

1Q17 EARNINGS PRESENTATION

April 26, 2017



NASDAQ 1Q17 HIGHLIGHTS¹

Applied Technology, Innovation, Growth, Resiliency and Total Shareholder Return

Non-Trading Segments Revenue²

Organic Growth

1Q17: +5% Y-o-Y

Market Technology

Organic Growth

1Q17: +18% Y-o-Y

Corporate Solutions

Organic Growth

1Q17: \$2 million Y-o-Y

Nasdaq Futures, Inc. (NFX)

1Q17 ADV: 213K,
+184% Y-o-Y

Open Interest: 2.2
million
(March '17 Peak)

Acquisition Synergies Achieved

\$50 million run-rate at
3/31/2017

\$60 million targeted

Record Non-GAAP Profit

Operating Income:
\$277 million +9% Y-o-Y

Diluted EPS:
\$1.10 +21% Y-o-Y

Free Cash Flow ex Section 31 Fees

\$237 million in 1Q17

Capital Returns to Shareholders³

\$209 million in 1Q17

Increased quarterly
dividend to \$0.38,
a 19% increase

¹Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

²Represents revenues from our Corporate Services, Information Services and Market Technology segments.

³Refers to share repurchases plus dividends.

1Q17 NON-GAAP SUMMARY⁽¹⁾

<i>(US\$ millions, except per share)</i>	1Q17	1Q16	% Δ
Revenue from non-trading segments ⁽²⁾	\$365	\$333	10%
Market Services Net Revenue ⁽³⁾	\$218	\$201	8%
Net Revenues⁽³⁾	\$583	\$534	9%
Operating Expenses	\$306	\$280	9%
Operating Income	\$277	\$254	9%
Operating Margin	48%	48%	-
Net Income	\$187	\$153	22%
Diluted EPS	\$1.10	\$0.91	21%
Diluted Shares Outstanding	170.2	168.4	1%

- ▶ 1Q17 net revenues were \$583 million, +9% Y-o-Y.
 - ▶ Revenue from non-trading segments⁽²⁾ increased 10%, or \$32 million y-o-y, with increases in Corporate Services, Information Services and Market Technology.
 - ▶ Net revenue from Market Services increased 8%, or \$17 million y-o-y, primarily on higher Equity Derivatives and Trade Management Services revenues, partially offset by a decline in cash equity revenues
- ▶ Subscription and recurring revenue businesses⁽⁴⁾ constituted 75% of total revenues in 1Q17.

1. Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

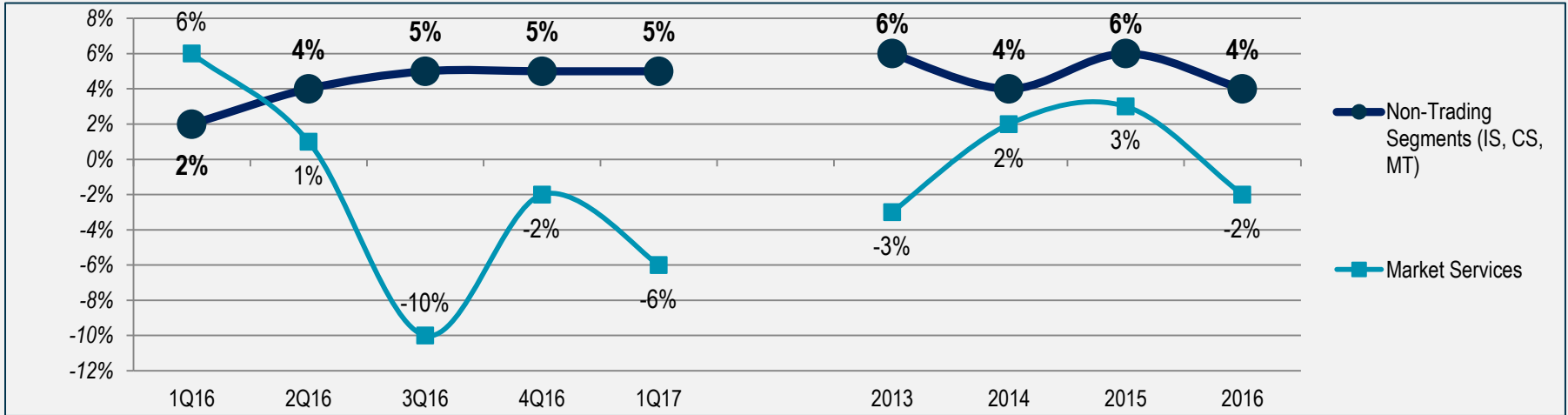
2. Represents revenues from our Corporate Services, Information Services and Market Technology segments.

3. Represents revenues less transaction-based expenses.

4. Represents revenues from our Corporate Services, Information Services and Market Technology segments, as well as our Trade Management Services business.

ORGANIC REVENUE GROWTH AND OUTLOOK

NASDAQ YEAR-OVER-YEAR REVENUE GROWTH EXCLUDING ACQUISITIONS, CONSTANT CURRENCY⁽¹⁾



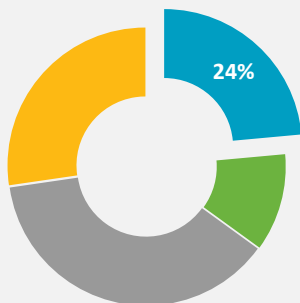
NASDAQ MEDIUM-TERM (3-5 YR) ORGANIC REVENUE GROWTH OUTLOOK

U.S. GDP ⁽²⁾	S&P 500 Revenue Consensus ⁽³⁾	Information Services	Market Technology	Corporate Services	Non-Trading Segments (IS, CS, MT)
2% - 3%	4% - 5%	Mid Single Digits	Mid to High Single Digits	Low Single Digits	Mid-Single Digits

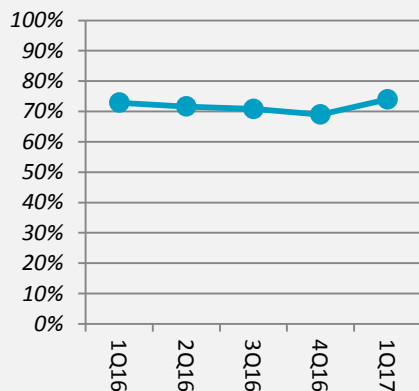
1. Please refer to pages 26-27 for a reconciliation of organic revenue growth.
2. Company estimate.
3. FactSet consensus est. 2016-2018 average annual revenue growth, as of 4/11/2017.

INFORMATION SERVICES

IS 1Q17 Net Revenue Contribution



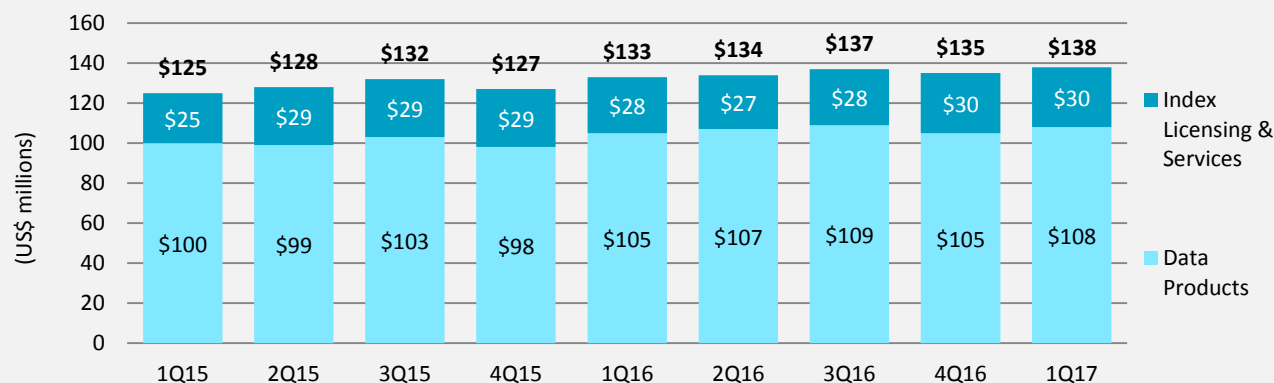
Operating Income Margin⁽¹⁾



Information Services Performance Summary

	1Q17	1Q16	% Δ	
Net Revenue	\$138M	\$133M	4%	<ul style="list-style-type: none"> 3% increase in Data Products revenues: Due to growth in proprietary data products revenues and the inclusion of revenues associated with the ISE acquisition.
Operating Income	\$102M	\$97M	5%	
Operating Income Margin	74%	73%		<ul style="list-style-type: none"> 7% increase in Index Licensing & Services revenues: Due to the inclusion of revenues from the ISE acquisition and higher assets under management in exchange traded products linked to Nasdaq indexes, partially offset by lower revenue from derivative products licensing Nasdaq indexes due to lower trading volumes.

