Nasdaq Opportunity: Creating Sustainable Value

1. Building on a successful foundation
   - A diverse and resilient capital markets franchise with a marketplace core

2. Executing strategy to accelerate growth
   - Re-allocating capital and resources towards higher growth opportunities

3. Our growth platform
   - Market Technology and Information Services capitalize on secular dynamics to lead growth, leveraging strong marketplace core

4. Clear performance objectives and capital plan
   - Elevated organic growth, attractive returns on capital, double digit TSR
Agenda

1. Building on a successful foundation
2. Executing strategy to accelerate growth
3. Our growth platform
4. Clear performance objectives and capital plan
Strong Financial And Competitive Position

Key Highlights / Characteristics

Operating margin³ (2017) 47%
Top-tier positioning >90% Revenues
Direct revenue exposure to market level beta⁴ 12%
Dividend payout / yield⁵ 42% / 2.1%

$2.4B Net Revenues¹

Corporate Services

Info Services

Market Services

Volume-Driven Revenue

Trade Mgmt. Services

Market Services

Volume-Driven Revenue

Trade Mgmt. Services

¹Represents revenues less transaction-based expenses.
²Represents revenues from our Corporate Services, Information Services and Market Technology segments plus our Trade Management Services business.
³Please see appendix for reconciliation of GAAP to non-GAAP measures.
⁴Includes revenues from Nordic equity trading, Nordic listings and index licensing and servicing in 2017.
⁵Dividend payout based on 1Q18 dividend of $0.38 and three subsequent quarterly dividends of $0.44 based on 3/28 dividend announcement. Dividend yield calculated as of May 24, 2018 and factors YTD average stock price of $83.75.
Leveraging Four Strong Business Segments

**Market Technology**
Operate and power the world’s leading marketplaces

**Information Services**
Trusted data, index and analytics

**Corporate Services**
A leading position in listings and C-Suite offerings

**Market Services**
Diverse portfolio of North American and Nordic markets

---

May 2018 Investor Presentation
Building on a Record of Strong Financial Performance...

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue¹ ($B)</th>
<th>Non-GAAP Operating Margin² (%)</th>
<th>Non-GAAP Diluted EPS² ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2.1B</td>
<td>45%</td>
<td>$3.13</td>
</tr>
<tr>
<td>2017</td>
<td>$2.4B</td>
<td>47%</td>
<td>$4.06</td>
</tr>
</tbody>
</table>

¹Represents revenues less transaction-based expenses.
²Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

Note: Financial metrics are not restated for new revenue recognition standard.
High Quality, Growing Free Cash Flow Stream Represents Strong Relative Value

Free Cash Flow¹ (Ex. Sec 31 Fees) in millions

- 2014: $479
- 2015: $610
- 2016: $638
- 2017: $756

16% CAGR

$816


102%

Including estimated impact of tax reform if applied to 2017

FCF Yield vs. 5.3% S&P 500²

6.1%

¹See page 3 for additional details on free cash flow excluding section 31 fees.
²Next 12 months free cash flow yield per FactSet as of May 25, 2018.
Agenda

1. Building on a successful foundation
2. Executing strategy to accelerate growth
3. Our growth platform
4. Clear performance objectives and capital plan
Key Trends Shaping Our Industry
Create Opportunities and Challenges for Clients

Data Explosion
(Connected devices¹)

Evolution of Investment Management
(Global AUM²)

Banks Embrace Change As They Evolve
(Outsourced bank tech spend³)

Markets Economy
(2021 retail ecommerce sales worldwide⁴)

1T
By 2030

$102T
By 2020

24%
In 2017

$4.5T
By 2021

¹Singularity University
²PWC, “Asset Management 2020: A Brave New World
³CenterState, “Where Banks Are Spending Their Technology Dollars”
⁴eMarketer, June 2017
Strategic Reallocation of Resources – Execution Underway

**Optimize Slower Growth Businesses**

- Select product lines or businesses
  - Initial Examples:
    - Divested Public Relations Solutions & Digital Media Services businesses
    - Committed to reviewing strategic alignment

**Sustain our Foundation**

- Market Services
- Corporate Services
  - Initial Examples:
    - Implementing Nasdaq Financial Framework (NFF) in Nasdaq’s markets
    - Nasdaq MarketSite buildout

**Re-allocate Resources to Growth Opportunities**

- **Market Technology Information Services**
  - Initial Examples:
    - Acquired eVestment
    - Investing in Nasdaq Financial Framework and SMARTS Buy-Side

---

May 2018 Investor Presentation
Agenda

1. Building on a successful foundation
2. Executing strategy to accelerate growth
3. Our growth platform
4. Clear performance objectives and capital plan
Our Growth Platform

Market Technology

Operate and power the world’s leading marketplaces

- 2017 revenues: $247M
- 3-Year revenue CAGR: 7%

Information Services

Trusted data, index and analytics

- 2017 revenues: $588M
- % Nasdaq operating income: 37%
- ETP AUM: $173B

Key Growth Segments
An Industry Leading Market Technology Provider

**Market Infrastructure Operators (MIO)**
- Comprehensive marketplace solutions
- Serving exchanges, clearinghouses, CSDs and regulators

**Buy-Side / Sell-Side**
- A surveillance leader for sell-side, expanding into buy-side
- Outsourced execution platform solutions for banks/brokers

