entity file a lawsuit or arbitration to assert any such Claim, you will not seek or accept any personal relief in such action. In exchange for your waiver of Claims, the Company, its subsidiaries, directors and agents acting on behalf of the Company expressly waive and release any and all Claims against you that may be waived and released by law, and agree not to file a lawsuit or arbitration to assert any such Claims.

a. <u>Definition of "Claims</u>." Except as stated below, "Claims" includes without limitation all actions or demands of any kind that you may now have or have had (although you are not being asked to waive Claims that may arise after the date of this Agreement). More specifically, Claims include rights, causes of action, damages, penalties, losses, attorneys' fees, costs, expenses, obligations, agreements, judgments and all other liabilities of any kind or description whatsoever, either in law or in equity, whether known or unknown, suspected or unsuspected. The nature of Claims covered by this release includes without limitation all actions or demands in any way based on your employment with Nasdaq, the terms and conditions of such employment or your separation from employment. More specifically, all of the following are among the types of Claims which are waived and barred by this General Release of Claims to the extent allowable under applicable law:

- Contract Claims, whether express or implied;
- Tort Claims, such as for defamation or emotional distress;
- Claims under federal, state and municipal laws, regulations, ordinance or court decisions of any kind;
- Claims of discrimination, harassment or retaliation, whether based on race, color, religion, gender, sex, age, sexual orientation, handicap and/or disability, genetic information, national origin, whistleblowing or any other legally protected class;
- Claims under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, and similar state and local statutes, laws and ordinances;
- Claims under the Employee Retirement Income Security Act, the Occupational Safety and Health Act, the False Claims Act, and similar state and local statutes, laws and ordinances;
- Claims for wrongful discharge; and
- Claims for attorneys' fees, beyond those specified in this Agreement (such as the legal representation and indemnification identified in Paragraph 6 of this Agreement), including litigation expenses and/or costs.

The foregoing description of claims is intended to be illustrative and is not exhaustive.

b. Exclusions**:** Notwithstanding any other provision of this release, the following are **not** barred by the release: (a) Claims relating to the validity of this Agreement; (b) Claims by either party to enforce this Agreement; (c) Claims which are not legally waivable; (d) Claims by you for indemnification; and (e) Claims by you for accrued vested benefits and compensation under the Company's respective benefits and compensation plans. In addition, this General Release of Claims will not operate to limit or bar your right to file an administrative charge of discrimination with the Equal Employment Opportunity Commission (EEOC) or to testify, assist or participate in an investigation, hearing or proceeding conducted by the EEOC. However, the release does bar your right to recover any personal or monetary relief, including if you or anyone on your behalf seeks to file a lawsuit or arbitration on the same basis as the charge of discrimination.

4. **Non-Disparagement/Press Release**. You agree that you will not disparage or defame the reputation, character, image, products, or services of the Company, provided that you shall

respond accurately and fully to any question, inquiry, or request for information when required by legal process and make truthful statements in connection with any legal dispute related to or arising from this Agreement. Nothing in this Agreement should have a chilling effect on your ability to engage in whistleblowing activity, by prohibiting or restricting you (or your attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC or FINRA regarding your employment at the Company, and nothing prevents you from reporting to, communicating with, contacting, responding to an inquiry from, providing relevant information to, participating or assisting in an investigation conducted by, or receiving a monetary award from the SEC or any other governmental enforcement agency related to such communication (except as noted in Section 3(b) above).

The Company agrees that neither the Company nor its directors and senior executive officers, shall disparage or defame your reputation, character or image, provided that they shall respond accurately and fully to any question, inquiry or request for information when required by legal process and may make truthful statements in connection with any legal dispute related to or arising from this Agreement. If the Company intends to issue a press release or internal communication concerning the matters covered by this Agreement, you shall have the right to approve the terms thereof prior to its issuance, such approval not to be unreasonably withheld.

5. **Cooperation and Legal Representation**. You agree to reasonably cooperate with the Company, for a period of 12 months following the Retirement Date, in transitioning your responsibilities and in relation to any actual or threatened legal proceedings concerning Company-related matters about which you have relevant knowledge. You shall also be indemnified by the Company to the maximum extent permitted by applicable law and the Company's by-laws for any other cooperation you provide the Company hereunder. Any such request by the Company for your cooperation shall be upon reasonable advance notice and shall not unreasonably interfere with your then current business or personal activities. You shall be reimbursed for all fees and expenses (including separate legal counsel if reasonably appropriate, and travel and accommodations, if applicable) reasonably incurred in connection with such cooperation activities.

