

The NASDAQ OMX Group

Q408 Earnings Presentation

February 26, 2009



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NASDAQ OMX[®]

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In addition to disclosing results determined in accordance with GAAP, NASDAQ OMX also discloses certain non-GAAP and pro forma non-GAAP results of operations, including net income, diluted earnings per share, and operating expenses that make certain adjustments or exclude certain charges and gains that are described in the reconciliation table of GAAP to pro forma non-GAAP information provided at the end of this release. Management believes that this non-GAAP and pro forma non-GAAP information provides investors with additional information to assess NASDAQ OMX's operating performance by making certain adjustments or excluding costs or gains and assists investors in comparing our operating performance to prior periods. Management uses this non-GAAP and pro forma non-GAAP information, along with GAAP information, in evaluating its historical operating performance.

The non-GAAP information is not prepared in accordance with GAAP and may not be comparable to non-GAAP information used by other companies. The non-GAAP information should not be viewed as a substitute for, or superior to, other data prepared in accordance with GAAP.

Financial Highlights

Fourth Quarter Results

- Total Revenues: \$1,023.7 million (\$664.5 million in Q407)
- Net Exchange Revenues¹: \$402.6 million (\$211.6 million in Q407)
- Total Operating Expenses: \$222.6 million (\$110.0 million in Q407)
- Net Income: \$36.8 million (\$79.0 million in Q407)
- Diluted EPS: \$0.17 (\$0.52 in Q407)

Non-GAAP Results²

- Total Revenues: \$1,023.7 million (\$865.3 million in Q407)
- Net Exchange Revenues¹: \$402.6 million (\$409.6 million in Q407)
- Total Operating Expenses: \$213.1 million (\$260.6 million in Q407)
- Net Income: \$112.1 million (\$82.9 million in Q407)
- Diluted EPS: \$0.53 (\$0.38 in Q407)

1. Net exchange revenues reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees.
2. For comparison purposes Q408 results are presented on a non-GAAP basis and exclude merger expenses, gains/(losses) from foreign currency contracts, and certain other, non-recurring items. Prior periods are presented on a pro forma non-GAAP basis that reflect the financial results of NASDAQ, OMX, and PHLX as if they were a combined company for the periods presented, and exclude merger expenses, gains/(losses) from foreign currency contracts, and certain other non-recurring items. Please refer to the non-GAAP schedules at the end of this slide presentation for a complete reconciliation of GAAP to non-GAAP results.

Summary Financial Results

(In \$mill except for EPS)

Vs. Prior-Year Quarter	Q408	Q407	Change
Net Exchange Revenues ⁽¹⁾	402.6	211.6	90.3%
Total Operating Expenses	222.6	110.0	102.4%
Operating Income	180.0	101.6	77.2%
Operating Margin ⁽²⁾	44.7%	48.0%	
Net Income	36.8	79.0	(53.4%)
Diluted EPS	0.17	0.52	(67.3%)

Vs. Prior Quarter	Q408	Q308	Change
Net Exchange Revenues ⁽¹⁾	402.6	399.0	0.9%
Total Operating Expenses	222.6	226.6	(1.8%)
Operating Income	180.0	172.4	4.4%
Operating Margin ⁽²⁾	44.7%	43.2%	
Net Income	36.8	60.1	(38.8%)
Diluted EPS	0.17	0.28	(39.3%)

- Net Income and Diluted EPS declined in Q408 when compared to prior year:
 - Q407 results included a pre-tax gain of \$18.2 million from foreign currency contracts
 - Q408 results include a pre-tax loss of \$47.4 million related to foreign currency contracts and a pre-tax charge of \$34.9 million related to the write down of an available for sale investment.

- Net Income and Diluted EPS declined in Q408 when compared to Q308:
 - Although operating income increased, the decline in net income in Q408 is primarily due to a pre-tax charge of \$34.9 million related to the write down of an available for sale investment.

