PARTICIPANTS

Corporate Participants

Vincent Palmiere – Head-Investor Relations
Robert Greifeld – Chief Executive Officer
Ronald Hassen – Interim CFO, CAO, SVP & Controller
Edward S. Knight – Chief Regulatory Officer, EVP & General Counsel
Eric W. Noll – Executive Vice President-Transaction Services

Other Participants

Howard H. Chen – Research Analyst, Credit Suisse (United States)
Richard H. Repetto – Principal, Sandler O'Neill & Partners
Patrick J. O'Shaughnessy CFA – Research Associate, Raymond James & Associates
Alex Kramm – Analyst, UBS Securities LLC
Daniel F. Harris – Research Analyst, Goldman Sachs & Co.
Daniel T. Fannon – Senior Research Analyst, Jefferies & Co., Inc.
Roger A. Freeman – Research Analyst, Barclays Capital, Inc.
Christopher Harris CFA – Research Analyst, Wells Fargo Securities LLC
Matthew S. Heinz – Research Analyst, Stifel, Nicolaus & Co., Inc.
Michael Carrier – Research Analyst, Deutsche Bank Securities, Inc.
Niamh Alexander – Research Analyst, Keefe, Bruyette & Woods, Inc.
Brian B. Bedell – Managing Director, International Strategy & Investment, Inc.
Jonathan Casteleyn – Senior Research Analyst, Susquehanna Financial Group LLP
Rob C. Rutschow – Research Analyst, Credit Agricole Securities (USA), Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen and welcome to the NASDAQ OMX First Quarter 2011 Results Conference Call. At this time, all participants are in 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, Investor Relations. Please go ahead.

Vincent Palmiere, Head-Investor Relations

Thank you, operator. Good morning, everyone, and thank you for joining us today to discuss NASDAQ OMX's first-quarter 2011 earnings results. Joining me are Bob Greifeld, our Chief Executive Officer; Ron Hassen, our Interim Chief Financial Officer; and Ed Knight, our General Counsel. Following our prepared remarks, we'll open up the line for Q&A.

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

Before I turn the call over to Bob, I would like to remind you that certain statements in our prepared presentation and during the 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. These actual results may differ materially from those projected in these forward-looking statements. Information containing factors that could cause actual results to differ from our forward-looking statements is contained in our press release and in our periodic reports filed with the SEC.

And with that I'll turn the call over to Bob.

Robert Greifeld, Chief Executive Officer

Thank you, Vincent. Thank you for joining us on this call this morning. I'll begin by spending a few minutes highlighting first-quarter 2011 results and then update you on the status of our joint proposal to acquire NYSE Euronext. Ron will then walk you through the financials in detail.

On a non-GAAP basis, we delivered very strong results, as net revenues for the quarter reached $415 million, net income was $110 million and diluted earnings per share on a non-GAAP basis came in at a record $0.61, 11% above our previous record high and 42% above our first quarter of 2010 non-GAAP results.

This performance was driven by solid results in all our businesses as each delivered material increases in revenues despite a challenging macroeconomic climate. Our disciplined approach to managing the business has yielded top-line expansion -- revenue grew from $360 million to $415 million year-on-year -- improvements in our operating margins and growth in profits as we continue to deliver for our shareholders.

Now turning to the details of the quarter. In Market Services, revenue increased $40 million or 17% from the first quarter of 2010, year-on-year growth in revenue was driven by strength across all our transaction and Access Services businesses. NASDAQ OMX was again number one in equity options market share. The combined market share of PHLX and NOM grew to 29% from 24% in the year-ago period. Also volumes have increased significantly. This increased activity and market share drove our U.S. equity derivatives revenue up to an impressive 45% over the first quarter of 2010.

Within Access Services, revenues grew 36% over the same period driven by an increased demand for services. Also contributing to the growth is the addition of F-10, the low latency free trade risk management product that we acquired in December.

Moving on to our Issuer Services business segment, revenues grew on the strength in demand for our corporate solutions which were up 29% from the first quarter 2010 while our Global Index Group had revenue growth of more than 40% from the lows realized during the financial crisis. In market technology during the first quarter, the Osaka Securities Exchange, the largest derivatives exchange in Japan, successfully launched its new derivatives trading system using NASDAQ OMX technology, while revenues for the business segment showed solid performance, growing 26% from the first quarter 2010.

In summary, results for the quarter were very impressive as strong revenue growth across all our businesses drove earnings higher. As we pursue our joint proposal for NYSE Euronext, we must not become distracted from achieving many of the strategic objectives that we committed to in 2011. Our goal remains to lever our innovative culture to drive growth, and we will achieve these goals by ensuring that our team remains focused on the task at hand.

The integration efforts for F-10 and SMARTS are progressing well and we continue to see a lot of interest from the exchange community in leveraging our compliance and risk management solutions. Our goal remains to provide customers with F-10's powerful pre-trade risk and broker compliance solutions that are complemented by SMARTS's leading broker compliance solution.

In our derivatives business, we plan to continue to expand our capabilities within equity options. In the first quarter, we introduced enhancements to the complex order system at PHLX, thereby expanding the market share for orders in which we can compete. This past Monday, we became – we began trading options on our Alpha indices, starting with Alpha versus the SPDR index.

At N2EX following the first quarter launch of our financial derivatives product, NASDAQ OMX Commodities has signed up two market makers for the UK power futures contract. When combined with the success of our spot market, N2EX is now set to become the integrated market platform that we set out to create,

Before I turn the call over to Ron, I do want to spend a few minutes obviously talking about the bid for NYSE Euronext. Now, when we step back and look at this quarter, we see that this quarter continues a long line of successful quarters and I believe it is worthwhile to gain some perspective from our performance over the four years of four quarters and how that informs our thinking with respect to the bid.

Since our achievement of $0.33 per share in the first quarter of 2007, our income has grown 84.8%. Our peers in this space with the exception of ICE had their high watermark for earnings in the first quarter of 2008. And we see that over the four-year period of time, through the end of the fourth quarter of 2010, our peers had, for example, earnings increase of 12% over that period of time at CME. Deutsche Boerse declined by 16%, NYSE declined by 23% and ICE increased by 69%.

During this difficult and exciting period of time, our revenues were essentially flat while NYSE's revenues declined 9% and Deutsche Boerse declined by 10%. An easy conclusion is that a well-managed cash equity and equity derivatives franchise can perform well on an absolute basis. It can also perform well versus derivative exchanges on a relative basis.

An argument is made that the derivatives market will improve as the interest rate environment changes. While that is probably true, it is also important to note that the interest rate environment changes because the economy has improved, and if the economy has improved, investors and entrepreneurs are more involved with the stock market and our performance will improve, and it will improve dramatically as we lever our fixed-cost scalable platforms.

We believe the cash equities is the original and the most important derivative product. Cash equities is a derivative of the economy of the market that it serves and its success over the medium and the long-term will be a multiplier of GDP growth in the region. The recognition of these facts obviously underpins our actions in pursuing with our partner ICE a transaction with NYSE Euronext.

This transaction will have the unique ability to create the world's leading cash equity marketplace. It will be the undisputed leader. It will be the first and most comprehensive pan-European market with market centers in Paris, Stockholm, Copenhagen, Helsinki, Oslo, Brussels, Lisbon, Amsterdam, Tallinn, Riga, and Vilnius. So clearly it will also create a national champion, a U.S. national champion and collectively the cash equity franchise will represent the preferred destination for listing for entrepreneurs and enterprises from all corners of the globe.

Promises of future strategic value are typically the last refuge when the facts are difficult to come by. They are nebulous and hard to prove or disprove. Our view of our proposed transaction is that we will deliver hard promises of accretion to our investors in a very short period of time and we stand on a track record over the past four years, the past eight years to deliver hard quantifiable strategic returns over the medium and long term.

