MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen and welcome to the NASDAQ OMX First Quarter 2010 Results Conference Call. At this time, all participants are in a listen-only mode. Later we will conduct a question-and-answer session and instructions will be given at that time. [Operator Instructions] As a reminder, today's conference call is being recorded.

I'd now like to turn the conference over to your host, Mr. Vince Palmiere, Vice President of Investor Relations. Please go ahead, sir.

Vincent Palmiere, Investor Relations

Thank you, operator. Good morning, everyone, and thank you for joining us today to discuss our first quarter 2010 earning results. Joining me is Bob Greifeld, our Chief Executive Officer; Adena Friedman, our Chief Financial Officer; and Ed Knight, our General Counsel. Following the prepared remarks, we'll open up the line for Q&A.

You can access the results press release and presentation on NASDAQ OMX's Investor Relations website at www.nasdaqomx.com. We intend to use our website as a means of disclosing material non-public information and for complying with the disclosure obligations under SEC Regulation FD. And these disclosures will be included under the Events & Presentations section of the site.

Now before I turn the call over to Bob, I would like to remind you that certain statements in the prepared presentation and during subsequent Q&A period may relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The actual results may differ materially from those projected in these forward-looking statements. Information concerning factors that could cause actual results to differ from forward-looking statements is contained in our press release and in our periodic reports filed with the SEC.

And with that, I'll turn it over to Bob.

Robert Greifeld, Chief Executive Officer

Well, thank you, Vince, and thank you, everyone, for joining us this morning to discuss our first quarter 2010 results. I'll begin my remarks by spending a few minutes highlighting some key accomplishments, then update you on the progress of our initiates. Adena will then walk you through the financials.

This morning we reported net income of 61 million or $0.28 per diluted share. On a non-GAAP basis, we reported net income of 92 million or $0.43 per diluted share with net revenue coming in at 360 million and expenses at 201.

Historically, our business has been a dynamic one and the first quarter of 2010 was no different. During the period, we launched new technology and new markets, made investments in new ventures and continued to innovate within our existing businesses. When evaluating developments of the past quarter, the key takeaway is that the core fundamentals of our businesses remain strong.

In fact, this strength has been demonstrated even more so during the month of April. We have witnessed for the first time in several years the first broad-based resurgence of all of our businesses in April.

When we look at the specific results for the first quarter of 2010, it is most important to note that revenues from our transaction businesses were up 5 million when compared to the fourth quarter of 2009, this despite flat industry volumes in U.S. equities. Our market share of U.S. trading remained stable with NADSAQ and BX combined share coming in at nearly 24% in the first quarter of 2010, down slightly from 25% in the first quarter of 2009, but on par with levels realized in the fourth quarter.

Driving an increase in U.S. cash trading revenue is an improving capture rate, which has accelerated in the second quarter following adjustments to fees we implemented on April 1. Adena will have more to say about the impact of those fee adjustments in her remarks.

In our U.S. options business, we witnessed growing market share with total share coming in at nearly 24% in the first quarter of 2010, up from 20% in the first quarter 2009. This growth in share speaks to the success of the innovative make-or-take pricing model that we implemented at PHLX earlier this year. Following the introduction of this new fee structure, our share in the 51 contracts included in the program grew from approximately 10% to more than 25%, demonstrating the popularity of the service we're providing.

In the Nordics, following the introduction of central clearing and the INET trading platform, cash equity trading volume continues to improve with trade volume growing 30% while value traded grew 19% when compared to volumes realized in the first quarter 2009. Volumes in the Nordic derivatives markets are up across the board when compared to the first quarter of 2009. Equity derivative volume was up 23%, driven by strength in index futures and options trading as well as the impact of exiting the EDX venture.

Cleared fixed income volume was also up dramatically growing 37% from the prior year period. In our commodities businesses, cleared energy contracts grew 15% from levels realized in the first quarter of 2009.

Turning to Issuer Services, NASDAQ OMX welcomed 47 new listings during the quarter, up from 20 in the first quarter of last year. Included in new listing were 18 IPOs quite favorable when you consider that we didn't have any during the first quarter of 2009.

Corporate services continues to perform well, reporting revenues of 17 million. Although it appears derivatives only grew 1 million when compared to the first quarter of last year, masking the true growth is $3 million of Carpenter Moore revenue that was included in the first quarter of 2009 results. Recall that we sold this business during the fourth quarter of last year. So, if you exclude Carpenter Moore revenues, corporate services revenues grew more than 30% from year ago levels. Leading this growth is a 40% increase in customers for shareholder identification services.

The Global Index Group began 2010 with a strong start, with sponsors launching 6 NASDAQ OMX ETFs during the first quarter including the first inverse and leverage products based on the PHLX Semiconductor Index. And in China, the first fund linked to the NASDAQ-100 was launched in March.

There were, however, 2 areas that had challenges during the quarter. They were data products and market technology. In data products, we were negatively impacted by the vagaries of the SEC revenue sharing formula under which value traded plays a part in how revenue is shared. During the first quarter of 2010, BX increased its share of trading in low-price stocks. And since these stocks represent relatively low value traded, the corresponding contribution to our market share under the formula declined and therefore our share of revenue declined.

In market technology, although revenues declined from the fourth quarter levels, the fundamentals of this business remained very, very strong. Both order intake and order value increased in the first quarter 2010, as order intake grew more than 5-fold and order value improved nearly 50% from year ago levels. We have nearly $500 million of committed order value on our books, truly highlighting the strength – the long-term strength of this business.

Headlining our contract wins this quarter was the announcement by the Australian Securities Exchange that will adopt – that it will adopt the Genium INET platform. By replacing their current integrated equities and derivatives trading platform with the new system, Australia will recognize significant latency and transaction capacity advantages. This new platform will also allow them to retain the core functionality of the existing system, including the ability to trade equities and derivatives on one platform.

Now, let me touch on the status of some of our initiatives. At IDCG, our interest rate swap clearing business, we continued to make progress. The foresight of our investment is proving out, as the financial reform debate is reaching a climax. The legislative expectations dovetail quite nicely with the product offering that IDCG has built. While all eyes are on Washington watching developments around the financial reform legislation, we have been very busy moving our business forward. We currently have a working product that is in the final stages of customer testing and we continue to attract new participants, having recently announced that Newedge, a global leader in multi-asset brokerage and clearing is joining IDCG.

IDCG's clearinghouse is expected to recognize new members, in particular a large clearing firm within the next several weeks. We are very pleased to have a working product proved out by our clients for their testing and we expect to a vibrant competitor in this space in the months to come.

We continue to expand our presence in the over-the-counter commodities and clearing with the purchases of the business of North American Energy Credit and Clearing Corp., a Chicago-based clearinghouse for the over-the-counter power and gas markets. Rebranded NASDAQ OMX Commodity Clearing, or NOCC, this fully operational business provides us with an opportunity to deliver what the U.S. power and gas market currently lacks, a clearinghouse with the flexibility to clear both physical and financial instruments. What is appealing about this opportunity is that it has the systems, procedures and operations staff in place. As we provide our brand, our capital and our market experience, this business is already attracting interest from customers.

