

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

| | Three Months Ended (Unaudited) | | | Year Ended | |
|---|--------------------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2006 | September 30, 2006 | December 31, 2005 | December 31, 2006 | December 31, 2005 |
| | | | | (Unaudited) | |
| Revenues | | | | | |
| Market Services | \$ 380.2 | \$ 343.0 | \$ 200.2 | \$ 1,408.3 | \$ 653.6 |
| Issuer Services | 67.0 | 59.8 | 59.3 | 249.0 | 226.1 |
| Other | 0.1 | 0.1 | - | 0.5 | 0.2 |
| Total revenues | 447.3 | 402.9 | 259.5 | 1,657.8 | 879.9 |
| Cost of revenues | | | | | |
| Liquidity rebates | (153.8) | (153.2) | (86.1) | (644.9) | (255.5) |
| Brokerage, clearance and exchange fees | (110.4) | (78.5) | (34.8) | (325.5) | (98.4) |
| Total cost of revenues | (264.2) | (231.7) | (120.9) | (970.4) | (353.9) |
| Gross margin | 183.1 | 171.2 | 138.6 | 687.4 | 526.0 |
| Expenses | | | | | |
| Compensation and benefits | 51.2 | 47.5 | 41.7 | 195.7 | 152.1 |
| Marketing and advertising | 8.2 | 3.5 | 4.2 | 20.5 | 9.0 |
| Depreciation and amortization | 10.6 | 14.3 | 20.2 | 70.9 | 67.0 |
| Professional and contract services | 9.0 | 6.8 | 7.7 | 32.0 | 29.1 |
| Computer operations and data communications | 11.8 | 9.5 | 14.9 | 41.5 | 62.4 |
| Provision for bad debts | 0.7 | (2.2) | 3.0 | 0.5 | 3.0 |
| Occupancy | 8.5 | 9.5 | 7.1 | 34.1 | 28.4 |
| General, administrative and other | 7.0 | 5.8 | (3.9) | 44.3 | 19.5 |
| Total direct expenses | 107.0 | 94.7 | 94.9 | 439.5 | 370.5 |
| Support costs from related parties, net | 8.0 | 8.6 | 10.5 | 33.8 | 41.8 |
| Total expenses | 115.0 | 103.3 | 105.4 | 473.3 | 412.3 |
| Operating income | 68.1 | 67.9 | 33.2 | 214.1 | 113.7 |
| Interest income | 6.3 | 7.6 | 4.2 | 24.6 | 12.7 |
| Interest expense | (24.6) | (25.7) | (8.1) | (91.1) | (20.3) |
| Dividend income | 7.0 | - | - | 16.2 | - |
| Gain on foreign currency option contracts | 48.4 | - | - | 48.4 | - |
| Minority interest | 0.3 | 0.1 | 0.1 | 0.9 | 0.2 |
| Income before income taxes | 105.5 | 49.9 | 29.4 | 213.1 | 106.3 |
| Income tax provision | 42.5 | 19.7 | 12.3 | 85.2 | 44.6 |
| Net income | \$ 63.0 | \$ 30.2 | \$ 17.1 | \$ 127.9 | \$ 61.7 |
| Net income applicable to common stockholders: | | | | | |
| Net income | \$ 63.0 | \$ 30.2 | \$ 17.1 | \$ 127.9 | \$ 61.7 |
| Preferred stock: | | | | | |
| Dividends declared | - | - | (0.7) | (0.4) | (3.2) |
| Accretion of preferred stock | - | - | (0.3) | (0.3) | (3.4) |
| Net income applicable to common stockholders | \$ 63.0 | \$ 30.2 | \$ 16.1 | \$ 127.2 | \$ 55.1 |
| Basic and diluted earnings per share: | | | | | |
| Basic | \$ 0.56 | \$ 0.27 | \$ 0.20 | \$ 1.22 | \$ 0.68 |
| Diluted | \$ 0.43 | \$ 0.22 | \$ 0.15 | \$ 0.95 | \$ 0.57 |
| Weighted-average common shares outstanding for earnings per share: | | | | | |
| Basic | 112.1 | 111.7 | 82.5 | 104.3 | 80.5 |
| Diluted | 152.1 | 150.8 | 122.5 | 144.2 | 111.9 |
| Other Drivers | | | | | |
| Average daily share volume in NASDAQ securities (in millions) | 1,930 | 1,852 | 1,768 | 2,011 | 1,799 |
| Matched market share in NASDAQ securities (a) | 46.5% | 48.7% | 32.9% | 48.5% | 28.1% |
| Total market share in NASDAQ securities (b) | 74.0% | 76.6% | 61.5% | 77.2% | 57.0% |
| Matched market share in NYSE securities (a) | 13.9% | 12.1% | 5.7% | 10.4% | 4.2% |
| Total market share in NYSE securities (b) | 30.6% | 27.5% | 19.9% | 25.8% | 17.6% |
| Total market share in AMEX securities (b) | 48.0% | 47.7% | 45.3% | 46.4% | 32.4% |
| Initial public offerings | 51 | 20 | 35 | 137 | 126 |
| Secondary offerings | 62 | 32 | 77 | 214 | 222 |
| Number of listed companies (c) | 3,193 | 3,206 | 3,208 | 3,193 | 3,208 |