Now, as we said before, this proposed transaction is a result of the outstanding execution of our business plan. It gives us the ability to consider this transaction. This is an opportunistic business decision that we remain committed to seeing through and one that is consistent with a long-stated goal of leveraging massive scale against extreme efficiency. We've demonstrated before that we can deliver values to shareholders through this type of transaction and we are certain we can do so again.

We have great respect for the members of the Board of Directors at NYSE, Duncan, the management team and the NYSE organization. We are uninvited but we will continue to strive to enter into friendly discussions and hopefully have the opportunity to discuss how our transaction is best for investors over the short and the medium term.

We are committed to pursuing our bid to the end state and Jeff and I, ICE and NASDAQ, will consider all options available to us in this effort. It is fundamental to note that while management receives the bulk of the attention during this process, we as a management team of public companies, are performing in the agency function. I work for the board of directors and our shareholders, 25% of our shareholders which is represented on our board and the NASDAQ OMX shareholders support us in this effort and at the end of the day, the agents will step back and the principals, the shareholders, will make the final decision. In the meantime, we will keep executing on our business plan and focus as we always have on operational excellence.

So thank you and I'll turn the call over to Ron.

Ronald Hassen, Interim CFO, CAO, SVP & Controller

Thank you, Bob. Good morning, everyone and thanks for joining us today. Our GAAP net income for the first quarter of 2011 was $104 million or $0.57 per diluted share. These results include $9 million of expenses associated with merger and strategic initiatives, a sublease loss reserve, and other items. When excluding the impact of these items, our non-GAAP diluted earnings per share for the first quarter of 2011 reached a record high of $0.61, an increase of 42% when compared to the first quarter of 2010.

Our net income reported on a non-GAAP basis was $110 million, an increase of $18 million or 20% when compared to the prior-year quarter. Reconciliations of GAAP to non-GAAP results can be found in the attachments to our press release and in the presentations that are available on our Web site at ir.nasdaqomx.com.

Our growth in earnings is driven by continued strength of the various businesses as increased revenue drove our earnings per share growth. Of the $0.18 increase in earnings per share when compared to the first quarter 2010, approximately two-thirds of the increase was driven by stronger business fundamentals, while the remainder can be attributed to the share repurchase program that we launched last year.

Turning to our record first-quarter operating results. Shown on slide five of our presentation, net exchange revenues reached their highest levels ever, at $415 million for the quarter and representing an increase of $55 million or 15% when compared to the first quarter of last year.

Within Market Services, revenues were $281 million, an increase of $40 million over the prior-year results. Cash equity revenues were $62 million, up $7 million, as lower U.S. transaction volumes were offset by modified fees. Net derivative trading in clearing revenues were $80 million for the first quarter, up $19 million or 31% due to higher volumes and market share within our PHLX and NASDAQ OMX options markets.

Also contributing to the increase are higher volumes within our Nordic derivative business. For the quarter, revenues within Nordic derivatives were comprised of $11 million from clear energy and carbon products, $14 million from trading and clearing of stock and index derivatives, $6 million from the clearing of fixed income products and approximately $1 million from other revenues and fees.

In Access Services, revenues were $53 million for the quarter, an increase of $14 million or 36% from last year due primarily to the continued demand of our services. Also contributing to the growth in Access Service revenues is approximately $5 million resulting from the inclusion of results from FTEN, which was acquired at the end of the fourth quarter of 2010. Within market data, revenues were $81 million for the first quarter, up $1 million when compared to the first quarter of 2010, as stronger European market data revenues offset lower U.S. pay plan revenues.

In Issuer Services, revenues were $91 million for the quarter, up $7 million when compared to the first quarter 2010. Driving this growth is increased demand for listed companies for our corporate solutions. Also contributing to the growth was higher U.S. listing fees and global index group revenues.

Now turning to Market Technology. Revenue was $43 million for the quarter, up from $34 million in the first quarter of 2010. The increase in revenue is primarily due to inclusion of SMARTS which was acquired in the third quarter 2010. Also for the second quarter of 2011, we expect market technology revenues to be in the range of $42 million to $44 million.

Now turning to slide 10. Our total non-GAAP operating expenses for the first quarter was $225 million, representing a $24 million increase or 12% when compared to the first quarter 2010. The increase in expenses primarily driven by the inclusion of results from FTEN, SMARTS and Nord Pool ASA, which were acquired in the second half of 2010.

Expenses associated with these acquisitions contribute approximately $17 million in expenses in the first quarter 2011. Also contributing to the increase in expenses was the impact of changes in the exchange rates of various currencies as compared to the U.S. dollar, which have the effect of increase in expenses by $7 million when compared to the first quarter 2010.

So when you take into consideration the impact of FX and the cost associated with these new acquisitions, our core expenses were flat when compared to the first quarter of last year.

Now looking forward to 2011, for the full year, we expect total run rate expenses to be in the range of 895 to 915 at current exchange rates. This is consistent with our prior guidance. This excludes approximately $50 million of merger related and other infrequent charges. Overall results for the quarter yield non-GAAP operating income of $190 million, an increase of 19% when compared to last year, as operating margins came in at 46%, up from 44% in the first quarter of 2010.

Now moving on to interest expense. In the first quarter it was $28 million, an increase of $5 million from the first quarter 2010. This is due primarily to the issuance of senior bonds issued in December of 2010, the fund from which we used to partially finance the repurchase of shares. And finally on the income statement, the non-GAAP effective tax rate for the quarter was 32%, within the range of our normalized tax rate of 31% to 33%.

Now turning briefly to the balance sheet on slide 12, cash and cash equivalents and financial instruments at the quarter were approximately $887 million. Of this amount, approximately $488 million is reserved for regulatory requirements and other restricted purposes. Also during the quarter, we used $10 million for capital spending purposes and ended the quarter with total debt obligations of $2.3 billion, the details of which can be found on slide 13.

And finally as we stated last quarter, we now clear resale and repurchase agreements. As a result of us acting as principal in these transactions, we have grossed up the balance sheet to $6.7 billion.

In closing, let me say that we are extremely pleased with our results this quarter. A combination of exceptional operational performance and effective capital management decisions resulted in NASDAQ OMX growing earnings to record amounts.

Thank you and I will now turn the call back over to Vince.

Vincent Palmiere, Head-Investor Relations

Thanks, Ron. And operator, we're ready to take some questions.

QUESTION AND ANSWER SECTION

Operator: [Operators Instruction] Our first question comes from Howard Chen of Credit Suisse. Please go ahead.

<Q – Howard Chen – Credit Suisse (United States)>: Hi, good morning, everyone.

<A – Robert Greifeld – Chief Executive Officer>: How we doing, Howard?

<Q – Howard Chen – Credit Suisse (United States)>: Well; how are you, Bob?

<A – Robert Greifeld – Chief Executive Officer>: Good.

<Q – Howard Chen – Credit Suisse (United States)>: Good. So it's been a few weeks obviously since the initial bid. You've spoken – been on the road with a lot of shareholders, regulators, your customers, just what are you hearing from each of those constituents that's making you more confident to keep going down the path?

<A – Robert Greifeld – Chief Executive Officer>: The first, I have to say, Howard, is I thought you'd ask about the quarter, right, $0.61, record quarter.

<Q – Howard Chen – Credit Suisse (United States)>: That's my next question.

<A – Robert Greifeld – Chief Executive Officer>: All right; good. I'm hoping to get a couple of questions on the quarter. It was a lot of hard work. It's not exactly great times out there, so $0.61 in that context we're proud of.