**Non-Financial Markets (NFM)**
- Delivering benefits of price discovery beyond financial markets
- Entry position serving use-cases in multiple industry verticals
Repositioning to Deliver a Best-in-Class Managed Solution Model

Key Strategies

- Expand what we can provide to our MIO clients
- Evolving SMARTs to serve buy-side/RegTech
- Lead and enable "markets everywhere"

Enabler: Nasdaq Financial Framework

Transition to managed solution model

Goals

- Achieve significant share of +$22B addressable market
- Extend leadership in mission critical FinTech solutions
- Enhance scalability and margin potential

May 2018 Investor Presentation
Market Technology Organic Growth Outlook

Market Infrastructure Operators
Mid-to-High Single Digit

Buy/Sell Side
Double-Digit

Non-Financial Markets
High Growth (From Small Base)

Market Technology

Organic Revenue Growth
3-5 year Outlook¹
8-11% CAGR

¹Assumes stable economic environment.
Our Growth Platform

Key Growth Segments

Market Technology

Operate and power the world’s leading marketplaces
- 2017 revenues: $247M
- 3-Year revenue CAGR: 7%

Information Services

Trusted data, index and analytics
- 2017 revenues: $588M
- % of Nasdaq non-GAAP op. inc.: 37%
- AUM in Nasdaq-licensed ETPs: $173B
Key Attributes of Our Elite Information Business

Key Assets/Capabilities

- **Gold Source Data**

- **Marquee Index Brands**

- **Analytics Delivering Actionable Insights**

Proof Points

- Data created by our leading markets
- eVestment & other investment data
- Nasdaq, DWA, OMX & other families
- >40% AUM in Smart Beta categories
- Investment allocation & dist. tools
- Alternative investment data hub

May 2018 Investor Presentation
Complementary Products With Distinct Growth Opportunities

2017 Information Services

Revenues¹

- **$667M**
  - 55%
  - 26%
  - 19%

**Investment Data & Analytics**
- Growth in institutional/alternative AUMs
- Secular demand drivers for advanced analytics
- International expansion

**Index Licensing & Data**
- Growing demand for passive investment vehicles
- Contribution of smart beta and multi-factor models >40% is approximately 2x industry avg.

**Exchange Market Data**
- New customers, in particular in Asia
- Targeted and earned fee adjustments

¹Information Services pro forma 2017 revenues: a) includes the full year impact of eVestment assuming it was acquired at the beginning of 2017; and b) excludes the $11 million purchase price adjustment on deferred revenue associated with the closing of the eVestment acquisition.
Investment Data and Analytics

Large, Growing Market

Global Asset Management AUM Growth¹

- **6% CAGR**
- **2012**: $64T
- **2020F**: $102T

Alternative Investments AUM Growth²

- **9% CAGR**
- **2012**: $8.1T
- **2020F**: $18.1T

With Critical Customer Challenges

**Asset Managers:**
- Shifting investor preferences requires strategic alignment
- Heightened competition for assets requires skilled marketing

**Asset Owners:**
- Thousands of alternatives
- Complexity of managing across more asset categories

¹PwC, “Asset Management 2020: A Brave New World”.
²Strategy & PwC, “Alternative Investments: It’s Time to Pay Attention”. Includes private equity, hedge funds, real estate, institutional loans
eVestment is The Industry Standard and Delivers Significant Client Value

Client Value Proposition

• Provides critical information to the asset management, consultant and asset owner ecosystem
• Maximize participation in allocation decisions
• Gain tactical insights on recent search results
• Gain strategic insights to manage enterprise

![Client Value Proposition](image)

92% of top 50 asset managers
76% of top 50 consultants
70% of top 20 pension funds

Franchise Advantages

✓ Strong network effects
✓ Leader in institutional investment data
✓ Scalable, SaaS oriented business

May 2018 Investor Presentation
Strong Organic Growth Outlook: Revenues

Revenue Growth Outlook

- **Double Digits**
- **Mid to High Single Digits**
- **Low to Mid Single Digits**

Information Services

Revenue Growth
3-5 Year Outlook

5-7% CAGR

---

¹Information Services pro forma revenues are adjusted to account for the full year impact of eVestment.
²Assumes stable economic environment.
Our Marketplace Core

Corporate Services

Leading position in listings and C-Suite offerings

- 2017 Revenue\(^1\): $501M
- 2017 Operating margin: 32%

Market Services

Diverse portfolio of North American and Nordic markets

- 2017 net revenues: $881M
- 2017 operating margin: 55%

\(^1\)Corporate Services revenues are adjusted for the sale of the Public Relations Solutions and Digital Media Services businesses, the adoption of the new revenue recognition standard and the re-segmentation of BWise from Market Technology.
Marketplace Foundation For Other Nasdaq Businesses

Corporate Services

3,900+
- Listed Companies

3,800+
- Clients using IR Services

130,000+
- Board Portal Users

250+
- Enterprise GRC Clients

Market Services

Leading Liquidity Pools
#1 Positions:
- U.S. equity options
- Nasdaq-listed U.S./Nordic equities
- Nordic derivatives

Niche Markets in FICC

Most Trusted Technology
Nasdaq’s trading systems are chosen most by 3rd-party exchange operators

Comprehensive Connectivity

Nasdaq’s marketplace platform connects companies, investors, and capital market intermediaries to unlock opportunities
Delivering Significant, Resilient Cash Flows

