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MANAGEMENT DISCUSSION SECTION

Edward P. Ditmire, Vice President-Investor Relations

Okay. Good morning, everyone. For those that haven't met me, I'm Ed Ditmire. I'm the Investor Relations Officer at NASDAQ. And thanks to everyone for joining us today for NASDAQ OMX's 2014 Investor Day. We sincerely appreciate all of you showing so much interest and taking the time to learn more about our company, including everyone here in attendance and those watching and listening through our webcast on the ir.nasdaq.com website.

A few words on the format today; after a quick welcome from our CEO, Bob Greifeld, each of our business units will give presentations and will be available for some brief Q&A at the end of each segment. At the end of these presentations, our entire management team will be available for additional Q&A. And then, we'll end the formal presentation and break for lunch, where you'll be able to ask follow-up questions.

The presentation is on our website. We intend to use the website as a means of disclosing material non-public information, and complying with disclosure obligations under SEC Regulation FD.

I'd like to remind you that certain statements in the presentation and during today's remarks 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. Actual results may differ materially from these projections. Information concerning factors that can cause actual results to differ from forward-looking statements is contained in our presentation and periodic reports filed with the SEC.

I'd like to start things out with a quick video on NASDAQ's people, titled We Are NASDAQ. Please play the video.

[Video Presentation] (01:48 – 03:42)

Thanks, everyone. And now, I want to introduce NASDAQ OMX's CEO, Bob Greifeld, who will soon be going on 11 years with the company, which, as you'll see as the day goes on, and I introduce more of the management team, makes him one of the newer additions to the company's very experienced senior management team.

Robert Greifeld, Chief Executive Officer & Director

Thank you, Ed. Good morning, everybody. Certainly I want to thank everybody for coming here today. We typically call this the market site, whereas you can see it's still actually a construction site, and this is the actual first meeting we have while it's still a work-in-progress. But it's important to recognize this will certainly be a great addition to our listing franchise and the ability to have a second studio overlooking Times Square on the second floor is something that's eagerly awaited by many of our issuers.

But it's important for our investors to know that we did this in typical NASDAQ style, and that we did pay attention to the cost. And in this building, we actually had a three-storey atrium. So we cut it down to two storeys. So essentially, we were paying for air, and now, we're paying for the same amount of air, but we have a floor on it and get greater use out of it. So it's going to be done, Bruce, what, within the next month? We hope. We hope. No, a couple – no, a month, a month.

So tying back to the video, I just wanted to say a couple of words. So the important thing about today is that it's about the management team. When I sit in meetings and we're meeting folks for this first time and we go around the room and introduce what we do, I always say that I'm essentially overhead, and that applies to Lee also and Ed possibly. But today is about seeing the people who are not overhead that actually make this organization run on a day-to-day basis, and obviously, also getting a better understanding of the business.

Now, we here at NASDAQ OMX are very conscious of the fact that we're building an institution over time, and we have to make sure that we develop the strong pillars for this institution to thrive over the decades to come. And first among those values has to be very effective people management. That's a pillar that we build upon. And one of the pillars to support that people management is we have to know exactly what our operations are about. We have to have the ability to weigh measure and count everything.

We think we have a strategic advantage with our internal cost tracking system, where every single manager, every single employee has the ability to be judged on a very granular basis with what they do. Now, we improved that in 2013 and released it to our internal use with the term PPM 2.0, and that further aligned the businesses with the support staff and gave greater direct visibility to each and every cost factor associated with that. And that is a foundational capability that allows us to set goals for our employees.

And what's interesting is we make it a religion that we have to set the goals in the beginning of the year, and have to set the goals for everything we want to do. So we basically have to plan the work for the year and know exactly what the expected outcomes are. And we'd like to say we want to keep it completely formulaic so at the end of the year there's no discussions of what the bonuses should be. It's a function, and that function is based upon the goals you set up beginning in the year and out comes the number.

And it really puts a lot of pressure on the team, the entire employee base, at the very beginning of the year to sit down and say, okay, what do I really want to accomplish during the year? Now, that seems simple, but it really isn't, and it takes a lot of time. We've just completed the process, so we have the fresh scars of how difficult it is to know exactly what you want to do. So if you take that time and effort, and our goal-setting really swamps our vendors' capability where we set up 10,000 goals, 10,000 discrete goals within this company of things we've taken the time to discuss that we want to accomplish during the year.

And then we'll measure ourselves against those 10,000 goals at the end of the year. So what you have is then a pure meritocracy where people know who have performed against those 10,000 goals, and who have not. So when you look at this management team here today, what's interesting is our line management capability is entirely homegrown, right. It could be from acquisitions where people have adapted to our system. So the culture here is very strong, it's very intense, and clearly, we have a great ability to develop a bench in a fairly rapid and sustained basis.

And the management team here has really survived in a certain way I call it a trial by fire in that every quarter we know exactly what we did against what we were supposed to do. There's really no room to hide. It's out there exposed, and clearly, the cream of the crop will rise. What's interesting is we think our talent management is as good as anybody on the planet. And we're fortunate to have joining us on the board, Charlene [Charlene T. Begley], who come to us from GE, and we're going to have some good discussions with her about how they develop talent versus how we do. My guess is that we're better, but we'll find out.

But it's certainly a focus on what we do. It's a pillar of our growth. And you get today, the opportunity to see this management team, really the cream of the crop that have risen through the years. Now, the other pillar is we obviously have to pick business models that are logical for us. Now, I think this management team has the ability to run any business they choose to, whether they wanted to be into a search optimization business, the grocery market business; we have the management skills to do that.

But that being said; we take our core business and make sure that anything and everything we do levers the core that we have. And what I like to say is, if we start something new, if we don't have a majority of the value-added that we're going to deliver to customers be in-house today, then that's a high-risk opportunity for us. So we have to make sure that as we look at our strategy, we are fundamentally leveraging the mother ship in some core way and the new things we're trying to do are dependent on those core advantages we have in the businesses that we currently compete in.

And a simple way to say it is we definitely pursue what I call a bowling alley strategy. We'd like to go really a half a pin to the left or half a pin to the right as we move forward. If you think back 10 years ago, obviously, we were the single equity exchange in the U.S., and this company doesn't look anything like that today. But if you track the progress over the 10 years, if you track that thousand-mile march, you see that each and every step was a logical extension where we levered core values, core advantages of the mother ship that we had today.

The one thing I want to – other thing I want to address before we get to the main part of the presentation is there's been a fair number of articles and publicity about the different business models within the exchange space, and I'll speak to that and certainly take questions later on it. We here at NASDAQ take great pride in the recognition that as an exchange, we provide equal and fair access to all our customers. And that is an article of faith in this organization. I think the wonder of price discovery happens by welcoming all comers.

And I think that's the wisdom of the regulatory structure, where exchanges have to take all comers. And different views, divergent views on what prices should be is what will form a marketplace. So with respect to our GlobeNewswire business, you've seen competitors to GlobeNewswire announce that they're stopping their proprietary data feeds. It's important to recognize NASDAQ OMX never had that. We have one data feed. One fair and open data feed available to all. So NASDAQ OMX will support any regulatory effort, whether it's from the State AG, from the SEC, from the CFDC, where it's promoting open and fair access. That's what we're about.

With respect to how we run our data centers; we take particular pride in the fact that we've run that one in a regulated fashion. So everything we do is obviously approved by the SEC. And as part and parcel of that, we have a rate card which is publically available. Every single customer is welcome, whether you're an institutional investor, a retail investor, or a high-frequency trading firm, a classical market maker, or an investment bank; we take all customers with the same rate card available to each other.

Now, what's interesting is, when you put people in the data center, and the data setting, it's larger, and you're really worried about fair access, you do say, how can a person who happens to have their server closer to our match have the same experience with somebody who's further away, or somebody further away have the same experience as somebody closer? So you could have somebody 100 meters away from the data center, 150 meters away, not from the data center from the core matching engine, somebody 25 meters away.

And you have to understand that we're down worrying about the speed of light and how long it takes the speed of light to travel. So I have a question for the group, how far can the speed of light go in a billionth of a second? Brad has the answer. I know that, but you can't answer. It goes one foot. So in a billionth of a second, the speed of light can go one foot. All right, so now we have people who are 50 feet difference, so it could be 50 billionths of a second.

So what we've done, and [ph] I am proud (14:18) to show this [inaudible] (14:20 – 14:23). All right, so this is, in our data center, we call it a delay coil. So this is a – we took it out of the data center last night. If you're 31 meters away from the matching engine, all right, you have this length of delay coil, right. And again, each foot is a billionth of a second differential. If you are – now this is if you're closer, you have a longer delay coil, right. Simple technology; right out of the data center, we took it last night. So further away; shorter, closer, longer. Everybody has the same experience, down basically to three billionths of a second, right.

So this as an organization has worked very hard to make sure that we've equal and fair access to all. Everybody's welcome in the data center, same rate card. Rate card's regulated by the SEC. And then, we do – in addition to that, we put these delay coils in there. There's no other way that mankind can do it better, and a billionth of a second is a short period of time. And to put in perspective, our matching engines and trading doesn't in operate in billionths of a second, right. We operate in microseconds. We're tracking down to nanoseconds here, okay?

So before we get to the program, I've got one other thing to say. So here within the organization that we have in place today, we are trained to run into problems, we're trained to be somewhat paranoid about what is transpiring in the world, and I certainly subscribe to the thought that the paranoid will survive. But it's important for us to step back now, and again, today is the day to do that, and realize – and it's hard to this day-by-day, but realize that the businesses are in good shape. And you'll see that today.

Every one of the businesses here are in good shape. And most importantly, the trend line, the competitiveness of each of our businesses relative to our peers is improving. And that's certainly the mark of, I think, a strong management team. You take your business on a relative basis. You improve it day-after-day, quarter-after-quarter, year-after-year. So it's a good time to be a stakeholder in NASDAQ OMX. I appreciate your time today and look forward to talking to you as the day waxes on. Thank you.

Oh, a little detail that – a detail that you'll remember more than anything I said today. Reflective of the fact that we're doing better, the announcement's going out; we're increasing our dividend from $0.13 to $0.15 per quarter. So anybody happy about that? Okay, good. Thank you.

Edward P. Ditmire, Vice President-Investor Relations

Thanks, Bob. And at this point, I'd like to introduce John Jacobs, our EVP of Information Services, which includes both our market data and index products families. John has been at NASDAQ OMX and its predecessor organizations for an astonishing 31 years.

Under John's direction, NASDAQ launched the Nasdaq-100 Index Tracking Stock, better known as [ph] the queues (17:50), one of the most successful financial products in stock market history. To date, the NASDAQ OMX Global Index Group has launched over 2,900 products based on NASDAQ indices in more than 27 countries around the world.

Among his former responsibilities at NASDAQ, John served as Chief Marketing Officer, launched and led NASDAQ's first listed company sales force, and managed the company's customer service teams. John?

John A. Jacobs, Executive VP-Global Information Services

No. You'll see later on today, we talk about our intern program. I was a 12-year old intern when I started. Let's just leave it at that. So anyway, delighted to be here today; thank you very much. Information Services; indexes and data, we will talk a lot about that, lots of major trends going on. I'm sure you guys are very aware of every single day as you see it out there. And the two major things I'll talk about are data is becoming a bigger, broader, more breadth of data; the different kind of data that's moving forward in the road. And passive; it continues to roll forward. So index investing and passive, we'll talk a lot about that today.

So let's talk about our ecosystem for a little bit here. So we start and what we capitalize on is our IP and unique content, that's what we do. And we do that through our scalable platform and our leverageable technology. And Bob mentioned before that we'd like to do things that leverage everything in the mother ship. Well, the technology team are partners in this; have built us the absolute state-of-the-art index engine and dissemination platform.

So recently this year, we added 13,000 indexes for our global benchmark family for the pension [ph] CUs (19:34). And we did that without adding a single person, without buying a new piece of data, without adding a new server. It's a very scalable state-of-the-art business, and we have lots of capacity. And you'll see that as we continue to grow, and whether the opportunities for us are organic or whether they are M&A or things like that, we have a great platform by which to lever. And we do the exact same thing in our data space, as we'll talk about some of the initiatives in data.

We've moved into the global financial benchmarks. Again, passive is going to continue to rollout and continue to grab more and more attention from investors of all shape and size. Our customers are on the buy side and sell side, pretty good set of customers to have. And – I didn't do that. So we're going to somehow – I'll let you guys do that. All right, well, I'm not going to see, but I will talk. We'll get there. Here we are. I know this business and there we go.

So we're going to continue to build additional product solutions in index space and broaden our benchmark to support ETF licensing. It's been great for us. You guys saw the cupcake tower out there at the food. So we just crossed $100 billion in assets under management for NASDAQ OMX Index ETFs. So we started off. This week, we have the party Tuesday. We had a celebration with PowerShares for the 15-year anniversary of QQQ, our very first ETF. Now, we've got 150 ETFs worth $100 billion. So it's a big milestone for us. Thank you. And we're going to continue, because we have at least 30 to 40 more ETFs in the pipeline in the next 12 months, here and abroad.

We're going to extend our existing equity and fixed income data products, and we have lots of great ideas to talk about that, again extending that line, and we have some very exciting things that you'll see this year coming out with macroeconomic data. So as Bob said, this is a business that's doing really well, and it's also got lots of opportunity in front of us.

So let's talk about data for a moment to begin with. So obviously, data is critical to the markets. Well what we've learnt is, our customers consume data the way they want to consume it, not necessarily the way a data provider wants to provide it. So we have to have a really phenomenal platform that can deliver direct, indirect, whichever way, and whichever kind of feed they want to have. Our content is both unique to us that is coming out of our engines, whether it's our U.S. treasury or whether it's our equity, or anything else, or an index engine, and again everything we do is scalable, everything we do is state-of-the-art technology that is a watchword for how we've built this business, and how we continue to keep this business as effective as it is.

So I'll talk about some of the products here, because they're very exciting. So NASDAQ Basic is a product that we offer. We worked with the Street, we said give us some low cost ways to do our jobs without having to pay some – for the full set of data that we may not need, NASDAQ Basic has been a great success story. Nine of the top 10 banks are using it. We probably saved the industry over $45 million just since 2009 alone. The average firms are cutting their costs 75%. So all firms are going to have to buy the full package for best execution, but there's a huge subset of people within a firm who may need less than that data. And that's what this product's designed to do.

So again, we're working hand in glove with our customers who say, give us options. And Bob mentioned earlier that everything we do is transparent. We have a rate card. So right on our website, we put every part of our products and the rate card there. It's a equal access to all of our different products and that we're very proud of that, we're very proud to be working for our customers.

Depth is a great product as well. It's deeper than any other exchange's offers, and users are making you use that product in doing twice as many trades as anybody else. And it's really a great source for people looking at the net order and balance indicator, both the open and the closed, which obviously is a critical time in the market. eSpeed, and you'll hear more about that from Joe later on today. We're very excited to partner with our transactions team in the fixed income world with the U.S. treasuries. And as they continue to rollout more products, we'll continue to rollout more data products, and we'll continue to do that. We'll continue to do that and also improve the delivery mechanisms and so on. So you'll see that more of us coming out with a – on the eSpeed platform.

Mutual Funds is a product we've had for quite a while. And again, what we've done is two things we're doing to enhance the Mutual Fund product. One is we've opened it up. We're adding structured products, alternative investments. It's a great product, great channel. We're collecting this information, we're broad the product reach and enrich it for our users. Secondly, it is the richness of data in there that could add – we could add some extra value. So we're starting to look at ways that we can strike values during the day for some of these products that typically have end of day values. Again, you'll see more coming out.

And the last slide has some – at the very bottom is something that you'll hear a lot about this year. We've got a great channel. We have customers on six continents, in almost every single country in the planet, who are buying our data today either directly or indirectly. And what we're getting requests from our customers and what we want to do is start to broaden the data that we offer them. So offering a more broader data, more macroeconomic data to help them make decisions, not necessarily trading decisions, but investment decisions as well. So I think you'll see more coming there that we utilize our existing infrastructure to roll-out other content, not always our own content and certainly not always our own content, but the fact that we can enrich that content and distribute it out. So you'll see a lot coming with the data business.

Indexes, I'm sorry, let me give you the big picture first. So we drop this. We put the Global Information Services group into four big buckets. And European Market Data, U.S. Tape, but Index Licensing and Data and U.S. Market. And our two strongest areas of growth have been Index Licensing and Data, 14% CAGR over five years. We exited the year in a little over $100 million run rate and are continuing to perform well and U.S. Market Data at 10% CAGR.

The European Market Data, the regulatory regime, the changes that are going on there, it's relatively flat right now. The U.S. Tape has been down overall. That's from the tape plans themselves, however – are part of the tape plans, however, there are few changes, some pricing changes I think the tape plans we're looking at this year, hopefully we'll start to see some growth there. But as you can see what we've got is some very strong businesses that are subscription based, recurring revenues they have – we have great asset and geographic diversification and not requiring a lot of capital investment to keep those things going.

So as I said before passive is continuing to roll, you can't open up a newspaper without seeing how indexing is continuing to expand in the U.S., in Europe, in Asia, in LatAm, in EMEA, around the world, across asset classes and to new categories. So it's not just about ETF, that's just one dimension of it. But that's look, there's been a great growth story from 2000 to end of 2013 where a number of ETPs and a number of assets have just blown through the roof, okay. And we're very poised there as you'll talked about our growth. We look at ETF assets versus other categories, again huge opportunity to go forward.

And this bottom slide here share of active, passive and alternative investment within global assets under management, again shows predictions of growth from PWC. What's great about this was earlier this weekend, I've used this chart before this bottom one right here, early this week, MSCI had their Analyst Day, and Henry Fernandez used the same chart. So I'll take credit that he stole it from us, but I stole it from PWC. But we all are on the same page here. Passive is king, Passive is going to continue to grow and we're positioning ourselves in a great place to take advantage of that trend. So within passive, there's been a lot of talk about Smart Beta and I think, this is really important to focus on for a minute, because Smart Beta is one of the major drivers within the growth of passive today.

Whoop, did I skip a slide? Oh, yeah, I'm sorry. Let me go here first. Let's talk a little bit more about passive. So as we talk about the passive trends, I'd like to – I'm very proud to announce we just won Innovative Indexer of the Year Award in London and the team was delighted to receive that award and Innovative Indexing is what it's all about now, being able to serve your customers and being able to serve your clients and their needs, as this indexing continues to expand. We have great relationships. We just have our eighth product cross the $1 billion mark. We have seven of the top 10 ETF providers have a NASDAQ OMX product or more than one, from iShares to Vanguard to PowerShares and Pro Shares that are using NASDAQ Indexes and have more in the pipeline.

We've had a 36% increase year-over-year in number of licensed ETPs, 68% increase in year-over-year of our AUM and one of the challenges that Bob gave me when he walked in the door here almost 11 years ago was, if you're serious about this index business, which was a small niche business at the time, because you need to diversify away from QQQ, which was successfully done. The Qs are less. They were 100% of our assets in the old days, they are now less than half of our assets. So we have done a great job of diversifying away. And if you think about some of the products we have, it's really extraordinary; of our top eight products, Qs is the biggest product, but the eighth one that just crossed $1 billion is our Water, our commodity-based Water Index, just hit $1 billion and it's our fifth product with PowerShares just crossed the $1 billion mark. So it's a pretty diverse group of companies – of products.

Our second biggest product is the Dividend Achievers product with Vanguard at $20 billion. We have a global penetration. We've got these kind of products, index license products in 28 countries today. In Asia, it's exploding. We're going to be our – our sales team is out there right now, as we're going to see a [ph] rush (30:20) of new products coming out this year. One interesting point is that, the NASDAQ-100 ETF – there's NASDAQ-100 ETF more NASDAQ-100 ETFs in Asia than the S&P-500 ETF, because we managed to pull off, in the end they haven't pull that off yet. We're getting great reception. Bruce's team loves that, because we are the Vanguard for the listed companies who are also trying to attract investors over there.

So you'll see this over-and-over, again the theme that Bob talked about these different businesses, we are independent yet interdependent. Our products drive transactions revenue and transactions volume for the trading businesses, our listing business love our index business because we trade products that invest directly and indirectly in the companies. It provides great data streams and great index revenue. So there's great opportunities for our business to continue to leverage and drive value to the rest of the company.