6. **Non-Admission.** This Agreement does not represent an admission of liability or finding of wrongdoing by you or the Company.

7. **Return of Company Property**. After the Retirement Date, you agree to promptly return to the Company all property that belongs to the Company, including without limitation all equipment, supplies, documents, files (electronic and hardcopy), and computer disks in good working order; provided you may retain any records relating to your relationship with the Company and the termination thereof. You agree not to "wipe" or otherwise destroy, erase, or compromise company files, records or information contained on any company-issued electronic equipment prior to returning these items. You further agree to remove from any personal computer all data files containing Company information. Notwithstanding the foregoing, you may take and retain an electronic copy of your contact list and calendar and any files necessary for the preparation of your personal income taxes. You may retain your Company-provided iPad and iPhone (provided that the Company shall have the right to delete all files and emails containing confidential or proprietary information) and the Company will take all action necessary with the carrier to cause your iPhone number to be transferred to your personal account.

8. **<u>Confidential Business Information</u>**. You acknowledge your continuing obligations to the Company contained in any proprietary rights or other confidentiality agreements that you signed in favor of the Company during your employment.

9. **<u>Non-competition</u>**. For a period of 12 months from the Retirement Date, you shall not, directly or indirectly, without the prior written permission of the Company, anywhere in the world where at the date of such retirement the Company is doing business or planning to do business, enter into the employ of or render any services to: InterContinentalExchange, BATS Global Markets, CME Group, CBOE Holdings, Deutsche Borse, London Stock Exchange Group or TMX provided, that your employment by an entity which is subsequently merged with any of the above entities or their affiliates (or otherwise becomes an affiliate of any such entities) shall not be a violation of this provision. This provision supersedes any prior noncompetition/non-solicitation terms to which you have previously agreed.

You acknowledge and agree that the provisions of, and your obligations under, this Agreement are reasonable in scope and necessary for the protection of the Company and its legitimate business interests; that your breach (or threatened breach) of any such provisions or obligations may result in grave and irreparable harm to the Company, inadequately compensable in money damages; and that the Company shall be entitled to seek and obtain, in addition to any legal remedies that might be available to it, injunctive relief to prevent and/or remedy such a breach or threatened breach upon the issuance (or denial) of an injunction, the underlying merits of any dispute shall be resolved in accordance with the arbitration provisions of Section 12 of this Agreement.

10. **<u>Breach.</u>** Should you materially breach this Agreement and such breach continues for a period of least 30 days after you receive written notice thereof from the Company asserting such breach has occurred, then:

a. The Company shall have no further obligations to you under this Agreement (including but not limited to any obligation to make any further payments or provide any further benefits to you, unless required by applicable law);

b. The Company shall be entitled to recoup the amount of any payment you received pursuant to this Agreement, but only to the extent that you are determined to owe such amount pursuant to an arbitration proceeding undertaken pursuant to Section 11 hereof;

c. The Company shall have all rights and remedies available to it under this Agreement and any applicable law; and

d. All of your promises, covenants, representations, and warranties under this Agreement shall remain in full force and effect.

Company Breach. Should the Company materially breach this Agreement and such breach continues for a period of at least 30 days after the Company receives written notice thereof from you asserting such breach has occurred, then you shall have no further obligations to the Company under this Agreement, you shall have all rights and remedies available to you under this Agreement and any applicable law, and all of the Company's promises, covenants, representations, and warranties under this Agreement shall remain in full force and effect.