Growing Income to Fund Investment & Shareholder Returns

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate Services</th>
<th>Market Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$534</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$553</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$607</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$663</td>
<td></td>
</tr>
</tbody>
</table>

Organic Growth Outlook Over Medium-Term

Corporate Services 3-5 Year Outlook¹
3-5% CAGR

Market Services 3-5 Year Outlook
Variable w/ Macro Conditions

¹Assumes stable economic environment.
Agenda

1. Building on a successful foundation

2. Executing strategy to accelerate growth

3. Our growth platform

4. Clear performance objectives and capital plan
Raised Medium Term Revenue Growth Outlook

Current Outlook¹

8% – 11% (3-5 year)

Actual 3-Year Average²

9%

Information Services

5% – 7% (3-5 year)

Corporate Services

3% – 5% (3-5 year)

2%

Non-Trading Segments (MT, IS, CS)

5% – 7% (3-5 year)

5%

Market Services variable with market activity

¹Revenue growth outlook assumes a stable market backdrop.
²See reconciliation of GAAP to non-GAAP measures.
Clear Objectives to Measure Strategy’s Success

**Organic Revenue Growth**

- **5% – 7%**
  - Non-Trading Segments (3-5 year)
  
  Accelerate recurring revenue base

**Operational Focus**

- **~3%**
  - Avg Annual Organic Expense Growth (3-5 year time frame)
  
  Drive operating leverage

**Return On Invested Capital**

- **≥10%**
  - Target on New Investments (3-5 year time frame)
  
  Improve Enterprise-wide ROIC

**Total Shareholder Return**

- **Double Digit TSR**
  
  Deliver strong EPS growth and dividend yield

---

¹Revenue growth outlook assumes a stable market backdrop.
²See reconciliation of GAAP to non-GAAP measures.
Clear And Transparent Capital Priorities

Maintain Investment Grade Status

Invest in Profitable Growth

Grow Dividend as Earnings/FCF Grow

Share Repurchases

Deleverage
Debt reduction + EBITDA growth

Attractive ROIC
significantly above cost of capital

42%
Payout Ratio¹

2.1%
Yield²

Buybacks
primarily to offset dilution

mid-2x
(from >3x)
by mid-2019

≥ 10%
target on investments

$0.44
Quarterly dividend

~$300M
in additional buybacks funded by divestiture

¹Dividend payout based on 1Q18 dividend of $0.38 and three subsequent quarterly dividends of $0.44 based on 3/28 dividend announcement, divided by 2017 adjusted non-GAAP EPS of $4.02, which incorporates the new accounting standard ASU 2014-09 “Revenue from contracts with customers” using the full retrospective method.

²Dividend yield calculated as of May 24, 2018 using $0.44 per share quarterly dividend and YTD average stock price of $83.75.
Nasdaq Opportunity: Creating Sustainable Value

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   Elevated organic growth, attractive returns on capital, double digit TSR

Key Messages Today:
Appendix
MARKET TECHNOLOGY METRICS

REVENUE MIX AND PRODUCT OFFERING BY CUSTOMER GROUP

- **Buy/Sell-Side**
  - A leader in trade surveillance with 130+ clients
  - Recent expansion into hosted execution services
  - Entering buy-side surveillance/compliance

- **Non-Financial Markets**
  - Opportunities in non-financial players with market technology needs

- **Market Infrastructure Operators**
  - 80+ clients using trading technology and surveillance
  - 20+ clients using clearinghouses & central security depositories

### REVENUES ($M)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy/Sell-Side</td>
<td>$246</td>
<td>$245</td>
<td>$277</td>
<td>$289</td>
<td>$294</td>
</tr>
<tr>
<td>Non-Financial Markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Infrastructure Operators</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MARGIN (%)

- **Operating Margin**
  - 2014: 20%
  - 2015: 24%
  - 2016: 25%
  - 2017: 20%
  - LTM: 17%

- **EBITDA Margin**
  - 2014: 24%
  - 2015: 28%
  - 2016: 29%
  - 2017: 25%
  - LTM: 22%

12% OF 2017 NET REVENUES
6% OF 2017 EBITDA
INFORMATION SERVICES METRICS
Market Data & Index Licensing & Services

NASDAQ INDEX LICENSED ETP AUM ($B)

<table>
<thead>
<tr>
<th></th>
<th>12/31/14</th>
<th>12/31/15</th>
<th>12/31/16</th>
<th>12/31/17</th>
<th>3/31/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$99</td>
<td>$114</td>
<td>$124</td>
<td>$167</td>
<td>$173</td>
<td></td>
</tr>
</tbody>
</table>

REVENUES ($M)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Licensing &amp; Services</td>
<td>$473</td>
<td>$512</td>
<td>$540</td>
<td>$588</td>
<td>$621</td>
</tr>
<tr>
<td>Data products</td>
<td>89</td>
<td>113</td>
<td>113</td>
<td>134</td>
<td>142</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>384</td>
<td>399</td>
<td>427</td>
<td>454</td>
<td>479</td>
</tr>
</tbody>
</table>

MARGIN (%) (2)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>74%</td>
<td>71%</td>
<td>71%</td>
<td>71%</td>
<td>69%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>75%</td>
<td>73%</td>
<td>72%</td>
<td>73%</td>
<td>70%</td>
</tr>
</tbody>
</table>

1North America proprietary data include depth of book products, Nasdaq Basic, audit collections, eVestment, fixed income, Mutual Fund quotation data (MFQS), DWA, options and Nasdaq CXC (formerly Chi-X Canada). 2Information 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.
CORPORATE SERVICES METRICS