Within passive, there's new phenomenon – relatively new phenomenon called Smart Beta. It's been around a long time, had a lot of different names, but Smart Beta is what I think the industry is kind of settling on. So if we saw a great ETF growth of 16% then Smart Beta within that is at 43%. And Smart Beta essentially, a lot of different definitions is, is a transparent, rules-based investment strategy, provide exposure to market segments, factors, or concepts, essentially non-market cap weighting of indexes, looking at different ways, fundamentals and so on. It's a $200 billion market today.

However, we just saw that or SSgA has just done a survey of customers and they said that 60% of investors are looking at Smart Beta as a viable alternative for active. That's SSgA, 60% of investors. And the FT just did an article and suggests that there is $5 trillion to $6 trillion of institutional money that should move into Smart Beta in next five years, $6 trillion. So we're well positioned within indexing the passive, and we're well positioned within Smart Beta. So we're really like excited about these trends, which has been started off slowly in 1975, but it continues to accelerate and we are in the right position at the right time to take advantage of this. So for example, 27% of our ETFs are linked to Smart Beta, 31% of our AUM, but more importantly some of our fastest classes, if you look at Dividend Achievers, BulletShares, they cost $31 billion. The BulletShares product line which is corporate bond ladders, $5 billion. Now just think about that for a second.

We started off with the NASDAQ Composite, the NASDAQ-100 and about five or six other indexes that were pure equity market cap indexes on NASDAQ securities. We're now doing very sophisticated corporate bond ladders, Technology Dividends, Multi-Asset Class indexes, where a very sophisticated run of products that we're doing now for our clients here and around the world. And they're getting great acceptance in the marketplace.

The last thing I'll say about the Dividend Achievers was that was result of a merger where we bought the Dividend Achievers brand for Mergent in December 2012, which has been a very well-performing acquisition for us. The assets of the product line has gone from $13 billion to over – and between that and accretive has gone from about $14 billion to over $31 billion today. And we didn't have to hire any of the people from that acquisition because with our technology platform, we bought the indexes in, dropped them on, the cost went away, we pushed the products and everybody's happy.

So yeah, we talk and Bob has mentioned this many times, and you guys heard us talk about our GIFT initiative, our GIFT program where it's essentially we fund initiatives within the company to try to take products to the next level or to create new products. And one of the ones we want to talk about is our index weighted opponents, which is a great program, a great product. And it started off home grown, build this product, it's different in the price dissemination, it's the weights and components, what people need when they're doing these products.

So we went to the gift counsel and we asked for some additional funding, we asked for some additional – because we wanted to make some major enhancements to the product. We wanted to – mostly on the delivery side, we wanted to be able to offer direct and take advantage of some different opportunities. And you can see that we've been very successful here since we've gone through the GIFT initiative, it's a 57% return ROIC and I think that's exactly what Bob and Lee look for when they look for GIFT initiatives. But I think – and this is just, we have room to grow here. So I've – again we're very, very excited about it and we think that we have more opportunity to continue to go in that space.

I'll be remiss without introducing just the two people who are my senior team, Brian Hyndman. He is the Senior Vice President in the front row right here. And Magdalena Hartman, who's just relocated from Stockholm to the U.S.. She's overseeing a major technology release where we're retiring one of our legacy calculators over the weekend. So she is in the shop doing that and that's where she should be. But we've built a great organization, it's not huge, but we don't go by numbers, we go by the talent of the people that we have in our organization. So I think we're very excited about what we've done up to now, and I think that we're very excited about what we're going to be doing in the future.

And I think I can stop for questions, [ph] we can do (35:40)?

QUESTION AND ANSWER SECTION

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Great. At this point, I'd like to see if anyone has any questions for John on Information Services and we do have some people with microphones, so let's try to get those to the people with questions. Let's start over here with Chris Harris. Wait one second while we get the microphone.

<Q – Chris Harris – Wells Fargo Securities LLC>: [Inaudible] (36:02-).

<A – John Jacobs – The NASDAQ OMX Group, Inc.>: Well, that's actually, I couldn't asked for a better question to be asked. We're the low cost provider. We take advantage of that already. We have replaced multiple index providers in a smaller way across the board. Because of our scalable technology, we can offer it, and so we're delighted with those kind of moves. I don't think you see as many of those moves. But we are actually disrupting that. We believe that indexing should be – we do our indexes transparent-rules based objective and lower cost. We're happy to have that conversation and I'll figure we're driving that conversation. So that's perfect for us. So if you look, since we've taken our indexes, I mean, the Water Index part I talked about that was a legacy product index somebody else used. We came in and replaced it. We replaced a giant index for somebody else. We've some others in the pipeline. So, we're really skilled at that doing the exact same thing that Vanguard did and we're in active discussions on that today, but we – that's right place for a strong suit, absolutely.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Okay. I think we have another question on the other side of the room.

<Q>: Hi good morning. I think you mentioned one of your goals was to get more of your customers to buy more data from you. My question is how are you going to get them to buy more data and who are you displacing us in terms of their existing data providers today?

<A – John Jacobs – The NASDAQ OMX Group, Inc.>: That's a great question and it's actually different kinds of data than they're used to buying. So I am not sure we are displacing anyone at the current time. What we're doing is our goal is not to worry about others, our goal is to offer what our customers want. What they're telling us is in addition to the transactions data and the index data and that kind of thing that you're offering today, can you give us more breadth of data, can you give us different macroeconomic data, can you give us other dimensions to data that may not be out there in the market today are being sold in the same way today, can you package that in?

Not just going to drive trading, just trading, it's also going to drive investment decisions. People need to have the analysis, so as we look at the growth of passive as a great example, people are constantly looking at their asset allocation models, their risk of return, they need data and tools to do that, so you're going to see us move much more into the data space that provides broader types of data to help them make those kind of decision So it's not like we're going to be competing with an existing data provider, I think we're – look and you'll see some very innovative announcements coming out over the next few quarters from us.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Okay. We have one more question.

<Q – Bill Katz – Citigroup Global Markets Inc. (Broker)>: Hi, Bill Katz from Citi. Thanks for the presentation. As you think about growth of the business either geographically or by product, what's the implication for margins?

<A – John Jacobs – The NASDAQ OMX Group, Inc.>: We are very comfortable that we are not going to see serious margin compression because first off, I am delighted that I work at a company and Bob likes to say it's a big diversified company. I'd say it's an information company that owns some exchanges, I kind of reverse the way we look at things, but I am delighted to work for a company that has a global market technology business and a global listings business as well as a global market services business. I have footprints everywhere already. So my geographic expansion is not going to cost that much in that regard. We will have to have more boots on the ground in different places, but we can certainly handle that with the growth of the products that we're having. So we are going to continue to grow.

Asset diversification will cost more, somewhat it's more data, different types of data, so normalization, nothing I don't think we can handle within our margins. So we do not foresee serious margin compression as we grow geographically and by asset class. The other thing I did want to mention, which I think is critical is that I talked about the explosion of passive. The explosion of passive has happened in a lot of different ways as well. And the next time we have this conversation, we will see major inroads in the defined benefit and the defined contribution plans – platforms in this country with indexing, the growth of indexing getting in there different ways, and again we are very proud for that kind of growth and expansion.

Thank you.

MANAGEMENT DISCUSSION SECTION

Edward P. Ditmire, Vice President-Investor Relations

Thanks, John. And at this point, I'd like to introduce Bruce Aust, our EVP of Listing Services, which includes both our U.S. and European listings businesses. Bruce has been at NASDAQ OMX and its predecessor organizations for 15 years. Bruce oversees global business development and relationship management with the 3,700 companies listed on NASDAQ OMX's 16 listing markets. During Bruce's tenure, NASDAQ has not only attracted some of the country's highest profile IPOs including Google, but also prominent NYSE companies, which is including News Corporation, Marriott, Kraft, and Vodafone. Prior to joining NASDAQ in 1998, Mr. Aust spent 12 years at Fidelity Investments, and Bruce will be joined by Senior Vice President, Nelson Griggs, who is also in his 12th year at the company, and previously was at Fidelity as well. Bruce?

Bruce E. Aust, Executive Vice President-Listing Services

Great. Good morning, everyone. It is great to be here talk about the Listing Service businesses, because we really are having a tremendous year. 2013 was a great year for the Listings business, and 2014 so far has continued.

Just to highlight, the Listing business, it is a very nice recurring revenue stream, 40% margin business, very strong cash flow generation. We bill our companies every year in January, collect those bills in first quarter of the year. So it's great cash flow generation for the company.

When we see the key growth drivers on the right, you can see that 2013 was a stellar year for IPOs, we had a 126 IPOs. But so far year-to-date, we've had 42 IPOs listed on NASDAQ. We got three IPOs here today. And I just get back from California last night, I can tell you the team is doing on average across the globe 15 to 20 IPO pitches a week.

So the IPO market is very strong and we feel good about our position. And when you look at the win rates, against our competitors here in the U.S., last year we won 52% of the IPOs, and in the first quarter of this year we won 68% of the IPO. So we feel like we're in a very strong position from a listings perspective. We've got some great new initiatives that we put in place in 2013 that we continued to build up on 2014 such as the IPO auctioneer.

As Bob said, we redesigned the market side, this is going to be a state-of-the-art event space. It's really a great broadcast studio for our listed companies. We think it will be a real differentiator for our listed companies when they choose which exchange they're going to list on. And then we did last – just a couple of weeks ago the NASDAQ private market, which I'll talk about further in detail in a few minutes.

So just to level set on kind of the strength in the Listings business. We do have a great franchise, and we're part of the fact we've only been around 43 years, but three of the four largest companies in the world are traded on NASDAQ with Apple, Google, and Microsoft. And we look at Fortune names that are most admired brands every year, we have four to five most admired brands in the world with Starbucks, Amazon, Apple and Google.

So when companies are looking to join and list on NASDAQ, they really do feel like they're in good company. We have a great value proposition. They look at their trading. They look at John's business, which is the index inclusion to be part of the NASDAQ-100 is a major driver for companies that are looking to either initially list with us or for companies that are going to switch from other markets to us.

The Corporate Solutions business, – Anna's business is a great differentiator for us in the listings front. To be able to add that one-stop solution for companies whether it be an IPO or an existing company to help them with their IR, PR, corporate governances needs, is a major differentiator for NASDAQ OMX in the listings business.

We have great branding assets, to have your company's logo on the tower in Times Square is really great for a lot of these consumer brands, and then our fee structure is very competitive. So we feel good about our position. Again, we've only been around for 43 years, but we're definitely a great list of leading companies. We have probably the slides here, but I'll keep going on.

Unverified Participant

[Inaudible] (45:16-45:21).

Bruce E. Aust, Executive Vice President-Listing Services

Okay. Great. So we talk about improving the core, which is on page – the next page. We had 239 new listings on NASDAQ in 2013. This include126 IPOs as I mentioned and 34 new listings in the Nordics and Baltics. The other thing that we're seeing is, is companies that switch from the – our competitor to NASDAQ in the last five years. So we had over almost $0.5 trillion that switch from the New York Stock Exchange to NASDAQ. And last year we had some great companies join the NASDAQ, listed group, America Airlines and Marriott, just to name a couple. So that's something that our team is focused on. We get large cap companies that trade a lot, that are really seeing the value of switching to NASDAQ.

What we also saw in 2013 was really a great turnaround. For the first time, we saw increase in our issuer base. So the number public companies increased in 2013, it was up 60. So far this year we're up 26. So we saw just great momentum, as far as the number of public companies that are traded on NASDAQ and that obviously will help us drive revenues further down the line.

It is a very steady business, as I said, very nice cash flow generation. So you see quarter-on-quarter the NASDAQ listings business is very steady and reliable here. We have about $228 million in revenue, you can see quarter-on-quarter its about $60 million in revenue for the company.

We do feel like we have a unique opportunity to really expand beyond – before into the private market. And when you look at the fact that we've been generating that over $200 million in revenue from public companies, we really think there is a huge opportunity for us to start growing revenues from private companies. So I'll put some numbers up here just to kind of give you a sense of the overall market. There is 27 million private companies around the world. There are 24,000 venture capital-backed companies. And then you compare that to the public companies in the U.S., it's only 5,025 public companies.

So with our new initiative around the private sector, if we just take the 24,000 venture capital companies, and we say of those 24,000. If we just penetrate 10% of those companies or 2,400 and we were just to get 20,000 a year from those companies that would be an additional $48 million that we're not collecting today. So that's a tremendous opportunity; just as we do 10%, we just scratch the surface with 10%, which we think we can do a lot more then you're getting $48 million additional revenues for the Listings business.

So how we're going to do that? It really is with the launch of our NASDAQ Private Market. The other way we looked at closely when we look at this business is the rise of VC-backed deals. So you can see the number of VC-backed deals and the money that's been raised in the VC-backed deal is almost doubled in the last several years. So a lot of money going into VC private companies. The truth of the matter is that the average private company is staying private on average 8.6 years, so almost nine years companies are staying private. This gives us tremendous opportunity to really derive revenues from those private companies. So we're very excited about really developing those relationships with private companies, penetrating that new market and growing additional revenues from them.

So we did launch the NASDAQ Private Market a couple of weeks ago. Nelson was very involved in that. We have a great team that is out there selling to VCs and the private companies. We've got tremendous feedback when we look at the – we probably have about 10 private company presentations a week. So this is the new market for us, a new way to generate additional revenues from the listings business and something that we're extremely excited about. And I think it's always great for us to talk about how we're excited about it, but we do want to share you a quick video of a customer, this shows you how the brand of NASDAQ being behind the private market really can create a whole new category for private companies.

So with that, let's roll the video please.

[Video Presentation] (49:30 – 51:24)

So Mobli is a perfect example of the type of company that we want to list on the NASDAQ Private Market. So they're going to pay us a membership fee to be part of the NASDAQ Private Market. They are – as Moshe talked about, they're going to do a liquidity program that will create additional trading revenues for the NASDAQ Private Market. And then there's services whether they be corp solutions or other equity management solutions that we can offer this company, we can generate more revenues from this company. So just one example of the great private companies that we're talking to and we really think that we can really extend the platform much further as we go forward.

So with that, I will take any questions you might have about the listings business.

QUESTION AND ANSWER SECTION

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. Thanks, Bruce. And at this point, we have time for a couple of listings questions. We'll start in this side of the room.

<Q – Ken Worthington – JPMorgan Securities LLC>: Hi, Ken Worthington from JPMorgan again. John Jacobs mentioned the ETF business, NASDAQ has 150 ETFs at this point. What percentages of those do you list? And can you talk about your penetration of the ETF and ETP listings business in both the U.S. and outside the U.S. and is that market share growing?

<A – Bruce Aust – The NASDAQ OMX Group, Inc.>: Yeah. We'll have to get back to you on the number of ETF listed companies. ETF is a great listings market for us and we've definitely done some great jobs with WisdomTree and some of the other ETFs out there. But we'll get you that exact numbers on that. From a revenue standpoint, we usually do family fees, so the fees aren't huge on the listings side, it really is more on the trading side.

<Q>: [Inaudible] (53:01 – 53:09)

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. Thank you. I think we have another question back here. I'll bring the mic back.

<Q>: Thanks. So maybe first question on just pricing. So when you look at that win rate, the 50% and then this year starting at 68%, when you talk to the clients and they decide to go with NASDAQ, how much is it on pricing? How much is it on all the other corporate services that you provide? And then I think in terms of that win versus loss in terms of current companies, it looks like last year there is more of a rotation out, so what can you do on that side of the business in terms of trying to retain some of those corporates?

<A – Bruce Aust – The NASDAQ OMX Group, Inc.>: Yes. So as far as fees go I mean when you look at – when a company goes public, we charge fees based on total shares outstanding. So usually a company issues very few shares in the beginning. So our fees are pretty comparable to our competitor on that. You're going to pay about the same fee, there could be $5,000 or $10,000 different, but the fees are pretty equal on the market. So that normally doesn't charge, really drive a lot of this decision, they do understand if they're going to issue more shares and do secondary down the road large P deals, and yeah, we definitely win the value there, because they'll say hey, we're going to pay less fees on NASDAQ.

Corporate solution does pay a major part of that being a one-stop solution for the corporate solutions needs, is a major driver, the fact that we've given kind of an IPO in the box, companies do like that. And with the Thomson Reuters acquisition, we're the number one player in this space. And all the companies feel very comfortable with those Thomson IR products. So we definitely have a step ahead of the competition in that area.

On the retention side, we had a very good retention rate last year. We lost one large GAAP company last year that was Oracle, that was a technology deal, had nothing really to do with our overall business. So I think we feel very good of our position, getting companies like American Airlines, Marriott to choose us versus our competitor. When you look at size of deals that have switched to us in the last five years, we far outpace our competitor.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Rich?

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Bruce, I didn't quite get how you get the $48 million, the numbers there, and then I think the bigger or at least more important question to me is, what are the targets that gets to the GIFT initiative program I guess? So if $48 million is whatever 10%, but what do you judge for you to be successful, say, in a year, two years, or five years, what's the contribution need to be to make it successful?

<A – Bruce Aust – The NASDAQ OMX Group, Inc.>: Sure. So let me just walk you through the number $48 million, so I just said there is $24,000 venture capital backed deals. If we just got 10% of that, that will be $2,400. If we got on average $20,000 per company, that would be $48 million. So that's just kind of a ballpark of where we think we can go. We just launched the NASDAQ Private Market a couple of weeks ago. We really have internal goals that were set, we're not really putting those externally, but we do think there is a great opportunity to just kind of sample of how big this marketplace is.

And when you look at the fact that you're going to be getting several places you get revenues from a private company. It can be obviously membership fees, join the private market, we are looking at equity management solutions. So the biggest pain point that companies have is managing their cap table and things like that. We want to be a solution provider in that area. You look at Anna's business in corporate solutions, where they are going to need GlobeNewswire or some of other IR services – basic IR services. We really have a suite of services we can add them. So those revenues per company can add up pretty nicely.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: But just looking at return on investment, I wouldn't think it'd be a lot of investment because you're riding off the NASDAQ platforms...

<A – Bruce Aust – The NASDAQ OMX Group, Inc.>: We are. But I mean this is also a part of our acquisition. We did the acquisition of SharesPost Technology last year. We have a JV with SharesPost, it's the NASDAQ Private Market. So that is – it's a venture, it's not really a GIFT product. It's a new venture that we've launched.

<A>: But Rich, I think your instinct is right given what we see as potential, there is very little capital required to build this [indiscernible] (57:14).

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. Thank you.

<A – Bruce Aust – The NASDAQ OMX Group, Inc.>: You're welcome.

Edward P. Ditmire, Vice President-Investor Relations

And thank you, Bruce. And we're just going to take a couple of minutes real quick to a quick change of one of our AV pieces of equipment. Thank you.

[Break] (57:34 – 1:05:23)

MANAGEMENT DISCUSSION SECTION

Edward P. Ditmire, Vice President-Investor Relations

Okay. Thanks, everyone. We're ready to get started again. At this point, I'd like to reintroduce CEO, Bob Greifeld, who has, on an interim basis, been leading our U.S. market services business as well as Senior Vice President, Tom Wittman, who leads our U.S. equity and equity option franchises; Senior VP, Stacie Swanstrom, who manages our Access Services business and Senior VP, Joe Noviello, who leads our eSpeed fixed income business.

Robert Greifeld, Chief Executive Officer & Director

All right. Good. So many people, maybe it was just me said the last three months we have had the best head of U.S. transactions ever, right guys? I know. But clearly, we made an announcement this week, that Huntsville is going to run this as a global group. And let me just take you through the logic. It really was to me a very straight forward decision. I was having too much fun running transactions, so I delayed it as long as I could. I would like to say what is the dominant fact as you try to make a decision.

So back – five years ago when we did the NASDAQ OMX transaction, the dominant fact was we had to keep the equity franchise in the Nordics intact. And the folks had to feel the local presence of that, and the last thing we want to do is to have them feel as if it was a U.S. takeover of that operation. And we executed on that playing quite successfully, and I think it stands in stark contrast with what happened in the provision markets.

So as we stand here today, the dominant fact is we have three of our four segments will run globally, the only one that was not was transactions. And while the plan for equities was proper and is still proper today, we certainly were keenly aware that as we're branching out in the non-equity world, those markets were fundamentally global, a lot more global.

So if we think about our customers and their [ph] FIC (1:07:32) alignment, we're also misaligned with how our customers are organized. So clearly, we have to get to something it can to a global [ph] FIC (1:07:32) organizations. It's not going to be that precisely, but that's what we're working on. So that was the dominant fact in terms of why we had to make this global. It fits into the rest of the organization structure.