But in terms of what I said in my call, obviously, we first pay attention to what our shareholders are saying and it's easy at 25% because they're on the board, but it's been really incredible the amount of support we're getting from our shareholders. I think through the process, we picked up a couple new traditional long-only shareholders. So it's been a good experience for us and we're definitely getting the rah-rah go-forward.

With respect to talking to the NYSE or the Deutsche Boerse shareholders, clearly the NYSE shareholders love the optionality, love the fact that our bid is 20% higher and are also quite encouraging for us to pursue the bid. I have to say that with respect to what we put forward yesterday, that is probably a direct result of conversations with NYSE shareholders.

<Q – Howard Chen – Credit Suisse (United States)>: And regulators, customers, Bob?

<A – Robert Greifeld – Chief Executive Officer>: Well, we obviously have dealt with the regulators all across Europe and here in the U.S. The discussions are definitely pursuing -- we're definitely pursuing them. I would say with respect to the antitrust aspect of the regulation here in the States, it's definitely one where they're taking input. We're providing with them reams of data. We've had a number of face-to-face meetings where we're explaining exactly how our business operates. They are reaching out to customers in all segments of our business and I think what we're most pleased about is the level of engagement, involvement and the sheer number of people from the DOJ who have been working with us.

<Q – Howard Chen – Credit Suisse (United States)>: Great, and then my follow-up back to the organic business model and congrats on the quarter. The – just on U.S. options, you're seeing that nice pickup in the revenue capture there. Is that the benefit of this complex order typing or is that still on the come in your mind?

<A – Robert Greifeld – Chief Executive Officer>: Well, I think the complex order type has a ways to run but it's certainly been helpful, but it's also other actions that the management team has taken that has improved our capture.

<Q – Howard Chen – Credit Suisse (United States)>: Okay; thanks so much.

Operator: Our next question comes from Rich Repetto of Sandler O'Neill. Please go ahead.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Yeah, good morning, Bob. Congrats on the record revenue and record EPS quarter.

<A – Robert Greifeld – Chief Executive Officer>: I think you would like that revenue growth, right? It's quite outstanding, I'd say.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Yeah, and that's actually my first question. So the revenue capture in U.S. equities, despite how people view the biz, but your revenue capture went up. I was trying to see the drivers of why that went up and I guess the Nordics in Europe went down a little bit, so if you could talk to those two metrics.

<A – Robert Greifeld – Chief Executive Officer>: All right, but let me get back to my point. So the much maligned cash equity business now over a long period of time is outperforming some of the vaunted derivatives franchise. So we definitely stand by our comments that you can do quite well. And it's also interesting to note that the cash equity business over the last four years has gone through what I call abnormal competition as it was released from monopoly-type strictures into an open world. We've been in what I'll call more normal competition for the last number of quarters. So we feel good about what can transpire as we have some basic pickup in economic activity.

In terms of the equity business in the U.S., just one point I'll make is that PSX-- we had that at an inverted capture and we changed that to a positive capture, so that had obviously some positive impact in our business. And in terms of the Nordic, I think it was just the normal toing and froing of the markets and no structural change.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Okay. I guess next on to the deal. The – your net debt improved by $190 million. So I guess my question is first how are you funding – in the whole presentation, throughout all the press I've seen over the last few weeks, I haven't seen how the breakup deal is funded. Could you explain that? And then the second part of the question is, you came up with the reverse termination fee and you picked a pretty I guess, appropriate $350 million. But why was it – did you – would you consider higher or why wouldn't you consider higher because certainly some could say, hey, that's just going to fund the breakup fee that if the deal didn't fall through, that someone would have to pay the Deutsche Boerse.

<A – Robert Greifeld – Chief Executive Officer>: So, let me just try to level set on the concepts here. So the break-up fee, so to the extent that we sign a merger agreement with NYSE, then there's money owed to Deutsche Boerse and that's the break-up fee and the round number's $350 million. Now we have that signed merger agreement and we go forward with the regulators and the DOJ comes back to us with remedies that we can't agree to and we believe it's better just to step away from the deal, and that would be the reverse break-up fee that we agreed to just yesterday. So they're separate and discreet; they both come to us and ICE equally and something that we obviously had to think long and hard on.

With respect to the reverse break-up fee which we highlighted yesterday, two comments: one, that is on a percentage basis in the range of the 80 deals we've studied going back to 2008. So it's in line with norms, and certainly when we look at the fact that we have a reverse breakup fee and the Deutsche Boerse NYSE deal does not, we have zero inclination to consider whether to make that larger or not. And so in the NYSE Deutsche Boerse deal, Deutsche Boerse has the ability to step away if they believe the regulatory remedy represents a substantial detriment. And now if they did that, then there would be no consideration paid to NYSE and/or their shareholders. So our $350 million reverse breakup fee is clearly superior to no reverse breakup fee, is what we'd say. Does that help, Rich?

<Q – Richard Repetto – Sandler O'Neill & Partners>: Yes, that does. And then the funding of the breakup fee, just the straightforward breakup fee to the Deutsche Boerse?

<A – Robert Greifeld – Chief Executive Officer>: Yeah, that was – certainly I want to make clear that that was not to be netted out of our original bid of 42.50. So it was inclusive of that. So 42.50 would be the value that we'd deliver to the NYSE shareholders, and that was in our funding consideration.

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Yeah, and also the break-up fee is part of our commitment with the banks, and so they're well aware of that, as part of our commitment.

<Q – Richard Repetto – Sandler O'Neill & Partners>: So it would come out of financing from....

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Right.

<Q – Richard Repetto – Sandler O'Neill & Partners>: From the banks.

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: That's right.

<A – Robert Greifeld – Chief Executive Officer>: Yes.

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: That was incorporated in that.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Okay, okay. Congrats on the record quarter, Bob.

<A – Robert Greifeld – Chief Executive Officer>: Thank you, Rich.

Operator: Our next question comes from Patrick O'Shaughnessy of Raymond James. Please go ahead.

<Q – Patrick O'Shaughnessy – Raymond James & Associates>: Hey, good morning, guys.

<A – Robert Greifeld – Chief Executive Officer>: Patrick, how you doing today?

<Q – Patrick O'Shaughnessy – Raymond James & Associates>: I'm doing well. You guys are keeping us busy. So my first question would be as far as the conversations that you're having with regulators in the U.S., can you kind of give us a sense of what sort of timeline that you're expecting to maybe try to get some of those issues resolved and at what levels with the Department of Justice that you're having conversations right now?

<A – Robert Greifeld – Chief Executive Officer>: Yeah, it was a great quarter, Patrick, wasn't it?

<Q – Patrick O'Shaughnessy – Raymond James & Associates>: It was a fantastic quarter; congratulations.

<A – Robert Greifeld – Chief Executive Officer>: I'm going to be very predictable today. I would say this and to clarify some of the press reports that came out on Friday, we met with the Department of Justice last week. We met with them physically again this week for a very long meeting and I would – my words would say that they are in input mode, right, and we are giving them a tremendous amount of data, a tremendous amount of information and we're certainly impressed with their prior knowledge of this space and they're obviously spending time coming up to the latest state of play. And they're asking us a lot of different insightful questions, which we're scurrying around, answering back and the outreach to the customers is proceeding apace. So, they control the timing. It's completely in terms of their process. We are just obviously encouraged at this amount of time and effort put into it. Our experts who work with the agencies on a regular basis as their career certainly see the input mode at this pace will slow down or slacked six weeks from now. It'd be their guess. Again, this not a DOJ comment; it's their guess. And, at that point then you can start having more of a two-way dialog.

<Q – Patrick O'Shaughnessy – Raymond James & Associates>: Thank you for that. And then getting back to this quarter, can you...

<A – Robert Greifeld – Chief Executive Officer>: Hold on one second.