GLOBAL LISTINGS COUNT & U.S. IPO WIN RATE

<table>
<thead>
<tr>
<th>Year</th>
<th>Listings Count</th>
<th>Win Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,574</td>
<td>61%</td>
</tr>
<tr>
<td>2015</td>
<td>3,711</td>
<td>73%</td>
</tr>
<tr>
<td>2016</td>
<td>3,797</td>
<td>73%</td>
</tr>
<tr>
<td>2017</td>
<td>3,933</td>
<td>63%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Margin (%)</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>2015</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>2016</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>2017</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>LTM</td>
<td>29%</td>
<td>32%</td>
</tr>
</tbody>
</table>

REVENUES ($M)

- 2014: $552 (238 Listings, 314 Corporate Solutions)
- 2015: $562 (264 Listings, 298 Corporate Solutions)
- 2016: $635 (272 Listings, 363 Corporate Solutions)
- 2017: $656 (270 Listings, 386 Corporate Solutions)
- LTM: $665 (275 Listings, 390 Corporate Solutions)

27% OF 2017 NET REVENUES
16% OF 2017 EBITDA
MARKET SERVICES METRICS
Derivative, Equity, Fixed Income Trading & Trade Management Services

U.S. EQUITY AND U.S. EQUITY OPTION MARKET SHARE

- Nasdaq Listed Equities
- All U.S. Equities
- U.S. Options
- European Equities

ISE acquisition closed 6/30/16

REVENUES ($M)

- 2014: $796
- 2015: $771
- 2016: $827
- 2017: $881
- LTM: $913

MARGIN (%)

- 2014: 57%
- 2015: 58%
- 2016: 60%
- 2017: 60%
- LTM: 61%

EQUITIES AND OPTION CAPTURE RATES

- U.S. Equities (per 100 shares)
- European Equities (per $000 traded)
- U.S. Options (per contract)

- 2014: $0.04, $0.11, $0.14
- 2015: $0.05, $0.10, $0.11
- 2016: $0.05, $0.11, $0.16
- 2017: $0.05, $0.11, $0.16

ISE acquisition closed 6/30/16

Nasdaq Listed Equities
All U.S. Equities
U.S. Options
European Equities

Trade Management Services  FICC  Equity Derivatives  Cash Equities

May 2018 Investor Presentation
## SUMMARY OF HISTORICAL FINANCIAL RESULTS

<table>
<thead>
<tr>
<th>NON-GAAP RESULTS(1)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ Millions, except EPS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenues</td>
<td>2,067</td>
<td>2,090</td>
<td>2,276</td>
<td>2,411</td>
<td>2,495</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>1,137</td>
<td>1,114</td>
<td>1,224</td>
<td>1,271</td>
<td>1,318</td>
</tr>
<tr>
<td>Operating Income</td>
<td>930</td>
<td>976</td>
<td>1,052</td>
<td>1,140</td>
<td>1,177</td>
</tr>
<tr>
<td>Operating Margin (2)</td>
<td>45%</td>
<td>47%</td>
<td>46%</td>
<td>47%</td>
<td>47%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>998</td>
<td>1,052</td>
<td>1,140</td>
<td>1,236</td>
<td>1,275</td>
</tr>
<tr>
<td>EBITDA Margin (3)</td>
<td>48%</td>
<td>50%</td>
<td>50%</td>
<td>51%</td>
<td>92%</td>
</tr>
<tr>
<td>Net Income attributable to Nasdaq</td>
<td>542</td>
<td>581</td>
<td>619</td>
<td>681</td>
<td>728</td>
</tr>
<tr>
<td>DILUTED EPS</td>
<td>$3.13</td>
<td>$3.39</td>
<td>$3.67</td>
<td>$4.02</td>
<td>$4.30</td>
</tr>
</tbody>
</table>

1. Please refer to pages 37-41 for a reconciliation of U.S. GAAP to non-GAAP measures.
2. Operating margin equals operating income divided by net revenues.
3. EBITDA margin equals EBITDA divided by net revenues.
## HISTORICAL CASH FLOW/USES OF CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations (1)</td>
<td>$647</td>
<td>$727</td>
<td>$776</td>
<td>$909</td>
<td>$375</td>
<td>$3,434</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(140)</td>
<td>(133)</td>
<td>(134)</td>
<td>(144)</td>
<td>(16)</td>
<td>(567)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>507</td>
<td>594</td>
<td>642</td>
<td>765</td>
<td>359</td>
<td>$2,867</td>
</tr>
<tr>
<td>Section 31 fees, net (2)</td>
<td>(28)</td>
<td>16</td>
<td>(4)</td>
<td>(9)</td>
<td>23</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Free cash flow ex. Section 31 fees</strong></td>
<td>$479</td>
<td>$610</td>
<td>$638</td>
<td>$756</td>
<td>$382</td>
<td>$2,865</td>
</tr>
</tbody>
</table>

