# The NASDAQ OMX Group, Inc.

## Prospectus for the Employee Stock Purchase Plan offer to the NASDAQ OMX Group, Inc's employees in Sweden

**27 May 2011**

# Important information

**Information to investors**

This prospectus has been prepared in connection with NASDAQ OMX's offer to its eligible employees of its Swedish operations, to acquire, at a discounted price common shares of NASDAQ OMX under The NASDAQ OMX Group, Inc. Employee Stock Purchase Plan (the "**ESPP**" or the "**Plan**").

This prospectus has been prepared in compliance with the standards and requirements of the Swedish Financial Instruments Trading Act of 1991 (Sw. *lagen (1991:980) om handel med finansiella instrument*) (the "**Trading Act**"), Directive 2003/71/EC of the European Parliament and the Council (the "**Prospectus Directive**"), the Commission Regulation (EC) No. 809/2004 and question 71 of the Committee of European Securities Regulators ("**CESR**") Q&A ("Frequently asked questions regarding prospectuses: Common Positions agreed by CESR members, 12th Updated Version").

The prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) ("**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this prospectus is correct and complete.

The prospectus is governed by Swedish law, whereas the Plan is governed by the laws of the State of Delaware.

This prospectus has been prepared in English only.

This Prospectus has been prepared and is made available solely for the purpose of offering NASDAQ OMX's employees in Sweden to participate in the ESPP. Accordingly, this prospectus is not directed to persons in, and the prospectus may not be distributed or published in, any country or any jurisdiction where such act would require additional prospectuses, other offer documentation, registrations or other actions in addition to what follows from Swedish law, or where such act would otherwise conflict with local law.

For more information regarding restrictions in relation to the offering in the prospectus, please see chapter 4.

This prospectus has been furnished by NASDAQ OMX based on NASDAQ OMX's own information and sources that NASDAQ OMX believes to be reliable.

Anyone making an investment decision must rely on its own assessment of NASDAQ OMX and the offering under the prospectus, including the merits and risks involved, and investors must only rely on the information contained in the prospectus and any supplements to the prospectus. No person has been authorised to give any information or make any representations other than those contained in the prospectus and, if nevertheless given or made, such information or representations must not be relied upon as having been authorised by NASDAQ OMX.

NASDAQ OMX reserves the right, in its sole and absolute discretion, to reject any acquisition of securities that it or its agents believe may give rise to a breach or violation of any law, rule or regulation.

**Presentation of financial information**

Certain financial and other information presented in this prospectus may have been rounded off for the purpose of making this prospectus more easily accessible for the reader. As a result, the figures in certain columns may not exactly add up with the declared total amount.

**Forward looking statements**

Information set forth in this offer document contains forward-looking statements. These forward-looking statements include all matters that are not historical facts. Words such as “anticipates”, “estimates”, “expects”, “projects”, “intends”, “plans”, “believes”, “may”, “will” or “should” and words or terms of similar substance used in connection with any discussion of future operating results or financial performance identify forward-looking statements.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. You should carefully read this entire prospectus, its appendices and related notes. Except as required by the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

A proxy statement on Schedule 14A of NASDAQ OMX, was filed by NASDAQ OMX with SEC (as defined below), on 15 April 2011, and other materials have been filed with the SEC and are publicly available. The proxy statement contains information about the proposed ESPP, including risk factors related thereto. Readers who wish to obtain more information about NASDAQ OMX's risk factors related thereto should read the proxy statement.

NASDAQ expressly qualifies in their entirety all forward-looking statements attributable to NASDAQ OMX, or any person acting on their behalf, by the cautionary statements contained or referred to in this section.

# Contents

# 1. Definitions

Throughout this prospectus, unless otherwise specified:

| | |
|---|---|
| **"ATS"** | refers to Alternative Trading Systems. |
| **"CFTC"** | refers to U.S. Commodity Futures Trading Commission. |
| **"ESPP" or "the Plan"** | refers to the NASDAQ OMX Employee Stock Purchase Plan. |
| **"FINRA"** | refers to the Financial Industry Regulatory Authority. |
| **"IDCG"** | refers to the International Derivatives Clearing Group LLC. |
| **"IDCH"** | refers to the International Derivatives Clearinghouse LLC. |
| **"IPO"** | refers to Initial Public Offering. |
| **"MiFid"** | refers to the Markets in Financial Instruments Directive. |
| **"MTF"** | refers to Multilateral Trading Facility |
| **"NASDAQ OMX Baltic"** | refers to collectively, NASDAQ OMX Tallinn, NASDAQ OMX Riga and NASDAQ OMX Vilnius. |
| **"NASDAQ OMX Nordic"** | refers to collectively, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen, NASDAQ OMX Helsinki and NASDAQ OMX Iceland. |
| **"NASDAQ OMX", "we", "us", "The Company"** and **"our"** | refer to The Nasdaq OMX Group, Inc. |
| **"Nasdaq"** | refers to The Nasdaq Stock Market, Inc., as that entity operated prior to the business combination with OMX AB. |
| **"NSCC"** | refers to the National Securities Clearing Corporation. |
| **"NYSE"** | refers to the New York Stock Exchange. |
| **"PHLX"** | refers to the Philadelphia Stock Exchange, Inc. and its subsidiaries, as that entity operated prior to its acquisition by NASDAQ OMX. |
| **"OCC"** | refers to the Options Clearing Corporation. |

| | |
|---|---|
| **"OMX AB"** | refers to OMX AB (publ), as that entity operated prior to the business combination with Nasdaq. |
| **"SEC"** | refers to the U.S. Securities and Exchange Commission. |
| **"SEK" or "Swedish Krona"** | refers to the lawful currency of Sweden. |
| **"SFSA"** | refers to the Swedish Financial Supervisory Authority. |
| **"USD"** | refers to the lawful currency of the U.S. |

# 2. Summary

*This summary shall be regarded as an introduction to the prospectus. Each decision to invest in the NASDAQ OMX share shall be based on an assessment of the prospectus in its entirety. Investors that file a lawsuit in a court of law on account of information in the prospectus may be liable for costs in connection with translation of the prospectus. A person may be held liable for information included in or missing from the summary or a translation of the summary, only if the summary or the translation is misleading or incorrect in relation to the other parts of the prospectus.*

## Risk Factors

Set forth below is a summary of some of the risks and uncertainties that may affect NASDAQ OMX. The full descriptions of these risks and uncertainties are included in chapter 3 of this prospectus.

**Risks Relating to NASDAQ OMX's Business:**

- NASDAQ OMX's industry is highly competitive.
- NASDAQ OMX and IntercontinentalExchange (ICE) have made a joint proposal to acquire NYSE Euronext, which entails certain risks and uncertainties.
- Price competition has affected and could continue to affect NASDAQ OMX's business.
- A decline in trading volume will decrease NASDAQ OMX's trading revenues.
- NASDAQ OMX's market share of trading has declined and may continue to decline.
- Economic conditions and market factors, which are beyond NASDAQ OMX's control, may adversely affect NASDAQ OMX's business and financial condition.
- Declines in the initial public offering market could have an adverse effect on NASDAQ OMX's revenues.
- System limitations, failures or security breaches could harm NASDAQ OMX's business.
- Regulatory changes and changes in market structure, especially in response to adverse financial conditions, could have a material adverse effect on NASDAQ OMX's business.
- NASDAQ OMX will need to invest in NASDAQ OMX's operations to maintain and grow NASDAQ OMX's business and to integrate acquisitions, and NASDAQ OMX may need additional funds, which may not be readily available.
- Any reduction in NASDAQ OMX's credit rating could increase the cost of NASDAQ OMX's funding from the capital markets.
- NASDAQ OMX may not be able to keep up with rapid technological and other competitive changes affecting NASDAQ OMX's industry.
- NASDAQ OMX may not be able to successfully integrate acquired businesses, which may result in an inability to realize the anticipated benefits of NASDAQ OMX's acquisitions.
- NASDAQ OMX may experience fluctuations in NASDAQ OMX's operating results, which may adversely affect the market price of NASDAQ OMX's common stock.
- NASDAQ OMX is exposed to credit risk from third parties, including customers, counterparties and clearing agents.
- NASDAQ OMX's leverage limits NASDAQ OMX's financial flexibility, increases NASDAQ OMX's exposure to weakening economic conditions and may adversely affect NASDAQ OMX's ability to obtain additional financing.
- NASDAQ OMX may incur goodwill, intangible asset or other long-lived asset impairment charges in the future.
- The regulatory framework under which NASDAQ OMX operates and new regulatory requirements or new interpretations of existing regulatory requirements could require

substantial time and resources for compliance, which could make it difficult and costly for us to operate NASDAQ OMX's business.

- NASDAQ OMX's business may be impacted by the adoption and implementation of the Dodd-Frank Act.
- NASDAQ OMX has self-regulatory obligations and also operates for -profit businesses, and these two roles may create conflicts of interest.
- NASDAQ OMX is subject to risks relating to litigation, potential securities law liability and other liability.
- Failure to attract and retain key personnel may adversely affect NASDAQ OMX's ability to conduct NASDAQ OMX's business.
- Failure to protect NASDAQ OMX's intellectual property rights, or allegations that NASDAQ OMX has infringed on the intellectual property rights of others, could harm NASDAQ OMX's brand-building efforts and ability to compete effectively.
- Damage to NASDAQ OMX's reputation or brand name could have a material adverse effect on NASDAQ OMX's businesses.
- NASDAQ OMX relies on third parties to perform certain functions, and NASDAQ OMX's business could be adversely affected if these third parties fail to perform as expected.
- NASDAQ OMX is a holding company that depends on cash flow from NASDAQ OMX's subsidiaries to meet NASDAQ OMX's obligations, and any restrictions on NASDAQ OMX's subsidiaries' ability to pay dividends or make other payments to NASDAQ OMX may have a material adverse effect on NASDAQ OMX's results of operations and financial condition.
- Future acquisitions, investments, partnerships and joint ventures may require significant resources and/or result in significant unanticipated losses, costs or liabilities.
- NASDAQ OMX's non-U.S. businesses operates in various international markets, particularly emerging markets, that are subject to greater political, economic and social uncertainties than developed countries.
- NASDAQ OMX has invested substantial capital in system platforms, and a failure to successfully implement such systems could adversely affect NASDAQ OMX's business.
- Because NASDAQ OMX has operations in several countries, NASDAQ OMX is exposed to currency risk.
- Charges to earnings resulting from acquisition, restructuring and integration costs may materially adversely affect the market value of NASDAQ OMX's common stock.

**Risks Relating to an Investment in NASDAQ OMX's Common Stock:**

- Volatility in NASDAQ OMX's stock price could adversely affect NASDAQ OMX's stockholders.
- The market price of NASDAQ OMX's common stock could be negatively affected by sales of substantial amounts of our common stock in the public markets.
- Provisions of NASDAQ OMX's certificate of incorporation, by-laws, exchange rules (including provisions included to address SEC concerns) and Delaware law could delay or prevent a change in control of us and entrench current management.

## The NASDAQ OMX Employee Stock Purchase Plan in brief

Set forth below is a short summary of the ESPP. The ESPP is set forth in full in chapter 10 and is also more fully described in chapter 4.

The purpose of the ESPP is to provide employees (including employees who are directors) of NASDAQ OMX and its participating affiliates with an opportunity to invest in shares of NASDAQ OMX's common stock through periodic offerings financed by payroll deductions.

Each offering consists of (i) an enrollment period, during which eligible employees can elect to participate with respect to an offering period by accumulating funds for the purchase of shares through payroll deductions during the immediately following offering period, (ii) the offering period during which such funds are accumulated, and (iii) a purchase date, which is usually the last day of the offering period, as of which the ESPP administrator will acquire shares of NASDAQ OMX common stock with the funds accumulated by each participant during the offering period. Eligible employees will be informed by NASDAQ OMX when enrollment periods and offering periods have been determined. Eligible employees may become participants with respect to an offering period by filing with NASDAQ OMX a form of enrollment, which will be separately provided by NASDAQ OMX.

When an eligible employee elects to participate in an offering, he or she is electing to accumulate funds through payroll deduction during the offering period which will be used to acquire shares of common stock on the purchase date as of the close of the offering period. The purchase price of the shares of common stock purchased on behalf of each participant on each purchase date is the lower of 85% of (i) the fair market value per share on the start date of the offering period in which the participant is enrolled or (ii) the fair market value on the applicable purchase date of the offering period (usually the last day of the offering period).

The total number of shares of common stock reserved for issuance under the terms of the ESPP is 5,500,000. The ESPP imposes certain limitations upon a participant's rights to acquire shares of common stock, e.g. of shares that may be purchased by any participant in any calendar year. On the date the participant's stock purchase right is exercised a taxable benefit arises. Unless earlier terminated the ESPP shall terminate on the tenth anniversary of the ESPP's restatement effective date, 27 May 2010.

## The NASDAQ OMX Group, Inc. in brief

NASDAQ OMX is a leading global exchange group that delivers trading, clearing, exchange technology, securities listing, and public company services across six continents. NASDAQ OMX's global offerings are diverse and include trading and clearing across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. NASDAQ OMX's technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing and settlement and many other functions.

In the U.S., NASDAQ OMX operate The NASDAQ Stock Market, a registered national securities exchange. The NASDAQ Stock Market is the largest single cash equities securities market in the U.S. in terms of listed companies and in the world in terms of share value traded. As of December 31, 2010, The NASDAQ Stock Market was home to 2,778 listed companies with a combined market capitalization of approximately $4.6 trillion. In addition, in the U.S. NASDAQ OMX operate two additional cash equities trading markets, two options markets, a futures market and a derivatives clearinghouse. NASDAQ OMX also engage in riskless principal trading of OTC power and gas contracts.

In Europe, NASDAQ OMX operate exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland as NASDAQ OMX Nordic, and exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania) as NASDAQ OMX Baltic. Collectively, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic offer trading in cash equities, bonds, structured products and ETFs, as well as trading and clearing of derivatives and clearing of resale and repurchase agreements. NASDAQ OMX's Nordic and Baltic operations also offer alternative marketplaces for smaller companies called NASDAQ OMX First North. As of December 31, 2010, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, together with NASDAQ OMX First North, were home to 780 listed companies with a combined market capitalization of approximately $1.1 trillion.

NASDAQ OMX also operate NASDAQ OMX Armenia. In addition, NASDAQ OMX Commodities operates the world's largest power derivatives exchange, one of Europe's largest carbon exchanges and N2EX, a marketplace for physical U.K. power contracts.

In some of the countries where NASDAQ OMX operate exchanges, NASDAQ OMX also provide clearing, settlement and depository services.

NASDAQ OMX manage, operate and provide NASDAQ OMX's products and services in three business segments: Market Services, Issuer Services and Market Technology.

## Financial Information in Summary

The following table sets forth selected financial data on a historical basis for NASDAQ OMX.

| | Three Months Ended March 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| | (in millions, except share and per share amounts) | | | | |
| **Statements of Income Data:** | | | | | |
| Total revenues[1] | $ 817 | $ 771 | $ 3,197 | $ 3,411 | $ 3,650 |
| Cost of revenues[2] | (402) | (411) | (1,675) | (1,958) | (2,190) |
| Revenues less transactions rebates, brokerage, clearance and exchange fees | 415 | 360 | 1,522 | 1,453 | 1,460 |
| Total operating expenses | 234 | 248 | 891 | 850 | 820 |
| Operating income | 181 | 112 | 631 | 603 | 640 |
| Net income attributable to NASDAQ OMX | 104 | 61 | 395 | 266 | 314 |
| Net income applicable to common stockholders | 104 | 60 | 394 | 266 | 314 |
| Basic and diluted earnings per share: | | | | | |
| Basic earnings per share | $ 0.59 | $ 0.29 | $ 1.94 | $ 1.30 | $ 1.65 |
| Diluted earnings per share | $ 0.57 | $ 0.28 | $ 1.91 | $ 1.25 | $ 1.55 |
| Weighted-average common shares outstanding for earnings per share: | | | | | |
| Basic | 176,092,796 | 211,165,338 | 202,975,623 | 204,698,277 | 190,362,605 |
| Diluted | 181,080,072 | 214,761,357 | 206,514,655 | 214,537,907 | 204,514,862 |

| | March 31, | | December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| | (in millions) | | | | |
| **Balance Sheets Data:** | | | | | |
| Cash and cash equivalents and financial investments | $ 722 | $ 796 | $ 568 | $ 902 | $ 601 |
| Total assets | 18,065 | 10,519 | 16,207 | 10,722 | 12,752 |
| Total long-term liabilities | 3,233 | 3,002 | 3,247 | 2,909 | 3,372 |
| Total equity | 5,037 | 4,931 | 4,729 | 4,944 | 4,303 |

[1] NASDAQ OMX records execution revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues.
[2] NASDAQ OMX records execution revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues.

## Trends and significant changes since publication of the interim report for the period January-March 2011

On 1 April 2011, NASDAQ OMX and IntercontinentalExchange (ICE) announced that they had made a joint proposal to acquire NYSE Euronext for cash and stock consideration valued at US$42.50 per NYSE Euronext share, or approximately US$11.3 billion, based on the respective NASDAQ OMX and ICE closing share prices as of 31 March 2011.

Apart from the NASDAQ OMX and ICE joint acquisition proposal, there has been no substantial change in NASDAQ OMX's financial position or market position since the publication of the interim report for the period January – March 2011, chapter 11.

## Board of Directors, Executive Officers and Auditors

The currently elected directors of the board are: Urban Bäckström, H. Furlong Baldwin, Michael Casey, Börje Ekholm, Lon Gorman, Robert Greifeld, Glenn H. Hutchins, Birgitta Kantola, Essa Kazim, John D. Markese, Hans Munk Nielsen, Thomas F. O'Neill, James S. Riepe, Michael R. Splinter, Lars Wedenborn and Deborah L. Wince-Smith. The executive officers are presently: Robert Greifeld, Bruce E. Aust, Anna M. Ewing, Ronald Hassen, John L. Jacobs, Hans-Ole Jochumsen, Edward S. Knight, Eric W. Noll and Lee Shavel. Ernst & Young LLP are the independent auditors with respect to NASDAQ OMX.

## Additional Information

The total number of shares of stock which NASDAQ OMX shall have the authority to issue is 330,000,000, consisting of 30,000,000 shares of preferred stock, par value $0.01 per share and 300,000,000 of common stock, par value $0.01 per share.

In addition to the ESPP, there is an Equity Incentive Plan and an Employee Stock Purchase Plan in place as regards arrangements for stock ownerships of employees of NASDAQ OMX.

NASDAQ OMX is not currently a party to, and has not been during the previous 12 months, any litigation that NASDAQ OMX believes could have a material adverse effect on NASDAQ OMX's business, financial condition or operating results. However, from time to time, NASDAQ OMX have been threatened with, or named as a defendant in, lawsuits or involved in regulatory proceedings.

# 3. Risk Factors

*The risks and uncertainties described below are not the only ones facing NASDAQ OMX. Additional risks and uncertainties not presently known to NASDAQ OMX or that NASDAQ OMX currently believe to be immaterial may also adversely affect NASDAQ OMX's business. If any of the following risks actually occur, NASDAQ OMX's business, financial condition, or operating results could be adversely affected.*

## Risks Relating to NASDAQ OMX's Business

**NASDAQ OMX's industry is highly competitive**

NASDAQ OMX faces intense competition from other exchanges and markets for market share of trading activity and listings. In addition, NASDAQ OMX's market data, global index and market technology businesses face significant competition from other market participants. This competition includes both product and price competition and has continued to increase as a result of the creation of new execution and listing venues in the United States and Europe. Increased competition may result in a decline in NASDAQ OMX's share of trading activity, listings and the markets for the products we offer; thereby adversely affecting NASDAQ OMX's operating results.

The liberalization and globalization of world markets has resulted in greater mobility of capital, greater international participation in local markets and more competition. As a result, both in the U.S. and in other countries, the competition among exchanges and other execution venues has become more intense. In the last several years, many marketplaces in both Europe and the United States have demutualized to provide greater flexibility for future growth. The securities industry also has experienced consolidation, creating a more intense competitive environment. Regulatory changes, such as MiFID, also have facilitated the entry of new participants in the EU that compete with NASDAQ OMX's European exchanges. The regulatory environment, both in the U.S. and in Europe, is structured to maintain this environment of intense competition. In addition, a high proportion of business in the securities markets is becoming increasingly concentrated in a smaller number of institutions and our revenue may therefore become concentrated in a smaller number of customers.

NASDAQ OMX also competes globally with other regulated exchanges and markets, ATSs, MTFs and other traditional and non-traditional execution venues. Some of these competitors also are NASDAQ OMX's customers. NASDAQ OMX's exchange competitors include NYSE Euronext, the London Stock Exchange, Deutsche Börse, the Tokyo Stock Exchange, and a number of other exchanges in the U.S. and around the world. These exchanges offer a range of services comparable to those offered by NASDAQ OMX's exchanges and generally compete with NASDAQ OMX in providing trade executions, trade reporting, market data, listings, regulation, index, and technology services. Public ATSs in the U.S. and MTFs in Europe are broker-dealer operated systems that offer trade execution services, typically at very low cost. NASDAQ OMX's competitors include Burgundy MTF in the Nordics. In London, Chi-X, Turquoise and BATS MTFs offer pan-European execution services in competition with NASDAQ OMX's Nordic exchanges. Other competing execution venues include broker-dealer owned systems such as dark-pools and internalization engines which may or may not be registered as ATSs or MTFs. Like ATSs and MTFs, these venues also compete with us by offering low cost executions and differ from public ATSs and MTFs in the degree of transparency they offer and in restrictions on who may access these systems.

Competitors may develop market trading platforms that are more competitive than NASDAQ OMX's. Competitors may enter into strategic partnerships, mergers or acquisitions that could make their trading, listings or data businesses more competitive than NASDAQ OMX's. In early 2011, the London Stock Exchange Group and the TMX Group and NYSE Euronext and Deutsche Börse AG announced proposed mergers that may affect NASDAQ OMX's competitive position. If NASDAQ OMX is unable to compete successfully in this environment, NASDAQ OMX's business, financial condition and operating results will be adversely affected.

**NASDAQ OMX and IntercontinentalExchange (ICE) have made a joint proposal to acquire NYSE Euronext, which entails certain risks and uncertainties**

On April 1, 2011, NASDAQ OMX and IntercontinentalExchange (ICE) announced that they had made a joint proposal to acquire NYSE Euronext. The joint acquisition proposal was twice rejected by NYSE Euronext's board of directors and subsequently reaffirmed by both NASDAQ OMX and ICE. On May 2, 2011, NASDAQ OMX and ICE announced that their boards of directors had approved their intent to commence an exchange offer to acquire all of the outstanding shares of NYSE Euronext common stock in a cash and stock transaction for the same consideration per share as in the joint acquisition proposal. If NASDAQ OMX and ICE are successful in acquiring shares pursuant to the offer, they would consummate a second step merger as soon as possible thereafter to acquire the remaining NYSE Euronext shares for the same consideration per share.There are uncertainties and risks related to the NASDAQ OMX and ICE joint acquisition proposal and exchange offer, including NASDAQ OMX's ability to enter into an agreement with NYSE Euronext as regards the joint acquisition proposal and the terms of such agreement, NASDAQ OMX's and ICE's ability to successfully complete an exchange offer and a subsequent second step merger, NASDAQ OMX's ability and timing to obtain regulatory approvals for the acquisition and to consummate the acquisition, and NASDAQ OMX's ability to successfully integrate acquired businesses, including the fact that such integration may be more difficult, time consuming or costly than expected, and NASDAQ OMX's ability to realize synergies from business combinations and acquisitions. Further, a successful joint acquisition of NYSE Euronext would entail a significant increase in NASDAQ OMX's level of indebtedness, and the covenants in NASDAQ OMX's credit facilities, indentures and other agreements governing NASDAQ OMX's indebtedness, including the covenants in any new credit facilities or other financing agreements NASDAQ OMX would enter into in connection with an acquisition of NYSE Euronext, may restrict the operation of NASDAQ OMX's business.

**Price competition has affected and could continue to affect NASDAQ OMX's business**

The securities trading industry is characterized by intense price competition. We have in the past lowered prices, and in the U.S., increased rebates for trade executions to attempt to gain or maintain market share. These strategies have not always been successful and have at times hurt operating performance. Additionally, NASDAQ OMX has also been, and may once again be, required to adjust pricing to respond to actions by competitors, which could adversely impact operating results. NASDAQ OMX is also subject to potential price competition from new competitors and from new and existing regulated markets and MTFs. NASDAQ OMX also competes with respect to the pricing of market data and with respect to products for pre-trade book data and for post-trade last sale data. In the future, NASDAQ OMX's competitors may offer rebates for quotes and trades on their systems. If NASDAQ OMX is unable to compete successfully in respect to the pricing of NASDAQ OMX's services and products, NASDAQ OMX's business, financial condition and operating results may be adversely affected.

**A decline in trading volume will decrease NASDAQ OMX's trading revenues**

Trading volume is directly affected by economic, political and market conditions, broad trends in business and finance, unforeseen market closures or other disruptions in trading, the level and volatility of interest rates, inflation, changes in price levels of securities and the overall level of investor confidence. In recent years, trading volumes across NASDAQ OMX's markets have fluctuated significantly depending on market conditions and other factors beyond NASDAQ OMX's control. Current initiatives being considered by regulators and governments, such as restrictions on high frequency trading, could have a material adverse effect on overall trading volumes. Because a significant percentage of NASDAQ OMX's revenues are tied directly to the volume of securities traded on our markets, it is likely that a general decline in trading volumes would lower revenues and may adversely affect NASDAQ OMX's operating results if NASDAQ OMX is unable to offset falling volumes through NASDAQ OMX's pricing. Declines in trading volumes may also impact NASDAQ OMX's market share or pricing structures and adversely affect NASDAQ OMX's business and financial condition.

**NASDAQ OMX's market share of trading has declined and may continue to decline**

NASDAQ OMX's matched market share in NASDAQ-listed securities executed on NASDAQ declined from 46.1 % in 2007 to 28.6% in 2010 and NASDAQ OMX's combined matched market share in all U.S.-listed securities executed on all of our platforms declined from 29.1% in 2007 to 22.2% in 2010. In addition, as a result of the adoption of MiFID, a number of MTFs have launched, thereby significantly increasing competition in Europe. As a result, NASDAQ OMX's matched market share in securities listed on our exchanges comprising NASDAQ OMX Nordic and NASDAQ OMX Baltic has declined from 100% in 2007 to 75% in 2010.

If NASDAQ OMX's total market share in these securities continues to decrease relative to our competitors, NASDAQ OMX's venues may be viewed as less attractive sources of liquidity. If growth in overall trading volume of these securities does not offset continued declines in NASDAQ OMX's market share, or if our exchanges are perceived to be less liquid, then NASDAQ OMX's business, financial condition and operating results could be adversely affected.

Declines in market share could result in issuers viewing the value of a listing on our exchanges as less attractive, thereby adversely affecting NASDAQ OMX's listing business. Also, declines in market share of NASDAQ-listed securities could lower NASDAQ's share of tape pool revenues under the consolidated data plans, thereby reducing the revenues of NASDAQ OMX's market data business.

**Economic conditions and market factors, which are beyond NASDAQ OMX's control, may adversely affect NASDAQ OMX's business and financial condition**

NASDAQ OMX's business performance is impacted by a number of factors including general economic conditions, market volatility, and other factors that are generally beyond NASDAQ OMX's control. Although access to credit markets has improved recently, a long-term continuation of challenging economic conditions is likely to negatively impact NASDAQ OMX's business. Adverse market conditions could reduce customer demand for NASDAQ OMX's services and the ability of NASDAQ OMX's customers, lenders and other counterparties to meet their obligations to NASDAQ OMX. Poor economic conditions may result in a decline in trading volume, deterioration of the economic welfare of NASDAQ OMX's listed companies and a reduction in the demand for NASDAQ OMX's products, including our market data, indexes and market technology. Market volatility such as that seen with the “flash crash” on May 6, 2010 could drive investors away from cash equity markets. Trading volume is driven primarily by general market conditions and declines in trading volume may affect NASDAQ OMX's market share and impact NASDAQ OMX's pricing.

The number of listings on NASDAQ OMX's markets is primarily influenced by factors such as investor demand, the global economy, available sources of financing, and tax and regulatory policies. Adverse conditions may jeopardize the ability of NASDAQ OMX's listed companies to comply with the continued listing requirements of NASDAQ OMX's exchanges.

Market data revenues also may be significantly affected by global economic conditions. Professional subscriptions to NASDAQ OMX's market data are at risk if staff reductions occur in financial services companies, which could result in significant reductions in NASDAQ OMX's market data professional user revenue. In addition, adverse market conditions may cause reductions in the number of non-professional investors with investments in the market.

A reduction in trading volumes, market share of trading, the number of NASDAQ OMX's listed companies and a decline in market data revenue due to economic conditions or other market factors could adversely affect NASDAQ OMX's business, financial condition and operating results.

**Declines in the initial public offering market could have an adverse effect on NASDAQ OMX's revenues**

The market for initial public offerings is dependent on the prosperity of companies and the availability of risk capital, both of which have been severely tested in recent years. Stagnation or decline in the initial public offering market will impact the number of new listings on The NASDAQ Stock Market and the exchanges comprising NASDAQ OMX Nordic and NASDAQ OMX Baltic, and thus NASDAQ OMX's related revenues. NASDAQ OMX recognizes revenue from new listings on The NASDAQ Stock Market on a straight-line basis over an estimated six-year service period. As a result, a stagnant market for initial public offerings could cause a decrease in deferred revenues for future years. Furthermore, as initial public offerings are typically actively traded following their offering date, a prolonged decrease in the number of initial public offerings could negatively impact the growth of NASDAQ OMX's transactions revenues.

**System limitations, failures or security breaches could harm NASDAQ OMX's business.**

NASDAQ OMX's businesses depend on the integrity and performance of the computer and communications systems supporting them. If NASDAQ OMX's systems cannot expand to cope with increased demand or otherwise fail to perform, NASDAQ OMX could experience unanticipated disruptions in service, slower response times and delays in the introduction of new products and services. These consequences could result in trade outages, lower trading volumes, financial losses, decreased customer service and satisfaction and regulatory sanctions. NASDAQ OMX's markets have experienced occasional systems failures and delays in the past and could experience future systems failures and delays.

Although NASDAQ OMX currently maintains and expect to maintain multiple computer facilities that are designed to provide redundancy and back-up to reduce the risk of system disruptions and have facilities in place that are expected to maintain service during a system disruption, such systems and facilities may prove inadequate. If trading volumes increase unexpectedly, NASDAQ OMX may need to expand and upgrade our technology, transaction processing systems and network infrastructure. NASDAQ OMX's does not know whether NASDAQ OMX will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade NASDAQ OMX's systems and infrastructure to accommodate any increases in a timely manner.

NASDAQ OMX's systems and operations also are vulnerable to damage or interruption from security breaches, data theft, human error, natural disasters, power loss, fire, sabotage, terrorism, computer viruses, intentional acts of vandalism and similar events. Given NASDAQ OMX's position in the global securities industry, NASDAQ OMX may be more likely than other companies to be a direct target, or an indirect casualty, of such events. In February 2011, NASDAQ OMX announced that through NASDAQ OMX's normal security monitoring systems, NASDAQ OMX detected suspicious files on NASDAQ OMX's U.S. servers. The files were immediately removed and at this point there is no evidence that any customer information was accessed or acquired by third parties.

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While NASDAQ OMX have programs in place to identify and minimize NASDAQ OMX's exposure to vulnerabilities and work in collaboration with the technology industry to share corrective measures with NASDAQ OMX's business partners, NASDAQ OMX cannot guarantee that such events will not occur in the future. Any system issue that causes an interruption in services, decreases the responsiveness of NASDAQ OMX's services or otherwise affects our services could impair NASDAQ OMX's reputation, damage NASDAQ OMX's brand name and negatively impact NASDAQ OMX's business, financial condition and operating results.

**Regulatory changes and changes in market structure, especially in response to adverse financial conditions, could have a material adverse effect on NASDAQ OMX's business**

In recent years, the securities trading industry and, in particular, the securities markets have been subject to significant regulatory changes. Moreover, in the past two years, the securities markets have been the subject of increasing governmental and public scrutiny in response to the global economic crisis and market volatility, such as that seen with the regulation of short selling and the “flash crash” on May 6, 2010.

During the coming year, it is likely that there will be significant changes in the regulatory environment in which NASDAQ OMX operate NASDAQ OMX's businesses, although NASDAQ OMX cannot predict the nature of these changes or their impact on NASDAQ OMX's business at this time. For example, in January 2010, the SEC published a concept release covering a wide range of market structure issues, and on May 6, 2010, cash equity markets experienced record volatility, which resulted in accelerated SEC rulemaking. Both events could result in regulation that could significantly change the competitive landscape. The European Parliament has begun a review of MiFID that could affect our operations in Europe. In addition, actions on any of the specific regulatory issues currently under review in the U.S. and Europe such as short selling, co-location, high-frequency trading, market halts, the market data business, derivatives clearing, market transparency, taxes on stock transactions, restrictions on proprietary trading by certain of our customers and other related proposals could have a material impact on NASDAQ OMX's business.

NASDAQ OMX's market participants also operate in a highly regulated industry. The SEC, the SFSA and other regulatory authorities could impose regulatory changes that could adversely impact the ability of NASDAQ OMX's market participants to use NASDAQ OMX's markets. Regulatory changes by the SEC, the SFSA or other regulatory authorities could result in the loss of a significant number of market participants or a reduction in trading activity on NASDAQ OMX's markets.

**NASDAQ OMX will need to invest in NASDAQ OMX's operations to maintain and grow NASDAQ OMX's business and to integrate acquisitions, and NASDAQ OMX may need additional funds, which may not be readily available**

NASDAQ OMX depends on the availability of adequate capital to maintain and develop NASDAQ OMX's business. Although NASDAQ OMX believes that NASDAQ OMX can meet NASDAQ OMX's current capital requirements from internally generated funds, cash on hand and available borrowings under NASDAQ OMX's existing credit facilities, if the capital and credit markets experience volatility, access to capital or credit may not be available on terms acceptable to NASDAQ OMX or at all. Limited access to capital or credit in the future could have an impact on our ability to refinance debt, maintain our credit rating, meet our regulatory capital requirements, engage in strategic initiatives, make acquisitions or strategic investments in other companies or react to changing economic and business conditions. If NASDAQ OMX is unable to fund our capital or credit requirements, it could have an adverse effect on NASDAQ OMX's business, financial condition and operating results.

In addition to NASDAQ OMX's debt obligations, NASDAQ OMX will need to continue to invest in NASDAQ OMX's operations for the foreseeable future to integrate acquired businesses and to fund new initiatives. If NASDAQ OMX does not achieve the expected operating results, NASDAQ OMX will need to reallocate our cash resources. This may include borrowing additional funds to service debt payments, which may impair our ability to make investments in NASDAQ OMX's business or to integrate acquired businesses.

Should NASDAQ OMX need to raise funds through issuing additional equity, NASDAQ OMX's equity holders will suffer dilution. Should NASDAQ OMX need to raise funds through incurring additional debt, NASDAQ OMX may become subject to covenants even more restrictive than those contained in our existing credit facilities, the indentures governing our notes and NASDAQ OMX's other debt instruments. Furthermore, if adverse economic conditions occur, NASDAQ OMX could experience decreased revenues from NASDAQ OMX's operations which could affect our ability to satisfy financial and other restrictive covenants to which NASDAQ OMX are subject under NASDAQ OMX's existing indebtedness.

**Any reduction in NASDAQ OMX's credit rating could increase the cost of NASDAQ OMX's funding from the capital markets**

NASDAQ OMX's long-term debt is currently rated investment grade by two of the major rating agencies. These rating agencies regularly evaluate NASDAQ OMX and their ratings of NASDAQ OMX's long-term debt are based on a number of factors, including our financial strength as well as factors not entirely within NASDAQ OMX's control, including conditions affecting the financial services industry generally. There can be no assurance that NASDAQ OMX will maintain NASDAQ OMX's current ratings. NASDAQ OMX's failure to maintain those ratings could adversely affect the cost and other terms upon which we are able to obtain funding and increase our cost of capital. A reduction in credit ratings would also result in increases in the cost of our outstanding debt as the interest rate on the outstanding amounts under NASDAQ OMX's term loans and our 5.25% senior notes due 2018 fluctuates based on NASDAQ OMX's credit ratings.

**NASDAQ OMX may not be able to keep up with rapid technological and other competitive changes affecting NASDAQ OMX's industry**

The markets in which NASDAQ OMX competes are characterized by rapidly changing technology, evolving industry standards, frequent enhancements to existing products and services, the adoption of new services and products and changing customer demands. If NASDAQ OMX's platforms fail to function as expected, NASDAQ OMX's business would be negatively affected. In addition, NASDAQ OMX's business, financial condition and operating results may be adversely affected if NASDAQ OMX cannot successfully develop, introduce or market new services and products or if NASDAQ OMX need to adopt costly and customized technology for NASDAQ OMX's services and products. Further, NASDAQ OMX's failure to anticipate or respond adequately to changes in technology and customer preferences, especially in NASDAQ OMX's market technology business, or any significant delays in product development efforts, could have a material adverse effect on NASDAQ OMX's business, financial condition and operating results.

**NASDAQ OMX may not be able to successfully integrate acquired businesses, which may result in an inability to realize the anticipated benefits of NASDAQ OMX's acquisitions**

NASDAQ OMX must rationalize, coordinate and integrate the operations of acquired businesses. This process involves complex technological, operational and personnel-related challenges, which are time-consuming and expensive and may disrupt NASDAQ OMX's business. The difficulties, costs and delays that could be encountered may include:

- unforeseen difficulties, costs or complications in combining the companies' operations, which could lead to NASDAQ OMX not achieving the synergies NASDAQ OMX anticipate;
- unanticipated incompatibility of systems and operating methods;
- inability to use capital assets efficiently to develop the business of the combined company;
- the difficulty of complying with government-imposed regulations in the U.S. and abroad, which may be conflicting;
- resolving possible inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures;
- the diversion of management's attention from ongoing business concerns and other strategic opportunities;
- unforeseen difficulties in operating acquired businesses in parallel with similar businesses that NASDAQ OMX operated previously;
- unforeseen difficulties in operating businesses NASDAQ OMX has not operated before;
- unanticipated difficulty of integrating multiple acquired businesses simultaneously;
- the retention of key employees and management;
- the implementation of disclosure controls, internal controls and financial reporting systems at non-U.S. subsidiaries to enable NASDAQ OMX to comply with U.S. generally accepted accounting principles, or U.S. GAAP, and U.S. securities laws and

regulations, including the Sarbanes Oxley Act of 2002, required as a result of NASDAQ OMX's status as a reporting company under the Exchange Act;

- the coordination of geographically separate organizations;
- the coordination and consolidation of ongoing and future research and development efforts;
- possible tax costs or inefficiencies associated with integrating the operations of a combined company;
- pre-tax restructuring and revenue investment costs;
- the retention of strategic partners and attracting new strategic partners; and
- negative impacts on employee morale and performance as a result of job changes and reassignments.

For these reasons, NASDAQ OMX may not achieve the anticipated financial and strategic benefits from NASDAQ OMX's acquisitions. Any actual cost savings and synergies may be lower than NASDAQ OMX expect and may take a longer time to achieve than NASDAQ OMX anticipate, and NASDAQ OMX may fail to realize the anticipated benefits of acquisitions.

**NASDAQ OMX may experience fluctuations in NASDAQ OMX's operating results, which may adversely affect the market price of NASDAQ OMX's common stock**

The financial services industry is risky and unpredictable and is directly affected by many national and international factors beyond NASDAQ OMX's control, including:

- economic, political and geopolitical market conditions;
- natural disasters, terrorism, war or other catastrophes;
- broad trends in industry and finance;
- changes in price levels and volatility in the stock markets;
- the level and volatility of interest rates;
- changes in government monetary or tax policy;
- other legislative and regulatory changes;
- the perceived attractiveness of the U.S. or European capital markets; and
- inflation.