<A – Edward Knight – Chief Regulatory Officer, EVP & General Counsel>: I just want to -- this is Ed Knight -- on the Hart-Scott and on the antitrust issue, one, the Justice Department began a formal investigation on this around the time of our announcement. We are now though going to be filing under Hart-Scott which will give us more certainty around timing in terms of the waiting periods and the deadlines that exist under the Hart-Scott statute. So, we'll have the benefit of that.

<A – Robert Greifeld – Chief Executive Officer>: Well, that was good. When you're getting interrupted by your General Counsel on an earnings call, you get concerned but glad to see..

And to clarify yes, so the DOJ has been working with us prior to the Hart-Scott and we're grateful for that. As I said, it's been intensive dialog and now we'll have a formal filing, and that formal filing will also be in various jurisdictions in Europe.

<Q – Patrick O'Shaughnessy – Raymond James & Associates>: We look forward to that. And then my follow-up question getting back to this quarter, certainly I think at your Analyst Day last year, you spent a lot of time and effort talking about your European derivatives efforts and your repo clearing and other things over there. Can you kind of give us an update on the progress that you're seeing in that area?

<A – Robert Greifeld – Chief Executive Officer>: Yeah, definitely. Yeah, I didn't highlight from a numerical point of view and maybe I should have, on a revenue growth percentage basis, it's impressive. The repo business had a very strong quarter. Our interest rate swap effort in the Nordic gains, we'll say, traction within that community. We've done a number of test trades and we expect that we have great opportunity to bring that to a production status in the second half of the year.

Our efforts with IDCG made tremendous progress in the quarter in terms of our engagement with the dealer community. Also, we had some great success in NOCC where the number of clearing members has increased dramatically and somewhat counterintuitively with all the discussion about margin and margin efficiency, we have a tremendous amount of margin in the NOCC clearing house and the margin's greater than the transactional activity. So we think that bodes obviously good things for us because the firm's not putting the margin on deposit just because they want to. And so it was just a very strong quarter in the new initiative front also, not material to the earnings as of yet but still we look for effectiveness and we're achieving that.

<Q – Patrick O'Shaughnessy – Raymond James & Associates>: Okay. Thank you very much.

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

<Q – Alex Kramm – UBS Securities LLC>: Hey, good morning, everyone. Just wanted to come back to some of the questions around feedback from NYX investors and in particular, I think on Friday you met with a lot of risk arb guys, and our sense so far is that those guys aren't really that involved yet, maybe a couple that have made it to the top 15 shareholder list or so. And maybe you can give us an update on that too of what you're seeing. But any idea what it will take to get these guys more involved, and do you have any goals in terms of how big you think that particular shareholder list needs to be, the risk arb guys, to put some real pressure on the NYX board and your plans going forward? Thanks.

<A – Robert Greifeld – Chief Executive Officer>: Well, let me say this. I think first and foremost, we give a lot of credit to NYX board. We obviously know some of those folks and you read the bios, they are people of, I think, great stature in their communities and it's also in a unique position to be on the board of a company that develops and promulgates listing rules. You have a special responsibility to your shareholders.

So we certainly remain optimistic that the NYSE board will essentially do the right thing, evaluate our proposal, and we are involved with what I call friendly discussions with them. And certainly from our point of view, as we look at the proposal that we've put forward yesterday and you look at each of the important metrics that you'd use to come up with your decision, we think we're clearly superior in each and every way. And certainly when we have a reverse breakup fee and the other fellow does not, that speaks volumes there. So that's our plan. As I said in my comments, we are pursuing a friendly approach in our expectation that that will be at some point in time properly received.

<Q – Alex Kramm – UBS Securities LLC>: Just coming back to my question then, no real goals when it comes to like the merger op crowd, like in terms of how big you think they need to be?

<A – Robert Greifeld – Chief Executive Officer>: We don't think in those terms. We obviously have reached out and spoken to, I think, a wide variety of shareholders in NYX and we will continue to do that in the days and weeks to come. And I think the NYX shareholders want to know are we in this for the end-game and that cuts across all manner of shareholder. And I think that was a driving factor in what we put forward yesterday and I think it conclusively says, okay, ICE and NASDAQ together are serious. We're in this for the duration.

And again, I want to highlight that this is not personal. This is our job as here agents for our shareholders to do. We have tremendous respect for what the board, what Dunc and the management team have done there. It's just our role here is to pursue this and we'll pursue this to the end-game.

<Q – Alex Kramm – UBS Securities LLC>: Okay. Let me actually stay on the M&A just with one last question. Can you actually for us lay out the steps here in a little bit more detail? I mean it sounds like you kind of have contingency plans for basically another year. So with the shareholder vote and the shareholder meeting in April for NYX, the vote may be in July, another shareholder meeting potentially next year in April depending on what happens. Can you kind of give us a little bit of your – the playbook that you have laid out and some of the contingencies depending on what happens next year?

<A – Robert Greifeld – Chief Executive Officer>: Okay. Certainly in our planning, and I won't go to more detail than this, we have a scenario that takes us out into April 2012, and we are prepared to pursue a plan that would take us to April 2012. But I would say that we see that as a low probability and again I harken back to my comments, is this NYSE organization is certainly keenly aware of shareholder rights. We, as listing organization, deal with these issues on a regular basis and we certainly took it upon ourselves based upon their rejections, said okay, what are their points that are valid. We obviously disagreed with the conclusion but what are their points that are valid and how can we respond to their points in a productive way? And again, this is in the context of trying to make this into a friendly transaction. We are keenly aware that we're uninvited, but that has the ability to change. As we put things on the table that obviously are attractive to shareholders, there also will be attractive to the NYSE board. And we certainly are interested to sit down and talk to them. We certainly believe this transaction will create the undisputed cash equity leading franchise on a global basis. It will be attractive to people from all corners of the planet.

And when you look at what Jeff has done with the derivatives franchise, Liffe coming together with Jeff's remarkable innovation and entrepreneurship is a powerful thing for shareholders and it's important to recognize our bid is cash and stock. So, the stock component is real. People have to believe in what this will mean over the fullness of time.

Now, you obviously have a philosophical difference with respect to a exchange supermarket versus focused exchanges. It's our point of view that investors like pure plays. They can make their own allocation decisions and we certainly believe that the Liffe franchise is under the NYSE Euronext name really in name only. It's running on a different technology system. It has different segment reporting. And as Jeff and I spoke about this, we realized how it was fundamentally separate from NYSE Euronext and when we look at the world, we certainly see the equities and equity options are one logical business grouping, but fixed income derivatives and equities really don't intertwine very much at all. I mean it's fine enough to have it under one roof but there's no synergistics, strategic value to do that and we certainly think Jeff together with Liffe will represent greater synergies and greater opportunities to develop more customers and more products for customers.

<Q – Alex Kramm – UBS Securities LLC>: All right; very good. Thank you.

Operator: Our next question comes from Daniel Harris of Goldman Sachs. Please go ahead.

<Q – Daniel Harris – Goldman Sachs & Co.>: Hey. Good morning, Bob.

<A – Robert Greifeld – Chief Executive Officer>: How you doing, Daniel?

<Q – Daniel Harris – Goldman Sachs & Co.>: First of all, congratulations on a great quarter.

<A – Robert Greifeld – Chief Executive Officer>: Thank you.

<Q – Daniel Harris – Goldman Sachs & Co.>: In terms of the deal, however, I was wondering if you can lay out two specific things. First of all as you talk to investors, I would love to know what their feedback has been on the negative side, what are they concerned about? And second of all, as you discuss specifically the difference in price, what is their take on that versus what the board of NYSE said?