And certainly in the last number of months, it's been my great pleasure to work very closely with this team. We've had a good time, and I think we've accomplished some great things. And you'll be able to see definitely people are not overhead but get the job done every day and Tom Wittman is certainly the perfect example of a guy who comes to work every day and executes, and executes, and executes.

So, Tom, your stage.

Thomas A. Wittman, Senior Vice President & Head-US Options

So in Bob's opening remarks, he talked about the pillars of strength at NASDAQ and he also talked about intense strong culture. And of course, in 2008, when NASDAQ acquired us, I thought I had that myself the intense culture from my background and from using sports and wrestling that I thought I had the extreme intenseness until I met Bob and worked here.

So I'll tell a short story. So as I started in the options business, I had some ideas of how we're going to evolve in the Philly Stock Exchange and the options business to meet the needs of the company. So I went for lunch with Bob and I shared my ideas with Bob of what we thought we could do to increase options market share. And if we can get to the slide and you have in your deck, you'll see, I gave him the ideas and he said, well, Tom that's great, but we need to be number one. I was thinking to myself, oh my god, this guy is crazy.

If you looked at the market share of Philly, we're 14%, if you looked at our competitors, you look up and they were twice what our market share was. But I believed in the plan that we had and over time, you can see that the growth of our options business with market share here has exceeded with that of our competition, and we've been number one in market share for the past four years.

In 2009, the other thing I think is a bit impressive about this. In 2009, there were nine exchanges, and now there are 12 exchanges. So we've maintained that position of market share, and we've also been able to hold onto a decent capture throughout that time and had decent revenues.

So the question is how did we do this, how did we execute this. So I'm going to tell you a little bit about how we got there, and I'm going to tell you about what we're going to do to continue to maintain that position. Really, when you take a look at the market structure and the market structure we had, you couldn't utilize and grow that business with just one SRO. We have to utilize three different SROs, so we run three different equity options businesses. And just to briefly to go through those and how we do that, I'm going to tell you quickly about first the Philly model.

The Philly model is electronic model on open outcry. All of our competitors do not have the same kind of setup. It's a specialist model, it's very rich with features. We have price improvement, complex order flow, ability to have crossing trades and a strong floor. And it's also based on volume tiers. So we want to track business from our customers and have them hit volume tiers in order to have additional rebates or get breaks on their market maker fees.

The second model that we run is the NASDAQ Options Market, which NASDAQ started right before they acquired Philly and that model has been primarily used to attract market maker liquidity and also for passive retail customer flow. Once again, it's a volume based tier type model, so the more flow the market makers or retail flow post on our venue, the higher rebate they will get. You cannot have a single market model and run these two different businesses. They are just diametrically opposed to each other because of the construct of their rebate structure and the functionality that exist on the systems.

We thought two years ago the next best thing to do is introduce a third model, the BX model. And really this model was intended to have a market maker community provide liquidity with no tears and then segment order flow and let our customers remove from those market makers and get rid of the concept of payment for order flow and all those rebates to flow back to the end customer.

These three models have allowed us to build unique functionality and creative pricing to get to this position in the marketplace. So what do we do next to maintain this position? We're very excited and optimistic about what we can bring to each one of these three venues to continue to maintain this leadership position.

First of all for BX, it's a 1% market share venue. We don't have a lot of market marker participation there yet. To firms, banks, order flow consolidators and market makers, what they want in the industry is they want to have specialist rights across the broad spectrum of options to be a specialist. What that means is, there is a trade allocation that takes place on most option exchanges where they receive one to five like contracts, which are lucrative business for them and execution if they're on the NBBO.

So we will introduce a special system to the BX platform. We'll allocate books to market makers, and this will increase our market maker participation, we'll have more liquidity, share will grow, and we'll also attract more retail flow. It will be a non-volume based system. So firms can receive their rebates without having hit high tiers.

On the Philly platform, we will continue to enhance complex order flow book. Right now, the Philly Exchange only performs 9% of the overall cleared complex trades in a day. The lion's share of that business is done on two other exchanges. So for me, it's a huge opportunity to increase our functionality and compete in this area. We can go from 9% up into our normal range, I would think where we do 20% of the marketplace, is an area of growth for us that we believe in. So we'll target that for this year.

In conclusion for the options business and I'm going to tie the options and the equity business together a bit. We've recognized the need to use these market – multiple market models to have unique functionality to meet the needs of the industry and our customers. So we'll continue to do that through this execution plan and most importantly, we need to execute on these plans.

So we can switch to the next slide, I'll talk about equities. And I guess, like I said I'll tie some of this together. Now different front the lunch that I had with Bob talking about options, I realized that I need to have a lunch with Bob for him to tell we need to be number one in equities. You can see here through the chart, if we take a look at the market share, here's a convergence of the exchange groups to the 21% to 21 odd percent share.

I think what's more interesting for us is the chart below, which shows the NASDAQ stock market at 27% market share of the LIT market. This really drives our entire business. It help support our listings business, it help supports our access business and also helps our data business. So this is – we believe we're in a leadership position here. We'll continue to be in this position, and we'll talk about some of the programs we're going to put in place later this year.

Once again in the equity area, we utilize three market models and I think it's also important in our equity area to do this. So we've got the NASDAQ main market, we've got our BX market and we've got our PSX market, the old Philly exchange model. Some of our success on the main market has really revolved around our technology platform, our ability to have low latency, high-speed system. We're currently rolling out a new technology platform, which is in process of rolling out right now, and we'll see lower latencies, higher throughput, so we can maintain our position in the marketplace with solid strong technology.

In the past nine months since Bob asked me to assume the responsibilities of the equity business. We've taken a look at how we're organized and we've taken the concepts that we've used within our business unit for options, and we are starting to utilize those in our equity business. We've taken our operations group since we've got like customers and we've combined that operations group with our options operations group in one spot in Philadelphia, outside of the office area of our business staff.

So what we're seeing here is that our customers we got like customers. These steps are together, we'll cross train them and we'll be able to serve our customers in a better way I believe. How do we drive growth from here. We won't sit idle and continue just to slug along. We've got some great ideas for all these markets like we do in our options platform. We will re-launch PSX, and this PSX model, currently, at only half of 1% market share, we will take that model and have a combined trade allocation model that will be price setter and pro rata.

Previously, it was pro rata, and we got some feedback of the performance of that and we believe by having a combined trade allocation model that the type of feedback we got with flickering quotes will have a more stable bid and offer and we'll be able to add size of that bid and offer and we'll re-launch that later this year. We will introduce a price improvement mechanism on our BX platform and strengthen that platform.

Currently that platform runs at about 3% daily of U.S. market share. Price improvement on that platform, we believe, will be stronger because of the fact that customers [ph] remove (1:18:30) for a rebate and not pay excess fee. So we think that we can pick up some volume here, and then have a more meaningful price improvement mechanism.

We're going to step out a bit and take a look at introducing an auction mechanism later in the year to our NASDAQ main market. And I would say that it would be more option style and it will be to utilize our extensive number of market makers and participants on our main market to interact with flow that's brought into an auction to increase the customer's ability for price improvement. So we're excited about these changes. We think they will make a difference. And we're looking forward to getting these programs up by the end of the year.

In closing, I want to leave you with a couple of thoughts. I think we've proven that we can be a visionary. We anticipate our customers' needs, and we've been able to react to regulatory and industry changes, and I think we will continue to do that throughout the rest of this year. And look forward to answering questions that you have later on.

So with that, I'll introduce Stacie.

Stacie Swanstrom, Senior Vice President, Access Services, The NASDAQ OMX Group, Inc.

Thanks, Tom. My name is Stacie Swanstrom. I've been with NASDAQ for 21 years, the last almost five years managing Access Services.

Access Services is a diversified product mix that supports our equity options and fixed income businesses. It's a bit of a misnomer to call it Access Services, while market connectivity – you can go to the next slide, sorry, while market connectivity and colocation are largest businesses and probably the best known. We also handle trading applications, our reports in our NASDAQ membership, risk and compliance solutions and things like that.

Next slide, please. As you can see Access Services has demonstrated consistent growth. In 2013, we introduced several new connectivity options within our data center, as well as millimeter wave that has created high-speed connectivity in between our data centers, connecting the financial hubs in the New Jersey area with Carteret.

We also introduced the microwave connectivity which gave high-speed access from Carteret to Chicago. Admittedly, our – in 2013 growth was challenged due to low volume and volatility. However, we are very optimistic that 2014 will bring growth again. And we feel that, there is now less excess capacity in the markets. We're also in the process of migrating eSpeed customers to Carteret. And we have a lot of innovative projects going on, that we're excited about, that I want to tell you about today.

Go to the next slide. So speaking of innovation, I thought, I'd run through the businesses and show you some of our key businesses and what we're doing in those areas. Starting with colocation, on January 1, we introduced a fee change, that we considered a strategic pricing change, where we reduced the cabinet fees by 50%, and increased the connectivity fees. As you can see this significantly changed our revenue mix. And we think that this did three things. Number one, it puts pricing on the real value of what we have to offer in Carteret, which is access to our matching engines.

Number two puts us on par with our other data centers, and it allows us to compete more effectively for footprints, or clients footprints. And number three, it reduces our risks and revenue dependencies on cabinets and power as technology gets more efficient and it reduces the need for power. So we feel like that this was overall a good strategic move. We've also introduced new connectivity options within the data center, including 1 gig Ultra, 10 gig Ultra, and 40 gig.

As I mentioned, we'll continue to expand our millimeter wave by adding BX data as well as eSpeed data, and we're going to be connecting via millimeter wave to Mahwah and to the NYSE to get their data. We're also going to retire the 1 gig network which we should see cost savings as a result of our colocation business.

Next slide, please. Continuing with innovation in our market connectivity business. We just launched our dedicated OUCH offering last week, that we're excited about. Dedicated OUCH gives our clients the option to have a dedicated environment, where they can better control their trading. It essentially gives them the ability to protect their orders against trading spikes that can occur and give them better determinism there. In Q3, we're planning to introduce FPGA for OUCH. And we're also planning to offer Dark Fiber and POPs in the major financial data centers that surround Carteret. So we're looking forward to that.

Moving on to TradeGuard, that is our full-service risk management suite, and we have two new products on that, you may remember that is F10, but we have rebranded it and we have expanded the offering. One of the new offerings is the Risk Wrapper, which essentially takes the data off of the network capture devices as a client. We feel like the Risk Wrapper is the ultimate collector and serves as an insurance policy to our clients in the event that either, A, they inadvertently do not include some of their new trading strategies in their risk systems which has happened or that, B, they need an insurance policy against an existing risk system that they already have in place.

So the Street is excited about this and we have a lot of interest there. So that's exciting. We have also upgraded our gateway. The new product is called the RiskWay, and it's a sub-mic gateway that gives you access to the U.S equity markets but also has a number of pre-trade risk checks on that.

Next slide please. So our NASDAQ test facility, we are in the process of making some upgrades there. We are moving the test facility or we did move the test facility from our Ashburn data center to Carteret. This will give firms easier access to the test facility. We are also going to be launching an Algo test facility next quarter in partnership with Thesys Technologies. And this will allow firms to better test our Algos and their trading strategies. And it gives a broader, sort of broader – allows a broader market to actually access these versus the most sophisticated firms that have the capital commitment to be able to do this.

So we started with NASDAQ equities and we'll expand to all U.S markets later in the year. So in addition to our risk offerings, we think this is another step in further protecting our clients in our market. And lastly, we continue to evaluate partnerships where it makes sense in order to provide our clients with innovative products that they want and need to be more efficient. As an added plus, it also limits our risk and our capital commitment and allows us to bring products to market more quickly.

So our customers know – we think our customers know that we are a trusted partner, and they are increasingly looking to us for outsourcing opportunities, simply be because we have the economies of scale, we have the expertise and we provide technology quicker, leaner and better. So, we're very excited about what we have to offer in Access Services. And I thank you for your time.

And I'd like to introduce Joe Noviello, who heads our Fixed Income business. Thank you.

Joe Noviello, Senior Managing Director, NASDAQ OMX eSpeed, The NASDAQ OMX Group, Inc.

Thanks, Stacie. Good morning, everybody. I'm going to take a few moments to talk to you about eSpeed, obviously a significant investment last year. I kind of like to think about it as the shining new toy for NASDAQ. And I'm going to leave you, hopefully, with some thoughts around why we think it's such a great growth opportunity for us.

So I might be the new guy as part of NASDAQ, but I've been with eSpeed quite a long time. And for some of you, you may know that eSpeed was the first platform to introduce electronic trading back in 1999 for U.S. treasury benchmarks and I was proud to be a part of that driver, and it was a lot of fun and it was really exciting. But this is even more exciting to be able to take what we built to the next level in an environment which is quite different, that doesn't really have the barriers and the obstacles that we struggled with sometimes with eSpeed, competing internally with the voice brokerage operation. So we think without that obstacle in our way, we can really take eSpeed to its fullest potential as we increase our footprint in the fixed income marketplace.

So for over the last decade, we've operated as really as one of only two successful products in the fixed income market segment. And we know that that segment in benchmarks is overwhelmingly electronically traded. We transact today about $85 billion in notional volume across a global set of customers of about 125 clients.

And sort of despite some beliefs that's in the marketplace today and some things that have been discussed, we're a sell side community platform. We service primary dealers, broker dealers, proprietary trading firms and liquidity providers. And we're really focused on continuing to do that. So we see an opportunity with eSpeed to improve the quality of the products to its customers by leveraging the internal capabilities and knowledge of NASDAQ, while growing our customer base and improving our – and expanding our product menu. And so we haven't been here that long, but we've already made great progress in all three of these. So we're already along the mission to improve our technology, something that you'll see improve and accelerate as we move our data center, which is coming up. And that's really going to set up the foundation for us to be able to expand our product and continue to improve our performance.

Since the acquisition we've worked closely with our colleagues to leverage their client relationships, we've already onboarded several high quality clients, developing a pipeline domestically and internationally to continue to grow that. We think some of that will begin to take shape again after we move as some of those clients are already well positioned within Carteret. And we've also begun to expand the product menu.

In the first quarter of this year, we've introduced support for floating rate notes. It's a small product, but we expect that that product will continue to grow as more issuances is released into the market, and as rates change, it may become a very interesting product for our customers. So I think we're already beginning to see some of the benefits of being within NASDAQ. And we look forward to continuing to do that, leveraging these enhancements to taking our market share from the 35% range and where we closed eSpeed, really closer to 40% is our immediate goal

So our strategy to do that is simple. It's to improve the overall quality and support of our product, extend our customer base and our product base, and real do that while enjoying hopefully the benefits of the growth of the macro environment that we're operating in.

Next slide, please. Next one. Okay, there are more. All right. So we've recognized that technology is really the foundation for us in everything that we do. It's going to be the foundation for our performance, it's going to be a foundation for our ability to grow product. And as I said, since the acquisition, we've really been working hard to integrate eSpeed into the operating framework of NASDAQ.

And while we've been doing that, we've had our technology teams really focused on performance. And so by leveraging the experience we have and the best practices that NASDAQ has operated for years in electronic services, we've made significant improvements already in our performance. We've increased our roundtrip latencies by 35%, and more importantly eliminated a large number of the tails, the latency tails that clients were experiencing. So that just makes the system more deterministic and easier for them to program towards.

And doing so we've also increased the overall throughput of the system by 28%, and we dramatically improved the data distribution latencies. So all those things are really beginning to come together for us, but it's only the beginning. And so throughout the year, we'll stay focused on performance, we'll continue to do that, and we're pushing towards an overall 50% latency reduction, is our goal for this year.

So I think everybody will agree that it's been an extremely long and cold winter. And in the next short few weeks, we hope to leave winter behind as well as our old data center, as we migrate our services over to Carteret. And this is important for us. We're going to deploy on completely new infrastructure, new servers, new storage, new network environments, but most importantly, we're going to be operating with an immediate proximity to one of the world's most experienced electronic trading environments. And so our clients that are there are going to benefit greatly from our move into that environment. So May for us, really set that foundation of growth both in that performance area as well as our product growth.

And clients will see an immediate benefit in performance, but they're also going to see tremendous savings [ph] to give you a leave of (1:33:05) footprint behind that they currently manage in our Rochelle Park data center, something that they maintain just for a single asset class. And so by moving this into Carteret, they get to leverage what they had in place, and simply extend that through some of the Access Services components that Stacie talked about.

So throughout the rest of the year, you'll see us continue to take other NASDAQ assets and put them to work for eSpeed. We'll introduce an ITCH protocol, which is a data protocol, which is highly regarded in the industry as the standard, we'll introduce an OUCH protocol, I didn't make these things up.

And OUCH protocol which is our low latency order entry mechanism, which is another high regarded product. And those things will really continue to drive the simplicity to connect to our products as well as the overall performance. In addition to focusing on the data center, we recognized we have a global customer base. And we're working hard to extend our presence and our distribution to those clients. And so throughout the year, we'll be establishing points of presence in over 20 data centers, really making it easy, a much simpler connectivity model than we've operated before, where clients can just cross connect from their data center into eSpeed.

And we're also working on improving on distribution. And so we're really excited previously to have announced eSpeed's availability on trading technology which is long overdue, and something that we should have had a long time, but it really gives clients the opportunity to access our products today in technologies that they prefer. And so by bringing that to them, it's hopefully going to make it easier for them to access the market. We hope to see some benefits of that in the coming months.

And if that wasn't enough for us on the technology side, at the end of the year we expect to introduce back-up data facility in Chicago. Business continuity diversification is very important of course. But in doing so, we chose Chicago because we felt that if we did it somewhere else, we would ask customers to invest again in connectivity and invest again in the technology footprint. So rather than doing that we chose somewhere where they are and we're going to them this time. And so we'll build that and hopefully have that available towards the end of the year.

Previous slide for me, now. Okay. So our core products, as you know, we operate in sort of one of the largest market segments in the world. And it's a growing market as well. And so although the benchmark securities, benchmark U.S. treasuries are overwhelmingly traded electronically, the rest of the fixed income market really isn't. And so we think at about 22% of the market today, trades electronically and the rest of the market really hasn't fully embraced electronic trading, and they continue to use less efficient and more expensive methods, voice brokerage essentially to access those markets. And again, we sort of think being freed from that, we only have one place to go and it's the electronic way. And so we don't really have to deal with those natural conflicts that existed prior between the electronic and the voice operation. So we see this as really, that's our opportunity, to really go out and capture that growth.

So over the last several years you've seen obviously record issuance of debt for the U.S. treasury market, and controlled rates and tape and quantitative easing have really kept though the average daily volumes down. We've seen that the volatility has been held low by those actions, and as a result, we've seen the volumes as a percentage of that debt significantly decline.

And so I think when NASDAQ look to acquire eSpeed, there was certainly some uncertainty about when tapering would begin. It wasn't a matter about if, it was just about when. Now we've seen that started already, and we've already begin to see in the first couple of months of that, some pickups in volumes on a year-over-year basis.

And so as we get past that based on recent statements from the Fed, we know that easing and tapering will basically end before the end of the year. And so the focus is going to shift now from tapering to rates, and not when will rates change, but not if rates will change, but when, and so we again think that, as that goes on, it will continue to add to the average volatility and increase the volumes in our core business.

So we believe overall that the continuation of tapering and these changes in fiscal policies are going to bring us back towards a market driven rate environment, as opposed to a Fed controlled rate environment. And that's going to lead to differing opinions, it's going to increase volatility that will lead to increased volumes. And as that supply enters the secondary market in which we operate in, that's going to give people the ability to transact more, and it's going to actually attract some players back to the market that had left because of the lack of supply or the lack of volatility, and for us what's nice is a lot of those players that we know about already maintain a presence in Carteret. So reentry into that market is going to be quite easy for them without much cost.

Two slides, okay. So my last one, obviously that's all great, but really the opportunity for eSpeed and the growth potential comes in our ability to expand product. And so there is lots of things that we could expand into, we think the technology is really well suited for those – for many options and many products, but for us our focus is going to be to extend the product to complement what we have and to introduce electronic trading in those products that are immediately adjacent to the fixed income markets that our customers currently operate in.

And products that they currently trade today through voice services, which are just more expensive for them. And so following the migration of our data center, we have an aggressive plan to start introducing new product. We'll start with the U.S. treasury bills marketplace. We'll follow that with the U.S. treasury off the run marketplace. And then in each of these products are, they're well established liquid markets, and they just rethink that they're easily transportable from the voice operations into an electronic space. It's our goal to bring efficiencies to these markets through the use of technology to really emulate the current market structure and not change it.