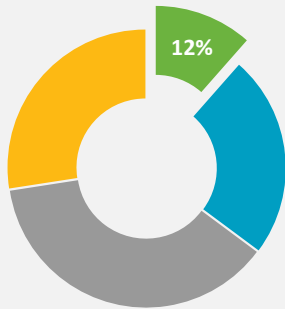
INFORMATION SERVICES NET REVENUE



1. Information Services' margins reflect the allocation of certain costs that support the operation of various aspects of Nasdaq's business, including Market Services, to units other than Information Services.

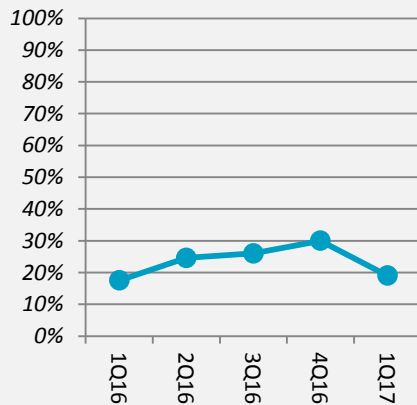
MARKET TECHNOLOGY

**MT 1Q17
Net Revenue
Contribution**

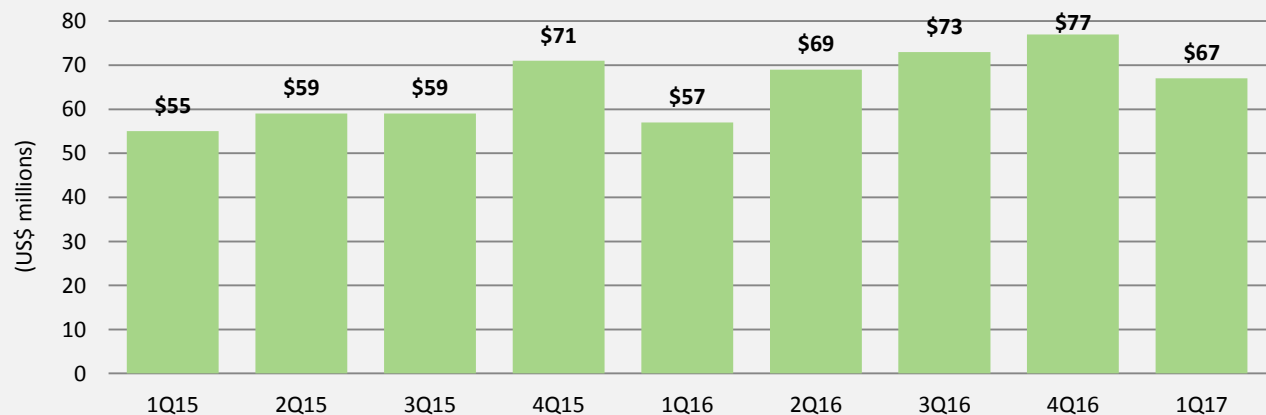


Market Technology Performance Summary				
	1Q17	1Q16	% Δ	
Net Revenue	\$67M	\$57M	18%	<ul style="list-style-type: none"> • 18% growth in Market Technology revenues: Driven by organic growth in revenues from software licensing and support, surveillance products, and B Wise advisory. • \$47 million new order intake in 1Q17. • 1% y-o-y decrease in total order value to \$777 million at March 31, 2017 from \$783 million at March 31, 2016.
Operating Income	\$13M	\$10M	30%	
Operating Income Margin	19%	18%		

**Operating Income
Margin**

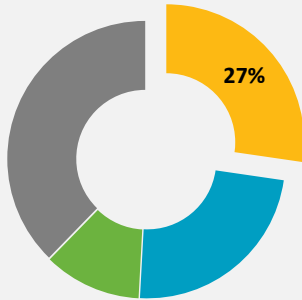


MARKET TECHNOLOGY NET REVENUE



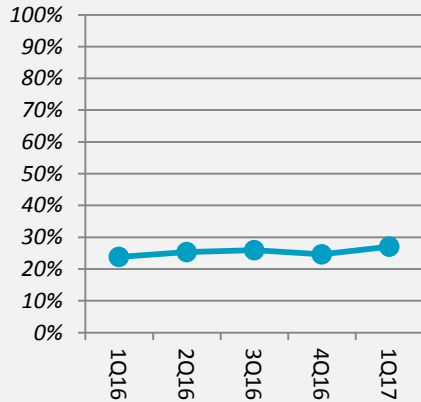
CORPORATE SERVICES

CS 1Q17 Net Revenue Contribution

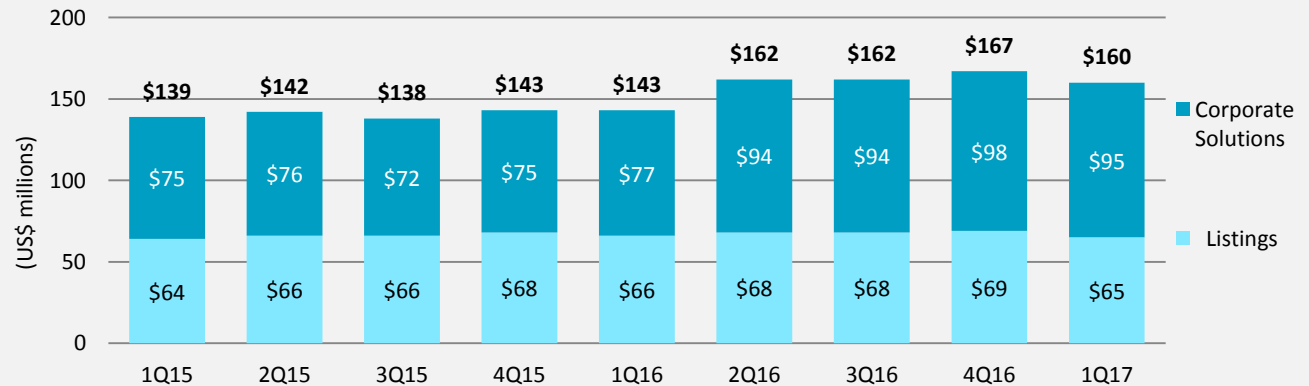


Corporate Services Performance Summary				
	1Q17	1Q16	% Δ	
Net Revenue	\$160M	\$143M	12%	<ul style="list-style-type: none"> • 23% growth in Corporate Solutions revenues: Due primarily to the inclusion of revenues from the Marketwired and Boardvantage acquisitions and organic growth from increased public and investor relations revenues. • 2% decrease in Listing revenues: Due to a \$1 million negative impact from foreign exchange rate changes. • 42 new U.S. listings including 17 IPOs in 1Q17, and a 52% U.S. IPO win rate. • European new listings totaled 16 in 1Q17.
Operating Income	\$43M	\$34M	26%	
Operating Income Margin	27%	24%		