Any one of these factors could have a material adverse effect on NASDAQ OMX's business, financial condition and operating results by causing a substantial decline in the financial services markets and reducing trading volumes.

Additionally, since borrowings under NASDAQ OMX's credit facilities bear interest at variable rates, any increase in interest rates on debt that NASDAQ OMX has not fixed using interest rate hedges will increase our interest expense and reduce NASDAQ OMX's cash flow. Other than variable rate debt, NASDAQ OMX believe NASDAQ OMX's business has relatively large fixed costs and low variable costs, which magnifies the impact of revenue fluctuations on NASDAQ OMX's operating results. As a result, a decline in NASDAQ OMX's revenue may lead to a relatively larger impact on operating results. A substantial portion of our operating expenses will be related to personnel costs, regulation and corporate overhead, none of which can be adjusted quickly and some of which cannot be adjusted at all. Our operating expense levels will be based on our expectations for future revenue. If actual revenue is below management’s expectations, or if NASDAQ OMX's expenses increase before revenues do, both revenues less transaction rebates, brokerage, clearance and exchange fees and operating results would be materially and adversely affected. Because of these factors, it is possible that NASDAQ OMX's operating results or other operating metrics may fail to meet the expectations of stock market analysts and investors. If this happens, the market price of NASDAQ OMX's common stock may be adversely affected.

**NASDAQ OMX is exposed to credit risk from third parties, including customers, counterparties and clearing agents**

NASDAQ OMX is exposed to credit risk from third parties, including customers, counterparties and clearing agents. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons.

NASDAQ OMX clears or stands as riskless principal to a range of equity-related and fixed-income-related derivative products, energy-related commodity products and resale and repurchase agreements. NASDAQ OMX assumes the counterparty risk for all transactions that are cleared through NASDAQ OMX's markets and guarantee that NASDAQ OMX's cleared contracts will be honored. Although NASDAQ OMX maintains clearing capital resources to serve as an additional layer of protection to help ensure that NASDAQ OMX is able to meet our obligations, these resources may not be sufficient.

NASDAQ OMX's subsidiaries Nasdaq Execution Services and NASDAQ Options Services may be exposed to credit risk, due to the default of trading counterparties, in connection with the clearing and routing services they provide for NASDAQ OMX's trading customers. System trades in cash equities routed to other market centers for members of The NASDAQ Stock Market are cleared by Nasdaq Execution Services, as a member of the National Securities Clearing Corporation, or NSCC. System trades in derivative contracts for the opening and closing cross and trades routed to other market centers are cleared by NASDAQ Options Services, as a member of the OCC. Pursuant to the rules of the NSCC and Nasdaq Execution Services’ clearing agreement, Nasdaq Execution Services is liable for any losses incurred due to counterparty or a clearing agent’s failure to satisfy its contractual obligations, either by making payment or delivering securities. Pursuant to the rules of the OCC and NASDAQ Options Services’ clearing agreement, NASDAQ Options Services is liable for any losses incurred due to counterparty or a clearing agent’s failure to satisfy its contractual obligations, either by making payment or delivering securities. Adverse movements in the prices of securities and derivative contracts that are subject to these transactions can increase NASDAQ OMX's credit risk. Credit difficulties or insolvency, or the perceived possibility of credit difficulties or insolvency, of one or more larger or visible market participants could also result in market-wide credit difficulties or other market disruptions.

NASDAQ OMX also have credit risk related to transaction fees that are billed to customers on a monthly basis, in arrears. NASDAQ OMX's customers are financial institutions whose ability to satisfy their contractual obligations may be impacted by volatile securities markets.

Credit losses such as those described above could adversely affect NASDAQ OMX's consolidated financial position and results of operations.

**NASDAQ OMX's leverage limits NASDAQ OMX's financial flexibility, increases NASDAQ OMX's exposure to weakening economic conditions and may adversely affect NASDAQ OMX's ability to obtain additional financing**

In connection with recent acquisitions, and share repurchases, NASDAQ OMX incurred a significant amount of indebtedness. Our indebtedness as of December 31, 2010 was approximately USD 2.3 billion. NASDAQ OMX also may borrow up to an additional USD 250.0 million under a revolver that is part of NASDAQ OMX's new credit facilities.

NASDAQ OMX's leverage could:

- reduce funds available to NASDAQ OMX for operations and general corporate purposes or for capital expenditures as a result of the dedication of a substantial portion of our consolidated cash flow from operations to the payment of principal and interest on NASDAQ OMX's indebtedness;
- increase our exposure to a continued downturn in general economic conditions;
- place NASDAQ OMX at a competitive disadvantage compared with NASDAQ OMX's competitors with less debt; and
- affect NASDAQ OMX's ability to obtain additional financing in the future for refinancing indebtedness, acquisitions, working capital, capital expenditures or other purposes.

In addition, NASDAQ OMX must comply with the covenants in NASDAQ OMX's credit facilities. Among other things, these covenants restrict NASDAQ OMX's ability to grant liens, incur additional indebtedness, pay dividends and conduct transactions with affiliates. Failure to meet any of the covenant terms of NASDAQ OMX's credit facilities could result in an event of default. If an event of default occurs, and NASDAQ OMX is unable to receive a waiver of default, NASDAQ OMX's lenders may increase NASDAQ OMX's borrowing costs, restrict NASDAQ OMX's ability to obtain additional borrowings and accelerate all amounts outstanding.

**NASDAQ OMX may incur goodwill, intangible asset or other long-lived asset impairment charges in the future**

NASDAQ OMX's business acquisitions typically result in the recording of goodwill and intangible assets, and the recorded values of those assets may become impaired in the future. As of December 31, 2010, goodwill totaled approximately USD 5.1 billion and intangible assets, net of accumulated amortization, totalled approximately USD 1.7 billion. The determination of the value of such goodwill and intangible assets requires management to make estimates and assumptions that affect our consolidated financial statements. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate cash flow. NASDAQ OMX's judgments regarding the existence of impairment indicators and future cash flows related to goodwill and intangible assets are based on operational performance of NASDAQ OMX's acquired businesses, market conditions, relevant trading multiples of comparable companies, the trading price of NASDAQ OMX's common stock and other factors. Although there are inherent uncertainties in this assessment process, the estimates and assumptions NASDAQ OMX uses are consistent with NASDAQ OMX's internal planning. However, disruptions to NASDAQ OMX's business, such as continued economic weakness and unexpected significant declines in operating results of reporting units, may result in NASDAQ OMX's having to perform a goodwill impairment test for some or all of our reporting units prior to the required annual assessment. These types of events and the resulting analysis could result in goodwill or intangible asset impairment charges in the future. For goodwill, if the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill is less than the carrying value. For indefinite-lived intangible assets, impairment exists if the carrying value of the intangible asset exceeds its fair value.

An impairment loss is recognized when the carrying amount of the long-lived asset exceeds its fair value and is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to operating results.

If NASDAQ OMX incurs goodwill, intangible asset or other long-lived asset impairment charges in the future NASDAQ OMX's operating results could be adversely affected.

**The regulatory framework under which NASDAQ OMX operates and new regulatory requirements or new interpretations of existing regulatory requirements could require substantial time and resources for compliance, which could make it difficult and costly for us to operate NASDAQ OMX's business**

NASDAQ OMX's business is subject to extensive regulation. Under current U.S. federal securities laws, changes in the rules and operations of NASDAQ OMX's markets, including our pricing structure, must be reviewed and in many cases explicitly approved by the SEC. The SEC may approve, disapprove, or recommend changes to proposals that NASDAQ OMX submits. In addition, the SEC may delay either the approval process or the initiation of the public comment process. Any delay in approving changes, or the altering of any proposed change, could have an adverse effect on NASDAQ OMX's business, financial condition and operating results. NASDAQ OMX must compete not only with ATSs that are not subject to the same SEC approval process but also with other exchanges that may have lower regulation and surveillance costs than NASDAQ OMX. There is a risk that trading will shift to exchanges that charge lower fees because, among other reasons, they spend significantly less on regulation.

In addition, NASDAQ OMX's registered broker-dealer subsidiaries are subject to regulation by the SEC, FINRA and other self-regulatory organizations. These subsidiaries are subject to regulatory requirements intended to ensure their general financial soundness and liquidity, which require that they comply with certain minimum capital requirements. The SEC and FINRA impose rules that require notification when a broker-dealer’s net capital falls below certain predefined criteria, dictate the ratio of debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the Uniform Net Capital Rule and NYSE and FINRA rules impose certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC, the NYSE and FINRA for certain withdrawals of capital. Any failure to comply with these broker-dealer regulations could have a material adverse effect on the operation of NASDAQ OMX's business, financial condition and operating results.

NASDAQ OMX's non-U.S. business is subject to regulatory oversight in all the countries in which we operate regulated businesses, such as operating exchanges or CSDs. The countries in which NASDAQ OMX currently operates or shares ownership in regulated businesses include Sweden, Finland, Denmark, Iceland, Estonia, Lithuania, Latvia, Norway, Armenia, Switzerland, the Netherlands and the United Kingdom. In all the aforementioned countries, NASDAQ OMX has received authorization from the relevant authorities to conduct NASDAQ OMX's regulated business activities. The authorities may revoke this authorization if

NASDAQ OMX does not suitably carry out our regulated business activities. The authorities are also entitled to request that NASDAQ OMX adopt measures in order to ensure that NASDAQ OMX continue to fulfill the authorities' requirements.

Furthermore, NASDAQ OMX holds minority stakes in other regulated entities, and certain of NASDAQ OMX's customers operate in a highly regulated industry. Regulatory authorities with jurisdiction over our non-U.S. entities could impose regulatory changes that could impact the ability of our customers to use NASDAQ OMX's European exchanges or NASDAQ OMX Europe. The loss of a significant number of customers or a reduction in trading activity on any of NASDAQ OMX's European exchanges or NASDAQ OMX Europe as a result of such changes could have a material adverse effect on NASDAQ OMX's business, financial condition and operating results.

**NASDAQ OMX's business may be impacted by the adoption and implementation of the Dodd-Frank Act.**

On July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Act, a comprehensive banking and financial services reform package. Full implementation of the Act will require extensive rulemaking by the SEC, the CFTC, Self-Regulatory Organizations and other regulators. In light of the uncertainty of the final implementation of the Act, there is a risk that the final regulations could include provisions that could impact NASDAQ OMX's business.

The Act provides for central clearing of standardized over-the-counter swaps and requires cleared swaps to be traded on exchanges or swap execution facilities. While these new requirements may provide new opportunities for NASDAQ OMX, including the opportunity to expand the business of IDCG, NASDAQ OMX's existing offering to clear over-the-counter interest rate swap products, other market participants have developed, and likely will develop in the future, competing clearing platforms and offerings. NASDAQ OMX cannot guarantee that NASDAQ OMX will be able to compete effectively or that NASDAQ OMX's initiatives in this area will be successful.

In addition, market participants may change their behavior in response to the Act and the expected regulations. For example, the Act's prohibitions on proprietary trading and certain relationships with hedge funds and private equity funds may cause some of NASDAQ OMX's major clients to curtail or eliminate their trading operations in advance of the effective date. To the extent that NASDAQ OMX's existing customers and other market participants reduce the levels or restrict the nature of activity on NASDAQ OMX's exchanges, NASDAQ OMX's business, financial condition and operating results may be adversely affected. Furthermore, if the Act or any of the pending regulations are perceived as creating new burdensome legal and regulatory requirements on public companies in the U.S., it may decrease NASDAQ OMX's ability to compete for listings with competitor exchanges in non-U.S. jurisdictions.

**NASDAQ OMX has self-regulatory obligations and also operate for-profit businesses, and these two roles may create conflicts of interest**

NASDAQ OMX has obligations to regulate and monitor activities on NASDAQ OMX's markets and ensure compliance with applicable law and the rules of NASDAQ OMX's markets by market participants and listed companies. In the U.S., the SEC staff has expressed concern about potential conflicts of interest of "for-profit" markets performing the regulatory functions of a self-regulatory organization. Although our U.S. cash equities and options exchanges outsource the majority of their market regulation functions to FINRA, NASDAQ OMX do perform regulatory functions related to NASDAQ OMX's listed companies and NASDAQ

OMX's markets. Any failure by NASDAQ OMX to diligently and fairly regulate our markets or to otherwise fulfill NASDAQ OMX's regulatory obligations could significantly harm NASDAQ OMX's reputation, prompt SEC scrutiny and adversely affect NASDAQ OMX's business and reputation.

NASDAQ OMX's Nordic and Baltic exchanges also monitor trading and compliance with listing standards. They monitor the listing of cash equities and other financial instruments. The prime objective of such monitoring activities is to promote confidence in the exchanges among the general public and to ensure fair and orderly functioning markets. The monitoring functions within the exchanges comprising NASDAQ OMX Nordic and NASDAQ OMX Baltic are the responsibility of the surveillance departments or other surveillance personnel. The surveillance departments or personnel are intended to strengthen the integrity of and confidence in these exchanges and to avoid conflicts of interest. Any failure to diligently and fairly regulate the Nordic and Baltic exchanges could significantly harm NASDAQ OMX's reputation, prompt scrutiny from regulators and adversely affect NASDAQ OMX's business and reputation.

**NASDAQ OMX is subject to risks relating to litigation, potential securities law liability and other liability**

Many aspects of NASDAQ OMX's business potentially involve substantial liability risks. Although NASDAQ OMX is immune from private suits for self-regulatory organization activities, this immunity only covers certain of NASDAQ OMX's activities in the U.S., and NASDAQ OMX could be exposed to liability under national and local laws, court decisions and rules and regulations promulgated by regulatory agencies.

In the U.S., we are subject to oversight by the SEC, and our subsidiaries NFX, IDCG and IDCH are subject to oversight by the CFTC. Our subsidiary NASDAQ OMX Commodities Clearing Company has applied to register with the CFTC and is regulated as a power marketer by the Federal Energy Regulatory Commission (for transactions in every state but Texas) and the Public Utility Commission of Texas (for transactions in Texas). In the case of non-compliance with NASDAQ OMX's obligations under the securities, commodities or other laws, NASDAQ OMX's could be subject to investigation and judicial or administrative proceedings that may result in substantial penalties.

Our non-U.S. business is regulated both at the national level in several countries and at the European Union level. Implementation and application of these regulations may be undertaken by one or more regulatory authorities, which may challenge compliance with one or more aspects of such regulations. If a regulatory authority makes a finding of non-compliance, conditional fines can be imposed and our licenses can be revoked.

Some of NASDAQ OMX's other liability risks arise under the laws and regulations relating to the insurance, tax, intellectual property, anti-money laundering, technology export, foreign asset controls and foreign corrupt practices areas. Liability could also result from disputes over the terms of a trade, claims that a system failure or delay cost a customer money, claims we entered into an unauthorized transaction or claims that we provided materially false or misleading statements in connection with a securities transaction. As NASDAQ OMX intends to defend any such litigation actively, significant legal expenses could be incurred. Although NASDAQ OMX carry insurance that may limit NASDAQ OMX's risk of damages in some cases, NASDAQ OMX still may sustain losses that would affect NASDAQ OMX's financial condition and results of operations.

**Failure to attract and retain key personnel may adversely affect NASDAQ OMX's ability to conduct NASDAQ OMX's business**

NASDAQ OMX's future success depends, in large part, upon NASDAQ OMX's ability to attract and retain highly qualified professional personnel. Competition for key personnel in the various localities and business segments in which NASDAQ OMX operate is intense. NASDAQ OMX's ability to attract and retain key personnel, in particular senior officers, will be dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. There is no guarantee that NASDAQ OMX will have the continued service of key employees who NASDAQ OMX rely upon to execute our business strategy and identify and pursue strategic opportunities and initiatives. In particular, NASDAQ OMX may have to incur costs to replace senior executive officers or other key employees who leave, and our ability to execute our business strategy could be impaired if NASDAQ OMX is unable to replace such persons in a timely manner.

NASDAQ OMX is highly dependent on the continued services of Robert Greifeld, our Chief Executive Officer, and other executive officers and key employees who possess extensive financial markets knowledge and technology skills. NASDAQ OMX does not have employment agreements with some of these key executive officers. NASDAQ OMX does not maintain “key person” life insurance policies on any of our executive officers, managers, key employees or technical personnel. The loss of the services of these persons for any reason, as well as any negative market or industry perception arising from those losses, could have a material adverse effect on NASDAQ OMX's business, financial condition and operating results.

**Failure to protect NASDAQ OMX's intellectual property rights, or allegations that has infringed on the intellectual property rights of others, could harm NASDAQ OMX's brand-building efforts and ability to compete effectively**

To protect NASDAQ OMX's intellectual property rights, NASDAQ OMX relies on a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with NASDAQ OMX's affiliates, clients, strategic partners and others. The protective steps that NASDAQ OMX takes may be inadequate to deter misappropriation of NASDAQ OMX's proprietary information. NASDAQ OMX may be unable to detect the unauthorized use of, or take appropriate steps to enforce, NASDAQ OMX's intellectual property rights.

NASDAQ OMX has registered, or applied to register, our trademarks in the United States and in over 50 foreign jurisdictions and have pending U.S. and foreign applications for other trademarks. NASDAQ OMX also maintains copyright protection on our branded materials and pursues patent protection for software products, inventions and other processes developed by NASDAQ OMX. NASDAQ OMX also holds a number of patents, patent applications and licenses.

Effective trademark, copyright, patent and trade secret protection may not be available in every country in which we offer NASDAQ OMX's services. Failure to protect NASDAQ OMX's intellectual property adequately could harm our brand and affect NASDAQ OMX's ability to compete effectively. Further, defending NASDAQ OMX's intellectual property rights could result in the expenditure of significant financial and managerial resources.

Third parties may assert intellectual property rights claims against NASDAQ OMX, which may be costly to defend, could require the payment of damages and could limit NASDAQ OMX's ability to use certain technologies, trademarks or other intellectual property. Any intellectual property claims, with or without merit, could be expensive to litigate or settle and could divert management resources and attention. Successful challenges against NASDAQ OMX could require NASDAQ OMX to modify or discontinue NASDAQ OMX's use of technology or business processes where such use is found to infringe or violate the rights of others, or require NASDAQ OMX to purchase licenses from third parties, any of which could adversely affect NASDAQ OMX's business, financial condition and operating results

**Damage to NASDAQ OMX's reputation or brand name could have a material adverse effect on NASDAQ OMX's businesses**

One of NASDAQ OMX's competitive strengths is our strong reputation and brand name. Various issues may give rise to reputational risk, including issues relating to:

- the representation of NASDAQ OMX's business in the media;
- the accuracy of NASDAQ OMX's financial statements and other financial and statistical information;
- the accuracy of NASDAQ OMX's financial guidance or other information provided to NASDAQ OMX's investors;
- the quality of NASDAQ OMX's corporate governance structure;
- the quality of NASDAQ OMX's products, including the reliability of our transaction-based business, the accuracy of the quote and trade information provided by NASDAQ OMX's market data business and the accuracy of calculations used by NASDAQ OMX's Global Index Group for indexes and unit investment trusts;
- the ability to execute NASDAQ OMX's business plan, key initiatives or new business ventures and the ability to keep up with changing customer demand;
- the quality of NASDAQ OMX's disclosure controls or internal controls over financial reporting, including any failures in supervision;
- extreme price volatility on our markets, such as that seen with the “flash crash” on May 6, 2010;
- any negative publicity surrounding NASDAQ OMX's listed companies;
- security breaches, including any unauthorized delivery of proprietary data to third parties or physical security breaches;
- management of NASDAQ OMX's outsourcing partnerships, especially NASDAQ OMX's relationship with FINRA; and
- any misconduct or fraudulent activity by our employees or other persons formerly or currently associated with NASDAQ OMX.

Damage to NASDAQ OMX's reputation could cause some issuers not to list their securities on NASDAQ OMX's exchanges, as well as reduce the trading volume on NASDAQ OMX's exchanges or cause us to lose customers in NASDAQ OMX's market data, index or market technology businesses. This, in turn, may have a material adverse effect on NASDAQ OMX's business, financial condition and operating results.

**NASDAQ OMX relies on third parties to perform certain functions, and NASDAQ OMX's business could be adversely affected if these third parties fail to perform as expected**

NASDAQ OMX relies on third parties for regulatory, data center and other services. For example, NASDAQ OMX has a contractual arrangement with FINRA pursuant to which FINRA performs certain regulatory functions on NASDAQ OMX's behalf. NASDAQ OMX also is highly reliant on third-party data centers provided by Verizon. To the extent that FINRA, Verizon or any other vendor or third-party service provider experiences difficulties, materially changes their business relationship with NASDAQ OMX or is unable for any reason to perform their obligations, NASDAQ OMX's business or NASDAQ OMX's reputation may be materially adversely affected.

NASDAQ OMX also rely on members of NASDAQ OMX's trading community to maintain markets and add liquidity. To the extent that any of NASDAQ OMX's largest members experiences difficulties, materially changes their business relationship with us or is unable for any reason to perform market making activities, NASDAQ OMX's business or NASDAQ OMX's reputation may be materially adversely affected.

**NASDAQ OMX is a holding company that depends on cash flow from NASDAQ OMX's subsidiaries to meet NASDAQ OMX's obligations, and any restrictions on NASDAQ OMX's subsidiaries' ability to pay dividends or make other payments to NASDAQ OMX may have a material adverse effect on NASDAQ OMX's results of operations and financial condition**

NASDAQ OMX is a holding company with no direct operating businesses other than the equity interests of NASDAQ OMX's subsidiaries. NASDAQ OMX requires dividends and other payments from NASDAQ OMX's subsidiaries to meet cash requirements or to pay dividends. Minimum capital requirements mandated by regulatory authorities having jurisdiction over some of NASDAQ OMX's regulated subsidiaries indirectly restrict the amount of dividends paid upstream. If NASDAQ OMX's subsidiaries are unable to pay dividends and make other payments to NASDAQ OMX when needed, NASDAQ OMX may be unable to satisfy NASDAQ OMX's obligations, which would have a material adverse effect on NASDAQ OMX's business, financial condition and operating results.

**Future acquisitions, investments, partnerships and joint ventures may require significant resources and/or result in significant unanticipated losses, costs or liabilities**

Over the past several years, acquisitions have been significant factors in NASDAQ OMX's growth. Although NASDAQ OMX cannot predict NASDAQ OMX's rate of growth as the result of acquisitions with complete accuracy, NASDAQ OMX believes that additional acquisitions and investments or entering into partnerships and joint ventures will be important to NASDAQ OMX's growth strategy. Many of the other potential purchasers of assets in NASDAQ OMX's industry have greater financial resources than NASDAQ OMX has. Therefore, NASDAQ OMX cannot be sure that NASDAQ OMX will be able to complete future acquisitions on terms favourable to NASDAQ OMX.

NASDAQ OMX may finance future acquisitions by issuing additional equity and/or debt. The issuance of additional equity in connection with any such transaction could be substantially dilutive to existing shareholders. The issuance of additional debt could increase our leverage substantially. In addition, announcement or implementation of future transactions by NASDAQ OMX or others could have a material effect on the price of NASDAQ OMX's common stock. NASDAQ OMX could face financial risks associated with incurring additional debt, particularly if the debt results in significant incremental leverage. Additional debt may reduce our liquidity, curtail our access to financing markets, impact NASDAQ OMX's standing with credit agencies and increase the cash flow required for debt service. Any incremental debt incurred to finance an acquisition could also place significant constraints on the operation of NASDAQ OMX's business.

Furthermore, any future acquisitions of businesses or facilities could entail a number of additional risks, including:

- problems with effective integration of operations;
- the inability to maintain key pre-acquisition business relationships;
- increased operating costs;
- the diversion of NASDAQ OMX's management team from its other operations;
- problems with regulatory bodies;
- exposure to unanticipated liabilities;
- difficulties in realizing projected efficiencies, synergies and cost savings; and
- changes in NASDAQ OMX's credit rating and financing costs.

**NASDAQ OMX's non-U.S. business operates in various international markets, particularly emerging markets, that are subject to greater political, economic and social uncertainties than developed countries**

The operations of our non-U.S. business are subject to the risk inherent in international operations, including but not limited to, risks with respect to operating in Iceland, the Baltics, Central and Eastern Europe, the Middle East and Asia. Some of these economies may be subject to greater political, economic and social uncertainties than countries with more developed institutional structures. Political, economic or social events or developments in one or more of these countries could adversely affect NASDAQ OMX's operations and financial results.

**NASDAQ OMX has invested substantial capital in system platforms, and a failure to successfully implement such systems could adversely affect NASDAQ OMX's business**

In NASDAQ OMX's technology operations, NASDAQ OMX has invested substantial amounts in the development of system platforms and in the rollout of NASDAQ OMX's platforms. Although investments are carefully planned, there can be no assurance that the demand for such platforms will justify the related investments and that the future levels of transactions executed on these platforms will be sufficient to generate an acceptable return on such investments. If NASDAQ OMX fails to generate adequate revenue from planned system platforms, or if NASDAQ OMX fails to do so within the envisioned timeframe, it could have an adverse effect on NASDAQ OMX's results of operations and financial condition.

**Because NASDAQ OMX has operations in several countries, NASDAQ OMX is exposed to currency risk**

NASDAQ OMX has operations in the U.S., the Nordic and Baltic countries, Australia and many other foreign countries. NASDAQ OMX therefore has significant exposure to exchange rate movements between the Euro, Swedish Krona, Danish Krone, Norwegian Krone, Australian dollar and other foreign currencies towards the U.S. dollar. Significant inflation or disproportionate changes in foreign exchange rates with respect to one or more of these currencies could occur as a result of general economic conditions, acts of war or terrorism, changes in governmental monetary or tax policy or changes in local interest rates. These exchange rate differences will affect the translation of NASDAQ OMX's non-U.S. results of operations and financial condition into U.S. dollars as part of the preparation of NASDAQ OMX's consolidated financial statements.

**Charges to earnings resulting from acquisition, restructuring and integration costs may materially adversely affect the market value of NASDAQ OMX's common stock**

In accordance with U.S. GAAP, NASDAQ OMX is accounting for the completion of NASDAQ OMX's acquisitions using the purchase method of accounting. NASDAQ OMX is allocating the total estimated purchase prices to net tangible assets, amortizable intangible assets and indefinite-lived intangibles, and based on their fair values as of the date of completion of the acquisitions, recording the excess of the purchase price over those fair values as goodwill. Our financial results, including earnings per share, or EPS, could be adversely affected by a number of financial adjustments required by U.S. GAAP including the following:

- NASDAQ OMX will incur additional amortization expense over the estimated useful lives of certain of the intangible assets acquired in connection with acquisitions during such estimated useful lives;
- NASDAQ OMX may have additional depreciation expense as a result of recording purchased tangible assets at fair value, in accordance with U.S. GAAP, as compared to book value as recorded;
- to the extent the value of goodwill or intangible assets becomes impaired, NASDAQ OMX may be required to incur material charges relating to the impairment of those assets; and
- NASDAQ OMX will incur certain adjustments to reflect the financial condition and operating results under U.S. GAAP and USD.

## Risks Relating to an Investment in NASDAQ OMX's Common Stock

**Volatility in NASDAQ OMX's stock price could adversely affect NASDAQ OMX's stockholders**

The market price of NASDAQ OMX's common stock is likely to be volatile. Broad market and industry factors may adversely affect the market price of NASDAQ OMX's common stock, regardless of NASDAQ OMX's actual operating performance. Factors that could cause fluctuations in NASDAQ OMX's stock price may include, among other things:

- actual or anticipated variations in our quarterly operating results;
- changes in financial estimates by NASDAQ OMX or by any securities analysts who might cover NASDAQ OMX's common stock;
- conditions or trends in NASDAQ OMX's industry, including trading volumes, regulatory changes or changes in the securities marketplace;
- conditions or trends in the credit markets;
- announcements by us or NASDAQ OMX's competitors of significant acquisitions, strategic partnerships or divestitures;
- announcements of investigations or regulatory scrutiny of NASDAQ OMX's operations or lawsuits filed against us;
- additions or departures of key personnel; and

- sales of NASDAQ OMX's common stock, including sales of NASDAQ OMX's common stock by NASDAQ OMX's directors and officers, significant stockholders or our strategic investors.

**The market price of NASDAQ OMX's common stock could be negatively affected by sales of substantial amounts of our common stock in the public markets**

Sales of a substantial number of shares of NASDAQ OMX's common stock in the public markets, or the perception that these sales might occur, could cause the market price of NASDAQ OMX's common stock to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, NASDAQ OMX's equity securities. As of December 31, 2010, there were 175,782,683 shares of NASDAQ OMX's common stock outstanding. All of NASDAQ OMX's common stock is freely transferable, except shares held by NASDAQ OMX's “affiliates,” as defined in Rule 144 under the Securities Act.

The number of freely transferable shares of NASDAQ OMX's common stock will increase upon any exercise of outstanding options pursuant to NASDAQ OMX's stock compensation and stock award plan for NASDAQ OMX's employees. There were 6.1 million options exercisable as of December 31, 2010 at a weighted average exercise price of $13.19.

It is NASDAQ OMX's intent and policy to settle the principal amounts of NASDAQ OMX's 2.50% convertible notes in cash, which will not impact the number of shares of NASDAQ OMX's common stock. However, NASDAQ OMX has the option to settle the conversion premium in shares of NASDAQ OMX's common stock or cash. The conversion rate will initially be 18.1386 shares of common stock per USD 1,000 principal amount of notes, which is equivalent to a conversion price of USD 55.13 per share of common stock.

**Provisions of NASDAQ OMX's certificate of incorporation, by-laws, exchange rules (including provisions included to address SEC concerns) and Delaware law could delay or prevent a change in control of us and entrench current management**

NASDAQ OMX's organizational documents place restrictions on the voting rights of certain stockholders. The holders of NASDAQ OMX's common stock are entitled to one vote per share on all matters to be voted upon by the stockholders except that no person may exercise voting rights in respect of any shares in excess of 5% of the then outstanding shares of NASDAQ OMX's common stock. Any change to the 5% voting limitation would require SEC approval.

In response to the SEC’s concern about a concentration of our ownership, the rules of NASDAQ OMX's U.S. exchanges include a rule prohibiting any member or any person associated with a member of the exchange from beneficially owning more than 20% of our outstanding voting interests. SEC consent would be required before any investor could obtain more than a 20% voting interest in NASDAQ OMX. The rules of NASDAQ OMX's U.S. exchanges also require the SEC’s approval of any business ventures with one of NASDAQ OMX's members, subject to exceptions.

NASDAQ OMX's organizational documents contain provisions that may be deemed to have an anti-takeover effect and may delay, deter or prevent a change of control of NASDAQ OMX, such as a tender offer or takeover proposal that might result in a premium over the market price for NASDAQ OMX's common stock. Additionally, certain of these provisions make it more difficult to bring about a change in the composition of our board of directors, which could result in entrenchment of current management.

NASDAQ OMX's certificate of incorporation and by-laws:

- require supermajority stockholder approval to remove directors;
- do not permit stockholders to act by written consent or to call special meetings;
- require certain advance notice for director nominations and actions to be taken at annual meetings;
- require supermajority stockholder approval with respect to certain amendments to our certificate of incorporation and by-laws (including in respect of the provisions set forth above); and
- authorize the issuance of undesignated preferred stock, or “blank check” preferred stock, which could be issued by our board of directors without stockholder approval.

Section 203 of the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between NASDAQ OMX and any holder of 15% or more (or, in some cases, a holder who previously held 15% or more) of NASDAQ OMX's common stock. In general, Delaware law prohibits a publicly held corporation from engaging in a “business combination” with an “interested stockholder” for three years after the stockholder becomes an interested stockholder, unless the corporation’s board of directors and stockholders approve the business combination in a prescribed manner.

# 4. Description of the NASDAQ OMX Employee Stock Purchase Plan

## General Information

NASDAQ OMX has decided to offer its eligible employees (please see the subchapter "Who is eligible to participate in the ESPP?"), including the employees of its Swedish operations, the possibility to acquire, at a discounted price, common shares of NASDAQ OMX under the ESPP.

The ESPP is set forth in full in chapter 10. This chapter 4 is only to be seen as a summary of the ESPP. In the event of a conflict between this summary and the terms of the ESPP, the terms of the ESPP shall prevail.

## Motives

The purpose of the ESPP is to provide employees of NASDAQ OMX and its participating affiliates with an opportunity to invest in shares of NASDAQ OMX’s common stock through periodic offerings financed by payroll deductions. NASDAQ OMX believes that maintaining a competitive employee stock purchase plan is an important element in recruiting, motivating and retaining NASDAQ OMX's employees. The ESPP is designed to more closely align the interests of NASDAQ OMX’s employees with those of our stockholders by encouraging employees to invest in NASDAQ OMX’s common stock, and to help NASDAQ OMX's employees share in our success through the appreciation in value of purchased stock.

The Plan is designed to provide NASDAQ OMX’s eligible employees and employees of NASDAQ OMX’s participating subsidiaries and affiliates (including non-U.S. affiliates) with the opportunity to purchase shares of NASDAQ OMX’s common stock on periodic purchase dates through accumulated payroll deductions.

The ESPP was initially established in 2000, for a ten (10) year term ending in December of 2010. 2,000,000 shares were originally reserved for issuance under the terms of the ESPP. In March 2010, NASDAQ OMX's management compensation committee and board of directors approved the amendment and restatement of the ESPP subject to stockholder approval. On 27 May 2010, the annual general meeting of stockholders approved the amended and restated ESPP, for an additional ten (10) year term, and approved the reservation of an additional 3,500,000 shares for issuance under the terms of the ESPP.

## Administration

The ESPP is administered by the management compensation committee (the "committee"). The duties of the committee are further described in the ESPP. The committee may, consistent with the terms of the ESPP and its charter, delegate some of its duties and responsibilities to others.

## How many shares are available for purchase under the ESPP?

The total number of shares of common stock reserved for issuance under the terms of the ESPP is 5,500,000. In addition to the original 2,000,000 shares reserved for issuance, this includes 3,500,000 in additional authorized shares as approved by NASDAQ OMX's shareholders on 27 May 2010. As of 30 March 2011, an aggregate of 1,628,959 shares of common stock have been issued to employees under the ESPP, and 3,871,041 shares of common stock remained available for future issuance. The shares of common stock issuable under the ESPP may be made available from NASDAQ OMX's treasury, from authorized but unissued shares of common stock or from shares of common stock that NASDAQ OMX repurchases, including shares of common stock repurchased on the open market. Any issuance of authorised but unissued shares shall be approved by the board of directors or the committee. Out of the authorized capital stock of 300,000,000 common shares, 213,377,707 shares of common stock were issued (excluding unvested restricted common stock) and 176,300,916 shares of common stock were outstanding as of 30 Mars 2011, with 37,076,791 shares of common stock held in treasury. NASDAQ OMX estimates that, with a remaining reserve of approximately 3,871,041 shares, NASDAQ OMX will have a sufficient number of shares of common stock to cover purchases under the ESPP for approximately ten (10) years.

In the event that the board or the committee determines that any dividend or other distribution (whether in the form of cash, shares, other securities, or other property) recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or other securities of NASDAQ OMX, issuance of warrants or other rights to purchase shares or other securities of NASDAQ OMX, or other similar corporate transaction or event that affects the shares such that an adjustment is determined to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the ESPP, then the board or committee shall, in such manner as it deems appropriate, make such equitable adjustments in the ESPP and the then outstanding offerings as it deems necessary and appropriate. Adjustments may include, without limitation, changing the number of shares reserved for purchase under the ESPP.

## Who is eligible to participate in the ESPP?

Only employees of NASDAQ OMX (including employees who are directors) and employees of NASDAQ OMX's participating affiliates are eligible to participate in the ESPP. For non U.S. participating affiliates, the committee, or its delegate, will determine the particular eligibility requirements for participation in an offering. Such eligibility requirements may reflect local law or conditions.

## How does the ESPP operate?

**Offering Period**

Shares of common stock are offered under the ESPP through a series of offerings of such duration as determined by the committee. These are known as "offering periods." Historically, the committee has approved offering periods of approximately six (6) months, but may permit shorter or longer offering periods. In no event, however, may an offering period exceed 12 months.

Each offering consists of (i) an enrollment period, during which eligible employees can elect to participate with respect to an offering period by accumulating funds for the purchase of shares through payroll deductions during the immediately following offering period, (ii) the offering period during which such funds are accumulated, and (iii) a purchase date, which is usually the last day of the offering period, as of which the ESPP administrator will acquire shares of NASDAQ OMX common stock with the funds accumulated by each participant during the offering period.

Eligible employees will be informed by NASDAQ OMX when enrollment periods and offering periods have been determined. Eligible employees may become participants with respect to an offering period by filing with NASDAQ OMX a form of enrollment, which will be separately provided by NASDAQ OMX within the designated enrollment period by such means (which may include electronic transmission) as may be specified by the management compensation committee. An eligible employee who does not deliver a properly completed enrollment form to NASDAQ OMX (or participating affiliate) within the enrollment period designated by the committee with respect to an offering period shall not participate in the Plan for that offering period.

When an eligible employee elects to participate in an offering, he or she is electing to accumulate funds through payroll deduction during the offering period which will be used to acquire shares of common stock on the purchase date as of the close of the offering period. Except as may be permitted by the committee, all contributions must be made by means of payroll deductions. On the purchase date, all payroll deductions (and any other permitted contributions) collected from the participant are automatically applied to the purchase of common stock, subject to certain limitations. All payroll deductions are taken on an after-tax basis.

As described under the subheading “Purchase Price” below, a major benefit of the ESPP is that participants are able to purchase shares at a discount from the then-current market price.

A participant with respect to an offering period may, by written notice at any time during the offering period, direct NASDAQ OMX (or its participating affiliate) to reduce or increase payroll deductions, subject to a maximum of one change per offering period. The committee may prescribe rules regarding the time and manner for providing such notice.

Amounts contributed by means of payroll deductions during an offering period are accounted for through a bookkeeping account established by NASDAQ OMX (or participating affiliate). This is a recordkeeping account only, and is not credited with interest. A participant may elect to withdraw all of his or her account prior to the end of the offering period to which it relates. Such withdrawal will terminate the participant’s participation with respect to that offering period, although he or she can elect to enroll and participate again with respect to a future offering period, provided he or she remains an eligible employee. The committee may require that a notice of withdrawal be on file with NASDAQ OMX’s designated office for a reasonable period prior to the purchase date with respect to the offering period. Following receipt of a timely notice of withdrawal, the participant’s accumulated account which has not been applied to the purchase of shares shall be refunded to the participant as soon as administratively feasible in accordance with NASDAQ OMX’s administrative procedures.

The committee may at any time suspend an offering period with respect to employees of NASDAQ OMX or one or more participating affiliates if required by law or if the committee determines in good faith that it is in the best interests of NASDAQ OMX.

**Purchase Price**

The purchase price of the shares of common stock purchased on behalf of each participant on each purchase date is the lower of 85% of (i) the fair market value per share on the start date of the offering period in which the participant is enrolled or (ii) the fair market value on the applicable purchase date of the offering period (usually the last day of the offering period).

The fair market value per share on any particular date under the ESPP is the closing price per share on such date reported on The NASDAQ Stock Market. As of 29 April 2011, the fair market value of NASDAQ OMX’s common stock determined on such basis was $ 27.12 per share.

With respect to participants employed by a non-U.S. participating affiliate of NASDAQ OMX, in circumstances where payroll deductions have been taken from a participant's base salary or base pay in a currency other than USD, shares will be purchased by converting the participant's account to USD at the exchange rate in effect at the end of the fifth (5th) business day preceding the purchase date, as published by Bloomberg.com if available or otherwise as determined with respect to a particular jurisdiction by the committee or its delegate for this purpose, and such dollar amount shall be used to purchase shares as of the purchase date. It is intended that the committee, or its delegate for such purpose with respect to a particular jurisdiction, will communicate the exchange rate to be used to each affected participant in advance of the purchase date so that he or she may decide whether to purchase the shares or to withdraw his or her account prior to the end of the offering period.