11. **Arbitration.** You and the Company agree that should a dispute arise between the parties under this Agreement, under any statute, regulation, or ordinance, and/or in connection with your employment or termination thereof (except as provided in Sections 3 or 4 of this Agreement), the dispute shall be submitted to binding arbitration before the American Arbitration Association ("AAA") for resolution. Such arbitration shall be conducted in New York, New York, and the arbitrator will apply New York law, including federal law as applied in New York courts. The arbitration shall be conducted in accordance with the AAA's Employment Arbitration Rules as modified herein. The arbitration shall be conducted by a single arbitrator, who shall be an attorney who specializes in the field of employment law and who shall have prior experience arbitrating employment disputes. The award of the arbitrator shall be final and binding on the parties, and judgment on the award may be confirmed and entered in any state or federal court in the State and City of New York. The arbitration shall be conducted on a strictly confidential basis, and you shall not disclose the existence of a claim, the nature of a claim, any documents, exhibits, or information exchanged or presented in connection with such a claim, or the result of any action (collectively, "Arbitration Materials"), to any third party, with the sole exception of your legal counsel, who also shall be bound by these confidentiality terms. In the event of any court proceeding to challenge or enforce an arbitrator's award, the parties hereby consent to the exclusive jurisdiction of the state and federal courts in New York, New York and agree to venue in that jurisdiction. The parties agree to take all steps necessary to protect the confidentiality of the Arbitration Materials in connection with any such proceeding, agree to file all Confidential Information (and documents containing Confidential Information) under seal, and agree to the entry of an appropriate protective order encompassing the confidentiality terms of this Agreement. You shall be reimbursed for all of your reasonably incurred legal fees and expenses to the extent that you prevail on any material issue which is a subject of such arbitration proceeding.

12. **Severability.** You agree that if any provision of this General Release of Claims is or shall be declared invalid or unenforceable by a court of competent jurisdiction, then such provision will be modified only to the extent necessary to cure such invalidity, with a view to enforcing the parties' intention as set forth in this Agreement to the extent permissible. All remaining provisions of this Agreement shall not be affected thereby and shall remain in full force and effect.

13. **Compliance with 409A.** It is the intent of the parties to this Agreement that no payments under this Agreement be subject to the additional tax on deferred compensation imposed by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). Notwithstanding the foregoing, the Company does not guarantee that any payment hereunder complies with or is exempt from Section 409A of the Code and neither the Company, nor its current or former executives, directors, officers, or affiliates shall have any liability with respect to any failure of any payments or benefits herein to comply with or be exempt from Section 409A of the Code. To the extent that the parties determine that you would be subject to the additional 20% tax imposed on certain deferred compensation arrangements pursuant to Section 409A of the Code as a result of any provision of this Agreement, to the extent permitted by Section 409A of the Code, such provision shall be deemed amended in the manner that, in the parties' judgment, fulfills the intent of the parties and avoids application of such additional tax, and the parties hereby agree to promptly execute any amendment reasonably necessary to implement this Section 14. Each payment made under this Agreement will be treated as a separate payment for purposes of Section 409A of the Code and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

Notwithstanding any provision of this Agreement to the contrary, in the event that any payment to you or any benefit hereunder is made upon, or as a result of your termination of employment, and you are a "specified employee" (as that term is defined under Code Section 409A) at the time you become entitled to any such payment or benefit, and provided further that such payment or benefit does not otherwise qualify for an applicable exemption from Code Section 409A, then no such payment or benefit shall be paid or commenced to be paid to you under this Agreement until the date that is the earlier to occur of: (i) your death, or (ii) six (6) months and one (1) day following your termination of employment (the "Delay Period"). Any payments which you would otherwise have received during the Delay Period shall be payable to you in a lump sum on the date that is six (6) months and one (1) day following the effective date of your termination.

Any reimbursements by the Company to you of any eligible expenses under this Agreement, other than reimbursements that would otherwise be exempt from income or the application of Code Section 409A, ("Reimbursements") will be made promptly and, in any event, on or before the last day of your taxable year following your taxable year in which the expense was incurred. The amount of any Reimbursements, and the value of any in-kind benefits to be provided to you under this Agreement, other than in-kind benefits that would otherwise be exempt from income or the application of Code Section 409A, during any of the your taxable years will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other of your taxable years, except for any limit on the amount of expenses that may be reimbursed under an arrangement described in Code Section 105(b). The right to Reimbursements, or in-kind benefits, will not be subject to liquidation or exchange for another benefit.