We're not really interested in tightening spreads or changing the way those markets operate. What we want to be able to do is use new technologies like we put together like our discretionary order types and our continuous block trading environments to let our technology become the broker for the customer, just become their broker, but more efficiently, discreetly and at significantly reduced rates. So we've been out. We've been talking to our clients. They're quite excited about these opportunities. We're excited about the feedback. We're also excited about the validation they've given us, that's some of the functional changes we've made in the system, are things that they need as we move from products to products.

So we think we can continue to leverage these changes we've made as we extend beyond those first two products and things like TIPS and other international and domestic products. And I think, the one last thing that's important for me is from a technology perspective as we or any other exchange continues to introduce products, it puts tremendous burden on our clients. They have to continue change in right and adapt these different markets. And so, what we'll do is we'll introduce a method by which you can connect to NASDAQ. And when you connect to NASDAQ, we'll help you route to the various products within NASDAQ.

So instead of just connecting to TOM for equities or connecting to our Nordic products and then to eSpeed, you will be able to reach each one from anyone. So you'll see order routing solutions be introduced between NLX and eSpeed and some other efforts we're going to be doing in the near future.

So by that, I hope you see that 2014 is really busy for us and we'll look forward to talking to you next year and hopefully tell you about all the results. Thank you.

QUESTION AND ANSWER SECTION

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay, thanks Bob, Tom, Stacy and Joe. And at this point, I'd like to take a few minutes to see if anybody has questions about U.S. market services. Let's start with Richard here.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: I guess my first question is for Stacie and the new products that you're rolling out, this is on slide 33. I guess the criticism has been, you got these new products, but the costs are bearable only by some, I guess. And I guess, I'm being lazy, because I know it's regulated and all these prices are published, but could we go through like some on the costs per month of like the 1G Ultra, the 10G Ultra, the 40G connectivity, like what's the charges per month for these type products?

<A – Stacie Swanstrom – The NASDAQ OMX Group, Inc.>: Sure. I believe the 1 gig Ultra is approximately $2,500 a month, the 10 gig Ultra is $15,000 a month, and the 40 gig, I believe, is also $15,000 a month, but let me just verify, these are all on our website and I'll get back to you.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: And just a quick follow-up. The uptake to these, I guess, who has accepted just in numbers wise and since they've been launched? And I guess, maybe it would be good to know when they were launched too.

<A – Stacie Swanstrom – The NASDAQ OMX Group, Inc.>: Sure. So the 10 gig Ultra, 40 gig came out last year. The 1 gig Ultra was introduced this year and the 10 gig Ultra was introduced late last year, and uptake has been very good. Now, between the 10 gig Ultra and the 40 gig Ultra, or the 40 gig, it just depends on what you need. We have seen some movement around there, because 40 gig was the first thing we offered and that was the fastest switch. And so there was a big uptake on that, but obviously once the 10 gig Ultra came out, even though, it's 10 gig and now not 40 gig, the 40 gig is more for bandwidth, but now, the 10 gig Ultra is the faster switch.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Just to clarify, when you say uptake has been good, is it – are we saying 5 gig to 10 gig, are we saying 20 gig to 50 gig...?

<A – Stacie Swanstrom – The NASDAQ OMX Group, Inc.>: Yeah, we're seeing the latter.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Okay. Thank you.

<Q>: Question on the eSpeed technology upgrades. Just curious the upgrades you guys are doing doesn't get you up to the level of your primary competitor or do you think it gets you to a level above what they're offering. If it's the latter, are these upgrades going to create opportunities for you guys to pick up some share?

<A – Joe Noviello – The NASDAQ OMX Group, Inc.>: So it's our initial goal to become at par with them. And so, some of the things that we've done have gotten us very close to that today. So already we've made changes that are getting us very close to the response times that we believe that they operate at, and some of the – but our goal isn't to stop there. So we want to go further than that. And so some of the further changes we'll make throughout the year, we believe, are going to put us in a position where we're going to actually be the best performing platform out there, and we certainly hope that that's going to help us pick up some share.

<Q>: Thank you.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: One more question.

<Q>: Thanks. I guess this is for Tom, but some of the buzz around this high-frequency trading stuff is focused on the frequent batch auctions. Just wondering if you have thoughts on that. Is it something you guys looked at all, something you think is feasible?

<A – Tom Wittman – The NASDAQ OMX Group, Inc.>: So you're talking about intra-day, doing intra-day auctions instead?

<Q>: Yeah.

<A – Tom Wittman – The NASDAQ OMX Group, Inc.>: Yeah, we have looked at that a bit and I actually don't think it will have great uptake in adoption to that. I think what's most attractive about the NASDAQ market is constant liquidity that we have there, the depth of the liquidity, and it may be more effective in issues that aren't traded actively in a day. So we gather liquidity to launch an option and execute. So when it comes to HFT and auction, I think that an auction is probably maybe more useful in a less liquid issue not in the issue where people think HFT is more prevalent.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. We have time for one more question. Can we get a microphone to Ashley.

<Q – Ashley Serrao – Credit Suisse Securities (USA) LLC (Broker)>: Hi, just had a question on eSpeed. When you look at your core client base, it's really the sell side, and a lot of these initiatives basically electronifies their fixed income businesses which they're struggling with. So my question to you is as you talk to your customers today, what's the reception been and how willing are they to embrace some of these upgrades and technologies that you talk about?

<A – Joe Noviello – The NASDAQ OMX Group, Inc.>: So I think you are correct it, a lot of our clients are pressured with a lot of different things with regulation with change and as well as cost savings. And so our – the response we've done, the reason why we've picked the products we have is because of the demand we've heard from the clients. So we're listening to what they say. The first thing they said was about the performance, we needed to improve that. Then they needed to just figure out better ways of being more efficient. And if they look at their cost structures, a lot of their products that they're trading, they're paying high rates for it. And so by giving them these electronic alternatives, we help them bring those fee structures down. And they're all automating their solutions as well. And so it fits nicely together with some of the things that we're doing, so the reception has been very good.

MANAGEMENT DISCUSSION SECTION

Edward P. Ditmire, Vice President-Investor Relations

Okay. Thanks, everyone. At this point, I'd like to introduce our next speaker Hans-Ole Jochumsen, who is promoted to head the new global market services business earlier this week and who will be speaking today though on the European market services business, which he has managed since the combination of NASDAQ and OMX. Hans-Ole has been in NASDAQ OMX, at OMX for 16 years. His responsibility as head of European market services was to successfully lead the Nordic and Baltic markets. Prior to the merger, between NASDAQ and OMX, Hans-Ole served as President of the OMX and previously served as President and CEO of the Copenhagen Stock Exchange where he spearheaded the merger of the Copenhagen and Stockholm Exchanges. Hans-Ole?

Hans-Ole Jochumsen, Executive VP-Nordics Transactions Services

Thank you, Ed. This week it has been difficult not to think a little bit back in the history at least for me and Bob's comment this morning about the history of NASDAQ OMX and what the last 10 years have meant for this company from being local U.S. company to be a global company, got me to reflect a little bit upon what Ed mentioned that I started in the exchange industry in 1998, recruited as the President and CEO of Danish Exchange and it's interesting that my task was to find out to have this Danish market and by the way remember Danish market is smaller than at least measured in inhabitants than the city that we should try to bring that into another context into a bigger family and discreetly one of the directors mentioned for me and so all I remember that you risk losing your job taking on this task.

And now as 16 years later, I can see how important this has been especially for the Danish market, which definitely have been benefiting from being part of a larger group and today being part of a global group. Beginning of this year has been fantastic with increase in volumes compared with last year with more than 50%. A lot of reasons behind that and by the way I'm still here.

So the Danish DNA and culture means that I should – I will be pretty humble. But I'll try to see if I can be less humble to make sure that we get you a little bit excited, because you have been sitting, listening for a very long time. So we've tried in different ways to give you a little bit insight into the complexity of our Nordic markets.

Last time, we're a little bit concerned because we still were in the middle of this European crisis. So we tried to show you that this is the safe part of Europe and I'm trying to see if I can convince you that we did well. This time, we tried to describe it in another way, where we in reality are trying to show you that we are in a number of asset classes. We are in three asset classes today. Looking at few numbers, you don't have here but we're talking about that we on, for example, listed bonds, which probably are something you normally don't think that much about, but we have 7,440 listed bonds and that's nice revenue coming in every year and also nice revenue every time we get [ph] news in (1:51:37).

On the futures and options side, we have 500,000 contracts per day in average. On the financial side, we have 175 members that's by the way very good for our colocation and access services, come back to that, and on a commodity side we have 464 members. So I just want to mention these numbers to give you a little bit insight into the size, the strengths, stability of this relatively diversified business we have in the Nordics.

Can we have the next slide, please. So what do we want to say with this slide. Yeah, definitely we see a trend from our cash equity business, which is a historical strength into having more revenue coming from futures and options and thereby also clearing. And I think especially that is one thing we are pretty proud about and that is our cash equity business.

I had to admit that we have included the access services, but we had done that because in this context, it's a little bit relevant, because when we merged, we did not have that business at all, because we did not have technology, which allowed us to have that kind of business. So with the introduction of the [indiscernible] (1:53:10) technology, we were able also to introduce access and collocation services. And it's quite interesting to see that in [indiscernible] (1:53:21) Europe had been in crisis, more or less all of these years. We have introduced competition in Europe. We have been able to keep in reality our revenue more or less during these years in the cash equity business.

On futures and options, we've been able to have an average growth per year of 8%, I think that's pretty good. The listing business or the bond business I mentioned before with a number of bonds where we are having an annual growth in average of 5%, and by the way the year has started very well in that area.

Broker services seems to be the best story here, but [indiscernible] (1:54:08) there's a little note up there, saying that we sold some business in 2009, that was simply because it was loss making, I didn't believe we're able to get to a decent margin and then it was better to get out of it.

And if I take that out and recalculate the numbers for the existing business, in reality we have an average growth of 15% in that part of the business. So at least we feel that given that situation, the competitive situation, the economical situation in Europe, I think we feel pretty proud of our volumes and results in that part of Europe.

Let me, on the next slide, say a few words about regulation, which has a lot of similarities to U.S., but also a few things which is different. Let me start saying that, we believe that the biggest driver for our business will be the new Basel III rules. Our clear messages coming from customers, our banks, is that cost of capital is their number one. And the capital requirements will drive up cost in such a way that it will be very expensive in the future to do bilateral activities that they have done. And it will be clearly more beneficial to clear. I think that is definitely make it a number one coming out of regulation.

Secondly, EMIR which is the similar to Dodd-Frank and I have a few things which is important, of course, we all know why we got this regulation, it was because political system wanted to mandate clearing [indiscernible] (1:56:02) defined and find out how much to demand clearing, but there will be mandatory clearing also in Europe. And you can see on the timeline that some of these things are kicking in later in the coming years. But the other thing about EMIR in Europe is that it is standardization of how you can organize and run a clearing house in Europe. And we are extremely proud that we are the first of 20 clearing houses who are going through a process to get a new approval to be allowed to run business in Europe, we are the first one to be approved by regulators and that in reality kick starts the process to define which products are going to be mandated within the next 9 months to 15 months.

And finally it will also create opportunities in other ways. MiFID, and in reality MiFID is you can see the European regulation for exchanges, and exchange markets are going to be – going to first round of looking into how to adjust, you can say, the parts of the original MiFID which was not working well enough.

And in reality the idea with the exchange regulation in 2007 was to create a more transparent equity market, that has not happened and that is in reality what the political system in Europe are trying to obtain with the revision of MiFID. So definitely, we should expect that volume are going to move from dark pools to the transparent market and of course NASDAQ OMX should benefit from that and the timeline will be something around beginning of 2016 for that kicking in. The other important part of this is that it will create open access on the clearing front and definitely with our position in Europe it will create new opportunities for us.

Let me then move into the business and then start to give you a little bit on the next slide, an overview of – if we can get the next slide, please – where we see opportunities to grow our business. And today, I will try to spend most of my time on what we call new initiatives, but let me say a little bit about our opportunities in where we are. I have already mentioned that the listing business, be aware of that in Europe, the corporate bond market is pretty small compared to U.S. given the increased capital requirement for banks. There is a reason to believe. There will be a huge growth in structured bonds in Europe and the trends have already started to develop. So of course, we are doing our utmost to make sure that we're gaining our parts of that growth. So that is one interesting area.

On the equity side, yes, we've been relatively successful keeping our revenue. What is also interesting is that we've also been successful in keeping our market shift pretty high. You will see in the appendix to this presentation that we have a market share around 70% [ph] in reality have been increasing lately with your costs extremely satisfied will (1:59:48).

There are many reasons for that. The listing activity is of course beneficial for us. We've also made sure that we always are developing different kind of services which may get very beneficial for local players to stay with us; and the local players are typically ones who have the real flow and it means that the quality of liquidity on our exchange are extremely strong.

Finally, I would like to say about the equity business that we should be aware of that this business is still measured in velocity; I mean, volume compared with market cap is still at a low level in Europe. So if you look at it from a market perspective, then depending on how bullish you are on the future, there should be some potential upside in the longer perspective in [indiscernible] (02:00:51) where we believe we are very well-positioned.

On the claims side, we have a number of strengths. The interest rates side, I'll not say that much because I'm coming back to this because there are a lot of opportunities, but we have been successfully developing a central bank policy futures for the Swedish Central Bank. We are in process of doing this a similar thing for the Norwegian Central Bank. The interesting thing about these two countries is that they're outside the euro zone and that's why it's interesting to have these products.

On the freight side, we have bought a smaller company in this area and we're going to merge that into our European clearinghouse on April 7. And it means that these products will be available for, you can say, all our members and clearing members generally speaking. And we're quite sure that this will give us a very strong position in very global products, the five products.

So this is businesses I will not spend so much more time on, but there are more information in the Appendix if you would like to learn more. And I'm always available to go more into details with this part of our business.

So what I would like to do now is to spend the rest of time on three initiatives, where we have great expectations and where we have very interesting opportunities; and then let's see if we can find out do it because in reality the slides are animated, so I need to change slide a little bit fast. So this is the first one. So TOM is at an MTF an intensive platform for trading. It's registered in Holland and for the time being focused on the Dutch market. NASDAQ OMX owns 25% of this business. We have an option to buy 25.1% more. So we could get in control if we want.

So the market we're talking about is a more than $800 million contracts annual. So it's one of the larger option markets in Europe. On the next one, you will see that in reality the differentiator here is that we're providing best execution to our order router. The second unique thing about this is that we found a way to offer fundability for the one who participates, and that is typically what is the challenge when you like to compete with incumbent futures and option exchanges.

On the next one, you will see that we have a market share around 30%. There are four large retail-based providers in Holland, one of them are connected. The second one are going to be connected in September. And I think when we pass 50% market share, I think the other two more or less will be forced to come because of best execution and the way they handle their retail customers.

So the situation is that all-in-all we have 21 members. We have a very strong pipeline. The other day, Timber Hill, which is working under the name Interactive Brokers in Holland, became a member, and they have a number white label solutions in Holland. So I think that will increase the market share during the next two months to three months. So we're quite happy about that. And if we look at the next step, you will see that we're talking about European expansion. So our idea is, of course, to make sure that we have a strong position in Holland and then step-by-step create a Pan-European solution.

Just to give you a little bit insight into the revenue pool here and that is the model I will also use for the next couple of slides. What we have done here is a little bit to take the incumbent price level, taking the volumes and look at what is then in the revenue pool. So this is the revenue pool we looked at when TOM was established.

So in reality the question is, macro factors means that volumes will go up or down; that is one factor which is interesting. The other one is how much fee pressure will we see. And finally, how big a market share will NASDAQ OMX be able to get or TOM get out of this pool. But at least you get a number here where you can try to make your own calculations.

So let us see what is our takeaways. So the first one is that TOM is the only provider of Smart Order Routing and Best Execution at one time. The second one is our opportunity to be a Pan-European provider in equity option and futures area. And finally, we believe that we have found a unique solution to provide fundability on the clearing side. So this was equity derivatives.

On my next slide, I'll be focusing on NLX. You have heard about that because we've talked about it on our quarterly investor calls. So this is different in a way that NLX is owned by NASDAQ OMX, but is also based on a partnership.

Again, looking at the volumes, we're talking about, for the time being, a market with 680 million contracts, in reality historically have been quite a bit higher. But the fixed income area is an area which is very dependent on macroeconomic factors, and therefore time being we are in a situation where volumes are lower, but still very high.

So what is our idea? Here, in reality our idea is to compete with two big competitors in this area, the two incumbents. One, the elite on the short-term products and the other one on the long-term. And in reality that is the gimmick in what we're doing here in all simplicity, because through the possibility of trading the long and the short in one venue, it will be possible with the right risk model to give participants an offset on the margin to the extent there are correlation, and there are correlation. And we know that because we are doing that every day in our Nordic markets, and I'll come to some numbers on that a little bit later on. So this is a very important part of it.

Secondly, of course, when you have monopolies there is a possibility to have very high fees. So, of course, our offering is also a competitor from a fee perspective. And of course obviously for us when you build something up, you have an more entrepreneurial organization and your service are easier being second to none and that is what we believe we also are doing in NLX.

So looking forward, we believe that we will still have more participants connecting to this platform. We have 27 today and we also have a pipeline of new products we are looking into. And we hopefully will be able to launch going forward.

Finally, on the last of these boxes, a little bit on the revenue pool. Again, this is the total pool looking at the incumbent today. If you look historically, this number have been as high as $700 million at a time. So at least we provide a number and now it's up to you to look at the market development, how you think pricing will develop and which market share we're going to get; and then you'll have a good number for your models.

So what are the takeaways we would like to have from this? So the first thing is that we definitely would like to be a major player in the European rate space. Secondly, which is the next arrow here that we're offering lower transaction cost, cost of the lower fees, but we're also offering a unique possibility for the large players to have reduction of their capital cost, because we're able to provide this offset on the margin side.

And finally a little bit about the progress on the last one. On the Euribor side, we're constantly on 10% level. We're quite pleased with that. We can also see that we have increasing open interest and volume. That's also a very good sign. And finally, which is very important, that we now see an increased number of our participants and partners having their Smart Order Router technology ready and their back office ready and that is key for us to grow this part of the business further.

So the last of the initiatives I would like to present for you today is what we're doing with the Rates OTC using our strong position in the Nordic markets. Again, let us have a look at what are the space, what are the volumes here. So $49 billion in daily turnover according to BIS, so it's not a number we have found. So this is a three Scandinavian currencies and it is the euro based volume in the three Scandinavian countries. So that is the total market size as statistic can inform us.

Secondly, what is the reason for us to be optimistic in this area? Coming back to what I said about BASEL III. We're very convinced that BASEL III are going to drive a lot of the bilateral activity into clearing. So this is one of the very big areas. So we expect to see something here. And, of course, there is also the mandatory part, which were kicking in, as I mentioned, within nine months to 15 months.

Looking about what we are able to offer. Again, coming back to this with offset. So NASDAQ OMX today have an open interest in short and long-term products of more than $330 billion. So we have a lot of open interest and we are able to offsets up to this in the short and long-term in repo products in our swap products in the same currency. So that is our value proposition where we believe we have extremely strong position because nobody else have the volume in short and long-term we have today.

So our starting point is our strong position, the close partnership with the largest Nordic banks. We believe as we are able to get the interbank market which is in reality between these banks and we can get the local buy sides, then a lot of volume also from international will end up being our European clearinghouse. We have opportunities to go on through the other currencies that's already in the systems. Brad and his team have made sure that our clearing, trading and risk system already can handle multi-currency. So it's not a question about technology for us, it's not a question about operational preparedness, it's only a question about that our customers are ready.

Beginning of this week, we have some of our participants who executed pricing exercises in some of these other currencies. So this is simply something which is in progress. So you will see NASDAQ OMX, European clearinghouse also clear swaps in some of these currencies later this year.

And what is then the revenue potential? Yeah. The Rates OTC market is really, really, really a big market and with the turnover number on a daily basis, I guess it goes without saying. So, again, if we take the pricing on the incumbent in this area using their volume, then you will end up in a revenue pool of this size. Just for the Scandinavian currencies and for the small part of euro business handle in the Nordic countries. So we have not in this number in-calculated any possibilities for us to get more flow.