### Uses of cash flow

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
<th>2014 - Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share repurchases</td>
<td>$178</td>
<td>$377</td>
<td>$100</td>
<td>$203</td>
<td>$99</td>
<td>$957</td>
</tr>
<tr>
<td>Net repayment/(borrowing) of debt</td>
<td>235</td>
<td>(137)</td>
<td>(1,300)</td>
<td>(411)</td>
<td>133</td>
<td>$(1,480)</td>
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<tr>
<td>Acquisitions</td>
<td>—</td>
<td>256</td>
<td>1,460</td>
<td>776</td>
<td>—</td>
<td>$2,492</td>
</tr>
<tr>
<td>Dividends</td>
<td>98</td>
<td>149</td>
<td>200</td>
<td>243</td>
<td>63</td>
<td>$753</td>
</tr>
<tr>
<td><strong>Total uses of cash flow</strong></td>
<td>$511</td>
<td>$645</td>
<td>$460</td>
<td>$811</td>
<td>$295</td>
<td>$2,722</td>
</tr>
</tbody>
</table>

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1. Cash flow from operations has been restated for adoption of ASU 2016-15, ASU 2016-18, and ASU 2016-09.
## EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortization

<table>
<thead>
<tr>
<th>(US$ millions)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP net income attributable to Nasdaq:</td>
<td>$414</td>
<td>$428</td>
<td>$106</td>
<td>$729</td>
<td>$739</td>
</tr>
<tr>
<td>Income tax provision</td>
<td>181</td>
<td>203</td>
<td>27</td>
<td>143</td>
<td>156</td>
</tr>
<tr>
<td>Net income from unconsolidated investees</td>
<td>—</td>
<td>(17)</td>
<td>(2)</td>
<td>(15)</td>
<td>(13)</td>
</tr>
<tr>
<td>Other investment income</td>
<td>—</td>
<td>—</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>111</td>
<td>107</td>
<td>130</td>
<td>136</td>
<td>136</td>
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<tr>
<td>Asset impairment charges</td>
<td>49</td>
<td>—</td>
<td>578</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net loss attributable to noncontrolling interests</td>
<td>(1)</td>
<td>(1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>U.S. GAAP operating income:</td>
<td>$754</td>
<td>$720</td>
<td>$836</td>
<td>$991</td>
<td>$1,017</td>
</tr>
<tr>
<td>Non-GAAP Adjustments (1)</td>
<td>176</td>
<td>256</td>
<td>216</td>
<td>149</td>
<td>160</td>
</tr>
<tr>
<td>Non-GAAP operating income:</td>
<td>$930</td>
<td>$976</td>
<td>$1,052</td>
<td>$1,140</td>
<td>$1,177</td>
</tr>
<tr>
<td>Depreciation and amortization of tangibles (Nasdaq)</td>
<td>68</td>
<td>76</td>
<td>88</td>
<td>96</td>
<td>98</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$998</td>
<td>$1,052</td>
<td>$1,140</td>
<td>$1,236</td>
<td>$1,275</td>
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</table>

(1) Please see slide 40 for reconciliation of U.S. GAAP operating income to non-GAAP operating income.
## SEGMENT EBITDA
### Earnings Before Interest, Taxes, Depreciation and Amortization

<table>
<thead>
<tr>
<th>(US$ millions)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Services net revenue</strong></td>
<td>$796</td>
<td>$771</td>
<td>$827</td>
<td>$881</td>
<td>$913</td>
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<tr>
<td><strong>Market Services operating income</strong></td>
<td>$413</td>
<td>$413</td>
<td>$450</td>
<td>$481</td>
<td>$508</td>
</tr>
<tr>
<td>Depreciation</td>
<td>39</td>
<td>36</td>
<td>43</td>
<td>46</td>
<td>46</td>
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<tr>
<td><strong>Market Services EBITDA</strong></td>
<td>$452</td>
<td>$449</td>
<td>$493</td>
<td>$527</td>
<td>$554</td>
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<tr>
<td>Market Services EBITDA margin</td>
<td>57%</td>
<td>58%</td>
<td>60%</td>
<td>60%</td>
<td>61%</td>
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<tr>
<td><strong>Corporate Services revenue</strong></td>
<td>$552</td>
<td>$562</td>
<td>$632</td>
<td>$653</td>
<td>$664</td>
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<tr>
<td><strong>Corporate Services operating income</strong></td>
<td>$121</td>
<td>$140</td>
<td>$157</td>
<td>$182</td>
<td>$190</td>
</tr>
<tr>
<td>Depreciation</td>
<td>12</td>
<td>22</td>
<td>26</td>
<td>26</td>
<td>25</td>
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<tr>
<td><strong>Corporate Services EBITDA</strong></td>
<td>$133</td>
<td>$162</td>
<td>$183</td>
<td>$208</td>
<td>$215</td>
</tr>
<tr>
<td>Corporate Services EBITDA margin</td>
<td>24%</td>
<td>29%</td>
<td>29%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Information Services revenue</strong></td>
<td>$473</td>
<td>$512</td>
<td>$540</td>
<td>$588</td>
<td>$624</td>
</tr>
<tr>
<td><strong>Information Services operating income</strong></td>
<td>$348</td>
<td>$365</td>
<td>$383</td>
<td>$418</td>
<td>$429</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Information Services EBITDA</strong></td>
<td>$353</td>
<td>$373</td>
<td>$391</td>
<td>$427</td>
<td>$439</td>
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<tr>
<td>Information Services EBITDA margin</td>
<td>75%</td>
<td>73%</td>
<td>72%</td>
<td>73%</td>
<td>70%</td>
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<tr>
<td><strong>Market Technology revenue</strong></td>
<td>$246</td>
<td>$245</td>
<td>$277</td>
<td>$289</td>
<td>$294</td>
</tr>
<tr>
<td><strong>Market Technology operating income</strong></td>
<td>$49</td>
<td>$58</td>
<td>$68</td>
<td>$59</td>
<td>$50</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11</td>
<td>10</td>
<td>12</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td><strong>Market Technology EBITDA</strong></td>
<td>$60</td>
<td>$68</td>
<td>$80</td>
<td>$73</td>
<td>$66</td>
</tr>
<tr>
<td>Market Technology EBITDA margin</td>
<td>24%</td>
<td>28%</td>
<td>29%</td>
<td>25%</td>
<td>22%</td>
</tr>
</tbody>
</table>
### OPERATING EXPENSES