14. **Miscellaneous.** This Agreement (i) may be executed in identical counterparts, which together shall constitute a single agreement; (ii) shall be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either party, notwithstanding which party may have drafted it; (iii) shall be governed by and construed in accordance with the laws of New York, excluding any choice of law principles; (iv) constitutes the parties' entire agreement, arrangement, and understanding regarding the subject matter herein, superseding any prior or contemporaneous agreements, arrangements, or understandings, whether written or oral, between you on one hand and the Company on the other hand regarding the same subject matter (other than Article VIII of the By-Laws of Nasdaq, Inc. and Section 19 of the Second Amended Limited Liability Company Agreement of The NASDAQ Stock Market); (v) may not be modified, amended, discharged, or terminated, nor may any of its provisions be varied or waived, except by a further signed written agreement between the parties; and (iv) shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns. For the avoidance of doubt, in the unlikely event that you die prior to receiving all consideration set forth herein, the Company shall provide all such consideration to your estate at the same times as otherwise required to the extent permitted by law.

15. **Advice to Consult Legal Representative.** The Company recommends that you consult with an attorney and tax advisor of your own choosing with regard to entering into this Agreement, to be reimbursed by the Company.

16. **Consideration Period.** You acknowledge that you have carefully read and understand the provisions of this Agreement. You have been provided with a consideration period consisting of at least twenty-one (21) calendar days to consider the terms of the General Release of Claims

from the date this Agreement first was presented to you. You agree to notify the Company of your acceptance of this Agreement by delivering a signed copy to the Company addressed to the attention of Bryan Smith, Senior Vice President, Global Head of Human Resources, One Liberty Plaza, New York, NY 10006**.** You understand that you may take the entire consideration period to consider this Agreement and that you may return this Agreement in less than the full consideration period only if your decision to shorten it was knowing and voluntary and was not induced in any way by Employer.

17. **Revocation Period.** You have seven (7) calendar days from the date you sign this General Release of Claims to revoke it if you choose to do so. If you elect to revoke, you must give written notice of such revocation to Employer by delivering it to Bryan Smith, Senior Vice President, Head of Global Human Resources, One Liberty Plaza, New York, NY 10006 in such a manner that it is actually received within the seven (7) calendar day period. You understand that if you revoke this General Release of Claims, you will not be entitled to the benefits offered as consideration for this Agreement.

18. **Employee Certification - Validity of Agreement.** You certify that you have carefully read this Agreement and have executed it voluntarily and with full knowledge and understanding of its significance, meaning and binding effect. You further declare that you are competent to understand the content and effect of this Agreement and that your decision to enter into this Agreement has not been influenced in any way by fraud, duress, coercion, mistake or misleading information. You have not relied on any information except what is set forth in this Agreement.

Please acknowledge your understanding and acceptance of this Agreement by signing below where indicated.

Sincerely,

/s/ Bryan E. Smith

Bryan E. Smith
Senior Vice President, Global Head of Human Resources

NOTICE TO EMPLOYEE: YOUR SIGNATURE INDICATES THAT YOU HAVE CAREFULLY READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT, RELEASE AND WAIVER OF CLAIMS AND RIGHTS, THAT YOU WERE ADVISED TO CONSULT AN ATTORNEY ABOUT THIS AGREEMENT, THAT THIS AGREEMENT PROVIDES BENEFITS TO WHICH YOU ARE NOT OTHERWISE ENTITLED AND THAT YOU ARE SIGNING THIS DOCUMENT VOLUNTARILY AND NOT AS A RESULT OF COERCION, DURESS OR UNDUE INFLUENCE.

1/26/2016	/s/ Lee Shavel
Date	Employee Name

Exhibit 31.1

CERTIFICATION

I, Robert Greifeld, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nasdaq, 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: May 5, 2016

CERTIFICATION

I, Ronald Hassen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nasdaq, 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/ Ronald Hassen

Name: Ronald Hassen

Title: Interim Chief Financial Officer and Senior Vice President

Date: May 5, 2016

Exhibit 32.1

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 Quarterly Report on Form 10-Q of Nasdaq, Inc. (the "Company") for the quarter ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert Greifeld, as Chief Executive Officer of the Company, and Ronald Hassen, as Interim Chief Financial Officer and Senior Vice President 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 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:	May 5, 2016
	/s/ Ronald Hassen
Name:	Ronald Hassen
Title:	Interim Chief Financial Officer and Senior Vice President
Date:	May 5, 2016

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.