I would also like to mention about the revenue model here and part of the regulation which is worthwhile for your consideration when you think about what can we get. The first element is that the swaps have an average maturity of around four years. So we get an fee when they come in and then we get a new fee every quarter. So when you're building this business up, in reality we are going to build the revenue stream up during a long period of time in reality during many years. So I think that's an interesting feature for you to think about.

Secondly, the regulation works in that way that once the mandatory parts are kicking in, then they're going to be a front-loading of the stock. Front-loading of the stock, just think about the outstanding stock in this area. So we are already now running exercises together with some of our closet clients to find out how we able to handle and how can we price the front-loading of the stock because they know that that is going to kick in once the mandatory rules are in place and that is within nine months to 15 months. And for the big banks, also within Nordics, that is pretty soon.

So the commitment to support the local market is of course very important for what we're doing. Secondly, this is a possibility to diversify our revenue base even further because we will, our

European clearinghouse also have a lot of courtesy of OTC revenue coming in. And finally, the strengths where we are a little bit unbeatable on Swedish kroner is that we already have a stock of $330 billion in open interest. And that's why there is a strong reason to believe that our clients will stay and do the business with us.

So this was a presentation of at least the three biggest revenue opportunities we are working with currently. Thank you.

Edward P. Ditmire, Vice President-Investor Relations

Okay. Thank you, Hans-Ole. And at this point, I'd like to take a few minutes to see if any members of the audience have questions on the European Market Services business.

QUESTION AND ANSWER SECTION

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: And can I just get you to also state your name before your question. We'll get you a mic right now.

<Q – Ken Hill – Barclays Capital, Inc.>: Hi, Ken Hill from Barclays. Just had a question, you mentioned some of the margin potential offsets. What those percentages might look like over time if customers are utilizing it now and the people are using NLX? Is it more for the margin potential going forward or is it more about the trading cost and the incentives you guys have in place now?

<A – Hans-Ole Jochumsen – The NASDAQ OMX Group, Inc.>: So the numbers I think where we have, relevant numbers and I think they are comparable is that when we introduced a new marketing model in our European clearinghouse, we run an analysis for a number of the big clients based on the $330 million. And we are talking about that you typically can have a reduction in your margin between 40% and 60%. And with the capital costs BASEL III means, it's really, really a high reduction and very important reduction for the banks. And that is in reality you can say their potential – this kind of potential is relevant for the banks, if they are conducting a larger part of the European base sterling and Europe based activity on NLX. So the driver is strong. Once our partners are able to use and NLX more when they have their order router and their back office systems ready.

<Q – Ken Hill – Barclays Capital, Inc.>: Just wanted to follow up real quick on that. So the customers that you do actually have now, are they taking advantage of that margin efficiency or are you seeing like, maybe you're looking to get more integrated with the banks at this point as well, so they could take advantage of that down the line?

<A – Hans-Ole Jochumsen – The NASDAQ OMX Group, Inc.>: So in the existing Nordic market, where we already have the big volume, they are taking advantage of this every day. On NLX, it of course means that the volume need to be there, because there needs to be something to offset. So this is the opportunity, and that is why the large banks are being prepared to team up with NASDAQ OMX behind NLX. But for their banks it is a challenging time because there is a lot of things on the technology side they need to do. And they need, for example, to have the Smart Order Router, they need to have the bank obviously ready for this. And once they are ready, they should be able to gain this efficiency. Because remember, this is a loss they have every day, because they are doing the business of two incumbents and they have no possibility to get this offset on collateral. The only possibility is to move that flow to NLX and get the benefit. But I think they need to be ready technically all the way because it's a big volume for some of them.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. Let's take a question on this side of the room. Again, please state your name.

<Q – Ashley Serrao – Credit Suisse Securities (USA) LLC (Broker)>: Ashley Serrao, Credit Suisse. It's a question on open access. One of the potential scenarios really centers on the incumbent exchanges, sort of reorienting their pricing away from execution towards clearing. So my question really is two-fold. One, do you believe that European regulators will actually look at the pricing mix when writing the rules? And two, if incumbents were actually going to go down this route, what are the competitive implications for you as both owner and renter of a clearinghouse?

<A – Hans-Ole Jochumsen – The NASDAQ OMX Group, Inc.>: I think number one I would like to say is that with NLX and TOM, we are demonstrating that even without support from regulation we're able to make a difference. So I think that's the first thing to bear in mind, whatever anybody are telling you. The second thing I would like to say is that we have to remember that in Europe we also have very tough competition authorities, and I mean I'm not wanting it. I just know, I just see how they act. And we have seen a number of examples where exchange companies have been in a situation where they should interact with the competition authorities, and I think not all of them were very successful.

So I think we should not underestimate that the European competition authorities will be looking very seriously on this. And if they see a shift from trading fees to clearing fees, you ask a little bit for an investigation. So I will be also – at least personally I'm not sure that, that will be our preferred strategy, and that's also why we have decided simply go out and find ways to compete already now.

One thing I would like to mention is that we do not know, but it could be that it's possible to get the regulation to get it all the way that there is also competition on clearinghouses; and we would welcome that. We are not afraid of competition. We love competition. That is the NASDAQ OMX DNA. And as we are not the biggest players, there are three bigger than us. I think we have a lot to win and very little to lose. So we will be bullish and push the regulators and politicians all the way to create as much competition as possible.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. And one more question over here.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Yeah. Rich Repetto. So the pricing incentives in NLX, so when do we get to the point when we start to phase those away? And then the second question is, you're talking about people have to leave the incumbents to get the offsets, but doesn't that – what MiFID says will happen, again not any time soon, but that's what's going to be [indiscernible] (02:23:11) will be able to do that, whether it's 2017 or so. But you're saying the only way people get offsets is to – I'm not exactly sure to not trade it or the incumbents?

<A – Hans-Ole Jochumsen – The NASDAQ OMX Group, Inc.>: Rich, I have also been banker for 15 years. And I just have to say, with the increasing capital cost BASEL III and European regulation are putting on their banks, I mean you're not waiting for anything if you're able to get an offset now. So the capital requirements started to be kicked in Europe 1st of January is going to be implemented during the four years.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Great.

<A – Hans-Ole Jochumsen – The NASDAQ OMX Group, Inc.>: So the banks already now – many banks have already now started to react. They are not just waiting for this. So there are an opportunity for them once they have everything ready to start to move volumes to NLX and get the benefit.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: But the opportunity would be, if they moved short-end from Liffe, long-end from Eurex both to NLX. Is that correct?

<A – Hans-Ole Jochumsen – The NASDAQ OMX Group, Inc.>: Yeah, definitely. And they should do that because the offset on margin reduced their capital cost so much. So that's beneficial for them. I mean it is little bit the same that we for the time being for two large banks are running exercises to see how we're able to handle the front-loading. The front-loading is not – we know that it is coming, we don't know when. It's at least nine months ahead of us, but they are doing it already now. Because if they do it now, they will get a reduction in capital cost, and that is what the banks are looking for. And remember that in Europe, the implementation of BASEL III is always exact. So this is definitely something which is driving the development for time being.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Okay. [inaudible] (02:25:10 – 02:25:24) It's not my job to take the air out of the balloon. So as Hans-Ole references, you see increased membership participation. What's been the exciting development in the last two weeks is you have two banks now have the Smart Order Routers hooked to NLX and they're getting increasingly aggressive with that, and they're crossing the spread. And so that's the attractive orders that will bring other people in. So as long as those kinds of developments happening, we're very committed to the effort and we're seeing that.

<Q>: Well, I was just asking in general about the price incentives, what was that?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, that's tied to that in terms of what we do with the pricing incentives, as long as they're showing positive traction in the markets where the banks are coming in. And, like I said, the big thing is to get aggressive orders in that really we're proud of the amount of time we're on the touch, which is about 90% of the time we are the touch, 90% to 92% of the time. Now we're getting to the stage where some times we're crossing, and we're actually being the price setter in the marketplace. So the incentives working in that regard, they're quite positive for us. And with respect to cross margin, the longer term benefit would be obviously to cross margin also against swap clear; one of the key reasons we're with the LCH and that clearinghouse. So that's a unique asset of LCH.

MANAGEMENT DISCUSSION SECTION

Edward P. Ditmire, Vice President-Investor Relations

Thank you, Hans-Ole. Thanks, everyone. And at this point, I'd like to introduce Executive Vice President, Anna Ewing, our Head of Technology Solutions, which encompasses our leading Market Technology and Corporate Solutions businesses. Anna has been in NASDAQ OMX for 13 years. Before managing Technology Solutions, Anna served as CIO, where she was responsible for the global technology organization. Anna has won various business leadership and technology strategy awards, and was ranked 13th in the Institutional Investors 2013 Tech 50.

Prior to joining NASDAQ, she was with CIBC World Markets in New York and Toronto, where she served as Managing Director of Global Applications Services. And also presenting with Anna are Senior Vice President, Lars Ottersgård, Head of Market Technology who has been with NASDAQ OMX and OMX for eight years; and Senior Vice President, Paul McKeown, Head of Corporate Solutions, who has been with NASDAQ OMX 14 years, including service at an acquired company. Anna?

Anna M. Ewing, Chief Information Officer & EVP-Global Technology

Thank you. And it's a real pleasure to be here today and give you an overview of Technology Solutions. And we know from talking to some of you, you're not quite familiar with what we do in this business segment. So we really wanted to take the opportunity today to give you an overview of our business and give you some deeper insights into what we do, who our customers are, what trends are driving our growth opportunities. And hopefully, you'll leave today with some of that insight.

Next slide? I like this, I don't have to click. So when you look at who we are and who our customers are, we truly drive the world's economy forward. I mean that's a bold statement. But if you look at our Market Technology business, we provide technology and services increasingly to over 80 marketplaces around the world and we are working with exchanges, with regulators, with governments, with the broker/dealer community. So we are really involved in the whole capital markets ecosystem.

We are without a doubt the dominant player in this space. Our customers represent 40% of the World Federation Exchange members. Our platforms really process one in 10 securities transactions. And so, when you think of those measures, and we are really operating from advanced markets such as in the U.S., in Hong Kong, Australia, to emerging markets, to working with Istanbul, with Rwanda, in Latin America just to give you an example of the breadth of our customer base.

When you look at our Corporate Solutions business, we provide services and technology to 10,000 customers around the world. That scale is unparalleled. And when you – to give you an example of our reach, we provide solutions to 96% of the S&P 500, 81% of the FTSE 100, and not surprisingly a 100% of the NASDAQ 100.

We're also very excited about our position in the GRC space. GRC stands for Governance, Risk and Compliance. This is a growing area, and you'll hear more about this in a few minutes from Lars. We have two industry-leading solutions. We have SMARTS, which is the leading technology provider of market surveillance and compliance solutions; and we have BWise, which is the leader in the eGRC space; Enterprise, Global (sic) [Governance] (02:30:51) Risk and Compliance.

And you've heard all today about our technology and our capabilities and that, as you know, is really core in our DNA to what we do. And so, the work that we do is a continuous innovation in investing in our product road map and building out the cutting edge solutions that really at the end of the day are transforming the marketplaces that we operate in. And we're working not just on the products themselves and innovating there, but we're also working ensuring that we're building the scale in that technology so we can optimize our efficiencies; and we're also building out the service and sales organization around that platform.

And last, but not least, Global Technology Solutions is one-year-old. We're so – from a business segment we're young, but we've actually been in this business for 25 years. And so, our brand, our breadth, our experience, our credibility is there.

Next slide, please? So let me tell you a little bit about Technology Solutions, where we are today and how we believe our growth opportunities are going to manifest themselves in our financials. So we are a 24 – from a TTM perspective, we're 24% of NASDAQ OMX's revenue. So we are core, make no mistake. And if you think about our top line growth, last year we acquired the Thomson Reuters Corporate Solutions business, so that clearly drove our top line growth in particular in 2013, but we've had a 28% four-year CAGR for this business. And if you think ahead in the medium term of what that top line growth will look like, think about single-digit – single-mid digit growth in the medium term.

If you look at our margin, and we really have been working on margin expansion and we will continue to do that over the next quarters, and you'll start seeing the results in particular as we integrate the Thomson Reuters' acquisition into the fold. If you look at the graph here, you'll also get a sense that while you can see the margins got a growth curve, it's also a very seasonal business on a quarter-to-quarter basis. And I know that Hans provided some of you – some initial challenges in creating your models. But again, this is a seasonal business and it's driven very specifically by our customers buying patterns through the year. And we are committing today that we will be exiting 2015 with a 20% operating margin. Bob would like it to be higher, but we're going to commit today to 20%.

Next slide, please? If you look at our Market Technology business, by any measure, we've had record results in 2013. And if you want to think about future growth and how those results will manifest themselves in the years ahead, look at our order intake and look at our order backlog results; both record. The order intake was really driven by some very significant business wins across all parts of our portfolio in Market Tech. This business has really two parts to it, our contract that we sign up for with our Market Tech deals are really long-term in nature; average five years. So that provides us a very stable revenue stream. We also have an increasing part of our business that's subscription based; and that, again, also provides us long-term stability in our revenue stream.

If you look where we see the growth coming from, and Lars will go into this in more detail, we're very excited about the post-trade area. Hans-Ole has touched on some of what's happening in Europe in particular, but we see that trend and opportunity really around the world, as well as in the GRC space.

Next slide? The Corporate Solutions business as we've integrated the Thomson Reuters acquisition into our family, we're less than a year old by the way. We closed on June 1. We're very excited about the leadership position that we have today, in particular in the Investor Relations space. But what's also exciting to us is that we're also in these other adjacency businesses that are each growing, and we are uniquely positioned in that we are in all of these four adjacency businesses being able to grow based on the strong relationships we've built over the years through our IR business, as these adjacencies are really starting to converge. And, again, Paul will talk about some of that and some of those trends driving that convergence in a few minutes. This is primarily a subscription based business. So, again, it's a stable revenue stream.

The work we're doing on building out our product roadmap, building out our scale, and last, but not least, addressing the commitment we made on the deal synergies for the Thomson Reuters acquisition of $35 million.

Next slide, please? Let me give you a little bit more detail on where we are with that acquisition, because certainly it's a big one and it's one that we are very much on track for. First of all, let me say and you know how disciplined we are with our acquisitions and the requirements that we set for ourselves before we do a deal. We've met all of those requirements. In fact, we were immediately accretive day one when we closed on the deal. So we're very proud of that.

We have a lot of work ahead of us, a lot of work that we have done. When you think of our playbook – and you're very familiar with our acquisitions and our playbook – and how we're going achieve the $35 million in synergies, we have operating efficiencies, staffing, real estate, we have platform consolidation, we have multiple products today that we're pulling together under our consolidation in next-gen efforts. We have data center consolidation. You know the playbook; I'm not going to go through the list. So we're well on our way, well on track to achieve those objectives.

The scale that I talked about will provide us great economies as we go forward; the sales, the service, the ability to cross-sell across our portfolio. Our first priority in the first six months of the acquisition of the deal close was to ensure that we had minimal disruption to our customers and to our revenue stream. So we spent a lot of time in the frontline working with our customers, making sure that we provided them with the appropriate service as went through the migrations that are ahead of us.

As we look ahead now, we've built that organization in place; and that organization is being led by Paul, who you'll meet in a few minutes. We're now focused on training that sales force and that service organization. We've set up a sales and service academy to train them on our products and services and on our value prop. So we can now leverage that scale to grow our business.

And then last, but certainly not least, the technology investments that we're making are very exciting and second to none. We are competing, for the most part, in the space with point solution providers. And so, the scale, the investment that NASDAQ OMX brings to the corporate solutions business allows us to really differentiate ourselves in a very significant way.

Next slide? So let me turn it over now to Lars. Lars has been running Market Tech for the last eight years. He is based in Stockholm, but he just arrived here from Qatar; and I believe you're going to Southeast Asia after this meeting. So he's truly a global citizen and a global warrior. Lars?

Lars Ottersgård, Senior Vice President & Head-Market Technology

Good morning, everybody. Next slide, please? Market Technology, I would like to go through a little bit who we are, where we are positioned and why we believe there are plenty of growth still to capture for our business. The three areas that we look at, the Exchange, Clearinghouses and depositories is one area, and other area is the Brokers segments and the third area is actually that we touched, Enterprises. We have been very successful in the last couple of years and grow in all of those segments.

In the exchange space and clearinghouse space, we've grown to 84 marketplaces. And some of you may believe that means we sold out; every exchange in the world is electronic today, almost at least. But it's not true. We have never seen more interest in our technology than today. There are a number of reasons why all of those areas will continue to grow.

I looked at four of the main ones. This is not all of them, but is this four of the main reasons why we believe there's increasing demand of our technology in the marketplace. First, regulation; everybody heard us talking about the changes of regulation and, obviously, this has a strong impact on the technology demands.

We see, if I simplify it, strong need for more risk and control. That does across all of those three areas that I'm talking about. The other area, it opens up for competition, is, also makes a lot of changes with all our exchanges.

On the post-trade area, Hans-Ole touched it quite deeply and it effects not only Europe and U.S., it effects the whole world. Clearinghouses and depositories are broadening their portfolio solutions and asset classes and they're becoming in competitive environments. They need technology to support this, that is flexible, agile, cost efficient.

Globalization is really going on. There are countries that could be seen as closed, but they also suffer from the need of liquidity in the marketplaces. As Anna said, I came from Qatar the other day. And as a fun anecdote, one of the most closed countries that I know of, is Iran. For two hours, I was hunted by group of Iran members of their exchanges. They wanted to talk to me. They have four exchanges in Iran; one for OTC, one for commodities, one for energy, and one for equity. But they struggled for liquidity. They want to be relevant on a global basis. They wanted to consolidate the platforms. They wanted to adopt global best practices, rules and regulations. They wanted to start attract liquidity, not only domestically, because they lose the liquidity out of the country, but also internationally.

Obviously, it will be a bit difficult for me as an American company to sell to them, but if they feel the pressure, as a closed country. You can imagine how open countries feel the pressure. Another good example is Japan where you saw the consolidation of Osaka and Tokyo Stock Exchange to JPX, again, a response to the war of global liquidity.

That leads to the fourth area. How do you stay relevant is not only being seen on a global basis, but is also pressure on your revenues and your margins, so you need to diversify. You see this as a clear trend where clients need to be able to handle more asset classes and more steps of the transaction chain. We're uniquely positioned with our technology to provide solutions for all of the asset classes that's been traded, but also all steps of the transaction chain. And as they consolidate and become not just an equity exchange or just a futures exchange, they will need a partner that can help them to be efficient throughout the whole value chain and throughout all the asset classes.

I would then like to go a little bit deeper into the three segments on what we're actually doing to capture growth. So please, next slide. On the exchange and clearinghouse depository side, we do provide technology across the full value chain. It's trading all asset classes of unconsolidated platform. It is Information Services, you have the post-trade, the pre-trade and risk management, clearing, we have CSDs. We have the surveillance technology Anna talked about, both for capital markets as well as for regulators and also for the member community, the brokers and banks.

We have also one attribute that is fairly unique; we have the scalability. We can truly scale from nothing to anything. Our smallest customer is Port Moresby in New Guinea. They run it on a laptop, a complete trading solution. Then we have the bigger clients like Hong Kong or our internal clients, which is not my clients, but using our technology, NASDAQ markets. So we have the scalability.

Resiliency, we are known as the safe bet in the market. We have 25 years of experience providing technology in this space. If you think of it, the technology that we provide is the heart, the brain, the lungs of the organization that we support. It is not only about the survival of the exchange or the clearinghouse, it is actually a key component of the capital market for countries.

Who do you buy it from? You really do buy if from someone you trust and that has a proven track record of the capability and is not only about the functionality of technology. We are best on that. I dare to say that. But where we're realistic out is that track record of supporting clients globally, 24/7, when everything is well, but even more so when something happens because it still happens.

The drivers [indiscernible] (02:46:06) about the pressure, regulatory changes, the standardization of markets, et cetera. Our strategy is wedge in, spread-out because of our very, very unique portfolio of solutions touching all asset classes, touching all steps of the transaction chain. We have multiple entry pointers into our clients. There is no client today using everything they have. So we have a fantastic opportunity to continue to spread out where we have got our foot in the door.

Secondly, post-trade was mentioned. Yes, we have invested a lot into post-trade, and we have clearing and CSD technology and our clients start to look at that more and more aggressively across not only Europe and U.S., but it all spreads globally.