1. Net exchange revenues reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees.

2. Operating Margin equals Operating Income divided by Net Exchange revenues

Non-GAAP Financial Results ⁽¹⁾

(In \$mill except for EPS)

Vs. Prior-Year Quarter	Q408	Q407	Change
Net Exchange Revenues ⁽²⁾	402.6	409.6	(1.7%)
Total Operating Expenses	213.1	260.6	(18.2%)
Operating Income	189.5	149.0	27.2%
<i>Operating Margin</i> ⁽³⁾	47.1%	36.4%	
Net Income	112.1	82.9	35.2%
Diluted EPS	\$0.53	\$0.38	39.5%

- Q408 Net Income and Diluted EPS improved when compared to Q407:
 - Total operating expenses declined \$47.5 million, or 18.2%, from the prior-year period primarily due to integration efforts associated with the OMX and PHLX transactions.
 - Operating margins improved to 47.1% in Q408.

Vs. Prior Quarter	Q408	Q308	Change
Net Exchange Revenues	402.6	410.6	(1.9%)
Total Operating Expenses	213.1	222.0	(4.0%)
Operating Income	189.5	188.6	0.5%
<i>Operating Margin</i>	47.1%	45.9%	
Net Income	112.1	109.7	2.2%
Diluted EPS	\$0.53	\$0.52	1.9%

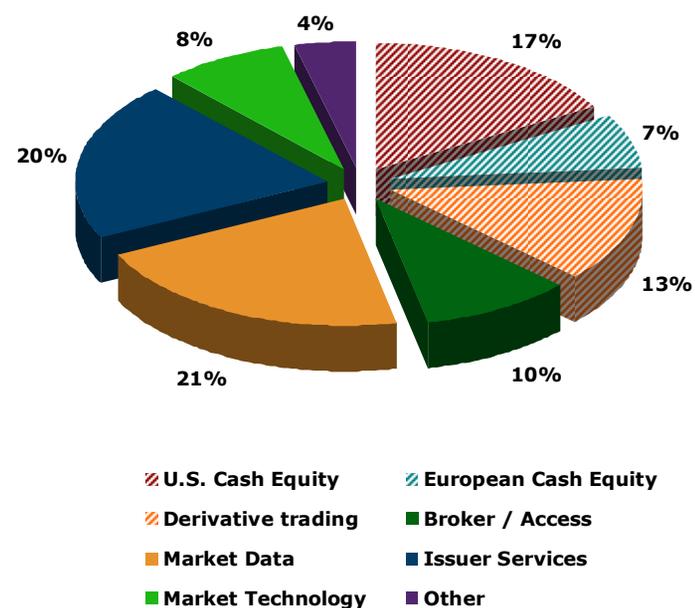
- Q408 Net Income and Diluted EPS improved when compared to Q308:
 - Although net exchange revenues declined 1.9%, a larger decline in total operating expenses resulted in an improvement to operating income

- For comparison purposes Q408 results are presented on a non-GAAP basis and exclude merger expenses, gains/(losses) from foreign currency contracts, and certain other, non-recurring items. Prior periods are presented on a pro forma non-GAAP basis that reflect the financial results of NASDAQ, OMX, and PHLX as if they were a combined company for the periods presented, and exclude merger expenses, gains/(losses) from foreign currency contracts, and certain other non-recurring items. Please refer to the non-GAAP schedules at the end of this slide presentation for a complete reconciliation of GAAP to non-GAAP results.
- Net exchange revenues reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees.
- Operating Margin equals Operating Income divided by Net Exchange Revenues.

