

The NASDAQ Stock Market

NASDAQ. All Trades. One Platform.

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NASDAQ. All Trades. One Platform.

- NASDAQ Market Center allows firms to trade all NASDAQ, NYSE, and AMEX-listed securities on one seamless platform
- The ability to trade all stocks on one platform creates efficiencies for market participants
- The single platform allows market participants trading NASDAQ-listed stocks to easily trade NYSE and AMEX-listed stocks
- Having a single, seamless platform positions NASDAQ to benefit from industry trends such as sector-based trading, dual-listings, and increasingly uniform regulations

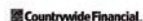
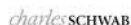
NASDAQ. All Trades. One Platform.

- With NASDAQ's new single platform, market participants trading NYSE and AMEX-listed stocks will have the same features available for NASDAQ-listed stocks:
 - fast, automated executions,
 - full anonymity through SIZE,
 - FIX connectivity,
 - multiple MPIDs,
 - reserve, and
 - increased transparency through full depth-of-book.
- All market maker quotes will be disseminated over the Consolidated Quote feed and depth-of-book will be available through NASDAQ's OpenView feed.

Dual Listing: Changing the Marketplace

IT'S NOT EVERY DAY
THAT A COMPANY
CHANGES THE ENTIRE
MARKETPLACE.

TODAY, SIX WILL,
BY DUAL LISTING
ON NASDAQ.



Today marks a significant day for the future of investing. Six companies – Apache, Cadence, Charles Schwab, Countrywide Financial, HP and Walgreens – will dual list on NASDAQ, providing their investors with more choice and reinforcing their position as leaders. To learn more about the way these companies are changing the marketplace, visit www.nasdaq.com/dual-list.



On Monday, January 12, 2004, six companies became the first to announce dual listing on NASDAQ:

- Apache Corporation (APA)
- Cadence Design Systems (CDN)
- Charles Schwab Corporation (SCH)
- Countrywide Financial (CFC)
- Hewlett-Packard (HPQ)
- Walgreens (WAG)

www.NASDAQ.com/dual-list

Benefits of Dual-listing

- More execution choices
- Greater access to liquidity
- Higher visibility

- NASDAQ's competitive, electronic trading model
 - More efficient and transparent trading
 - Faster executions

Technology Benefits

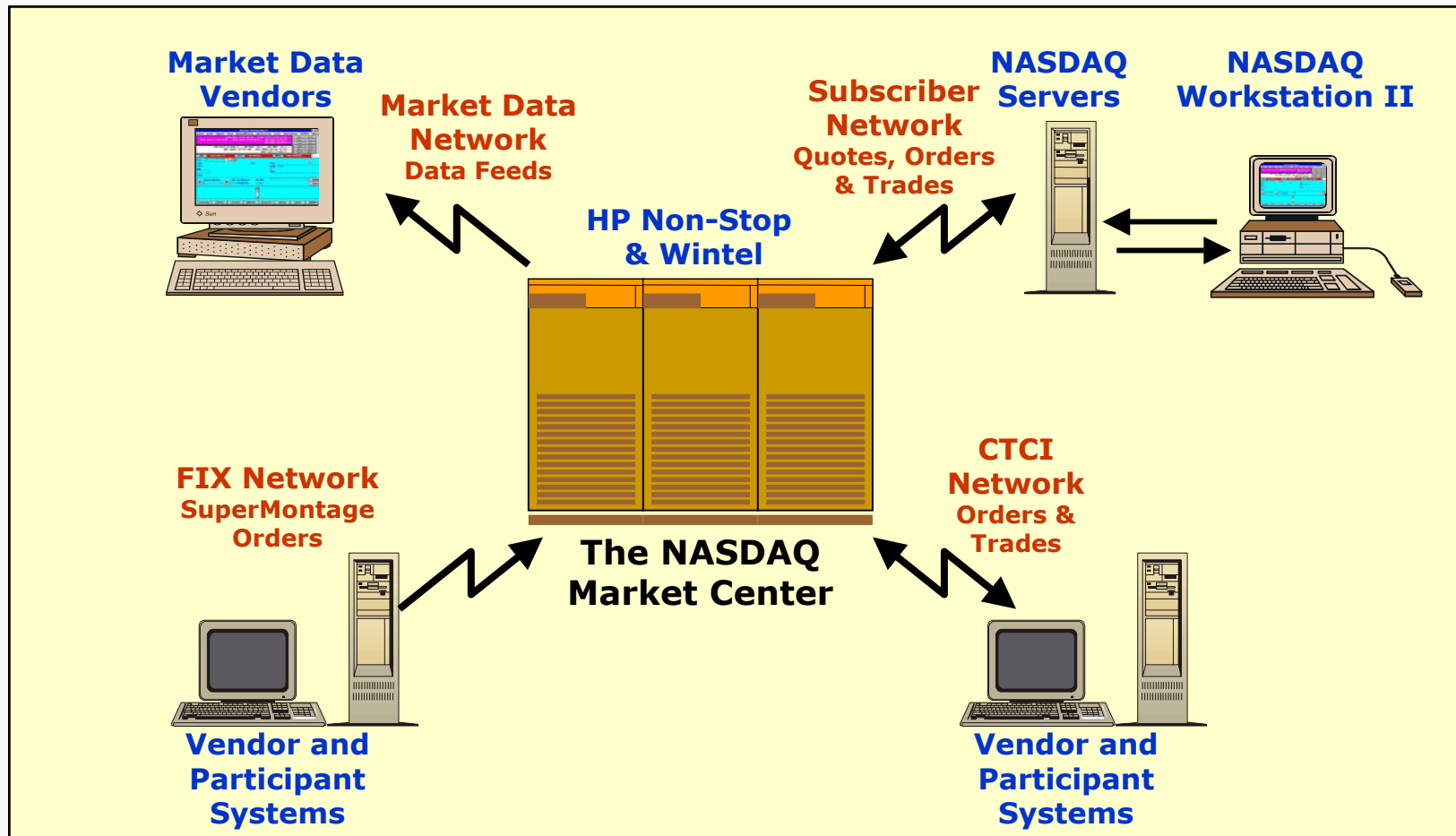
- **A major milestone in our platform consolidation initiative**
 - **immediately extends all of the proven performance, capacity and features available for NASDAQ trading to that of listed trading**
 - **new features in one market are immediately available on the other**
 - **provides cost savings through infrastructure simplification**
 - **reduces amount of hardware needed to do even more than before**
- **Participants can conduct their NASDAQ-listed and exchange-listed trading on a single, highly efficient platform**
- **Strengthens NASDAQ's current capability to trade NYSE and AMEX securities in the event of a disaster**