With annual power demand in the U.S. that is more than 10 times that of the Nordics, this market provides us with another area where we can strategically apply our expertise to reduce risk, increase volume and better serve the customer.

In the UK, our power market is moving forward with membership growing to include 13 members and 4 authorized brokers. Volume has been building steadily with expected increases in the coming months as more members commit volume to the market. We also remain on track to launch the related derivatives market in the second quarter of 2010.

Our plans for our third U.S. equity market is in place. We're utilizing our existing trading technology and customer connectivity. The structure of the market will differ in that it will be a price/size priority market becoming the first such market to offer this type of trading in U.S. equities. Shares will be allocated on price, displayed liquidity and pro rata distribution, the latter rewarding participants for committing capital and displaying large size.

The more shares you display relative to the overall market the more shares you are allocated and the faster your order is executed. This structure is designed to encourage greater displayed size, increased transparency, promote market stability and enable additional trading strategies. It is another example of how we continue to innovate within our existing businesses.

In the Nordic, system performance has improved following the launch of INET. Peak capacity throughput has increased from 1,300 messages per second to 1 million messages per second.

Trade volume is up, growing 9% from January to March as the rest of Europe has averaged an increase of 3% during the same period.

Let me spend a moment regarding our decision on NEURO. Earlier this week, we announced that we were closing our MTF due to a fundamental change in our view of the value traded in Europe and our lack of progress in developing a sustainable business model. Although this decision may have surprised some, those who know this management team are familiar with our financial discipline.

Following a review of the various alternatives, we realized that the business would not yield the returns we believe are necessary to maintain operations. Ultimately, we want to ensure that we deploy our resources in Europe, on opportunities that can deliver true value to our shareholders and customers.

We continue to have a lot of confidence in the growth prospects of our business and nothing speaks more to this confidence than the share repurchase plan that we recently announced. As we evaluate our performance, what's important to keep in mind is that many of the macro drivers of our business such as industry volumes and market data subscribers tend to lag the general economic recovery. While they may be strong at the beginning of a downward cycle, they are weak at the beginning of a recovery. Evidence of this is the fact that U.S. cash equity volumes were down 21% when compared to the first quarter of 2009. However, they have improved in April as the economic recovery continues to gain steam.

When you couple this improved volume with our improved capture rate that we are experiencing in the second quarter, you'll see that the economics of our cash equity businesses are on a par with where we were at the beginning of last year and they certainly are in lock step with the improved environment for our core businesses and our new initiatives.

With that, I'll turn the call over to Adena.

Adena T. Friedman, Executive Vice President, Corporate Strategy and Chief Financial Officer

Thank you very much, Bob, and good morning, everyone. Thanks for joining us today. As Bob highlighted, the results that we reported this morning include some non-recurring charges, including a charge of $40 million related to the refinancing of a credit facility and terminating an interest rate swap and $7 million in pre-tax expenses related to asset retirements, occupancy and workforce reductions.

Excluding these items, our non-GAAP net income for the first quarter of 2010 was $92 million or $0.43 per diluted share compared to non-GAAP net income of $99 million or $0.46 per diluted share in the fourth quarter of 2009 and net income of $102 million or $0.48 per diluted share in the first quarter of 2009. Reconciliations of GAAP to non-GAAP results can be found in the attachments on our press release and in the presentation that's available on our website at ir.nasdaqomx.com.

As reported on slide 9 of our presentation, changes in the interest rates of foreign currencies with the U.S. dollar had a negative impact of $0.01 to non-GAAP diluted EPS, when compared to the fourth quarter of 2009 and a positive impact of $0.02 when compared to the first quarter of 2009. Consistent with our prior calls and the remainder of my comments, we'll address our non-GAAP results, unless I note otherwise.

Net exchange revenues were 360 million, a decrease of $9 million or 2% when compared to the fourth quarter of 2009 and to the prior year quarter. Included in these results is a $5 million increase in revenues from our transactions businesses offset by declines in our market technology and market data revenue.

Within transaction services, although industry volumes and market share were essentially flat, the U.S. cash equities revenues increased $2 million or 7% when compared to the fourth quarter of 2009, due to improvements in the average capture rate. Recall that we modified fees on November 1 of last year and in the first quarter – and the first quarter of 2010 reflects the full quarter impact of that fee adjustment. On April 1, we again modified fees within our U.S. cash equities business changing the take rate for high volume customers from $0.285 to $0.30 per 100 shares. With the improving volumes and the latest fee change and assuming constant market share, we anticipate that we could experience a 6 to $8 million improvement in our quarterly revenues for our U.S. cash equities business starting in the second quarter.

European cash equity trading revenue remained flat when compared to the fourth quarter of 2009. Although trade volume and turnover both increased during the period, the average fee realized declined approximately 8% when we – as we implemented a capped fee structure during the first quarter. Also impacting the revenue was the partial elimination of $2 million in network vendor fees associated with the implementation of the INET trading system. A corresponding expense of approximately $2 million has also been eliminated. Finally, changes in FX resulted in a decline of $800,000 in revenues for the European cash equities trading business.

Derivative trading and clearing revenue was $61 million in the first quarter versus $57 million in the fourth quarter of 2009. Driving the increase when compared to the prior quarter were derivatives revenues in Europe, which were $28 million, up from $26 million in the fourth quarter. This increase is primarily related to the growth in cleared energy products and equity futures and options volume.

Total revenue from cleared energy and carbon products was $10.5 million in the quarter, up from 10.3 million in the fourth quarter of 2009. Trading and clearing of stock and index derivatives contributed $11.9 million, up from $8.4 million last quarter. Revenue from clearing of fixed income products was $4.1 million, up from $3.7 million in the prior quarter and other revenue and fees were $1 million, down from $3 million in the fourth quarter.

In the U.S. derivatives market, our net derivatives revenues were $33 million in the first quarter, representing an increase of $2 million when compared to 31 million in the fourth quarter of 2009. The increase is primarily due to higher volumes and market share. However, also contributing to the increase is the inclusion of a revised volume-based PHLX membership fee which previously has been a fixed monthly fee and included in access services. The impact of this change was to increase trading revenues by approximately $1 million while reducing access services by the same amount.

Within market data, revenue was $80 million for the first quarter, down $4 million when compared to the fourth quarter of 2009. Contributing to the decline was the level of volume in low-priced stocks, as Bob mentioned, of which our BX market matched an increasing share in the first quarter. Under the SEC's revenue sharing formula, value traded plays a role in how revenue is shared. And as BX's share of low-priced stocks increased, its corresponding contribution to our quote and trade share under the revenue share formula diminished.