<A – Robert Greifeld – Chief Executive Officer>: Well in terms of the concern, Daniel, it's clearly one thing and one thing only, and that is the antitrust concern. And if we had the ability to deliver greater clarity or certainty to them on the antitrust issue, then this would be a very straightforward transaction for us to complete. I think the investors clearly understand the industrial logic, even with the NYSE Deutsche Boerse space -- transaction, I mean; it's not like cash equities is going away. In a real sense it's a question of do you create a more powerful franchise by putting NYSE and NASDAQ together or do you make it more powerful by putting Frankfurt and NYSE together.

And I think the answer there is quite straightforward and the investors know ICE and Jeff's track record and certainly see that under his stewardship, the Liffe asset could have a quite exciting future.

So it's just entirely positive. It's a question of the antitrust issue and they are excited by the fact that now we will be filing the HSR, that we have intensive meetings with them. We're obviously not sugarcoating the issue and we are presenting our arguments of why we think this thing will be able to get approved by the DOJ, and time will tell.

<Q – Daniel Harris – Goldman Sachs & Co.>: Okay; fair enough. Moving over to European cash equities, you talk about a lot of the changes you guys made there trying to increase the client base, having more access for high frequency traders and trades are up, pricing's down. If you look across the last few years, there really hasn't been any growth in the revenues in '09 and '10 and '11 the way it's starting out. What do you need to do there to actually see a nice bump up in the revenue base versus just the trade base?

<A – Robert Greifeld – Chief Executive Officer>: Well, the first thing I would say is we need to increase the non-transaction revenue in that business. So if you look at what we've accomplished in the U.S. with access services, we have to replicate that in some close fashion in the Nordics. And that's where our – part of our fundamental difference of approach comes to bear. Where we have strength in the data center in Stockholm, we have been about building the Nordic as a separate destination within the pan-European firmament and that clearly should have benefits to us on the access services side. So we are in position to really have that work for us, but we clearly have to deliver on that.

<Q – Daniel Harris – Goldman Sachs & Co.>: Okay. Thank you.

Operator: Our next question comes from Dan Fannon of Jefferies. Please go ahead.

<Q – Daniel Fannon – Jefferies & Co., Inc.>: Good morning. Bob, I guess first on your core business, a question on the sustainability of kind of the revenue capture within the options business, as you think about the improvement you saw in the first quarter and maybe looking out a bit further and for the rest of the year.

<A – Robert Greifeld – Chief Executive Officer>: Well, we certainly believe that what we accomplished in the first quarter is sustainable, and again, the pricing decisions in the options world are quite arcane, sometimes counterintuitive but surprisingly effective in terms of how we approach it. So it – really pricing in the options even more so than from the equities, springs from a fundamental understanding of what the customers are trying to accomplish and what particular segment of the customers you're addressing. So it's quite detailed, quite nuanced and I think we're quite good at it.

<Q – Daniel Fannon – Jefferies & Co., Inc.>: Okay, and then I guess, on the M&A front, just looking at kind of various scenarios and in a scenario where Deutsche Boerse does adjust some component of their offer for NYX, are you guys in a position to make changes to your offer in terms of the financial terms without actually getting access to the books, or do you need to get in there and get further due diligence to potentially make any further changes to your offer?

<A – Robert Greifeld – Chief Executive Officer>: Well, the first thing I'd say is that we have a lot of things on our to-do list these days. And when your bid is 20% higher than the competing bid, you actually don't spend a lot of time thinking about how can you raise it that much more. I would make the general statement that clearly diligence is an opportunity for NYSE shareholders to allow us to put on the table a offer that's fully reflective of the knowledge available to us. We did our best job knowing the businesses over the last number of years, but still there's a fundamental difference between having diligence and not.

<Q – Daniel Fannon – Jefferies & Co., Inc.>: Okay, thank you.

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

<Q – Roger Freeman – Barclays Capital, Inc.>: Well, hi; good morning.

<A – Robert Greifeld – Chief Executive Officer>: How you doing, Roger?

<Q – Roger Freeman – Barclays Capital, Inc.>: Good. Congrats on the record quarter.

<A – Robert Greifeld – Chief Executive Officer>: And you're entitled to a question on the deal now.

<Q – Roger Freeman – Barclays Capital, Inc.>: Oh, great. Well, I don't even usually say that except there's two guys with dark suits out here saying it'd be a good idea if I did this quarter. Anyway, all right. So...

<A – Robert Greifeld – Chief Executive Officer>: I don't know what happened to the third guy.

<Q – Roger Freeman – Barclays Capital, Inc.>: We took care of him. So just in terms of the finance commitments, I don't know if I've missed any documents or files around that, but are those on a rolling three months basis right now and does that have any impact on your ability to do a hostile?

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: It's a fully committed financing for one year. So, it's not a three month roll at all.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay, got it; okay. And then, I guess, Bob, how would you – one of the counterarguments that NYSE's been making is that the synergy targets here would represent sort of 70% of non-synergizable costs or rather of synergizable costs when you take out the non-synergizable. Do you agree with that based on your external due diligence and if so, is that possible --

<A – Robert Greifeld – Chief Executive Officer>: I would say this, with every synergy number we have put forward in every deal, we have under-promised and over-delivered, and this number fits within that context. I think our record speaks for itself.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. And then just on the running clearinghouses in Europe relative to the debt load that you'd be taking on here, whether you are – if you were to slide in the non-investment grade territory, how do you view that as – any discussions with regulators at this point as to whether that becomes a bigger issue --

<A – Robert Greifeld – Chief Executive Officer>: Well, the first thing I would say is the offer that we have on the table has been carefully calibrated to ensure that we do maintain investment grade rating, and we would be at a leverage ratio below three after 12 months. So, it's clearly an investment grade company. The second factor is our Nordic clearinghouse is ring-fenced and it has an A rating and we obviously have that completely isolated, ring-fenced and nothing to do with the parent.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. And you feel good that the rating agencies can – well can assign a rating based on a 12-month out cash flow view.

<A – Robert Greifeld – Chief Executive Officer>: That's our expectation.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. All right; great. Thanks.

Operator: Our next question comes from Chris Harris of Wells Fargo. Please go ahead.

<Q – Christopher Harris – Wells Fargo Securities LLC>: Thank you. Good morning.

<A – Robert Greifeld – Chief Executive Officer>: Good morning.

<Q – Christopher Harris – Wells Fargo Securities LLC>: Bob, can you give us an update on how co-location is progressing in the Nordics? I know derivatives represents a pretty good opportunity for you guys there. I think last quarter you disclosed maybe one customer signed up on the listed side. And then as a follow-up to that, what kind of impact on volumes you think you might see once co-lo really gets ramped in the Nordics?

<A – Robert Greifeld – Chief Executive Officer>: Well, I think you'd probably deduce some previous comment that the co-location business in the Nordic was not a roaring success for us in the first quarter. The demand appears to be very strong but we haven't turned it into revenue to the extent that we want to. So, it reps an opportunity for us, we're focused on it and as I said that's fundamental to our plans going forward.

<Q – Christopher Harris – Wells Fargo Securities LLC>: Okay. And then one question real quick on the M&A, following up on your earlier comment about antitrust being top of mind of investors here, what really strategic options do you guys have outside of the reverse termination fee that you could maybe talk to to kind of get regulators and investors comfortable about this deal meeting antitrust scrutiny?

<A – Robert Greifeld – Chief Executive Officer>: Well, one, the regulatory comment is different than investors in the beginning; at the end they come together. So, we are having very detailed discussions with the regulators. Certainly our view of the listing franchises – and our argument is centered around kind of four pillars and I won't go into detail now but just very quickly when you look at the marketplace of raising money as a very large market outside of the public market. And once you get to the public market, then there are a multitude of global choices. One of the days we were down at the DOJ, the Glencore announcement was public, so that's helpful. We have a Swiss company listing in Hong Kong and London.

