



NASDAQ and FTSE Group Launch New Index Series for Investors to Benchmark

New York, July 7, 2005 — The Nasdaq Stock Market, Inc. (NASDAQ®; NASDAQ: NDAQ) and global index provider FTSE Group (FTSE) today announced the launch of the new FTSE NASDAQ Index Series.

The new index series provides a unique set of tools for investors to benchmark selected aspects of the NASDAQ market. It also creates potential opportunities for the development of innovative investment products, such as index-linked funds, exchange traded funds (ETFs), and derivatives products on different segments of the NASDAQ investment universe.

The new FTSE NASDAQ Index Series is comprised of four indexes, whose components are selected from the NASDAQ Composite Index and are based on market capitalization. The indexes, whose values begin disseminating today, are:

- FTSE NASDAQ 500 (Symbol: Q500) - consists of NASDAQ's largest 500 companies;
- FTSE NASDAQ Large Cap (Symbol: QLGC) consists of the largest 70% of NASDAQ-listed companies;
- FTSE NASDAQ Mid Cap (Symbol: QMID) consists of the next 20% of NASDAQ-listed companies; and
- FTSE NASDAQ Small Cap (Symbol: QSMC) - consists of the smallest 10% of NASDAQ-listed companies.

This index series is a product of a powerful collaboration between two leading financial services organizations and the index series carries the hallmarks of both brands. FTSE's cutting edge index design facilitates a new perspective on NASDAQ's diverse market which is comprised of industry-leading companies across technology, financial services, retail, transportation and all sectors of the economy. A recently completed study of the FTSE NASDAQ Index Series by FTSE International Limited shows that:

- The FTSE NASDAQ Small, Mid and Large Cap Indexes have all outperformed their comparative Russell Growth Indexes over the last two years; and
- Over the majority of the last five years, the FTSE NASDAQ Small Cap Index has outperformed the S&P 500, the Russell 2000 and Dow Jones Wilshire 500 Indexes.

In a joint statement, NASDAQ Executive Vice President John Jacobs and Mark Makepeace, Chief Executive of the FTSE Group said: "This is another important milestone in NASDAQ and FTSE's partnership. By sharing our companies' core skills, we've been able to create a unique and powerful set of tools which access new parts of the NASDAQ market. We are confident the indexes will be welcomed by both institutional and retail investment houses, and we anticipate products based on the series will follow."

For more information about the FTSE NASDAQ Index Series, including constituents, performance information, vendor codes and the research report, please visit www.ftse.com/nasdaq and <http://quotes.nasdaq.com/reference/IndexDescriptions.stm>.

About FTSE Group

FTSE Group is a world leader in the creation and management of indexes. Its indexes are used extensively by investors worldwide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. FTSE calculates and manages the FTSE Global Equity Index Series, a broad family of indexes capturing Large, Mid and Small Cap stocks and a variety of strategy indexes including socially responsible investment (FTSE4Good), multinationals and style. In addition, FTSE calculates a broad range of asset class and domestic equity indexes such as FTSE Hedge and the prestigious FTSE 100 for the UK market.

Real-time FTSE indices are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.

About NASDAQ

NASDAQ is the largest electronic screen-based equity securities market in the United States. With approximately 3,200 companies, it lists more companies and, on average, trades more shares per day than any other U.S. market. It is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks. For more information about NASDAQ, visit the NASDAQ Web site at www.nasdaq.com or the

NASDAQ Newsroom at www.nasdaq.com/newsroom/.

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