Although our total market share of U.S. equities is stable in the first quarter of 2010 when compared to fourth quarter, our U.S. tape plan revenues declined due to this unique aspect of the formula. Also contributing to the decline in the U.S. tape plan revenues was a slight decline in subscriber population. In Europe, market data also declined when compared to the fourth quarter of 2009 primarily due to the foreign currency impact of the stronger U.S. dollar versus the euro.

Moving on to broker services, this revenue was $4 million in the first quarter, down $2 million from the fourth quarter, primarily due to the sale of our UK broker services business which occurred in the fourth quarter of 2009. Within Issuer Services, our revenues were $84 million for the quarter, equal to revenues reported in the fourth quarter of 2009. Lower U.S. listing fees were offset by higher European listing fees and licensing revenues from our Global Index Group.

Turning to market technology, our revenues declined in the first quarter to $34 million, down $10 million or 23% from fourth quarter levels. However, revenues increased $5 million or 17% compared to the first quarter of 2009.

As I mentioned on our last quarter call, market technology revenue is driven by large delivery contracts, as well as short-term enhancement projects and other variable revenue. In 2009, due to the economic climate, several of our clients deferred spending until later in the year, resulting in higher variable revenues in the fourth quarter coming from small enhancements, license upgrades and other contracted fees.

On a going forward basis for 2010, we expect revenues to be more stable quarter-over-quarter with some significant deliveries deferring revenue into 2011. As a reminder, U.S. GAAP accounting requires that we defer all revenues and expenses related to large delivery contracts until the full implementation of the software and acceptance by the client, at which point the revenues will be recognized over the remaining life of the contract.

In the first quarter of this year, we announced a new long-term agreement with the Australian Securities Exchange to upgrade their exchange systems to Genium INET. Additionally, we're in the mid stage delivery phase of Osaka and the early stage – delivery phase of Kuwaiti Exchange. We expect to begin recognizing revenues for each of these contracts in 2011.

Generally for 2010, our strong order value demonstrates that we have several new long-term contracts with deferred revenues. Looking at specific numbers, order intake and total order value both improved from levels in the first quarter of 2009 with order intake increasing to $50 million in the first quarter of 2010, up from $9 million last year, and order value increasing to $496 million in the first quarter of 2010, up from 340 million in the first quarter of 2009.

Order intake represents the value of orders signed in the current quarter and can include short-term deliveries as well as large contracts with long-term revenue benefits. Order value is the cumulative value of all of the orders that we have signed, but for which we have not yet recognized revenue. Because the market technology business is difficult to monitor on a quarter-over-quarter basis, we will begin to provide quarterly revenue guidance for this specific business unit. For the second quarter 2010, we expect our market technology revenues to be approximately $34 million.

Now, turning to expenses. Total operating expenses for the first quarter were $201 million, representing a decrease of $3 million from 204 million in the fourth quarter of 2009. Lower compensation and marketing expenses were somewhat offset by higher costs associated with our data center lease. Also contributing to the decline in spending is the impact of FX.

Now looking forward for the full year of 2010, we expect total expenses will be in the range of 875 million to 890 million, assuming current FX rates. Included in these figures were – are approximately $65 million of non-recurring expenses, including those associated with the recent debt refinancing as well as the closing of NEURO.

Excluding the non-recurring expenses, we anticipate our operating expenses will be in the range of 810 to $825 million, reflecting a decrease when compared to our previous guidance, which was in the range of 815 to $835 million. Included in this guidance are lower core expenses as well as savings associated with closing NEURO, partially offset by spending related to the recently acquired U.S. energy clearing business, NOCC, and the expected acquisition of Nord Pool ASA in late second quarter.

Results for the quarter yielded operating income of $159 million with operating margins coming in at 44% and net interest expense of $23 million, up $1 million from the fourth quarter of 2009. Interest expense for the quarter represents nearly a full quarter impact of the refinancing that we completed in January. And finally, on the income statement, the effective tax rate for Q1 2010 was 33%, within the range of our normalized tax rate of 32 to 34%.

Now turning briefly to the balance sheet, cash and cash equivalents and financial investments at quarter-end were approximately $945 million. Of this amount, approximately 526 million is reserved for regulatory requirements and other restricted purposes. In the quarter, we used $11 million for capital spending purposes and $46 million was used in the quarter to buy back shares. Following the approval of the share repurchase program on March 2, we moved aggressively to acquire 2.3 million shares before quarter end. And as of yesterday's trade date, we have purchased 3.7 million shares with an aggregate value of $76 million.

Our total debt obligations at the end of this quarter were $2.1 billion. As I mentioned before, we refinanced our credit facility in January and our new term loan requires us to begin paying down the debt at $35 million per quarter beginning in the third quarter of 2010. Additionally, when we announced our share repurchase program, we also announced we would pay down an additional $100 million this year, bringing total expected debt repayment for 2010 to $170 million.

In conclusion, this quarter we have continued our intense focus on controlling expenses and managing the balance sheet. We continued to drive down core operating costs and exit non-core businesses, providing us the opportunity to pursue new growth initiatives in a disciplined and capital efficient manner.

Thank you, and now I'll turn it back over to Vince.

Vincent Palmiere, Investor Relations

Thanks, Adena. And operator, we'll take questions now.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from Daniel Harris from Goldman Sachs. Please go ahead, sir.

<Q – Daniel Harris>: Hi. Good morning, guys. How are you?

<A – Robert Greifeld>: Okay. Yourself, Daniel?

<Q – Daniel Harris>: Good. I just want to go and touch on the European cash equity business. Obviously things feel much better there with INET in the central clearing. So I'd love to get a little bit more color around, what kind of uptake you're seeing from new clients as they trade in that business and then that weren't there before because of the changes you've made? And then of course, what impact that's having on the fee capture per basis point I guess, as that sort of is a little lower than we were looking for.

<A – Robert Greifeld>: Sure, let me just give you a couple facts in terms of what's going on in the month of April in the Nordics on the cash equity side. One is we see that the average daily number of trades is about 315,000 per day. That's up from 278 in the first quarter and a couple days ago we set an all-time record in Stockholm. The average daily value traded is even more impressive. In April, it's about €3.1 billion, up from 2.6 billion in the first quarter. So, the core drivers have improved quite dramatically.

I would say with respect to new entrants in the market, we're in the early stages of that and most of the increase in the velocity have been driven by the traditional players and obviously enjoying the benefits of the better – the faster system in central clearing. That being said, the pipeline for new entrants is very strong. We're working through the classical issues of them getting co-located in the data center going through the things they have to do to become a really effective Nordic competitor. So, we expect that to generate additional volume for us in the second quarter.

With respect to the fee cap, we're very happy with the progress there. Obviously our goal is to retain the market share we have. We're proud to be I think the leading established exchange with retention of market share. So I think it's working its magic. And combined with the new entrants we think we'll do very well.