The second and probably at the end of day, the most important piece is the profound regulation that we have from the SEC. So when you think about remedies that the DOJ might ask for, we live in that remedy world today with respect to the fact that we can't change a price and a lot of times price changes have to go through public comment and review. So, traditional remedies, we agree to limit your pricing and say, well, right now I don't even have that power to change the pricing. So, the DOJ has to understand the fact that, okay, we say we're regulated but what does that really mean. It's really akin to a regulatory environment of a utility.

A third is in our business, again, under SEC dictate, is there are essentially no barriers to entry, once you have an exchange license. Our listing rules in the post-Sarbanes-Oxley era are remarkably similar to NYSE's listing rules. And as BATS comes live with their product, they'll just copy ours. And what's remarkable is that we've been endeavoring to get a quasi-venture market approved under BX and it's been a two-year effort and hopefully soon we'll get that approval. But once we have it, then BATS and Direct Edge or NYSE can file a (b)(3)(A) and make it immediately effective. So, in terms of normal competitive dynamics, it's kind of upside down. You get a penalty for innovating, a financial penalty and you gain no time advantage.

And then in the construct of having these products be so defined, what will end up happening is you have a situation of what the economists will call non-essential competition. It's competition but it's not competition that DOJ economists worry about and have to protect -- inform customers about. So, we certainly think that our opening bell ceremony is superior to theirs. We have a lot of loud music going as we open our bell and we have confetti and theirs – they're on a balcony over a trading floor. We host our investor events and we kind of have a cool conference room and they have a conference room with a lot of wood and a vase, if I recollect, from Czar Nicholas. And so we compete room-to-room and bell-to-bell and it is competition but it's not essential. So, that's a broad outline of some of the things we're talking to the DOJ about. So we pursue the arguments and right now, we're encouraged.

<Q – Christopher Harris – Wells Fargo Securities LLC>: Okay; very helpful. Thank you, Bob.

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

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Hi good morning.

<A – Robert Greifeld – Chief Executive Officer>: How you doing, Matt?

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Doing well, congratulations on the quarter.

<A – Robert Greifeld – Chief Executive Officer>: Thank you.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Just curious to hear your thoughts on revenue dis-synergies and the assumptions that you're making around your $90 million. I think that's one of the issues or one of the areas that NYSE management has focused on saying that that number may actually be much larger when you assume some market share deterioration and other issues. Can you just comment on that a bit?

<A – Robert Greifeld – Chief Executive Officer>: Well one is, we put the $90 million number out there for credibility, but to the extent that happens and there's been some failure of the management teams' plans that we put in place. Now, we have obviously learned from our past experiences and when you look at what we did with INET, Brut and SuperMontage, we took the three matching engines and in the space of the year, we consolidated down to one. It was Pearl Harbor Day to Pearl Harbor Day, you folks who have followed us over the time, remember. So it was a wonderful technical success, and we kept it as one venue in the construct of the maxim that liquidity attracts liquidity, and we found out soon enough that in a Reg-NMS world, a protected quote was the dominant way the market would operate.

As we went forward in time, you know, we acquired PHLX and we had launched NOM before that and we said, okay, let's not make the same mistake again and we came out with two separate venues. And for those of us – those who follow us, again, if you remember the big concern with PHLX was the dealers were selling it to us and were they going to be committed to retain the order flow? And that was a legitimate concern and obviously we fast forward here, it's worked out remarkably well where our market share went from call it 13% to 23% and NOM went from 0.1% or 0.2% to 5%. So we executed the separate venue strategy quite successfully.

Now in this transaction, we would do obviously the same separate venue strategy. We would consolidate down to one platform and the different venues would really be different instances in the same datacenter, really in the same rack but allow the customers to trade in the same fashion that they do now. So with INET, Brut, and Montage, we force the consumers into a change which we learned from Philly.

And the very strong positive comments we're getting from the consumers is when you look at the impact of Reg-NMS in competition, the explicit transaction rate has declined quite dramatically ,but the infrastructure cost of hooking to the various venues under Reg-NMS has also exploded. So the net savings is not really as high as you think. So in this transaction, our customers would be able to reduce their infrastructure costs quite dramatically, and that would apply both on the data and the transaction side. So they're certainly positive about that. So we reduced their cost.

And then what we have here is a tiered pricing plan and we would continue and probably accelerate the tiering, where our higher end consumers, higher volume consumers would trade essentially for free and to the extent they do that, then we won't be spending the $90 million. But it's also important to recognize with our tiered pricing, and this is an important concept, the incremental market share is more about pride and bragging rights than about economics. We certainly want the incremental volume. It's important to us, and we do have pride in our market share numbers and they're paying us something for it. But if you look at what Eric and the team have done over the last number of years, is we have carefully calibrated our pricing to make sure we maximize our capture and didn't have to chase after the last point of market share.

So I'm saying, one is we will chase after it. We'll tier the pricing so that from our point of view it will be more about ego than other things. To the extent we lose some of the market share, we won't be happy. It won't affect the economics that strongly, but it's also important to note that if we lose the market share, they would be going to a venue that would be certainly more expensive because our top tier would be certainly lower than anything they can get from another venue. So, that's the outlines of the plan that we have.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: I appreciate the detailed answer there. That's very helpful. And then just one quick follow-up on the debt commitments. Now that you have the financing commitments in place, do you have any more clarity on what your funding costs might be and if you think it's going to be kind of in line with what you see now or little bit higher or lower?

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Well, it's all going to be based upon what current market conditions are when we actually close the deal, but what with some indication of pricing that we have right now, it'd be between LIBOR plus 200 to 225.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Okay. Thanks very much.

<A – Robert Greifeld – Chief Executive Officer>: And we're obviously happy with that, right?

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Oh, absolutely.

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

<Q – Michael Carrier – Deutsche Bank Securities, Inc.>: Thanks. When I look at 2010, like there is a lot of progress that you guys made. If you look at like Access Services, the fees in that business, the tech business, there was strong growth there. You did the accelerated buyback. And obviously the results showed that and the EPS grew throughout the year. And if I just look at this quarter relative to the fourth quarter which tends to be a strong transaction quarter for the industry, when I look at the revenues up $15 million, it looks like $5 million of that was FTEN, $5 million of that was FX and so revenues were only up around 1%.

So, I just want to make sure obviously it's just a quarter, so don't take too much into reading that, but just in terms of the growth rates that you guys have been delivering in some of the product areas, just want to make sure like in terms of, when you're looking out for 2011, 2012, you're still comfortable for some of the non-transaction businesses.

And then the one area on the transaction side will be just Nordic cash. It looks like pricing was down like 17% sequentially. So, just wanted to see if, one, if there was any one-time items on the revenue side, or if there was anything else that won't be occurring going forward.

<A – Robert Greifeld – Chief Executive Officer>: All right. So, let me start with a broader response to your question. When we look at the cash equity business, we have to make sure that we don't define it just as the match. Because when you look at the cash equity business, there have been strong pockets of growth outside of the match and, you know, we had certainly made the strategic decision to ensure that we are positioned in those different pockets of growth within cash equity. So, probably three years ago, we're walking around saying match, match and match market share. But there's lot of other things going on. So, most notably, have you seen our success with Access Services.

Then in our moves in 2010 with both FTEN and SMARTS, that was clearly a continuation on that strategy. And when you look at the aftermath of May the 6th, the conclusion was these electronic matching engines that have the ability to turn into a Frankenstein will not go away. So, we have to ensure that we have the controls on the front end with the low latency product such as FTEN and then we have the surveillance capability on the back end with a product such as SMARTS. And the regulatory environment is clearly getting to the point where that's not even optional, that you need it as just a cost of being in business. And the regulatory regime in cash equities is quite strong and we have to make sure that we participate in that. So we certainly see those businesses having a higher growth rate as Access Services had in the years to come.