Operating Income Margin

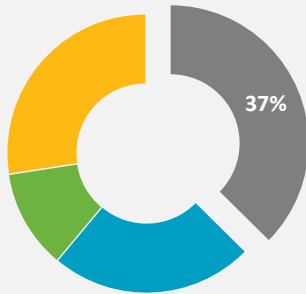


CORPORATE SERVICES NET REVENUE



MARKET SERVICES

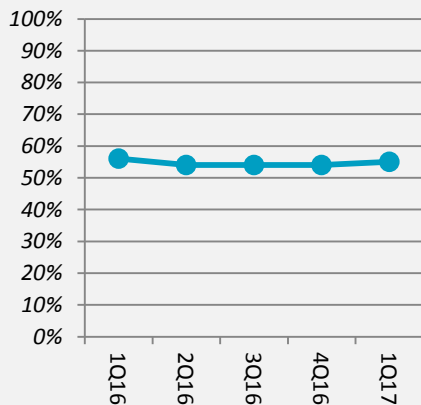
MS 1Q17 Net Revenue Contribution



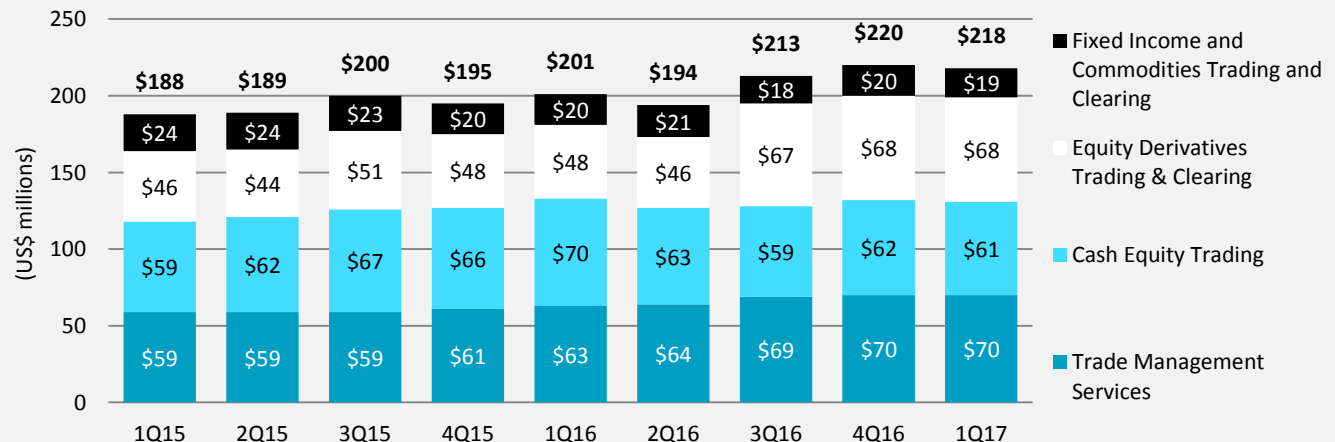
Market Services Performance Summary			
	1Q17	1Q16	% Δ
Net Revenue	\$218M	\$201M	8%
Operating Income	\$119M	\$113M	5%
Operating Income Margin	55%	56%	

- **42% increase in Equity Derivative Trading and Clearing revenues:** The increase is primarily due to the inclusion of revenues from our acquisition of ISE.
- **13% decrease in Cash Equity Trading revenues:** The decrease resulted primarily from lower industry volumes partially offset by the inclusion of net revenues associated with the acquisition of Nasdaq CXC.
- **11% increase in Trade Management Services revenues:** Due to the inclusion of revenues associated with the acquisitions of ISE and Nasdaq CXC as well as an increase in demand for connectivity.

Operating Income Margin



MARKET SERVICES NET REVENUE

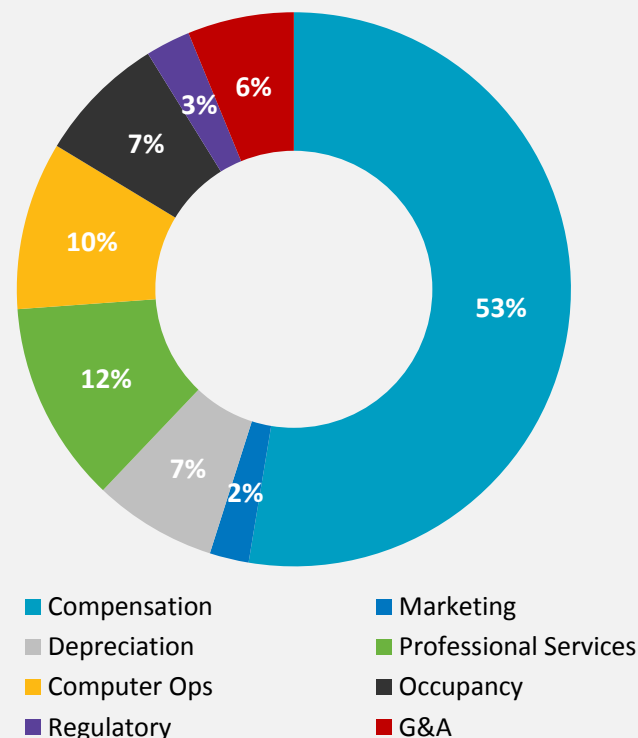


NON-GAAP OPERATING EXPENSES⁽¹⁾

(US\$ millions)

Total Non-GAAP operating expenses	1Q17	4Q16	1Q16
Compensation and benefits ⁽²⁾	161	168	152
Professional and contract services	36	43	35
Computer operations and data communications	30	31	25
Occupancy ⁽²⁾	23	23	20
General, admin. & other	19	22	14
Marketing and advertising	7	7	6
Depreciation and amortization ⁽²⁾	22	22	21
Regulatory ⁽²⁾	8	8	7
Total non-GAAP operating expenses	\$306	\$324	\$280

1Q17 EXPENSE CATEGORIES



1. Please refer to slide 25 for reconciliation of U.S. GAAP to non-GAAP measures.

2. Depreciation and amortization expense in all periods has been adjusted from GAAP expense. For 4Q16, compensation and benefits expense, occupancy expense, and regulatory expense were also adjusted. Refer to slides 23 and 24 for the amounts and details of these adjustments.

DISCIPLINED EXPENSE MANAGEMENT APPROACH

Organic Y-o-Y Expense Trends

2015 Organic Expense Growth	3%
2016 Organic Expense Growth	3%
1Q17 Organic Expense Growth	3%

Expense Synergy Update (\$ Millions)

Period	Cumulative, Annualized Synergy Achievement (End of Period)	Synergy Impact On Period Non-GAAP Expenses
2Q16	\$10	-
3Q16	\$23	\$6
4Q16	\$38	\$8
1Q17	\$50	\$11
Targeted by End of 2017	\$60	N/A

Operating Income Margin Trends

Segment	2014	2015	2016
Information Services ²	74%	71%	71%
Corporate Services	22%	25%	25%
Market Technology	20%	24%	25%
Market Services	52%	54%	54%
Total Nasdaq ³	45%	47%	46%

2017 Tax and Expense Guidance¹ (\$ Millions)

Core Non-GAAP Operating Expenses	\$1,220-\$1,250
Research & Development	\$40-\$50
Total Non-GAAP Operating Expenses	\$1,260-\$1,300
Expected 2Q17 Non-GAAP Effective Tax Rate	33%-35%
Expected 2017 Non-GAAP Effective Tax Rate	30%-32%

1. U.S. GAAP operating expense guidance and U.S. GAAP effective tax rate outlook are not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement in foreign currency rates, fluctuations in our stock price, as well as future charges or reversals outside of the normal course of business.
2. Information Services' margins reflect the allocation of certain costs that support the operation of various aspects of Nasdaq's business, including Market Services, to units other than Information Services.
3. See our non-GAAP schedule on slides 23 and 25.

DEBT OVERVIEW

PLAN TO DE-LEVER TO MID-2X

- ▶ 1Q17 debt increased by \$18M vs. 4Q16 primarily due to foreign exchange impact on the Euro bonds
- ▶ Plan to de-lever to mid-2x leverage ratio by mid-2018
- ▶ 1Q17 net interest expense was \$35M, \$8M higher than in 1Q16, primarily due to debt issued in connection with the 2016 acquisitions
- ▶ On April 25, 2017, replaced existing \$750M capacity revolver with a \$1B capacity revolver maturing 2022
- ▶ On May 26, 2017, will redeem 5.25% bond maturing January 2018, using a combination of cash on hand and proceeds from the sale of commercial paper issued through Nasdaq's newly established commercial paper program

LEVERAGE RATIOS

Net Debt to EBITDA ⁽¹⁾ = 2.7x

Total Debt to EBITDA ⁽¹⁾ = 3.0x

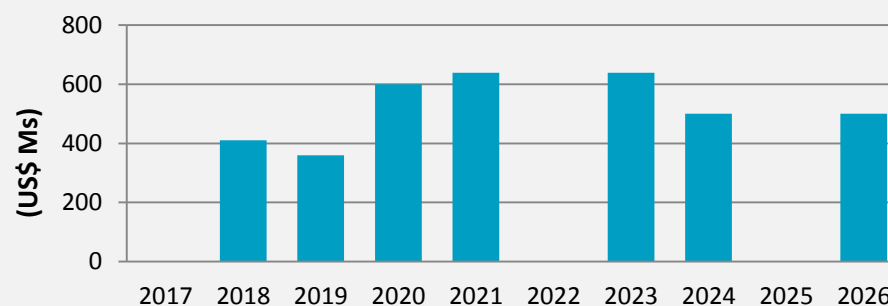
LTM EBITDA ⁽¹⁾ = \$1,189M

1. See Appendix for EBITDA reconciliation. Pro forma leverage ratios have been calculated for Q1'17 to reflect the acquisitions of Boardvantage and ISE.
2. Excludes \$78M of restricted cash.

