



## BOSTON STOCK EXCHANGE

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### **BOSTON STOCK EXCHANGE AND ITS KEY ASSETS TO BE ACQUIRED BY NASDAQ®**

*A Boston institution becomes part of nation's largest equities exchange*

**BOSTON, October 2, 2007** – The Boston Stock Exchange (BSE) today announced that it has entered into a definitive agreement to be acquired by The Nasdaq® Stock Market Inc. (NASDAQ: NDAQ) in a transaction that is subject to approval by its members and by the US Securities and Exchange Commission.

Included in the sale is the Boston Stock Exchange and its key assets: The BSE's holding company (BSE Group), the Boston Equities Exchange (BeX), Boston Stock Exchange Clearing Corporation (BSECC), and BSE's regulatory authority over the Boston Options Exchange (BOXR). NASDAQ's acquisition of the BSE Group is valued at approximately \$61 million.

BSE's minority investment in the Boston Options Exchange is not included in the transaction with NASDAQ as BSE is currently in negotiations with the Montreal Exchange to sell its BOX units. NASDAQ, through BOXR, will operate the regulatory services provider to BOX, which is an options trading facility of the BSE.

“Though it is a sad moment for the BSE and its 173 year heritage of innovation and service to the US markets, we are not immune to the global consolidation that is occurring in this industry,” said Michael J. Curran, chairman and chief executive officer. “We believe our sale to NASDAQ is a favorable outcome for our seat holders and we are proud to become part of the NASDAQ Stock Market and its own tradition of innovation and service.”

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Last month, the BSE announced it had suspended operations of its Boston Equities Exchange citing an inability to gain significant share in the highly competitive market. NASDAQ is also acquiring the Boston Equities Exchange in this transaction.

NASDAQ executives have said the acquisition is attractive to its shareholders because it will allow NASDAQ to utilize a second SRO (Self-Regulatory Organization) license in both equities and options to enhance its growing trading platforms in the transaction businesses.

“This opportunity is good for all parties involved,” said C. Thomas Richardson, president of BeX. “We have achieved our goals of incubating new and innovative platforms for the transactions services business and today’s sale is recognition of the tremendous value we built.”

The BSE board of directors has approved the sale, which is expected to be completed in the first quarter of 2008.

#### **About the Boston Stock Exchange, Inc.**

Founded in 1834 as the third oldest exchange in the U.S., the Boston Stock Exchange (BSE) has, from its beginnings, played a vital role as a leading exchange within the strongest capital market system in the world. Additional information can be found at [www.bostonstock.com](http://www.bostonstock.com).

#### **About the Boston Equities Exchange (BeX):**

The Boston Equities Exchange (BeX) provides a highly reliable trading environment created by a powerful joint venture of industry leaders for quick, cost-effective executions of NMS securities (NYSE - Listed, NASDAQ, Amex, ETFs, BSE sole-listed). BeX delivers exceptional customer service in an all-electronic, order-driven, open market model. It is completely Reg NMS compliant and offers speed of execution, competitive pricing, no barriers to entry and sophisticated technology with strict auction principles of price, time priority. BeX is a joint venture between the Boston Stock Exchange (BSE) and five industry leaders: Citigroup, Credit Suisse, Fidelity Brokerage Company, Lehman Brothers and Merrill Lynch. The partnership created the BSX Group, LLC that owns and operates the BeX market. The five major global securities firms provide intellectual and financial capital. For more information: [www.bostonexchange.com](http://www.bostonexchange.com).

#### **About NASDAQ**

NASDAQ is the largest U.S. electronic stock market. With more than 3,100 companies, it lists more companies and, on average, its systems trade more shares per day than any other U.S. market. NASDAQ is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks. For more information about NASDAQ, visit the NASDAQ Web site at <http://www.nasdaq.com> or the NASDAQ Newsroom at <http://www.nasdaq.com/newsroom/>.

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