NASDAQ Announces Price Reductions for Network Connections, Trade Reporting and Other Systems

NASDAQ InterMarket Prices Also to Be Changed

New York, NY - The Nasdaq Stock Market, Inc. today announced that in an effort to reduce NASDAQ® participants' total cost of trading, NASDAQ Transaction Services is reducing connectivity and trade reporting fees. Price cuts have been filed with the SEC and are expected to take place Tuesday, April 1, 2003. NASDAQ will also file with the SEC to eliminate certain ACT locked-in trade reporting charges as of June 1, 2003.

These reductions will be in Automatic Confirmation Transaction Service℠ (ACT℠) locked-in trade reports, ACT SuperMontage℠ trade reports, computer-to-computer interface (CTCI) bandwidth enhancement fees, NASDAQ Workstation II® and application programming interface (API) logon charges, and NASDAQ Testing Facility (NTF) charges. Pricing changes will also take place for NASDAQ InterMarket Computer Assisted Execution System℠ (CAES℠) and InterMarket Trading System (ITS), which will reduce user costs on net.

"NASDAQ is committed to maintaining our leadership in transaction services," said Dean Furbush, executive vice president, Nasdaq Transaction Services. "This new round of price reductions demonstrates our determination to remain competitive while providing the highest quality, most reliable trading systems in the industry."

ACT Locked-in Trade Report Charges

NASDAQ will implement a tiered pricing plan effective April 1st for "locked-in" trade reports in NASDAQ National Market® (NNM) and SmallCap MarketSM (SCM℠) securities. Locked-in trade reports include the following: Automated Give-Up (AGU), Qualified Service Representative (QSR), Primex Auction System®, and internalized. In a subsequent filing with the SEC, NASDAQ plans to eliminate these fees entirely as of June 1st.

Current Pricing: $.029 per side

New Pricing as of April 1st: Discounts available based on a firm's average daily volume of media reports as the reporting party in NNM and SCM securities reported over the course of the month.

Average Daily Media Reports:

As Reporting Party	*Price*
0 - 10,000	$.029 per locked-in trade report
10,001 - 50,000	$.029 for first 10,000 daily locked-in trade $.015 for each remaining daily locked-in trade report
More than 50,000	$.029 for first 10,000 daily locked-in trade reports $.015 for the next 40,000 daily locked-in trade reports $0.00 (Free) for all remaining daily locked-in trade reports

New Pricing as of June 1st: Elimination of ACT charges for all locked-in trade reports in NASDAQ securities, subject to SEC approval.

ACT SuperMontage Trade Report Charges

NASDAQ will eliminate the current ACT trade reporting charge of $.029 assessed to SuperMontage executions for firms that meet the following criteria:

- Execute over 10,000 SuperMontage trades per day on average over the course of the trading month
- Report at least 98% of internalized transactions in NASDAQ securities to ACT
- Post in SuperMontage at least 70% of bids, offers and non-marketable limit orders

NASDAQ may request that a participant provide data supporting its certification that it is eligible for the waiver and will deem a participant that fails to provide such data upon request to be ineligible for the waiver.

CTCI Bandwidth Enhancement Fees

NASDAQ is reducing the CTCI Bandwidth Enhancement fee to $600 per 64kbps increment per month from $4,000 per 64kbps increment per month effective April 1st. However, CTCI Bandwidth Enhancement prices will remain unchanged at $4,000 per 64kbps for any CTCI line used for service bureau functionality, subject to approval by the SEC.

NASDAQ Workstation II and API Logon Charges

Firms with more than 150 NASDAQ Workstation II and/or API logons across all sites of the firm and all sites of the firm's wholly owned subsidiaries (and similar affiliates) will qualify for a reduced logon rate. The current rate of $525 per logon per month will apply to the first 150 logons; each additional logon will cost $200 per logon per month.

Current Pricing:	
NASDAQ Workstation II or API Logon	$525 per logon per month

New Pricing: Number of Logons	Price
1-150 NASDAQ Workstation II or API Logons	$525 per logon per month_
More than 150 NASDAQ Workstation II or API Logons	$200 per logon per month

Any firm that wishes to aggregate its logons with those of its affiliates will be required to provide supporting information about its corporate structure to NASDAQ.

NASDAQ Test Facility

New customers and existing customers testing new services will now be able to test for up to one month free of charge. This includes testing for firms that are accessing NASDAQ through a service bureau for the first time. In addition, the charge for "idle" connection time will be reduced from $285/hour to $75/hour during weekday testing.

NASDAQ InterMarket CAES and ITS Charges

The NASDAQ InterMarketSM is an electronic marketplace comprised of multiple broker-dealers that quote and trade NYSE- and Amex-listed securities. In this latest initiative, NASDAQ is altering the liquidity provider rebate schedule for Computer Assisted Execution SystemSM (CAESSM) - a trading system that is very similar to NASDAQ's former SuperSoesSM trading system - and the Intermarket Trading System (ITS). Due to the mix of CAES and ITS executions, these changes, on net, are a cost-savings to InterMarket participants.

Current Pricing: Service Price	Price
CAES Liquidity-Accessing Executions	$.003 per share charge
CAES Liquidity-Providing Executions	$.002 per share rebate ITS
ITS Liquidity-Accessing Executions	$.002 per share charge ITS
ITS Liquidity-Providing Executions	$.001 per share rebate

New Pricing:	Price
Service Price	
CAES Liquidity-Accessing	$.003 per share charge
Executions	$.0015 per share rebate
CAES Liquidity-Providing	$.002 per share charge
Executions	$.0015 per share rebate
ITS Liquidity-Accessing Executions	
ITS Liquidity-Providing Executions	

NASDAQ (OTCBB: NDAQ) is the world's largest electronic stock market. With approximately 3,600 companies, NASDAQ lists more companies and trades more shares per day than any other U.S. market. It is home to category-defining companies that are leaders across all areas of business including technology, retail, communications, financial services, media and biotechnology industries. For more information about NASDAQ, visit the NASDAQ Web site at www.NASDAQ.com or the NASDAQ Newsroom℠ at www.nasdaq.com/newsroom.

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