**Payroll Deductions and Stock Purchases**

By enrolling in the ESPP with respect to an offering period, each participant authorizes periodic after-tax payroll deductions of a percentage of his or her base salary or base pay each payroll period during the offering period. Payroll deductions will be accumulated and applied to the acquisition of shares of common stock on the purchase date for that offering period at the purchase price in effect for that purchase date. Payroll deductions may be made in 1% increments of base salary or base pay, subject to a minimum of 1% and a maximum of 10% of base salary or base pay each payroll period. Contributions other than by means of payroll deduction are generally not permitted. In no event may contributions exceed 10% of the participant's base salary or base pay for the offering period.

As of the purchase date, the record-keeping account of each participant (consisting of payroll deductions made during the offering period which have not been withdrawn) shall be totaled. If such account contains sufficient funds to purchase one or more shares as of that date, the employee shall be deemed to have purchased shares at the price determined as set out under the subheading "Purchase Price"; such participant's account will be charged, on that date, for the amount of the purchase, and for all purposes under the ESPP (consisting of payroll deductions made during the offering period which have not been withdrawn) the participant shall be deemed to have acquired the shares on that date. Fractional shares shall be issued, as necessary. The registrar for NASDAQ OMX will make an entry on its books and records evidencing that such shares have been duly issued as of that date; provided, however, that a participant may, in the alternative, elect in writing prior thereto to receive a stock certificate representing the amount of such full shares acquired, in which case any fractional shares credited to the participant shall be settled by a cash payment. Such cash payment shall be equal to the amount paid by the participant for the purchase of such fraction. The amount, if any, of each participant's account remaining after the purchase of shares on the purchase date of an offering shall be refunded in full to the participant after such purchase date.

As soon as practicable after the purchase date, the ESPP administrator shall prepare and deliver a report to each participant of such participant's Plan account setting forth the total payroll deductions or other contributions accumulated prior to the purchase date, the number of shares purchased, the purchase price for such shares, the date of purchase and the cash balance, if any, remaining immediately after such purchase that is to be refunded. The report required may be delivered in such form and by such means, including by electronic transmission, as NASDAQ OMX may determine.

**Other Limitations**

The ESPP imposes certain limitations upon a participant's rights to acquire shares of common stock, including the following:

- Purchase rights granted to a participant may not permit such individual to purchase more than $25,000 worth of shares of common stock (valued in USD as of the first day of each offering period) for each calendar year.
- Purchase rights may not be granted to any individual if such individual would, immediately after the grant, own or hold outstanding options or other rights to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the stock of NASDAQ OMX or any of our affiliates.
- The maximum number of shares that may be purchased by any participant in any calendar year is 4,000 shares.

**Termination of Employment**

Purchase rights granted pursuant to any offering under the ESPP terminate immediately upon cessation of employment for any reason, including death, and NASDAQ OMX will refund all accumulated payroll deductions which have not been applied to the purchase of shares to the terminated employee or his or her beneficiary, as applicable, without interest.

**Stockholder Rights**

No participant has any stockholder rights with respect to the shares of common stock covered by a purchase right until the shares of common stock are actually purchased on the participant's behalf whereupon the shares that are purchased under the ESPP will carry same rights as other shares of common stock of NASDAQ OMX. Other than stock splits and other recapitalizations described above, no adjustment will be made for dividends, distributions or other rights for which the record date is prior to the date of such purchase.

**Share Pro Ration**

Should the total number of shares of common stock to be purchased pursuant to outstanding purchase rights on any particular date exceed either (i) the maximum number of shares of common stock purchasable in total by all participants on any one purchase date as in effect with respect to an offering period, or (ii) the number of shares of common stock then available for purchase under the ESPP, then the committee will make a pro rata allocation of the available shares of common stock in as nearly a uniform manner as shall be practicable and as it shall deem equitable. In the event that any shares reserved for any offering period are not purchased, such un-purchased shares may again be made available for purchase under the ESPP.

## Legislation

The validity, construction, and effect of the ESPP and any rules and regulations relating to the ESPP shall be determined in accordance with the laws of the State of Delaware without giving effect to the conflict of law principles thereof.

The committee may adopt rules or procedures relating to the operation and administration of the ESPP to accommodate the specific requirements of local laws and procedures.

## Restrictions on the free transferability of the securities

Neither payroll deductions or contributions credited to a participant’s account nor any rights with regard to the purchase of shares under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, laws of descent and distribution, or beneficiary designation) by a participant. Any such attempt at assignment, transfer, pledge, or other disposition shall be without effect, except that NASDAQ OMX may treat such act as an election to withdraw funds from an offering period.

## Change in control

Notwithstanding anything in the ESPP to the contrary, in the event of a change in control of NASDAQ OMX, if the committee determines that the operation or administration of the ESPP could prevent participants from obtaining the benefits intended by the ESPP, the Plan may be terminated in any manner deemed by the committee to provide equitable treatment to participants.

## Amendments and termination

NASDAQ OMX’s board may alter, suspend or terminate the ESPP at any time. However, the board must seek stockholder approval of any ESPP amendment to the extent necessary to satisfy applicable laws or listing requirements. Subject to the foregoing, the committee may, from time to time, amend the ESPP to cure any ambiguity or correct or supplement any provision of the Plan which may be defective or inconsistent with another provision of the Plan, or to make other necessary or desirable changes that the committee deems to be not material.

Unless earlier terminated in accordance with applicable provisions, the ESPP shall terminate on the tenth anniversary of the ESPP's restatement effective date, 27 May 2010. Notwithstanding the foregoing, the ESPP shall terminate if earlier, coincident with the completion of any offering under which the limitation on the total number of shares have been reached.

## Taxation and withholding

Upon disposition of shares purchased pursuant to the ESPP, the participant shall pay, or make provision satisfactory to the committee for payment of, all tax (and similar) withholding that the committee determines, in its discretion, are required due to the acquisition or disposition, including without limitation any such withholding that the Committee determines in its discretion is necessary to allow NASDAQ OMX and its affiliates to claim tax deductions or other benefits in connection with the acquisition or disposition.

By participating in the ESPP, each participant authorizes the relevant participating affiliate to make appropriate withholding deductions from the participant’s compensation, which shall be in addition to any payroll deductions, and to pay such amounts to the tax authorities in the relevant country or countries in order to satisfy any of the above tax liabilities of the participant under applicable law.

**Enrollment into the plan**

The participant will not be subject to any taxation at the date of enrollment in the ESPP or during the period in which the payroll deduction is made and the agreed amount accumulates. If the participant decides to withdraw from the ESPP the amounts deducted will be paid out without any tax consequences.

### On the time of acquisition

On the date the participant's stock purchase right is exercised a taxable benefit arises. The taxable benefit and the income tax value is the difference between the fair market value of the shares on the date of exercise and the price the participant has paid for the shares. The benefit will be taxed as an employee income with local- and state- income tax from 30% up to 58% depending on your place of residence and level of income. The employer will pay social security contributions on the benefit.

NASDAQ OMX will be obliged to withhold preliminary income tax on the benefit in the same month as the benefit arises.

### Sale of shares

The acquisition value is the price the participant has paid plus the taxable benefit. When the participant divests the shares any gain or loss will be treated as a capital gain. The capital income tax is 30% in Sweden. Deductions are allowed for interest payments and capital losses. If the participant has a capital loss, 30% of the loss up to SEK 100,000 and 21% of the loss exceeding this amount is credited against state- and local income tax.

### Dividends

The participant will be subject to capital income tax on any dividend paid by the NASDAQ OMX on any shares the participant has acquired in the Plan. The participant will also be subject to U.S. income tax withholding at source with 15% of any dividend paid by the NASDAQ OMX. The participant should be entitled to a deduction of the withholding tax paid in the U.S. from the Swedish tax on the dividend.

Regarding NASDAQ OMX'S dividend policy, please see chapter 9.

## Application of funds and estimate of total cost of the Plan

The proceeds received by NASDAQ OMX from the sale of shares pursuant to purchases under the ESPP will be used for general corporate purposes.

Total annual cost is estimated to be approximately $1,100,000 (this amount is based upon total NASDAQ OMX employees and an estimated percentage that we expect will participate in the ESPP).

## Dilution

The shares under the ESPP are offered pursuant to this prospectus to approximately 2,200 employees of NASDAQ OMX (the dilution calculation has been based upon all NASDAQ OMX employees). Employees who elect to participate in the ESPP may contribute 1% to 15% of their eligible pay towards the purchase of shares; provided, no participant may purchase shares under the ESPP with a value in excess of $25,000 per calendar year (determined based upon the value of a share of stock on the first business day of the applicable offering period).

For the offering period commencing on July 1, 2010 and ending on December 31, 2010, approximately 2,200 employees were eligible to participate in the offering and approximately 108,372 shares were purchased on behalf of participants of the ESPP. Based upon the 2,200 employees who are eligible to participate and assuming the same share priceand percentage of employee participation for the number of shares purchased in the two offering periods covered by this prospectus, the total number of shares purchased under this prospectus would be 237,165.

Based on the above assumptions, the holdings of a shareholder of NASDAQ OMX currently holding 1% of the total outstanding share capital of NASDAQ OMX as of March 31, 2011, i.e., 1,763,019 Shares, and who is not an employee participating in the offer, would hypothetically be diluted as indicated in the following table:

| | Percentage of the Total Outstanding Shares | Total Outstanding Shares |
|---|---|---|
| Before the offering at ( March 31, 2011) | 1.0000% | 176,300,916 |
| After hypothetical issuance of 237,165 shares under the ESPP | 0.99870% | 176,538,081 |

# 5. Information about the NASDAQ OMX Group, Inc.

## Business description

NASDAQ OMX is a leading global exchange group that delivers trading, exchange technology, securities listing, and public company services across six continents. NASDAQ OMX's global offerings are diverse and include trading across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. NASDAQ OMX's technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing and settlement and many other functions.

In the U.S., NASDAQ OMX operates The NASDAQ Stock Market, a registered national securities exchange. The NASDAQ Stock Market is the largest single cash equities securities market in the U.S. in terms of listed companies and in the world in terms of share value traded. As of December 31, 2010, The NASDAQ Stock Market was home to 2,778 listed companies with a combined market capitalization of approximately $4.6 trillion. In addition, in the U.S. NASDAQ OMX operate two additional cash equities trading markets, two options markets, a futures market and a derivatives clearinghouse. NASDAQ OMX also engage in riskless principal trading over-the-counter, or OTC, power and gas contracts.

In Europe, NASDAQ OMX operates exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland as NASDAQ OMX Nordic, and exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania) as NASDAQ OMX Baltic. Collectively, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic offer trading in cash equities, bonds, structured products and ETFs, as well as trading and clearing of derivatives and clearing of resale and repurchase agreements. NASDAQ OMX's Nordic and Baltic operations also offer alternative marketplaces for smaller companies called NASDAQ OMX First North. As of December 31, 2011, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, together with NASDAQ OMX First North, were home to 780 listed companies with a combined market capitalization of approximately $1.1 trillion.

NASDAQ OMX also operates NASDAQ OMX Armenia. In addition, NASDAQ OMX Commodities operates the world's largest power derivatives exchange, one of Europe's largest carbon exchanges and N2EX, a marketplace for physical U.K. power contracts.

In some of the countries where NASDAQ OMX operates exchanges, NASDAQ OMX also provide clearing, settlement and depository services.

NASDAQ OMX operates in three segments: Market Services, Issuer Services and Market Technology. Of NASDAQ OMX's total first quarter 2011 revenues less liquidity rebates, brokerage, clearance and exchange fees of $415 million, 67.7% was from NASDAQ OMX's Market Services segment, 21.9% was from NASDAQ OMX's Issuer Services segment and, 10.4% was from NASDAQ OMX's Market Technology segment. Of NASDAQ OMX's 2010 revenues less transaction rebates, brokerage, clearance and exchange fees of $1,522 million, 67.3% was from our Market Services segment, 22.6% was from our Issuer Services segment, 10.0% was from our Market Technology segment and 0.1% related to other revenues.

## Business Environment

NASDAQ OMX serves listed companies, market participants and investors by providing high quality cash equity, derivative and commodities markets, thereby facilitating economic growth and corporate entrepreneurship. NASDAQ OMX also provides market technology to exchanges and markets around the world. In broad terms, NASDAQ OMX's business performance is impacted by a number of drivers including macroeconomic events affecting the risk and return of financial assets, investor sentiment, government and private sector demands for capital, the regulatory environment for capital markets, and changing technology in the financial services industry. NASDAQ OMX's future revenues and net income will continue to be influenced by a number of domestic and international economic trends including:

- Trading volumes, particularly in U.S. and Nordic cash equity and derivative securities, which are driven primarily by overall macroeconomic conditions;
- The number of companies seeking equity financing, which is affected by factors such as investor demand, the global economy and availability of diverse sources of financing as well as tax and regulatory policies;
- The emergence of new market participants seeking opportunities in the recovering global economy;
- The steady optimism of NASDAQ OMX's technology customers about the outlook for capital markets and economic stability;
- Continuing pressure in transaction fee pricing due to intense competition in the U.S. and Europe;
- Competition for listings and trading related to pricing, product features and service offerings;
- Regulatory changes imposed upon certain types of instruments, transactions, or capital market participants; and
- Technological advancements and members' demand for speed, efficiency, and reliability.

Currently NASDAQ OMX's business drivers are defined by investors' cautious outlook about the pace of global economic recovery and the economic effect of recent natural disasters and political instability around the world, and governments' ability to fund their sovereign debt. The lack of confidence in the prospects for growth results in sporadic increases in the level of market volatility and lackluster trading volume. Additional impacts on NASDAQ OMX's business drivers include the international enactment and implementation of new legislative and regulatory initiatives, and the continued rapid evolution and deployment of new technology in the financial services industry. The business environment that influenced NASDAQ OMX's financial performance for the first quarter of 2011 may be characterized as follows:

- A modest increase in the pace of new equity issuance in the U.S. with 22 IPOs on The NASDAQ Stock Market, up from 15 in the first quarter of 2010. IPO activity remained weak in the Nordics with one IPO on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic;
- Matched share volume for all NASDAQ OMX's U.S. markets decreased 24.9% relative to the first quarter of 2010 driven by a modest decline in overall U.S. volume, a decline in NASDAQ OMX's market share due to intense competition from both off-exchange trading and from other U.S. exchanges;
- A 21.6% increase relative to the first quarter of 2010 in the number of cash equity transactions on NASDAQ OMX's Nordic and Baltic exchanges driven by increased levels of trading as participants increasingly adopt algorithmic trading;
- A 3.4% increase relative to the first quarter of 2010 in the SEK value of cash equity transactions on NASDAQ OMX's Nordic and Baltic exchanges resulting from increased volume levels and higher 12-month equity valuations;
- Growth of 8.2% experienced by NASDAQ OMX's Nordic and Baltic exchanges relative to the first quarter of 2010 in the number of traded and cleared equity and fixed-income contracts (excluding Eurex) driven by growth in fixed-income trading;
- Intense competition among U.S. exchanges and dealer-owned systems for cash equity trading volume and strong competition between multilateral trading facilities and exchanges in Europe for equity trading volume;
- Globalization of exchanges, customers and competitors extending the competitive horizon beyond national markets; and
- Market trends requiring continued investment in technology to meet customers' demands for speed, capacity, and reliability as markets adapt to a global financial industry, as increasing numbers of new companies are created, and as emerging countries show ongoing interest in developing their financial markets.

## 2011 Outlook

NASDAQ OMX launched several strategic initiatives during 2010 which should benefit NASDAQ OMX during the challenging economic environment anticipated for 2011. For the third year in a row, more share value traded on The NASDAQ Stock Market than on any other single cash equities exchange in the world. NASDAQ OMX's trading platform continues to stand out as a reliable, flexible, and high capacity system delivering high levels of execution quality and speed under even extremely demanding market conditions. NASDAQ OMX continued to expand the application of NASDAQ OMX's U.S. INET trading system with the successful launch of a new cash equities trading platform, NASDAQ OMX PSX, in 2010. The NASDAQ OMX PSX model prioritizes trading according to price and order size, thereby offering an exchange alternative to institutional and block traders. The standout performance and flexibility of NASDAQ OMX's technology has enabled NASDAQ OMX to enter new markets with a low cost and highly regarded platform offering strong performance to both existing and new clients and creating additional sales opportunities to both NASDAQ OMX's Transactions Services and Market Data businesses.

NASDAQ OMX's 2009 experiences with launching INET technology on NASDAQ OMX's U.S. exchanges continued in 2010 with the NASDAQ OMX PSX cash equities market. Internationally, NASDAQ OMX developed and launched Genium INET for the NASDAQ OMX

Nordic and NASDAQ OMX Baltic exchanges. By using NASDAQ OMX high performance systems in NASDAQ OMX's major exchanges, the flexibility of INET and Genium INET technology has been demonstrated in both the U.S. and in Europe. The Australian Stock Exchange became NASDAQ OMX's first Genium INET customer in late 2010 and NASDAQ OMX anticipates that the Singapore Stock Exchange will introduce their Genium INET based platform during 2011.

NASDAQ OMX expects global markets to continue to be marked by significant change in 2011. These changes will be driven primarily by regulatory initiatives in the U.S. and Europe as legislation created in the aftermath of the financial crisis is implemented and as the industry reacts to those initiatives. Barring regulatory action, NASDAQ OMX expects that cash equities markets will continue to fragment into additional venues and trading will continue to migrate from exchanges to OTC systems. NASDAQ OMX also expect trading volume in cash equities to show modest growth over the year consistent with the pace of economic expansion which will partially offset the negative revenue effects of further fragmentation. Derivatives volume is expected to show stronger growth as innovative products and trading systems continue to drive activity.

Throughout 2010, there were signs of a recovery in the IPO market and NASDAQ OMX expects the demand for public equity capital from companies experiencing the return of global economic growth to support further increases in the number of IPOs. Furthermore, an improved outlook for equity investments and the number of private companies seeking capital is expected to add to the IPO pipeline in 2011. NASDAQ OMX continues to leverage the opportunities in market data brought about by the breadth of NASDAQ OMX’s data distribution capabilities by offering new data products to NASDAQ OMX's customer base and by strengthening NASDAQ OMX's direct relationships with those customers.

NASDAQ OMX and IntercontinentalExchange (ICE) announced on 1 April 2011 that they had made a joint proposal to acquire NYSE Euronext for cash and stock consideration valued at US$42.50 per NYSE Euronext share, or approximately US$11.3 billion, based on the respective NASDAQ OMX and ICE closing share prices as of 31 March 2011. The proposed acquisition is conditioned on confirmatory due diligence of NYSE Euronext and would require approval from a majority of NASDAQ OMX stockholders, a majority of ICE stockholders and a majority of NYSE Euronext stockholders. The NASDAQ OMX and ICE joint proposal would not lead to the companies acquiring joint control of NYSE Euronext. Rather, as part of the proposal, ICE would acquire NYSE Euronext’s European derivatives businesses and certain other entities and assets of NYSE Euronext, together with their related liabilities, and NASDAQ OMX would retain NYSE Euronext’s remaining entities and assets, including the NYSE Euronext stock exchanges in New York Paris, Amsterdam, Brussels and Lisbon, as well as its U.S. options business, together with their related liabilities. The combined NASDAQ OMX and NYSE Euronext would have nearly 1,800 listed companies, worth US$4,000 billion in market capitalization and would provide trading services for approximately 22% of Pan-European equity trading. NASDAQ OMX and ICE will continue to operate as separate businesses throughout the proposed transaction, as well as after its completion. NASDAQ OMX and ICE would finance the $3.8 billion cash portion of the acquisition purchase price through cash on hand and new financing commitments. The financing commitments are subject to the satisfaction of customary conditions precedent. The repayment of debt would be financed by the cash flows of the combined companies. On April 10, 2011, NYSE Euronext’s board of directors rejected the NASDAQ OMX and ICE joint proposal. Later that same day, both NASDAQ OMX and ICE reaffirmed their proposal. On April 19, 2011, NASDAQ OMX and ICE announced they had taken a series of steps demonstrating their commitment to pursuing their joint proposal to acquire NYSE Euronext, which included, inter alia, an offer to pay a reverse termination fee of $350 million (to be split equally by NASDAQ OMX and ICE) in the event that they are unable to obtain necessary antitrust and competition approvals for the acquisition, and an agreement to share equally all break-up or termination fees paid or payable to Deutsche Börse in connection with the acquisition proposal, which are contemplated to total €250.0 million ($353.2 million based on the euro to U.S. dollar exchange rate as of March 31, 2011). On April 21, 2011, NYSE Euronext's board of directors rejected the revised proposal of NASDAQ OMX and ICE, and NASDAQ OMX and ICE again reaffirmed their proposal the same day. On May 2, 2011, NASDAQ OMX and ICE announced that their boards of directors had approved their intent to commence an exchange offer to acquire all of the outstanding shares of NYSE Euronext common stock in a cash and stock transaction for the same consideration per share as in the joint proposal. If NASDAQ OMX and ICE are successful in acquiring shares pursuant to the offer, they would consummate a second step merger as soon as possible thereafter to acquire the remaining NYSE Euronext shares for the same consideration per share.

NASDAQ OMX believes that the year ahead will be positive for NASDAQ OMX's business drivers and NASDAQ OMX's operations as the global economy slowly recovers. NASDAQ OMX believes that NASDAQ OMX's aggressive steps in meeting NASDAQ OMX's cost, revenue, and technology objectives over the last three years will enable NASDAQ OMX to benefit from improving economic conditions in 2011. NASDAQ OMX will continue to look for opportunities to further diversify NASDAQ OMX's business with enhanced product offerings and/or acquisitions that are complementary to NASDAQ OMX's existing businesses.

# 6. Financial Information in Summary

## Selected Historical Financial Information

On February 27, 2008, Nasdaq and OMX AB combined their businesses and Nasdaq was renamed The NASDAQ OMX Group, Inc. Under the purchase method of accounting, Nasdaq was treated as the accounting and legal acquirer in the business combination with OMX AB. NASDAQ OMX also completed NASDAQ OMX's acquisitions of PHLX in July 2008, Boston Stock Exchange, Incorporated in August 2008, certain businesses of Nord Pool ASA in October 2008, the assets of North American Energy Credit and Clearing Corp. in March 2010, Nord Pool ASA in May 2010, SMARTS Group Holdings Pty Ltd in August 2010, as well as FTEN, Inc. and Zoomvision Mamato in December 2010. These acquisitions also have been treated as purchases for accounting purposes, with NASDAQ OMX treated as the acquirer. Additionally, NASDAQ OMX purchased a majority stake in International Derivatives Clearing Group in December 2008 and a 22% equity interest in International Derivatives Clearing Group in January 2009. The financial results of these transactions are included in the consolidated financial results beginning on the date of each acquisition or strategic initiative.

The following table sets forth selected financial data on a historical basis for NASDAQ OMX. The financial data has been derived from the audited consolidated financial statements of NASDAQ OMX. The financial data as of and for the three months ended March 31, 2011 and 2010 has been derived from the unaudited condensed consolidated financial statements of NASDAQ for the fiscal quarter ended March 31, 2011. In NASDAQ OMX's management's opinion, the unaudited information has been prepared on substantially the same basis as the financial data appearing elsewhere in this document and includes all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the unaudited consolidated quarterly data.

| | Three Months Ended March 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| | (in millions, except share and per share amounts) | | | | |
| **Statements of Income Data:** | | | | | |
| Total revenues[1] | $ 817 | $ 771 | $ 3,197 | $ 3,411 | $ 3,650 |
| Cost of revenues[2] | (402) | (411) | (1,675) | (1,958) | (2,190) |
| Revenues less transactions rebates, brokerage, clearance and exchange fees | 415 | 360 | 1,522 | 1,453 | 1,460 |
| Total operating expenses | 234 | 248 | 891 | 850 | 820 |
| Operating income | 181 | 112 | 631 | 603 | 640 |
| Net income attributable to NASDAQ OMX | 104 | 61 | 395 | 266 | 314 |
| Net income applicable to common stockholders | 104 | 60 | 394 | 266 | 314 |
| Basic and diluted earnings per share: | | | | | |
| Basic earnings per share | $ 0.59 | $ 0.29 | $ 1.94 | $ 1.30 | $ 1.65 |
| Diluted earnings per share | $ 0.57 | $ 0.28 | $ 1.91 | $ 1.25 | $ 1.55 |

[1] We record execution revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues.
[2] We record execution revenues from transactions on a gross basis in revenues and record related expenses as cost of revenues.

| | Three Months Ended March 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| | (in millions, except share and per share amounts) | | | | |
| Weighted-average common shares outstanding for earnings per share: | | | | | |
| Basic | 176,092,796 | 211,165,338 | 202,975,623 | 204,698,277 | 190,362,605 |
| Diluted | 181,080,072 | 214,761,357 | 206,514,655 | 214,537,907 | 204,514,862 |

| | March 31, | | December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| | (in millions) | | | | |
| **Balance Sheets Data:** | | | | | |
| Cash and cash equivalents and financial investments | $ 722 | $ 796 | $ 568 | $ 902 | $ 601 |
| Total assets | 18,065 | 10,519 | 16,207 | 10,722 | 12,752 |
| Total long-term liabilities | 3,233 | 3,002 | 3,247 | 2,909 | 3,372 |
| Total equity | 5,037 | 4,931 | 4,729 | 4,944 | 4,303 |

**Note**: The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles. The financial statements include the accounts of NASDAQ OMX, its wholly-owned subsidiaries and other entities in which NASDAQ OMX has a controlling financial interest. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Key Drivers**

The following table includes key drivers for our Market Services, Issuer Services, and Market Technology segments. In evaluating the performance of NASDAQ OMX's business, our senior management closely watches these key drivers.

| | Three Months Ended March 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| **Market Services** | | | | | |
| **Cash Equity Trading** | | | | | |
| *NASDAQ securities* | | | | | |
| Average daily share volume (in billions) | 2.05 | 2.34 | 2.19 | 2.24 | 2.28 |
| Matched market share executed on NASDAQ | 26.8 % | 29.1% | 28.6% | 33.0 % | 43.2% |
| Matched market share executed on NASDAQ OMX BX | 1.4 % | 3.7% | 2.9% | 1.4 % | — |
| Matched market share executed on NASDAQ OMX PSX | 0.9 % | — | — | — | — |
| Market share reported to the FINRA/NASDAQ Trade Reporting Facility[1] | 32.7% | 38.6 % | 35.5% | 36.6 % | 22.6% |
| Total market share[2] | 61.8% | 71.5 % | 67.1% | 71.0 % | 65.8% |
| *NYSE securities* | | | | | |
| Average daily share volume (in billions) | 4.54 | 4.83 | 4.83 | 5.64 | 5.06 |
| Matched market share executed on NASDAQ | 11.8% | 15.2 % | 13.7% | 15.7 % | 22.2% |
| Matched market share executed on NASDAQ OMX BX | 2.0 % | 4.4 % | 3.6% | 1.9 % | — |
| Matched market share executed on NASDAQ OMX PSX | 0.8 % | — | — | — | — |
| Market share reported to the FINRA/NASDAQ Trade Reporting Facility[1] | 29.9% | 33.5 % | 31.3% | 32.1 % | 19.3% |
| Total market share[2] | 44.5% | 53.1 | 48.7% | 49.6 % | 41.5% |
| *NYSE Amex and regional securities* | | | | | |
| Average daily share volume (in billions) | 1.35 | 1.47 | 1.45 | 1.89 | 1.49 |

[1] Transactions reported to the Financial Industry Regulatory Authority, or FINRA/NASDAQ Trade Reporting Facility.
[2] Includes transactions executed on NASDAQ's, NASDAQ OMX BX's and NASDAQ OMX PSX's systems plus trades reported through the FINRA/NASDAQ Trade Reporting Facility.

| | Three Months Ended March 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| Matched market share executed on NASDAQ | 16.8% | 21.6% | 20.7% | 24.4 % | 35.1% |
| Matched market share executed on NASDAQ OMX BX | 1.7% | 2.4% | 3.1% | 1.4 % | — |
| Matched market share executed on NASDAQ OMX PSX | 1.3% | — | — | — | — |
| Market share reported to the FINRA/NASDAQ Trade Reporting Facility[1] | 27.1% | 32.3 | 28.7% | 32.1 % | 16.2% |
| Total market share[2] | 46.9% | 56.3 | 52.6% | 57.9 % | 51.4% |
| *Total U.S.-listed equities* | | | | | |
| Average daily share volume (in billions) | 7.94 | 8.64 | 8.47 | 9.77 | 8.83 |
| Matched share volume (in billions) | 94.8 | 126.2 | 475.0 | 566.6 | 665.9 |
| Matched market share executed on NASDAQ | 16.5% | 20.0% | 18.8% | 21.3% | 29.8% |
| Matched market share executed on NASDAQ OMX BX | 1.8% | 3.9% | 3.3% | 1.7% | — |
| Matched market share executed on NASDAQ OMX PSX | 0.9% | — | — | — | — |
| *NASDAQ OMX Nordic and NASDAQ OMX Baltic* | | | | | |
| Average daily number of equity trades | 338,534 | 278,372 | 284,840 | 212,465 | 213,481 |
| Average daily value of shares traded (in billions) | $ 4.1 | $ 3.6 | $ 3.3 | $ 3.1 | $ 5.0 |
| **Derivative Trading and Clearing** | | | | | |
| *U.S. Equity Options* | | | | | |
| Total industry average daily volume (in millions) | 17.3 | 14.0 | 14.3 | 13.4 | 13.0 |
| NASDAQ OMX PHLX matched market share | 23.5% | 21.3% | 23.4% | 17.9 % | 16.4% |
| The NASDAQ Options Market matched market share | 5.2% | 2.5 % | 4.0% | 3.1 % | 1.0% |
| *NASDAQ OMX Nordic and NASDAQ OMX Baltic* | | | | | |
| Average Daily Volume: | | | | | |
| Options, futures and fixed-income contracts | 455,845 | 421,275 | 428,523 | 329,350 | 418,773 |
| Finnish option contracts traded on Eurex | 177,836 | 108,576 | 117,450 | 77,312 | 73,870 |
| *NASDAQ OMX Commodities* | | | | | |
| Clearing Turnover: | | | | | |
| Power contracts (TWh)[3] | 446 | 687 | 2,090 | 2,136 | 409 |
| International power contracts (TWh)[4] | 8 | 4 | — | — | — |
| Carbon contracts (1000 $tCO_2$)[5] | 4,036 | 11,879 | 31,500 | 45,765 | 13,261 |

| | Three Months Ended March 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2010 | 2009 | 2008 |
| **Issuer Services** | | | | | |
| Initial public offerings: | | | | | |
| NASDAQ | 22 | 15 | 89 | 33 | 26 |
| Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic | 1 | 3 | 11 | 1 | 17 |
| New listings: | | | | | |
| NASDAQ[6] | 34 | 41 | 195 | 131 | 177 |
| Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic[1] | 4 | 6 | 25 | 12 | 28 |

[1] Transactions reported to the Financial Industry Regulatory Authority, or FINRA/NASDAQ Trade Reporting Facility.
[2] Includes transactions executed on both NASDAQ's, NASDAQ OMX BX's and NASDAQ OMX PSX's systems plus trades reported through the FINRA/NASDAQ Trade Reporting Facility.
[3] Transactions executed on Nord Pool and reported for clearing to NASDAQ OMX Commodities measured by Terawatt hours (TWh) and one thousand metric tons of carbon dioxide (1000 $tCO_2$).
[4] Transactions executed on Nord Pool and reported for clearing to NASDAQ OMX Commodities measured by Terawatt hours (TWh) and one thousand metric tons of carbon dioxide (1000 $tCO_2$).
[5] Transactions executed on Nord Pool and reported for clearing to NASDAQ OMX Commodities measured by Terawatt hours (TWh) and one thousand metric tons of carbon dioxide (1000 $tCO_2$).
[6] New listings include initial public offerings, including those completed on a best efforts basis, issuers that switched from other listing venues, closed-end funds and separately listed exchange traded funds.

| | | | | | |
|---|---|---|---|---|---|
| Number of listed companies: | | | | | |
| NASDAQ [2] | 2,760 | 2,823 | 2,778 | 2,852 | 3,023 |
| Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic[3] | 773 | 792 | 780 | 797 | 824 |
| **Market Technology** | | | | | |
| Order intake (in millions)[4] | $ 6 | $ 50 | $ 160 | $ 204 | 229 |
| Total order value (in millions)[5] | $ 471 | $ 496 | $ 495 | $ 417 | 359 |

**Segment Financial Data**

We manage, operate and provide our products and services in three business segments, our Market Services segment, our Issuer Services segment and our Market Technology segment. The following table presents certain information regarding these operating segments for the three months ended March 31, 2011 and 2010 and for the years ended December 31, 2010, 2009 and 2008.

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **Three months ended March 31, 2011** | | | | | |
| Total revenues | $ 683 | $ 91 | $ 43 | $ — | $ 817 |
| Cost of revenues | (402) | — | — | — | (402) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 281 | 91 | 43 | — | 415 |
| Income (loss) before income taxes | $ 125 | $ 30 | $ 1 | $ (4) | $ 152 |

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **Three months ended March 31, 2010** | | | | | |
| Total revenues | $ 652 | $ 84 | $ 34 | $ 1 | $ 771 |
| Cost of revenues | (411) | — | — | — | (411) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 241 | 84 | 34 | 1 | 360 |
| Income before income taxes | $ 100 | $ 31 | $ 2 | $ (44) | $ 89 |

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **2010** | | | | | |
| Total revenues | $ 2,700 | $ 344 | $ 152 | $ 1 | $ 3,197 |
| Cost of revenues | (1,675) | — | — | — | (1,675) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 1,025 | 344 | 152 | 1 | 1,522 |
| Income (loss) before income taxes | 450 | 119 | 11 | (54) | 526 |

[1] New listings include initial public offerings and represent companies listed on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and companies on the alternative markets, NASDAQ OMX First North.
[2] Number of listed companies for NASDAQ at period end, including separately listed exchange traded funds.
[3] Represents companies listed on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and companies on the alternative markets, NASDAQ OMX First North, at period end.
[4] Total contract value of orders signed.
[5] Represents total contract value of orders signed that are yet to be recognized as revenue.

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **2009** | | | | | |
| Total revenues | $ 2,934 | $ 330 | $ 145 | $ 2 | $ 3,411 |
| Cost of revenues | (1,958) | — | — | — | (1,958) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 976 | 330 | 145 | 2 | 1,453 |
| Income (loss) before income taxes | 408 | 110 | 14 | (141) | 391 |

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **2008** | | | | | |
| Total revenues | $ 3,176 | $ 343 | $ 119 | $ 12 | $ 3,650 |
| Cost of revenues | (2,190) | — | — | — | (2,190) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 986 | 343 | 119 | 12 | 1,460 |
| Income (loss) before income taxes | 496 | 77 | (22) | (38) | 513 |

# 7. Capitalization and other Financial Information

## Shareholders' Equity and Liabilities

The information that NASDAQ OMX has provided has been prepared in accordance with U.S. GAAP.

| | March 31, 2011 | December 31 2010 |
|---|---|---|
| | (Unaudited) | |
| **Liabilities** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 151 | $ 142 |
| Section 31 fees payable to SEC | 70 | 82 |
| Accrued personnel costs | 71 | 122 |
| Deferred revenue | 237 | 122 |
| Other current liabilities | 149 | 119 |
| Deferred tax liabilities | 27 | 26 |
| Open clearing contracts: | | |
| Derivative positions, at fair value | 2,295 | 4,037 |
| Repurchase agreements, at contract value | 6,655 | 3,441 |
| Current portion of debt obligations | 140 | 140 |
| Total current liabilities | 9,795 | 8,231 |
| Debt obligations | 2,150 | 2,181 |
| Non-current deferred tax liabilities | 716 | 698 |
| Non-current deferred revenue | 172 | 170 |
| Other liabilities | 195 | 198 |
| Total liabilities | 13,028 | 11,478 |
| **Commitments and contingencies** | | |
| **Equity** | | |
| NASDAQ OMX stockholders' equity: | | |
| Common stock, $0.01 par value, 300,000,000 shares authorized, shares issued: 213,377,707 at March 31, 2011 and 213,370,086 at December 31, 2010; shares outstanding: 176,300,916 at March 31, 2011 and 175,782,683 at December 31, 2010 | 2 | 2 |
| Preferred stock, 30,000,000 shares authorized, series A convertible preferred stock: shares issued: 1,600,000 at March 31, 2011 and December 31, 2010; shares outstanding: none at March 31, 2011 and December 31, 2010 | — | — |
| Additional paid-in capital | 3,784 | 3,780 |
| Common stock in treasury, at cost: 37,076,791 shares at March 31, 2011 and 37,587,403 shares at December 31, 2010 | (786) | (796) |
| Accumulated other comprehensive loss | (82) | (272) |
| Retained earnings | 2,108 | 2,004 |
| Total NASDAQ OMX stockholders' equity | 5,026 | 4,718 |
| Noncontrolling interests | 11 | 11 |
| Total equity | 5,037 | 4,729 |
| Total liabilities and equity | $18,065 | $16,207 |

## Net Financial Indebtedness

| | As of 31 March 2011 (in millions) |
|---|---|
| Cash | $ 140 |
| Cash equivalent | 299 |
| Trading securities | 253 |
| Liquidity | 692 |
| Current portion of non-current debt unguaranteed/unsecured | (140) |
| **Net Current Financial Indebtedness** | 552 |
| Non-current bank loans unguaranteed/unsecured | (395) |
| Bonds issued unguaranteed/unsecured | (1,363) |
| Other non-current loans unguaranteed/unsecured | (392) |
| **Non-current Financial Indebtedness** | (2,150) |
| **Net Financial Indebtedness** | $ (1,598) |

In January 2010, NASDAQ OMX entered into a senior unsecured three-year credit facility. The credit facility provides for an unfunded $250 million revolving credit commitment (including a swingline facility and letter of credit facility).

NASDAQ OMX also has other credit facilities related to NASDAQ OMX's  clearinghouses in order to meet liquidity and regulatory requirements. At 31 March 2011, these credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled $459 million ($208 million in available liquidityand $251 million to satisfy regulatory requirements), none of which was utilized at March 31, 2011.

## Capital Resources and Working Capital

Working capital (calculated as current assets less current liabilities) was $380 million at 31 March 2011, compared with $279 million at 31 December 2010, an increase of $101 million, or 36.2%. The increase in working capital is primarily due to an increase in cash and cash equivalents, receivables, net and decreases in accrued personnel costs and section 31 fees payable to SEC.The increase is partially offset by increases in deferred revenue and other current liabilities. NASDAQ OMX has historically been able to generate sufficient funds from operations to meet working capital requirements. At 31 March 2011, NASDAQ OMX had total contractual debt obligations of $2,333 million, of which $140 million is due within one year.

## Statement regarding Working Capital

NASDAQ OMX is of the opinion that the existing working capital is sufficient to meet the current needs of NASDAQ OMX for the next 12 months.

## Trends and significant changes since publication of the interim report for the period January-March 2011

NASDAQ OMX and IntercontinentalExchange (ICE) announced on 1 April 2011 that they had made a joint proposal to acquire NYSE Euronext for cash and stock consideration valued at US$42.50 per NYSE Euronext share, or approximately US$11.3 billion, based on the respective NASDAQ OMX and ICE closing share prices as of 31 March 2011. The proposed acquisition is described further under Information about the NASDAQ OMX Group, Inc. - 2011 Outlook.

Apart from the NASDAQ OMX and ICE joint acquisition proposal, there has been no substantial change in NASDAQ OMX's financial position or market position since the publication of the interim report for the period January – March 2011, chapter 11.

# 8. Board of Directors, Executive Officers and Auditors

## Board of Directors

The business and affairs of NASDAQ OMX are managed under the direction of NASDAQ OMX's board of directors. Pursuant to NASDAQ OMX's certificate of incorporation and by-laws and based on NASDAQ OMX's governance needs, the board may determine the total number of directors. Currently, the board is authorized to have sixteen directors. The currently elected directors are referred below. The below also includes information regarding the beneficial ownership of NASDAQ OMX's voting securities as of 8 April 2011 regarding all directors of NASDAQ OMX.