#### Reconciliation of U.S. GAAP to non-GAAP

<table>
<thead>
<tr>
<th>(US$ Millions)</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP operating expenses</td>
<td>$354</td>
<td>$341</td>
<td>$390</td>
<td>$393</td>
<td>$1,313</td>
<td>$1,370</td>
<td>$1,440</td>
<td>$1,420</td>
<td>$1,478</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets (1)</td>
<td>(22)</td>
<td>(22)</td>
<td>(25)</td>
<td>(28)</td>
<td>(69)</td>
<td>(62)</td>
<td>(82)</td>
<td>(92)</td>
<td>(97)</td>
</tr>
<tr>
<td>Merger and strategic initiatives (2)</td>
<td>(11)</td>
<td>(3)</td>
<td>(24)</td>
<td>(10)</td>
<td>(81)</td>
<td>(10)</td>
<td>(76)</td>
<td>(44)</td>
<td>(48)</td>
</tr>
<tr>
<td>Restructuring charges (3)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(172)</td>
<td>(41)</td>
</tr>
<tr>
<td>Executive compensation (6)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(12)</td>
</tr>
<tr>
<td>Regulatory matters (5)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(6)</td>
</tr>
<tr>
<td>Special legal expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reversal of value added tax refund (8)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(12)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Extinguishment of debt (11)</td>
<td>(10)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(11)</td>
<td>—</td>
<td>—</td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>Sublease reserve (9)</td>
<td>—</td>
<td>—</td>
<td>(2)</td>
<td>(2)</td>
<td>(11)</td>
<td>—</td>
<td>1</td>
<td>(2)</td>
<td>(4)</td>
</tr>
<tr>
<td>Other (10)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total non-GAAP adjustments</td>
<td>$(43)</td>
<td>$(26)</td>
<td>$(51)</td>
<td>$(40)</td>
<td>$(176)</td>
<td>$(256)</td>
<td>$(216)</td>
<td>$(149)</td>
<td>$(160)</td>
</tr>
<tr>
<td>NON-GAAP operating expenses</td>
<td>$311</td>
<td>$315</td>
<td>$339</td>
<td>$353</td>
<td>$1,137</td>
<td>$1,114</td>
<td>$1,224</td>
<td>$1,271</td>
<td>$1,318</td>
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</table>

Please see pages 43-44 for above footnotes.
## OPERATING INCOME

Reconciliation of U.S. GAAP to non-GAAP

<table>
<thead>
<tr>
<th>(US$ Millions)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. GAAP operating income</strong></td>
<td>$754</td>
<td>$720</td>
<td>$836</td>
<td>$991</td>
<td>$1,017</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>69</td>
<td>62</td>
<td>82</td>
<td>92</td>
<td>97</td>
</tr>
<tr>
<td><strong>Merger and strategic initiatives</strong></td>
<td>81</td>
<td>10</td>
<td>76</td>
<td>44</td>
<td>48</td>
</tr>
<tr>
<td><strong>Restructuring charges</strong></td>
<td>—</td>
<td>172</td>
<td>41</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Executive compensation</strong></td>
<td>—</td>
<td>—</td>
<td>12</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Regulatory matters</strong></td>
<td>—</td>
<td>—</td>
<td>6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Special legal expenses</strong></td>
<td>2</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Reversal of value added tax refund</strong></td>
<td>—</td>
<td>12</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Extinguishment of debt</strong></td>
<td>11</td>
<td>—</td>
<td>—</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Sublease reserve</strong></td>
<td>11</td>
<td>—</td>
<td>(1)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>2</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Non-GAAP adjustments</strong></td>
<td>176</td>
<td>256</td>
<td>216</td>
<td>149</td>
<td>160</td>
</tr>
<tr>
<td><strong>NON-GAAP operating income</strong></td>
<td>$930</td>
<td>$976</td>
<td>$1,052</td>
<td>$1,140</td>
<td>$1,177</td>
</tr>
</tbody>
</table>