\$3.2B NET DEBT

(US\$ millions)	3/31/2017	Maturity Date
Revolver (Libor + 117.5 bps)	-	11/25/19
Term Loan (Libor + 150 bps)	399	11/25/19
5.25% Bond	369	01/16/18
5.55% Bond	598	01/15/20
3.88% Euro Bond	633	06/07/21
1.75% Euro Bond	631	05/19/23
4.25% Bond	496	06/01/24
3.85% Bond	495	06/30/26
Total Debt Obligations	\$ 3,621	
Less Cash and Cash Equivalents ⁽²⁾	(386)	
Net Debt	\$3,235	

WELL LADDERED DEBT MATURITIES



EXECUTING ON ATTRACTIVE ACQUISITIONS

	Market Services		Corporate Solutions	
Acquisition	ISE	Nasdaq CXC (formerly Chi-X Canada)	Marketwired	Boardvantage
	<ul style="list-style-type: none"> Operator of three U.S. equity options exchanges Leading market share in complex options trades 20% ownership of OCC 	<ul style="list-style-type: none"> Alternative Canadian equity trading platform for TSX and TSXV-listed securities Top-2 market position Product expansion opp. 	<ul style="list-style-type: none"> Global provider of news distribution services Unique media analytic tools ~7,500 corporate clients 	<ul style="list-style-type: none"> A leading Board collaboration and productivity platform. ~1,900 corporate clients
Operational Update	<i>Closed 2Q16</i>	<i>Closed 1Q16</i>	<i>Closed 1Q16</i>	<i>Closed 2Q16</i>
	<ul style="list-style-type: none"> Successfully completed the migration of Nasdaq GEMX (previously ISE Gemini) to Nasdaq INET technology. Re-platforming to Nasdaq's INET technology is underway for the two remaining venues and expected to be completed 3Q17. 	<ul style="list-style-type: none"> Completed the migration of CX2 to NASDAQ INET technology. Expanded the Nasdaq offering in Canada with the launch of CXD, a Canadian dark pool, during 4Q16. Re-platforming of CXC and Smart Order Router to Nasdaq's INET technology expected during 2017. 	<ul style="list-style-type: none"> Completed the integration of Marketwired distribution network and value-added tools into go-forward GlobeNewswire platform. Client migrations from legacy Marketwired platforms are underway and ahead of schedule through Q1. Expect to transition from four product platforms to one by end of H1 2018. 	<ul style="list-style-type: none"> Completed data center move from Singapore to Sweden, which improves our positioning in the EMEA market, ability to service a broader customer base and compete more effectively. Completed planning for milestone release, scheduled for H2 2017 of this year. New platform will feature robust collaborative capabilities, expanded workflows and configurability.
Synergies	<p>Cost synergies of \$60M targeted; \$50M run rate achieved as of 1Q17</p> <p><i>Targeted synergies expected within 18 months of closing</i></p>			
<p>\$0.40 accretive to 2015 diluted EPS</p> <p><i>Assumes 2015 Pro-Forma w/ Targeted Synergy Realization</i></p>				

APPENDIX

HISTORICAL CASH FLOW / USES OF CASH FLOW

Free Cash Flow Calculation (US\$ millions)	2014	2015	2016	2017 YTD	2014 – 2017 YTD
Cash flow from operations ⁽¹⁾	\$647	\$727	\$776	\$244	\$2,394
Capital expenditure	(140)	(133)	(134)	(36)	(443)
Free cash flow	507	594	642	208	1,951
Section 31 fees, net ⁽²⁾	(28)	16	(4)	29	13
Free cash flow ex. Section 31 fees	479	610	638	237	1,964
Uses of cash flow					
Share repurchases	178	377	100	156	811
Net repayment/(borrowing) of debt	235	(137)	(1,300)	-	(1,202)
Acquisitions	-	256	1,460	-	1,716
Dividends	98	149	200	53	500
Total uses of cash flow	511	645	460	209	1,825

1. Cash flow from operations has been restated for adoption of ASU 2016-15, ASU 2016-18, and ASU 2016-09.

2. Net of change in Section 31 fees receivables of \$14 million in 2014; (\$11 million) in 2015; \$1 million in 2016; \$2 million in 2017 YTD; and \$6 million in 2014-2017 YTD.

TOTAL VARIANCE NET IMPACTS: 1Q17

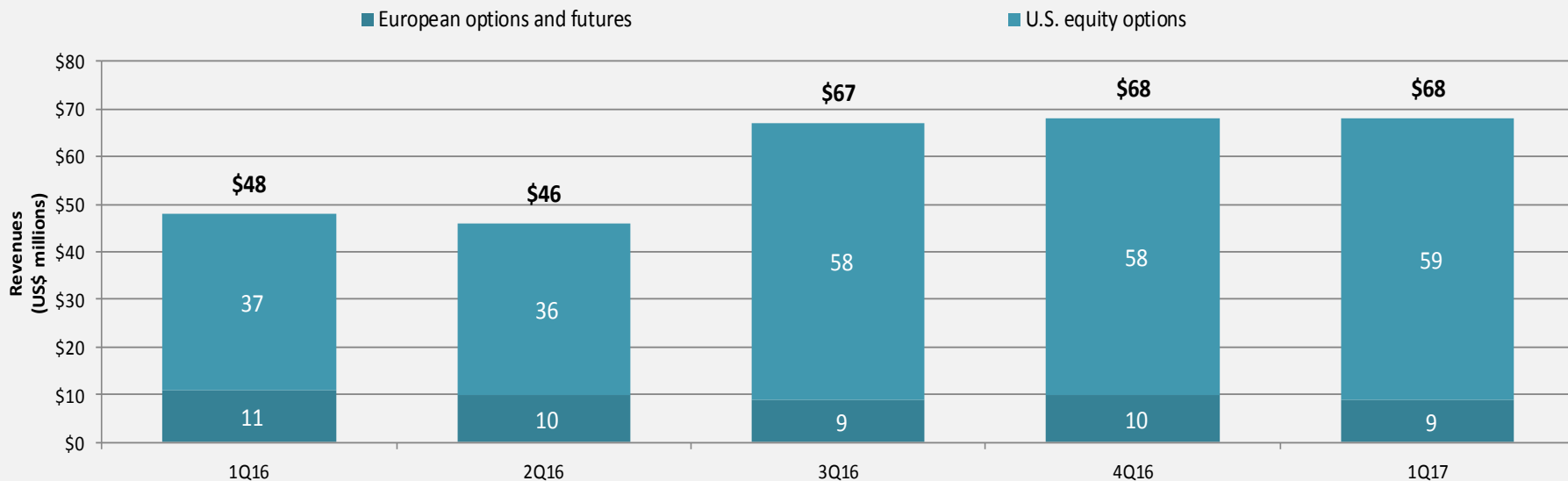
<i>All figures in US\$ Millions</i>	1Q17 actuals	1Q16 actuals	Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
			\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$218	\$201	\$17	8%	(\$12)	(6%)	\$31	15%	(\$2)	(1%)
Corporate Services	160	143	17	12%	2	1%	16	11%	(1)	(1%)
Information Services	138	133	5	4%	3	2%	2	2%	-	-
Market Technology	67	57	10	18%	10	18%	1	2%	(1)	(2%)
Total Non-trading Segment Revenue	\$365	\$333	\$32	10%	\$15	5%	\$19	6%	(\$2)	(1%)
Total Revenue less transaction expenses	\$583	\$534	\$49	9%	\$3	1%	\$50	9%	(\$4)	(1%)
Non-GAAP Operating Expenses	\$306	\$280	\$26	9%	\$7	3%	\$22	8%	(\$3)	(1%)
Non-GAAP Operating Income	\$277	\$254	\$23	9%	(\$4)	(2%)	\$28	11%	(\$1)	-
Non-GAAP Operating Margin	48%	48%	-	-	-	-	-	-	-	-