**Urban Bäckström (non-executive Deputy Chairman of NASDAQ OMX's board of directors)**

Urban Bäckström was elected non-executive Deputy Chairman of NASDAQ OMX's board of directors effective March 1, 2008. Previously, he was Chairman of OMX's board of directors since April 2007 and a board member since 2005. He is currently, since June 1, 2005, also Managing Director of the Confederation of Swedish Enterprise, a pro-business non-profit organization representing 54,000 Swedish companies. Between 1991 and 1993, Mr. Bäckström was State Secretary in the Ministry of Finance in Sweden. From 1994 to December 31, 2002, Mr. Bäckström was Chairman and Governor of The Swedish Central Bank. During that period he also served on the board of the Bank for International Settlement, as a board member from 1994 to 1999 and as Chairman from 1999 to 2002. He also represented Sweden as Governor of the International Monetary Fund, in the Group-of-ten, in the European Monetary Institute, a forerunner to the European Central Bank (ECB) between 1995 and 1998 and in the General Council of ECB between 1999 and 2002. Mr. Bäckström was, in accordance with the Swedish Central Bank Act, restricted from seeking employment for ten months after leaving the Central Bank. From November 2003 until May 2005, he was Chief Executive Officer of Skandia Liv, one of the largest life insurers in Sweden.

Mr. Bäckström has extensive experience in the international financial field where he maintains broad contacts, and he brings a global perspective to the NASDAQ OMX board. Mr. Bäckström also has senior leadership and risk management experience as a result of his past roles.

*Common stock beneficially owned*: 5,150 (Represents 5,150 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

**H. Furlong Baldwin (non-executive Chairman of NASDAQ OMX's board of directors)**

H. Furlong Baldwin was elected non-executive Chairman of NASDAQ OMX's board of directors effective May 12, 2003 and has been a member of NASDAQ OMX's board of directors since July 2000. Mr. Baldwin also served as a member of FINRA's board of governors from 1999 until 2003. Mr. Baldwin served as Chairman and Chief Executive Officer of the Mercantile Bankshares Corporation, a multi-bank holding company, from April 1976 until March 2001. Mr. Baldwin retired as Chairman and member of the Mercantile board of directors in March 2003. Mr. Baldwin joined Mercantile-Safe Deposit & Trust Company in 1956 and was elected President of Mercantile-Safe Deposit & Trust Company and Mercantile

Bankshares Corporation in 1970, and Chairman and Chief Executive Officer in 1976. Mr. Baldwin serves on the boards of W.R. Grace & Co., Platinum Underwriters Holdings, Ltd. and Allegheny Energy, Inc.

Mr. Baldwin has served in senior leadership roles in his positions as Chairman and Chief Executive Officer of Mercantile Bankshares Corporation. In these roles, Mr. Baldwin was responsible for all aspects of that company's operations and negotiated multiple mergers and acquisitions. Mr. Baldwin also has served on the boards of directors and compensation and governance committees of several public companies, bringing extensive public company experience to the NASDAQ OMX board.

*Common stock beneficially owned*: 27,855 (Represents (i) 5,000 vested options to purchase NASDAQ OMX common stock granted under the Equity Plan and (ii) 22,855 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 5,000 options granted and fully vested, as noted above.

**Michael Casey (board member of NASDAQ OMX's board of directors)**

Michael Casey was elected to NASDAQ OMX's board of directors in January 2001. He is an advisor to the Chief Executive Officer and Chief Financial Officer of Starbucks Corporation, a leading roaster and retailer of specialty coffee. Prior to his current position, Mr. Casey served as Executive Vice President, Chief Financial Officer and Chief Administrative Officer of Starbucks from September 1997 to October 2007 and Senior Vice President and CFO from August 1995. Mr. Casey is a member of the lululemon athletica inc. board of directors.

Due to his extensive background in finance and accounting, Mr. Casey meets the criteria of an audit committee financial expert for the NASDAQ OMX board. Mr. Casey brings substantial finance and accounting experience as a direct result of his responsibilities as former CFO of Starbucks. While at Starbucks, Mr. Casey also gained experience in executive compensation and human resources issues, which are integral to his role as the chairman of the management compensation committee of NASDAQ OMX's board.

*Common stock beneficially owned*: 53,785 (Represents (i) 5,000 shares of common stock acquired upon exercise of vested stock options, (ii) 23,785 vested shares of restricted stock granted under the Equity Plan, and (iii) 25,000 shares acquired through open-market purchases that Mr. Casey holds jointly with his spouse. Excludes shares of NASDAQ OMX common stock owned by Starbucks Corporation, of which Mr. Casey is an advisor to the Chief Executive Officer and Chief Financial Officer. Mr. Casey disclaims beneficial ownership of such shares.)

5,000 options granted and fully vested, as noted above.

**Börje Ekholm (board member of NASDAQ OMX's board of directors)**

Börje Ekholm was elected to NASDAQ OMX's board of directors effective February 17, 2011. Mr. Ekholm is the President and Chief Executive Officer of Investor AB. Prior to becoming the President and Chief Executive Officer in 2005, Mr. Ekholm was a Member of the Management Group of Investor AB, where he had oversight of the new investments business. Mr. Ekholm previously served as the President of Novare Kapital AB, an early-stage venture capital company. He also served in various positions at McKinsey & Co Inc. Mr. Ekholm is the manager of Hycliff LLC. Mr. Ekholm serves on the boards of Chalmersinvest AB, EQT Partners AB, Husqvarna AB, Lindorff Group AB, Scania AB and Telefonaktiebolaget LM Ericsson. He is a member of the audit committees of Scania AB and Husqvarna AB.

Mr. Ekholm serves in a senior leadership role at Investor AB as President and Chief Executive Officer where he has gained invaluable experience in the financial sector. Mr. Ekholm brings an accounting background to the board from his current role at Investor AB and also as chairman of the audit committees of Scania AB and Husqvarna AB. Mr. Ekholm has broad knowledge of international markets. As a nominee designated by Investor AB, Mr. Ekholm also brings to the NASDAQ OMX board the perspective of a large stockholder.

*Common stock beneficially owned*: 0

*Stock options*: 0

**Lon Gorman (board member of NASDAQ OMX's board of directors)**

Lon Gorman was elected to NASDAQ OMX's board of directors in May 2003. Mr. Gorman is the retired Vice Chairman of The Charles Schwab Corporation, a holding company whose subsidiaries engage in securities brokerage and financial services. From September 2006 to December 1, 2009, Mr. Gorman was Chairman of NYFIX, Inc., a financial technology company focusing on electronic trading and straight-through processing solutions for the brokerage community, which was sold to NYSE Technologies in December 2009. Mr. Gorman served as Vice Chairman of The Charles Schwab Corporation from July 1999 until November 2004 and as President of Charles Schwab Institutional and Asset Management and President of Schwab Capital Markets L.P. Mr. Gorman joined Schwab in June 1996 following 16 years at Credit Suisse First Boston where he was Managing Director and Head of Global Equity Trading. Prior to CSFB, he was a partner at F. Eberstadt & Co. with responsibility for institutional sales and trading.

Mr. Gorman brings risk management experience to the board from his prior roles in the financial markets industry. He has transactional experience, specifically in the strategic decision-making, business valuation and deal structure components of acquisitions and joint ventures. Finally, Mr. Gorman has a broad knowledge of the securities industry from his forty years of experience in equity trading and knowledge of the fixed income and options markets.

*Common stock beneficially owned*: 5,370 (Represents 5,370 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

**Robert Greifeld (board member of NASDAQ OMX's board of directors and Chief Executive Officer of NASDAQ OMX)**

Robert Greifeld was elected to the board of directors and appointed Chief Executive Officer of NASDAQ OMX in May 2003. Prior to joining NASDAQ OMX, Mr. Greifeld was an Executive Vice President at SunGard Data Systems, Inc., a global provider of integrated software and processing solutions for financial services and a provider of information availability services. Mr. Greifeld joined SunGard in 1999 through SunGard's acquisition of Automated Securities Clearance, Inc., where from 1991 through 1999, Mr. Greifeld was the President and Chief Operating Officer.

Mr. Greifeld has led NASDAQ OMX through a series of complex, innovative acquisitions that have extended its footprint across the world, spanning all asset classes. Mr. Greifeld also has broad experience in the areas of technology, finance, risk management, human resources and corporate strategy.

*Common stock beneficially owned*: 3,025,674 (Represents (i) 300,000 shares of stock acquired upon exercise of vested stock options, (ii) 2,420,000 vested options to purchase stock granted under the Equity Plan, (iii) 209,383 vested shares of restricted stock and (iv) 96,291 shares of vested stock underlying performance share units, or PSUs. Mr. Greifeld maintains margin securities accounts at brokerage firms, and as a standard feature of these accounts, shares held in these accounts are pledged as collateral security for the repayment of debit balances, if any, in the accounts. At April 8, 2011, Mr. Greifeld held approximately 605,674 NASDAQ OMX shares in such accounts.)

*Stock options*: 3,860,000 options granted, of which the amount vested is noted above.

**Glenn H. Hutchins (board member of NASDAQ OMX's board of directors)**

Glenn H. Hutchins was elected to NASDAQ OMX's board of directors in May 2005. Mr. Hutchins is a Co-Founder and Co-Chief Executive of Silver Lake, a technology investment firm that was established in January 1999. Mr. Hutchins is the Chairman of the board of SunGard Capital Corp. and serves as a member of the Nominating and Governance Committee of SunGard Capital Corp. He is a director of Mercury Payment Systems and is also on the Investors Committee of NXP B.V. Mr. Hutchins served as a director of Gartner, Inc. from 2000 through 2005, of Seagate Technology LLC from 2002 through 2006 and of TD Ameritrade Holding Corporation from 2002 through 2006.

Mr. Hutchins has extensive transactional experience as a private equity investor, particularly in the area of evaluating, negotiating and structuring mergers and acquisitions. Mr. Hutchins also holds a law degree and has extensive experience in the financial and public policy sectors.

*Common stock beneficially owned*: 8,402 (Represents 8,402 vested shares of restricted stock granted under the Equity Plan. Mr. Hutchins holds these restricted shares for the benefit of Silver Lake Technology Management, L.L.C.)

*Stock options*: 0

**Birgitta Kantola (board member of NASDAQ OMX's board of directors)**

Birgitta Kantola was elected to NASDAQ OMX's board of directors effective March 1, 2008. Previously, she was a member of OMX's board since 2007. Since January 2001, she has been the CEO of Birka Consulting Ab, a financial consulting firm. From 2001 through 2008, she was a board member of Fortum Oyj (Vice Chair) and from 2003 through 2008, a board member of Nordea AB and from 2000 through 2008, a board member of Vasakronan and from 2004 through 2009, a board member of Varma Mutual Pension Company. Currently she is a member of the Boards of Stora Enso Oyj, Skandinaviska Enskilda Banken AB and Nobina AB. From 1995 through 2000, she was CFO of International Finance Corporation, Washington, DC and prior to that Executive Vice President of Nordic Investment Bank, Helsinki.

As the former CFO of a major international financial institution, Ms. Kantola gained experience in the areas of finance, accounting and risk management. Ms. Kantola has a law degree, and she has served as a board member of both listed and unlisted companies for over ten years, gaining in-depth knowledge of corporate strategy and operations. In addition, Ms. Kantola has a deep knowledge of stock exchange products.

*Common stock beneficially owned*: 2,272 (Represents 2,272 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

**Essa Kazim (board member of NASDAQ OMX's board of directors)**

Essa Kazim was elected to NASDAQ OMX's board of directors effective March 1, 2008. Since 2006, Mr. Kazim has been the Chairman of Borse Dubai and Managing Director and Chief Executive Officer of the Dubai Financial Market. Mr. Kazim began his career as a Senior Analyst in the Research and Statistics Department of the UAE Central Bank in 1988 and then moved to the Dubai Department of Economic Development as Director of Planning and Development in 1993. He was then appointed Director General of the DFM from 1999 through 2006. Mr. Kazim is currently a director of the Dubai International Financial Centre Authority, a member of the Dubai Council for Economic Affairs, a director of NASDAQ Dubai, a director of Noor Islamic Bank, a member of the board of the Rochester Institute of Technology, and a member of the board of governors of Hamdan Bin Mohammed E-University.

Through his roles at Dubai Financial Market and Borse Dubai, Mr. Kazim has experience in all aspects of the operation of stock exchanges, including regulatory compliance. He brings global experience to the board through his experience with financial markets in the Middle East. As a representative of Borse Dubai, Mr. Kazim also brings to the NASDAQ OMX board the perspective of a large stockholder.

*Common stock beneficially owned*: 2,272 (Represents 2,272 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

**John D. Markese (board member of NASDAQ OMX's board of directors)**

John D. Markese was elected to NASDAQ OMX's board of directors in May 1996. Dr. Markese served on FINRA's board of governors from 1998 to 2002. Dr. Markese is the Vice Chairman of the American Association of Individual Investors, a not-for-profit organization providing investment education to individual investors founded in 1978.

As a result of his over forty years of work in finance, Dr. Markese meets the criteria of an audit committee financial expert and serves as the chairman of the audit committee of NASDAQ OMX's board. Dr. Markese has a doctoral degree in Finance and has taught business school classes in the areas of Corporate Finance, Financial Case Analysis, Portfolio Management and Investment Analysis. Dr. Markese also brings to the NASDAQ OMX board the perspective of the individual investor community.

*Common stock beneficially owned*: 38,395 (Represents (i) 5,000 vested options to purchase NASDAQ OMX common stock granted under the Equity Plan, (ii) 18,395 vested shares of restricted stock granted under the Equity Plan and (iii) 15,000 shares of common stock held by the John D. Markese Trust September 2, 1999, of which Mr. Markese is a trustee and beneficiary.)

*Stock options*: 0

**Hans Munk Nielsen (board member of NASDAQ OMX's board of directors)**

Hans Munk Nielsen was elected to NASDAQ OMX's board of directors effective March 1, 2008. Previously, he was a member of the OMX board since 2005. He was elected deputy Mayor of Rudersdal municipality in Denmark in November 2009. From March 1991 until his retirement in December 2007, Mr. Nielsen served as Senior Executive Vice President and Chief Financial Officer of TDC A/S. Mr. Nielsen is also Chairman of the boards of Parken Sport and Entertainment AS and Alipes Capital Aps and Collateralized Mortgaged Obligations Fonden. In addition, he is Deputy Chairman of the board of Nordea Invest and a member of the board of Jeudan AS. He has also held various positions at the Great Belt Link, Carl Bro Group, Danske Bank and Danish Ministry of Finance.

As the former Chief Financial Officer of TDC, Mr. Nielsen brings significant financial and accounting experience to the NASDAQ OMX board. In his roles at TDC and OMX, Mr. Nielsen gained significant experience with regulatory issues in the securities industry, and also brings significant risk management and information technology experience to the board.

*Common stock beneficially owned*: 10,772 (Represents (i) 2,272 vested shares of restricted stock granted under the Equity Plan, and (ii) 8,500 shares acquired through open-market purchases.)

*Stock options*: 0

**Thomas F. O'Neill (board member of NASDAQ OMX's board of directors)**

Thomas F. O'Neill was elected to NASDAQ OMX's board of directors in May 2003. Mr. O'Neill is a founding principal of Sandler O'Neill + Partners L.P., an investment bank, which was founded in 1988. Mr. O'Neill retired from Sandler O'Neill in November 2010. Mr. O'Neill is chairman of the holding company of First Allied, a broker dealer, and chairman of Ranieri Partners Financial Services Group, which acquires and manages financial-services companies. Mr. O'Neill is also a director of Misonix, Inc. and Archer-Daniels-Midland Company. Mr. O'Neill serves as Chairman of the audit committee of Archer-Daniels-Midland Company and is a member of the audit committee of Misonix.

Mr. O'Neill has worked on Wall Street since 1972, and as a founding principal of a nationally-recognized investment bank, he has broad experience in the areas of finance, mergers and acquisitions and business development. Mr. O'Neill specializes in working with financial institutions, and his substantial experience in the finance community contributes to his role as chairman of the finance committee of NASDAQ OMX's board.

*Common stock beneficially owned*: 7,682 (Represents 7,682 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

**James S. Riepe (board member of NASDAQ OMX's board of directors)**

James S. Riepe was elected to NASDAQ OMX's board of directors in May 2003. Mr. Riepe served as Vice Chairman of the board of directors of T. Rowe Price Group, Inc., an investment management firm, since April 1997. He was also Chairman of the T. Rowe Price Mutual Funds. On January 1, 2006, Mr. Riepe retired from active management at T. Rowe Price and retired from T. Rowe Price Group in April 2006. Mr. Riepe continues to serve as a Senior Advisor at T. Rowe Price. Previously, he served on the firm's management committee and was responsible for overseeing mutual fund activities, including U.S. and global marketing and service operations. Mr. Riepe served as Chairman of the board of governors of the Investment Company Institute and on FINRA's board of governors. Mr. Riepe joined T. Rowe Price in 1982 as Vice President and Director of the firm. He also serves on the board of directors of Genworth Financial, Inc., LPL Investment Holdings, Inc., and UTI Asset Management Company Limited, an Indian investment management company. Mr. Riepe is a Trustee, and previously served as Chairman of the Board of Trustees, of the University of Pennsylvania.

Mr. Riepe has experience in risk management as a result of his management oversight of financial, operational and investment activities and through his participation on audit, compensation and investment committees. He also has a broad knowledge of the securities business as a result of his thirty-seven years in the asset management field.

*Common stock beneficially owned*: 8,391 (Represents 8,391 vested shares of restricted stock granted under the Equity Plan. Excludes shares of common stock owned by T. Rowe Price Group, Inc. and its affiliates, of which Mr. Riepe is Senior Advisor. Mr. Riepe disclaims beneficial ownership of such shares.)

*Stock options*: 0

**Michael R. Splinter (board member of NASDAQ OMX's board of directors)**

Michael R. Splinter was elected to NASDAQ OMX's board of directors effective March 1, 2008. Mr. Splinter has served as President and Chief Executive Officer, as well as a member of the Board of Directors, of Applied Materials, Inc., the global leader in nanomanufacturing technologyTM solutions for the electronics industry, since April 2003 and as Chairman since 2009. Mr. Splinter is Vice Chairman of the Council on Competitiveness. An engineer and technologist, Mr. Splinter is a 30-year veteran of the semiconductor industry. Prior to joining Applied Materials, Mr. Splinter was an executive at Intel Corporation. Mr. Splinter is a member of the Technology CEO Council, and he serves on the boards of Semiconductor Equipment and Materials International (SEMI) and the Silicon Valley Leadership Group.

As the Chairman and Chief Executive Officer of Applied Materials, Inc., Mr. Splinter brings to the NASDAQ OMX board the perspective of a company listed on The NASDAQ Stock Market. Mr. Splinter also has significant experience in technology/information technology, finance, risk management and corporate strategy.

*Common stock beneficially owned*: 2,272 (Represents 2,272 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

**Lars Wedenborn (board member of NASDAQ OMX's board of directors)**

Lars Wedenborn was elected to NASDAQ OMX's board of directors effective March 1, 2008. Mr. Wedenborn was elected Chairman of the NASDAQ OMX Nordic Ltd. Board in October 2009. Previously, he was a member of the OMX board since 2007. Mr. Wedenborn has been CEO of FAM (Foundation Asset Management), which is fully owned by Wallenberg Foundations, since September 2007. Mr. Wedenborn started his career as an auditor followed by an assignment as CFO at Cabanco. During 1991-2000 he was Deputy Managing Director and CFO at Alfred Berg, a Scandinavian investment bank. He served with Investor AB, a Swedish holding company, as Executive Vice President and CFO from 2000-2007. Mr. Wedenborn is Chairman of the board of PWP and a board member of SKF AB and The Grand Hotel.

Mr. Wedenborn gained senior leadership experience through his work at FAM, Investor AB and Alfred Berg. He also possesses regulatory experience, and adds a global perspective to the NASDAQ OMX board.

*Common stock beneficially owned*: 20,034 (Represents (i) 4,544 vested shares of restricted stock granted under the Equity Plan, and (ii) 15,490 shares acquired through open-market purchases by a pension insurance fund in the name of Foundation Asset Management, which is Mr. Wedenborn's employer.)

*Stock options*: 0

**Deborah L. Wince-Smith (board member of NASDAQ OMX's board of directors)**

Deborah L. Wince-Smith was elected to NASDAQ OMX's board of directors in May 2004. Ms. Wince-Smith has been the President and Chief Executive Officer of the Council on Competitiveness, a non-profit group of CEOs, university presidents and labor leaders committed to driving U.S. competitiveness, since 2001. In 2006, she was nominated by President George W. Bush and confirmed by the U.S. Senate to serve as a member of the Oversight Board of the Internal Revenue Service. She is an appointed member of the Secretary of State's Advisory Committee on International Economic Policy, serves on the Board of Governors for Argonne National Laboratory, and on the boards of several start-up technology companies. In 1989, she became the first Senate Confirmed Assistant Secretary for Technology Policy in the Department of Commerce. Previously, she served in the Reagan Administration as the Assistant Director for International Affairs and Global Competitiveness in the White House Office of Science and Technology Policy.

Ms. Wince-Smith is a globally recognized expert on science and technology policy and management, technology commercialization, domestic and international economic policy, innovation strategy and global business. Ms. Wince-Smith has been engaged in the valuations of start-up technology companies and in the architecture for developing and executing new strategic partnerships and capital investments. In the area of technology/information technology, she is an internationally known expert in the role of IT productivity and competitive business advantage.

*Common stock beneficially owned*: 12,256 (Represents 12,256 vested shares of restricted stock granted under the Equity Plan.)

*Stock options*: 0

## Executive Officers

The below includes information regarding the beneficial ownership of NASDAQ OMX's voting securities as of 8 April, 2011 regarding all executive officers of NASDAQ OMX.

**Robert Greifeld (board member of NASDAQ OMX's board of directors and Chief Executive Officer and President of NASDAQ OMX)**

Robert Greifeld, a member of NASDAQ OMX's board of directors, has served as Chief Executive Officer since May 2003. He also serves as President. Prior to joining NASDAQ OMX, Mr. Greifeld was an Executive Vice President at SunGard Data Systems, Inc., a global provider of integrated software and processing solutions for financial services and a provider of information availability services. Mr. Greifeld joined SunGard in 1999 through SunGard's acquisition of Automated Securities Clearance, Inc., where from 1991 to 1999, Mr. Greifeld was the President and Chief Operating Officer.

*Common stock beneficially owned*: (Please see above, chapter on Board of Directors.)

*Stock options*: (Please see above, chapter on Board of Directors.)

**Bruce E. Aust (Executive Vice President of the Global Corporate Client Group)**

Bruce E. Aust has served as Executive Vice President of the Global Corporate Client Group since July 2003. Mr. Aust also has responsibility for NASDAQ OMX's Corporate Services unit. Previously, Mr. Aust served as Executive Director and Vice President of the Corporate Client Group. Prior to joining NASDAQ OMX in 1998, Mr. Aust spent 12 years at Fidelity

Investments in a variety of sales, trading, and management positions in Dallas, Boston, Los Angeles, and San Francisco.

*Common stock beneficially owned*: 357,155 (Represents (i) 7,000 shares of stock acquired upon exercise of vested stock options, (ii) 340,122 vested options to purchase stock granted under the Equity Plan, (iii) 5,885 shares of vested restricted stock granted under the Equity Plan and (iv) 4,148 shares of stock purchased pursuant to the ESPP. At March 15, 2010, Mr. Aust held 7,000 NASDAQ OMX shares in a margin account.)

*Stock options*: 508,356 options granted, of which the amount vested is noted above.

**Anna M. Ewing (Executive Vice President, Chief Information Officer, Head of Global Technology and Market Technology)**

Anna M. Ewing has served as Executive Vice President and Chief Information Officer since December 2005. Ms. Ewing is head of Global Technology and Market Technology. Previously, she served as Senior Vice President of Technology Services in our Operations & Technology Group since October 2000. Before joining NASDAQ OMX, Ms. Ewing was Managing Director, Electronic Commerce at CIBC World Markets in New York and Toronto, where she served as Managing Director of Global Applications Services and as a founding member of CIBC.com. Before that, Ms. Ewing served as Vice President at Merrill Lynch, where she held various leadership positions within the Corporate and Institutional Client Group Technology Division, including Global Head of Institutional Client Technology, Global Head of Financial Futures and Options Technology, Global Head of Prime Brokerage Technology and Regional Head of Technology at Merrill Lynch Canada.

*Common stock beneficially owned*: 178,242 (Represents (i) 7,000 shares of stock acquired upon exercise of vested stock options, (ii) 105,122 vested options to purchase stock granted under the Equity Plan, (iii) 51,204 vested shares of restricted stock granted under the Equity Plan, and (iv) 14,916 shares of stock purchased pursuant to the NASDAQ OMX Employee Stock Purchase Plan (ESPP).)

*Stock options*: 362,575 options granted, of which the amount vested is noted above.

**Ronald Hassen (Senior Vice President, Controller and Principal Accounting Officer)**

Ronald Hassen has served as Senior Vice President and Controller since March 2002 and Principal Accounting Officer since May 2002. Previously, Mr. Hassen served as Treasurer from November 2002 through January 2007. Prior to joining NASDAQ OMX, Mr. Hassen served as Controller of Deutsche Bank North America from June 1999, after its acquisition of Bankers Trust Company. Mr. Hassen joined Bankers Trust in 1989, serving as Principal Accounting Officer from 1997 until the company's acquisition by Deutsche Bank.

*Common stock beneficially owned*: 107,716 (Represents (i) 100,000 vested options to purchase stock granted under the Equity Plan, (ii) 5,572 shares of vested restricted stock granted under the Equity Plan and (iii) 2,144 shares of stock purchased pursuant to the ESPP.)

*Stock options*: 223,626 options granted, of which the amount vested is noted above.

**John L. Jacobs (Executive Vice President of the Global Marketing Group, Executive Vice President of the Global Index Group and Chief Marketing Officer)**

John L. Jacobs has served as Executive Vice President of the Global Marketing Group and Chief Marketing Officer since July 2003 and Executive Vice President of the Global Index

Group since July 2002. Previously, Mr. Jacobs served as Senior Vice President of Worldwide Marketing and Financial Products from January 2000 until July 2002 and as Vice President of Investor Services and Worldwide Marketing from January 1997 until January 2000. Mr. Jacobs joined NASDAQ OMX in 1983.

*Common stock beneficially owned*: 432,134 (Represents (i) 14,000 shares of stock acquired upon exercise of vested stock options, (ii) 384,822 vested options to purchase stock granted under the Equity Plan, (iii) 17,620 shares of vested restricted stock granted under the Equity Plan and (iv) 15,692 shares of stock purchased pursuant to the ESPP.)

*Stock options*: 545,372 options granted, of which the amount vested is noted above.

**Hans-Ole Jochumsen (Executive Vice President of Transaction Services Nordic and Head of Global market Data)**

Hans-Ole Jochumsen has served as Executive Vice President of Transaction Services Nordic since February 2008. Mr. Jochumsen also has responsibility for NASDAQ OMX's Global Data Products unit. Previously, Mr. Jochumsen was the President of Information Services & New Markets for OMX. Prior to that, he served as President and CEO of the Copenhagen Stock Exchange (now called the OMX Nordic Exchange Copenhagen A/S) and FUTOP Clearingcentralen Ltd. Prior to joining OMX in 1998, Mr. Jochumsen served as President and member of the Executive Management of BG Bank from 1996 to 1998 and as President and member of the Executive Management of Girobank from 1994 to 1996. From 1990 to 1994, he was a President and member of the Executive Management of BRFkredit (mortgage bank).

*Common stock beneficially owned*: 107,256 (Represents (i) 50,000 units of unvested restricted stock, (ii) 55,844 unvested shares underlying PSUs and (iii) 1,412 shares purchased pursuant to the Employee Share Purchase Plan)

*Stock options*: 111,283 options granted, of which the amount vested is noted above.

**Edward S. Knight (Executive Vice President, General Counsel and Chief Regulatory Officer)**

Edward S. Knight has served as Executive Vice President and General Counsel since October 2000 and Chief Regulatory Officer since January 2006. Previously, Mr. Knight served as Executive Vice President and Chief Legal Officer of FINRA from July 1999 to October 2000. Prior to joining FINRA, Mr. Knight served as General Counsel of the U.S. Department of the Treasury from September 1994 to June 1999. Mr. Knight also serves as a director of NASDAQ Dubai.

*Common stock beneficially owned*: 308,863 (Represents (i) 12,640 shares of stock acquired upon exercise of vested stock options, (ii) 273,356 vested options to purchase stock granted under the Equity Plan, (iii) 7,606 vested shares of restricted stock granted under the Equity Plan, and (iv) 15,261 shares of stock purchased pursuant to the ESPP.)

*Stock options*: 430,069 options granted, of which the amount vested is noted above.

**Eric W. Noll (Executive Vice President of Transaction Services U.S. and U.K.)**

Eric W. Noll has served as Executive Vice President of Transaction Services U.S. and U.K. since July 2009. From March 1994 to July 2009, Mr. Noll served as the Managing Director of Susquehanna Financial Group, LLP and Associate Director of Susquehanna International Group, LLP. Prior to this, Mr. Noll worked at the Philadelphia Stock Exchange from March

1993 to March 1994 as the Assistant Vice President, New Market Development, Strategic Planning and Marketing. Mr. Noll also worked at the Chicago Board Options Exchange from 1990 to 1993 in various roles as an Associate and Manager of Strategic Planning.

*Common stock beneficially owned*: 6,802 (Represents 6,802 vested shares underlying PSUs.)

*Stock options*: 134,676 options granted, of which the amount vested is noted above.

**Lee Shavel (Chief Financial Officer and Executive Vice President)**

Lee Shavel was appointed Chief Financial Officer and Executive Vice President, Corporate Strategy effective May 23, 2011. Prior to joining NASDAQ OMX, Mr. Shavel, age 44, served as Americas Head of Financial Institutions Investment Banking at Bank of America Merrill Lynch. Previously, he was Head of Finance, Securities and Technology and Global Chief Operating Officer for the Financial Institutions Group at Merrill Lynch. Mr. Shavel joined Merrill Lynch in 1993 as an Associate, coming from Citicorp where he worked as an Associate in the Financial Institutions Group.

*Common stock beneficially owned:* 245,390 (Represents (i) 44,908 unvested Performance Share Units granted under the Equity Plan and (ii) 200,482 unvested Restricted Share Units granted under the Equity Plan

Stock options: 41,257 options granted, unvested.

## Other information regarding the Board of Directors and Executive Officers

All members of the Board of Directors and Executive Officers may be contacted at the address of NASDAQ OMX's headquarters at One Liberty Plaza, New York, NY 10006, USA.

Based upon detailed written submissions by each director, the board of NASDAQ OMX has determined that all of NASDAQ OMX's current directors are independent, other than Messrs. Greifeld and Kazim. Mr. Greifeld is deemed not to be independent because he is the Chief Executive Officer and President of NASDAQ OMX. Mr. Kazim is deemed not to be independent because of his affiliations with Borse Dubai, NASDAQ OMX's largest stockholder, and NASDAQ Dubai.

There are no family ties between the members of the Board of Directors or the Executive Officers. No member of the Board of Directors or Executive Officer has been convicted in any fraud-related lawsuit during the past five years. No member of the Board of Directors or Executive Officer has during the past five years been involved in any bankruptcy, bankruptcy administration or involuntary liquidation. There exists no, and during the past five years there has not been any, allegations and/or sanctions from any authority or professional association against any member of the Board of Directors or Executive Officer. No member of the Board of Directors or Executive Officer has been prohibited by a court of law from becoming a member in a Company’s administrative, management or control function, nor to have a leading or overall position in a company during the past five years.

NASDAQ OMX is obligated by the terms of a stockholders’ agreement dated February 27, 2008 between NASDAQ OMX and Borse Dubai, as amended, to nominate and generally use best efforts to cause the election to the NASDAQ OMX Board of Directors one individual designated by Borse Dubai, subject to certain conditions. Mr. Kazim is the individual designated by Borse Dubai as its nominee. NASDAQ OMX is also obligated by the terms of a stockholders’ agreement dated December 16, 2010 between NASDAQ OMX and Investor AB to nominate and generally use best efforts to cause the election to the NASDAQ OMX board one individual designated by Investor AB, subject to certain conditions. Mr. Ekholm is the individual designated by Investor AB as its nominee. Except as described in the aforementioned, no special agreements have been made between major shareholders, customers, suppliers or other parties pursuant to which any member of the Board of Directors or Executive Officer has been elected to his or her current position.

NASDAQ OMX has adopted the "NASDAQ OMX Code of Ethics" which contains (amongst other things) certain trading restrictions relating to the NASDAQ OMX securities. Also, some of the directors and executive officers own shares of restricted stock in NASDAQ OMX, which are subject to certain transfer restrictions.

## Certain Relationships and Related Transactions

The audit committee of NASDAQ OMX's board of directors has adopted a written policy regarding related party transactions. For purposes of the policy, a "related party" generally includes directors, director nominees, executive officers, greater than 5% stockholders, immediate family members of any of the foregoing, entities that are affiliated with any of the foregoing and our independent auditing firm. Under the policy, all transactions with related persons are subject to ongoing review and approval or ratification by the audit committee.

In determining whether to approve or ratify a related party transaction, the audit committee considers, among other things, the following factors:

- whether the terms of the related party transaction are fair to NASDAQ OMX and whether such terms would be on the same basis if the transaction did not involve a related party;
- whether there are business reasons for NASDAQ OMX to enter into the related party transaction;
- whether the related party transaction would impair the independence of an outside director;
- whether the related party transaction would present a conflict of interest for any director or executive officer of NASDAQ OMX, taking into account:
    - the size of the transaction;
    - the overall financial position of the director or executive officer;
    - the direct or indirect nature of the director's or executive officer's interest in the transaction;
    - the ongoing nature of any proposed relationship; and
    - any other factors deemed relevant;
    - whether the related party transaction is material, taking into account:
    - the importance of the interest to the related party;
    - the relationship of the related party to the transaction and of related parties to each other;
    - the dollar amount involved; and

- the significance of the transaction to NASDAQ OMX investors in light of all the circumstances.

Under the policy, related party transactions that are conducted in the ordinary course of NASDAQ OMX’s business and on substantially the same terms as those prevailing at the time for comparable services provided to unrelated third parties or to NASDAQ OMX’s employees on a broad basis are considered pre-approved by the audit committee.

The following section describes transactions since the beginning of the fiscal year ended December 31, 2010, in which NASDAQ OMX or any of its subsidiaries was a party, in which the amount involved exceeded $120,000 and in which a director, a director nominee, an executive officer or a security holder known to own more than five percent of our common stock had, or will have, a direct or indirect material interest. In accordance with NASDAQ OMX's policy on related party transactions, all of the transactions discussed below, other than those that received pre-approval as discussed above, have been approved or ratified by the audit committee of NASDAQ OMX's board of directors.

**Borse Dubai, Dubai Financial Market and NASDAQ Dubai**

On February 27, 2008, Nasdaq Stock Market, Inc. and OMX AB combined their businesses pursuant to an agreement with Borse Dubai Limited. Under this agreement, Borse Dubai sold NASDAQ OMX all shares of OMX owned by it or acquired through a public offer in Sweden. In connection with this transaction, NASDAQ OMX issued to Borse Dubai approximately 42.9 million shares of NASDAQ OMX (representing 19.99% of the fully diluted share capital of NASDAQ OMX at closing) and placed approximately 17.7 million shares in trust for Borse Dubai’s economic benefit. In addition to the shares issued to Borse Dubai and the trust, NASDAQ OMX's paid Borse Dubai approximately $2 billion in cash for the OMX shares.

In connection with the consummation of the transactions described above, NASDAQ OMX entered into a registration rights agreement with Borse Dubai and the trust and a stockholders’ agreement with Borse Dubai. The registration rights agreement provides Borse Dubai and the trust with certain registration rights for the shares of NASDAQ OMX's common stock they hold. The stockholders’ agreement provides Borse Dubai with, among others, the right to nominate and generally use best efforts to cause the election to the NASDAQ OMX board one director designated by Borse Dubai, subject to certain conditions. Essa Kazim has been designated by Borse Dubai as its nominee with respect to the 2011 annual meeting.

On February 27, 2008, NASDAQ OMX also acquired a one-third interest in NASDAQ Dubai (formerly the Dubai International Financial Exchange Limited) from Borse Dubai in exchange for $50.0 million (and a commitment to make future capital contributions of up to $25 million) and certain technology and trademark licenses.. NASDAQ OMX also entered into a trademark license agreement and a technology license and marketing agreement with NASDAQ Dubai governing, among other matters, NASDAQ Dubai’s ability to use certain of NASDAQ OMX's marks and technology. Edward Knight, NASDAQ OMX's Executive Vice President, General Counsel and Chief Regulatory Officer, currently serves as a member of NASDAQ Dubai’s board of directors.

In May 2010, NASDAQ OMX participated in the realignment of the ownership structure of NASDAQ Dubai in which NASDAQ Dubai became a wholly-owned subsidiary of Dubai Financial Markets PJSC (DFM), a publicly traded company controlled by Borse Dubai. NASDAQ OMX received a 1% equity interest in DFM in exchange for the equity interest in NASDAQ Dubai.

In December 2010, NASDAQ OMX purchased 22,781,000 shares of NASDAQ OMX common stock from Borse Dubai for $21.82 per share for an aggregate purchase price of approximately $497 million.

**Investor AB**

On December 16, 2010, NASDAQ OMX and Investor AB, a corporation organized under the laws of Sweden, entered into a stockholders' agreement relating to 8.0 million shares of NASDAQ OMX common stock that Investor AB had agreed to purchase from Nomura International plc (Nomura) pursuant to a forward share purchase agreement. On December 16, 2010, Nomura purchased such shares from Borse Dubai Limited. NASDAQ OMX is obligated by the terms of the stockholders' agreement to nominate and generally use best efforts to cause the election to the NASDAQ OMX board one director designated by Investor AB, subject to certain conditions. Börje Ekholm has been designated by Investor AB as its nominee with respect to the 2011 annual meeting.

Mr. Ekholm was elected to the board on February 17, 2011. Mr. Ekholm is the President and Chief Executive Officer of Investor AB, an industrial holding company that invests in other companies in the ordinary course of business. During the fiscal year ended December 31, 2010, Investor AB paid NASDAQ OMX approximately $0.6 million for market data and issuer services.

One of Investor AB's portfolio companies is Skandinaviska Enskilda Banken AB (SEB), a financial services company, which is a lender under NASDAQ OMX's credit facilities and a customer of NASDAQ OMX. During the fiscal year ended December 31, 2010, NASDAQ OMX paid SEB approximately $46 million in principal payments, interest payments and other fees under its credit facilities and approximately $4 million in fees relating to other financing transactions. During the fiscal year ended December 31, 2010, SEB paid NASDAQ OMX approximately $23 million for trading, market data and other services in the ordinary course of business.

Investor AB's portfolio companies also include certain companies that are listed on one or more of the exchanges that NASDAQ OMX operates. During the fiscal year ended December 31, 2010, these entities or their affiliates made the following approximate payments to NASDAQ OMX for issuer services in the ordinary course of business: ABB ($0.4 million), Achillion Pharmaceuticals ($0.4 million), AstraZeneca ($0.4 million), Atlas Copco ($0.6 million), ChinaCache International Holdings ($0.1 million), Electrolux ($0.4 million), Ericsson ($0.6 million), Husqvarna ($0.2 million), Jazz Pharmaceuticals ($0.1 million) and Swedish Orphan Biovi ($0.2 million).

In addition, during the fiscal year ended December 31, 2010, NASDAQ OMX paid Memira, another of Investor AB's portfolio companies, or its affiliates approximately $0.1 million for employee benefits services in the ordinary course of business.

**Silver Lake**

Glenn H. Hutchins, one of NASDAQ OMX's directors, is also a Co-Founder and Co-Chief Executive Officer of Silver Lake. Upon receipt of stockholder approval at NASDAQ OMX's 2010 annual meeting of stockholders, 1,600,000 shares of o NASDAQ OMX's Series A convertible preferred stock held by Silver Lake automatically converted into 845,646 shares of NASDAQ OMX's common stock. Silver Lake disposed of all of its shares in NASDAQ OMX in February 2011.