Please see pages 43-44 for above footnotes.
# NET INCOME AND DILUTED EPS

## Reconciliation Of U.S. GAAP To Non-GAAP - Quarterly

<table>
<thead>
<tr>
<th>(US$ millions, except EPS)</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. GAAP NET INCOME ATTRIBUTABLE TO NASDAQ</strong></td>
<td>$146</td>
<td>$170</td>
<td>$246</td>
<td>$177</td>
<td>$414</td>
<td>$428</td>
<td>$106</td>
<td>$729</td>
<td>$739</td>
</tr>
<tr>
<td>Amortization expense of acquired intangible assets</td>
<td>22</td>
<td>22</td>
<td>25</td>
<td>28</td>
<td>69</td>
<td>62</td>
<td>82</td>
<td>92</td>
<td>97</td>
</tr>
<tr>
<td>Merger and strategic initiatives</td>
<td>11</td>
<td>3</td>
<td>24</td>
<td>10</td>
<td>81</td>
<td>10</td>
<td>76</td>
<td>44</td>
<td>48</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>172</td>
<td>41</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Asset impairment charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>49</td>
<td>—</td>
<td>578</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Regulatory matters</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Executive compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>12</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Income from OCC equity investment</td>
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<td>—</td>
<td>(13)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reversal of value added tax refund</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>12</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sublease loss reserve</td>
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<td>2</td>
<td>11</td>
<td>—</td>
<td>(1)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Special legal expense</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Extinction of debt</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>11</td>
<td>—</td>
<td>—</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL NON-GAAP ADJUSTMENTS</strong></td>
<td>$45</td>
<td>$26</td>
<td>$51</td>
<td>$40</td>
<td>$225</td>
<td>$243</td>
<td>$800</td>
<td>$151</td>
<td>$162</td>
</tr>
<tr>
<td>Adjustment to the income tax provision to reflect non-GAAP adjustments</td>
<td>(21)</td>
<td>(24)</td>
<td>(120)</td>
<td>(8)</td>
<td>(97)</td>
<td>(90)</td>
<td>(287)</td>
<td>(199)</td>
<td>(173)</td>
</tr>
<tr>
<td>Total Non-GAAP Adjustments, net of tax</td>
<td>24</td>
<td>2</td>
<td>(69)</td>
<td>32</td>
<td>128</td>
<td>153</td>
<td>513</td>
<td>(48)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>NON-GAAP NET INCOME ATTRIBUTABLE TO NASDAQ</strong></td>
<td>$170</td>
<td>$172</td>
<td>$177</td>
<td>$209</td>
<td>$542</td>
<td>$581</td>
<td>$619</td>
<td>$681</td>
<td>$728</td>
</tr>
<tr>
<td>U.S. GAAP diluted earnings per share</td>
<td>$0.87</td>
<td>$1.00</td>
<td>$1.45</td>
<td>$1.05</td>
<td>$2.39</td>
<td>$2.50</td>
<td>$0.63</td>
<td>$4.30</td>
<td>$4.37</td>
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<tr>
<td>Total adjustments from non-GAAP net income, above</td>
<td>$0.14</td>
<td>$0.01</td>
<td>$(0.41)</td>
<td>$0.19</td>
<td>$0.74</td>
<td>$0.89</td>
<td>$3.04</td>
<td>$(0.28)</td>
<td>$(0.07)</td>
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<tr>
<td><strong>NON-GAAP DILUTED EARNINGS PER SHARE</strong></td>
<td>$1.01</td>
<td>$1.01</td>
<td>$1.04</td>
<td>$1.24</td>
<td>$3.13</td>
<td>$3.39</td>
<td>$3.67</td>
<td>$4.02</td>
<td>$4.30</td>
</tr>
</tbody>
</table>

Please see pages 43-44 for above footnotes.
## Organic Revenue Growth

### Non-Trading Segments

<table>
<thead>
<tr>
<th>All figures in US$ Millions</th>
<th>Current Period</th>
<th>Prior-year Period</th>
<th>Total Variance</th>
<th>Organic Impact</th>
<th>Other Impact (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LTM</td>
<td></td>
<td>1,582</td>
<td>1,475</td>
<td>107</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td></td>
<td>1,530</td>
<td>1,449</td>
<td>81</td>
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<tr>
<td></td>
<td>2016</td>
<td></td>
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<tr>
<td></td>
<td>2015</td>
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<td>1,271</td>
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<td>2014</td>
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<td>1,271</td>
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### Market Services Segment

<table>
<thead>
<tr>
<th>All figures in US$ Millions</th>
<th>Current Period</th>
<th>Prior-year Period</th>
<th>Total Variance</th>
<th>Organic Impact</th>
<th>Other Impact (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LTM</td>
<td></td>
<td>913</td>
<td>845</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td></td>
<td>881</td>
<td>827</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td></td>
<td>827</td>
<td>771</td>
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<td>2015</td>
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<tr>
<td></td>
<td>2014</td>
<td></td>
<td>796</td>
<td>756</td>
<td>40</td>
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### Total Company

<table>
<thead>
<tr>
<th>All figures in US$ Millions</th>
<th>Current Period</th>
<th>Prior-year Period</th>
<th>Total Variance</th>
<th>Organic Impact</th>
<th>Other Impact (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LTM</td>
<td></td>
<td>2,495</td>
<td>2,320</td>
<td>175</td>
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<td></td>
<td>2016</td>
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<td></td>
<td>2015</td>
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<td>2014</td>
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<td>1,895</td>
<td>172</td>
</tr>
</tbody>
</table>

1. Other impact includes acquisitions and changes in FX rates.
NON-GAAP ADJUSTMENTS FOOTNOTES

(1) Refer to the non-GAAP disclaimer information section 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 and year ended December 31, 2017 and for the three months ended September 30, 2017, merger and strategic initiatives expense is primarily related to our acquisitions of eVestment, Inc. and International Securities Exchange, or ISE, as well as costs associated with the potential strategic alternatives for our Public Relations and Digital Media businesses within our Corporate Solutions business. For the three months ended June 30, 2017 merger and strategic initiatives expense primarily related to our acquisition of ISE. 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 year ended December 31, 2013, merger and strategic initiatives expense reflected $45 million of costs primarily associated with our acquisitions of eSpeed and the TR Corporate businesses, partially offset by a credit of $23 million associated with a receive under a tax sharing agreement with an unrelated party. For the year ended December 31, 2014, merger and strategic initiatives expense primarily related to our acquisitions 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 receive under a tax sharing agreement with an unrelated party. 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, 2016, merger and strategic initiatives expense primarily related to our acquisition of ISE.