<Q – Daniel Harris>: Okay, great, thanks. That's great color. Just moving on to what I would imagine will be the first of a number of questions on IDCG. Obviously the regulatory environment here in the U.S. is changing pretty rapidly and you guys seem like you've been early and well positioned with this product, but any update on the number of clients that are testing the platform and to some extent the FCM's that may be joining, you seem like you gave some color like you'll have another dealer coming onboard?

<A – Robert Greifeld>: Yeah, another FCM. I would say this. The way to look at it right now, Daniel, is there is a very small number of customers in the industry who are not testing with us at this point or not engaged with us in a productive way. So, certainly the IDCG office is very busy. We feel fortunate to have a product that meets the need and likely to be regulated into existence in the near-term. So, we're excited about the progress and we think we can really help bring that market along.

<Q – Daniel Harris>: Okay. And then I'll just ask a quick numbers question and jump back in the queue. The closing of NEURO, how do you think about that, maybe this is for Adena, in terms of the lower expenses offset by any revenues you might have had?

<A – Adena Friedman>: Sure. I think that we actually provide a little bit of color of that in the presentation by updating our new initiatives slide. So, what we basically have indicated for 2010 is that the cost savings associated with closing NEURO essentially are equivalent to the new expenses we have taken on with the NOCC clearing business in the United States. So, essentially what we've done is replaced the capital we're sitting there with capital on an initiative that we feel has a higher return opportunity for us in the U.S. with the cleared energy business. And certain – but it is definitely a net savings to us in terms of the revenues versus the expenses and recognize that it's going to be a half year impact this year and a full year impact next year.

<Q – Daniel Harris>: Okay, thank you.

<A – Adena Friedman>: Thanks.

<A – Robert Greifeld>: Take the next question.

<A – Vincent Palmiere>: Operator, we're ready for next question.

Operator: Our next question comes from Rich Repetto [Sandler O'Neill & Partners].

<A – Robert Greifeld>: I'm not going to take a call from Rich Repetto, but maybe Rich Repetto, I'll take that call.

<Q – Richard Repetto>: My name has been a controversial topic on these calls these last couple days. But you've got some interesting stuff going on here, Bob. It requires I think to get a little bit in the weeds on some of this market share. But on BX, we know you've been picking up market share. There's been a high rebate relative to the spread in stocks like Sirius. And I guess what do you expect going forward is, can you – I know there's been some issue on whether that pricing level can be maintained and Sirius actually moved up above a buck. So, any comments there on the outlook on revenue cap – excuse me, rebates versus the spreads on these low-priced stocks at BX?

<A – Robert Greifeld>: We certainly expect that the capture rate that we have in BX and what we call NASDAQ Classic will be relatively constant. As we look at 2010 we expect increase in capture, we are experiencing it in NASDAQ Classic based on the pricing action we took in April. And if you're looking for a dominant fact, I would definitely focus on that.

<Q – Richard Repetto>: Okay. So you're thinking to keep your market share at BX as well with the change in pricing?

<A – Robert Greifeld>: Yes, we do.

<Q – Richard Repetto>: Okay. Then next on options, some 700 basis point increase and I think in March at PHLX or somewhere around there, 600. The question is with the SEC looking to cap fee – like at least it's been reported or purported that your strategy has been on a make-or-take model to increase the rebate to attract flow. And I guess with caps on fees I think the dominant view is that you might not be able to maintain such a high rebate. Are we looking at it right – how will you do in option market share if there was a cap on fees at $0.30 per contract?

<A – Robert Greifeld>: The first thing I want to say on the option space and it's similar to the other news we have. The second quarter has been outstanding. The first quarter for options volume was very strong at 13.1, so far second quarter is at 16 million. So it's a dramatic increase quarter-on-quarter and our share has held constant. So certainly I think we're in the early stage with respect to the pricing discussions on the options marketplace. And our position with the SEC is if you're going to look at pricing you have to look at holistically and that holistic pricing look has to include the impact of equity ownership on pricing. I think that message will resonate and will be – engender a longer debate.

With respect to the particular pricing move that's in the SEC comment, we certainly believe within the confines of the PHLX pricing model, which I have to admit is relatively complex, there is different ways for us to maneuver and recognize that the capture rate that we get in PHLX is around – well, I will say significantly less than $0.30, so there's ways for us to treat our pricing with I would call a de minimus impact on the economics of PHLX.

<Q – Richard Repetto>: Okay. And very last quick thing, another one on IDCG. One agency, let's just say, has actually expressed a very favorable view and they've talked about to potentially even to move and clear prior to any legislative reform or any rules being written. Is it – I guess the question is, is there an expectation you could be clearing any sizable amount anytime soon or – it looks like any reforms are still 180 days – they get 180 days to write rules after the reform is written. So, tied to that, is there any expectation you could be clearing in any sizable amount even before?

<A – Robert Greifeld>: Well, let me say this. One is, I am not going to speak to any one customer or customer class directly on this call, but I will say that there are market participants who are ready to clear trades with IDCG today. We are facing what I'll call technical barriers that we have to work through to make that happen. It's our expectation that those technical barriers – and when I say barriers these are normal course of events you have to do as you want to have a seamless workflow for a new system. And I would say that we should be able to work through that within the next 60 to 90 days with the different vendors and participants in it and there are people who want to trade if they could today.

<Q – Richard Repetto>: Got it. Thanks very much. Thanks, guys and gals.

Operator: [Operator Instructions] Our next question comes from Alex Kramm of UBS. Please go ahead.

<Q – Alex Kramm>: Hey, good morning.

<A – Robert Greifeld>: How are we doing, Alex?

<Q – Alex Kramm>: Good, just wanted to come back to the whole NEURO closure here. I'm not so much interested in NEURO, per se, but maybe what kind of read through this has to your discipline that you talked about at the beginning of the call. Are you doing any broader review of all these initiatives? I mean you have a lot of initiatives in the air right now. So are there potentially other opportunities that could be shutdown if you really focus on the expense discipline or maximizing returns for shareholders? And I guess tied to that, certainly seems some of the maximizing pricing relative to market share in the U.S. cash. So is this really a focus on – a renewed focus maybe on not being a jack of all trades everywhere but trying to really drive risks in there?

<A – Robert Greifeld>: Well, I would say this. One, the discipline about reviewing initiatives has to be consistent and comprehensive. And to the extent there is greater competition for investment dollars within the firm, you have to put that much more intense of a point on that review. So, I think the NEURO decision came along with a standard review process as we have within the organization.

And with respect to some of the tenor of your question, I think it's important to recognize that NASDAQ OMX is a global organization. We are not a U.S. cash equities market exclusively any longer and we have a number of people who work in our organization, who come from a different walk of life than cash equities, who have different business plans, it's important that they get the proper funding and support at the corporate level. So, we balance that against our financial discipline, so the actions we're taking I think are consistent with the culture and the management philosophy of NASDAQ OMX.