Silver Lake's portfolio companies include Interactive Data Corporation, SunGard Data Systems Inc. and NXP Semiconductors. During the fiscal year ended December 31, 2010, Interactive Data Corporation or its affiliates paid NASDAQ OMX approximately $1.7 million from for market data and transaction services in the ordinary course of business. SunGard or its affiliates paid NASDAQ OMX approximately $3.3 million for market data, transaction and access services during the fiscal year ended December 31, 2010, and NASDAQ OMX paid SunGard or its affiliates approximately $0.3 million for software services, all in the ordinary course of business. Finally, during the fiscal year ended December 31, 2010, NXP Semiconductors or its affiliates paid NASDAQ OMX approximately $0.3 million for issuer services in the ordinary course of business.

**BlackRock**

As of the record date, BlackRock Inc. owned approximately 9.2% of NASDAQ OMX's common stock. During the fiscal year ended December 31, 2010, BlackRock or its affiliates paid NASDAQ OMX approximately $1.5 million for market data and transaction services and financial products in the ordinary course of business. During the fiscal year ended December 31, 2010, NASDAQ OMX paid BlackRock or its affiliates approximately $0.2 million for risk reporting and advisory services in the ordinary course of business.

**Other Transactions with Entities Affiliated with our Directors**

Michael Casey, one of NASDAQ OMX's directors, is an advisor to the Chief Executive Officer and Chief Financial Officer of Starbucks, which is listed on The NASDAQ Stock Market. During the fiscal year ended December 31, 2010, Starbucks paid NASDAQ OMX approximately $0.2 million for issuer services in the ordinary course of business.

Thomas F. O'Neill, one of NASDAQ OMX's directors, is a founding principal of Sandler O'Neill + Partners L.P., which engages in trading and other commercial activities. Mr. O'Neill retired from Sandler O'Neill in November 2010. In the fiscal year ended December 31, 2010, Sandler O'Neill or its affiliates paid NASDAQ OMX approximately $0.3 million for transaction services in the ordinary course of business.

James S. Riepe, one of NASDAQ OMX's directors, is a Senior Advisor at T. Rowe Price Group, Inc., which engages in trading and other commercial activities with NASDAQ OMX. During the fiscal year ended December 31, 2010, T. Rowe Price or its affiliates paid NASDAQ OMX approximately $0.2 million for market data, transaction, mutual fund and investor relations services in the ordinary course of business.

Michael R. Splinter, one of NASDAQ OMX's directors, is President, Chief Executive Officer and Chairman of the board of directors of Applied Materials, Inc., which is listed on The NASDAQ Stock Market. During the fiscal year ended December 31, 2010, Applied Materials paid NASDAQ OMX approximately $0.1 million for issuer services fees in the ordinary course of business.

## Auditors

Ernst & Young LLP are the independent auditors with respect to NASDAQ OMX under the AICPA's Code of Professional Conduct. Ernst & Young LLP's address is 5 Times Square, New York, New York 10036, USA.

Ernst & Young has audited NASDAQ OMX's financial statements since fiscal year 1986.[1]

Ernst & Young LLP is registered with the Public Company Accounting Oversight Board (United States) and a member of the American Institute of Certified Public Accountants.

[1] Proxy Statement p. 22.

# 9. Additional Information

## Shares and share capital

The total number of shares of stock which NASDAQ OMX shall have the authority to issue is 330,000,000, consisting of 30,000,000 shares of preferred stock, par value $0.01 per share and 300,000,000 of common stock, par value $0.01 per share.

**Common Stock**

Out of the authorized capital stock of 300,000,000 common shares, 213,378,366 shares of common stock were issued (excluding unvested restricted common stock) and 176,677,874 shares of common stock were outstanding as of 30 April 2011, with 36,700,492 shares of common stock held in treasury.

The holders of NASDAQ OMX's common stock are entitled to one vote per share on all matters to be voted upon by the shareholders except that any person (other than any person as may be approved for such exemption in accordance with NASDAQ OMX's Restated certificate of Incorporation) will be unable to exercise voting rights in respect of any shares in excess of 5% of the then outstanding shares of NASDAQ OMX's common stock.

Holders of NASDAQ OMX common stock are entitled to receive ratably such dividends, if any (NASDAQ OMX has never paid cash dividends on its common stock), as may be declared from time to time by the board of directors out of funds legally available for them. In the event of liquidation, dissolution, or winding up of NASDAQ OMX, the holders of NASDAQ OMX common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. NASDAQ OMX common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to NASDAQ OMX common stock. All outstanding shares of NASDAQ OMX common stock are fully paid and non-assessable.

Shares of NASDAQ OMX common stock are primarily registered in book-entry form with the Depositary Trust Company, a member of the U.S. Federal Reserve System, a limited-purpose trust company under New York State banking law and a registered clearing agency with the SEC, which has its principal executive office located at 55 Water Street, New York, New York 10041. The remaining shares of NASDAQ OMX's common stock are registered in certificated form.

NASDAQ OMX has issued restricted shares, which have limitations on resale, primarily in connection with its equity compensation arrangements. NASDAQ OMX shares received upon the exercise of warrants are also restricted shares.

**Preferred Stock**

The Board of Directors may provide by resolution for the issuance from time to time in one or more series of a maximum 30,000,000 shares of preferred stock and to fix the powers, preferences, and rights, and the qualifications, limitations, and restrictions thereof, of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund provisions, if any, and the number of shares constituting any series or the designation of such series. The issuance of preferred stock could have the effect of decreasing the market price of NASDAQ OMX common stock and could adversely affect the voting and other rights of the holders of NASDAQ OMX common stock.[1] At March

[1] The Restated Certificate of Incorporation, article 4.

31, 2011 and December 31, 2010, 1,600,000 shares of series A convertible preferred stock were issued and none were outstanding.

**Trading etc.**

As of the date of this prospectus, NASDAQ OMX common stock trades on The Nasdaq Stock Market in the United States and on NASDAQ Dubai Limited in the United Arab Emirates, under the symbol "NDAQ". The ISIN code for the NASDAQ OMX common stock is US6311031081. NASDAQ OMX common stock has been issued under the laws of Delaware. Shares of NASDAQ OMX common stock are denominated in U.S. dollars.

**Dividend**

NASDAQ OMX's credit facilities restrict NASDAQ OMX's ability to pay dividends.[1] NASDAQ OMX must comply with the covenants in NASDAQ OMX's credit facilities. Among other things, these covenants restrict NASDAQ OMX's ability to grant liens, incur additional indebtedness, pay dividends and conduct transactions with affiliates. Failure to meet any of the covenant terms of NASDAQ OMX's credit facilities could result in an event of default. If an event of default occurs, and NASDAQ OMX is unable to receive a waiver of default, NASDAQ OMX's lenders may increase NASDAQ OMX's borrowing costs, restrict NASDAQ OMX's ability to obtain additional borrowings and accelerate all amounts outstanding.

Before NASDAQ OMX's credit facilities were in place, it was not NASDAQ OMX's policy to declare or pay cash dividends on NASDAQ OMX's common stock.

## Arrangements for Stock Ownership of Employees

**Equity Incentive Plan**

NASDAQ OMX's Equity Incentive Plan provides for the issuance of NASDAQ OMX's equity securities to its officers and other employees, directors and consultants.

The purposes of The NASDAQ OMX Equity Incentive Plan are to promote the interests of NASDAQ OMX and its stockholders by (i) attracting and retaining key employees, consultants and non-employee directors of NASDAQ OMX and its affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals, (iii) enabling such individuals to participate in the long-term growth and financial success of NASDAQ OMX and (iv) linking compensation to the long-term interests of stockholders.

The Equity Incentive Plan was originally established effective as of December 5, 2000 as the Nasdaq Stock Market, Inc. Equity Incentive Plan with an initial term of ten years. The Equity Incentive Plan has been subsequently amended on several occasions, including to rename the Plan as “The NASDAQ OMX Group, Inc. Equity Incentive Plan”.

The shareholders approved the amended and restated Equity Incentive Plan at the annual general meeting of stockholders on 27 May 2010, for an additional ten-year term.

**Employee Stock Purchase Plan**

Under the NASDAQ OMX Employee Stock Purchase Plan, employees of NASDAQ OMX and its subsidiaries are eligible to participate in the plan at 85.0% of the fair market value of NASDAQ OMX’s common stock on the price calculation date.

[1] Form 10-K February 24, 2011 p. 40.

The purpose of The NASDAQ OMX Employee Stock Purchase Plan is to provide employees of NASDAQ OMX and its participating affiliates with an opportunity to invest in shares of the NASDAQ OMX's Common stock through periodic offerings financed by payroll deductions and/or lump sum payment contributions.

The ESPP was initially established in 2000, for a ten (10) year term ending in December of 2010. The shareholders approved the amended and restated Employee Stock Purchase Plan at the annual general meeting of stockholders on 27 May 2010, for an additional ten-year term.

For further details on the Employee Stock Purchase Plan, please see chapter 4 above.

## Disputes and Legal Proceedings

NASDAQ OMX is not currently a party to, and has not been during the previous 12 months, any litigation that NASDAQ OMX believes could have a material adverse effect on our business, financial condition or operating results. However, from time to time, we have been threatened with, or named as a defendant in, lawsuits or involved in regulatory proceedings.

## Documents available for review

Copies of Certificate of Incorporation, By-laws, Marketplace Rules, Corporate Governance Guidelines, Board of Directors Duties and Obligations, Procedures for Communicating with the Board of Directors, Audit Committee Charter, Executive Committee Charter, Finance Committee Charter, Nominating and Governance Committee, Management Compensation Committee Charter, Board of Director Code of Conduct, Code of Ethics, Wholeheartedly Proud Policy, are available free of charge on NASDAQ OMX's website at *http://ir.nasdaqomx.com/governance.cfm.* Copies may also be obtained, free of charge, by writing to our corporate secretary at the address listed below. Please specify the document that you would like to receive.

*Joan C. Conley*

*Senior Vice President and Corporate Secretary*

*The NASDAQ OMX Group, Inc.*

*Office of the Corporate Secretary*

*One Liberty Plaza*

*New York, New York 10006*

NASDAQ OMX files periodic reports, proxy statements and other information with the SEC. The public may read and copy any materials NASDAQ OMX file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at +1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC (such as NASDAQ OMX). The address of that site is http://www.sec.gov.

NASDAQ OMX's website is www.nasdaqomx.com. NASDAQ OMX will make available free of charge on NASDAQ OMX's website, or provide a link to, NASDAQ OMX's Forms 10-K, Forms 10-Q and Forms 8-K and any amendments to these documents, that are filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after NASDAQ OMX electronically file such material with, or furnish it to, the SEC. To access these filings, go to NASDAQ OMX's website and click on "Investor Relations," then click on

"Financial Information," then click on "SEC Filings." NASDAQ OMX  uses NASDAQ OMX's website, www.nasdaqomx.com, as a means of disclosing material non-public information and for complying with disclosure obligations under SEC Regulation FD.

*The Board of Directors of The NASDAQ OMX group, Inc. is responsible for the content of this prospectus. The Board of Directors hereby provides an assurance that all reasonable care has been taken to ensure that the information contained in this prospectus is, as far as the Board of Directors knows, true and that nothing has been omitted that could affect its meaning.*

*New York, 27 May 2011*

***The NASDAQ OMX Group, Inc.***

*The Board of Directors*

# 10. The NASDAQ OMX Employee Stock Purchase Plan

**Appendix C**

**THE NASDAQ OMX GROUP, INC. EMPLOYEE STOCK PURCHASE PLAN**
**(as amended and restated May 27, 2010)**

**SECTION 1. PURPOSE.**

The purpose of The NASDAQ OMX Group, Inc. Employee Stock Purchase Plan (the "Plan") is to provide employees of The NASDAQ OMX Group, Inc. (the "Company") and its Participating Affiliates with an opportunity to invest in shares of the Company's Common Stock through periodic offerings financed by payroll deductions and/or lump sum payment contributions.

The Company intends that the Plan, as applicable to Participants employed by the Company and its domestic Participating Affiliates, qualify as an "employee stock purchase plan" under Section 423 of Code, and the Plan shall be so construed, although the Company makes no undertaking or representation to maintain such qualification. In addition, the Company intends for the Plan to be made available to employees of the Company's non-U.S. Participating Affiliates; provided, that such portion of this Plan does not qualify under Section 423(b) of the Code. The Plan therefore consists of two components: a Section 423(b) Plan component and a Non-423(b) Plan component. Except as otherwise indicated, the Non-423(b) Plan component will operate and be administered in the same manner as the Section 423(b) Plan component.

The Plan was initially established in 2000, for a ten (10) year term ending in December of 2010. It is hereby amended and restated, effective as of the Restatement Effective Date, for an additional ten (10) year term measured from the Restatement Effective Date.

**SECTION 2. DEFINITIONS.**

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" shall mean (i) a Subsidiary of the Company, (ii) any other entity or Person or group of Persons that, in the determination of the Committee, is controlled by the Company, (iii) any entity in which the Company has a significant equity interest as determined by the Committee, and (iv) an affiliate of the Company, as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act, as determined by the Committee.

(b) "Board" shall mean the Board of Directors of the Company.

(c) "Change in Control" shall mean the first to occur of any one of the events set forth in the following paragraphs:

  (i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, (C) any entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares, and (D) the Financial Industry Regulatory Authority), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly (not including any securities acquired directly (or through an underwriter) from the Company or its Affiliates), of 25% or more of the Company's then outstanding Shares;

  (ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving on the Board: individuals who, on the effective date (as provided in Section 16(a) of the Plan), were members of the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the effective date of the Plan or whose appointment, election or nomination for election was previously so approved or recommended;

(iii) there is consummated a merger or consolidation of the Company with any other corporation or the Company issues Shares in connection with a merger or consolidation of any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation that would result in the Shares of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) more than 50% of the Company's then outstanding Shares or 50% of the combined voting power of such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "Person" (as defined below), directly or indirectly, acquired 25% or more of the Company's then outstanding Shares (not including any securities acquired directly (or through an underwriter) from the Company or its Affiliates); or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned directly or indirectly by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(e) "Committee" shall mean the Management Compensation Committee of the Board, or such other committee as may be designated by the Board to administer the Plan.

(f) "Company" shall mean The NASDAQ OMX Group, Inc.

(g) "Compensation" shall mean the gross base pay or gross base salary, prior to withholdings and deductions, paid to an Employee during the applicable pay period. Compensation shall include that portion of the Employee's base pay or base salary for a pay period which is contributed on a before-tax basis at the Employee's election to the Company's 401(k) Savings Plan or to a cafeteria plan (within the meaning of Code section 125) or qualified transportation fringe benefit plan (within the meaning of Code section 132(f)). Compensation shall exclude overtime, cash bonus payments, relocation expenses, tax gross ups, referral bonuses, tuition reimbursement, the imputed value of group life insurance, car allowances, contest earnings, any employer contributions to a 401(k) plan, stock option gains, any amount included in income in respect of restricted shares, any unpaid deferred cash bonuses or other similar extraordinary remuneration received by such Employee.

(h) "Eligible Employee" shall mean an Employee who meets the requirements set forth in Section 5 for eligibility to participate in the Plan. Eligible Employee shall also mean any other Employee of a Participating Affiliate in the Non-423(b) Plan to the extent that local law requires participation in the Plan to be extended to such Employee.

(i) "Employee" shall mean any individual who is a regular employee of the Company or of any Participating Affiliate except (i) employees whose customary employment with the Company is less than 20 hours per week, (ii) employees whose customary employment is for not more than five (5) months in any calendar year and (iii) employees who, immediately after a right to purchase is granted, would be deemed for purposes of Section 423(b)(3) of the Code to own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the stock of the Company. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company. Where the period of leave exceeds 90 days and the Employee's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the ninety-first day of such leave.

Whether an individual qualifies as an Employee shall be determined by the Committee, in its sole discretion, by reference to Section 3401(c) of the Code and the regulations thereunder. Unless the Committee makes a contrary determination, the Employees of the Company shall, for all purposes of this Plan, be those individuals who satisfy the customary employment criteria set forth above and are carried as employees by the Company or a Participating Affiliate for regular payroll purposes.

Notwithstanding the foregoing, Employees of Participating Affiliates designated to participate in the Non-423(b) Plan shall also mean any other employees of such Participating Affiliates to the extent that local law requires participation in the Plan to be extended to such employees, as determined by the Committee.

(j) "Enrollment Date" shall mean the first day of each Offering Period.

(k) "Enrollment Period" shall mean the two-week period immediately preceding the Enrollment Date, or such other period as may be established by the Committee.

(l) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" with respect to the Shares, as of any date, shall mean the fair market value of a Share as determined by the Committee in its sole discretion; provided that if the Shares are admitted to trading on a national securities exchange or interdealer quotation system, fair market value shall be the closing sale price at the regular trading session reported for such share on such exchange on the last day preceding such date on which sale was reported.

(n) "Maximum Offering" shall mean, with respect to some or all Participants in the Non-423(b) Plan, a maximum number or value of Shares made available for purchase in a specified country, location or Participating Affiliate. Such maximum shall be determined by the Committee to comply with the applicable securities laws, to achieve tax objectives or to meet other Company objectives.

(o) "Non-423(b) Plan" shall mean the component of this Plan which is an employee stock purchase plan which does not meet the requirements set forth in Section 423(b) of the Code.

(p) "Offering" shall mean the right of Eligible Employees to purchase Shares under the Plan with respect to an Offering Period.

(q) "Offering Period" shall mean a period of approximately six months duration or other such other duration as the Committee shall determine, during which a Participant will accumulate funds, through payroll deductions or otherwise as provided in the Plan to purchase Shares. Offering Periods shall be established by the Committee in its sole and absolute discretion, and such Offering Periods may have different durations or different beginning or ending dates; provided, however, that no Offering Period may have a duration exceeding one year.

(r) "Participant" shall mean an Employee who elects to participate in the Plan by filing an Enrollment Form (as defined herein), and whose participation in the Plan has not ended as set forth in and pursuant to Section 6 or Section 8.

(s) "Participating Affiliate" means an Affiliate which has been designated by the Committee in advance of the Offering Period in question as a corporation whose Eligible Employees may participate in the Plan. The Committee shall have the power and authority to designate from time to time which Affiliates of the Company shall be eligible to participate in the Plan, and to designate which Affiliates shall participate in the Non-423(b) Plan.

(t) "Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(u) "Plan" shall mean this NASDAQ OMX Group, Inc. Employee Stock Purchase Plan, as amended and restated as of the Restatement Effective Date. The Plan was originally established in 2000. The Plan includes a Section 423(b) Plan component and a Non-423(b) Plan component, and the term "Plan" as used herein relates to either or both component plans, as the context requires.

(v) "Purchase Date" shall mean the date the Plan administrator shall acquire Shares for Participants (which shall be the last day of the Offering Period, unless otherwise determined by the Committee).

(w) "Restatement Effective Date" shall mean May 27, 2010, subject to approval of the Plan by stockholders at the annual meeting of stockholders of the Company held on such date.

(x) "SEC" shall mean the U.S. Securities and Exchange Commission or any successor thereto and shall include the staff thereof.

(y) "Section 423(b) Plan" shall mean the component of this Plan which is intended to meet the requirements described in Section 423(b) of the Code to qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Section 423(b) Plan shall be construed, interpreted, administered and enforced in accordance with Code Section 423(b), as it may amended from time to time, so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Code Section 423.

(z) "Shares" shall mean shares of the common stock, $0.01 par value, of the Company, or such other securities of the Company as may be designated by the Committee from time to time.

(aa) "Subsidiary" shall mean a subsidiary of the Company as defined under Section 424(f) of the Code.

**SECTION 3. ADMINISTRATION.**

(a) *Authority of Committee.* The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority:

(i) to determine when each Offering under this Plan shall occur, and the terms and conditions of each Offering (which need not be identical);

(ii) to determine the Enrollment Period, the Enrollment Date and the Offering Periods for each Offering;

(iii) to designate from time to time which domestic Affiliates of the Company shall be eligible to participate in the Section 423(b) Plan and to designate which non-U.S. Affiliates shall participate in the Non-423(b) Plan;

(iv) to construe and interpret the Plan and to establish, amend and revoke rules, regulations and procedures for the administration of the Plan. The Committee may, in the exercise of this power, correct any defect, omission or inconsistency in the Plan, in such manner and to the extent it may deem necessary, desirable or appropriate to make the Plan fully effective;

(v) to appoint a Plan administrator, which may be an employee or Affiliate of the Company or may be a third party administrator;

(vi) generally, to exercise such powers and to perform such acts as the Committee may deem necessary, desirable or appropriate to promote the best interests of the Company and its Participating Affiliates and to carry out the intent that the Offerings made under the Section 423(b) Plan are treated as qualifying under Section 423(b) of the Code; and

(vii) as more fully described in Section 13, to adopt such rules, regulations and procedures as may be necessary, desirable or appropriate to permit participation in the Non-423(b) Plan by employees who are foreign nationals or employed outside the United States by a non-U.S. Participating Affiliate, and to achieve tax, securities laws and other Company compliance objectives in particular locations outside the United States.

(b) *Committee Discretion Binding.* Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan, shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Subsidiary, any Participant, any Employee, and any designated beneficiary.

(c) *Delegation.* Subject to the terms of the Plan and applicable law, the Committee may delegate to one or more officers or managers of the Company or any Subsidiary, or to a committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to administer the Plan.

(d) *No Liability; Indemnification.* No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan. In addition to such other rights of indemnification as they may have as members of the Board or officers or Employees of the Company or a Participating Affiliate, members of the Board and Committee and any officers or Employees of the Company or Participating Affiliate to whom authority to act for the Board or Committee is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same and to retain complete control over the litigation and/or settlement of such suit, action or proceeding.

**SECTION 4. SHARES AVAILABLE FOR AWARDS.**

(a) *Shares Available.* The original number of Shares available to be purchased under the Plan when first established in 2000 was 2,000,000. Of that number, as of March 15, 2010 approximately 613,905 Shares remained available for purchase. As of the Restatement Effective Date, an additional 3,500,000 Shares is authorized for purchase under the Plan. Such available Shares are subject to adjustment as provided in Section 4(b). The Committee may specify the maximum number of Shares that may be offered in any particular Offering Period, including without limitation the Maximum Offering with respect to some or all Participants in the Non-423(b) Plan. Notwithstanding the foregoing, the aggregate number of Shares which may be purchased in any Offering Period may not exceed the maximum number of Shares which have been, prior to the Enrollment Date for such Offering Period, reserved for the Plan and approved by the stockholders of the Company and not previously purchased in any prior Offering Period. If on a given Purchase Date the number of Shares to be purchased exceeds the number of Shares then available under the Plan (or the Maximum Offering with respect to the Non-423(b) Plan or any sub-plan thereof) that may be issued on any given Purchase Date, the Committee shall make a pro-rata allocation of the Shares available in as nearly a uniform manner as shall be practicable and as it shall deem equitable. In the event that any Shares reserved for any Offering Period are not purchased therein, such un-purchased Shares may again be made available for sale under the Plan.

(b) *Adjustments.* In the event that the Board or the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event that affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Board or Committee shall, in such manner as it deems appropriate, make such equitable adjustments in the Plan and the then outstanding offerings as it deems necessary and appropriate, including but not limited to changing the number of Shares reserved under the Plan.

(c) *Source of Shares.* Shares which are to be delivered under the Plan may be obtained by the Company from its treasury, by purchases on the open market, or by issuing authorized but unissued Shares. Any issuance of authorized but unissued Shares shall be approved by the Board or the Committee. Authorized but unissued Shares may not be delivered under the Plan if the purchase price thereof is less than the par value of the Shares.

**SECTION 5. ELIGIBILITY.**

All Employees (including Employees who are directors) of the Company or of a Participating Affiliate are eligible to participate in the Plan, in accordance with such rules as may be prescribed from time to time by the Committee; provided, however, that such rules shall, as applied to the Section 423(b) Plan, neither permit nor deny participation in the Plan contrary to the requirements of the Code (including, but not limited to, Section 423(b)(3), (4) and (5) thereof) and regulations promulgated thereunder. During an Offering Period, no Employee may participate under the Plan if such Employee would own 5% or more of the outstanding Shares as of the Enrollment Date for such Offering Period. For purposes of the preceding sentence with respect to the Section 423(b) Plan, the attribution rules of Section 424(d) of the Code shall apply in determining the Share ownership of an Employee, and Shares which the Employee would be permitted to purchase under such Offering Period shall be treated as Shares owned by the Employee.

**SECTION 6. PARTICIPATION AND OFFERINGS.**

(a) The Committee shall establish the Offering Periods and associated Enrollment Periods for Offerings under this Plan and shall cause the Company to notify all Eligible Employees of such Offerings. Each Eligible Employee on the Enrollment Date of each Offering Period shall become a Participant with respect to such Offering Period by filing an Enrollment Form with respect to the Offering Period as described in paragraph (c) below. The Committee may at any time suspend an Offering Period if required by law or if the Committee determines in good faith that it is in the best interests of the Company. Each Offering under the Section 423(b) Plan shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate, including compliance with the requirement of Section 423(b)(5) of the Code that all Eligible Employees shall have the same rights and privileges for such Offering. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan.

(b) The Committee may from time to time grant or provide for the grant of rights to purchase Shares under the Non-423(b) Plan. Any such grants under the Non-423(b) Plan will be designated as such at the time of grant and such grants need not comply with the requirements set forth in Section 423 of the Code.

(c) Eligible Employees may become Participants with respect to an Offering Period by filing with the Company a form of enrollment ("Enrollment Form") within the designated Enrollment Period by such means (which may include electronic transmission) as may be specified by the Committee. The Enrollment Form shall authorize specified regular payroll deductions or, if a payroll deduction is not permitted under a statute, regulation, rule of a jurisdiction, or is not administratively feasible, such other lump-sum payments as may be approved by the Committee. All deductions from pay will be taken on an after-tax basis. Subject to paragraph (e) below, payroll deductions for such purpose shall be in 1% increments of Compensation subject to a minimum of 1% and a maximum deduction of 10% of Compensation per pay period. Notwithstanding the foregoing, in no event may the sum of a Participant's regular payroll deductions and (if approved by the Committee) lump-sum contributions exceed 10% of a Participant's Compensation for the applicable Offering Period. Payroll deductions for a Participant with respect to an Offering Period shall begin with the first payroll period ending on or after the Enrollment Date for the Offering Period, and shall end on the last payroll period ending before the Purchase Date with respect to the Offering Period, unless sooner terminated by the Participant as provided in paragraph (h) or Section 8 below (or unless payroll deductions for a Participant are determined by the Committee to not be feasible in a jurisdiction outside the United States). An Eligible

Employee who does not deliver a properly completed Enrollment Form to the Company within the Enrollment Period designated by the Committee with respect to an Offering Period shall not participate in the Plan for that Offering Period.

(d) An Eligible Employee must affirmatively enroll as a Participant with respect to an Offering Period by filing within the Enrollment Period therefore an Enrollment Form. Failure to file the Enrollment Form within the Enrollment Period with respect to an Offering Period shall disqualify such Eligible Employee from participating in Plan with respect to that Offering Period. Such failure shall not, however, prevent such Eligible Employee from filing an Enrollment Form to participate with respect to a future Offering Period.

(e) Notwithstanding anything else contained herein, no Employee may purchase Shares under the Section 423 Plan and any other qualified employee stock purchase plan (within the meaning of Section 423 of the Code) of the Company or its Subsidiaries at a rate which exceeds $25,000 of Fair Market Value of Shares for each calendar year in which a purchase is executed. For purposes of this Section 6, Fair Market Value shall be determined as of the Enrollment Date with respect to the applicable Offering Period. The limitation described in this paragraph (e) shall be applied in accordance with applicable regulations under Section 423(b)(8) of the Code.

(f) The Company and Participating Affiliates will establish Participant recordkeeping accounts for each Participant who has authorized payroll deductions or contributions pursuant to this Plan. Subject Section 13, no interest will be credited to such accounts. Such account is established solely for recordkeeping purposes, and all amounts credited to such account will remain part of the general assets of the Company or Participating Affiliate (as the case may be), and need not be segregated from other funds unless otherwise required under local law, as determined by the Committee.

(g) Notwithstanding anything else contained herein, no Employee may purchase during any calendar year more than 4,000 Shares under the Section 423 Plan and any other qualified employee stock purchase plan (within the meaning of Section 423 of the Code) of the Company or its Subsidiaries. The Committee shall administer and construe this annual Share maximum, and is authorized and empowered to adjust this annual Share maximum with respect to an upcoming calendar year in its sole discretion, provided such annual Share maximum shall be applied uniformly to all Participants with respect to such calendar year.

(h) A Participant may, by written notice at any time during the Offering Period, direct the Company to reduce or increase payroll deductions (or, if the payment for Shares is being made through periodic cash payments, notify the Company that such payments will be increased, reduced, or terminated), subject to a maximum of one change per Offering Period, plus, if applicable, the election to withdraw described in the last sentence of Section 7(b). The Committee may promulgate rules regarding the time and manner for provision of such written notice, which may include a requirement that the notice be on file with the Company's designated office for a reasonable period before it will be effective with respect to a payroll period.

(i) A Participant may elect to withdraw all of his or her entire account prior to the end of the Offering Period. Any such withdrawal will terminate such Participant's participation for the remainder of the Offering Period. If a Participant withdraws from an Offering Period, he or she is prohibited from resuming participation in the Plan in the same Offering Period from which he or she has withdrawn, but may participate in any subsequent Offering, provided he or she remains an Eligible Employee, by delivering to the Company a new Enrollment Form. The Committee may impose a requirement that the notice of withdrawal under the Plan be on file with the Company's designated office for a reasonable period prior to the Purchase Date with respect to an Offering Period. Upon such voluntary withdrawal, the Participant's accumulated payroll deductions which have not been applied toward the purchase of Shares shall be refunded to the Participant as soon as administratively feasible and in accordance with the Company's administrative procedures.

As of the Purchase Date, the record-keeping account of each Participant shall be totaled. Subject to the provisions of this paragraph (h), if such account contains sufficient funds to purchase one or more Shares as of that date, the Employee shall be deemed to have purchased Shares at the price determined under Section 7 below; such Participant's account will be charged, on that date, for the amount of the purchase, and for all purposes under the Plan the Participant shall be deemed to have acquired the Shares on that date. Fractional shares shall be issued, as necessary. The registrar for the Company will make an entry on its books and records evidencing that such Shares have been duly issued as of that date; provided, however, that a Participant may, in the alternative, elect in writing prior thereto to receive a stock certificate representing the amount of such full Shares acquired, in which case any fractional shares credited to the Participant shall be settled by a cash payment. Such cash payment shall be equal to the amount paid by the Participant for the purchase of such fraction. The amount, if any, of each Participant's account remaining after the purchase of Shares on the Purchase Date of an Offering shall be refunded in full to the Participant after such Purchase Date.

(j) As soon as practicable after the Purchase Date, the Plan administrator shall prepare and deliver a report to each Participant of such Participant's Plan account setting forth the total payroll deductions or other contributions accumulated prior to the Purchase Date, the number of Shares purchased, the Purchase Price for such Shares, the date of purchase and the cash balance, if any, remaining immediately after such purchase that is to be refunded. The report required by this Section may be delivered in such form and by such means, including by electronic transmission, as the Company may determine.

**SECTION 7. PURCHASE PRICE.**

(a) The purchase price of a Share pursuant to a transaction under the Plan shall be the lesser of: (i) 85% of the Fair Market Value of a Share on the Enrollment Date of the applicable Offering Period, and (ii) 85% of the Fair Market Value of a Share on the Purchase Date of the applicable Offering Period.

(b) With respect to the Non-423(b) Plan in circumstances where payroll deductions have been taken from a Participant's Compensation in a currency other than United States dollars, Shares shall be purchased by converting the Participant's account to United States dollars at the exchange rate in effect at the end of the fifth (5th) business day preceding the Purchase Date, as published by Bloomberg.com if available or otherwise as determined with respect to a particular jurisdiction by the Committee or its delegate for this purpose, and such dollar amount shall be used to purchase Shares as of the Purchase Date. The Committee, or its delegate for such purpose with respect to a particular jurisdiction, shall communicate the exchange rate to be used to each affected Participant in advance of the Purchase Date so that he or she may decide whether to purchase the Shares or to withdraw all or part of his or her account prior to the end of the Offering Period (see Section 6(h)).

**SECTION 8. TERMINATION OF EMPLOYMENT.**

Upon a Participant's ceasing to be an Employee of the Company or a Participating Affiliate, for any reason, he or she shall be deemed to have elected to withdraw from the Plan and the payroll deductions credited to such Participant's account during the Offering Period, but not yet been applied to the purchase of Shares, shall be refunded to the Participant or, in the case of his or her death, to the person's designated beneficiary or estate as soon as administratively feasible and in accordance with the Company's administrative procedures.

**SECTION 9. TRANSFERABILITY.**

Neither payroll deductions or contributions credited to a Participant's account nor any rights with regard to the purchase of Shares under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, laws of descent and distribution, or beneficiary designation) by a Participant. Any such attempt at assignment, transfer, pledge, or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 6(h) hereof.

**SECTION 10. CHANGE IN CONTROL.**

Notwithstanding anything in the Plan to the contrary, in the event of a Change in Control of the Company, if the Committee determines that the operation or administration of the Plan could prevent Participants from obtaining the benefits intended by the Plan, the Plan may be terminated in any manner deemed by the Committee to provide equitable treatment to Participants. Equitable treatment may include, but is not limited to, payment to each Participant of the amount of contributions in such Participant's account as of the date of the Change in Control, plus an additional amount determined by (A) calculating the number of full Shares that could have been purchased for the Participant immediately prior to the Change in Control at the purchase price (determined under Section 7 at the beginning of the Offering Period (the "Purchase Price")) and (B) multiplying that number of Shares by the difference between the Purchase Price per Share and the highest price paid per Share in connection with the Change in Control of the Company. Notwithstanding the foregoing, any additional amount paid in connection with the termination of the Plan which constitutes the payment of deferred compensation within the meaning of Code Section 409A and the regulations thereunder shall be paid with respect to Participants in the Non-423(b) Plan only to the extent the event constituting the Change in Control qualifies as a "change in ownership" or "change in effective control" of the Company or a "change in ownership of a substantial portion of the assets" of the Company, within the meaning of U.S. Treasury Regulation § 1.409A-3(i)(5) or any successor.

**SECTION 11. COMPLIANCE WITH SECURITIES LAW AND OTHER APPLICABLE REQUIREMENTS.**

The issuance of Shares under the Plan shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities. A purchase of Shares shall not occur if the issuance of Shares upon such exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any securities exchange or market system upon which the Shares may then be listed. In addition, no share purchases may occur unless (a) a registration statement under the U.S. Securities Act of 1933, as amended, shall at the time of purchase be in effect with respect to the Shares issuable, or (b) in the opinion of legal counsel to the Company, the Shares issuable may be issued in accordance with the terms of an applicable exemption from the registration requirements of said Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares under the Plan shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. If a registration statement is not effective on the last day of an Offering Period, the Offering Period shall be extended until the first business day after the effective date of a registration statement; provided however, that an Offering Period for a Participant in the Non-423(b) Plan who would otherwise be subject to Section 409A of the Code shall be extended only to the extent that such extension would not cause a violation under Section 409A of the Code. Anything in the foregoing to the contrary notwithstanding, participation under the Non-423(b) Plan may be suspended, delayed or otherwise deferred for any of the reasons contemplated in this Section 11 only to the extent such suspension, delay or deferral is permitted under U.S. Treas. Reg. §§ 1.409A-2(b)(7), 1.409A-1(b)(4)(ii) or successor provisions, or as otherwise permitted under Section 409A of the Code. As a condition to participating in an Offering, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

**SECTION 12. TAXATION AND WITHHOLDING.**

(a) Upon disposition of Shares purchased pursuant to the Plan, the Participant shall pay, or make provision satisfactory to the Committee for payment of, all tax (and similar) withholding that the Committee determines, in its discretion, are required due to the acquisition or disposition, including without limitation any such withholding that the Committee determines in its discretion is necessary to allow the Company and its Affiliates to claim tax deductions or other benefits in connection with the acquisition or disposition.

(b) To effectuate the foregoing, each Participant with respect to the Section 423(b) Plan shall notify the Company of any disposition of Shares purchased pursuant to the Plan prior to the expiration of the holding periods set forth in Section 423(a) of the Code.

(c) By participating in the Plan, each Participant authorizes the relevant Participating Affiliate to make appropriate withholding deductions from the Participant's compensation, which shall be in addition to any payroll deductions made pursuant to Section 6, and to pay such amounts to the tax authorities in the relevant country or countries in order to satisfy any of the above tax liabilities of the Participant under applicable law.

**SECTION 13. RULES FOR FOREIGN JURISDICTIONS.**

(a) The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of payroll deductions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates which vary with local requirements.

(b) The Committee may also adopt rules, procedures or sub-plans applicable to particular Participating Affiliates and the jurisdiction(s) to which they are subject, which sub-plans may be designed to be outside the scope of Code Section 423 and which are intended to comply with the tax, employment and/or Securities laws of such jurisdiction(s). The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 4(a), but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. To the extent inconsistent with the requirements of Section 423, such sub-plan shall be considered part of the Non-423(b) Plan, and rights granted thereunder shall not be considered to comply with Code Section 423.

**SECTION 14. GENERAL PROVISIONS.**

(a) *Amendments.* The Board may, from time to time, alter, amend, suspend, discontinue or terminate the Plan or any portion thereof; provided, however, that no such action of the Board may, without the requisite stockholder approval, make any amendment for which stockholder approval is necessary to comply with any tax or regulatory requirement, including for this purpose, any approval requirement which is a prerequisite for exemptive relief under Section 16(b) of the Exchange Act or Sections 423 and 424 of the Code. In addition, the Committee may, from time to time, amend the Plan or any portion thereof, in each case, to (i) cure any ambiguity or to correct or supplement any provision of the Plan which may be defective or inconsistent with any other provision of the Plan or (ii) make any other provisions in regard to matters or questions arising under the Plan which the Committee may deem necessary or desirable and which, in the judgment of the Committee, is not material; provided, however, that no such action of the Committee may, without the requisite stockholder approval, make any amendment for which stockholder approval is necessary to comply with any tax or regulatory requirement, including for this purpose, any approval requirement which is a prerequisite for exemptive relief under Section 16(b) of the Exchange Act or Sections 423 and 424 of the Code.

(b) *No Right to Employment.* Eligibility to participate in this Plan shall not be construed as giving a Participant the right to be retained in the employment of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan.

(c) *No Rights as Stockholder.* Subject to the provisions of the Plan, no Participant or holder or beneficiary of any purchase shall have any rights as a stockholder with respect to any Shares to be purchased under the Plan until he or she has become the holder of such Shares.

(d) *Application of Funds.* The proceeds received by the Company from the sale of Shares pursuant to purchases under the Plan will be used for general corporate purposes.

(e) *Severability.* If any provision of the Plan becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person, or would disqualify the Plan or any purchase under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction, and the remainder of the Plan shall remain in full force and effect.

(f) *Governing Law.* The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware without giving effect to the conflict of law principles thereof.

(g) *Headings.* Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(h) *Information Provided to Participants.* The Company shall provide financial statements to Participants at least annually and such other information as may be required by law.

**SECTION 15. CODE SECTION 409A.**

The Section 423(b) Plan is exempt from the application of Section 409A of the Code. The Non-423(b) Plan is intended to comply and shall be administered in a manner that is intended to comply with Section 409A of the Code and shall be construed and interpreted in accordance with such intent. To the extent that participation in the Plan or the payment, settlement or deferral of purchases under the Plan is subject to Section 409A of the Code, the participation in the Plan shall be performed in a manner that will comply with Section 409A of the Code, including the final regulations and other guidance issued with respect thereto, except as otherwise determined by the Committee. Any provision of the Non-423(b) Plan that would cause the participation in the Plan and the purchase of Shares thereunder to fail to satisfy Section 409A of the Code shall be amended to comply with Section 409A of the Code on a timely basis, which amendment may be made on a retroactive basis, in accordance with the final regulations and guidance issued under Section 409A of the Code. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if any actions taken under the Plan that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant.