Technology Overview

- **The SuperMontage system for trading NASDAQ-listed stocks was modified to comply with ITS rules for trading exchange-listed products and now replaces the CAES system.**
- **The NASDAQ Market Center encompasses SuperMontage for both NASDAQ- and exchange-listed products, and the Automated Confirmation Transaction Service (ACT), to better reflect NASDAQ's consolidated trading platform.**
- **The technology supporting The NASDAQ Market Center is a combination of Hewlett Packard NonStop and Microsoft Windows Server running on Dell servers.**
- **The technology is highly scalable and supports upwards of 12,000 transactions per second at market open and close each day.**
- **In 2003, NASDAQ achieved 99.993% uptime with its trading platform, a reliability record that can now be extended to the trading of exchange-listed products.**

Single Trading Platform Topology

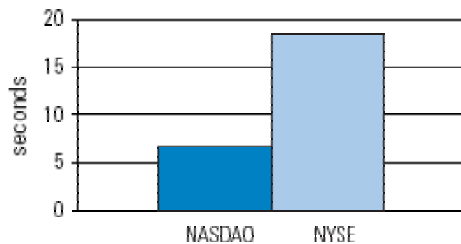
The new trading engine is a technologically advanced and fully redundant platform that incorporates all of NASDAQ's current trading systems on one fast and functionality-driven system



Quality Benefits

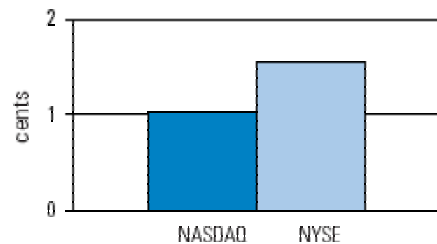
Our new platform provides the benefits of NASDAQ's technology and results in the highest quality executions for investors, based on SEC rule 11Ac1-5 execution quality statistics

Faster Trades



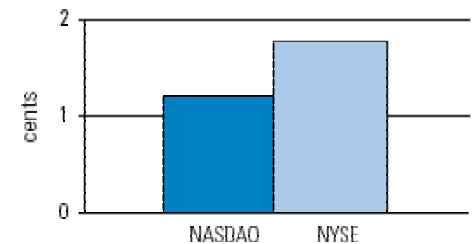
- NASDAQ executes in an average of 6.7 seconds
- NASDAQ is 2.7 times faster than the NYSE

Lower Costs



- NASDAQ is 32% better on average than the NYSE

Tighter Spreads



- NASDAQ is 34% better than the NYSE

Source: 11Ac1-5 data, provided by Market Systems, Inc., November 2003.

NASDAQ technology also provides exceptional reliability – in 2003 we achieved:

- **99.993% uptime for our trade execution platform**
- **100.000% uptime for our data feeds**

Reciprocal Trading Benefits

Post-September 11, the SEC requested that NASDAQ and NYSE develop plans to provide reciprocal trading capability



- **NASDAQ's solution was to use the interMarket system running on CAES with native NYSE/AMEX symbol support**
 - **It already accounted for more than 15% of overall share volume in NYSE-listed securities**
 - **It also accounted for more than 40% of AMEX-listed securities**
- **Our new trading engine has the full capacity to trade all NASDAQ and NYSE-listed and Amex securities in the event of a crisis.**

Our new platform has been integrated with other components of Disaster Recovery planning and is included in ongoing tests performed as part of the recovery strategy



The best market for companies The best market for shareholders