<Q – Alex Kramm>: So we shouldn't expect any other like significant reviews of other businesses that might underperform at this point?

<A – Robert Greifeld>: Well, no, I think I'm saying that all our businesses had to be reviewed on a regular, consistent and comprehensive basis, so we do that and we will continue to that. And what I'm saying is that review in a practical way gets more intense when we have different competition for the use of our predefined investable capital. But we review these businesses regularly, consistently and we certainly have to make the hard decisions when to start and when to stop and I think we take pride in our ability to do that.

<Q – Alex Kramm>: Okay, then let me just ask something else on the European cash business. Now, obviously with – have your outlook for the Pan-European markets changed significantly at this point? I mean, do you think there are opportunities when you look at the Nordic markets or maybe start trading Pan-European although there perhaps lever the business more towards the regional Nordic customers and give them access to the European marketplace, maybe at a much better price point or better economics?

<A – Robert Greifeld>: I will say this. With respect to Pan-European marketplace, we certainly are fully aware that the value traded in Europe has declined quite dramatically part and parcel of the credit crisis. And we don't see it reviving back to that level. We also see that on the Pan-European MTF basis, unlike in the U.S. the capture rate went right to a bottom level very quickly. In the U.S., the capture rate in the ECN world declined over time and that decline over time was closely correlated to an increase in volume over time. So in Europe, we didn't have that experience. And that was also from a financial point of view, exacerbated by the fact that there is no market data available to the MTFs at this point in time. And clearly an MTF that wants to put together a market data product, would have to have a very large share of market, so that drives us.

But we also, when we look at Pan-European, we certainly see – and the world going forward there is and will be segmentation opportunities to look outside your home market. I think you would look to our experience in Oslo as informative of how we might take our Pan-European efforts in the future. We are at this point the largest MTF in the Oslo marketplace and we have just really begun there. So we'll look at segmentation opportunities. Okay.

<A – Vincent Palmiere>: Operator, do we have any other questions?

Operator: Yes. Our next question comes from Roger Freeman of Barclays. Please go ahead.

<Q – Roger Freeman>: Hi, good morning.

<A – Robert Greifeld>: How are you doing, Roger?

<Q – Roger Freeman>: Doing good, thanks. I just, actually following-up on Alex's question there. So if I hear you right, it sounds like you're – you don't have a desire to acquire a MTF, basically market share, I mean the issue being volume as a consideration giving, as you pointed out base pricing went low very quickly, buying the market share doesn't get you where you want to be, right?

<A – Robert Greifeld>: Well, I didn't quite say that. I was speaking about our build strategy on a Pan-European basis. I think the key is segmentation going forward, directly leveraging the core platform that we have in place today. And obviously the fact that we converted the Nordics to INET the first quarter gave us the ability to think about our Pan-European operation on a different way. As we're running the old platform, it really didn't give us a point of leverage from Stockholm. Now we have that.

With respect to acquisition opportunities of MTFs, as we have said previously, it is something that we recognize as our job is to understand the different assets on a global basis across the different assets classes and we would certainly consider any regional opportunity in Europe on an MTF basis.

<Q – Roger Freeman>: Okay. And I mean, what would you characterize as having been the biggest challenge in sort of the side of the pricing because actually when you went into this, I think your – you yourself said that you were going to come in with basically U.S. level pricing which was rock bottom. So I mean, is the bigger issue just been the ability to get dealers onboard and partnering with them successfully?

<A – Robert Greifeld>: Well, as I said, I think the value traded numbers are in the models today were not in the models 2 years ago.

<Q – Roger Freeman>: Right.

<A – Robert Greifeld>: We certainly believe that 2 year ago number of which we thought was going to increase is not real. So that's the -

<Q – Roger Freeman>: Right.

<A – Robert Greifeld>: – single biggest determinant.

<Q – Roger Freeman>: Okay, and then on IDCG, a follow-up there. Is – so that some of the technical issues that have to get worked through, is this more on the IDCG side, is this getting the – getting dealers from some of the operational aspects onboard or is it issue still at the FHFA because they said they were going to do it within 2 months and that was 2 months ago, so it's either starting any day or somebody is behind?

<A – Robert Greifeld>: First, I'm talking about the market in general. We – as all the focus has been in Washington, at the end of the day, the plumbing infrastructure between the industry ecosystem is fundamental to the success. And I said we have several customers some of our existing FCMs would trade tomorrow.

<Q – Roger Freeman>: Right, right.

<A – Robert Greifeld>: But we have like to make sure that we give them a seamless environment and we're working on that and there are vendors involved with this value chain, it's not -

<Q – Roger Freeman>: Yeah.

<A – Robert Greifeld>: – exclusively under our control or the SEMs control or the end user customer. So we're working on it. And again, it's – we wish it was done today. It's not. But this is a normal course of business that you've got to do and obviously, vendors have different priorities and they don't have to naturally lineup with ours as being the top of list. So we're working through it.

<Q – Roger Freeman>: Okay. And then just lastly, on BX, looking at the pricing, the rebates for – that have brought in higher volumes of lower-priced stocks, I mean is that something that given the negative impact in the market data pricing formula or market data revenue sharing formula that you need to reevaluate there? I mean is the benefit you're getting on the volume worth it from the – I mean from the loss you're getting on the market data?

<A – Robert Greifeld>: Definitely. We think BX from market data perspective will always be a relative underperformer, but we also recognize that the first quarter was probably extreme in terms of how the formula played out. But overall, it's just that it's been a great new initiative for us.

<Q – Roger Freeman>: Okay, great and thanks.

Operator: Our next question comes from Niamh Alexander of KBW. Please go ahead.

<Q – Niamh Alexander>: Good morning. Thanks for taking my questions. Can I go to the options business for – you had consecutive revenue growth again and your share has been very strong, congratulations. Help me understand because you've lived through the growth of the high frequency trading community in the equities world and how far along do you think you are in the uptake and there with respect to the options because it seems to us like it's early stages but you would see a lot more of that and then have a lot more information on that should we say?

<A – Robert Greifeld>: Sure. Let me just start by saying that our success in the first quarter with respect to market share with PHLX has continued in April. Where in the first quarter we averaged 21.3%, April we're up to 23.4. And as I previously mentioned, the average daily number of contracts is up to 16 from 13.1, so all very good drivers.

With respect to the high frequency question, I will say this that by and large the equity high frequency trading shops have been at this point a minimal impact on the options marketplace. We know there is a large number of them endeavoring to get their models to work in this environment. Several have been relatively successful but if you have made a prediction a year or 18 months ago you were to thought that it would have a stronger impact. So I think we're at the early stages I believe the higher frequency firms in the fullness of time will figure out how to be a significant player in this space but they're not quite there yet.