**SECTION 16. TERM OF THE PLAN.**

(a) *Restatement Effective Date.* The effective date of this amended and restated Plan is May 27, 2010 (the “Restatement Effective Date”), conditioned upon approval of the Plan by stockholders at the annual meeting of stockholders of the Company held on such date as provided in Section 423(b)(2) of the Code and the regulations thereunder.

(b) *Expiration Date.* Unless earlier terminated pursuant to Section 10 or Section 14(a) above, the Plan, as amended and restated, shall terminate on the tenth anniversary of the Restatement Effective Date. Notwithstanding the foregoing, the Plan shall terminate, if earlier, coincident with the completion of any Offering under which the limitation on the total number of shares in Section 4(a) above has been reached.

# 11. NASDAQ OMX Interim Report for the Quarterly Period Ended March 31, 2011

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2011**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number: 000-32651**

# The NASDAQ OMX Group, Inc.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or Other Jurisdiction of Incorporation or Organization)** | **52-1165937**<br>**(I.R.S. Employer Identification No.)** |
| **One Liberty Plaza, New York, New York**<br>**(Address of Principal Executive Offices)** | **10006**<br>**(Zip Code)** |

**+1 212 401 8700**
**(Registrant's telephone number, including area code)**

**No changes**
**(Former name, former address and former fiscal year, if changed since last report)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding at April 28, 2011 |
|---|---|
| Common Stock, $.01 par value per share | 176,674,674 shares |

**The NASDAQ OMX Group, Inc.**

**Form 10-Q**
**For the Quarterly Period Ended March 31, 2011**

**INDEX**

**PART I. FINANCIAL INFORMATION**

## About This Form 10-Q

Throughout this Form 10-Q, unless otherwise specified:

- “NASDAQ OMX,” “we,” “us” and “our” refer to The NASDAQ OMX Group, Inc.
- “The NASDAQ Stock Market” and “NASDAQ” refer to the registered national securities exchange operated by The NASDAQ Stock Market LLC.
- “OMX AB” refers to OMX AB (publ), as that entity operated prior to the business combination with Nasdaq.
- “Nasdaq” refers to The Nasdaq Stock Market, Inc., as that entity operated prior to the business combination with OMX AB.
- “NASDAQ OMX Nordic” refers to collectively, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen, NASDAQ OMX Helsinki and NASDAQ OMX Iceland.
- “NASDAQ OMX Baltic” refers to collectively, NASDAQ OMX Tallinn, NASDAQ OMX Riga and NASDAQ OMX Vilnius.
- “FINRA” refers to the Financial Industry Regulatory Authority.
- “SEK” or “Swedish Krona” refers to the lawful currency of Sweden.
- “NOK” or “Norwegian Krone” refers to the lawful currency of Norway.

This Quarterly Report on Form 10-Q includes market share and industry data that we obtained from industry publications and surveys, reports of governmental agencies and internal company surveys. Industry publications and surveys generally state that the information they contain has been obtained from sources believed to be reliable, but we cannot assure you that this information is accurate or complete. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on the most currently available market data. For market comparison purposes, The NASDAQ Stock Market data in this Quarterly Report on Form 10-Q for initial public offerings, or IPOs, is based on data generated internally by us, which includes best efforts underwritings and closed-end funds; therefore, the data may not be comparable to other publicly-available IPO data. Data in this Quarterly Report on Form 10-Q for new listings of equity securities on The NASDAQ Stock Market is based on data generated internally by us, which includes best efforts underwritings, issuers that switched from other listing venues, closed-end funds and exchange traded funds, or ETFs. Data in this Quarterly Report on Form 10-Q for IPOs and new listings of equities securities on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic also is based on data generated internally by us. IPOs and new listings data is presented as of period end. While we are not aware of any misstatements regarding industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors. We refer you to the “Risk Factors” section in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 and the “Risk Factors” section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 that was filed with the U.S. Securities and Exchange Commission, or SEC, on February 24, 2011.

## Forward-Looking Statements

*The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains these types of statements. Words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and words or terms of similar substance used in connection with any discussion of future expectations as to industry and regulatory developments or business initiatives and strategies, future operating results or financial performance identify forward-looking statements. These include, among others, statements relating to:*

- *our 2011 outlook;*
- *the scope, nature or impact of acquisitions, dispositions, investments or other transactional activities;*
- *the integration of acquired businesses, including accounting decisions relating thereto;*
- *the effective dates for, and expected benefits of, ongoing initiatives;*
- *the impact of pricing changes;*
- *tax benefits;*
- *the cost and availability of liquidity;* and
- *the outcome of any litigation and/or government investigation to which we are a party and other contingencies.*

*Forward-looking statements involve risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following:*

- *our operating results may be lower than expected;*
- *loss of significant trading volume or listed companies;*
- *economic, political and market conditions and fluctuations, including interest rate and foreign currency risk, inherent in U.S. and international operations;*
- *government and industry regulation;*
- *uncertainties related to our joint proposal with IntercontinentalExchange, Inc. to acquire NYSE Euronext, including our ability to enter into an agreement with NYSE Euronext and the terms of such agreement, as well as our ability and timing to obtain regulatory approvals for such acquisition and to consummate such acquisition;*
- *our ability to successfully integrate acquired businesses, including the fact that such integration may be more difficult, time consuming or costly than expected, and our ability to realize synergies from business combinations and acquisitions;*
- *the significant increase in our level of indebtedness if we are successful in our joint acquisition of NYSE Euronext;*
- *covenants in our credit facilities, indentures and other agreements governing our indebtedness which may restrict the operation of our business, including the covenants in any new credit facilities or other financing agreements we would enter into in connection with an acquisition of NYSE Euronext; and*
- *adverse changes that may occur in the securities markets generally.*

*Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the uncertainty and any risk related to forward-looking statements that we make. These risk factors are discussed under the caption "Part II. Item 1A. Risk Factors," in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 and more fully described in the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 that was filed with the SEC on February 24, 2011. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. You should carefully read this entire Form 10-Q, including "Part 1. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," and the condensed consolidated financial statements and the related notes. Except as required by the federal securities laws, we undertake no obligation to update any forward-looking statement, release publicly any revisions to any forward-looking statements or report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.*

**The NASDAQ OMX Group, Inc.**

**PART 1—FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**The NASDAQ OMX Group, Inc.**

**Condensed Consolidated Statements of Income**
**(Unaudited)**
**(in millions, except per share amounts)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2011 | 2010 |
| **Revenues** | | |
| Market Services | $ 683 | $ 652 |
| Issuer Services | 91 | 84 |
| Market Technology | 43 | 34 |
| Other | — | 1 |
| Total revenues | 817 | 771 |
| **Cost of revenues** | | |
| Transaction rebates | (309) | (327) |
| Brokerage, clearance and exchange fees | (93) | (84) |
| Total cost of revenues | (402) | (411) |
| **Revenues less transaction rebates, brokerage, clearance and exchange fees** | 415 | 360 |
| **Operating Expenses** | | |
| Compensation and benefits | 112 | 98 |
| Marketing and advertising | 5 | 4 |
| Depreciation and amortization | 27 | 25 |
| Professional and contract services | 21 | 19 |
| Computer operations and data communications | 17 | 16 |
| Occupancy | 23 | 22 |
| Regulatory | 9 | 9 |
| Merger and strategic initiatives | 5 | — |
| General, administrative and other | 15 | 55 |
| Total operating expenses | 234 | 248 |
| Operating income | 181 | 112 |
| Interest income | 2 | 2 |
| Interest expense | (30) | (25) |
| Dividend and investment income | (1) | — |
| Income before income taxes | 152 | 89 |
| Income tax provision | 49 | 29 |
| **Net income** | 103 | 60 |
| Net loss attributable to noncontrolling interests | 1 | 1 |
| **Net income attributable to NASDAQ OMX** | $ 104 | $ 61 |
| **Basic and diluted earnings per share:** | | |
| Basic earnings per share | $ 0.59 | $ 0.29 |
| Diluted earnings per share | $ 0.57 | $ 0.28 |

See accompanying notes to condensed consolidated financial statements.

## The NASDAQ OMX Group, Inc.

## Condensed Consolidated Balance Sheets
## (in millions, except share and par value amounts)

| | March 31, 2011 | December 31, 2010 |
|---|---|---|
| | (Unaudited) | |
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 439 | $ 315 |
| Restricted cash | 60 | 60 |
| Financial investments, at fair value | 283 | 253 |
| Receivables, net | 327 | 298 |
| Deferred tax assets | 8 | 13 |
| Open clearing contracts: | | |
| Derivative positions, at fair value | 2,295 | 4,037 |
| Resale agreements, at contract value | 6,655 | 3,441 |
| Other current assets | 108 | 93 |
| Total current assets | 10,175 | 8,510 |
| Non-current restricted cash | 105 | 105 |
| Property and equipment, net | 166 | 164 |
| Non-current deferred tax assets | 358 | 433 |
| Goodwill | 5,339 | 5,127 |
| Intangible assets, net | 1,773 | 1,719 |
| Other assets | 149 | 149 |
| Total assets | $ 18,065 | $ 16,207 |
| **Liabilities** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 151 | $ 142 |
| Section 31 fees payable to SEC | 70 | 82 |
| Accrued personnel costs | 71 | 122 |
| Deferred revenue | 237 | 122 |
| Other current liabilities | 149 | 119 |
| Deferred tax liabilities | 27 | 26 |
| Open clearing contracts: | | |
| Derivative positions, at fair value | 2,295 | 4,037 |
| Repurchase agreements, at contract value | 6,655 | 3,441 |
| Current portion of debt obligations | 140 | 140 |
| Total current liabilities | 9,795 | 8,231 |
| Debt obligations | 2,150 | 2,181 |
| Non-current deferred tax liabilities | 716 | 698 |
| Non-current deferred revenue | 172 | 170 |
| Other liabilities | 195 | 198 |
| Total liabilities | 13,028 | 11,478 |
| **Commitments and contingencies** | | |
| **Equity** | | |
| NASDAQ OMX stockholders' equity: | | |
| Common stock, $0.01 par value, 300,000,000 shares authorized, shares issued: 213,377,707 at March 31, 2011 and 213,370,086 at December 31, 2010; shares outstanding: 176,300,916 at March 31, 2011 and 175,782,683 at December 31, 2010 | 2 | 2 |
| Preferred stock, 30,000,000 shares authorized, series A convertible preferred stock: shares issued: 1,600,000 at March 31, 2011 and December 31, 2010; shares outstanding: none at March 31, 2011 and December 31, 2010 | — | — |
| Additional paid-in capital | 3,784 | 3,780 |
| Common stock in treasury, at cost: 37,076,791 shares at March 31, 2011 and 37,587,403 shares at December 31, 2010 | (786) | (796) |
| Accumulated other comprehensive loss | (82) | (272) |
| Retained earnings | 2,108 | 2,004 |
| Total NASDAQ OMX stockholders' equity | 5,026 | 4,718 |
| Noncontrolling interests | 11 | 11 |
| Total equity | 5,037 | 4,729 |
| Total liabilities and equity | $ 18,065 | $ 16,207 |

See accompanying notes to condensed consolidated financial statements.

**The NASDAQ OMX Group, Inc.**

**Condensed Consolidated Statements of Comprehensive Income**
**(Unaudited)**
**(in millions)**

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 |
|---|---|---|
| **Net income** | $ 103 | $ 60 |
| Other comprehensive income (loss): | | |
| Net unrealized holding losses on available-for-sale security: | | |
| Unrealized holding losses arising during the period | (4) | — |
| Income tax benefit | 2 | — |
| Total | (2) | — |
| Foreign currency translation gains (losses): | | |
| Net foreign currency translation gains (losses) | 276 | (56) |
| Income tax (expense) benefit | (84) | 18 |
| Total | 192 | (38) |
| Unrealized losses on cash flow hedges: | | |
| Reclassification adjustment for loss realized in net income on cash flow hedges | — | 9 |
| Income tax benefit recognized in net income during the period | — | (3) |
| Total | — | 6 |
| Total other comprehensive income (loss), net of tax | 190 | (32) |
| **Comprehensive income** | 293 | 28 |
| Comprehensive loss attributable to noncontrolling interests | 1 | 1 |
| **Comprehensive income attributable to NASDAQ OMX** | $ 294 | $ 29 |

See accompanying notes to condensed consolidated financial statements.

**The NASDAQ OMX Group, Inc.**

**Condensed Consolidated Statements of Cash Flows**
**(Unaudited)**
**(in millions)**

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income | $ 103 | $ 60 |
| Adjustments to reconcile net income to cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 27 | 25 |
| Share-based compensation | 7 | 8 |
| Excess tax benefits related to share-based compensation | (3) | (1) |
| Provision for bad debts | 1 | 1 |
| Charges related to debt refinancing | — | 37 |
| Deferred taxes, net | (11) | (9) |
| Asset retirements | — | 3 |
| Accretion of debt discounts | 4 | 4 |
| Amortization of debt issuance costs | 2 | 1 |
| Other non-cash items included in net income | — | 1 |
| Net change in operating assets and liabilities, net of effects of acquisitions: | | |
| Receivables, net | (26) | (80) |
| Other assets | (9) | (86) |
| Accounts payable and accrued expenses | 9 | 34 |
| Section 31 fees payable to SEC | (12) | (80) |
| Accrued personnel costs | (55) | (54) |
| Deferred revenue | 108 | 117 |
| Other current liabilities | 28 | 17 |
| Other liabilities | (2) | (14) |
| **Cash provided by (used in) operating activities** | 171 | (16) |
| **Cash flows from investing activities** | | |
| Purchases of trading securities | (114) | (119) |
| Proceeds from sales and redemptions of trading securities | 100 | 163 |
| Purchases of property and equipment | (10) | (11) |
| **Cash provided by (used in) investing activities** | (24) | 33 |
| **Cash flows from financing activities** | | |
| Proceeds from debt obligations, net of debt issuance costs | — | 1,678 |
| Payments of debt obligations | (35) | (1,700) |
| Cash paid for repurchase of common stock | — | (46) |
| Purchases of noncontrolling interests | — | (2) |
| Issuances of common stock, net of treasury stock purchases | 5 | 1 |
| Excess tax benefits related to share-based compensation | 3 | 1 |
| **Cash used in financing activities** | (27) | (68) |
| Effect of exchange rate changes on cash and cash equivalents | 4 | (8) |
| Increase (decrease) in cash and cash equivalents | 124 | (59) |
| Cash and cash equivalents at beginning of period | 315 | 594 |
| Cash and cash equivalents at end of period | $ 439 | $ 535 |
| **Supplemental Disclosure Cash Flow Information** | | |
| Cash paid for: | | |
| Interest | $ 33 | $ 4 |
| Income taxes, net of refund | $ 37 | $ 14 |

See accompanying notes to condensed consolidated financial statements.

The NASDAQ OMX Group, Inc.

Notes to Condensed Consolidated Financial Statements

**1. Organization and Nature of Operations**

We are a leading global exchange group that delivers trading, clearing, exchange technology, securities listing, and public company services across six continents. Our global offerings are diverse and include trading and clearing across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. Our technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing and settlement and many other functions.

In the U.S., we operate The NASDAQ Stock Market, a registered national securities exchange. The NASDAQ Stock Market is the largest single cash equities securities market in the U.S. in terms of listed companies and in the world in terms of share value traded. As of March 31, 2011, The NASDAQ Stock Market was home to 2,760 listed companies with a combined market capitalization of approximately $4.8 trillion. In addition, in the U.S. we operate two additional cash equities trading markets, two options markets, a futures market and a derivatives clearinghouse. We also engage in riskless principal trading of over-the-counter, or OTC, power and gas contracts.

In Europe, we operate exchanges in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland), and Iceland as NASDAQ OMX Nordic, and exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania) as NASDAQ OMX Baltic. Collectively, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic offer trading in cash equities, bonds, structured products and ETFs, as well as trading and clearing of derivatives and clearing of resale and repurchase agreements. Our Nordic and Baltic operations also offer alternative marketplaces for smaller companies called NASDAQ OMX First North. As of March 31, 2011, the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, together with NASDAQ OMX First North, were home to 773 listed companies with a combined market capitalization of approximately $1.2 trillion.

We also operate NASDAQ OMX Armenia. In addition, NASDAQ OMX Commodities operates the world's largest power derivatives exchange, one of Europe's largest carbon exchanges and N2EX, a marketplace for physical U.K. power contracts.

In some of the countries where we operate exchanges, we also provide clearing, settlement and depository services.

We manage, operate and provide our products and services in three business segments: Market Services, Issuer Services and Market Technology.

**Market Services**

Our Market Services segment includes our U.S. and European Transaction Services businesses, as well as our Market Data and Broker Services businesses. We offer trading on multiple exchanges and facilities across several asset classes, including cash equities, derivatives, debt, commodities, structured products and ETFs. In addition, in some of the countries where we operate exchanges, we also provide clearing, settlement and depository services.

***U.S. Transaction Services***

In the U.S., we offer trading in cash equity securities, derivatives and ETFs on The NASDAQ Stock Market, The NASDAQ Options Market, NASDAQ OMX PHLX, NASDAQ OMX BX, NASDAQ OMX PSX and NASDAQ OMX Futures Exchange, or NFX, and engage in riskless principal trading of OTC power and gas contracts through NASDAQ OMX Commodities Clearing Company, or NOCC. Our transaction-based platforms in the U.S. provide market participants with the ability to access, process, display and integrate orders and quotes for cash equity securities, derivatives and ETFs. The platforms allow the routing and execution of buy and sell orders, as well as the reporting of transactions for cash equity securities, derivatives and ETFs, providing fee-based revenues.

Cash Equities Trading

The NASDAQ Stock Market is the largest single pool of liquidity for trading U.S.-listed cash equities, matching an average of approximately 16.5% of all U.S. cash equities volume for the three months ended March 31, 2011. With NASDAQ OMX BX and NASDAQ OMX PSX, we offer a second and third quote within the U.S. cash equities marketplace providing our customers enhanced trading choices and pricing flexibility within the U.S. cash equities marketplace. During the three months ended March 31, 2011, NASDAQ OMX BX matched an average of approximately 1.8% of all U.S. cash equities volume and NASDAQ OMX PSX matched an average of approximately 0.9% of all U.S. cash equities volume.

U.S. Derivative Trading and Clearing

In the U.S., we operate The NASDAQ Options Market and NASDAQ OMX PHLX for the trading of equity options, ETF options, index options and currency options. As of March 31, 2011, NASDAQ OMX PHLX was the largest options market in the U.S. NASDAQ OMX PHLX operates a hybrid electronic and floor-based market as a distinct market alongside The NASDAQ Options Market. During the three months ended March 31, 2011, NASDAQ OMX PHLX and The NASDAQ Options Market had an average combined market share of approximately 28.7% in the U.S. equity options market, consisting of approximately 23.5% at NASDAQ OMX PHLX and approximately 5.2% at The NASDAQ Options Market. Together, the combined market share of 28.7% represented the largest share of the U.S. equity and ETF options market. Our options trading platforms provide trading opportunities to both retail investors and high frequency trading firms, who tend to prefer electronic trading, and institutional investors, who typically pursue more complex trading strategies and often prefer to trade on the floor.

In the U.S., we also operate NFX which offers trading for currency futures and other financial futures. Most futures traded on NFX clear at The Options Clearing Corporation, or OCC. In addition, NFX serves as the designated contract market for interest rate swap futures that are cleared through International Derivatives Clearinghouse, LLC, or IDCH.

Through IDCH, our majority-owned subsidiary International Derivatives Clearing Group, or IDCG, brings a centrally-cleared solution to the largest segment of the OTC derivatives marketplace, specifically interest rate derivative products. IDCH acts as the central counterparty, or CCP, for clearing interest rate swap futures contracts. IDCH utilizes NASDAQ OMX matching and clearing technology to clear and settle these interest rate derivative products.

With the purchase of the assets of North American Energy Credit and Clearing Corp. in March 2010 by our subsidiary NOCC, NASDAQ OMX expanded its presence in the OTC energy commodity markets.

***European Transaction Services***

Nordic Transaction Services

The exchanges that comprise NASDAQ OMX Nordic offer trading for cash equities and bonds, trading and clearing services for derivatives, and beginning September 2010, clearing services for resale and repurchase agreements. Our platform allows the exchanges to share the same trading system which enables efficient cross-border trading and settlement, cross membership and a single source for Nordic market data.

Trading is offered in Nordic securities such as cash equities and depository receipts, warrants, convertibles, rights, fund units, ETFs, bonds and other interest-related products. NASDAQ OMX Stockholm and NASDAQ OMX Copenhagen also offer trading in derivatives, such as stock options and futures, index options and futures, fixed-income options and futures and stock loans. Settlement and registration of cash trading takes place in Sweden, Finland, Denmark and Iceland via the local central securities depositories.

On NASDAQ OMX Stockholm, we offer clearing services for fixed-income options and futures, stock options and futures and index options and futures by serving as the CCP. In doing so, we guarantee the completion of the transaction and market participants can thereby limit their counterparty risk. We also act as the counterparty for certain OTC contracts. Most of our cash equity trades on the exchanges that comprise NASDAQ OMX Nordic are centrally cleared by European Multilateral Clearing Facility N.V., or EMCF, a leading European clearinghouse in which we own a 22% equity stake.

For further discussion of our Nordic clearing operations, see "Open Clearing Contracts at NASDAQ OMX Commodities and NASDAQ OMX Stockholm," of Note 13, "Fair Value of Financial Instruments."

Baltic Transaction Services

NASDAQ OMX Baltic operations comprise the exchanges in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania). As of March 31, 2011, NASDAQ OMX owns NASDAQ OMX Tallinn and has majority ownerships in NASDAQ OMX Vilnius and NASDAQ OMX Riga. In addition, NASDAQ OMX Tallinn owns the central securities depository in Estonia, NASDAQ OMX Riga owns the central securities depository in Latvia, and NASDAQ OMX Helsinki and NASDAQ OMX Vilnius have an equity interest in the central securities depository in Lithuania.

The exchanges that comprise NASDAQ OMX Baltic offer their members trading, clearing, payment and custody services. Issuers, primarily large local companies, are offered listing and a distribution network for their securities. The securities traded are mainly cash equities, bonds and treasury bills. Clearing, payment and custody services are offered through the central securities depositories in Estonia, Latvia and Lithuania. In addition, in Estonia and Latvia, NASDAQ OMX offers registry maintenance of fund units included in obligatory pension funds, and in Estonia, NASDAQ OMX offers the maintenance of shareholder registers for listed companies. The Baltic central securities depositories offer a complete range of cross-border settlement services.

Pan-European Transaction Services

In the second quarter of 2010, we made a strategic decision to close the business of NASDAQ OMX Europe, or NEURO. We retained our London office and data hub, where we support trading and market data clients, run the U.K. power exchange

N2EX and manage our overseas listings operation. As a result of this decision, we recorded a loss of $6 million in the second quarter of 2010. Our decision to close the business of NEURO will not have a significant impact on our future results of operations.

Commodities Trading and Clearing

NASDAQ OMX Commodities offers derivatives and carbon products, operates a clearing business and offers consulting services to commodities markets globally. With our acquisition of Nord Pool in May 2010, NASDAQ OMX Commodities' offering now includes the world's largest power derivatives exchange and one of Europe's largest carbon exchanges.

NASDAQ OMX Commodities has 356 members across a wide range of energy producers and consumers, as well as financial institutions. NASDAQ OMX Commodities' offering is designed for banks, brokers, hedge funds and other financial institutions, as well as power utilities, industrial, manufacturing and oil companies. NASDAQ OMX Commodities offers clearing services for energy derivative and carbon product contracts by serving as the CCP. In doing so, we guarantee the completion of the transaction and market participants can thereby limit their counterparty risk. We also act as the counterparty for certain trades on OTC derivative contracts. In January 2011, NASDAQ OMX Commodities launched trading and clearing of futures based on the N2EX spot market.

For further discussion of our NASDAQ OMX Commodities clearing operations, see "Derivative Positions, at Fair Value," of Note 13, "Fair Value of Financial Instruments."

***Access Services***

We provide market participants with several alternatives for accessing our markets for a fee. We provide co-location services to market participants whereby firms may lease space for equipment within our data center. These participants are charged monthly fees for cabinet space, connectivity and support. In addition, we earn revenues from annual and monthly exchange membership and registration fees. Access Services revenues also include revenues from FTEN, Inc., or FTEN, which we acquired in December 2010. For further discussion of our acquisition of FTEN, see Note 4, "Acquisitions."

***Market Data***

We earn Market Data revenues from U.S. tape plans and U.S. and European proprietary market data products.

Net U.S. Tape Plans

The NASDAQ Stock Market operates as the exclusive Securities Information Processor of the Unlisted Trading Privileges Plan, or the UTP Plan, for the collection and dissemination of best bid and offer information and last transaction information from markets that quote and trade in NASDAQ-listed securities. The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX are participants in the UTP Plan and share in the net distribution of revenue according to the plan on the same terms as the other plan participants. In the role as the Securities Information Processor, The NASDAQ Stock Market collects and disseminates quotation and last sale information for all transactions in NASDAQ-listed securities whether traded on The NASDAQ Stock Market or other exchanges. We sell this information to market participants and to data distributors, who then provide the information to subscribers. After deducting costs associated with our role as an exclusive Securities Information Processor, as permitted under the revenue sharing provision of the UTP Plan, we distribute the tape revenues to the respective UTP Plan participants, including The NASDAQ Stock Market, NASDAQ OMX BX and NASDAQ OMX PSX, based on a formula required by Regulation NMS that takes into account both trading and quoting activity. In addition, all quotes and trades in New York Stock Exchange, or NYSE,- and NYSE Amex-listed securities are reported and disseminated in real time, and as such, we share in the tape revenues for information on NYSE- and NYSE Amex-listed securities.

U.S. Market Data Products

Our market data products enhance transparency and provide critical information to professional and non-professional investors. We collect, process and create information and earn revenues as a distributor of our own, as well as select third-party content. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Our systems enable distributors to gain direct access to our market depth, index values, mutual fund valuation, order imbalances, market sentiment and other analytical data. We earn revenues primarily based on the number of data subscribers and distributors of our data.

European Market Data Products

The exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities offer European market data products and services. These data products and services provide critical market transparency to professional and non-professional investors who participate in European marketplaces and, at the same time, give investors greater insight into these markets.

European market data products and services are based on the trading information from the exchanges that comprise NASDAQ OMX Nordic, NASDAQ OMX Baltic and NASDAQ OMX Commodities for four classes of assets: cash equities, bonds, derivatives and commodities. We provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information. Revenues from European market data are subscription-based and are generated primarily based on the number of data subscribers and distributors of our data.

***Broker Services***

Our Broker Services operations offer technology and customized securities administration solutions to financial participants in the Nordic market. Broker Services provide services through a registered securities company which is regulated by the Swedish Financial Supervisory Authority. The primary services consist of flexible back-office systems, which allow customers to entirely or partly outsource their company's back-office functions.

We offer customer and account registration, business registration, clearing and settlement, corporate action handling for reconciliations and reporting to authorities. Available services also include direct settlement with the Nordic central securities depositories, real-time updating and communication via the Society for Worldwide Interbank Financial Telecommunication to deposit banks. Revenues are based on a fixed basic fee for back-office brokerage services, such as administration or licensing, maintenance and operations, and a variable portion that depends on the number of transactions completed.

**Issuer Services**

Our Issuer Services segment includes our Global Listing Services and Global Index Group businesses.

We operate a variety of listing platforms around the world to provide multiple global capital raising solutions for private and public companies. Our main listing markets are The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic. We offer a consolidated global listing application to companies to enable them to apply for listing on The NASDAQ Stock Market and the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic, as well as NASDAQ Dubai Limited, or NASDAQ Dubai.

***Global Listing Services***

Our Global Listing Services business includes our U.S. Listings, European Listings and Corporate Solutions businesses.

U.S. Listings

Companies listed on The NASDAQ Stock Market represent a diverse array of industries including health care, consumer products, telecommunication services, information technology, financial services, industrials and energy. There are three types of fees applicable to companies that list on The NASDAQ Stock Market: an annual renewal fee, a listing of additional shares fees and an initial listing fee. Annual renewal fees for securities listed on The NASDAQ Stock Market are based on total shares outstanding. The fee for listing of additional shares is also based on the total shares outstanding, which we review quarterly, and the initial listing fee for securities listed on The NASDAQ Stock Market includes a listing application fee and a total shares outstanding fee.

European Listings

We also offer listings on our Nordic and Baltic exchanges and NASDAQ OMX First North. Revenues are generated through annual fees paid by companies listed on these exchanges, which are measured in terms of the listed company's market capitalization on a trailing 12-month basis. Our European listing customers are organizations such as companies, funds or governments that issue and list securities on the exchanges of NASDAQ OMX Nordic and NASDAQ OMX Baltic. Customers issue securities in the forms of cash equities, depository receipts, warrants, ETFs, convertibles, rights, options, bonds and fixed-income related products.

For smaller companies and growth companies, we offer access to the financial markets through the NASDAQ OMX First North alternative marketplaces.

Corporate Solutions

Our Corporate Solutions business provides customer support services, products and programs to companies, including companies listed on our exchanges. Through our Corporate Solutions offerings, companies gain access to innovative products and services that ease transparency, maximize board efficiency and facilitate better corporate governance.

***Global Index Group***

We develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group. We believe that these indexes and products leverage, extend and enhance the NASDAQ OMX brand. License fees for our trademark licenses vary by product based on a percentage of underlying assets, dollar value of a product issuance, number of products or number of contracts traded. In addition to generating licensing revenues, these products, particularly mutual funds and ETFs, lead to increased investments in companies listed on our global exchanges, which enhances our ability to attract new listings. We also license cash-settled options, futures and options on futures on our indexes.

**Market Technology**

The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement and information dissemination, and also offers facility management integration, surveillance solutions and advisory services to over 70 exchanges, clearing organizations and central securities depositories in more than 50 countries. We serve as a technology partner to some of the world's most prominent exchanges, and we also provide critical technical support to start-ups and new entrants in the exchange space. Revenues are derived from the following primary sources:

- license, support and facility management revenues;
- delivery project revenues; and
- change request, advisory and broker surveillance revenues.

License and support revenues are derived from the system solutions developed and sold by NASDAQ OMX. After we have developed and sold a system solution, the customer licenses the right to use the software and may require post contract support and other services. Facility management revenues are derived when NASDAQ OMX assumes responsibility for the continuous operation of a system platform for a customer.

Delivery project revenues are derived from the installation phase of the system solutions developed and sold by NASDAQ OMX. The majority of our delivery projects involve individual adaptations to the specific requirements of the customer, such as those relating to functionality and capacity.

Change request revenues include customer specific adaptations and modifications of the system solution sold by NASDAQ OMX after delivery has occurred. Advisory services are designed to support our customers' strategies and help them with critical decisions in a highly demanding business environment. Broker surveillance revenues are derived from surveillance solutions targeting brokers and regulators throughout the world.

For further discussion of our segments, see Note 16, "Segments."

**2. Basis of Presentation and Principles of Consolidation**

The condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The accompanying unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. These adjustments are of a normal recurring nature. The financial statements include the accounts of NASDAQ OMX, its wholly-owned subsidiaries and other entities in which NASDAQ OMX has a controlling financial interest. All significant intercompany accounts and transactions have been eliminated in consolidation. We consolidate those entities in which we are the primary beneficiary of a variable-interest entity, or VIE, and entities where we have a controlling financial interest. We were not the primary beneficiary of any VIE during the three months ended March 31, 2011 and 2010. When NASDAQ OMX is not the primary beneficiary of a VIE or does not have a controlling interest in an entity but exercises significant influence over the entity's operating and financial policies, such investment is accounted for under the equity method of accounting. We recognize our share of earnings or losses of an equity method investee based on our ownership percentage. See "Equity Method Investments" of Note 6, "Investments," for further discussion of our equity method investments.

As permitted under U.S. GAAP, certain footnotes or other financial information can be condensed or omitted in the interim condensed consolidated financial statements. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in NASDAQ OMX's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Certain prior year amounts have been reclassified to conform to the current year presentation.

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

We have evaluated our subsequent events through the issuance date of this Quarterly Report on Form 10-Q. See Note 17, "Subsequent Events," for further discussion.

**Income Taxes**

We use the asset and liability method to provide income taxes on all transactions recorded in the condensed consolidated financial statements. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities (i.e., temporary differences) and are measured at the enacted rates that will be in effect when these differences are realized. If necessary, a valuation allowance is established to reduce deferred tax assets to the amount that is more likely than not to be realized.

In order to recognize and measure our unrecognized tax benefits, management determines whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the recognition thresholds, the position is measured to determine the amount of benefit to be recognized in the condensed consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

In the fourth quarter of 2010, we received an appeal from the Finnish Tax Authority in which such authority challenges certain interest expense deductions claimed by NASDAQ OMX in Finland for the years 2009 and 2008. NASDAQ OMX's tax return position with respect to this deduction was previously reviewed and approved by the Finnish Tax Authority. The appeal also demands certain penalties be paid with regards to such tax return filing position. If the Finnish Tax Authority prevails in their challenge, additional tax and penalties for such years would total approximately $10 million. We expect the Finnish Tax Authority to agree with our position once its review is completed and, as such, believe it is unlikely NASDAQ OMX will be assessed any additional tax and penalties. Through March 31, 2011, we have recorded the tax benefits associated with such filing position.

In June 2009, NASDAQ OMX filed an application for an advance tax ruling with the Swedish Tax Council for Advance Tax Rulings. The application was filed to confirm whether certain interest expense is deductible for Swedish tax purposes under legislation that became effective on January 1, 2009. In June 2010, we received a favorable response from the Swedish Tax Council for Advance Tax Rulings in which all members of the Council agreed that such interest expense is deductible for Swedish tax purposes. The Swedish Tax Agency has appealed such ruling to the Swedish Supreme Administrative Court. We expect the Swedish Supreme Administrative Court to agree with the ruling from the Swedish Tax Council for Advance Tax Rulings. In the first quarter of 2011, we recorded a tax benefit of $5 million, or $0.03 per diluted share and in the first quarter of 2010, we recorded a tax benefit of $5 million, or $0.02 per diluted share, related to this matter. Since January 1, 2009, we have recorded a tax benefit of $42 million, or $0.20 per diluted share, related to this matter.

### 3. Recently Adopted Accounting Pronouncements

***ASC Topic 820—***In January 2010, the Financial Accounting Standards Board, or FASB, issued amended guidance relating to FASB Accounting Standards Codification, or ASC, Topic 820, "Fair Value Measurements and Disclosures." The amended guidance requires new disclosures as follows:

- Amounts related to transfers in and out of Levels 1 and 2 shall be disclosed separately and the reasons for the transfers shall be described.
- In the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements on a gross basis.

The guidance also provides amendments that clarify existing disclosures related to the following:

- Reporting fair value measurement disclosures for each class of assets and liabilities.
- Providing disclosure surrounding the valuation techniques and inputs used to measure fair value for both Level 2 and Level 3 fair value measurements.

This accounting guidance was effective for us beginning on January 1, 2010, except for the disclosure requirements surrounding the reconciliation of Level 3 fair value measurements, which were effective for us on January 1, 2011. Since this guidance only required additional disclosure, it did not affect our financial position or results of operations.

### 4. Acquisitions

We completed the following acquisitions in 2010. The results of operations of each transaction are included in our Condensed Consolidated Statements of Income from the dates of each acquisition.

| | Purchase Consideration | Total Net (Liabilities) Assets Acquired | Purchased Intangible Assets | Goodwill |
|---|---|---|---|---|
| | | (in millions) | | |
| FTEN[(1)] | $ 110 | $ (1) | $ 46 | $ 65 |
| SMARTS[(2)] | 77 | (5) | 28 | 54 |
| Nord Pool [(3)] | 17 | 7 | 2 | 8 |
| Total for 2010 | $ 204 | $ 1 | $ 76 | $ 127 |

1.

(1) In December 2010, we acquired FTEN, a leading provider of Real-Time Risk Management solutions for the financial securities market for $110 million. FTEN purchase consideration included $11 million held in escrow to be paid in 2012, in accordance with the purchase agreement. We acquired net assets, at fair value, totaling $3 million and recorded a current deferred tax liability of $2 million and a non-current deferred tax liability of $16 million related to purchased intangible assets, and we also recorded a non-current deferred tax asset of $14 million related to net operating loss carry forwards, resulting in total net liabilities acquired of $1 million. The total deferred tax liabilities of $18 million represent the tax effect of the difference between the estimated assigned fair value of the acquired intangible assets ($46 million) and the tax basis ($0) of such assets. The estimated amount of $18 million is determined by multiplying the difference of $46 million by FTEN's effective tax rate of 39.55%. The purchased intangible assets of $46 million consisted of $23 million in customer relationships, $12 million in technology, $9 million for the FTEN trade name and $2 million related to non-compete agreements.

(2) In August 2010, we acquired SMARTS Group Holdings Pty Ltd, or SMARTS, a leading technology provider of surveillance solutions to exchanges, regulators and brokers to diversify our Market Technology business and enter the broker surveillance and compliance market. We completed our acquisition of SMARTS for $77 million, which included a $75 million initial purchase price, as well as a $2 million working capital adjustment. SMARTS purchase consideration also included $2 million held in escrow that was paid in the first quarter of 2011 and $12 million held in escrow to be paid in 2012, in accordance with the purchase agreement. We acquired net assets, at fair value, totaling $3 million and recorded a current deferred tax liability of $1 million and a non-current deferred tax liability of $7 million related to purchased intangible assets, resulting in total net liabilities acquired of $5 million. The total deferred tax liabilities of $8 million

represent the tax effect of the difference between the estimated assigned fair value of the acquired intangible assets ($28 million) and the tax basis ($0) of such assets. The estimated amount of $8 million is determined by multiplying the difference of $28 million by SMARTS' effective tax rate of 30%. The purchased intangible assets of $28 million consisted of $11 million in technology and $17 million in customer relationships.

(3) In May 2010, we acquired Nord Pool, a derivatives trading market, for $17 million (101 million NOK). We acquired net assets, at fair value, totaling $8 million and recorded deferred tax liabilities of $1 million related to purchased intangible assets, resulting in total net assets acquired of $7 million. Through this acquisition, we now hold a Norwegian exchange license and operate the Nordic power market and the European carbon market on one trading platform.

The above amounts represent the preliminary allocation of the purchase price and are subject to revision during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date. Adjustments to the provisional values during the measurement period will be pushed back to the date of acquisition. Comparative information for periods after acquisition but before the period in which the adjustments are identified will be adjusted to reflect the effects of the adjustments as if they were taken into account as of the acquisition date. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill. There were no adjustments to the provisional values during the three months ended March 31, 2011.

***Acquisition of ZVM***

In December 2010, we acquired Zoomvision Mamato, or ZVM, a provider of webcasting and investor relation communication services for companies in the Nordic region, for an immaterial amount. ZVM, which is the leading provider of webcasting services in Northern Europe, adds to the growing range of capabilities and services NASDAQ OMX offers public and private companies in the U.S. and Europe.

***Acquisition of Assets of North American Energy Credit and Clearing Corp.***

In March 2010, we also purchased the assets of North American Energy Credit and Clearing Corp. for an immaterial amount. With this purchase, NASDAQ OMX expanded its presence in the OTC energy commodity markets. As previously discussed, the acquisition of these assets was effected through NOCC. In March 2010, we also provided an additional $25 million in capital to NOCC to improve its liquidity position. As of March 31, 2011 and December 31, 2010, this amount is classified as non-current restricted cash in the Condensed Consolidated Balance Sheets.

**Pro Forma Results and Acquisition-related Costs**

Pro forma results of operations for the acquisitions completed during 2010 have not been presented since the acquisitions both individually and in the aggregate were not material to our financial results.

For the three months ended March 31, 2011, acquisition-related costs for the 2010 acquisitions described above are included in merger and strategic initiatives expense in the Condensed Consolidated Statements of Income.