Finally, our clients seek a partner. Very few – we do have some, but very few just want a technology provider, they more and more want a partner. So we are changing our business models also which is crucial to meet our clients' needs with technology that also as true partners developing their markets together with them. We are also – the business is very global, and we grow in all geographies in all sizes of clients, so it's been quite successful.

Next picture, please. I would like to talk about Borsa Istanbul as a showcase of the wedge in, spread-out strategy that we work on. Borsa Istanbul is unique because they are the only client that actually did buy everything from us from the start. So they are the role model for the end status with all our clients.

Borsa Istanbul is the eighth largest stock market in emerging countries. What they've done is that they are consolidating all the different exchanges in the Istanbul market, in the Turkish market; energy, commodities, futures, options, equity. They are also bringing in all the clearing and CSD in to the same company. They are adopting new rules in the market to be globally seen, coming back to globalization, coming back to about the war of liquidity. They're changing laws, rules and regulations. They needed a partner that could provide a technology, cost-efficient, proven, on a global basis. They needed a partner who could help some adopt to this new competitive word and a brand; NASDAQ OMX brand is also very important one.

If we look at what this [ph] tepid (02:48:53) role model client will use, trading about 67% to 70% of our revenue today in the exchange clearing business comes from the trading side. But that's wedge and spread opportunity in itself, because the model we have is that you buy equity trading maybe, maybe fixed income trading. But you also want to upgrade to commodity trading, you want to upgrade to options trading and we can take a fee for each of those steps.

Clearing, we use the clearing for all their asset classes across the board, which is also unique and the same type of model of charging. Depository; they're going to implement a CSD technology for settlement and depository. And, surveillance, I mentioned, they will use surveillance for the capital markets. They will also provide a regulatory surveillance technology. But it doesn't end there. We have more products in our portfolio that we can offer to our clients; the index calculation engine for instance. And this morning before we just opened this, I got a contract signed in Asia from an ASEAN country that will use it, it's [ph] one-off, so it (02:50:04) happens every day.

Risk management, we're unique there. We have the pre-trade, at-trade and post-trade risk management. This is an area that is growing our interest in all the markets.

Our latest area is data analytics. There's really a big need for our clients to get access to all the data within the full transaction chain, for their own use, real-time or historical data, to make business decisions, but also to start to package solutions that they can sell to their clients. Borsa Istanbul has bought all of this. So they are a role model. But this is what we want to achieve at every single client and they're the only one yet out of the 84 that I have in my portfolio.

It doesn't end there though because they want to create a market that are attractive for the global investors. That means that they need to be high quality, the rules and regulations need to be high quality, but also the members and the list of companies need to be high quality, so you dare to invest there. So they have taken a role of helping to ensure that. So they're looking at leveraging the corporate solution portfolio that Paul will talk later on. That is really about governance of corporates, information and communication. They will use for themselves, but also sell in their market, the BWise solution for e-governance and risk in control.

And last, there will be a channel for broker compliance to help us bring the broker compliance solutions out to that community or members in the Turkish marketplace, all of this to make sure that the market is transparent and high qualitative.

Next slide, please. And the broker, so that segment is second of our business, it's also growing very rapidly. We've had a 40% CAGR since the acquisition of SMARTS Corporation, which was an Australian company in 2010. The number of subscriptions, this is subscription-based, this is Software-as-a-Service, has come from 130 to, I checked yesterday, 635 subscriptions.

As today, the target audience are the broker and banks, but we see number of areas how we can grow this business. First of all, it's expansion of who is covered, expansion of markets and expansion of asset classes. So they recover close to actually 95 markets. But before the end of the year, we will be more than 110 markets where we can provide these services globally. That gives a growth in itself.

We're expanding on what asset classes we can provide surveillance on, compliance technology on; from equities to future, options, bonds, foreign currencies exchange, energy. We will start to help with cross-markets and cross-asset surveillance and monitoring. All this gives us up-sell opportunities for this technology.

We're adding new functionality. Originally, it's more about alert, spotting erroneous behavior in the market, making sure that you follow the rules and regulations of trading both the legal ones, but also the in-house ones. But we see a huge opportunity to expand a functionality of those solutions. For instance, voice communications, we have forensic relationship monitoring, we're looking at employee insider trading et cetera.

This in itself brings up to the next area of opportunity of growth; how we expand beyond the broker and banks into buy-side and even into enterprises if you look at the employee. One way of expanding into new market. So I would like to take another example how we can work also in small markets that are not yet penetrated. Nigeria, they have 200 members trading in that market. Nigeria is a big country, 175 million people, will outgrow South Africa anytime on size of revenue or GDP.

Their problem is that the 200 brokers cannot afford buying a solution like this. But there I spoke to the CEO, Oscar Onyema, of the exchange, and he told us that he made very much backed up for the regulator, make it compulsory, mandatory for all members to have a solution like this. But as they can't afford it, they can do it together and they do one deal with 200 brokers in one go; similar to what we discussed with the Turkish, but now in smaller markets. And we see this coming in other countries. We discussed in ASEAN countries, same model, and in some Middle East countries.

Lastly, BWise, the GRC solution we have, there we have couple of components there that fits extremely well into the SMARTS broker space, policy management as well as the case management how to handle the alerts when they come in.

Next page, slide please. That leads into the last one of my areas, and that is the BWise solution area. BWise is an offering for governance, risk and compliance, which helps you monitor your corporate risks. Internal audit is the big area, actually the biggest for us, but also risk management, policy management and IT governance. We have competitors. S&P are very big ones, in policy management for instance. IBM, very strong on the IT side; but BWise is clearly the leader when you look at enterprise, governance, risk and compliance, what we say eGRC. And that's where we think the trend are going, not niche solutions. You want a complete overview of the risks in your corporate, and how to manage them and handle them over time.

The target audience are mid-sized and large sized corporates. We've been very successful last year, which is best ever actually in selling to those 35 new clients with big names like General Electric, Chrysler, Fiat and others. The drivers are clearly there. There are more pressure for corporates, both from regulatory reasons to follow policies and document, how you follow the policies and rules and regulations. But is also for investors and owners important that they do, that the risks are known to the board and handled accordingly.

Our strategy here, I still believe BWise as a solution, is superior. This is a little bit different from the other end. We don't invest heavily in changing the product. We think we have a solution right now about penetration of the market. We work in many ways of doing it. First, I mentioned already the market tech channel, our relationship with exchanges all over the world and their relationships to their members, enterprises, all over the world. That's one channel, partnership with us. You have direct sales obviously.

You also work with KPMG, Ernst & Young, and the four big auditing firms. They are not only helping us to get it penetrating the market, but to actually educate consultants to help implement. Today, we have 175 certified implementers in those corporates. Our brand is very strong also in this area.

The last channel, very big and very important, that is the corporate solution channel. We already have a relationship with 10,000 enterprise clients globally. That's an enormous amount of up-selling opportunity and introduction opportunity for the BWise opportunity. I'm talking about the market. It is in early stages. It's already $1 billion market and we are committed and think we have all the opportunities to capture the market share that this would be a very healthy and growing business.

So thank you very much, and I hand back to Anna Ewing.

Anna M. Ewing, Chief Information Officer & EVP-Global Technology

Thanks, Lars. I'd like to now introduce you to Paul McKeown. Paul has been with us for 12 years. He has been most recently running our SMARTS business that Lars just talked about, and, prior to that, he had leadership positions within Market Technology in Sydney, in London and in New York. Paul is now running sales and service for corporate solutions.

Before I hand it over to Paul, however, I wanted to give you a flavor of our products and services in action, especially as we evolve our product roadmap and build the types of technologies and cutting-edge solutions that, as Ed likes to say, is making IR cool today.

So with that, can we roll the video?

[Video Presentation] (02:59:36 – 03:02:22)

Paul McKeown, Senior Vice President of the Corporate Solutions, The NASDAQ OMX Group, Inc.

Okay. Next slide, please. So, obviously, fantastic to be here this morning to give you a bit more background about our Corporate Solutions business.

But before I jump to the details, what I would like to do is really talk a bit more about some of our customers and really remind you of the video that we just showed you. I'm going to finish with the tagline at the end of that where we used the phrase information mastered. And I think that phrase, information mastered, really goes to the heart and soul and essential to what we do within Corporate Solutions today.

So, for example, on behalf of over 10,000 customers globally many of whom are driving the world's economy, we're helping these companies manage large amounts of data, helping them interpret and assess large amounts of information, and that data comes from many different sources, some of it from our own technology and from our own services, but today we're working with critical functions within enterprises, public relations, investor relations, corporate communications, governance and compliance, working with these critical functions and really helping them work more effectively with and communicate more effectively with their stakeholder groups.

I think stakeholders can be internal, so the employees of these organizations, but typically it's external to the organization and those stakeholder groups will include analysts, that will include the media, that will include government and other organizations. So really we are helping our companies and our customers work across many, many different areas.

So I think the best way to understand what we do from a product perspective is to look at our leadership position and investor relations, and today we are a true market leader in this place. We're the only organization globally that provides our companies with an integrated suite of services and technology to investor relations departments globally. We provide web hosting, web design, we provide our desktop analytics and technology as well as our strategic advisory and stocks awareness programs.

And really what this leadership position has enabled us to do is to put in place foundations and building blocks to move across the enterprise, a start to address adjacent and complementary businesses.

Now, our leadership position in IR has really allowed us to look at the workflows, the processes, the interdependent roles that existed in IR, but then can be really matched across the other parts of the organization. And I think our communications platform is really a great example of how we've done that such as we are a major provider into the public relations space. This year, we expect to execute over 34,000 press releases on behalf of our customers. But the real added value comes in the complementary services and the technology that we provide around that.

So we're helping our customers with media monitoring, sentiment analysis. We're helping our customers reach and target the right audience. We're helping our customers monitor the impact of the communication. And via our white-glove professional services offering, we're helping customers understand on a day-to-day basis how they have been reported on on a truly global basis.

If we move around the wheel here in a clockwise direction, I think our digital media platform is another great example of how we've started to spread out across the enterprise and move into different parts of our customer organizations.

Today, we are a true market leader in digital webcasting. This year we expect to execute and host over 20,000 events on behalf of our customers. But the key here is really the success in this area started off really with our success in IR. We're obviously supporting our customers with their earnings call and various other events in the IR space. And what we found is that other parts of the company and customers started coming to us.

We had approaches from PR. We had approaches from marketing and corporate communications asking us for help to run internal employee town halls, public relations exercises, product launches that kind of thing. So really it enabled us to spread out across the organization and I think today we have a strong leadership position in media, which we'll certainly continue to grow in the future.

Finally, our governance sector and segment is really one of the fastest growing areas within the Corporate Solutions business today. Today, we have a board portal called Directors Desk, where we have over 30,000 users globally accessing that system. And I think the key to understand here is really how we're transitioning some of our offerings.

And I think this is a good example, where we're really transitioning it into more of a C3 portal. So we're taking content from our investor relations desktop, taking content from our public relations platform, and as Lars mentioned earlier on, the BWise eGRC offering. What we're also looking to do is to pull content from that and really produce a true C3 portal, which gives the customers a much more enriched and value added service from NASDAQ OMX.

So the summary here is that we really are the only organization globally that is providing an integrated suite of technology across these adjacent and complementary offerings. There are a handful of vendors out there who provide point solutions in one or two of these areas, but we are the only organization globally doing this in an integrated way across these different areas. And the key message to that really is that we're able to establish much deeper and more strategic relationships of our customers.

Next slide, please. Okay. So I wanted just to touch on a couple of themes that I think really confirm why we are the market leader in this space. From a trusted perspective, by definition we have 10,000 customers, many of whom are powering the world's economy today. It's a responsibility we take very seriously, obviously. But these customers come back to us year after year, they continue to spend money with us year after year, and we continue to score very highly in industry surveys as well.

From an investment perspective, we are investing across the whole business of Corporate Solutions. We're investing our next-gen technology on our mobile platforms. We're investing in our customer services and support teams to make sure that we have razor sharp customer support, real customer focus throughout the whole business.

And then finally, we're investing [ph] in our – over to (03:08:40) the cash platform, and this is really about making it easier to do business with us, giving our customers a rich and better client experience as they transact with us from the moment they come in contact with us to the moment they sign a contract and start paying their bills.

From intelligence perspective, we are really a true market leader and we have the richest data set in the industry. Our data set really is second to none and we are providing investor and media profiles, our peer analysis, our sentiment analysis. And when you combine that with our proprietary technology and our analytics, we are uniquely positioned to support our customers in this area.

From an innovation and R&D perspective, you heard a couple of references to this earlier on, but really technology and R&D is in the DNA of NASDAQ OMX, but I think really what we're trying to do here is really with our customers redefine how technology will be applied to this segment going forward.

And to reinforce how we're doing that, today we'll be really putting in place our corporate advisory board, our technology advisory board, where we have 120 companies globally working with us to really share their thoughts and their ideas of how should we be building out and moving our technology forward. So a design let, customer let development making sure that we have the right platforms for them in the future.

Next slide, please. I wanted just to touch on a couple of themes that really gave us confidence about the future growth prospects of this business, but also things that we see happening in the industry that we think will drive demand for our products. So clearly, I'm not sure Ed will like this, but clearly, IROs are becoming much more strategic to companies and more central in decisions that are being made within organizations. Clearly global markets, they continue to become more globalized, and we see right of activism across the marketplace.

I think from our perspective, what this is doing is really elevating the roles of investor relation officers. And that really means that our technology and our solutions are really must haves. We're seeing companies now really being forced into investment decisions to make sure that they have the right technology and services in place to support IROs, who are central to the decisions that are made in the company.

Wanted to just touch on a topic that something is really important in this area, and that's the convergence of IR and PR. We see that driving demand for our solutions and our services, and I think the key thing to understand here is that we're seeing executives now who have control over both those areas. And that means they have control over budgets, they have control over decision making, and they now have control in terms of consolidating platforms and making sure that we bring technology on to common single platforms.

The final theme that I wanted to touch on here and we heard it on a few occasions this morning, and I know John started off the development in his index session, the exponential growth of data that we've been faced with on a day-to-day basis. That is causing real challenges for our customers. And really the growth of social media now is obviously adding to that and the key here is that data is now is very, very unstructured. We're moving away from the traditional structured data that we were used to to much more unstructured, more complex, and more noise. And our technology and our services are really helping our customers make sense of that.

Next slide, please. Okay. So I wanted just to touch on really the three pillars of growth that we have for this business. The first pillar relates to establishing and leveraging our global footprint that we have within NASDAQ OMX. You heard Lars talk about our fantastic Market Tech business earlier on. And one of our key growth areas is to leverage that footprint to work with Lars and his team and put in place reseller agreements with other exchanges on a global basis.

The beauty of this is that we obviously reduce our cost of sales, but we can also leverage the brand of the exchanges as they move into their local markets and sell our solutions into the issuers, we can leverage that brand in a major way. We've already had some success in this area. Lars mentioned Borsa Istanbul in Turkey. We have SGX in Singapore and we have Japan Exchange in

Tokyo. So three case studies where we really have that model in place and we look forward to really expanding that as we move forward.

Earlier on, Bruce mentioned, the launch of NASDAQ Private Market and we are working closely with him and his team as we see this is a truly exciting channel for us to really push our products and our services out to a new customer base.

The second growth strategy for this business is really driving and expanding our market share in our core products. From a public relations perspective, we really feel that we've not even scratched the surface of the total market demand that's out there. So really getting our sales teams and our service teams focus on driving that business and driving our market share in that area.

From a governance perspective, we've had a lot of success in public companies, but now, we're seeing increasing demand from the private sector. So, again, getting our sales teams geared up to really expand and drive into universities, drive into hospitals and up in non-profits.

From an organic perspective, the cross-sell and up-sell opportunities. I'm going to touch on a couple of case studies shortly. But I think one factor that is important to get across you today is, really 9% of our customers really only use four or more products. And when you have a customer base of 10,000 organizations, there's huge up-sell and cross-sell opportunities there.

Finally, the third leg of our growth strategy is really about leveraging our investments across our technology, and Anna and Lars both mentioned some of the things that we're doing, but now we're looking to really execute on our roadmaps, deliver those out to our customers across IR Mobile, across our next-gen desktop, across our PR and governance next generation offerings. And by getting them out to the market, by executing on our roadmap, we see huge upside and big upside across our customers both existing and obviously new prospects as well.

Next slide, please. Okay, a great theme for me to finish off with, something that I'm obviously truly proud to talk through. And I think there's a story here to talk you through in terms of these customers and how they've managed to really do more business with us. And there's three pieces to that story.

The first piece is that all these customers were big loyal and long-term customers of our investor relations technology and our associated services with that. So a good, solid relationship in place. The second part of the story, certainly, in the first two examples, is that we saw a convergence of the IR and the PR function coming together. So we have one executive who's set across both those areas and they're able therefore to bring the budget together, bring that decision together, and start to consolidate platforms across those two areas.

And the third part of the story, I think, is perhaps one of the most important pieces is trust. We've worked with these customers over a long period of time, over a number of years, and the trust was a key thing that enabled them to give us a bigger share of their wallet.

So on that note, what I'd like to do is actually give you an opportunity to hear from some of our customers yourself. So we have a short video that will be taking you through some testimonials and I think maybe they can say perhaps more eloquently than I did, but please roll the video, please.

[Video Presentation] (03:16:18-03:21:15)

Edward P. Ditmire, Vice President-Investor Relations

Okay. Thanks, everyone. Thanks, Anna, Lars and Paul. At this point, we're going take some question on the Technology Solutions business, but I also wanted to remind everyone, if anyone needs to use the restrooms, they're that way and there's signs available.

And with that, do you have any questions for Technology Solutions.

And I remind everyone to please state your name before you ask your question.

QUESTION AND ANSWER SECTION

<Q – Bill Katz – Citigroup Global Markets Inc. (Broker)>: Sure. Bill Katz, Citigroup. Just on the last presentation you mentioned I think 9% of your customers only have four products or more, four shares or more. What's the opportunity set over next 12 months to 24 months as you further integrate the two businesses and what's the related revenue opportunity that might be associated with that?

<A – Anna Ewing – The NASDAQ OMX Group, Inc.>: Yeah. I think we're still evolving the model in terms of defining the specific revenue opportunities that go with it, but if you think about, we're just really scratching the surface. And in the short to medium term, a lot of our activities are around the customer experience from a retention perspective, from introducing them to new services. So there is an effort underway that will manifest itself more in the medium term.

So I think if you look at the next couple of years, I turn back to my earlier comment about a mid-single growth projection over the medium term. Bear in mind that as we're launching these great opportunities and cross-selling opportunities, we're also still going through a major integration effort.

So I don't want us to lose sight of that in the short to medium term. So that's why it's a little difficult right now, because we're also balancing customer retention and ensuring that we are, through our various migrations, maintaining the customer base that we have as we continue to expand it.

So we'll come back to you in the future with a more direction on things for you to think about in your models, but for now just think about the fact that we have efforts underway. We saw some specific case studies and we ourselves are modeling what that revenue impact will be in the future.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Thank you. I think we have another question right over here.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Rich Repetto. So, Anna, I saw your interaction with Bob as you started talking about the margins and reaching 20% exiting 2014. So I'm just looking at the transcripts [indiscernible] (03:23:54). Lee said the most significant progress towards our 20% technology segment will happen in 2015. That was at the last call. And talk about the you expect to realize a majority of that $35 million in targeted cost synergies then. So I guess, have we just today moved up the...

<A – Anna Ewing – The NASDAQ OMX Group, Inc.>: No, I said exiting 2015.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: You said exiting 2015.

<A – Anna Ewing – The NASDAQ OMX Group, Inc.>: Yes.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Okay.

<A – Anna Ewing – The NASDAQ OMX Group, Inc.>: All right. Let me say it again. I'll say it one more time. So what I said today was we will be exiting 2015 with a 20% operating margin. And again, we are achieving on track the cost synergies and you know what's well enough by now to know that we will execute successfully on that. But we are also investing in the business at the same time. So I think it's really important for you to know, we're really looking at a balanced portfolio approach of both top line and margin expansion at the same time and we're balancing the two.

I also just wanted to [indiscernible] (03:24:58) Michael Cotter, who is also here with us today, and we're all certainly available to meet with you over lunch. Michael is with us for 12 years through his

TR heritage and has been running the Corporate Solutions business segment for us. So Michael will also be here for lunch as well.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. Great. And I think we have one more question.