<Q – Niamh Alexander>: And with respect to the pricing, Bob, do you feel that there may be some more tweaks to the pricing, there is always tweak to the pricing, should we say? And do you think that maybe as more of these get onboard with the exchanges the competition for price pressure intensifies from here? I know you've been rather innovative in kind of moving towards maybe should we say a hybrid type pricing structure?

<A – Robert Greifeld>: Well, I think there will always be pricing considerations and we certainly spend a lot of time thinking about it. And our pricing in the options world is in certain ways fundamentally more complex than in the equity world. But I would caution you to recognize that the options market structure and the aggregation of order flow in the options world is in some ways fundamentally different than in the equity world. So, they are not going to follow the same path, per se. It will be a different world, but it will be competitive.

<Q – Niamh Alexander>: Okay, that's helpful. Thanks, Bob. And if I could, IDCG, help me understand, if you've got the buy-side that want to clear a product, typically right now the way the market structure is, it's moved off on a dealer that's on the other side of the particular trade. Could the buy-side put something into a clearinghouse and a dealer and would this dealer have to also agree to go into that same clearinghouse or do both need to agree on which particular clearinghouse they want to clear at? And right now have you had many positive and supportive conversations with the dealers with respect to participating?

<A – Robert Greifeld>: Well, we're having many conversations with the dealers. As I said in my earlier conversation, it's really a very few that are not talking to us in some full way. But we're not naive also and I think the dealers are talking to us because they are receiving pressure from their customers to do so and we're probably not their first choice with respect to the clearinghouse that they would pick if they had the complete control of the decision. So, we're working hard to gain the dealers' trust and we're certainly open for input from the dealers with respect to what would make the product that much more appealing to them, but we're not going to sacrifice our core mission and that is to make sure that this marketplace is allowed to open up to a greater variety of competitors and competitors both from the FCM point of view and a liquidity provision point of view. So, I think there is a common path we can find with the dealers and we're working towards that.

<Q – Niamh Alexander>: Okay. Have you had any – should we kind of shall we say expect maybe some public announcements of some cooperation, is that what you're working towards?

<A – Robert Greifeld>: Well, we're anxious to get the first trade. It's a little frustrating in that we are ready. Our customers – we have customers who are willing. And as we've said, we just have to have the plumbing right and in this business that is fundamentally important because there is a strong risk element to it and we have to manage – make sure that we're properly automated. So, I'd say if you had to highlight one thing it's the push to get the systems integration done, so we can get the first trade.

<Q – Niamh Alexander>: Okay, fair enough, thanks. And if I could go back to acquisitions, you've laid out many times how would you think about levering the existing platform. So I'm not going to ask you there, but can you help me understand the pace of discussions with respect to potential acquisition targets now that your balance sheet's lined up and your cost structure, you've kind of worked through what was left there? Have the pace of discussions increased recently? Are you seeing more opportunities? Are seller expectations coming more in line with what you're looking towards?

<A – Robert Greifeld>: Well, I would say this, that there are always discussions with respect to possible strategic maneuvers. I think as compared to '09, '010 the discussions are at valuation points which would make sense for our shareholders. For whatever reason in '09, whatever discussion you had it was as of the credit crisis did not happen. So, I think you see more people dealing with reality at this point in time, so I think that would bode well.

Operator: Our next question comes from Howard Chen of Credit Suisse. Please go ahead.

<Q – Howard Chen>: Hi. Good morning, Bob. Good morning, Adena.

<A – Adena Friedman>: Good morning.

<Q – Howard Chen>: Bob, pretty constructive on the organic growth and the opportunity to buy back the stock here. I guess how do you think about the potential pace of repurchase activity versus the M&A landscape and – which you just touched on and just organic deployment?

<A – Robert Greifeld>: Well, I'll let Adena take part of that question. But let me just start. And it's kind of continuation to the last point. With the fact that we now have our balance sheet in shape and we are engaged in a share repurchase program, it's important for our investors to recognize how we look at acquisitions. So for that past number of years we have always said that the acquisition has to accrete to our shareholders within a year, slightly longer, if it's a larger acquisition, but certainly not so much longer that we're in the business of predicting the future.

And the second thing we said it had to be strategically significant. And you could easily define that as being something that levers the mother ship in some fundamental way. But there really is a third dimension to how we look at acquisitions today. And the acquisitions essentially have to provide a return superior to the share buyback program. And at this point in time that in many cases the highest hurdle that we look at. So we're using that discipline. As I said, there are more targets that are dealing with realistic valuations but we use that as our fundamental guiding post.

<A – Adena Friedman>: And, Howard, in terms of the share buyback, we've been pretty systematic in the way that we've been buying back shares. And I think we would expect to continue to follow that discipline as we continue to have the plan in place. We have a fairly narrow open window, so we do tend to put in, what I would call, the 10b5 plan which should create more of a systematic approach to the buyback. And we certainly intend right now to continue to do that.

<**Q – Howard Chen**>: Great, thanks. And then just another follow-up on IDCG. In the past Bob, you've helped us frame the overall opportunity calling it a 9-figure opportunity. Adena I think you've given some pricing in the past of just $1 per 100,000 in notional value. Anything that you see on the competitive landscape or within the current legislative proposals that make you change that broad financial picture you've painted?

<**A – Robert Greifeld**>: No, not at all. We certainly expect it to be a competitive marketplace, and right now, the discussions are not about fees, but how we're changing the world and how we're changing their daily lives. But certainly in the fullness of time, like anything else, there'll be competition.

<**A – Adena Friedman**>: And I would also say on the fees, just recognize that's kind of a look at an average across kind of essentially the durations that we would anticipate coming in. So, there are variable fees based on the specific contracts that come into the clearinghouse, but that's kind of the average that we've been looking at across the duration.

Operator: Our next question comes from Bob Napoli of Piper Jaffray. Please go ahead.

<**Q – Robert Napoli**>: Thank You. Question – another follow-up question on the options business, and the – looking at the structure of the options business, it's starting to look like the barriers to competition may be no higher than it is for the equities business given the way market share is moving around, for example, I mean your market share is up a lot but I mean your revenue – gross revenue was up 19% quarter-over-quarter, but your rebates were up 62%. I mean obviously, your other competitors are not going to just sit back and cede market share permanently, so I just I mean the options business, what – I mean, does that mean that the operating margin inevitably is going to be much lower? I mean you can never compare this business to many of the future businesses that the Merc has and the barriers to entry are just too low; is that fair or not?

<**A – Robert Greifeld**>: I don't believe it's fair. When I say it's not fair to directly compare it to the cash equity business because it is a fundamentally different business. The number of players involved with the options marketplace is different at this point in time, and the competitive characteristics are different. The market structure is different, I do need to highlight that. And certainly, with respect to the great gains in share we've had at Philly, it's been through the innovation of trying to combine the maker-taker market structure that we know in the equity world. But put it in the context of the existing options market structure. That's proved to be the right place to be, and you see it. I mean that NOM for NASDAQ OMX has been a reasonable success certainly relative to the investment we made in the new initiatives, it's providing an outsized return, but it didn't sweep the world the way maker-taker price-time did in the equity world. It's only when we combined it within the existing infrastructure in Philly that we had a greater return. So, if I was to point to any single fact that tells you that there are differences that would be it.

