NASDAQ Proposal to Expand Access to SuperMontage Is Approved by SEC

New York, NY — The NASDAQ Stock Market, Inc. (NASDAQ®) today announced that the U.S Securities and Exchange Commission (SEC) has approved its proposal to allow NASDAQ participants that are not registered market makers to represent limit orders from a variety of investors in the new SuperMontage trading platform. The SEC has approved this change as a 90-day pilot program.

The change will allow broker-dealers, including active traders, and other order-entry firms that currently do not have direct access to SuperMontage to enter customer and proprietary limit orders into the system for the first time. Additionally, market makers will be able for the first time to display orders in SuperMontage in those stocks in which they do not make a market.

"The value that market makers bring to the market and to their customers is fundamental to the success of NASDAQ," said Richard G. Ketchum, president and deputy chairman, NASDAQ. "Yet over the past few months, more and more orders, generated by non market-making broker-dealers, are displayed in unlinked markets because of those firms' inability to directly enter orders into SuperMontage. We believe that it is critical to bring this liquidity back to SuperMontage and we're expanding access to the system in order to allow this to happen."

Dean Furbush, executive vice president of NASDAQ Transaction Services, stated, "The enhancement will increase competition and choice for participants' order flow. By expanding access, this step will further solidify SuperMontage as the center of liquidity."

The expanded access will be made available through the trading platform's "SIZE" Market Participant Identifier (MPID) and will go into effect on Monday, February 10, 2003.

SuperMontage has demonstrated that it can operate with total reliability under all market conditions, exhibiting increased speed and depth without sacrificing market quality.

NASDAQ (OTCBB:NDAQ) is the world's largest electronic stock market. With approximately 3,700 companies, NASDAQ lists more companies and trades more shares per day than any other U.S. market. It is home to category-defining companies that are leaders across all areas of business including technology, retail, communications, financial services, media and biotechnology industries. NASDAQ is a key driver of capital formation. 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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