<Q>: Maybe just bigger picture in the total segment ex the services that you provide to other exchanges, looking at like the brokers like whether it's the SMARTS to BWise and then also on the IR, is there any way to size like the overall market opportunity, and what market share you have even today, just trying to you figure out like how much penetration you had across those three segments, because there are lot of regulatory changes, lot of different focuses for IR teams now versus maybe five years ago. So you could see there's more opportunity there, but just any types of like quantification of that.

<A – Anna Ewing – The NASDAQ OMX Group, Inc.>: Yeah. So I think when you started talking about market share, the first thing you obviously need to do is define your addressable market. What are you defining is the market that you're going after. So we actually look at our market share not in terms of one specific number, but we look at it very granularly in terms of the customer segments that we're competing in. So if you look at my comments earlier about the Market Tech space and we used a metric of the World Federation Exchange members, but that's really only one metric.

So we look at the spend is in that space and if you look at GRCs and other. So we look at World Federation of Exchange metrics as an indicator for us on how to drive, how to define market share. We talk about 84 markets that we're in, you can't just look at the number of markets. Obviously, we look at it more granularly in terms of revenue, in terms of number of subscriptions in the case of SMARTS et cetera.

So we can give you more flavor of that, but again it really is individual markets that we look at. If you look at the GRC space, which is a much more defined space in the industry. So we can talk about market share that relates to Forrester and Gartner projections as well. So it really is a variety of ways for us to measure addressable market and define our market share.

In the investor relations space, back to your specific example, if you look at the revenue spend and again there are industry publications that follow the space very specifically, we're probably in the – somewhere close to 25% market share if you look at IR specifically. But that space is changing and the conversion we talked about is changing what we're defining as that addressable market. So we see much more growth opportunity, not just in IR, traditionally IR, but in the adjacencies that we talked to you about as well.

MANAGEMENT DISCUSSION SECTION

Edward P. Ditmire, Vice President-Investor Relations

Okay. Thanks, everyone. At this point, I would like to introduce our Executive Vice President and Chief Information Officer, Brad Peterson. Brad is the newest member of the NASDAQ OMX senior leadership team. He joined over, a little over a year ago and brings some very fresh perspectives to a critical role at the company. Brad previously served as CIO for Schwab Technology Services, where he was responsible for Schwab's technology innovation, development, infrastructure and operations, and before that, served as CIO at eBay for five years. Brad?

Bradley J. Peterson, Executive Vice President and Chief Information Officer

So I first had a little trepidation about going in the order I was going in, but I counted I think 2,563 times that technology was referenced. That's exactly the number of NASDAQ listed companies in the book. So technology is clearly important to our business. We're either directly in the technology business as you've heard or it's part of our ongoing strategy for the other business units. Our organization, Global Technology, is responsible for product engineering, architecture, performance engineering, infrastructure, 7x24 global operations and a very important area, information security.

You can advance to the next slide. I've also brought my redundant props my iPad, my paper copy, and this. We have an important focus area. We put this upfront just to talk about what we're doing around systems risk. I think Lars talk about the importance and the very serious business that we operate in, in running markets around the world.

We've been designated in the U.S. by an executive order of President Obama as critical infrastructure. So in most of the markets around the world where we operate, we are critical infrastructure, we're critical infrastructure in the European markets that we directly operate as well.

So things will happen. You have to take risks in business. So what we've identified and what we've structured is a governance committee that is responsible for assessing our risk broadly and we've just completed a wide identification of risk. We've prioritized those and those are being program managed by a long time NASDAQ employee who works on my team along with internal audit and we have this systems risk committee reporting into our global risk, which we've always had. So this new technology risk group is new, but global risk is not. And that as standard corporate governance is all reporting up through our audit committee.

So with this, we have also for new initiatives, we've backed into our product development lifecycle and really look at the architecture and design functions to make sure that we're building resiliency in. We've done that in Market Technology for years, but we're making sure that all the things, the new things like NASDAQ Private Market are built with resiliency. We've always had, I think, an outstanding performance engineering function in the company. So this complements that as well as the information security needs that we've seen for both our customers and internally. You can advance, please.

So I can probably speed up some of my side, because these stats had been referenced already. It is a incredible feat to go at 1 million messages per second. Those aren't transactions, but 1 million messages per second. Our technology is humming sub 40 microsecond roundtrip. The silly names possibly, ITCH and OUCH, you've heard them referenced that we're implementing those in eSpeed. They are in our market technology and they are in fact the de facto standard for market data and order entry for automated trading.

And Stacie already covered how we're continuing to advance access and moving up speeds as networking and those areas progress and as well as the microwave. So we can advance on, you've heard these stats. So how do you do it, how do you maintain a leadership position? I think Bob talked about, you want to build from your foundation, from your core what you're good at, and we certainly have been on a path of really making sure that we are approaching the speed of light. And at some point, you do hit that and everyone has that limitation.

I'm happy today after working at financial services and working in non-financial services, we're highly scalable, we're a 40-year old financial services company, probably only one that doesn't have a mainframe. So this is wonderful and you talked about scalability, it's a similar scalability to eBay's. So we scale horizontally with lower cost, commodity hardware and that's what you see happening out in the Valley and the bigger e-commerce companies. So our architecture is horizontally scalable that does give us a cost advantage.

We are obsessed about costs and we have the ability to process just about any instrument at we think the most competitive price and costs. I think the other business units Hans-Ole is talking about the diversification, our platform has been built out to handle many asset classes. That helps us win, I think, deals like Borsa Istanbul, but it also creates, I think, some leverage that we both fund internally to run our operations, but then we can actually share those development costs across the Market Tech.

Let's advance to the next slide, please. Anna and Lars had the Borsa Istanbul case study in here. I just wanted to have a quick one about our SIX Swiss exchange. We have a benchmark, that's still the fastest benchmark roundtrip of 37 microseconds. I know you guys and that's the fastest benchmark to-date. You're all tired. You've been sitting here, so let's all blink. Give your eyes a rest, that's 10,000 orders just went through. So just incredible speed and we can blink pass this slide as well. So let's keep moving.

So how are technology trends? And this is where it gets exciting as a technologies. How are technology trends going to enable our business both cloud, mobile and big data. So I've – in your decks you can see I've tried to illustrate where some of the product areas and some of the underlying technologies we're using are going to advantage us.

So let's advance to the next slide and cover up cloud. Here I think as someone who has to advance infrastructure for a 40-year old company. Often times, you have incredible friction both internally from your internal processes and you also, just in the skill set you have, we have an incredible opportunity and the fact that we are renting our legacy infrastructure from Thomson Reuters. So we have contracts. They are structured in a way and they're all in our budget today. They are structured in a way that we're incented to get off them.

So this is a technology's dream that you actually have the opportunity to build out from under your infrastructure and you know you have a date that you need to exit from. So that's what we're going to be doing. We're going to be, for what you just heard Anna's business and Paul's and Mike Cotter, we are going to be modernizing those platforms. They are going to be mobile enabled and they're going to be cloud delivered.

I think there's also a benefit. As you know, there is intense cost pressure or cost competition in the cloud services from Microsoft, from Amazon and some of the open stack initiatives that are going on. So getting your products on a cloud infrastructure allows you to ride that cost curve down. So we think that's really tough to do when you're just trying to drive your cost down internally from your own infrastructure. This gives you the ability if you design it correctly to actually be on the platform that is driving down the cost the fastest. So we're pretty excited about this opportunity. It's part of the numbers that Anna referenced before the cost synergies.

Let's move on to mobile. And here's a – I have a – one of my passions I was responsible for launching in 2006 PayPal mobile and then went to Schwab and launched their mobile platforms. And at that time it's interesting we were having a debate. We had Arun Sarin from AirTouch on our board. He ran Vodafone. He said you got to build the BlackBerry platform, because that's the demographics we're dealing with. We were not a few months into our development and we said we got to go iPhone. So we switched, we never built a BlackBerry platform.

We have a wonderful iPad Directors Desk platform today. And as a B2B product, you say we'll – how many native apps should you build. And we partnered with Microsoft, a great NASDAQ company, and we rather than just cloning across our iPad, we took the opportunity to redesign the product using some of the great design methods from the Metro UI.

So we think we have the best Windows 8 products right now. We don't think that Microsoft is going to cede the whole enterprise. We also have a product for Directors Desk that runs on a browser, so we cover Android. So we cover iOS, we cover Windows 8. This is an example of, I think, where

Anna's team is saying we're going mobile first. You guys are all road warriors. Your jobs have been greatly changed and enabled I think by the tablet.

We think IR is also going that way. So we're going to be – we're excited about doing the same, just like we have with Directors Desk, we're going to really take mobile and use this opportunity as we build out from under the Thomson infrastructure. We're going to end up with a cloud-based mobile products that is very cost competitive and very easy to use.

Let's flip one last one. The big data strategy, I had a lot of support from the comments from the other business leaders talking about just the explosion of data. We're all reading about that. I think there's another nugget in here just about how we build products. And I want to take an internal example.

Tom Wittman has deep experience running the derivatives market and built a revenue management platform based on, it was legacy BI tools, Cognos, relational database, state of the art at the time, but we said we really need to build something for our equity markets. So we took that expertise and we built the cloud-based. So we have all the latest BI that can handle unstructured data. It's not just limited to the relational, older relational technologies, and is the newer set of BI tools.

As you saw in Lars' chart, he sees analytics as an opportunity. So as an operator, we actually can take our IP, and we often get our customers that'll say, well, how do you guys do it, how do you do it in Europe, how do you do it in the U.S.? So we have immediate credibility in IP expertise that we can build into those products and then generalize them from the Market Technology. So I think big data is a new product area. I'm going to save some time and if you have a question, I can talk more about the opportunity around this SMARTS, which is pretty exciting, but I'll keep this moving, because I know you want to talk with Lee, he is up next.

So you can flip to the next slide. There's some press that's probably going to go out about our leadership position here. Mark Graff, our CISO, was down with the SEC on a panel. He's also brought together from a special working group, cyber working group, and he's the chairman of that new group.

So we're taking serious leadership role in information security right here in New York. A week after next, we're going to also have the Defense of International Markets and Exchanges Symposium. Again, chaired by Mark and invited, we have great attendance from around that world that are going to come to New York and talk and share about how we can do a better job of [indiscernible] (03:41:46) information security problems. You can move on.

A few of the comments that Nelson and Bruce did not cover. NASDAQ Private Market, we took a look at the shareholder platform as part of our investment there. We ended up rebuilding it and rebuilt it in the cloud. It's on Ruby on Rails, and that is the platform that today companies can do liquidity programs on. So it's the front door to NASDAQ Private Market.

What we see is we're out also looking at other solutions that we're going to integrate into it. As we've looked at almost everyone in this space, it's old, it's long, and it usually isn't of the security grade that we would want putting our brand behind it. So what we have done is, built this so it is this secure platform. If we integrate anything in or if we acquire anything – any tools in this space, we'll first harden them from a security standpoint, but this is – it's the San Francisco based team. It's state-of-the-art technology and no one else has it in it and it's already been built.

Let's move on to the last one. Technology talent, how do you get it, how do you attract, how do you keep it? We're already in great locations for access to engineering talent. We have big development center through our OMX acquisition in Stockholm, we're in New York through Thomson Reuters. We have a heavy presence in Boston as well.

What we're looking to do is also we got into Philippines and India through the Thomson Reuters acquisition. So hopefully, your best engineers, their cost does not go down, because you really want to pay your best engineers to keep them, but as far as creating the leverage, we think we have an opportunity to start to put different functions around the world. It fits our global footprint.

And then Bob and Brian Smith, our Head of HR, have also commissioned a healthy acquisition of direct hiring from college and internship program. So we think that keeps infusing the newer ideas and new technologies as well as providing us some costs leverage. So in closing, what I would say is Global Technology is the secret sauce of NASDAQ. It is a 1,000 plus people dedicated technology professionals, globally that are working on very hard problems, very serious businesses, but engaged in building solutions for the future.

So with that, we'll have a brief Q&A and then have Lee up.

Edward P. Ditmire, Vice President-Investor Relations

[indiscernible] (03:44:38)

Bradley J. Peterson, Executive Vice President and Chief Information Officer

Okay. We'll roll it to the end. [indiscernible] (03:44:41)

Edward P. Ditmire, Vice President-Investor Relations

Okay. Thank you. Like I said, we're going to hold the Q&A on that section. And next I'm going to introduce Lee Shavel, our CFO.

Lee Shavel, Chief Financial Officer & EVP-Corporate Strategy

Okay. Good morning, everyone, and I know this is a lot of information that we throw at you on these days. We appreciate your patience and persistence here. What I'd like to try to do is try to pile that together as Ed and I try to do on a regular basis. Hope you see the force from the trees given all of this detail. And I'm going to start up in terms of the first slide here.

Something that's familiar just to reorient you. Obviously, we continue to have the diversification of all of these businesses. And hopefully what you heard today, particular in our non-transaction segments consistent growth drivers in Information Services, John talked about the continued leverage that we have towards growth in passive investment, opportunities in Smart Beta and clearly continued opportunities to grow our market data business.

In Listing Services, we continue to benefit from what continues to be an extremely strong IPO market. You probably have heard some of the noise coming here from the side, another IPO candidate that's celebrating their launch here, as well as importantly what we see as an exciting opportunity with NASDAQ Private Market in the listings sector.

And then in Technology Solutions, as Anna just covered, continued opportunity through the Market Tech expansion that Lars discussed, and our opportunity to further our penetration our cross-sell in the Corporate Solutions business. So within all of these businesses, we feel very good about our growth opportunities there and that's not to do the service to what we see as continuing growth opportunities, really organic growth opportunities on our Market Services businesses.

I'll repeat the fact that our options business in particular we continue to believe benefits from secular growth as institutions and individuals continue to adopt options as a means of managing their overall equity exposure and of course the opportunity that Joe discussed in at eSpeed, both in terms of what we're doing on the technology side and the product side plus the ongoing expansion of that opportunity, we believe will continue to provide a very strong growth opportunity for us in that business in addition to a broader environmental benefit that we see as we move into a more normalized volatility environment. So please continue to keep that mix in mind.

I now want to just talk about three elements, as I put in myself in your shoes that I certainly think are relevant revenue growth and margin expansion opportunity. Secondly, capital allocation and then finally, use on valuation.

So if we could turn to the next slide, I've spent a fair bit of time talking with many of you about this dynamic. If you look at the revenue in total and breaking it in between the Market Services segment, more volume driven than the non-transactional segments, you can see that over the – since the beginning of 2009, we have grown that at a 9% cumulative annual growth rate and over time we've moved to non-transactional segments that is the Information Services, the Listing Services, and the Technology Solutions business from 52% of total revenues to 60%.

But what I want to focus you on is on the bottom right of the slide. What we want folks to be aware of is the overall organic growth rate that we've had in the non-transactional segment, which clearly coming through the financial crisis we felt the pressures as many financial services companies have, but we have continued to see sustained organic growth in the non-transactional segments, not influenced by our acquisitions of 5% in 2013 and you can clearly see an increasing trend within this business over the past two years.

Now Market Services, you clearly can see the impact of the very low volatility environment and the impact on overall volumes in our trading businesses; however, also an upward trend, we believe driven by the movement back towards a normalized volatility environment, and certainly if you look at the volumes that we have reported in the first quarter or so far for January and February, I think we feel confident this is clearly moving into positive territory moving into 2014.

And with those trends in mind, if I could turn to the next page, something that we feel very comfortable in communicating is when we look at the non-transactional segment over the medium term as, for a three-year to five-year time period and we look at each of these businesses. Within Information Services, we believe that we can deliver a mid-single digit revenue growth rate. John spoke to the drivers in both the market data and in the index section.

In Technology Solutions, as Anna has described, we're very comfortable with the mid-single digits growth rate on the top line organically. And in Listing Services and I think without giving any significant credit to the opportunity in the potential that NASDAQ Private Market represents, we feel comfortable that we will be able to generate a low single digits growth rate.

And so overall, for this segment, we believe that we will be able to deliver that mid-single digits revenue growth rate for the business as a whole, which we think compares favorably to the S&P 500 expectations from a top line growth perspective.

Now moving to margins, if I could turn to the next slide, again, to summarize and just briefly talk about each of these, within Market Services, you can see on the relative stability of the margin here in the 40% range. We expect that to continue under the existing volume levels, although I'll talk a little bit to give you a sense of what we see as the upside in that and the operating, driven by the operating leverage in higher volume environments.

In Information Services on the upper right, again, very high margin business. We continue to see stability in within that business. Transaction solutions, I'm sorry, Technology Solutions on the lower left, clearly the business that is our lowest margin business at this point, but the largest opportunity from a growth perspective as Anna and her team deliver upon the opportunity of growing that to the 20% level prior to the exiting 2015. And within Listing Services we also expect that margin to remain stable.

And so if we turn to the next slide, just to give you a little bit more granular detail on the individual business margins and the opportunity, you can see on the top right that we believe it for 2013 or 9% margin in Technology Solutions just on the basis of what we can achieve from the Thomson Reuters synergies will take us to a 16% level on the way to the 20% level by the end of 2015. And that would translate into $0.21 in incremental annualized EPS taking our second half of 2013 annualized revenues of $560 million.

In looking at Market Services, what we have shown is that in 2013 at those levels, we generated a 41% operating margin. If we were to look at two subsequent cases of 10% higher transaction revenue and 20% higher transaction revenue given our operating leverages that could increase our margin by nearly 15% and that would translate into between an additional $0.16 per share and $0.32 per share in annualized EPS on that level. So overall, taking both of those into account, we clearly see what we see as revenue upside from the low 40%s into the mid and high 40%s if we're successful in those opportunities.

And so with that, let me turn to capital allocation. So if we could just advance to the next slide and going one more to the next table, this should come as no surprise to you, our businesses continue to generate very strong cash flow, very stable cash flow. In 2013, our free cash flow excluding the Section 31 fees, which, as you can see, can have a inter period to influence, but it's not a significant over long time, generated $474 million. Now that was down relative to 2012 under general $500 million level.

That was really due to some one-time cash needs within the business in 2013, including things like the combination program, some tax assessments and some capital requirements and some of the acquired businesses. So moving into 2014, I think that what you can expect to see is clearly free cash flow in this level that it's going to be north into the $500 million range and will continue to demonstrate very strong financial flexibility for us.

In terms of utilizing that capital, if you turn to the next page, I think our track record again is very strong. We have utilized approximately half of that free cash flow since 2009 in a combination of buybacks at 43% and our recently instituted and recently increased dividend on that accounted for 5% and 52% in the acquisitions that we've made over that period.

Now, if you turn to the next slide, clearly, in making those acquisitions, as you all know, we took our leverage up to 3 times debt-to-EBITDA, and consistent with the strategy the we outlined at the time, we have brought that down according to plan and have indicated that we will expect to be back at our target leverage ratios in the second quarter. And at that point, we will then have the full flexibility to be able to consider the full range of capital return alternatives.

And if we could go to the next slide, let me touch on each of those, I think it should – we emphasize that we do have a very broad and balanced capital return strategy. It is also, as many of you know, a very disciplined strategy that we've put in place to evaluate and track our returns on capital for each of these applications. We have been I think very transparent in terms of the returns that we have generated in our internal investment.

Each of these projects is tracked individually. We report on it to our board of directors on a regular basis and we feel that a 25% return on invested capital that we've generated including all capital that we've deployed even those in unsuccessful ventures is a pretty track record and we have certainly no reticence in declaring that as success in capital allocation.

With acquisitions, something that Ed prepared here is that there is a quote by Warren Buffett in a test that he runs that encourages shareholders to test the wisdom of retaining earnings by assessing whether retention over time delivers shareholder at least $1 of market value for each $1 retained.

Over the past 10 years, our retained earnings represent $2.6 billion and our market cap hasn't increased by $5.8 billion with an implied return on retained earnings of a 123% that compares to an S&P 500 return of 68% over the same period. And we certainly feel that each of our acquisitions as Bob has described, has a leverage of that technology, their relationships the resources that we've had, and has been additive to shareholders.

Dividends, as you know, with the announcement today we've said previously that we do believe that companies that grow their dividend over time are rewarded by shareholders, and this clearly is the next step in our dividend strategy.

And then finally, on share repurchases, as we've said, we have the flexibility to consider resuming repurchases under our existing authorization when we reach our target debt levels and market conditions are favorable. We continue to expect to reach those leverage targets in the second quarter, which could allow us to resume repurchases subject to market conditions and other factors. So that I think really summarizes our approach on the capital deployment.