TOTAL VARIANCE NET IMPACTS: 2015-2016

			Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
<i>All figures in US\$ Millions</i>	2016 actuals	2015 actuals	\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$827	\$771	\$56	7%	(\$13)	(2%)	\$70	9%	(\$1)	-
Corporate Services	635	562	73	13%	9	2%	67	12%	(3)	(1%)
Information Services	540	512	28	5%	16	3%	12	2%	-	-
Market Technology	275	245	30	12%	28	11%	1	-	1	-
Total Non-trading Segment Revenue	\$1,450	\$1,319	\$131	10%	\$53	4%	\$80	6%	(\$2)	-
Total Revenue less transaction expenses	\$2,277	\$2,090	\$187	9%	\$40	2%	\$150	7%	(\$3)	-
Non-GAAP Operating Expenses	\$1,222	\$1,114	\$108	10%	\$36	3%	\$80	7%	(\$8)	(1%)
Non-GAAP Operating Income	\$1,055	\$976	\$79	8%	\$4	-	\$70	7%	\$5	1%
Non-GAAP Operating Margin	46%	47%	-	-	-	-	-	-	-	-

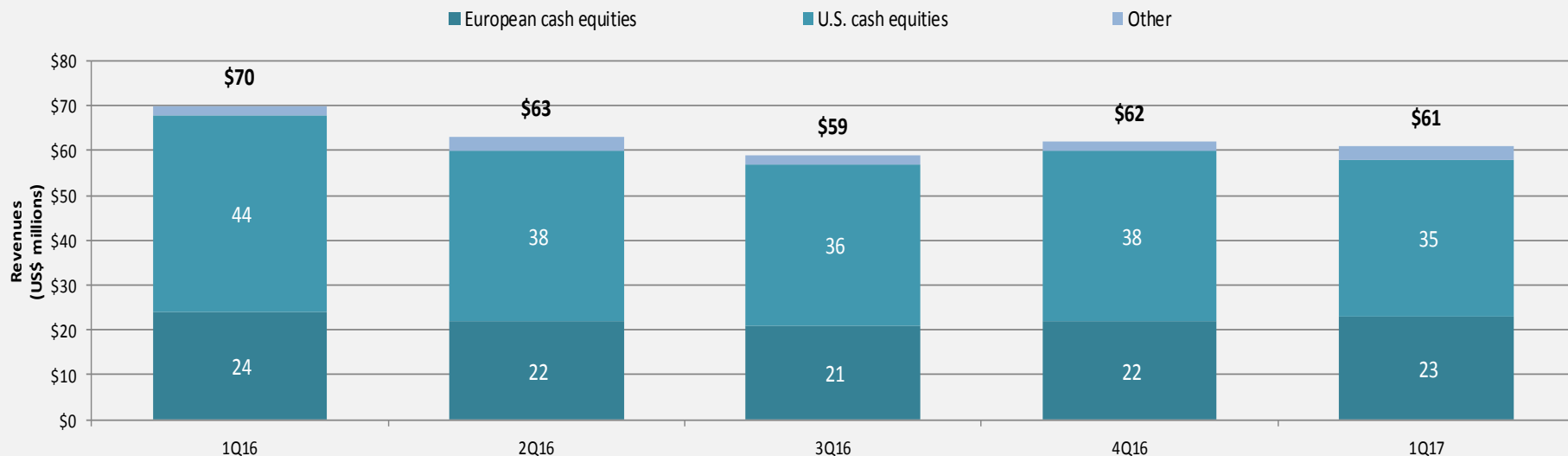
			Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
<i>All figures in US\$ Millions</i>	2015 actuals	2014 actuals	\$M	%	\$M	%	\$M	%	\$M	%
Non-GAAP Operating Expenses	\$1,114	\$1,137	(\$23)	(2%)	\$33	3%	\$10	1%	(\$66)	(6%)

EQUITY DERIVATIVE TRADING AND CLEARING



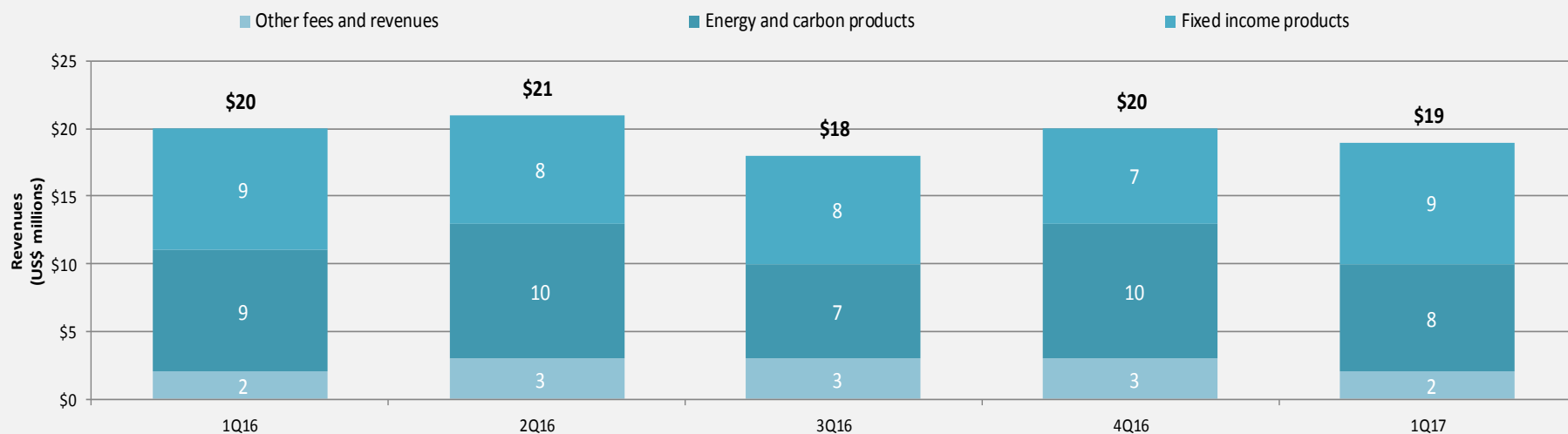
	FY16				FY17
	1Q16	2Q16	3Q16	4Q16	1Q17
Net Revenues (US\$ in Millions)					
U.S. equity options	37	36	58	58	59
European options and futures	11	10	9	10	9
Equity Derivatives	48	46	67	68	68
Nasdaq Volumes					
U.S. equity options (millions of contracts)	224	221	347	356	385
European options and futures (millions of contracts)	27.6	27.2	19.2	21.2	21.7
Revenue Capture					
U.S. equity options (RPC)	\$ 0.16	\$ 0.16	\$ 0.17	\$ 0.16	\$ 0.15
European options and futures (RPC)	\$ 0.41	\$ 0.35	\$ 0.47	\$ 0.46	\$ 0.42
<i>SEK/US\$ average</i>	\$ 0.118	\$ 0.122	\$ 0.117	\$ 0.110	\$ 0.112
<i>Euro/US\$ average</i>	\$ 1.104	\$ 1.129	\$ 1.116	\$ 1.078	\$ 1.065