Net Exchange Revenues ⁽¹⁾

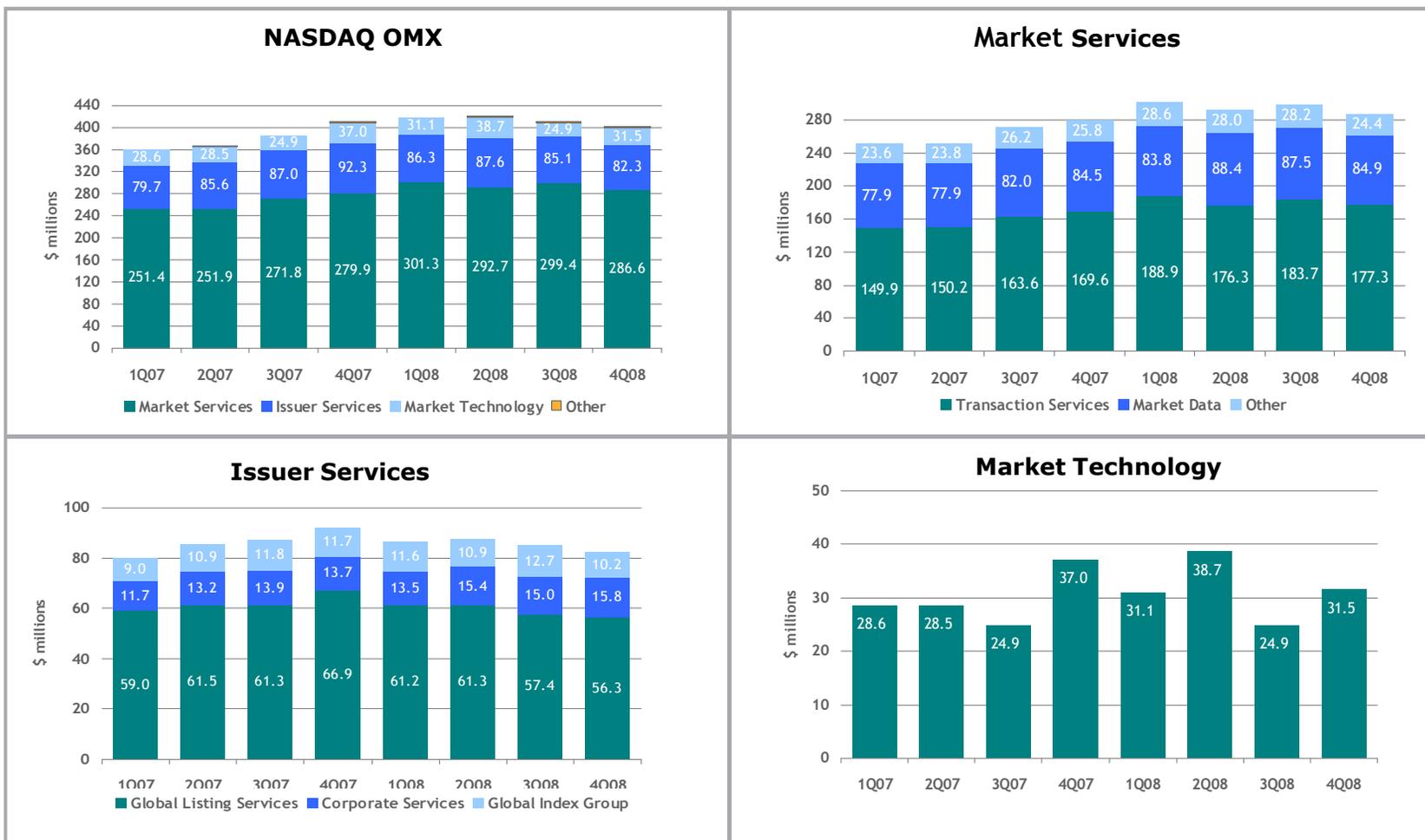
(In \$millions)

Revenue Statement	Q408	Q308	Q407
Cash Equity Trading	94.1	100.0	94.6
Derivative Trading	54.6	56.3	50.3
Access Services	28.6	27.4	24.7
Total Transaction Services	177.3	183.7	169.6
Market Data	84.9	87.5	84.5
Broker Services	10.5	12.9	14.3
Other Market Services	13.9	15.3	11.5
Total Market Services	286.6	299.4	279.9
Global Listing Services	72.1	72.4	80.6
Global Index Group	10.2	12.7	11.7
Total Issuer Services	82.3	85.1	92.3
Market Technology	31.5	24.9	37.0
Other	2.2	1.2	0.4
Net Exchange Revenues	402.6	410.6	409.6