(3) 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. For the year ended December 31, 2013, as part of our 2012 restructuring plan, we recognized restructuring charges totaling $9 million, primarily related to severance costs. Refer to the non-GAAP information section for further discussion of why we consider restructuring charges to be a non-GAAP adjustment.

(4) For the three months and year ended December 31, 2016, we recorded a pre-tax, non-cash asset impairment charge of $578 million related to our eSpeed trade name. The impairment was the result of a decline in operating performance and the rebranding of the eSpeed trade name due to a strategic change in the direction 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. For the year ended December 31, 2013, pre-tax, non-cash asset impairment charges of $14 million related to certain acquired intangible assets associated with customer relationships and a certain trade name. Refer to the non-GAAP information section for further discussion of why we consider asset impairment charges to be a non-GAAP adjustment.

(5) During 2016, the Swedish Financial Supervisory Authority, or SFSA, completed their investigations of cybersecurity processes at our Nordic exchanges and clearinghouse. In December 2016, we were issued a $6 million fine by the SFSA as a result of findings in connection with its investigation. 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. The court has not yet reached a decision regarding our appeal. This charge is included in regulatory expense in the Condensed Consolidated Statements of Income (Loss) for the three months and year ended December 31, 2016.

(6) For the 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.
NON-GAAP ADJUSTMENTS FOOTNOTES

(10) For the three months ended June 30, 2017 and for the year ended December 31, 2017, other charge relates to wind down costs associated with an equity method investment that was previously written off, which is included in net income (loss) from unconsolidated investees in the Condensed Consolidated Statements of Income (Loss). For the three months and year ended December 31, 2016, 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. We recorded the net loss in net income (loss) from unconsolidated investees in the Condensed Consolidated Statements of Income (Loss).

(11) For the three months ended June 30, 2017 and for the year ended December 31, 2017, in connection with the early extinguishment of our 5.25% senior unsecured notes and the $300 million repayment on our $400 million senior unsecured term loan facility due November 25, 2019, we recorded a charge of $10 million primarily related to a premium paid for early redemption. 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) The non-GAAP adjustment to the income tax provision includes the tax impact of each non-GAAP adjustment. In addition, the non-GAAP adjustment to the income tax provision reflects the recognition of previously unrecognized tax benefits associated with positions taken in prior years of $8 million for the three months ended September 30, 2017 and $4 million for the three months ended June 30, 2017. For the three months and year ended December 31, 2017, we recorded a decrease to tax expense of $6 million, which reflects the impact of amending our assertion regarding the indefinite reinvestment of earnings of certain subsidiaries outside the U.S. 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 3 above. For the year ended December 31, 2013, the amount includes $23 million associated with a reserve for an unrecognized tax benefit. This amount is offset by the receivable described in note 3 above.

The Tax Cuts & Jobs Act was enacted on December 22, 2017. For the three months and year ended December 31, 2017, we recorded a decrease to tax expense of $87 million, which reflects the estimated impact associated with the enactment of this act. The decrease in tax expense primarily relates to the remeasurement of our net U.S. deferred tax liability at the lower U.S. federal corporate income tax rate. The estimate may be refined in the future as new information becomes available. Excess tax benefits relates to employee share-based compensation resulting from the adoption of new accounting guidance which requires all income tax effects of share-based awards to be recognized as income tax expense or benefit in the income statement when the awards vest or are settled on a prospective basis, as opposed to stockholders’ equity where it was previously recorded. For the three months ended December 31, 2017 we recorded a benefit of $10 million and for the year ended December 31, 2017, we recorded a benefit of $40 million associated with the new guidance. Refer to the non-GAAP disclaimer section for further discussion on why we consider excess tax benefits related to employee share-based compensation to be a non-GAAP adjustment.
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.

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.
Restructuring charges: Restructuring charges are associated with our 2015 restructuring plan to improve performance, cut costs and reduce spending and as of December 31, 2016 are primarily related to (i) severance and other termination benefits, (ii) asset impairment charges, and (iii) other 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.

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 three months and year ended December 31, 2016, we recorded a pre-tax, non-cash asset impairment charge of $578 million related to the full write-off of the eSpeed trade name due to a continued decline in operating performance of the eSpeed business during 2016 and a rebranding of our 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. Refer to the non-GAAP information section for further discussion of why we consider asset impairment changes to be a non-GAAP adjustment.

Other significant items: We have excluded certain other charges or gains that are the result of other non-comparable events to measure operating performance. We believe the exclusion of such amounts allows management and investors to better understand the financial results of Nasdaq. The details of these items can be found in the footnotes to the non-GAAP adjustments in this presentation.

Significant tax items: The non-GAAP adjustment to the income tax provision includes the tax impact of each non-GAAP adjustment. In addition, we have excluded certain other tax items which are the results of non-comparable events and for which we believe the exclusion of such amounts allows management and investors to better understand the financial results of Nasdaq. The details of these items can be found in the footnotes to the non-GAAP adjustments in this presentation.

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.
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 allocation 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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