<**Q – Robert Napoli**>: And the new pricing share, Bob, you said is up strongly again, it is up in April, is that – were there any pricing adjustments in April, were there any pricing adjustments in April versus the first quarter?

<**A – Robert Greifeld**>: Well there weren't pricing adjustments, but I would say this much, our capture rate in April has improved as compared to the first quarter and that's been as a result of the different mix of business, the improved mix of business. So if you look at April from the options we see overall industry volumes are higher, our share is higher and our capture is higher. So we call that a trifecta.

Operator: Our next question comes from Matthew Heinz of Stifel, Nicolaus. Please go ahead.

<Q – Matthew Heinz>: Hi, good morning. Just another question on the clearing business, as you move forward with customer discussions with IDCG, how are you thinking about balancing the competitive aspects, I guess, in terms of margin requirements versus the duty of risk management for the clearinghouse and just what are your thoughts as to how the competitive environment will play out assuming the legislation comes down as expected?

<A – Robert Greifeld>: Well, one, anytime you run a clearinghouse, the risk manager walks their own path. And that path is independent of the particular business requirements. So we've spent a lot of time with the risk model, we feel quite strongly that it is the – represents the best of breed for clearinghouses. So we feel strong – we feel very comfortable with how that is constructed. And it's important to recognize we are taking this over-the-counter product and putting a futures wrapper on it. So we're as a reference point the clearinghouse model in the futures world, not in the over-the-counter world. So we feel good about that. I'm not sure I remember the first part of your question.

<Q – Matthew Heinz>: Really just kind of getting down to how will you compete other than just the fee that's charged for clearing contracts, will you compete on margin requirements and how does that – how do you feel that conflicts with -

<A – Robert Greifeld>: No, no, you don't compete on margin requirements here. So we have, at this point in time, a unique product construction. And as I said, we have taken an over-the-counter product and given it the flexibility that you have – you would have in the futures environment. So, we clearly have a product lead with that. Our clearinghouse represents best-of-breed so that; that's a plus for us; others will be able to follow that more closely. We have spent a lot of time making sure the technology is in place to make this as seamless as it can with our customers. And we have discussed on this call and other meetings, we have spent more time with the integration effort. So we clearly have a head start in that arena. And then you have the basic model of the clearinghouse. As I said, our core principle is that we want this clearinghouse to be an all-to-all market, a true clearinghouse, and that at this point in time is unique in the marketplace.

<Q – Matthew Heinz>: Okay, great. And then how do you think the NFX futures business fits into all this? Do you think there are pretty significant clearing opportunities for capital efficiency opportunities alongside the futures?

<A – Robert Greifeld>: Well, I think we're at the beginning of time with over-the-counter derivatives coming into the cleared environment, so I think that's the dominant decision point. Who can take these products, move it forward into a clearinghouse environment and process the work in a seamless way and provide not just to our clearinghouse, but to our FCMs and their customers the proper risk management tools. And that's how we'll compete and win in this space.

<Q – Matthew Heinz>: Okay, great. Thank you.

Operator: Our next question comes from David Grossman of Thomas Weisel. Please go ahead.

<Q – David Grossman>: Thanks, just 2 really quick follow-up questions, back to BX just quickly, I mean given that it's doing what it's supposed to do, is the first quarter really an aberration or will there always be a few low-priced stocks that'll be high-volume names and we'll see that impact on market data, so we – kind of have to just wait till you anniversary kind of that impact out 4 quarters?

<A – Robert Greifeld>: Well, I think I've said this before. I think BX will always underperform with respect to the market data formula as it exists today. So, that's the concept. But we also believe that the first quarter was extreme. So, while there will always be some negative drag, it's not likely to be as strong as it was in the first quarter. Do you want to add anything Adena?

<A – Adena Friedman>: Yeah, I think that...

<A – Robert Greifeld>: Adena used to run market data, so I think -

<A – Adena Friedman>: Yeah. So, I mean the formula, the SEC formula has been something that – things can move around based on the way that you quote, the way that you trade, what stocks you trade in. So, it really – it is something where the way that the market develops, which stocks end up with more volume, which stocks – the way that the quoting behavior changes and could change even under any sort of SEC rules that come through, I think that it is something where you will always see some movement around. And as Bob said, I think that the first quarter was more extreme for BX, but BX being a strong marketplace for the lower-priced stocks is something that will create some level of market data challenge within the formula. But it will be to a varying degree every quarter really.

<A – Robert Greifeld>: Yeah. So, this would the extreme, but there will always be some impact.

<Q – David Grossman>: Okay. And then just one quick question. I think Adena, if I heard you right and maybe I didn't get this – all the information that you put forth, but it sounded like you expect a 6 to $8 million benefit sequentially from the pricing actions that you took. And if that's kind of what you said – I think you said also market share would be flat sequentially. How should we think about the volume growth assumption that gets you to those numbers?

<A – Adena Friedman>: Well, I think we're going to give any specific projections since. But I would say that as Bob had mentioned volumes are up in April over the first quarter. And if we continued to see somewhat of a recovery there along with the pricing move, we feel comfortable in saying that we should see a 6 to $8 million sequential quarter-over-quarter increase in revenues for the U.S. cash equities business. And I did say assuming market share remains constant, and I think that really means – remains relatively constant to the first quarter levels. And so far, the pricing – the pricing action has been fairly well received and I would say that our market share has been relatively consistent. So, that's – we're not going to break it down completely. But that's essentially where we're coming out at when looking at the second quarter and beyond.

<A – Robert Greifeld>: I'll add a couple of things. With respect to the volume, the first quarter we averaged about 8.6 billion shares in U.S. equities. April, we've been averaging 9.7, yesterday we did 10.8. So those are all positives. With respect to the revenue item that we gave you for growth it obviously represent's a witch's brew of different impacts. And our motive is to not have the effect of the price increase be out there clear to everybody, but to put it all together, but it's working very well I would say.

Operator: Our next question comes from Edward Ditmire of Macquarie. Please go ahead.

<Q – Edward Ditmire>: Just a quick question on the market data. You talked about a lower number of subscriptions along with the formulaic aspects. Can you just clarify were you talking about NASDAQ proprietary products or has the Consolidated Tape Association pool been reset at lower levels?