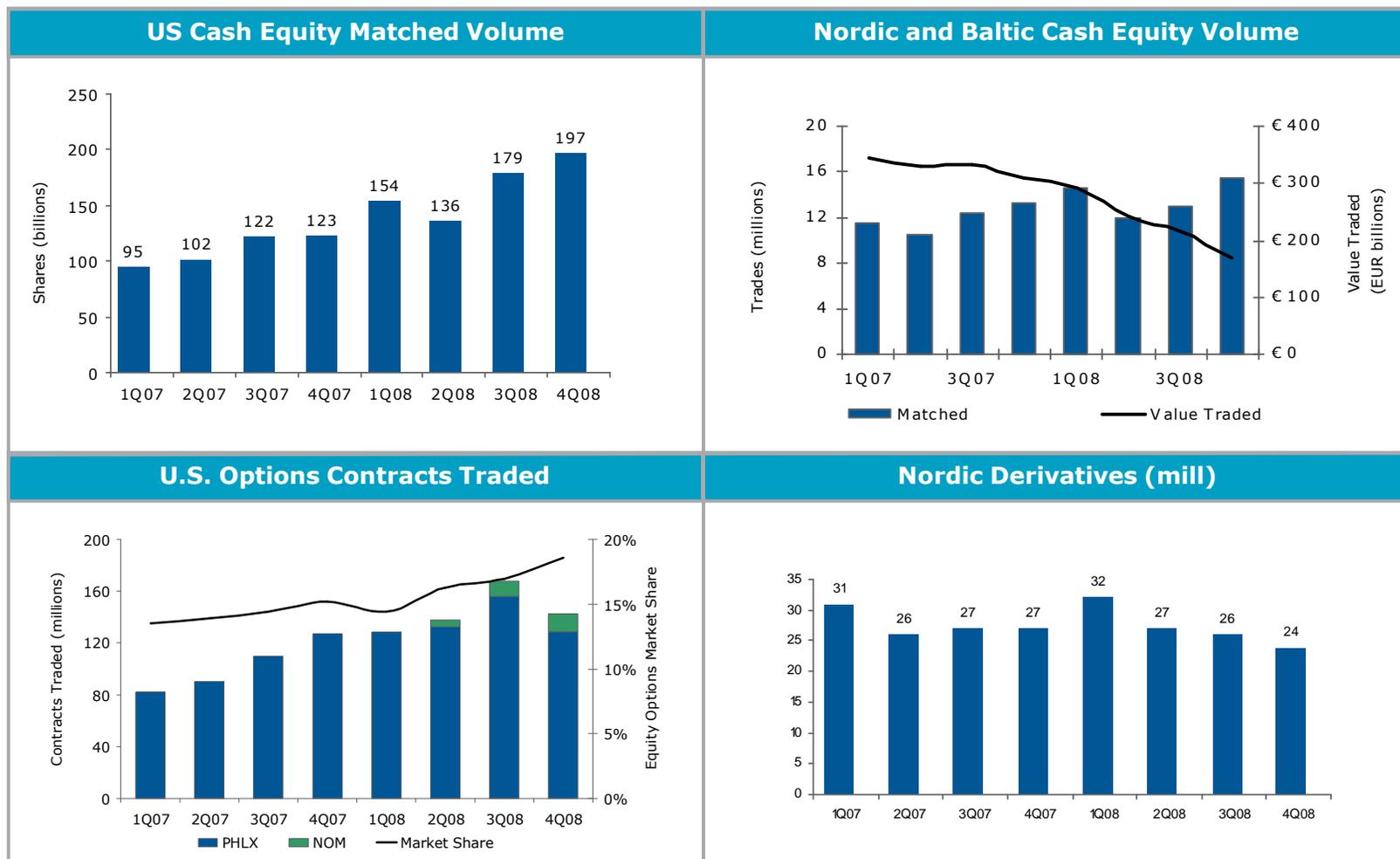
1. Net exchange revenues reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees. For comparison purposes prior period results are presented on a pro forma basis that reflects the financial results of NASDAQ, OMX, and PHLX as if they were a combined company for the periods presented.

Revenue Trends



Note: Revenues presented for Market Services are net exchange revenues, which reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees.

