

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

	Three Months Ended (unaudited)		
	March 31, 2006	December 31, 2005	March 31, 2005
Revenues			
Market Services	\$ 337.1	\$ 200.2	\$ 125.1
Issuer Services	58.9	59.3	54.9
Other	0.2	-	0.2
Total revenues	<u>396.2</u>	<u>259.5</u>	<u>180.2</u>
Cost of revenues			
Liquidity rebates	(167.2)	(86.1)	(35.4)
Brokerage, clearance and exchange fees	(67.0)	(34.8)	(18.5)
Total cost of revenues	<u>(234.2)</u>	<u>(120.9)</u>	<u>(53.9)</u>
Gross margin	<u>162.0</u>	<u>138.6</u>	<u>126.3</u>
Expenses			
Compensation and benefits	48.9	41.7	37.3
Marketing and advertising	5.0	4.2	1.3
Depreciation and amortization	24.5	20.2	18.2
Professional and contract services	8.9	7.7	7.0
Computer operations and data communications	10.0	14.9	16.2
Provision for bad debts	-	3.0	0.6
Occupancy	8.0	7.1	7.1
General and administrative	6.8	(3.9)	5.4
Total direct expenses	<u>112.1</u>	<u>94.9</u>	<u>93.1</u>
Support costs from related parties, net	8.1	10.5	10.4
Total expenses	<u>120.2</u>	<u>105.4</u>	<u>103.5</u>
Operating income	41.8	33.2	22.8
Interest income	4.5	4.2	1.4
Interest expense	(16.4)	(8.1)	(2.9)
Minority interest	0.1	0.1	-
Pre-tax income	30.0	29.4	21.3
Income tax provision	12.0	12.3	8.6
Net income	<u>\$ 18.0</u>	<u>\$ 17.1</u>	<u>\$ 12.7</u>
Net income applicable to common stockholders:			
Net income	\$ 18.0	\$ 17.1	\$ 12.7
Preferred stock:			
Dividends declared	(0.4)	(0.7)	(1.0)
Accretion of preferred stock	(0.3)	(0.3)	(0.9)
Net income applicable to common stockholders	<u>\$ 17.3</u>	<u>\$ 16.1</u>	<u>\$ 10.8</u>
Basic and diluted earnings per share:			
Basic	\$ 0.20	\$ 0.20	\$ 0.14
Diluted	\$ 0.16	\$ 0.15	\$ 0.13
Weighted average common shares outstanding for earnings per share:			
Basic	87.9	82.5	79.0
Diluted	128.0	122.5	92.6
Other Drivers			
Average daily share volume in NASDAQ-listed securities (in millions)	2,122	1,768	2,004
Percentage of share volume of NASDAQ-listed securities reported to The NASDAQ Market Center	74.5%	61.5%	54.9%
Percentage of share volume of NYSE-listed securities reported to The NASDAQ Market Center	21.3%	19.3%	15.0%
Percentage of share volume of AMEX-listed securities reported to The NASDAQ Market Center	42.1%	32.8%	31.4%
Initial Public Offerings	34	35	20
Secondary Offerings	69	77	45
Number of listed companies	3,191	3,208	3,247

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

	<u>March 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 374.9	\$ 165.2
Available-for-sale investments, at fair value	221.3	179.4
Receivables, net	241.0	207.6
Deferred tax assets	13.3	10.0
Other current assets	38.7	34.8
Total current assets	<u>889.2</u>	<u>597.0</u>
Property and equipment:		
Land, buildings and improvements	61.0	60.9
Data processing equipment and software	178.7	180.0
Furniture, equipment and leasehold improvements	115.3	115.6
	<u>355.0</u>	<u>356.5</u>
Less accumulated depreciation and amortization	<u>(247.2)</u>	<u>(233.9)</u>
Total property and equipment, net	107.8	122.6
Non-current deferred tax assets	127.8	133.3
Goodwill	988.5	961.9
Intangible assets, net	216.5	215.5
Other assets	16.7	16.5
Total assets	<u><u>\$ 2,346.5</u></u>	<u><u>\$ 2,046.8</u></u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 112.6	\$ 118.9
Accrued personnel costs	32.2	55.3
Deferred revenue	140.6	53.6
Other accrued liabilities	56.7	61.8
Current portion of debt obligations	7.5	7.5
Payables to related parties	9.3	28.2
Total current liabilities	<u>358.9</u>	<u>325.3</u>
Debt obligations	1,183.1	1,184.9
Accrued pension costs	25.3	25.8
Non-current deferred tax liabilities	93.0	95.2
Non-current deferred revenue	93.5	92.0
Other liabilities	70.4	69.6
Total liabilities	<u>1,824.2</u>	<u>1,792.8</u>
Minority interest	0.9	1.0
Stockholders' equity		
Common stock	1.3	1.3
Preferred stock, Series D	-	95.0
Additional paid-in capital	607.1	383.7
Common stock in treasury, at cost	(488.9)	(613.4)
Accumulated other comprehensive loss	(1.2)	(1.3)
Deferred stock compensation	-	(4.9)
Common stock issuable	-	6.8
Retained earnings	403.1	385.8
Total stockholders' equity	<u>521.4</u>	<u>253.0</u>
Total liabilities, minority interest and stockholders' equity	<u><u>\$ 2,346.5</u></u>	<u><u>\$ 2,046.8</u></u>