CASH EQUITY TRADING



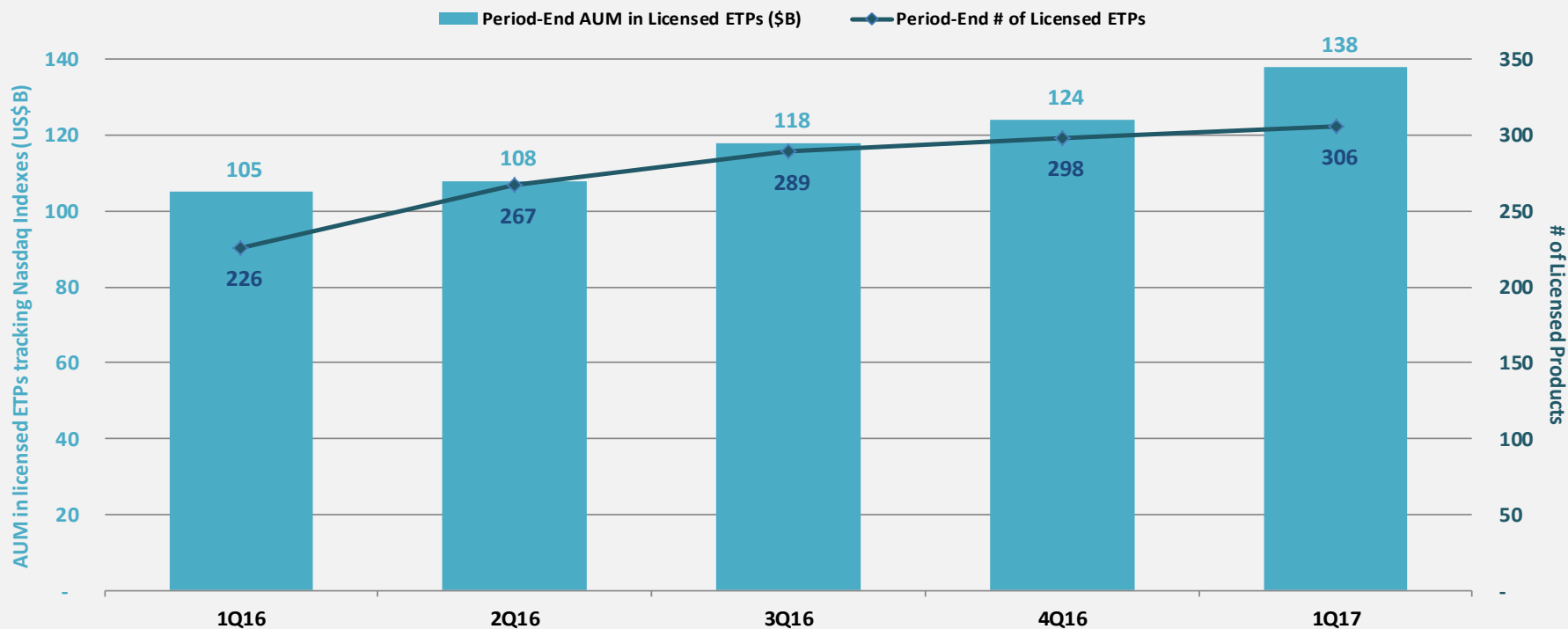
	FY16				FY17
	1Q16	2Q16	3Q16	4Q16	1Q17
Net Revenues (US\$ in Millions)					
U.S. cash equities	44	38	36	38	35
European cash equities	24	22	21	22	23
Other	2	3	2	2	3
Cash Equity Trading	70	63	59	62	61
Nasdaq Volumes					
U.S. cash equities (billions of shares)	93.7	80.6	71.0	76.4	74.7
European cash equities value shares traded (\$B)	216	205	180	201	206
Revenue Capture					
U.S. cash equities revenue capture per 1000 shares	\$ 0.47	\$ 0.48	\$ 0.51	\$ 0.49	\$ 0.47
European cash equities revenue capture per \$'000 traded	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.11	\$ 0.11
SEK/US\$ average	\$ 0.118	\$ 0.122	\$ 0.117	\$ 0.110	\$ 0.112
Euro/US\$ average	\$ 1.104	\$ 1.129	\$ 1.116	\$ 1.078	\$ 1.065

FIXED INCOME AND COMMODITIES TRADING & CLEARING



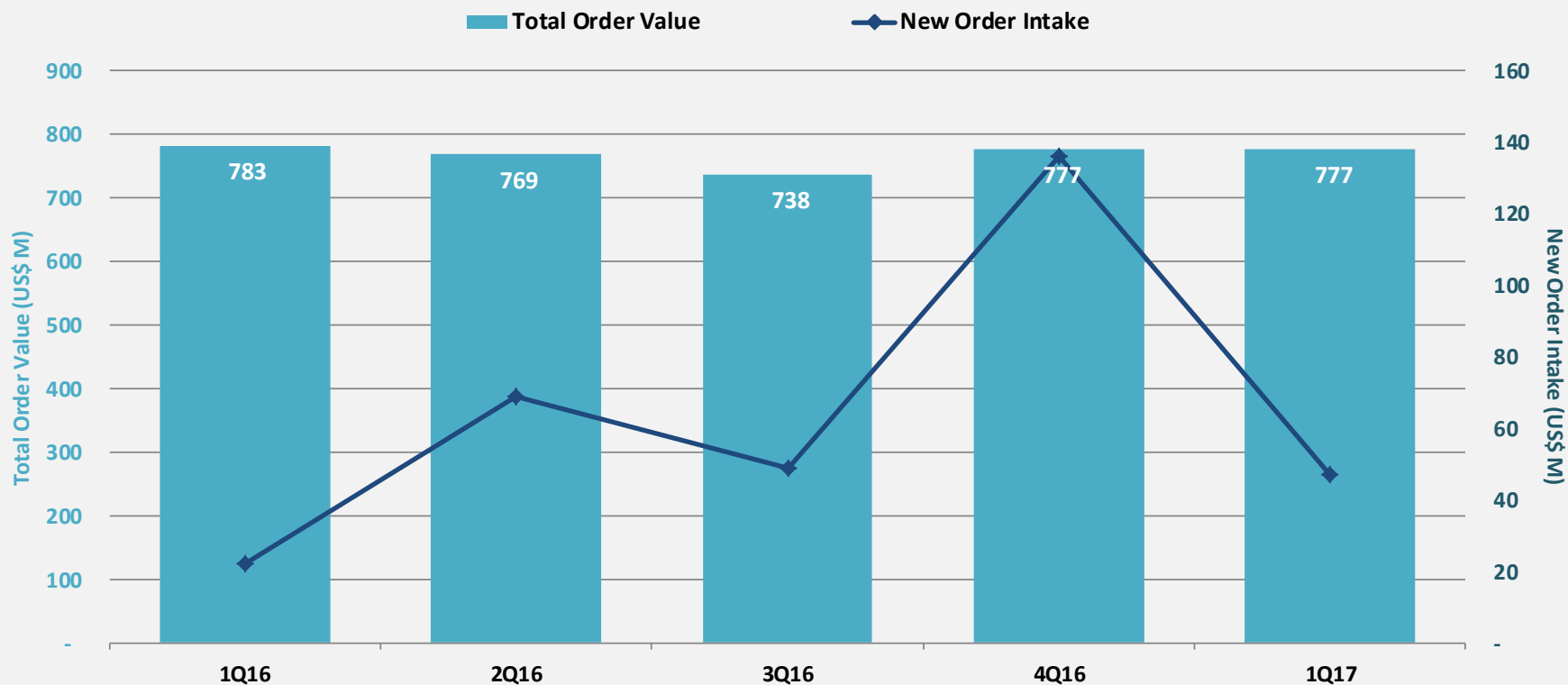
	FY16				FY17
	1Q16	2Q16	3Q16	4Q16	1Q17
Net Revenues (US\$ in Millions)					
Fixed income products	9	8	8	7	9
Energy and carbon products	9	10	7	10	8
Other fees and revenues	2	3	3	3	2
Fixed Income and Commodities Trading and Clearing	20	21	18	20	19
Nasdaq Volumes					
U.S. Fixed income trading volume (billions of \$ notional)	5,968	5,255	4,816	5,465	5,041
European Fixed income products (millions of contracts)	6.2	5.6	4.9	5.9	7.2
Energy trading and clearing (TWh)	657	703	511	721	585
Revenue Capture					
European Fixed Income (RPC) ⁽¹⁾	\$ 0.61	\$ 0.64	\$ 0.72	\$ 0.56	\$ 0.71
Energy trading and clearing (\$'000 per TWh)	\$ 13.70	\$ 14.22	\$ 13.70	\$ 13.87	\$ 13.68
SEK/US\$ average	\$ 0.118	\$ 0.122	\$ 0.117	\$ 0.110	\$ 0.112
Euro/US\$ average	\$ 1.104	\$ 1.129	\$ 1.116	\$ 1.078	\$ 1.065

INDEX LICENSING AND SERVICES



	FY16				FY17
	1Q16	2Q16	3Q16	4Q16	1Q17
Period-End # of Licensed ETPs	226	267	289	298	306
Period-End AUM in Licensed ETPs (\$B)	105	108	118	124	138
Index Licensing & Servicing Revenues (\$M)	28	27	28	30	30

MARKET TECHNOLOGY



	FY16				FY17
	1Q16	2Q16	3Q16	4Q16	1Q17
New Order Intake	22	69	49	136	47
Total Order Value	783	769	738	777	777
Net Revenue	57	69	73	77	67