Transaction Revenue Drivers



Non-GAAP Expense Detail ⁽¹⁾

(In \$millions)

Total Operating Expenses ⁽²⁾	Q408	Q308	Q407	Expense Categories
Compensation and Benefits	106.3	108.0	124.8	<ul style="list-style-type: none"> ■ Compensation ■ Marketing ■ Depreciation ■ Professional Services ■ Computer Ops ■ Occupancy ■ Regulatory ■ G&A
Marketing & Advertising	5.7	7.1	11.9	
Depreciation & Amortization	26.9	29.5	30.4	
Professional Services	18.7	17.3	25.5	
Computer Ops. & Data Comm.	12.5	17.4	19.3	
Occupancy	17.4	19.2	18.5	
Regulatory	6.9	7.1	7.4	
General, Admin. & Other	18.7	16.4	22.8	
Total Operating Expenses	213.1	222.0	260.6	

- For comparison purposes Q408 results are presented on a non-GAAP basis and exclude merger expenses. Prior periods are presented on a pro forma non-GAAP basis that reflect the financial results of NASDAQ, OMX, and PHLX as if they were a combined company for the periods presented, and exclude merger expenses and certain other non-recurring items. Please refer to the non-GAAP schedules at the end of this slide presentation for a complete reconciliation of GAAP to non-GAAP results.
- Certain non-recurring expenses detailed on the non-GAAP schedules are removed from individual line items to arrive at the amounts included in this table, including: Merger expenses of \$9.5 million and \$8.5 million in Q408 and Q308, respectively; \$2.0 million and \$0.6 million in workforce reductions expenses from Compensation and Benefits in Q308 and Q407, respectively; and \$2.2 million in other reserves from General, Administrative, and Other in Q308.

Foreign Currency Exchange Impact

(In \$mill except for EPS)

	USD	SEK	EUR	NOK	GBP	DKK	Other	Total
Net Exchange Revenues ⁽¹⁾	274.9	19.7	52.0	11.6	14.7	13.4	16.3	402.6
Total Operating Expenses ⁽²⁾	119.3	22.9	12.5	12.7	16.1	11.0	18.6	213.1
Operating Income	155.6	-3.2	39.5	-1.1	-1.4	2.4	-2.3	189.5
Average FX to USD in Q408	-	0.128	1.32	0.147	1.570	0.177	-	-

* All values are presented in US dollars.

FX Impact on Q408 Results	Constant FX Impact ⁽³⁾	
	Q308	Q407
Net Exchange Revenues ⁽¹⁾	-19.4	-18.0
Total Operating Expenses ⁽²⁾	-14.8	-15.3
Operating Income	-4.6	-2.7
Diluted Earnings Per Share	-\$0.02	-\$0.01

USD	=	US Dollar
SEK	=	Swedish Krona
EUR	=	Euro
NOK	=	Norwegian Krone
GBP	=	British Pound Sterling
DKK	=	Danish Krone

1. Net exchange revenues reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees.
2. Total operating expenses exclude merger related expenses of \$9.5 million that were incurred in Q408.
3. The impact reflects changes to Q408 results resulting from keeping the FX rates constant with those realized in the periods presented.

Balance Sheet Highlights

<i>(in \$ millions)</i>	12-31-08	12-31-07
Assets		
Cash, cash equivalents, & available for sale investments	793.1	1,325.3
Receivables, net	338.6	249.5
Market value, outstanding derivative positions	4,121.8	-
Goodwill	4,492.4	980.7
Intangible assets, net	1,582.9	181.6
Other assets	1,366.1	242.3
Total Assets	\$12,694.9	\$2,979.4
Liabilities and stockholders' equity		
Accounts Payable	242.3	115.1
Market value, outstanding derivative positions	4,121.8	-
Debt obligations	2,518.8	118.4
Non-current deferred tax liabilities	671.9	91.8
Other liabilities	881.6	445.8
Total Liabilities	8,436.4	771.1
Minority interests	17.0	-
Total stockholders' equity	4,241.5	2,208.3
Total liabilities, minority interests and stockholders' equity	\$12,694.9	\$2,979.4

Operating Expenses:

Reconciliation of GAAP to Pro Forma and Pro Forma non-GAAP

<i>(in \$ millions)</i>	Q408	Q308	Q208	Q108	Q407
GAAP Operating Expenses	\$222.6	\$226.6	\$225.4	\$145.3	\$110.0
<u>Pro Forma Adjustments:</u>					
OMX operating expenses	-	-	-	69.4	122.0
PHLX operating expenses	-	7.2	\$30.0	30.8	38.8
Amortization of intangibles	-	0.9	2.7	4.2	6.6
Professional and contract services	-	-	-	-	-2.2
Computer operations and data communications	-	-	-	-	-12.9
Total Adjustments	-	8.1	32.7	104.3	152.3
Pro Forma Operating Expenses	\$222.6	\$234.7	\$258.1	\$249.7	\$262.3
<u>Other Adjustments:</u>					
Other reserves	-	-2.2	-	-	-
Debt issuance costs	-	-	-	-	-1.1
Workforce reductions	-	-2.0	-	-	-0.6
Merger expenses	-9.5	-8.5	-5.7	-1.4	-
Total Adjustments	-9.5	-12.7	-5.7	-1.4	-1.7
Pro Forma Non-GAAP Operating Expenses	\$213.1	\$222.0	\$252.4	\$248.3	\$260.6

Operating Income:

Reconciliation of GAAP to Pro Forma and to Pro Forma Non-GAAP

<i>(in \$ millions)</i>	Q408	Q308	Q407
GAAP Operating Income:	\$180.0	\$172.4	\$101.6
<u>Pro Forma Adjustments:</u>			
OMX operating income	-	-	37.5
PHLX operating income	-	4.4	-0.3
Amortization of intangibles	-	-0.9	-6.6
Professional and contract services	-	-	2.2
Computer operations and data communications	-	-	12.9
Total Adjustments	-	3.5	45.7
Pro Forma Operating Income	\$180.0	\$175.9	\$147.3
<u>Other Adjustments:</u>			
Other reserves	-	2.2	-
Debt issuance costs	-	-	1.1
Workforce reductions	-	2.0	0.6
Merger expenses	9.5	8.5	-
Total Adjustments	9.5	12.7	1.7
Pro Forma Non-GAAP Operating Income	\$189.5	\$188.6	\$149.0
Net Exchange Revenues ⁽¹⁾	\$402.6	\$410.6	\$409.6
Pro Forma non-GAAP Operating Margin ⁽²⁾	47.1%	45.9%	36.4%

1. Net exchange revenues reflect total revenues less liquidity rebates, brokerage, clearing, and exchange fees.

2. Pro Forma non-GAAP Operating Margin equals Pro Forma Non-GAAP Operating Income divided by Net Exchange revenues

Net Income:

Reconciliation of GAAP to Pro Forma and to Pro Forma non-GAAP

<i>(in \$ millions)</i>	Q408	Q308	Q407
GAAP Net Income:	\$36.8	\$60.1	\$79.0
<u>Pro Forma Adjustments:</u>			
OMX results	-	-	30.7
PHLX results	-	2.5	0.4
Amortization of intangibles	-	-0.5	-3.4)
Interest expense, net adjustments	-	-1.6	-24.7
Computer operations and data communications	-	-	9.3
Professional and contract services	-	-	1.5
Total Adjustments	-	0.4	13.8
Pro Forma Net Income	\$36.8	\$60.5	\$92.8
<u>Other Adjustments:</u>			
Debt issuance costs	-	-	0.7
Other reserves	-	1.6	-
Workforce reductions	-	1.2	0.4
Merger expenses	6.3	5.5	-
Impairment charge	34.9	4.4	-
(Gain) loss on foreign currency contracts	34.1	36.5	-11.0
Total Adjustments	75.3	49.2	-9.9
Pro Forma Non-GAAP Net Income	\$112.1	\$109.7	\$82.9

EPS:

Reconciliation of GAAP to Pro Forma and to Pro Forma non-GAAP

	Q408	Q308	Q407
GAAP Earnings per Common Share:			
Diluted Earnings per Common Share	\$0.17	\$0.28	\$0.52
Pro Forma Adjustments:			
Total Adjustments from GAAP Net Income (Slide 14)		0.01	-0.08
Pro Forma Diluted Earnings per Common Share	0.17	0.29	0.44
Total Adjustments from Pro Forma Net Income (Slide 14)	0.36	0.23	-0.06
Pro Forma Non-GAAP Diluted Earnings per Common Share	\$0.53	\$0.52	\$0.38

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