<A – Adena Friedman>: It really looks at from slightly lower populations in what we call the Level 1 product, which is the Consolidated Tape product and that product really is more indicative of overall industry population. People – the financial industry employees and it does tend to lag behind, so both on the way down and on the way back up, it tends to lag behind the economic downturn and recovery. Also, what we also tend to see is some level of seasonality to the retail use of market data, and that can swing things a little bit here and there. But that impact was relatively minor, both the professional and nonprofessional population decline was pretty small for Level 1. In the proprietary products, we've seen actually very continued strong demand and strong populations. And it definitely has not followed the same trend for as the Consolidated Tape.

<Q – Edward Ditmire>: Got you. And one follow-up question, the financial reform package does seem to contemplate equity index derivatives falling under the CFTC regulation as it reads today. Can you talk about maybe implications both for your options exchanges, but also if there is any potential to kind of regain revenues around licensing your indexes if that were to happen?

<A – Robert Greifeld>: Well, Ed is on the phone. But my understanding is that Blanche Lincoln has stepped away from that position and in the revised Dodd, Lincoln Bill, options would stay underneath the SEC. So, Ed, am I correct on that?

<A – Edward Knight>: You are.

<Q – Edward Ditmire>: Okay. Thank you.

Operator: Our next question comes from Mike Carrier of Deutsche Bank. Please go ahead.

<Q – Mike Carrier>: Thanks. Ed, just one or actually 2 questions on the market technology segment. Did you say that the 34 million would be a decent run rate for the rest of this year? And then I guess the second question on it is, there tend to be some big revenue numbers and not just for you guys, but just across the industry in this market tech segment. And I'm just trying to understand when I look at that 500 million in order value and I think you did a good explanation in terms of the timing of that. But just trying to understand are these contracts over like 5 years, 3 years just so we can kind of gauge expectations for 2011, 2012.

<A – Adena Friedman>: Sure, so the 34 million was specific to the second quarter, and each quarter, we'll give you guidance for the next one. But one thing I did say in my comments is that in 2010, we are anticipating a relatively, I would say, less chunkiness in the quarter-over-quarter revenues as we saw in 2009; that was my comment. But we were only providing guidance for the second quarter right now.

In terms of the order value and the duration of the contracts, it does vary by customer. Most contracts are probably in the 5 to 7-year timeframe, but we do have some longer-term contracts, like 10-year contracts that we are starting to see come across. And it was particularly with some of our long-term clients. So I think that I would say on average, you can look at a 5 to 7-year timeframe for the contract, the order value. And as I said before, it's really comprised – the orders are comprised of licensing fees as well as maintenance and service contracts, and in some cases facilities management, but not very often. And the way that the fees will work is if there is an annual service and maintenance contract that will be brought in annually, but then the license fee will be amortized over the life of the contract.

<Q – Mike Carrier>: Then Bob, just on IDCG, it seems like most players in the industry, just from a due diligence standpoint, should be testing each of the platforms because there really aren't that many out there at this point. So, just trying to understand the dealers they're siding with LCH, because they've been using them for a while. The buy-side they're kind of mixed, but not in any rush. Just trying to understand when we look at the different aspects of the different platforms, it seems like there is obviously the fees and you guys mentioned competitiveness. And then there is also the capital and the margin requirements. And based on what we understand, it seems like CME and LCH, their margin requirements are based on a little bit more of a robust standard so far of like 5 to 7 days versus IDCG's using 1 to 2. I'm Just trying to understand, and now all this is in flux, so nothing is down pat, but just trying to understand, from your guidance perspective, what's the differentiation that brings whether it's the buy side, probably the buy side, to that platform?

<A – Robert Greifeld>: Well with respect to the margin, we certainly believe that our margin is the proper margin, and I know IDCG put out a paper on that last week. So, we'd be happy to cover that with you offline in more detail. With respect to our product offering and its core benefit is one, it's here, it's real today. But as I said previously, you have to recognize that it is in many ways fundamentally different than the other offerings which has some appeal or less appeal depending upon who you are in the space. But it's important to recognize that it's meant to be an all-to-all platform. It's meant for the FCM model to allow more entrants into the space. So, clearly we're looking at a space where there are 5 players controlling 95% of the environment and we think in the new world, that will change and our platform is welcoming to those new players in the world. And similar to what we saw in the U.S. equities that doesn't mean bad things for the 5 players. And I think of the 5 players, some of them certainly recognize that and it's a question of moving forward and it could be opportunities for all. I mean this market has the ability or will I should say transform and not look anything like it does today several years after the regulatory change. So, we're there as all-to-all platform, the only true all-to-all platform, in this space. We're operational and we're ready to go.

<Q – Mike Carrier>: Okay, makes sense. Thanks.

Operator: [Operator Instructions] Our next question comes from Celeste Brown of Morgan Stanley. Please go ahead.

<Q – Celeste Mellet Brown>: Hi, good morning.

<A – Robert Greifeld>: How are you doing, Celeste?

<Q – Celeste Mellet Brown>: Good. How are you?

<A – Robert Greifeld>: Wonderful.

<Q – Celeste Mellet Brown>: Just a quick housekeeping question first. I assume you've bought the shares back late in the quarter. I was just wondering what your quarter-end share count was?

<A – Adena Friedman>: We bought – our share count was – well, our average for the quarter was 214.7 million shares, our quarter end was around 213 – a little under 213 million shares. So we can give you an exact number after the call. But I think that we did start it on March 2, so that – just recognize we only had one month in the first quarter to buy back shares and that's why we also gave you the up-to-date number for essentially the end of April.

<Q – Celeste Mellet Brown>: Right, great. Thank you. And then in terms of the NECC or I guess renamed NOCC acquisition, was this driven by reform as well? It's – certainly commodities are going to be one of the products that will need to be cleared in the new environment?

<A – Robert Greifeld>: Not so much in that you have to look at our experience now as NASDAQ OMX. So, we have acquired Nord Pool, which is – basically has 100% share of power trading in the Nordics. We were invited into the UK based upon the trade associations wanted to bring some additional organization to the marketplace. And these individuals have spent their career. We've chartered them well over a year ago to look at the U.S. market, report back and tell us where there were opportunities. So, as a result of that experience and that effort over the last year that we uncovered this opportunity and that's why we've made the move.

<Q – Celeste Mellet Brown>: Okay. Great, thank you.

Operator: And I'm showing that our final question comes from Daniel Harris of Goldman Sachs. Please go ahead.

<Q – Daniel Harris>: Yeah, just last question on the access services. Any change in what's going on with co-location on the equities front here in the U.S. that would be different from what we've been seeing on trend in the last few quarters?

<A – Robert Greifeld>: No, no, it's I think a strong demand for co-location services. We have more than enough capacity to meet the demand in the quarters to come. So we're very comfortable with our position. Do you want to add anything, Adena?

Robert Greifeld, Chief Executive Officer

Okay. I thank everybody for their time here today. We appreciate it and we look forward to talking to you certainly in this format next quarter and we'll be available through the next days and weeks to answer any questions you may have, so thank you.

Operator: Ladies and gentlemen that does conclude today's conference. You may all disconnect and have a wonderful day.