With respect to the transaction business in the first quarter, it was quite anemic and we are especially proud of the $0.61 because it was quite anemic. I think we had essentially one good week out of the 12 or the 13. So we had 11 quite mediocre weeks. The second quarter is really not much better. We see low volume, low volatility. So we are managing through what I'll say is a difficult time and we're proud of how we're doing it. And as I said in my opening comments, the beauty of our business model is any incremental activity will flow right to the bottom line. And in our business, incremental activity can come very quickly and obviously disappear quickly.

With respect to the Nordic business, I'm not sure I have the detailed answers here but down 17% on the capture. So, I think we'll have to run that down and get back to you, Mike.

<Q – Michael Carrier – Deutsche Bank Securities, Inc.>: Okay, that's fine. And then just one other question just on the expenses, so the range is unchanged. Just want to understand like the $25 million in the [ph] UNA (1:03:44) the non-recurring charges, just what that entails. And I guess the only reason I'm asking is when you go through mergers, that makes sense in terms of seeing like elevated non-recurring items. I'm just trying to gauge how much of that is recurring versus non-recurring when we're looking forward.

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Yeah, I mean that $25 million increase for – I guess you used the term non-recurring here is really relates to our bid with NYSE. We're looking at M&A fees, commitment fees, legal fees, all associated with our bid. It's strictly that $25 million. That's what it represents.

<Q – Michael Carrier – Deutsche Bank Securities, Inc.>: Okay, thanks, guys.

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

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Hi. Thanks for taking my questions at this time. I'll be quick. Dividends. I guess on the initial bid call, you'd hinted that post-NYSE, NASDAQ might even consider paying dividends. What about a NASDAQ standalone and, Bob, how is the board's attitude tempering maybe towards dividend even though you're still continuing to post good growth?

<A – Robert Greifeld – Chief Executive Officer>: We don't want to get into internecine board politics here but I mean certainly certain board members have a preference for dividends. And when you look at the amount of cash that we generate that clearly will be in our future, it's a question of when, not if. And can I get away with that as an answer, Niamh?

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: You can, thanks, Bob. But then so even a NASDAQ standalone say, for example, if a NASDAQ-New York combination were not to happen, then it's still a when, not if?

<A – Robert Greifeld – Chief Executive Officer>: Yes, that's what I'm saying.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay, perfect. Thank you very much for covering that one. And then just to harp on the deal, all the questions almost all is asked, but could you help me understand – I mean do you envision a situation where the New York shareholders would have to vote on Deutsche Boerse without having a really good read from the DOJ on their thoughts on a potential merger with you and ICE in addition of a potential merger with Deutsche Boerse? Or do you think it's realistic to expect like shareholders will by the time of a vote with Deutsche Boerse have that information?

<A – Robert Greifeld – Chief Executive Officer>: Well, I think it's got a separate dimension to it in that what is the read on the Deutsche Boerse-Liffe standing with the competition committee. So I think it's somewhat not fair to ask shareholders on either deal to vote without the clear visibility on either issue, is what I would say. And certainly if was a shareholder, I would feel that way. So I would think the timing of the votes at the end of the day have to be timed to where there's some degree of certainty for the shareholders. It's not fair to ask shareholders to vote on something not knowing if the deal can get approved or if the remedies are fundamental to the business model.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Fair enough. Thanks, Bob. And then I guess just for your general counsel if I could. Typically there's a first stage review, right, that's about 30 days and then it could progress to a second stage review. Is that fair?

<A – Edward Knight – Chief Regulatory Officer, EVP & General Counsel>: Yes.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. And officially, do you know if the DOJ has kind of kicked off the timetable yet?

<A – Edward Knight – Chief Regulatory Officer, EVP & General Counsel>: We intend to be making the filing in the near term.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Near term; okay.

<A – Robert Greifeld – Chief Executive Officer>: The official timing will start when they get our filing.

<A – Edward Knight – Chief Regulatory Officer, EVP & General Counsel>: When they get the documents associated with that filing.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Thank you. So, we'll watch for those.

And then I guess just lastly, to come back to the cash equities but in the U.S. because you just delivered 15% revenue growth, even though cash equities volume was down 7% and the market share is down. But to the market share point because it does also drive the market data revenue as well, is it still primarily losses to internalization? And I don't know if maybe Eric is there or if you can kind of talk to. Do you anticipate the SEC kind of making some changes to market structure this year or kind of this is the new paradigm, you should expect to continue to kind of operate and compete with non-exchange venues continuing to take share?

<A – Robert Greifeld – Chief Executive Officer>: Eric is here and I'll let him answer, but I will just start by saying for us to predict when and how the SEC will act is a difficult science.

<A – Eric Noll – Executive Vice President-Transaction Services>: So, Niamh, good morning. It's Eric. I do think that our market share pressures if there are some in equities, are primarily due to off-exchange trading, and that's both through higher internalization numbers and growth and dark pool trading. Quite frankly, I'm not sure that we can count on or should expect regulatory change to make – to help us there. A lot of it is exogenous factors in the market like lower volatility which always increases internalization numbers. And we as exchange operators just have to continue to offer functionality, depth of liquidity and other innovation that drive order flow outside of dark trading into lit trading and that's what we spend our time working on.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay, fair enough. Thanks for taking my questions.

Operator: Our next question comes from Brian Bedell of ISI Group. Please go ahead.

<Q – Brian Bedell – International Strategy & Investment, Inc.>: Hi. Good morning, guys.

<A – Robert Greifeld – Chief Executive Officer>: How you doing, Brian?

<Q – Brian Bedell – International Strategy & Investment, Inc.>: Good, good. Congrats on the quarter.

<A – Robert Greifeld – Chief Executive Officer>: Thank you.

<Q – Brian Bedell – International Strategy & Investment, Inc.>: Two questions. So, one, we talked a lot about the acquisition attempt process. Maybe if you can just talk about sort of the near-term process ahead of the New York shareholder vote that they're trying to do by July. To what extent if you're not able to get the board to speak with you, to what extent would you do a tender offer, a NASDAQ ICE tender offer for New York shares if you think you have confidence from the New York shareholders ahead of the New York-Deutsche Boerse shareholder vote?

<A – Robert Greifeld – Chief Executive Officer>: Okay. Well, the first thing we'd say and we're not naïve but we are optimistic that the board will see in their fiduciary duty to shareholders reasons to engage us in conversation. As we said, we've just put something on the table yesterday that we listen hard to what they were saying, we responded to it and we think that should be effective.

Going beyond that, I'm making the general statement that we're here to the end of the process. We spoke to next April and I think implicit in those comments, there are some actions that would involve us directly engaging with shareholders. It is not the outcome that we want. It is not the outcome that we expect. As I said, we have great respect for their board. We want to listen to what they have to say, and to the extent they have more legitimate instructions, then we'll listen to that.

<Q – Brian Bedell – International Strategy & Investment, Inc.>: Okay; that's helpful. And then I guess to the DOJ process versus the process in Europe with Eurex and Liffe. I guess, obviously if you do get DOJ clearance before they do, would – and if you're not talking to the NYX Board, would that stimulate a tender offer? And then I guess the reverse of that, if Eurex and Liffe was cleared but the DOJ hasn't gotten to their clearance yet, I guess what do you see as the chances for that happening from a regulatory perspective?