And so finally, if we could turn to the next page, we have prepared this in the past some of the parts of valuation analysis. And what we've done here is an update to that. We are looking at each of our four segments. The last time we did this, we did not have the individual segment break out and so we had to do something that was a little more complicated. I'm very pleased to be able to now provide this, not only here but on a regular quarterly basis you will have this breakout of these segments from an operating earning standpoint so that we can track their margins.

And what we've done is, we have used a very similar set of companies within these segments that are outlined on the next page, but we've taken the median multiple for each of these businesses. And you should feel free to look at those peers and evaluate what you think is relevant and where within those ranges what you might apply to these businesses. But simply applying the median multiple to these various business would – and we're looking at EBITDA multiples for the business, it would imply a $9.5 billion valuation based on that median peer multiple, which we translate into $54.71.

Now, I think that we certainly get the question, well, what is the opportunity to separate these businesses. And I think as we've discussed before that we've built this business leveraging the existing technology. And our focus here is not on the independent value of these, but if you look at the revenue growth, the profitability dynamics, and the cash flow dynamics of each of these businesses, we really think they are substantially similar to the peers that operate in this sector, and consequently, should be evaluated on that basis.

To tie all this together, if we could advance two slides, I think a very compelling comparison that we're offering here is looking at and making a comparison of NASDAQ on a revenue basis, margin basis, an EPS basis, an evaluation basis to the S&P 500 as a whole. You can see whether you're looking at our trailing five-year revenue cumulative annual growth rate or the current analyst consensus estimates on our 2013 to 2015 revenue estimate, we are trading at a – we are expected to grow faster than the S&P 500 as a whole.

From an EBITDA margin standpoint, we have a substantial advantage in our businesses with a 47% EBITDA margin for 2013 versus 19% for the S&P 500. Obviously, you're going to have a lot of different industries, but generally, we feel very comfortable that the strength of our margin reflects the competitive strength of each of our businesses. We've talked about in the past that 96% of our revenues we are number one or number two in those businesses. It's reflected certainly in this margin for the business as a whole and also supported by our exceptional cost discipline.

And then from a trailing five-year non-GAAP EPS comparison, again, we've been able to deliver a 10% cumulative annual growth rate in EPS versus 8% for the S&P 500. Now, with the strength that we've shown here on revenue, margins and earnings, it's still to us seems a tremendous opportunity that we trade at a 20% discount to the S&P 500. And hopefully what you've heard today will give you greater confidence in terms of the stability, the growth dynamics of our business, and the overall opportunity that help you feel even stronger about the opportunity that this implies.

And so with that, I'm going to turn it over to Bob for wrap-up comments and we'll roll any questions that you have for me into the broader Q&A.

Robert Greifeld, Chief Executive Officer & Director

Well, this is about the longest meeting I've been in without a break. So I'm sympathetic. Certainly, I hope you stand I think where I do with respect for the management team that we have here, the length of service, the breadth of knowledge is truly impressive. So that being said, love to take any questions you have and I'll call up on the management team where appropriate. So, general questions.

QUESTION AND ANSWER SECTION

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Why don't we start with Bill over here? And everyone, please state your name before your question.

<Q – Bill Katz – Citigroup Global Markets Inc. (Broker)>: Sure. Bill Katz, again. Two questions unrelated, the market seems to be focused on high-frequency trading. You've given some guidance about what you think that revenue impact is. The market doesn't quite believe that. Can you maybe spend a few more minutes about where the most at risk part of the revenue stream might be under any sort of stepped up regulatory scrutiny? And then secondly, for Lee, $55 sum of the parts stocks where its trading, could you be a little more specific about priorities when you get to June 30 about, if today was June 30, what would be the number one use of incremental cash flow? Thank you.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: All right. So we did this about two years ago with respect to high-frequency trading. The first thing is you've got to get to what the definition is, all right, because everything comes-in in a high frequency relative to what it was 10 years ago. So we said, one is, if you're a market maker, we exempted you from there. If you're an obligated market maker designated market maker. So, the criteria we used two years ago and I want to use it again today is the trading has to be done on a proprietary basis, obviously, not for a retail account. It's got to use low latency technology in the data center. I mean it has to be colocated there. Traders have to tend to have no inventory at the end of the day, that is they are going flat and they are not making a directional bet on the market. And we see a short average order life basically under one second. And a second in today's day and age is a pretty generous measurement. And also a high order to trade ratio, generally over 100 to 1.

So, on those definitions, those criteria, we have $12 million of revenue associated with that. When we last did the analysis, it was $10 million. So it's gone up a couple of million. What's interesting is the last time we did the analysis, we had a certain high frequency firms in our top five. And today there are no high frequency firms on the top five customers. So probably there is an increased concentration is what – no, you wouldn't say an increased concentration, it's probably more smaller guys, but no high frequency guys on the top five customer base.

And then Lee will not answer that question, but go ahead Lee.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: So, clearly, we see evaluation opportunity in the context of where the stock is trading. Our first priority is making certain that we deliver on our commitment of bringing that leverage down. There are a lot of factors that influence when that happens in terms of cash flow and other elements. I think focusing on any specific point in time what I would ask you to bear in mind is that we have a very strong track record as I just showed in terms of our capital allocation where we've allocated a lot of capital to share repurchases. So I don't think there should be any lack of confidence of our willingness to deploy capital to that alternative based upon the level of capital generation that you see and our needs. And so beyond that we don't – it's a hypothetical exercise as to where we're going to be over the course of the second quarter. And we wouldn't – if we didn't have a discipline, I would be able to make some prediction, but we do have a discipline of being able to make decisions based upon the circumstances that we face in that period.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Thank you. And we'll take the next question over here.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: I guess – Rich Repetto – I guess the first question is on the valuation, and I'd be interested to hear your thoughts on why you think you get the discount because you are partitioning transaction and non-transaction businesses, but I think the market still views that it's still – they're still related even though they'd be not – considered not transacted, market share was to deteriorate or market – for instance to move up, that it would benefit you materially or if it moves down that these other non-transaction businesses would be impacted as well. So I just – I guess my question is why do you think that there is a discrepancy?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: One of the objectives of today, obviously, is to get a more fulsome discussion of the business. So, the more transparent we can be, I think that's to our advantage. I mean a lot of data that we put out to you today, one of the most interesting facts is when you look at our market share in a single SRO, the LIT market is 27%. And I think our ICE is at 16%, right, 16%. So from a listing point of view, we're in an incredibly strong position relative to our markets because you list with a single SRO to get to that point there. And that's a dominant factor as we talk to issuers.

Clearly, we like the volumes in the markets to be higher and we'll make more money. What's interesting is the volumes in the market are in fact going higher. And as I said all along, we love our transaction businesses and they're doing well. So it's not like they are under any duress at this point, so we feel good about that. There are a number of businesses, [indiscernible] (04:08:57) you make your own judgment. So, obviously, you are completely independent of the transaction businesses that have great growth opportunities in front of them. Clearly, Anna's group, John Jacobs' group has their own manifest destiny and we're pursuing it as aggressively as we can. And they are fundamentally uncorrelated, unrelated to the transaction business. So, in answer to your question, we're here today to give more information, you'll make your own judgments which you see these businesses and they are all doing well. As I said in my opening comments, they are increasingly competitive on a relative basis to their peers and we feel great about where we are.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: One follow-up.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Go ahead.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Moving off that topic, the stock certainly has been impacted by comments made last week by the New York Attorney General [indiscernible] (04:09:48). So I guess the question is are you comfortable that – I think you've given great information on how everything is done regulated on a fair playing field, all the proprietary data feeds. But are you – is there any areas that you would have any – as you look at the whole system as an overall, are we treating -and I would even ask the question, is there anybody that can move faster than the NASDAQ in repricing once the prices are updated, can high frequency traders for example be able to move faster than you [ph] off of because they are colocated (04:10:32) before you can reprice it at the center.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: I am trying hard to understand your question. We don't reprice, you're saying ourselves obviously, we are taking the input of pricing reflecting that in our matching engine reflecting in the system. So, your question is does certain investors get there sooner. I think certainly some of our customers have faster computers than others and that's probably the result of investment more than anything.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: I would say one of the assertions that I think is going to be made or could come up in the future, let's say, is that any market site, when they reprice, when they do a trade or when there is a trade done from somewhere else and they need to reprice their NBBO that they can do it faster than anybody – than a trader – an algorithmic trader sitting in a colocation facility.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Still not quite getting this. So – I mean we update our market and then we distribute. So even if we're slow, if our matching engine is slow, we're fast, but if we're slow we're still sending the daily feed out simultaneously to all users at the same time.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: I think we'll probably just have to...

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah, we'll stop [indiscernible] (04:11:59).

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: All right. We have a more questions. Let's go back here.

<Q – Mike Carrier – Bank of America Merrill Lynch>: Thanks, Mike Carrier. Maybe first one for you, just given the valuation in the some of the parts I guess I mean you put it up there. Do you believe it anything that's the fair evaluation. And then given that its 50% upside, have you in the past seen acquisitions that can deliver that same return. And so it is the balance kind of weigh towards buybacks now versus acquisitions?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: So, the first question is I absolutely believe it. There is no question on my mind when you see the stability of what this business delivers from a cash flow standpoint, you see the fact that these businesses, they are not tied to volume, and I'm not saying that there isn't some correlation clearly they are tied to some degree to overall market activity and strength of economic growth. But when you look at the chart that I've spent time with many of you on and looking at quarterly our revenues, our operating profits, our EBITDA, the extraordinary stability of that, is very consistent in my mind with those types recurring and subscription businesses that receive the higher multiples that we talk about. And I still fundamentally believe that for a lot of investors, they can't here at NASDAQ without thinking of the U.S. cash equities market. And there isn't still a, I think a full appreciation. We've made I think progress on that clearly our relative valuation has improved, I think since we've been working more diligently to help people understand that.

Now, with regard to your second question, again, we think that there is a very good return from investing in our stock, but I can't anticipate what opportunities there may be outside of that that we would have to evaluate when they occur. So you simply can't assume a hypothetical transaction and evaluate what that return is. I think the best I can do is when you go back and look at historically what we've done, we have had no compunction about being aggressive repurchasers of the stock when that clearly is the best use of capital.

<Q – Mike Carrier – Bank of America Merrill Lynch>: Yeah.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: All right. Why don't we go to this side here?

<Q – Patrick O'Shaughnessy – Raymond James & Associates, Inc.>: Two questions. Patrick O'Shaughnessy from Raymond James. The first question is, Lee, can you remind us what the EPS impact of your NLX spending is this year. And, obviously, you're not going to take your foot off the gas this year, but as we think about 2015, 2016, is your expectation that at some point in the not too distant future it either becomes a profitable enterprise for you or you shut it down? That's the first question. And the second question is and maybe this is for, Tom, on the options competition side of things, you have a competitor out there who can basically subsidize the multiple listed options pricing with their index options business. And given that framework, what do you think or what you see is the pressures on options pricing for the next couple of years?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: So why don't I address the quarterly impact on NLX. So as we've discussed before, at its current level it's approximately $0.04 to $0.05 per share, per quarter. Clearly, there is not an expectation that that's maintained in perpetuity. I'll let Bob handle that.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah. We're, obviously, as I think we, Hans-Ole gave the numbers in terms of size of the markets, it's big, has been as big as $700 million. And we're thus getting a healthy share of it, be a very profitable enterprise for us. And, again, we're leveraging infrastructure we have in Stockholm to run it and we're excited about it. But we're also clinical in terms of how we're going to judge its progress. As I said, we've had a good couple of weeks. We have two banks now starting to quote aggressively through the router, they're crossing the bid offer spread. And so that is kind of the attraction for others to come in because that's where now we're not just on the touch, but we have some price discovery happening in NLX. So that's the big step forward, it's the place of discovery. So we got to watch for those things, but like anything else, it won't go forever. It's got to continue to make progress, continues to make progress it will hit the flywheel spin.

<A – Tom Wittman – The NASDAQ OMX Group, Inc.>: On your options question, if you reflect back on the market share graph that I first talked about, you can see that we've been under pressure for four years with new entrants coming in and we continued to maintain our market share. And we've also continued to keep relatively high capture, which obviously drives the revenues. One thing I didn't mention in my presentation that we do do, where we do have some creative pricing is we currently use our same SRO within cross assets. So we can take our NASDAQ Stock Market and our NASDAQ Options Market and we leverage our customer activity on the NASDAQ Stock Market against our NASDAQ Options Market. So, we have additional discounts or rebates for our participants across those.

So, we can go, NASDAQ-to-NASDAQ, Philly-to-Philly, Boston-to-Boston. And recently we filed with the SEC to do cross SRO pricing. So I think we're in a very – in a very competitive and a strong position here to continue to compete. I think our four year track record shows that we are seeing new entrants coming into this space right now and they've got inverted pricing, basically giving money away that captures probably low-single digit, but we continue to perform against those entrants.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: All right. Tom has done remarkably well. So, you mentioned what CBOE is doing, but they are a rational competitor in this space. We have one irrational competitor and we continue to win on a regular basis.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: All right. Let's take a question from Ken on the other side.

<Q – Ken Worthington – JPMorgan Securities LLC>: Hi, Ken Worthington from JPMorgan. Sorry to follow up on HFT and Rich's question again, but you're distinguishing registered electronic market makers from I think what you called unregistered proprietary trading firms. What gives you the conviction that the registered EMMs will be free from either regulatory scrutiny or rules or regulations like why have you separated those two apart?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Because I think in any circle you go to, you see the recognition that you need market makers in the market, right, I mean it's hard stuff. There is nobody out there that are saying, hey, we're going to run a market where we can't have people that bid offer responsibilities to the marketplace, just a separate discussion. So NASDAQ was founded on the market maker principle. It's key, it's instrumental to our market. It's fundamental, so they're going to be here one way or the other.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: All right. I think we have a question right over here. Ken?

<Q – Ken Hill – Barclays Capital, Inc.>: Hi, Ken Hill from Barclays. Questions for Lee, just around the recent dividend hike, it's been the first one you guys have done. Just kind of wondering what the customer conversations were leading up to that, because it's not really kind of at a level where I think it gets more people excited given the dividend yield where it's at and kind of where could that grow to over time, particularly as you kind of balance that out against share repurchases given the attractiveness of the stock at current valuations?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Sure. Thanks, Ken. So, I think the considerations that would go into it is I think what we want to establish is a pattern of being able to increase that dividend over time. We also look at where payout ratios are generally within the S&P 500 and the competitors on the space. To be clear, we aren't adopting a dividend strategy along the lines of some of the other participants – other members in exchange, that are targeted on high payout ratio. And part of that is our conviction around the flexibility and the benefit of having the discipline to being able to allocate capital where we see attractive opportunities, whether it's a share repurchase or it's an internal investment or an external investment.

And so, I think given what we see as the plate of opportunity across those that we – we think that at this point, allocating proportionally a – increasing the proportion of the dividend to that makes sense, but we aren't dramatically changing our dividend philosophy to be one that is targeting a particular yield, because obviously that's going to depend upon where the stock price is and may influence it or a specific payout ratio over time. Now, I think if we're successful in improving the relative valuation of the stock as we have been, and you may see that shift mix over time. But I think at this point, what it reflects is a reasonable increase of 15% over the prior dividend and a demonstration of our commitment to try to grow that dividend over time.

<A – Ed Ditmire – The NASDAQ OMX Group, Inc.>: Okay. We'll take one more question here.

<Q – Mike Carrier – Bank of America Merrill Lynch>: Mike Carrier of BofA, one, I guess it's related to HFT, but much broader. So when I think about what the SEC has been focused on over the past couple of years, maybe they have more time post Dodd-Frank. If you think about the current market structure and let's say that with HFT, it's not about timing or speed, meaning they look into that, there is no issues there. Maybe there is some HFT firms that they go after because of various reasons, but if they just don't like HFT being 50%, 60%, 70% whatever it is in volumes in the market, in terms of the market structure, like how from an exchange standpoint, do you change it? Meaning do we bring back traditional market makers to bid as spreads widen? There is more of the liquidity off exchange, go on exchange, and are there incentives to do that? And if that does happen, how much revenue opportunity is that versus the decline you might see in HFT?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, that's involved question and involved answer, I'll give you kind of a thumbnail sketch. So, one, the SEC would have to start a process. So whatever you're talking about is we haven't seen a concept release, we haven't seen that, so it's probably several years away. And I think at the end of the day, the provision of liquidity in the marketplace, people are going to be very hesitant to put in policies that removes liquidity from the market. You can argue whether the liquidity is there always when you want it, but it's still liquidity in the marketplace. So you've got that pure public policy issue when you get down to it that you have to worry about.

To the extent that the world changes and we lose liquidity of the HFTs, spreads will widen. I think to turn your point, I mean it's a kind of a guaranteed cause and effect over there. As spread widens then other opportunities present themselves, which I think it would be fundamentally advantageous for NASDAQ OMX in terms of our position in the marketplace, I see the greatest neutrality of the order flow.

So the point is, I don't see anything happening in the near term. I think when the regulators, the people who know the market, know the economic data in front of them, they are going to be loath to take liquidity away from the market. I have yet to see that happen in any regulatory structure around the planet. And so, you'll see how it plays.

Robert Greifeld, Chief Executive Officer & Director

But wrapping up here, we covered a lot today, we want to devolve back to the HFT question, but that's fine. But let's go through just very quickly where we started, so John Jacobs came up and remarkably, NASDAQ is now thought of as a company with $100 billion under management, that's a big number. Number is growing, has accelerated. We are positioned properly in passive investing, and best positioned in [ph] Smart Beta (4:24:34). Now for those active managers in the room, I was kind of cringing as John was going through, the growth in passive. So we apologize for that, but the fact is we're positioned in that, it's a high margin business, has tremendous benefits of scale, where incremental dollars go to the bottom line. All right.

So that to me is just a wonderful growth opportunity for what we have within NASDAQ OMX. When you talk about our corporate solutions business, we're clearly focused on getting the margin up to reasonable levels, our revenue growth opportunity, we're light in the details, but that's certainly has the ability to grow quite dramatically over time. There is no ceiling to what we can provide to those 10,000 customers. So got to get the business in shape, get the marginal to reasonable level, and certainly grow it from there.

What's interesting with respect to market technology, it is really probably quadrupled its definable market in the last three years and the Borsa Istanbul deal is $100 million deal over the life of a contract. That was inconceivable three years or four years ago, we just didn't have the product set. So market technology has a similar growth opportunity as corporate solutions where there is a multitude of products that we can lever against the multitude of customers. These are all wonderful things that will grow our business in time.

The transaction business is doing well. We see a rebounding in volumes. Europe has been especially strong 2013, going into 2014. And as you know that has a wonderful business model on the increment. We see fundamental opportunities with our customers to partner and certainly our customers are not supportive of a vertical silo, vertical monopoly, so independent of the regulators moving like you are going to see with MiFID II and ISMA, we have customer willingness to move to do things. So we have a number of different initiatives where we are the likely partner because when you look at our competitors today, they are so closely in line with the vertical monopoly and we are not.

So core business is doing very well. Market share and capture doing very well, macroeconomic trends helping and certainly great growth opportunity there. The listing business, we obviously think in the fullness of time, NPM changes the world. 2000 investors, that's a lot of investors. Employees don't count, ability to stay private, the demand for it is very strong. Our revenue capture for giving customer in the NPM market place will be orders of magnitude higher than a similarly situated public company customer. So think about that for a while. So our revenue capture, if you're public, will be a lot lower than a revenue captured through NPM. So, clearly, phenomenal growth opportunity. In the meantime, these are just boom times for the listings market.

We are just swamped, we have three IPOs going today. When was the last time we had that? I don't really remember. 45 in this quarter alone. So just a wonderful time, numbers are growing. That obviously is also good for corporate solutions. So a lot of different businesses. We tried to make it into clearly four segments that are easy to relate to, you compare it to the peers, but in each of those four segments, we are properly positioned, we're on the march, we're gaining share and we feel very confident in terms of what we're going to deliver.

So I appreciate you sitting here past – my lunch time is normally 11.30, so I'm the most agitated, but I appreciate you sitting still here and we will be available for Q&A at lunch. And where are we going for lunch, Lee? Is that a way?

Lee Shavel, Chief Financial Officer & EVP-Corporate Strategy

[Inaudible] (4:28:45)

Robert Greifeld, Chief Executive Officer & Director

And the table is there. Good. So, look forward to talking to you over lunch.