

The Nasdaq Stock Market, Inc.
Unaudited Condensed Consolidated Statements of Income
(in millions, except per share amounts and other drivers)

	Three Months Ended			Nine Months Ended	
	September 30, 2006	June 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Revenues					
Market Services	\$ 343.0	\$ 347.6	\$ 164.6	\$ 1,027.9	\$ 453.4
Issuer Services	59.8	63.4	55.8	182.0	166.7
Other	0.1	-	-	0.4	0.2
Total revenues	402.9	411.0	220.4	1,210.3	620.3
Cost of revenues					
Liquidity rebates	(153.2)	(170.6)	(64.8)	(491.0)	(169.4)
Brokerage, clearance and exchange fees	(78.5)	(69.3)	(25.0)	(215.0)	(63.6)
Total cost of revenues	(231.7)	(239.9)	(89.8)	(706.0)	(233.0)
Gross margin	171.2	171.1	130.6	504.3	387.3
Expenses					
Compensation and benefits	47.5	48.0	36.2	144.5	110.4
Marketing and advertising	3.5	3.8	1.5	12.3	4.8
Depreciation and amortization	14.3	21.5	13.6	60.3	46.8
Professional and contract services	6.8	7.3	7.4	23.0	21.4
Computer operations and data communications	9.5	10.3	15.4	29.7	47.5
Provision for bad debts	(2.2)	1.8	0.1	(0.3)	-
Occupancy	9.5	8.2	7.2	25.7	21.3
General and administrative	5.8	24.8	7.4	37.3	23.4
Total direct expenses	94.7	125.7	88.8	332.5	275.6
Support costs from related parties, net	8.6	9.1	10.5	25.8	31.3
Total expenses	103.3	134.8	99.3	358.3	306.9
Operating income	67.9	36.3	31.3	146.0	80.4
Interest income	7.6	6.3	4.0	18.3	8.5
Interest expense	(25.7)	(24.4)	(4.7)	(66.5)	(12.2)
Dividend income	-	9.2	-	9.2	-
Minority interest	0.1	0.3	0.1	0.6	0.1
Income before income taxes	49.9	27.7	30.7	107.6	76.8
Income tax provision	19.7	11.1	12.9	42.7	32.3
Net income	\$ 30.2	\$ 16.6	\$ 17.8	\$ 64.9	\$ 44.5
Net income applicable to common stockholders:					
Net income	\$ 30.2	\$ 16.6	\$ 17.8	\$ 64.9	\$ 44.5
Preferred stock:					
Dividends declared	-	-	(0.7)	(0.4)	(2.5)
Accretion of preferred stock	-	-	(0.7)	(0.3)	(3.0)
Net income applicable to common stockholders	\$ 30.2	\$ 16.6	\$ 16.4	\$ 64.2	\$ 39.0
Basic and diluted earnings per share:					
Basic	\$ 0.27	\$ 0.16	\$ 0.20	\$ 0.63	\$ 0.49
Diluted	\$ 0.22	\$ 0.13	\$ 0.16	\$ 0.51	\$ 0.42
Weighted-average common shares outstanding for earnings per share:					
Basic	111.7	105.2	81.2	101.7	79.9
Diluted	150.8	145.2	119.4	141.7	107.4
Other Drivers					
Average daily share volume in NASDAQ securities (in millions)	1,852	2,142	1,653	2,038	1,809
Matched market share in NASDAQ securities (a)	48.7%	48.4%	27.2%	49.1%	26.6%
Total market share in NASDAQ securities (b)	76.6%	77.8%	56.0%	78.2%	55.5%
Matched market share in NYSE securities (a)	12.1%	8.3%	4.7%	9.1%	3.7%
Total market share in NYSE securities (b)	27.5%	22.7%	18.1%	24.1%	16.7%
Total market share in AMEX securities (b)	47.7%	46.1%	32.9%	45.9%	32.3%
Initial Public Offerings	20	35	46	87	91
Secondary Offerings	32	54	50	152	145
Number of listed companies (c)	3,206	3,205	3,214	3,206	3,214

(a) Transactions executed on NASDAQ's systems.

(b) Transactions executed on NASDAQ's systems and internal trades reported to NASDAQ.

(c) Beginning September 30, 2006 number of listed companies also includes separately listed ETFs.

The Nasdaq Stock Market, Inc.
Condensed Consolidated Balance Sheets
(in millions)

September 30, 2006	December 31, 2005
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(unaudited)

Assets

Current assets:

Cash and cash equivalents	\$ 440.6	\$ 165.2
Available-for-sale investments, at fair value	1,419.8	179.4
Receivables, net	228.5	207.6
Deferred tax assets	11.5	10.0
Other current assets	34.4	34.8
Total current assets	2,134.8	597.0

Property and equipment:

Land, buildings and improvements	-	60.9
Data processing equipment and software	185.6	180.0
Furniture, equipment and leasehold improvements	106.7	115.6
	292.3	356.5
Less accumulated depreciation and amortization	(229.3)	(233.9)
Total property and equipment, net	63.0	122.6

Non-current deferred tax assets	125.6	133.3
Goodwill	999.6	961.9
Intangible assets, net	204.5	215.5
Other assets	14.2	16.5
Total assets	\$ 3,541.7	\$ 2,046.8

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 118.4	\$ 118.9
Accrued personnel costs	42.3	55.3
Deferred revenue	86.7	53.6
Other accrued liabilities	79.9	61.8
Current portion of debt obligations	11.7	7.5
Payables to related parties	10.1	28.2
Total current liabilities	349.1	325.3
Debt obligations	1,594.5	1,184.9
Accrued pension costs	24.6	25.8
Non-current deferred tax liabilities	88.1	95.2
Non-current deferred revenue	96.5	92.0
Other liabilities	71.0	69.6
Total liabilities	2,223.8	1,792.8

Minority interest	0.4	1.0
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Stockholders' equity

Common stock	1.3	1.3
Preferred stock, Series D (and Series C at December 31, 2005)	-	95.0
Additional paid-in capital	1,040.9	383.7
Common stock in treasury, at cost	(245.9)	(613.4)
Accumulated other comprehensive income (loss)	71.2	(1.3)
Deferred stock compensation	-	(4.9)
Common stock issuable	-	6.8
Retained earnings	450.0	385.8
Total stockholders' equity	1,317.5	253.0
Total liabilities, minority interest and stockholders' equity	\$ 3,541.7	\$ 2,046.8