RECONCILIATIONS OF U.S. GAAP TO NON-GAAP

NON-GAAP ADJUSTMENTS

<i>(US\$ millions, except EPS)</i>	1Q17	4Q16	1Q16	2016	2015	2014
Amortization expense of acquired intangible assets ⁽¹⁾	23	23	17	82	62	69
Merger and strategic initiatives ⁽²⁾	6	20	9	76	10	81
Restructuring charges ⁽³⁾	-	-	9	41	172	-
Asset impairment charges ⁽⁴⁾	-	578	-	578	-	49
Regulatory matter ⁽⁵⁾	-	6	-	6	-	-
Executive compensation ⁽⁶⁾	-	12	-	12	-	-
Income from OCC equity investment ⁽⁷⁾	-	-	-	-	(13)	-
Reversal of value added tax refund ⁽⁸⁾	-	-	-	-	12	-
Sublease loss reserve ⁽⁹⁾	-	1	-	(1)	-	11
Special legal expense	-	-	-	-	-	2
Other ⁽¹⁰⁾	-	6	-	6	-	2
Extinguishment of debt ⁽¹¹⁾	-	-	-	-	-	11
Total Non-GAAP adjustments	29	646	35	800	243	225
Non-GAAP adjustment to the income tax provision ⁽¹²⁾	(11)	(261)	(14)	(287)	(90)	(97)
Total Non-GAAP Adjustments, net of tax	18	385	21	513	153	128

Please see page 24 for above footnotes

NON-GAAP ADJUSTMENTS FOOTNOTES

(1) Refer to the disclaimer non-GAAP information section of this presentation for further discussion of why we consider amortization expense of acquired intangible assets and other items to be non-GAAP adjustments.

(2) For the three months ended March 31, 2017 and December 31, 2016, merger and strategic initiatives expense primarily related to our acquisitions of International Securities Exchange, or ISE, and Boardvantage, Inc and other strategic initiatives. For the three months ended March 31, 2016, merger and strategic initiatives expense primarily related to our acquisitions of Nasdaq CXC and Marketwired L.P. For the year ended December 31, 2016, merger and strategic initiatives expense primarily related to our acquisition of ISE. For the year ended December 31, 2015, merger and strategic initiatives expense primarily related to certain strategic initiatives and our acquisition of Dorsey, Wright & Associates, LLC. For the year ended December 31, 2014, merger and strategic initiatives costs of \$81 million primarily related to our acquisition of the TR Corporate businesses in May 2013 and eSpeed in June 2013 and a charge of \$23 million related to the reversal of a receivable under a tax sharing agreement with an unrelated party.

(3) During the first quarter of 2015, we performed a comprehensive review of our processes, businesses and systems in a company-wide effort to improve performance, cut costs, and reduce spending. In June 2016, we completed our 2015 restructuring plan. Restructuring charges for the three months ended March 31, 2016 primarily related to severance costs, asset impairment charges and other charges. For the year ended December 31, 2016, restructuring charges primarily related to severance costs, asset impairment charges, facility-related costs associated with the consolidation of leased facilities and other charges, and for the year ended December 31, 2015, restructuring charges primarily related to the rebranding of our trade name, severance cost, facility-related costs associated with the consolidation of leased facilities and other charges.

(4) For the three months and year ended December 31, 2016, we recorded a pre-tax, non-cash intangible asset impairment charge of \$578 million related to the full write-off of the eSpeed trade name. The impairment charge was the result of a decline in operating performance and the rebranding of our overall Fixed Income business. For the year ended December 31, 2014, we recorded pre-tax, non-cash asset impairment charges of \$49 million related to certain acquired intangible assets associated with customer relationships and certain technology assets.

(5) In December 2016, we were issued a \$6 million fine by the SFSA as a result of findings in connection with its investigations of cybersecurity processes at our Nordic exchanges and clearinghouse. The SFSA's conclusions related to governance issues rather than systems and platform security. We have appealed the SFSA's decision, including the amount of the fine. This charge is included in regulatory expense in the Condensed Consolidated Statements of Income (Loss) for the three months ended December 31, 2016.

(6) For the three months and year ended December 31, 2016, we recorded \$12 million in accelerated expense due to the retirement of the company's former CEO for equity awards previously granted.

(7) We record our investment in The Options Clearing Corporation, or OCC, as an equity method investment. Under the equity method of accounting, we recognize our share of earnings or losses of an equity method investee based on our ownership percentage. As a result of a new capital plan implemented by OCC, we were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when OCC financial statements were made available to us. Therefore, we recorded other income of \$13 million in the first quarter of 2015 relating to our share of OCC's income for the year ended December 31, 2014.

(8) We previously recorded receivables for expected value added tax, or VAT, refunds based on an approach that had been accepted by the tax authorities in prior years. The tax authorities have since challenged our approach, and the revised position of the tax authorities was upheld in court during the first quarter of 2015. As a result, in the first quarter of 2015, we recorded a charge of \$12 million for previously recorded receivables based on the court decision.

(9) For the three months ended December 31, 2016, we established a sublease loss reserve on space we currently occupy due to excess capacity. The credit of \$1 million for the year ended December 31, 2016, pertains to the release of a previously recorded sublease loss reserve due to the early exit of a facility, partially offset by a sublease loss reserve charge recorded on space we currently occupy due to excess capacity. For the year ended December 31, 2014, we recorded a sublease loss reserve of \$11 million on space we occupied due to excess capacity.

(10) Other charges primarily include the impact of the write-off of an equity method investment, partially offset by a gain resulting from the sale of a percentage of a separate equity method investment.

(11) For the year ended December 31, 2014, we recorded a loss on extinguishment of debt of \$11 million reflecting \$9 million related to notes due in 2015 and \$2 million related to refinancing costs.

(12) Primarily includes the tax impact of each non-GAAP adjustment. In addition, for the year ended December 31, 2016, we recorded a \$27 million tax expense due to an unfavorable tax ruling received during the second quarter of 2016, the impact of which related to prior periods. For the year ended December 31, 2014, the amount includes \$23 million associated with the recognition of a previously unrecognized tax benefit. This amount is offset by the reversal of the receivable described in note 2 above.

RECONCILIATION OF U.S. GAAP TO NON-GAAP: OPERATING EXPENSE, OPERATING INCOME, NET INCOME AND DILUTED EARNINGS PER COMMON SHARE

<i>(US\$ millions, except per share)</i>	1Q17	4Q16	1Q16	2016	2015	2014
U.S. GAAP operating expenses:	\$335	\$386	\$315	\$1,438	\$1,370	\$1,313
Total Non-GAAP adjustments:	(29)	(62)	(35)	(216)	(256)	(176)
Non-GAAP operating expenses:	\$306	\$324	\$280	\$1,222	\$1,114	\$1,137
U.S. GAAP operating income:	\$248	\$213	\$219	\$839	\$720	\$754
Total Non-GAAP adjustments:	29	62	35	216	256	176
Non-GAAP operating income:	\$277	\$275	\$254	\$1,055	\$976	\$930
Revenues less transaction based expenses	\$583	\$599	\$534	\$2,277	\$2,090	\$2,067
U.S.-GAAP operating margin ⁽¹⁾	43%	36%	41%	37%	34%	36%
Non-GAAP operating margin ⁽²⁾	48%	46%	48%	46%	47%	45%
U.S. GAAP net income (loss) attributable to Nasdaq:	\$169	(\$224)	\$132	\$108	\$428	\$414
Total Non-GAAP Adjustments, net of tax:	18	385	21	513	153	128
Non-GAAP net income attributable to Nasdaq:	\$187	\$161	\$153	\$621	\$581	\$542
U.S. GAAP diluted earnings (loss) per share:	\$0.99	(\$1.35)	\$0.78	\$0.64	\$2.50	\$2.39
Adjustment to GAAP loss per share to include fully diluted:	-	\$0.03	-	-	-	-
Total adjustments from non-GAAP net income above:	0.11	2.27	0.13	3.04	0.89	0.74
Non-GAAP diluted earnings per share:	\$1.10	\$0.95	\$0.91	\$3.68	\$3.39	\$3.13

1. U.S. GAAP operating margin equals U.S. GAAP operating income divided by total revenues less transaction-based expenses.