## 5. Goodwill and Purchased Intangible Assets

### Goodwill

The following table presents the changes in goodwill by business segment during the three months ended March 31, 2011:

| | Market Services | Issuer Services | Market Technology | Total |
|---|---|---|---|---|
| | | (in millions) | | |
| Balance at December 31, 2010 | $ 4,679 | $ 292 | $ 156 | $ 5,127 |
| Goodwill acquired | — | — | — | — |
| Foreign currency translation adjustment | 190 | 14 | 8 | 212 |
| Balance at March 31, 2011 | $ 4,869 | $ 306 | $ 164 | $ 5,339 |

As of March 31, 2011, the amount of goodwill that is expected to be deductible for tax purposes in future periods is $104 million.

Goodwill represents the excess of the purchase price over the value assigned to the net tangible and identifiable intangible assets of a business acquired. Goodwill is allocated to the reporting units based on the assignment of the fair values of each reporting unit of the acquired company. We are required to test goodwill for impairment at the reporting unit level annually, or in interim periods if certain events occur indicating that the carrying value may be impaired. We test for impairment during the fourth quarter of our fiscal year using October 1st carrying values. We considered the need to update our most recent annual goodwill impairment test as of March 31, 2011 and concluded that none of the impairment indicators triggered a revised impairment analysis. As such, we concluded the assumptions used during the annual assessment remained appropriate. There was no impairment of goodwill for the three months ended March 31, 2011 and 2010. Although there is no impairment as of March 31, 2011, events such as economic weakness and unexpected significant declines in operating results of reporting units may result in our having to perform a goodwill impairment test for some or all of our reporting units prior to the required annual assessment. These types of events and the resulting analysis could result in goodwill impairment charges in the future.

### Purchased Intangible Assets

The following table presents details of our total purchased intangible assets, both finite- and indefinite-lived:

| | March 31, 2011 | | | | December 31, 2010 | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Intangible Assets | Weighted-Average Useful Life (in Years) | Gross Carrying Amount | Accumulated Amortization | Net Intangible Assets | Weighted-Average Useful Life (in Years) |
| | (in millions) | | | | (in millions) | | | |
| ***Finite-Lived Intangible Assets*** | | | | | | | | |
| Technology | $ 33 | $ (6) | $ 27 | 9 | $ 72 | $ (41) | $ 31 | 6 |
| Customer relationships | 853 | (163) | 690 | 21 | 853 | (152) | 701 | 21 |
| Other | 6 | (1) | 5 | 8 | 6 | (1) | 5 | 8 |
| Foreign currency translation adjustment | 17 | (2) | 15 | | (15) | 4 | (11) | |
| Total finite-lived intangible assets | $ 909 | $ (172) | $ 737 | | $ 916 | $ (190) | $ 726 | |
| ***Indefinite-Lived Intangible Assets*** | | | | | | | | |
| Exchange and clearing registrations | $ 790 | $ — | $ 790 | | $ 790 | $ — | $ 790 | |
| Trade names | 181 | — | 181 | | 181 | — | 181 | |
| Licenses | 78 | — | 78 | | 78 | — | 78 | |
| Foreign currency translation adjustment | (13) | — | (13) | | (56) | — | (56) | |
| Total indefinite-lived intangible assets | $ 1,036 | $ — | $ 1,036 | | $ 993 | $ — | $ 993 | |
| Total intangible assets | $ 1,945 | $ (172) | $ 1,773 | | $ 1,909 | $ (190) | $ 1,719 | |

Amortization expense for purchased finite-lived intangible assets was $15 million for the three months ended March 31, 2011 and $14 million for the three months ended March 31, 2010.

The estimated future amortization expense (excluding the impact of foreign currency translation adjustments of $15 million as of March 31, 2011) of purchased finite-lived intangible assets as of March 31, 2011 is as follows:

| | (in millions) |
|---|---|
| 2011[(1)] | $ 38 |
| 2012 | 50 |
| 2013 | 49 |
| 2014 | 47 |
| 2015 | 45 |
| 2016 and thereafter | 493 |
| Total | $ 722 |

2.

(1) Represents the estimated amortization to be recognized for the remaining nine months of 2011.

## 6. Investments

### Trading Securities

Trading securities, which are included in financial investments, at fair value in the Condensed Consolidated Balance Sheets, were $254 million as of March 31, 2011 and $220 million as of December 31, 2010. These securities are primarily comprised of Swedish government debt securities, of which $208 million as of March 31, 2011 and $190 million as of December 31, 2010, are restricted assets to meet regulatory capital requirements primarily for NASDAQ OMX Stockholm’s clearing operations.

### Available-for-Sale Investment Security

#### *Investment in DFM*

Our available-for-sale investment security, which is included in financial investments, at fair value in the Condensed Consolidated Balance Sheets, represents our 1% investment in Dubai Financial Market PJSC, or DFM. In May 2010, we completed the exchange of our equity interest in NASDAQ Dubai for a 1% investment in DFM. See “Investment in NASDAQ Dubai” below for further discussion.

As of March 31, 2011 and December 31, 2010, the cost basis of this security was $36 million. As of March 31, 2011, the fair value was $29 million and as of December 31, 2010 the fair value was $33 million. The gross change of $7 million between the cost basis and fair value is reflected as an unrealized holding loss in accumulated other comprehensive loss in the Condensed Consolidated Balance Sheets, net of taxes. We reviewed the carrying value of this investment security to determine whether an other-than-temporary decline in value exists. We considered factors affecting the investee, factors affecting the industry the investee operates in and general market trends. We also considered the length of time the market value has been below the cost basis and the near-term prospects for recovery of unrealized losses. As of March 31, 2011 and December 31, 2010, we have not recognized an other-than-temporary decline in value on this investment security.

**Equity Method Investments**

The equity method of accounting is used when we own less than 50% of the outstanding voting stock, but exercise significant influence over the operating and financial policies of a company.

Equity interest in our equity method investments was $29 million as of March 31, 2011 and $27 million as of December 31, 2010, which consisted primarily of our equity interest in EMCF. Equity method investments are included in other assets in the Condensed Consolidated Balance Sheets.

Income (loss) recognized from our equity interest in the earnings and losses of these companies was immaterial for both the three months ended March 31, 2011 and 2010.

***Investment in NASDAQ Dubai***

In May 2010, we participated in the realignment of the ownership structure of NASDAQ Dubai, in which NASDAQ Dubai became a wholly-owned subsidiary of DFM, a publicly traded company controlled by Borse Dubai Limited, a Dubai company, or Borse Dubai. We received a 1% equity interest in DFM in exchange for our equity interest in NASDAQ Dubai. Our existing technology and trademark licensing arrangements with Borse Dubai and NASDAQ Dubai remain unchanged.

NASDAQ Dubai and DFM are related parties, as both of them are primarily owned by Borse Dubai, our largest stockholder.

## 7. Deferred Revenue

Deferred revenue represents cash payments received that are yet to be recognized as revenue. At March 31, 2011, we have estimated that our deferred revenue, which is primarily related to Global Listing Services and Market Technology fees, will be recognized in the following years:

| | Initial Listing Fees | Listing of Additional Shares Fees | Annual Renewal Fees and Other | Market Technology[2] | Total |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| Fiscal year ended: | | | | | |
| 2011[1] | $ 11 | $ 27 | $ 136 | $ 43 | $ 217 |
| 2012 | 11 | 27 | 1 | 36 | 75 |
| 2013 | 8 | 19 | — | 33 | 60 |
| 2014 | 5 | 8 | — | 20 | 33 |
| 2015 | 4 | — | — | 11 | 15 |
| 2016 and thereafter | 2 | — | — | 7 | 9 |
| | $ 41 | $ 81 | $ 137 | $ 150 | $ 409 |

3.

(1) Represents deferred revenue that is anticipated to be recognized over the remaining nine months of 2011.

(2) The timing of recognition of our deferred Market Technology revenues is dependent upon when significant modifications are made pursuant to existing contracts. As such, as it relates to these fees, the timing represents our best estimate.

Our deferred revenue during the three months ended March 31, 2011 and 2010 is reflected in the following table.

| | Initial Listing Fees | Listing of Additional Shares Fees | Annual Renewal Fees and Other | Market Technology [2] | Total |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| Balance at January 1, 2011 | $ 42 | $ 83 | $ 21 | $ 146 | $ 292 |
| Additions [1] | 3 | 8 | 172 | 12 | 195 |
| Amortization [1] | (4) | (10) | (57) | (15) | (86) |
| Translation adjustment | — | — | 1 | 7 | 8 |
| Balance at March 31, 2011 | $ 41 | $ 81 | $ 137 | $ 150 | $ 409 |
| Balance at January 1, 2010 | $ 46 | $ 76 | $ 18 | $ 125 | $ 265 |
| Additions [1] | 3 | 10 | 167 | 7 | 187 |

| | Initial Listing Fees | Listing of Additional Shares Fees | Annual Renewal Fees and Other | Market Technology [2] | Total |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| Amortization [1] | (5) | (10) | (49) | (7) | (71) |
| Translation adjustment | — | — | — | (1) | (1) |
| Balance at March 31, 2010 | $ 44 | $ 76 | $ 136 | $ 124 | $ 380 |

4.

(1) The additions and amortization for initial listing fees, listing of additional shares fees and annual renewal fees and other primarily reflect Issuer Services revenues from U.S. listing fees.

(2) Market Technology deferred revenues include revenues from delivered client contracts in the support phase charged during the period. Under contract accounting, where customization and significant modifications to the software are made to meet the needs of our customers, total revenues as well as costs incurred, are deferred until significant modifications are completed and delivered. Once delivered, deferred revenue and the related deferred costs are recognized over the post contract support period. We have included the deferral of costs in other current assets and other assets in the Condensed Consolidated Balance Sheets. The amortization of Market Technology deferred revenue includes revenues earned from client contracts recognized during the period and from the technology licenses contributed to NASDAQ Dubai.

### 8. Debt Obligations

The following table presents the changes in our debt obligations during the three months ended March 31, 2011:

| | December 31, 2010 | Additions | Payments, Conversions, Accretion and Other | March 31, 2011 |
|---|---|---|---|---|
| | (in millions) | | | |
| 3.75% convertible notes due October 22, 2012 (net of discount)[1] | $ — | $ — | $ — | $ — |
| 2.50% convertible senior notes due August 15, 2013 | 388 | — | 4 | 392 |
| 4.00% senior unsecured notes due January 15, 2015 (net of discount)[2] | 398 | — | — | 398 |
| 5.55% senior unsecured notes due January 15, 2020 (net of discount)[2] | 598 | — | — | 598 |
| $700 million senior unsecured term loan facility credit agreement due January 15, 2013 (average interest rate of 2.29% for the three months ended March 31, 2011)[2] | 570 | — | (35) | 535 |
| 5.25% senior unsecured notes due January 16, 2018 (net of discount)[3] | 367 | — | — | 367 |
| Total debt obligations | 2,321 | — | (31) | 2,290 |
| Less current portion | (140) | — | — | (140) |
| Total long-term debt obligations | $ 2,181 | $ — | $ (31) | $ 2,150 |

5.

(1) As of March 31, 2011 and December 31, 2010, approximately $0.5 million aggregate principal amount of the 3.75% convertible notes remained outstanding.

(2) See “Senior Unsecured Notes and Credit Facility” below for further discussion.

(3) See “5.25% Senior Unsecured Notes” below for further discussion.

#### 2.50% Convertible Senior Notes

During the first quarter of 2008, in connection with the business combination with OMX AB, we completed the offering of $475 million aggregate principal amount of 2.50% convertible senior notes due 2013. The interest rate on the notes is 2.50% per annum payable semi-annually in arrears on February 15 and August 15 and will mature on August 15, 2013. In 2009, we repurchased $47 million principal amount of the 2.50% convertible senior notes. As a result of the $47 million repurchase, the remaining aggregate principal amount outstanding on these notes as of March 31, 2011 and December 31, 2010 was $428 million.

The notes are convertible in certain circumstances specified in the indenture for the notes. Upon conversion, holders will receive, at the election of NASDAQ OMX, cash, common stock or a combination of cash and common stock. It is our current intent and policy to settle the principal amount of the notes in cash. The conversion rate will initially be 18.1386 shares of common stock per $1,000 principal amount of notes, which is equivalent to a conversion price of approximately $55.13 per share of common stock. At March 31, 2011 and December 31, 2010, the 2.50% convertible senior notes are convertible into 7,757,283 shares of our common stock, subject to adjustment upon the occurrence of specified events. Subject to certain exceptions, if we undergo a “fundamental change” as described in the indenture, holders may require us to purchase their notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest.

Since the settlement structure of our 2.50% convertible senior notes permits settlement in cash upon conversion, we are required to separately account for the liability and equity components of the convertible debt in a manner that reflects our nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. This entails bifurcation of a component of the debt, classification of that component in equity and then accretion of the resulting discount on the debt being reflected in the income statement as part of interest expense.

The changes in the liability and equity components of our 2.50% convertible senior notes during the three months ended March 31, 2011 are as follows:

| | Liability Component | | | Equity Component | | |
|---|---|---|---|---|---|---|
| | | (in millions) | | | (in millions) | |
| | Principal Balance | Unamortized Debt Discount | Net Carrying Amount | Gross Equity Component | Deferred Taxes | Net Equity Component |
| December 31, 2010 | $ 428 | $ 40 | $ 388 | $ 80 | $ 32 | $ 48 |
| Accretion of debt discount | — | (4) | 4 | — | — | — |
| March 31, 2011 | $ 428 | $ 36 | $ 392 | $ 80 | $ 32 | $ 48 |

The unamortized debt discount on the convertible debt was $36 million as of March 31, 2011 and $40 million as of December 31, 2010 and is included in debt obligations in the Condensed Consolidated Balance Sheets. This amount will be accreted as part of interest expense through the maturity date of the convertible debt of August 15, 2013. The effective annual interest rate on the 2.50% convertible senior notes was 6.53% for the three months ended March 31, 2011 and 2010, which includes the accretion of the debt discount in addition to the annual contractual interest rate of 2.50%.

As of March 31, 2011 and December 31, 2010, the equity component of the convertible debt included in additional paid-in capital in the Condensed Consolidated Balance Sheets was $48 million. This amount is calculated as follows: $80 million of excess principal of the convertible debt over the carrying amount less $32 million of deferred taxes. The deferred tax liability is determined by multiplying the $80 million of excess principal of the convertible debt over the carrying amount by the U.S. marginal tax rate of 39.55%.

Interest expense recognized on our 2.50% convertible senior notes in the Condensed Consolidated Statements of Income for the three months ended March 31, 2011 and 2010 is as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2011 | 2010 |
| | (in millions) | |
| **Components of interest expense recognized on our 2.50% convertible senior notes** | | |
| Accretion of debt discount | $ 4 | $ 4 |
| Contractual interest | 2 | 2 |
| Total interest expense recognized on our 2.50% convertible senior notes | $ 6 | $ 6 |

### *Debt Issuance Costs*

In 2008, in conjunction with the issuance of the 2.50% convertible senior notes, we incurred debt issuance costs of $10 million. These costs, which are capitalized and included in other assets in the Condensed Consolidated Balance Sheets, are being amortized over the life of the debt obligation. Amortization expense, which is recorded as additional interest expense for these costs, was immaterial for both the three months ended March 31, 2011 and 2010.

### Senior Unsecured Notes and Credit Facility

In January 2010, NASDAQ OMX issued $1 billion of senior unsecured notes, or the Notes, and entered into a $950 million senior unsecured three-year credit facility. The credit facility provides for an unfunded $250 million revolving credit commitment (including a swingline facility and letter of credit facility), a $350 million funded Tranche A term loan, or the Term Loan A, and a $350 million funded Tranche X term loan, or the Term Loan X and, together with Term Loan A, the Term Loans. NASDAQ OMX applied the net proceeds from the Notes, the $700 million funded Term Loans and cash on hand to repay all amounts outstanding under our senior secured credit facilities in place as of December 31, 2009 and related fees. As a result, NASDAQ OMX terminated the associated credit agreement.

### *The Notes*

The Notes were issued at a discount in two separate series consisting of $400 million aggregate principal amount of 4.00% senior notes due 2015, or the 2015 Notes, and $600 million aggregate principal amount of 5.55% senior notes due 2020, or the 2020 Notes. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amounts. As of March 31, 2011 and December 31, 2010, the balance of $398 million for the 2015 Notes and the balance of $598 million for the 2020 Notes, reflects the aggregate principal amounts, less the unamortized debt discount. The unamortized debt discount will be accreted through interest expense over the life of the Notes.

The 2015 Notes pay interest semiannually at a rate of 4.00% per annum until January 15, 2015, and the 2020 Notes pay interest semiannually at a rate of 5.55% per annum until January 15, 2020. The Notes are general unsecured obligations of ours and rank equally with all of our existing and future unsubordinated obligations. The Notes are not guaranteed by any of our subsidiaries. The Notes were issued under an indenture that, among other things, limits our ability to consolidate, merge or sell all or substantially all of our assets, create liens, and enter into sale and leaseback transactions.

***Credit Facility***

The credit facility provides for an unfunded $250 million revolving credit commitment (including a swingline facility and letter of credit facility), a $350 million funded Term Loan A and a $350 million funded Term Loan X. The loans under the credit facility have a variable interest rate based on either the London Interbank Offered Rate, or LIBOR, or the Federal Funds Rate, plus an applicable margin that varies with NASDAQ OMX's debt rating.

Under our credit facility, we are required to pay quarterly principal payments of $35 million on our Term Loans. We made required payments of $35 million in the first quarter of 2011.

The credit facility contains financial and operating covenants. Financial covenants include an interest expense coverage ratio and a maximum leverage ratio. Operating covenants include limitations on NASDAQ OMX's ability to incur additional indebtedness, grant liens on assets, enter into affiliate transactions and pay dividends.

The credit facility also contains customary affirmative covenants, including access to financial statements, notice of defaults and certain other material events, maintenance of business and insurance, and events of default, including cross-defaults to our material indebtedness.

NASDAQ OMX is permitted to repay borrowings under the credit facility at any time in whole or in part, without penalty. We also are required to repay loans outstanding under the credit facility with net cash proceeds from sales of property and assets of NASDAQ OMX and its subsidiaries (excluding inventory sales and other sales in the ordinary course of business) and casualty and condemnation proceeds, in each case subject to specified exceptions and thresholds.

***Debt Issuance and Other Costs***

We incurred debt issuance and other costs of $21 million in connection with the issuance of the Notes and the entry into the new credit facility. These costs, which are capitalized and included in other assets in the Condensed Consolidated Balance Sheets, are being amortized over the life of the debt obligations. Amortization expense, which is recorded as additional interest expense for these costs, was $1 million for both the three months ended March 31, 2011 and March 31, 2010.

In January 2010, as a result of the repayment of our senior secured credit facilities in place as of December 31, 2009, we recorded a pre-tax charge of $40 million, which included the write-off of the remaining unamortized balance of debt issuance costs incurred of $28 million, costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge of $9 million and other costs of $3 million. These charges are included in general, administrative and other expense in the Condensed Consolidated Statements of Income for the three months ended March 31, 2010.

**5.25% Senior Unsecured Notes**

In December 2010, NASDAQ OMX issued $370 million of 5.25% senior unsecured notes due 2018, or the 2018 Notes. We applied the net proceeds from the 2018 Notes of $367 million and cash on hand of $3 million to repay all amounts outstanding under our bridge facility, discussed below, as well as related fees.

The 2018 Notes were issued at a discount. As a result of the discount, the proceeds received from the issuance were less than the aggregate principal amount. As of March 31, 2011 and December 31, 2010, the balance of $367 million reflects the aggregate principal amount, less the unamortized debt discount. The unamortized debt discount will be accreted through interest expense over the life of the 2018 Notes.

The 2018 Notes pay interest semiannually at a rate of 5.25% per annum until January 16, 2018 and may vary with NASDAQ OMX's debt rating up to a rate not to exceed 7.25%. The 2018 Notes are general unsecured obligations of ours and rank equally with all of our existing and future unsubordinated obligations. They are not guaranteed by any of our subsidiaries. The 2018 Notes were issued under indentures that among other things, limit our ability to consolidate, merge or sell all or substantially all of our assets, create liens, and enter into sale and leaseback transactions. In addition, upon a change of control triggering event (as defined in the indenture), the terms require us to repurchase all or part of each holder's notes for cash equal to 101% of the aggregate principal amount purchased plus accrued and unpaid interest, if any.

***Debt Issuance Costs***

We incurred debt issuance costs of $3 million in connection with the issuance of the 2018 Notes. These costs, which are capitalized and included in other assets in the Condensed Consolidated Balance Sheets, are being amortized over the life of the debt obligation. Amortization expense, which is recorded as additional interest expense for these costs, was immaterial for the three months ended March 31, 2011.

**Bridge Facility**

In December 2010, NASDAQ OMX entered into a $400 million senior unsecured bridge facility, or the bridge facility, and borrowed $370 million to partially finance the purchase of our stock from Borse Dubai. See "Share Repurchase Program and

Share Repurchase from Borse Dubai," of Note 12, "NASDAQ OMX Stockholders' Equity," for further discussion of our share repurchase from Borse Dubai. We applied the net proceeds from the issuance of our 2018 Notes, discussed above, and cash on hand to repay all amounts outstanding under the bridge facility and terminated the bridge facility as of December 31, 2010. The effective interest rate on borrowings under the bridge facility was 1.76%.

**Other Credit Facilities**

In addition to the $250 million revolving credit commitment discussed above, we have credit facilities related to our clearinghouses in order to meet liquidity and regulatory requirements. These credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled $459 million ($208 million in available liquidity and $251 million to satisfy regulatory requirements), none of which was utilized at March 31, 2011. At December 31, 2010, these facilities totaled $440 million ($196 million in available liquidity and $244 million to satisfy regulatory requirements), none of which was utilized.

**Debt Covenants**

At March 31, 2011, we were in compliance with the covenants of all of our debt obligations.

## 9. Pension and Other Benefit Programs

**U.S. Defined-Benefit Pension and Supplemental Executive Retirement Plans**

We maintain non-contributory, defined-benefit pension plans, non-qualified supplemental executive retirement plans, or SERPs, for certain senior executives and post-retirement benefit plans for eligible employees in the U.S., collectively referred to as the NASDAQ OMX Benefit Plans.

Our pension plans and SERPs are frozen. Future service and salary for all participants do not count toward an accrual of benefits under the pension plans and SERPs.

**Components of Net Periodic Benefit Cost**

The following table sets forth the components of net periodic pension, SERP and post-retirement benefit costs from the NASDAQ OMX Benefit Plans recognized in compensation and benefits expense in the Condensed Consolidated Statements of Income:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2011 | 2010 |
| | (in millions) | |
| **Components of net periodic benefit cost** | | |
| Interest cost | $ 2 | $ 1 |
| Expected return on plan assets | (1) | (1) |
| Recognized net actuarial loss | 1 | 1 |
| Benefit cost | $ 2 | $ 1 |

**Non—U.S. Benefit Plans**

Most employees outside the U.S. are covered by local retirement plans or by applicable social laws. Benefits under social laws are generally expensed in the periods in which the costs are incurred. These costs are included in compensation and benefits expense in the Condensed Consolidated Statements of Income and were $4 million for the three months ended March 31, 2011 and $3 million for the three months ended March 31, 2010.

In 2008, as part of the acquisition of Nord Pool's derivatives clearing and consulting subsidiaries, we assumed the obligation for several pension plans providing benefits for their employees. The benefit cost for these plans was immaterial for the three months ended March 31, 2011 and was $1 million for the three months ended March 31, 2010.

**Defined Contribution Savings Plan**

We sponsor a voluntary defined contribution savings plan, or 401(k) Plan, for U.S. employees. Employees are immediately eligible to make contributions to the plan and are also eligible for an employer contribution match at an amount equal to 100.0% of the first 4.0% of eligible employee contributions. Savings plan expense included in compensation and benefits expense in the Condensed Consolidated Statements of Income was $1 million for both the three months ended March 31, 2011 and 2010.

We have a profit-sharing contribution feature to our 401(k) plan which allows eligible U.S. employees to receive employer retirement contributions, or ERCs, when we meet our annual corporate goals. In addition, we have a supplemental ERC for select highly compensated employees whose ERCs are limited by the annual Internal Revenue Service compensation limit. ERC expense recorded in compensation and benefits expense in the Condensed Consolidated Statements of Income was $1 million for both the three months ended March 31, 2011 and 2010.

### Employee Stock Purchase Plan

We have an employee stock purchase plan, or ESPP, under which approximately 3.9 million shares of our common stock have been reserved for future issuance as of March 31, 2011.

Our ESPP allows eligible U.S. and non-U.S. employees to purchase a limited number of shares of our common stock at six-month intervals, called offering periods, at 85.0% of the lower of the fair market value on the first or the last day of each offering period. The 15.0% discount given to our employees is included in compensation and benefits expense in the Condensed Consolidated Statements of Income.

## 10. Share-Based Compensation

We have a share-based compensation program that provides our board of directors broad discretion in creating employee equity incentives. Share-based awards, or equity awards, include employee stock options, restricted stock (which includes awards and units) and performance share units, or PSUs. Grants of equity awards are designed to reward employees for their long-term contributions and provide incentives for them to remain with us. For accounting purposes, we consider PSUs to be a form of restricted stock. Restricted stock is generally time-based and vests over two to five-year periods beginning on the date of the grant. Stock options are also generally time-based and expire ten years from the grant date. Stock option awards granted prior to January 1, 2005 generally vested 33% on each annual anniversary of the grant date over three years. Stock option and restricted stock awards granted after January 1, 2005 generally include performance-based accelerated vesting features based on achievement of specific levels of corporate performance. If NASDAQ OMX exceeds the applicable performance parameters, the grants vest on the third anniversary of the grant date, if NASDAQ OMX meets the applicable performance parameters, the grants vest on the fourth anniversary of the grant date, and if NASDAQ OMX does not meet the applicable performance parameters, the grants vest on the fifth anniversary of the grant date.

PSUs are based on performance measures that impact the amount of shares that each recipient will receive upon vesting. PSUs are granted at the fair market value of our stock on the grant date and compensation cost is recognized over the performance period and, in certain cases, an additional vesting period. For each grant of PSUs, an employee may receive from 0% to 150% of the target amount granted, depending on the achievement of performance measures. We report the target number of PSUs granted, unless we have determined that it is more likely than not, based on the actual achievement of performance measures, that an employee will receive a different amount of shares underlying the PSUs, in which case we report the amount of shares the employee is likely to receive.

### Summary of 2011 Equity Awards

In March 2011, we granted non-qualified stock options and/or restricted stock to most active employees. Both the stock options and restricted stock granted included a performance-based accelerated vesting feature based on achievement of specific levels of corporate performance, as described above.

In March 2011, certain executive officers received grants of 571,655 PSUs. Of these PSUs granted, 100,000 units are subject to a three year performance period and vest at the end of the period. The remaining 471,655 units are subject to a one year performance period and generally will vest ratably on an annual basis on December 31, 2012 through December 31, 2014.

During 2010, certain grants exceeded the applicable performance parameters for the one year performance PSUs. As a result, an additional 19,142 units were considered granted in February 2011.

See “Summary of Stock Option Activity” and “Summary of Restricted Stock and PSU Activity” below for further discussion.

### Common Shares Available Under Our Equity Incentive Plan

As of March 31, 2011, we had approximately 6.1 million shares of common stock authorized for future issuance under our equity incentive plan.

### Summary of Share-Based Compensation Expense

The following table shows the total share-based compensation expense resulting from equity awards and the 15.0% discount for the ESPP for the three months ended March 31, 2011 and 2010 in the Condensed Consolidated Statements of Income:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 |
|---|---|---|
| | (in millions) | |
| Share-based compensation expense before income taxes | $ 7 | $ 8 |
| Income tax benefit | (3) | (3) |
| Share-based compensation expense after income taxes | $ 4 | $ 5 |

We estimated the fair value of stock option awards using the Black-Scholes valuation model with the following weighted-average assumptions:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2011 | 2010 |
| Expected life (in years) | 5 | 5 |
| Weighted-average risk free interest rate | 2.18% | 2.27% |
| Expected volatility | 27.0% | 32.0% |
| Dividend yield | — | — |
| Weighted-average fair value at grant date | $ 7.06 | $ 6.36 |

Our computation of expected life is based on historical exercise patterns. The interest rate for periods within the expected life of the award is based on the U.S. Treasury yield curve in effect at the time of grant. Our computation of expected volatility is based on a market-based implied volatility. Our credit facilities limit our ability to pay dividends. Before our credit facilities were in place, it was not our policy to declare or pay cash dividends on our common stock.

**Summary of Stock Option Activity**

A summary of stock option activity for the three months ended March 31, 2011 is as follows:

| | Stock Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value (in millions) |
|---|---|---|---|---|
| Outstanding at January 1, 2011 | 10,112,842 | $ 16.92 | 5.7 | $ 89 |
| Grants [(1)] | 1,234,068 | 25.28 | | |
| Exercises | (463,357) | 10.48 | | |
| Forfeitures or expirations | (183,031) | 23.56 | | |
| Outstanding at March 31, 2011 | 10,700,522 | $ 18.05 | 6.1 | $ 99 |
| Exercisable at March 31, 2011 | 5,642,250 | $ 13.46 | 3.7 | $ 83 |

6.

(1) Primarily reflects our company wide equity grant issued in March 2011, which includes a performance-based accelerated vesting feature based on achievement of specific levels of corporate performance, as described above.

We received net cash proceeds of $5 million from the exercise of approximately 0.5 million stock options for the three months ended March 31, 2011 and received net cash proceeds of $1 million from the exercise of approximately 0.2 million stock options for the three months ended March 31, 2010. We present excess tax benefits from the exercise of stock options, if any, as financing cash flows.

The aggregate intrinsic value in the above table represents the total pre-tax intrinsic value (i.e., the difference between our closing stock price on March 31, 2011 of $25.84 and the exercise price, times the number of shares) based on stock options with an exercise price less than NASDAQ OMX's closing price of $25.84 as of March 31, 2011, which would have been received by the option holders had the option holders exercised their stock options on that date. This amount changes based on the fair market value of our common stock. The total number of in-the-money stock options exercisable as of March 31, 2011 was 4.5 million.

As of March 31, 2010, 6.6 million outstanding stock options were exercisable and the weighted-average exercise price was $12.57.

Total fair value of stock options vested was immaterial for both the three months ended March 31, 2011 and 2010. The total pre-tax intrinsic value of stock options exercised was $7 million for the three months ended March 31, 2011 and $2 million for the three months ended March 31, 2010.

At March 31, 2011, $18 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 1.9 years.

**Summary of Restricted Stock and PSU Activity**

The following table summarizes our restricted stock and PSU activity for the three months ended March 31, 2011:

| | Restricted Stock | Weighted-Average Grant Date Fair Value | PSUs | Weighted-Average Grant Date Fair Value |
|---|---|---|---|---|
| Unvested balances at January 1, 2011 | 2,759,091 | $ 22.00 | 1,098,629 | $ 24.25 |
| Granted[(1)] | 1,029,911 | 25.47 | 590,797 | 25.19 |
| Vested | (20,993) | 28.05 | (67,057) | 35.94 |

| | Restricted Stock | Weighted-Average Grant Date Fair Value | PSUs | Weighted-Average Grant Date Fair Value |
|---|---|---|---|---|
| Forfeited | (223,822) | 38.82 | (123,272) | 28.88 |
| Unvested balances at March 31, 2011 | 3,544,187 | $ 23.02 | 1,499,097 | $ 23.72 |

7.

(1) Restricted stock grants in 2011 primarily reflect our company wide grant issued in March 2011, which included a performance- based accelerated vesting feature based on achievement of specific levels of corporate performance, as described above.

At March 31, 2011, $61 million of total unrecognized compensation cost related to restricted stock and PSUs is expected to be recognized over a weighted-average period of 2.0 years.

**11. Earnings Per Common Share**

The following table sets forth the computation of basic and diluted earnings per share:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 |
|---|---|---|
| | (in millions, except share and per share amounts) | |
| **Numerator:** | | |
| Net income attributable to NASDAQ OMX | $ 104 | $ 61 |
| Accretion of series A convertible preferred stock | — | (1) |
| Net income for basic and diluted earnings per share | $ 104 | $ 60 |
| **Denominator:** | | |
| Weighted-average common shares outstanding for basic earnings per share(1) | 176,092,796 | 211,165,338 |
| Weighted-average effect of dilutive securities: | | |
| Employee equity awards | 4,952,794 | 3,561,537 |
| 3.75% convertible notes assumed converted into common stock | 34,482 | 34,482 |
| Denominator for diluted earnings per share | 181,080,072 | 214,761,357 |
| **Basic and diluted earnings per share:** | | |
| Basic earnings per share | $ 0.59 | $ 0.29 |
| Diluted earnings per share | $ 0.57 | $ 0.28 |

8.

(1) The decrease in the weighted-average common shares outstanding for basic earnings per share primarily reflects the weighted-average impact of the share repurchase from Borse Dubai and purchases related to our share repurchase program completed in 2010. See "Share Repurchase Program and Share Repurchase from Borse Dubai," of Note 12, "NASDAQ OMX Stockholders' Equity," for further discussion.

Stock options to purchase 10,700,522 shares of common stock, 5,043,284 shares of restricted stock and PSUs, and convertible notes convertible into 34,482 shares of common stock were outstanding at March 31, 2011. For the three months ended March 31, 2011, we included 6,020,652 of the outstanding stock options and 3,434,666 shares of restricted stock and PSUs in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive. The remaining stock options and shares of restricted stock and PSUs are antidilutive, and as such, they were properly excluded.

The 3.75% convertible notes are accounted for under the if-converted method, as we settled the convertible notes in shares of our common stock. For the three months ended March 31, 2011, all of the shares underlying the outstanding 3.75% convertible notes were included in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive.

The 2.50% convertible senior notes are accounted for under the treasury stock method as it is our intent and policy to settle the principal amount of the notes in cash. Based on the settlement structure of the 2.50% convertible senior notes, which permits the principal amount to be settled in cash and the conversion premium to be settled in shares of our common stock or cash, we will reflect the impact of the convertible spread portion of the convertible notes in the diluted calculation using the treasury stock method. For the three months ended March 31, 2011 and 2010, the conversion spread of our 2.50% convertible senior notes was out of the money, and as such, they were properly excluded from the computation of diluted earnings per share.

Stock options to purchase 11,076,397 shares of common stock, 4,282,323 shares of restricted stock and PSUs, and convertible notes convertible into 34,482 shares of common stock were outstanding at March 31, 2010. For the three months ended March 31, 2010, we included 5,400,941 of the outstanding stock options and 1,170,536 shares of restricted stock and PSUs in the computation of diluted earnings per share, on a weighted-average basis, as their inclusion was dilutive. The remaining stock options and shares of restricted stock and PSUs are antidilutive, and as such, they were properly excluded.

## 12. NASDAQ OMX Stockholders' Equity

### Common Stock

At March 31, 2011, 300,000,000 shares of our common stock were authorized, 213,377,707 shares were issued and 176,300,916 shares were outstanding. The holders of common stock are entitled to one vote per share, except that our certificate of incorporation limits the ability of any person to vote in excess of 5.0% of the then-outstanding shares of NASDAQ OMX common stock. This limitation does not apply to persons exempted from this limitation by our board of directors prior to the time such person owns more than 5.0% of the then-outstanding shares of NASDAQ OMX common stock.

In 2008, we issued 60,561,515 shares of common stock to Borse Dubai and a trust for Borse Dubai's economic benefit in connection with the OMX AB business combination. In December 2010, we purchased 22,781,000 shares of our common stock from Borse Dubai. See "Share Repurchase Program and Share Repurchase from Borse Dubai" below for further discussion. In addition, Borse Dubai agreed to sell in a private transaction 8,000,000 shares of our stock to Nomura International plc. Nomura International plc agreed, under a forward sale agreement, to sell these 8,000,000 shares to Investor AB. As a result of the settlement of this forward sale agreement, Investor AB's ownership in NASDAQ OMX increased to 17,004,142 shares. As of March 31, 2011, Borse Dubai and a trust for Borse Dubai's economic benefit held 29,780,515 shares of our common stock. In addition, as of December 31, 2010, SLP held 10,539,614 shares of our common stock, and subsequently sold these shares in February 2011. Investor AB purchased 1,000,000 of the shares sold by SLP and owns 18,004,142 shares of our common stock as of March 31, 2011.

### Common Stock in Treasury, at Cost

We account for the purchase of treasury stock under the cost method with the shares of stock repurchased reflected as a reduction to NASDAQ OMX stockholders' equity and included in common stock in treasury, at cost in the Condensed Consolidated Balance Sheets. When treasury shares are reissued, they are recorded at the average cost of the treasury shares acquired. As of March 31, 2011, we held 37,076,791 shares of common stock in treasury and held 37,587,403 shares as of December 31, 2010.

#### *Share Repurchase Program and Share Repurchase from Borse Dubai*

During 2010, our board of directors approved a share repurchase program authorizing NASDAQ OMX to repurchase in the aggregate up to $550 million of our outstanding common stock. During 2010, we repurchased 15,050,647 shares of our common stock at an average price of $19.95, with an aggregate purchase price of $300 million. In December 2010, our board of directors also approved the repurchase of 22,781,000 shares of our common stock from Borse Dubai for $21.82 per share for an aggregate purchase price of approximately $497 million. The share repurchase from Borse Dubai expanded, accelerated and completed our share repurchase program. The shares repurchased under the share repurchase program and from Borse Dubai are available for general corporate purposes.

#### *Other Repurchases of Common Stock*

For the three months ended March 31, 2011, we repurchased 33,174 shares of our common stock in settlement of employee tax withholding obligations due upon the vesting of restricted stock.

### Preferred Stock

Our certificate of incorporation authorizes the issuance of 30,000,000 shares of preferred stock, par value $0.01 per share, issuable from time to time in one or more series. At March 31, 2011 and December 31, 2010, 1,600,000 shares of series A convertible preferred stock were issued and none were outstanding.

## 13. Fair Value of Financial Instruments

### Fair Value Measurement—Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants at the measurement date. Fair value measurement establishes a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect NASDAQ OMX's market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1—Quoted prices for identical instruments in active markets.
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3—Instruments whose significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available.

The following table presents for each of the above hierarchy levels, our financial assets and liabilities that are measured at fair value on a recurring basis at March 31, 2011.

| | Balance as of March 31, 2011 | Fair Value Measurements | | |
|---|---|---|---|---|
| | | (Level 1) | (Level 2) | (Level 3) |
| | | | (in millions) | |
| **Financial Assets Measured at Fair Value on a Recurring Basis** | | | | |
| Derivative positions, at fair value(1) | $ 2,295 | $ — | $ 2,295 | $ — |
| Financial investments, at fair value(2) | 283 | 283 | — | — |
| Total | $ 2,578 | $ 283 | $ 2,295 | $ — |
| **Financial Liabilities Measured at Fair Value on a Recurring Basis** | | | | |
| Derivative positions, at fair value(1) | $ 2,295 | $ — | $ 2,295 | $ — |
| Total | $ 2,295 | $ — | $ 2,295 | $ — |

9.

(1) Represents net amounts associated with our clearing operations in the derivative markets of NASDAQ OMX Commodities and NASDAQ OMX Stockholm. Receivables and payables attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, if it is our intention to settle these items. See "Derivative Positions, at Fair Value" below for further discussion.

(2) Primarily comprised of Swedish government debt securities of $254 million. These securities are classified as trading securities and $208 million are restricted assets to meet regulatory capital requirements primarily for NASDAQ OMX Stockholm's clearing operations. Also includes our 1% available-for-sale investment in DFM of $29 million that is classified as an available-for-sale security. See Note 6, "Investments," for further discussion of our trading investment securities and available-for-sale investment security.

The following table presents for each of the above hierarchy levels, our financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2010:

| | Balance as of December 31, 2010 | Fair Value Measurements (Level 1) | (Level 2) | (Level 3) |
|---|---|---|---|---|
| | | | (in millions) | |
| **Financial Assets Measured at Fair Value on a Recurring Basis** | | | | |
| Derivative positions, at fair value[(1)] | $ 4,037 | $ — | $ 4,037 | $ — |
| Financial investments, at fair value[(2)] | 253 | 253 | — | — |
| Total | $ 4,290 | $ 253 | $ 4,037 | $ — |
| **Financial Liabilities Measured at Fair Value on a Recurring Basis** | | | | |
| Derivative positions, at fair value[(1)] | $ 4,037 | $ — | $ 4,037 | $ — |
| Total | $ 4,037 | $ — | $ 4,037 | $ — |

10.