(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)

| | December 31, 2006 | December 31, 2005 |
|---|------------------------------|------------------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 322.0 | \$ 165.2 |
| Available-for-sale investments, at fair value | 1,628.2 | 179.4 |
| Receivables, net | 233.3 | 207.6 |
| Deferred tax assets | 11.1 | 10.0 |
| Other current assets | 118.0 | 34.8 |
| Total current assets | 2,312.6 | 597.0 |
| Property and equipment: | | |
| Land, buildings and improvements | - | 60.9 |
| Data processing equipment and software | 114.9 | 180.0 |
| Furniture, equipment and leasehold improvements | 109.5 | 115.6 |
| | 224.4 | 356.5 |
| Less accumulated depreciation and amortization | (159.1) | (233.9) |
| Total property and equipment, net | 65.3 | 122.6 |
| Non-current deferred tax assets | 97.0 | 133.3 |
| Goodwill | 1,028.7 | 961.9 |
| Intangible assets, net | 199.6 | 215.5 |
| Other assets | 13.3 | 16.5 |
| Total assets | \$ 3,716.5 | \$ 2,046.8 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 170.7 | \$ 118.9 |
| Accrued personnel costs | 55.6 | 55.3 |
| Deferred revenue | 56.4 | 53.6 |
| Other accrued liabilities | 72.1 | 59.7 |
| Deferred tax liabilities | 95.0 | 2.1 |
| Current portion of debt obligations | 10.7 | 7.5 |
| Payables to related parties | - | 28.2 |
| Total current liabilities | 460.5 | 325.3 |
| Debt obligations | 1,493.0 | 1,184.9 |
| Non-current deferred tax liabilities | 115.8 | 95.2 |
| Non-current deferred revenue | 90.6 | 92.0 |
| Other liabilities | 99.1 | 95.4 |
| Total liabilities | 2,259.0 | 1,792.8 |
| Minority interest | 0.1 | 1.0 |
| 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 | 1,046.6 | 383.7 |
| Common stock in treasury, at cost | (239.7) | (613.4) |
| Accumulated other comprehensive income (loss) | 136.2 | (1.3) |
| Deferred stock compensation | - | (4.9) |
| Common stock issuable | - | 6.8 |
| Retained earnings | 513.0 | 385.8 |
| Total stockholders' equity | 1,457.4 | 253.0 |
| Total liabilities, minority interest and stockholders' equity | \$ 3,716.5 | \$ 2,046.8 |