2. Non-GAAP operating margin equals non-GAAP operating income divided by total revenues less transaction-based expenses.

NON-TRADING SEGMENTS ORGANIC REVENUE GROWTH

<u>Non-Trading Segments</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
1Q17	365	333	32	10%	15	5%	17	5%
4Q16	379	341	38	11%	16	5%	22	6%
3Q16	372	329	43	13%	17	5%	26	8%
2Q16	365	329	36	11%	13	4%	23	7%
1Q16	333	319	14	4%	7	2%	7	2%
2016	1,450	1,319	131	10%	53	4%	78	6%
2015	1,319	1,271	48	4%	70	6%	(22)	(2%)
2014	1,271	1,139	132	12%	46	4%	86	8%
2013	1,139	937	202	22%	59	6%	143	15%

1. Other impacts includes acquisitions and changes in FX rates.

MARKET SERVICES ORGANIC REVENUE GROWTH

<u>Market Services Segment</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
1Q17	218	201	17	8%	(12)	(6%)	29	14%
4Q16	220	195	25	13%	(3)	(2%)	28	14%
3Q16	213	200	13	7%	(20)	(10%)	33	17%
2Q16	194	189	5	3%	1	1%	4	2%
1Q16	201	188	13	7%	12	6%	1	1%
2016	827	771	56	7%	(13)	(2%)	69	9%
2015	771	796	(25)	(3%)	23	3%	(48)	(6%)
2014	796	756	40	5%	21	2%	19	3%
2013	756	737	19	3%	(24)	(3%)	43	6%

1. Other impacts includes acquisitions and changes in FX rates.

EBITDA: EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

<i>(US\$ millions)</i>	TTM ⁽¹⁾	1Q17	4Q16	3Q16	2Q16
GAAP net income attributable to Nasdaq:	\$146	\$169	(\$224)	\$131	\$70
Income tax provision	12	48	(180)	68	76
Net income from unconsolidated investees	(4)	(4)	3	(2)	(1)
Other investment income	(2)	-	-	-	(2)
Asset impairment charges	578	-	578	-	-
Net interest expense	138	35	36	36	31
GAAP operating income:	\$868	\$248	\$213	\$233	\$174
Non-GAAP Adjustments ⁽²⁾	211	29	62	35	85
Non-GAAP operating income:	\$1,079	\$277	\$275	\$268	\$259
Depreciation and amortization of tangibles (Nasdaq)	89	22	22	23	22
EBITDA of Boardvantage / ISE ⁽³⁾	21	-	-	-	21
EBITDA pro forma for Boardvantage / ISE acquisitions:	\$1,189	\$299	\$297	\$291	\$302

1. Numbers may not add up due to rounding.
2. Please see slide 25 for reconciliation of GAAP operating income to non-GAAP operating income.
3. TTM EBITDA of Boardvantage/ISE contains April'16 EBITDA of Boardvantage and April'16 to 29th June'16 EBITDA of ISE. The sources of the pro forma information were LTM financials provided by Boardvantage and ISE.

DISCLAIMERS

Non-GAAP Information

In addition to disclosing results determined in accordance with U.S. GAAP, Nasdaq also discloses certain non-GAAP results of operations, including, but not limited to, net income attributable to Nasdaq, diluted earnings per share, operating income, and operating expenses, that include certain adjustments or exclude certain charges and gains that are described in the reconciliation table of U.S. GAAP to non-GAAP information provided at the end of this release. Management uses this non-GAAP information internally, along with U.S. GAAP information, in evaluating our performance and in making financial and operational decisions. We believe our presentation of these measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparisons of results as the items described below do not reflect ongoing operating performance.

These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. Investors should not rely on any single financial measure when evaluating our business. We recommend investors review the U.S. GAAP financial measures included in this earnings release. When viewed in conjunction with our U.S. GAAP results and the accompanying reconciliations, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than U.S. GAAP measures alone.

We understand that analysts and investors regularly rely on non-GAAP financial measures, such as non-GAAP net income attributable to Nasdaq, non-GAAP diluted earnings per share, non-GAAP operating income and non-GAAP operating expenses to assess operating performance. We use these measures because they highlight trends more clearly in our business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures, since these measures eliminate from our results specific financial items, such as those described below, that have less bearing on our ongoing operating performance.

Amortization expense of acquired intangible assets: We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations. As such, if intangible asset amortization is included in performance measures, it is more difficult to assess the day-to-day operating performance of the businesses, the relative operating performance of the businesses between periods and the earnings power of Nasdaq. Management does not consider intangible asset amortization expense for the purpose of evaluating the performance of our business or its managers or when making decisions to allocate resources. Therefore, we believe performance measures excluding intangible asset amortization expense provide investors with a more useful representation of our businesses' ongoing activity in each period.

Restructuring charges: Restructuring charges are associated with our 2015 restructuring plan to improve performance, cut costs and reduce spending and are primarily related to (i) the rebranding of our company name from The NASDAQ OMX Group, Inc. to Nasdaq, Inc., (ii) severance and other termination benefits, (iii) costs to vacate duplicate facilities, and (iv) asset impairment charges. We exclude these restructuring costs because these costs do not reflect future operating expenses and do not contribute to a meaningful evaluation of Nasdaq's ongoing operating performance or comparison of Nasdaq's performance between periods.

DISCLAIMERS

Non-GAAP Information (cont.)

Merger and strategic initiatives expense: We have pursued various strategic initiatives and completed a number of acquisitions in recent years which have resulted in expenses which would not have otherwise been incurred. These expenses generally include integration costs, as well as legal, due diligence and other third party transaction costs. The frequency and the amount of such expenses vary significantly based on the size, timing and complexity of the transaction. Accordingly, we exclude these costs for purposes of calculating non-GAAP measures which provide a more meaningful analysis of Nasdaq's ongoing operating performance or comparisons in Nasdaq's performance between periods.

Asset impairment charges: Intangible assets that have indefinite lives are reviewed for impairment at least annually, or when indicators of impairment are present. For the quarter ended December 31, 2016, we recorded a pre-tax, non-cash asset impairment charge of \$578 million related to the eSpeed trade name. The impairment charge was the result of a decline in operating performance and the rebranding of the trade name due to a strategic change in the direction of our Fixed Income business.

Other significant items: We have excluded certain other charges or gains that are the result of other non-comparable events to measure operating performance. For 2016, other significant items primarily included accelerated expense due to the retirement of the company's former CEO for equity awards previously granted, a regulatory fine received by our exchange in Stockholm and Nasdaq Clearing, the release of a sublease loss reserve due to the early exit of a facility, and the impact of the write-off of an equity method investment, partially offset by a gain resulting from the sale of a percentage of a separate equity method investment. For 2015, other significant items included income from our equity investment in The Options Clearing Corporation, or OCC, where we were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when financial statements were made available to us. As a result, we recorded other income in the first quarter of 2015 relating to our share of OCC's income for the year ended December 31, 2014. Significant adjustments also included the reversal of a value added tax refund. The insurance recovery recognized during the three months ended December 31, 2015 represents amounts reimbursed by applicable insurance coverage which offsets the loss reserve that was recorded in March 2015 associated with litigation arising from issues related to the Facebook IPO.

Foreign exchange impact: In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. Certain discussions in this release isolate the impact of year-over-year foreign currency fluctuations to better measure the comparability of operating results between periods. Operating results excluding the impact of foreign currency fluctuations are calculated by translating the current period's results by the prior period's exchange rates.

DISCLAIMERS

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this communication contains forward-looking statements that involve a number of risks and uncertainties. Nasdaq cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to (i) projections relating to our future financial results, total shareholder returns, growth, trading volumes, products and services, order backlog, taxes and achievement of synergy targets, (ii) statements about the closing or implementation dates and benefits of certain acquisitions and other strategic, restructuring, technology, de-leveraging and capital return initiatives, (iii) statements about our integrations of our recent acquisitions, (iv) statements relating to any litigation or regulatory or government investigation or action to which we are or could become a party, and (v) other statements that are not historical facts. Forward-looking statements involve a number of risks, uncertainties or other factors beyond Nasdaq's control. These factors include, but are not limited to, Nasdaq's ability to implement its strategic initiatives, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors detailed in Nasdaq's filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 10-K and quarterly reports on Form 10-Q which are available on Nasdaq's investor relations website at <http://ir.nasdaq.com> and the SEC's website at www.sec.gov. Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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