<A – Robert Greifeld – Chief Executive Officer>: Well, certainly if we get DOJ approval first and we have not yet been engaged by the board, we think that would be the ultimate trigger for the board reach out to us. We are, from our point of view, I'm not speaking for the DOJ, confident in terms of the process we have to go through and the way I would characterize it is we have to explain to the DOJ market share and in Europe they have both the market share and a market structure question. And in certain ways the market structure question is more problematic than the market share. So with us having one issue and them having two, we certainly think that we have a clearer path and a more certain path to get approval. And I also think as we get into a remedy discussion, if we get to a remedy discussion, what exists for us today with the SEC oversight would be classical antitrust type remedy solutions. So we're already living in that regime.

<Q – Brian Bedell – International Strategy & Investment, Inc.>: And then just on the equities market structure in general, I mean obviously if you are successful with the NYX merger, you have a very clean piece of paper potentially to influence the U.S. equities market structure. What are – how much would you change it in terms of, I guess, deepening the liquidity pools for the investors? Obviously the buy-sides have been frustrated in general in being able to do block trades. What type of things would you do other than just having the different venues running into the same matching engine?

<A – Robert Greifeld – Chief Executive Officer>: Well, you get to the exciting things, once you get to one technology platform, and Eric and team have a number of different creative thoughts. But clearly you want to provide some cross-venue capability and Reg-NMS stopped the top of the book protection. One of the things you could think about is full book protection across your venue. So you have to make it feel to issuers and to the global marketplace like it's one integrated controlled market. One of the complaints you hear from issuers today or if you go overseas, why people want to shy away from the market is they believe it has excessive fragmentation and has a certain fragile nature to it, and so you've got to take steps to address those real and legitimate concerns.

<Q – Brian Bedell – International Strategy & Investment, Inc.>: And you think you can help resolve the fragmentation issue by combining the matching engine in the back end?

<A – Robert Greifeld – Chief Executive Officer>: Definitely. And even to the extent you're running multiple venues. What I'm saying, Brian, is you can put in structures that to the issuers and to the outside world, it will look, feel and be under command and control as if it was one central book.

<Q – Brian Bedell – International Strategy & Investment, Inc.>: Okay; great. Thanks so much.

<A – Robert Greifeld – Chief Executive Officer>: Thank you.

Operator: Our next question comes from Jonathan Casteleyn of Susquehanna. Please go ahead.

<Q – Jonathan Casteleyn – Susquehanna Financial Group LLP>: Thanks, good morning. It looks like your net capturing cash equities are still pretty firm from your fourth quarter highs last year. Just prospectively going forward, any reason to think you can continue to maintain these levels or would you expect that number to kind of, or the net capture to come down a little bit here?

<A – Robert Greifeld – Chief Executive Officer>: Well, since Eric is from Susquehanna, I'll let him answer this kind of question

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Yes, they probably know each other.

<A – Eric Noll – Executive Vice President-Transaction Services>: Hi, Jonathan; how are you?

<Q – Jonathan Casteleyn – Susquehanna Financial Group LLP>: Hey, good morning, Eric. How are you?

<A – Eric Noll – Executive Vice President-Transaction Services>: We continue to – it's always a flexible game about pricing and maintaining capture, and I think the key for us, as Bob indicated on the option side, is that our pricing has to be predicated on how are we meeting our customers' needs, both from a making and taking point of view, as well as display of liquidity point of view. So, while we remain confident that we can maintain our capture, I think what you'll continue to see us do is look at different ways to further segment our market to appeal to various customer bases to meet their needs in our marketplace. So the short answer is, yes, I think we can keep our capture, but I do think that the rate card gets more complex.

<Q – Jonathan Casteleyn – Susquehanna Financial Group LLP>: Understood; great. And then just on the market technology side, looks like order intake value is down quite a bit in the quarter. I think it was $6 million this quarter versus $71 million last quarter and then $50 million year-over-year. Any – can you – is there any way to give investors confidence that there's not exhaustion in this business, either talk about potential new wins or pipeline, et cetera?

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Yeah, there is not exhaustion here. I mean a lot of deals actually slipped into the second quarter. Our pipeline is very, very strong and I think you'll see a big rebound in the second quarter.

<Q – Jonathan Casteleyn – Susquehanna Financial Group LLP>: And your guidance for Q2 was, did you say it was $44 million to $46 million in revenues, is that right or...

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: I wish. $42 million to $44 million.

<Q – Jonathan Casteleyn – Susquehanna Financial Group LLP>: Sorry, excuse me. Thank you.

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Yeah.

<A – Robert Greifeld – Chief Executive Officer>: I'll take that as a commitment, Ron.

<A – Ronald Hassen – Interim CFO, CAO, SVP & Controller>: Yeah. He said $46 million.

<A – Robert Greifeld – Chief Executive Officer>: I thought I heard you say it.

<A – Vincent Palmiere – Head-Investor Relations>: One more question, I believe. Operator?

Operator: Our last question comes from Rob Rutschow of CLSA. Please go ahead.

<Q – Rob Rutschow – Credit Agricole Securities (USA), Inc.>: Hey, good morning, guys. Thanks for squeezing me in. I guess it's been suggested to us that a potential concession would be for you to spin off or get rid of the regulation of the listings business. So I'm just curious if you can kind of help me understand what exactly that would involve. I mean would that be as simple as just letting FINRA determine listing standards and pricing or is there more to it than that?

<A – Robert Greifeld – Chief Executive Officer>: Well, I'll let Ed – so, I'd say I have not heard that before, Rob, not -- hadn't talked to anybody. So you have different sources than I do and they're not emanating from NASDAQ OMX.

<A – Edward Knight – Chief Regulatory Officer, EVP & General Counsel>: And just to be clear, we believe this transaction not only does not present antitrust problems, we believe it is very pro-competitive. And we are engaged in the process giving the Justice Department the facts they need to reach that same conclusion. But the combination of global competition, competition from other segments of the industry, the narrowness of the real competition that exists and the SEC regulation that exists, all lead us to believe that when we complete this transaction not only will there not be antitrust problems but that we will be positioned to compete more effectively globally and deliver more value and innovation to our customers. But we're in the midst of making those arguments and the key is to deliver the facts that support that. We're not anywhere near the discussion of remedies.

<Q – Rob Rutschow – Credit Agricole Securities (USA), Inc.>: I guess I'll try again. Can you – just to help me understand what potential issues are, what exactly does your regulation of the listings business entail and what services does NASDAQ provide versus the [ph] same outside? (1:18:53)

<A – Edward Knight – Chief Regulatory Officer, EVP & General Counsel>: The nature of the regulation is that any policy or practice involved in the listing of securities must be submitted to the SEC for their review, publication, and approval. That includes all pricing activities in that business. And so there is already a very deep pricing regulation in place that allows the public and customers to fully voice any concerns around market power.

<Q – Rob Rutschow – Credit Agricole Securities (USA), Inc.>: Okay. And the SEC has the ability to block changes if they see fit?

<A – Robert Greifeld – Chief Executive Officer>: That's for sure.

<Q – Rob Rutschow – Credit Agricole Securities (USA), Inc.>: Okay. Last question's on options. I don't know if you have it but can you give us an idea of how much of your volume is executed in penny price increments versus wider spreads and how much is maker-taker versus the traditional model?

<A – Robert Greifeld – Chief Executive Officer>: We're going to have to follow up with you on those questions. We don't have that information handy.

<Q – Rob Rutschow – Credit Agricole Securities (USA), Inc.>: Okay, thanks a lot.

<A – Robert Greifeld – Chief Executive Officer>: All right, thank you.

Robert Greifeld, Chief Executive Officer

And I thank everybody for their time today. I appreciate the questions and a strong quarter in difficult economic times and we obviously look forward to better economic times and an outstanding quarter. So, thank you.

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