(1) Represents net amounts associated with our clearing operations in the derivative markets of NASDAQ OMX Commodities and NASDAQ OMX Stockholm. Receivables and payables attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, if it is our intention to settle these items. See "Derivative Positions, at Fair Value" below for further discussion.

(2) Primarily comprised of Swedish government debt securities of $220 million. These securities are classified as trading securities and $190 million are restricted assets to meet regulatory capital requirements for NASDAQ OMX Stockholm's clearing operations. Also includes our 1% available-for-sale investment in DFM of $33 million that is classified as an available-for-sale security. See Note 6, "Investments," for further discussion of our trading investment securities and available-for-sale investment security.

**Open Clearing Contracts at NASDAQ OMX Commodities and NASDAQ OMX Stockholm**

***Derivative Positions, at Fair Value***

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities and NASDAQ OMX Stockholm, we are the legal counterparty for each derivative position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by NASDAQ OMX Commodities or NASDAQ OMX Stockholm for the purpose of trading on their own behalf. As the legal counterparty of each transaction, NASDAQ OMX Commodities and NASDAQ OMX Stockholm bear the counterparty risk between the purchaser and seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the applicable country, which requires us to provide minimum guarantees and maintain certain levels of regulatory capital.

The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from most other clearinghouses. NASDAQ OMX Commodities and NASDAQ OMX Stockholm are not member-owned organizations, do not maintain a guarantee fund to which members contribute and do not enforce loss sharing assessments amongst members. In addition, unlike most other clearinghouses, they do not record any margin deposits and guarantee funds in the Condensed Consolidated Balance Sheets, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. Market participants must provide collateral to cover the daily margin call as needed, which is in addition to the initial collateral placed when entering into the transaction. Acceptable collateral is cash and eligible securities in a pledged bank account and/or an on-demand guarantee. All collateral is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. In addition, market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. For NASDAQ Commodities, trading on the contracts can take place up until the delivery period which can occur over a period of several years. For NASDAQ OMX Stockholm, following the completion of a transaction, settlement primarily takes place between parties by net cash settlement or with the exchange of securities and funds. For those transactions where there is an exchange of securities and funds, the transfer of ownership is registered and the securities are stored on the owner's behalf.

The fair value of these derivative contracts with NASDAQ OMX Commodities and NASDAQ OMX Stockholm is reported gross in the Condensed Consolidated Balance Sheets as a receivable pertaining to the purchasing party and a payable pertaining to the selling party. Such receivables and payables attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, that it is our intention to settle these items. Our derivative positions, at fair value in the Condensed Consolidated Balance Sheets was $2,295 million at March 31, 2011 and $4,037 million at December 31, 2010. See "Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available," of Note 15, "Commitments, Contingencies and Guarantees," for further discussion of our guarantees on the fulfillment of these contracts and collateral received.

The following table presents the fair value of our outstanding derivative positions at March 31, 2011 and December 31, 2010 prior to netting:

| | March 31, 2011 | | December 31, 2010 | |
|---|---|---|---|---|
| | Asset | Liability | Asset | Liability |
| | (in millions) | | | |
| Commodity forwards and options[(1) (2)] | $ 1,979 | $ 1,979 | $ 3,437 | $ 3,437 |
| Fixed-income options and futures[(2) (3)] | 235 | 235 | 578 | 578 |
| Stock options and futures[(2) (3)] | 187 | 187 | 237 | 237 |
| Index options and futures[(2) (3)] | 87 | 87 | 208 | 208 |
| Total | $ 2,488 | $ 2,488 | $ 4,460 | $ 4,460 |

11.

(1) We determine the fair value of our forward contracts using standard valuation models that are based on market-based observable inputs including LIBOR rates and the spot price of the underlying instrument.

(2) We determine the fair value of our option contracts using standard valuation models that are based on market-based observable inputs including implied volatility, interest rates and the spot price of the underlying instrument.

(3) We determine the fair value of our future contracts based upon quoted market prices and average quoted market yields.

***Resale and Repurchase Agreements, at Contract Value***

Through our clearing operations in the resale and repurchase markets with NASDAQ OMX Stockholm, we are the legal counterparty for each resale and repurchase contract traded and thereby guarantee the fulfillment of each contract. We only clear these transactions once a bilateral contract between members has been entered into whereby the two members have agreed on all terms in the transaction. The resale and repurchase agreements are not used for financing purposes by NASDAQ OMX. As the legal counterparty of each transaction, NASDAQ OMX Stockholm bears the counterparty risk between the purchaser and seller in the resale and repurchase agreement.

The structure and operations for the resale and repurchase market is similar to the derivative markets for NASDAQ OMX Commodities and NASDAQ OMX Stockholm. As discussed above in "Derivative Positions, at Fair Value," NASDAQ OMX Commodities and NASDAQ OMX Stockholm are not member-owned organizations, do not maintain a guarantee fund to which members contribute and do not enforce loss sharing assessments amongst members. In addition, unlike most other clearinghouses, they do not record any margin deposits and guarantee funds in the Condensed Consolidated Balance Sheets, as all risks and rewards of collateral ownership, including interest, belongs to the counterparty. For resale and repurchase agreements, collateral is not held by NASDAQ OMX Stockholm. All resale and repurchase clearing activities are transacted under our clearing member agreements that give us the right, in the event of default, to liquidate collateral pledged between the clearing members and to offset receivables and payables with the same counterparty.

Pledged collateral, which is transferred through NASDAQ OMX Stockholm at initiation of the bilateral contract between the two clearing member counterparties, primarily consists of Swedish government debt securities. Market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. In the event that one of the participants cannot fulfill its obligation to deliver or receive the underlying security at the agreed upon price, NASDAQ OMX Stockholm is required to buy or sell the security in the open market to fulfill its obligation. In order to protect itself against a price movement in the value of the underlying security, or price risk, NASDAQ OMX Stockholm requires all participants to provide additional margin as needed, which is valued on a daily basis and is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX Stockholm in the event of default.

We record resale and repurchase agreements at contract value plus interest gross in the Condensed Consolidated Balance Sheets as a receivable pertaining to the purchasing party and a payable pertaining to the selling party. Such receivables and liabilities attributable to outstanding resale and repurchase agreements have been netted to the extent that such a legal offset right exists and, at the same time, that it is our intention to settle these items. Our resale and repurchase agreements, at contract value in the Condensed Consolidated Balance Sheets was $6,655 million at March 31, 2011 and $3,441 million at December 31, 2010. The resale and repurchase agreements are recorded at their contractual amounts plus interest which approximates fair value, as the fair value of these items is not materially sensitive to shifts in market interest rates because of the short-term nature of these instruments and/or variable interest rates or to credit risk because the resale and repurchase agreements are fully collateralized. The resale and repurchase agreements generally mature in less than 30 days. See "Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available," of Note 15, "Commitments, Contingencies and Guarantees," for further discussion of our guarantees on the fulfillment of these contracts and collateral received.

**Financial Instruments Not Measured at Fair Value on a Recurring Basis**

Some of our financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include: cash and cash equivalents, restricted cash, receivables, net, certain other current assets, non-current restricted cash, accounts payable and accrued expenses, Section 31 fees payable to SEC, accrued personnel costs, and certain other current liabilities.

We also consider our debt obligations to be financial instruments. The fair value of our debt obligations was estimated using discounted cash flow analyses based on our assumed incremental borrowing rates for similar types of borrowing arrangements and a Black-Scholes valuation technique that is utilized to calculate the convertible option value for the 3.75% convertible notes and the 2.50% convertible senior notes. At March 31, 2011, the carrying value of our debt obligations, before the $36 million unamortized debt discount on the 2.50% convertible senior notes, was approximately $18 million less than fair value. The difference primarily relates to an increase in the fair value of the 2.50% convertible senior notes and our Term Loans as a result of changes in current market interest rates during the period, partially offset by a decrease in fair value on the 2.50% convertible senior notes due to the convertible option feature which is equivalent to a conversion price of approximately $55.13 as compared to the closing price of $25.84 at March 31, 2011. At December 31, 2010, the carrying value of our debt obligations, before the $40 million unamortized debt discount on the 2.50% convertible senior notes, was approximately $17 million less than fair value, primarily due to an increase in the fair value of the 2.50% convertible senior notes as a result of changes in current market interest rates during the period, partially offset by a decrease in fair value on the 2.50% convertible senior notes due to the convertible option feature which is equivalent to a conversion price of approximately $55.13 as compared to the closing price of $23.73 at December 31, 2010. For further discussion of our debt obligations, see Note 8, "Debt Obligations."

**14. Derivative Financial Instruments and Hedging Activities**

In the ordinary course of business, we may enter into various types of derivative transactions. These derivative transactions include:

- *Futures and foreign currency forward contracts* which are commitments to buy or sell at a future date a financial instrument, commodity or currency at a contracted price and may be settled in cash or through delivery.
- *Interest rate swap contracts* which are agreements between two parties to exchange one stream of future interest payments for another based on a specified principal amount over a set period of time.
- *Foreign currency option contracts* which give the purchaser, for a fee, the right, but not the obligation, to buy or sell within a limited time a financial instrument or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

NASDAQ OMX may use these derivative financial instruments to manage exposure to various market risks, primarily foreign currency exchange rate fluctuations and changes in interest rates on our variable rate debt. Such instruments are an integral component of our market risk and related asset/liability management strategy and processes.

**Fair Value Hedges**

Depending on market conditions, we may use foreign currency future, forward and option contracts to limit our exposure to foreign currency exchange rate fluctuations on contracted revenue streams (hedged item) relating to our Market Technology sales. When the contracted revenue streams meet the definition of a firm commitment, these derivative contracts may be designated as fair value hedges if the applicable hedge criteria are met. Changes in fair value on the derivatives and the related hedged items are recognized in the Condensed Consolidated Statements of Income. As of March 31, 2011 and December 31, 2010, there were no outstanding fair value hedges.

**Cash Flow Hedges**

In the third quarter of 2008, we entered into interest rate swap agreements that effectively converted $200 million of our senior secured credit facilities in place as of December 31, 2009, which was floating rate debt, to a fixed rate basis through August 2011, thus reducing the impact of interest rate changes on future interest expense. As of December 31, 2009, these interest rate swaps were in a net liability position of $9 million and were recorded in other liabilities in the Condensed Consolidated Balance Sheets. In the first quarter of 2010, in connection with the repayment of our senior secured credit facilities in place as of December 31, 2009, we terminated our interest rate swaps and reclassified into earnings the unrealized loss of $9 million which was included in accumulated other comprehensive loss in the Condensed Consolidated Balance Sheets at December 31, 2009. This loss is included in general, administrative and other expense in the Condensed Consolidated Statements of Income for the three months ended March 31, 2010. See "Senior Unsecured Notes and Credit Facility," of Note 8, "Debt Obligations," for further discussion.

All derivative contracts used to manage interest rate risk are measured at fair value and are recorded in assets or liabilities as appropriate with the offset in accumulated other comprehensive loss within NASDAQ OMX stockholders' equity in the Condensed Consolidated Balance Sheets. Any ineffectiveness would impact earnings through interest expense. There was no material ineffectiveness recorded in earnings for both the three months ended March 31, 2011 and 2010. As of March 31, 2011 and December 31, 2010, there were no outstanding cash flow hedges.

**Net Investment Hedges**

Net assets of our foreign subsidiaries are exposed to volatility in foreign currency exchange rates. We may utilize net investment hedges to offset the translation adjustment arising from remeasuring our investment in foreign subsidiaries. As of March 31, 2011 and December 31, 2010, there were no outstanding net investment hedges.

**Derivatives Not Designated as Hedges**

NASDAQ OMX may also enter into economic hedges that either do not qualify or are not designated for hedge accounting treatment. This type of hedge is undertaken when hedge accounting requirements cannot be achieved or management decides not to apply hedge accounting.

We did not enter into any material economic hedges that did not qualify or were not designated for hedge accounting during the three months ended March 31, 2011 and 2010.

## 15. Commitments, Contingencies and Guarantees

### Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available

***Collateral Received for Clearing Operations***

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities, NASDAQ OMX Stockholm and IDCG, as well as riskless principal trading at NOCC and the resale and repurchase market with NASDAQ OMX Stockholm, we are the legal counterparty for each position traded and thereby guarantee the fulfillment of each contract. The derivatives are not used by the above entities for the purpose of trading on their own behalf and the resale and repurchase agreements are not used for financing purposes by NASDAQ OMX Stockholm. The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from most other clearinghouses. See “Derivative Positions, at Fair Value,” and “Resale and Repurchase Agreements, at Contract Value,” of Note 13, “Fair Value of Financial Instruments,” for further discussion.

We require market participants at NASDAQ OMX Commodities and NASDAQ OMX Stockholm to provide collateral and meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. Total customer pledged collateral with NASDAQ OMX Commodities and NASDAQ OMX Stockholm was $7.2 billion at March 31, 2011 and $8.7 billion at December 31, 2010. This pledged collateral is held by a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. NASDAQ OMX Commodities and NASDAQ OMX Stockholm do not receive any interest on these funds as the risks and rewards of collateral ownership, including interest, belong to the counterparty.

We also require market participants at IDCG and NOCC to meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations and to provide collateral to cover the daily margin call as needed. Customer pledged cash collateral held by IDCG and NOCC, which was $22 million at March 31, 2011 and $15 million at December 31, 2010, is included in restricted cash with an offsetting liability included in other current liabilities in the Condensed Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belong to IDCG and NOCC. Clearing member pledged cash collateral, included in IDCG’s guaranty fund, was $8 million at both March 31, 2011 and December 31, 2010. This cash is included in non-current restricted cash with an offsetting liability included in other liabilities in the Condensed Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belong to IDCG.

***Guarantees Issued and Credit Facilities Available***

In addition to the collateral pledged by market participants discussed above, we have obtained financial guarantees and credit facilities which are guaranteed by us through counter indemnities, to provide further liquidity and default protection related to our clearing businesses. At March 31, 2011, financial guarantees issued to us totaled $6 million. Credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled $459 million ($208 million in available liquidity and $251 million to satisfy regulatory requirements), none of which was utilized at March 31, 2011. At December 31, 2010, these facilities totaled $440 million ($196 million in available liquidity and $244 million to satisfy regulatory requirements), none of which was utilized.

We believe that the potential for us to be required to make payments under these arrangements is mitigated through the pledged collateral and our risk management policies. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for these arrangements.

### Leases

We lease some of our office space and equipment under non-cancelable operating leases with third parties and sublease office space to third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

### Other Guarantees

We have provided other guarantees as of March 31, 2011 of $21 million, primarily related to obligations for our rental and leasing contracts. In addition, for certain Market Technology contracts, we have provided performance guarantees of $6 million related to the delivery of software technology and support services. We have received financial guarantees from various financial institutions to support the above guarantees. At December 31, 2010, the total of these guarantees was $24 million.

We have also provided a $25 million guarantee to our wholly-owned subsidiary NOCC to cover losses associated with customer defaults, net of any collateral posted against such losses.

We believe that the potential for us to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for the above guarantees.

**Escrow Agreements**

In connection with our acquisitions of FTEN and SMARTS, we entered into escrow agreements to secure the payments of post-closing adjustments and other closing conditions. At March 31, 2011, these escrow agreements provide for future payments of $23 million in 2012.

**Brokerage Activities**

Nasdaq Execution Services and NASDAQ Options Services provide guarantees to securities clearinghouses and exchanges under their standard membership agreements, which require members to guarantee the performance of other members. If a member becomes unable to satisfy its obligations to a clearinghouses or exchange, other members would be required to meet its shortfalls. To mitigate these performance risks, the exchanges and clearinghouses often require members to post collateral, as well as meet certain minimum financial standards. Nasdaq Execution Services' and NASDAQ Options Services' maximum potential liability under these arrangements cannot be quantified. However, we believe that the potential for Nasdaq Execution Services and NASDAQ Options Services to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for these arrangements.

**Litigation**

We may be subject to claims arising out of the conduct of our business. We are not currently a party to any litigation that we believe could have a material adverse effect on our business, financial condition, or operating results. However, from time to time, we have been threatened with, or named as a defendant in, lawsuits or involved in regulatory proceedings.

**16. Segments**

We manage, operate and provide our products and services in three business segments: our Market Services segment, our Issuer Services segment and our Market Technology segment.

Our Market Services segment includes our U.S. and European Transaction Services businesses and our Market Data business, which are interrelated because the Transaction Services businesses generate the quote and trade information that we sell to market participants and data distributors. Market Services also includes our Broker Services business, which offers technology and customized securities administration solutions to financial participants in the Nordic markets.

Our Issuer Services segment includes our Global Listing Services and Global Index Group businesses. The companies listed on The NASDAQ Stock Market, our Nordic and Baltic exchanges and NASDAQ OMX First North represent a diverse array of industries. This diversity of companies listed on NASDAQ OMX markets allows us to develop and license NASDAQ OMX branded indexes, associated derivatives and financial products as part of our Global Index Group. The Global Listing Services business also includes our Corporate Solutions business, which generates revenues through our shareholder, directors, newswire and other services.

Our Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

Our management allocates resources, assesses performance and manages these businesses as three separate segments. We evaluate the performance of our segments based on several factors, of which the primary financial measure is income before income taxes. Results of individual businesses are presented based on our management accounting practices and our management structure. Certain amounts are allocated to corporate items in our management reports based on the decision that those activities should not be used to evaluate the segment's operating performance. These amounts include, but are not limited to, amounts related to mergers, strategic initiatives and financing activities. See below for further discussion.

The following table presents certain information regarding these operating segments for the three months ended March 31, 2011 and 2010.

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **Three months ended March 31, 2011** | | | | | |
| Total revenues | $ 683 | $ 91 | $ 43 | $ — | $ 817 |
| Cost of revenues | (402) | — | — | — | (402) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 281 | 91 | 43 | — | 415 |
| Income (loss) before income taxes [(1)] | $ 125 | $ 30 | $ 1 | $ (4) | $ 152 |

| | Market Services | Issuer Services | Market Technology | Corporate Items and Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (in millions) | | |
| **Three months ended March 31, 2010** | | | | | |
| Total revenues | $ 652 | $ 84 | $ 34 | $ 1 | $ 771 |
| Cost of revenues | (411) | — | — | — | (411) |
| Revenues less transaction rebates, brokerage, clearance and exchange fees | 241 | 84 | 34 | 1 | 360 |
| Income before income taxes [2] | $ 100 | $ 31 | $ 2 | $ (44) | $ 89 |

12.

(1) The corporate items and eliminations for the three months ended March 31, 2011 primarily include merger and strategic initiatives expense.

(2) The corporate items and eliminations for the three months ended March 31, 2010 primarily include charges of $40 million related to the repayment of our senior secured credit facilities in place as of December 31, 2009. See “Senior Unsecured Notes and Credit Facility,” of Note 8, “Debt Obligations,” for further discussion.

For further discussion of our segments’ results, see “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Segment Operating Results.”

**17. Subsequent Events**

***Joint Proposal to Acquire NYSE Euronext***

On April 1, 2011, NASDAQ OMX and Intercontinental Exchange, or ICE, announced they had made a joint proposal to acquire NYSE Euronext for $42.50 in cash and stock per NYSE Euronext share, or approximately $11.3 billion, based on the respective NASDAQ OMX and ICE closing share prices as of March 31, 2011. Under the terms of the proposed acquisition, NYSE Euronext stockholders would receive $14.24 in cash, plus 0.4069 of a share of NASDAQ OMX common stock and 0.1436 of a share of ICE common stock for each NYSE Euronext share. In total, NASDAQ OMX would contribute $2.121 billion in cash and approximately 108 million shares of NASDAQ common stock and assume $2.074 billion of existing NYSE Euronext debt, and ICE would contribute $1.65 billion in cash and approximately 38 million shares of ICE common stock. The proposed acquisition is conditioned on confirmatory due diligence of NYSE Euronext and would require approval from a majority of NASDAQ OMX stockholders, a majority of ICE stockholders and a majority of NYSE Euronext stockholders.

As part of the proposal, ICE would acquire NYSE Euronext’s European derivatives businesses and certain other entities and assets of NYSE Euronext, together with their related liabilities, and NASDAQ OMX would retain NYSE Euronext’s remaining entities and assets, including the NYSE Euronext stock exchanges in New York, Paris, Brussels, Amsterdam and Lisbon, as well as its U.S. options business, together with their related liabilities. NASDAQ OMX and ICE will continue to operate as separate businesses throughout the proposed transaction and, if consummated, after its completion.

NASDAQ OMX and ICE would finance the $3.8 billion cash portion of the acquisition purchase price through cash on hand and new financing commitments. Both firms have received fully committed financing in connection with the acquisition proposed April 1, 2011 from groups of leading institutions. NASDAQ OMX’s commitments, from Bank of America, N.A., UBS Loan Finance LLC, Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ), include a $2.25 billion term loan facility and a $750 million revolving credit facility, portions of which would be used to repay indebtedness under NASDAQ OMX’s existing credit agreement. The financing commitments are subject to the satisfaction of customary conditions precedent. The repayment of debt would be financed by the cash flows of the combined companies.

On April 10, 2011, NYSE Euronext’s board of directors rejected the NASDAQ OMX and ICE joint proposal and stated its commitment to its existing combination agreement with Deutsche Börse AG, or Deutsche Börse. Later that same day, both NASDAQ OMX and ICE reaffirmed their interest in acquiring NYSE Euronext, citing the benefits to stockholders of all three companies.

On April 19, 2011, NASDAQ OMX and ICE announced they had taken a series of steps demonstrating their commitment to pursuing their joint proposal to acquire NYSE Euronext by providing greater certainty to the NYSE Euronext board which included delivery of a proposed merger agreement to the NYSE Euronext board that is substantially consistent with the terms of the current business combination agreement with Deutsche Börse, an offer to pay a reverse termination fee of $350 million (to be split equally by NASDAQ OMX and ICE) in the event that they are unable to obtain necessary antitrust and competition approvals for the acquisition, and the receipt of fully committed financing in connection with the acquisition proposed April 1, 2011. NASDAQ OMX and ICE also agreed to share equally all break-up or termination fees paid or payable to Deutsche Börse in connection with the acquisition proposal, which are contemplated to total €250.0 million ($353.2 million based on the euro to U.S. dollar exchange rate as of March 31, 2011).

On April 21, 2011, NYSE Euronext’s board of directors rejected the revised proposal of NASDAQ OMX and ICE, but NASDAQ OMX and ICE again reaffirmed their proposal the same day.

The NASDAQ OMX and ICE joint proposal to acquire NYSE Euronext is subject to regulatory approvals in various jurisdictions, including the United States and the European Union. On April 20, 2011, NASDAQ OMX filed a Premerger Notification and Report Form pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, as amended, or the HSR Act. On April 22, 2011, NASDAQ OMX received a request for additional information and documentary material, commonly known as a "second request", from the Antitrust Division of the United States Department of Justice, or DOJ, in connection with the DOJ's review of the proposed acquisition under the HSR Act.

On May 2, 2011, NASDAQ OMX and ICE announced that their boards of directors had approved their intent to commence an exchange offer to acquire all of the outstanding shares of NYSE Euronext common stock in a cash and stock transaction for the same consideration per share as discussed above. If NASDAQ OMX and ICE are successful in acquiring shares pursuant to the offer, they would consummate a second step merger as soon as possible thereafter to acquire the remaining NYSE Euronext shares for the same consideration per share.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of the financial condition and results of operations of NASDAQ OMX in conjunction with our condensed consolidated financial statements and related notes included in this Form 10-Q.

### Overview

We are a leading global exchange group that delivers trading, clearing, exchange technology, securities listing, and public company services across six continents. Our global offerings are diverse and include trading and clearing across multiple asset classes, market data products, financial indexes, capital formation solutions, financial services and market technology products and services. Our technology powers markets across the globe, supporting cash equity trading, derivatives trading, clearing and settlement and many other functions.

### Financial Highlights

The following summarizes significant changes in our financial performance for the three months ended March 31, 2011 when compared with the same period in 2010. In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. The following discussion of results of operations isolates 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.

- Revenues less transaction rebates, brokerage, clearance and exchange fees increased $55 million, or 15.3%, to $415 million in the first quarter of 2011, compared with $360 million in the same period in 2010, reflecting an operational increase in revenues of $45 million and a favorable impact from foreign exchange of $10 million. The increase in operational revenues was primarily due to:
    - an increase in derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees of $17 million;
    - an increase in access services revenues of $13 million;
    - an increase in cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees of $6 million;
    - an increase in corporate solutions revenues of $5 million; and
    - an increase in market technology revenues of $5 million.
- Operating expenses decreased $14 million, or 5.6%, to $234 million in the first quarter of 2011, compared with $248 million in the same period in 2010, reflecting a decrease in operating expenses of $22 million, partially offset by an unfavorable impact from foreign exchange of $8 million. The operational decrease in operating expenses was primarily due to a decrease in general, administrative and other expense in the first quarter of 2011 due to charges incurred in the first quarter of 2010 in connection with the January 2010 repayment of our senior secured credit facilities in place as of December 31, 2009. Partially offsetting this decrease were operational increases in compensation expense and merger and strategic initiatives expense.
- Interest expense increased $5 million, or 20.0%, to $30 million in the first quarter of 2011, compared with $25 million in the same period in 2010 as a result of the 2018 Notes issued in December 2010.

These current and prior year items are discussed in more detail below.

### Business Environment

We serve listed companies, market participants and investors by providing high quality cash equity, derivative and commodities markets, thereby facilitating economic growth and corporate entrepreneurship. We also provide market technology to exchanges and markets around the world. In broad terms, our business performance is impacted by a number of drivers including macroeconomic events affecting the risk and return of financial assets, investor sentiment, government and private sector demands for capital, the regulatory environment for capital markets, and changing technology in the financial services industry. Our future revenues and net income will continue to be influenced by a number of domestic and international economic trends including:

- Trading volumes, particularly in U.S. and Nordic cash equity and derivative securities, which are driven primarily by overall macroeconomic conditions;
- The number of companies seeking equity financing, which is affected by factors such as investor demand, the global economy and availability of diverse sources of financing as well as tax and regulatory policies;
- The emergence of new market participants seeking opportunities in the recovering global economy;
- The steady optimism of our technology customers about the outlook for capital markets and economic stability;
- Continuing pressure in transaction fee pricing due to intense competition in the U.S. and Europe;
- Competition for listings and trading related to pricing, product features and service offerings;
- Regulatory changes imposed upon certain types of instruments, transactions, or capital market participants; and
- Technological advancements and members' demand for speed, efficiency, and reliability.

Currently our business drivers are defined by investors' cautious outlook about the pace of global economic recovery and the economic effect of recent natural disasters and political instability around the world, and governments' ability to fund their sovereign debt. The lack of confidence in the prospects for growth results in sporadic increases in the level of market volatility and lackluster trading volume. Additional impacts on our business drivers include the international enactment and implementation of new legislative and regulatory initiatives, and the continued rapid evolution and deployment of new technology in the financial services industry. The business environment that influenced our financial performance for the first quarter of 2011 may be characterized as follows:

- A modest increase in the pace of new equity issuance in the U.S. with 22 IPOs on The NASDAQ Stock Market, up from 15 in the first quarter of 2010. IPO activity remained weak in the Nordics with one IPO on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic;
- Matched share volume for all our U.S. markets decreased 24.9% relative to the first quarter of 2010 driven by a modest decline in overall U.S. volume, a decline in our market share due to intense competition from both off-exchange trading and from other U.S. exchanges;
- A 21.6% increase relative to the first quarter of 2010 in the number of cash equity transactions on our Nordic and Baltic exchanges driven by increased levels of trading as participants increasingly adopt algorithmic trading;
- A 3.4% increase relative to the first quarter of 2010 in the SEK value of cash equity transactions on our Nordic and Baltic exchanges resulting from increased volume levels and higher 12-month equity valuations;
- Growth of 8.2% experienced by our Nordic and Baltic exchanges relative to the first quarter of 2010 in the number of traded and cleared equity and fixed-income contracts (excluding Eurex) driven by growth in fixed-income trading;
- Intense competition among U.S. exchanges and dealer-owned systems for cash equity trading volume and strong competition between multilateral trading facilities and exchanges in Europe for equity trading volume;
- Globalization of exchanges, customers and competitors extending the competitive horizon beyond national markets; and
- Market trends requiring continued investment in technology to meet customers' demands for speed, capacity, and reliability as markets adapt to a global financial industry, as increasing numbers of new companies are created, and as emerging countries show ongoing interest in developing their financial markets.

## NASDAQ OMX's Operating Results

### Key Drivers

The following table includes key drivers for our Market Services, Issuer Services and Market Technology segments. In evaluating the performance of our business, our senior management closely watches these key drivers.

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 |
|---|---|---|
| **Market Services** | | |
| **Cash Equity Trading** | | |
| *NASDAQ securities* | | |
| Average daily share volume (in billions) | 2.05 | 2.34 |
| Matched market share executed on NASDAQ | 26.8% | 29.1% |
| Matched market share executed on NASDAQ OMX BX | 1.4% | 3.7% |
| Matched market share executed on NASDAQ OMX PSX | 0.9% | — |
| Market share reported to the FINRA/NASDAQ Trade Reporting Facility(1) | 32.7% | 38.6% |
| Total market share(2) | 61.8% | 71.5% |
| *NYSE securities* | | |
| Average daily share volume (in billions) | 4.54 | 4.83 |
| Matched market share executed on NASDAQ | 11.8% | 15.2% |
| Matched market share executed on NASDAQ OMX BX | 2.0% | 4.4% |
| Matched market share executed on NASDAQ OMX PSX | 0.8% | — |
| Market share reported to the FINRA/NASDAQ Trade Reporting Facility(1) | 29.9% | 33.5% |
| Total market share(2) | 44.5% | 53.1% |
| *NYSE Amex and regional securities* | | |
| Average daily share volume (in billions) | 1.35 | 1.47 |
| Matched market share executed on NASDAQ | 16.8% | 21.6% |
| Matched market share executed on NASDAQ OMX BX | 1.7% | 2.4% |
| Matched market share executed on NASDAQ OMX PSX | 1.3% | — |
| Market share reported to the FINRA/NASDAQ Trade Reporting Facility(1) | 27.1% | 32.3% |
| Total market share(2) | 46.9% | 56.3% |
| *Total U.S.-listed equities* | | |
| Average daily share volume (in billions) | 7.94 | 8.64 |
| Matched share volume (in billions) | 94.8 | 126.2 |
| Matched market share executed on NASDAQ | 16.5% | 20.0% |
| Matched market share executed on NASDAQ OMX BX | 1.8% | 3.9% |
| Matched market share executed on NASDAQ OMX PSX | 0.9% | — |
| *NASDAQ OMX Nordic and NASDAQ OMX Baltic* | | |
| Average daily number of equity trades | 338,534 | 278,372 |
| Average daily value of shares traded (in billions) | $ 4.1 | $ 3.6 |
| **Derivative Trading and Clearing** | | |
| *U.S. Equity Options* | | |
| Total industry average daily volume (in millions) | 17.3 | 14.0 |
| NASDAQ OMX PHLX matched market share | 23.5% | 21.3% |
| The NASDAQ Options Market matched market share | 5.2% | 2.5% |
| *NASDAQ OMX Nordic and NASDAQ OMX Baltic* | | |
| Average Daily Volume: | | |
| Options, futures and fixed-income contracts | 455,845 | 421,275 |
| Finnish option contracts traded on Eurex | 177,836 | 108,576 |
| *NASDAQ OMX Commodities* | | |
| Clearing Turnover: | | |
| Power contracts (TWh)(3) | 446 | 687 |
| International Power contracts (TWh)(3) | 8 | 4 |
| Carbon contracts (1000 tCO2)(3) | 4,036 | 11,879 |
| **Issuer Services** | | |
| Initial public offerings | | |
| NASDAQ | 22 | 15 |
| Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic | 1 | 3 |
| New listings | | |
| NASDAQ (4) | 34 | 41 |
| Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic (5) | 4 | 6 |
| Number of listed companies | | |
| NASDAQ (6) | 2,760 | 2,823 |
| Exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic(7) | 773 | 792 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2011 | 2010 |
| **Market Technology** | | |
| Order intake (in millions)[8] | $ 6 | $ 50 |
| Total order value (in millions)[9] | $ 471 | $ 496 |

13.

(1) Transactions reported to the FINRA/NASDAQ Trade Reporting Facility.

(2) Includes transactions executed on NASDAQ's, NASDAQ OMX BX's and NASDAQ OMX PSX's systems plus trades reported through the FINRA/NASDAQ Trade Reporting Facility.

(3) Transactions executed on Nord Pool and reported for clearing to NASDAQ OMX Commodities measured by Terawatt hours (TWh) and one thousand metric tons of carbon dioxide (1000 $tCO_2$).

(4) New listings include IPOs, including those completed on a best efforts basis, issuers that switched from other listing venues, closed-end funds and separately listed ETFs.

(5) New listings include IPOs and represent companies listed on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and companies on the alternative markets, NASDAQ OMX First North.

(6) Number of listed companies for NASDAQ at period end, including separately listed ETFs.

(7) Represents companies listed on the exchanges that comprise NASDAQ OMX Nordic and NASDAQ OMX Baltic and companies on the alternative markets of NASDAQ OMX First North at period end.

(8) Total contract value of orders signed.

(9) Represents total contract value of orders signed that are yet to be recognized as revenue. Market Technology deferred revenue, as discussed in Note 7, "Deferred Revenue" to the condensed consolidated financial statements, represents cash payments received that are yet to be recognized as revenue for these signed orders.

**Business Segments**

We manage, operate and provide our products and services in three business segments: Market Services, Issuer Services and Market Technology.

- The Market Services segment includes our U.S. and European Transaction Services businesses and our Market Data business, which are interrelated because the Transaction Services businesses generate the quote and trade information that we sell to market participants and data distributors. The Market Services business also includes our Broker Services business.
- The Issuer Services segment includes our Global Listing Services and the Global Index Group businesses. The companies listed on The NASDAQ Stock Market, our Nordic and Baltic exchanges and NASDAQ OMX First North represent a diverse array of industries. This diversity of companies listed on NASDAQ OMX markets allows us to develop industry-specific and other indexes that we use to develop and license NASDAQ OMX branded indexes, associated derivatives and index products as part of our Global Index Group. The Global Listing Services business also includes our Corporate Solutions business.
- The Market Technology segment delivers technology and services to marketplaces, brokers and regulators throughout the world. Market Technology provides technology solutions for trading, clearing, settlement and information dissemination, and also offers facility management integration, surveillance solutions and advisory services.

Our management allocates resources, assesses performance and manages these businesses as three separate segments. See Note 16, "Segments," to the condensed consolidated financial statements for further discussion.

**Segment Operating Results**

Of our total first quarter 2011 revenues less transaction rebates, brokerage, clearance and exchange fees of $415 million, 67.7% was from our Market Services segment, 21.9% was from our Issuer Services segment and 10.4% was from our Market Technology segment. Of our total first quarter 2010 revenues less transaction rebates, brokerage, clearance and exchange fees of $360 million, 66.9% was from our Market Services segment, 23.3% was from our Issuer Services segment, 9.5% was from our Market Technology segment and 0.3% related to other revenues.

The following table shows our total revenues, cost of revenues and revenues less transaction rebates, brokerage, clearance and exchange fees by segment:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Market Services | $ 683 | $ 652 | 4.8% |
| Cost of revenues | (402) | (411) | (2.2)% |
| Market Services revenues less transaction rebates, brokerage, clearance and exchange fees | 281 | 241 | 16.6% |
| Issuer Services | 91 | 84 | 8.3% |
| Market Technology | 43 | 34 | 26.5% |
| Other | — | 1 | # |
| Total revenues less transaction rebates, brokerage, clearance and exchange fees | $ 415 | $ 360 | 15.3% |

14.

\# Denotes a variance equal to or greater than 100.0%.

## MARKET SERVICES

The following table shows total revenues less transaction rebates, brokerage, clearance and exchange fees from our Market Services segment:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| **Transaction Services** | | | |
| **Cash Equity Trading Revenues:** | | | |
| U.S. cash equity trading[1] | $ 365 | $ 403 | (9.4)% |
| Cost of revenues: | | | |
| Transaction rebates | (242) | (291) | (16.8)% |
| Brokerage, clearance and exchange fees [1] | (84) | (80) | 5.0% |
| Total U.S. cash equity cost of revenues | (326) | (371) | (12.1)% |
| U.S. cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees | 39 | 32 | 21.9% |
| European cash equity trading | 23 | 23 | — |
| **Total cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees** | 62 | 55 | 12.7% |
| **Derivative Trading and Clearing Revenues:** | | | |
| U.S. derivative trading and clearing[2] | 124 | 73 | 69.9% |
| Cost of revenues: | | | |
| Transaction rebates | (67) | (36) | 86.1% |
| Brokerage, clearance and exchange fees [2] | (9) | (4) | # |
| Total U.S. derivative trading and clearing cost of revenues | (76) | (40) | 90.0% |
| U.S. derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees | 48 | 33 | 45.5% |
| European derivative trading and clearing revenues | 32 | 28 | 14.3% |
| **Total derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees** | 80 | 61 | 31.1% |
| **Access Services Revenues** | 53 | 39 | 35.9% |
| **Total Transaction Services revenues less transaction rebates, brokerage, clearance and exchange fees** | 195 | 155 | 25.8% |
| **Market Data:** | | | |
| Net U.S. tape plans | 27 | 31 | (12.9)% |
| U.S. market data products | 32 | 31 | 3.2% |
| European market data products | 22 | 18 | 22.2% |
| **Total Market Data revenues** | 81 | 80 | 1.3% |
| **Broker Services** | 4 | 4 | — |
| **Other Market Services** | 1 | 2 | (50.0)% |
| **Total Market Services revenues less transaction rebates, brokerage, clearance and exchange fees** | $ 281 | $ 241 | 16.6% |

15.

\# Denotes a variance equal to or greater than 100.0%.

(1) Includes Section 31 fees of $66 million in the first quarter of 2011 and $55 million in the first quarter of 2010. Section 31 fees are recorded as U.S. cash equity trading revenues with a corresponding amount recorded in cost of revenues.

(2) Includes Section 31 fees of $7 million in the first quarter of 2011 and $4 million in the first quarter of 2010. Section 31 fees are recorded as U.S. derivative trading and clearing revenues with a corresponding amount recorded in cost of revenues.

**Transaction Services**

Transaction Services revenues less transaction rebates, brokerage, clearance and exchange fees increased in the first quarter of 2011 compared with the same period in 2010 primarily due to increases in derivative trading and clearing revenues less transaction rebates, brokerage, clearance and exchange fees and access services revenues.

***U.S. Cash Equity Trading Revenues***

U.S. cash equity trading revenues less transaction rebates, brokerage, clearance and exchange fees increased in the first quarter of 2011 compared with the same period in 2010 primarily due to modified rates, partially offset by a decline in industry volumes and a decline in our matched market share.

U.S. cash equity trading revenues decreased in the first quarter of 2011 compared with the same period in 2010 primarily due to declines in matched share volume on the NASDAQ and NASDAQ OMX BX trading systems due to a decline in industry volumes and a decline in our matched market share, partially offset by an increase in Section 31 pass-through fee revenues.

As discussed above, we record Section 31 fees as U.S. cash equity trading revenues with a corresponding amount recorded as cost of revenues. We are assessed these fees from the SEC and pass them through to our customers in the form of incremental fees. Pass-through fees can increase or decrease due to rate changes by the SEC, the percentage of overall industry volumes processed on our systems, and differences in actual dollar value of shares traded. Since the amount recorded in revenues is equal to the amount recorded in cost of revenues, there is no impact from the fees on our revenues less transaction rebates, brokerage, clearance and exchange fees. Section 31 fees were $66 million in the first quarter of 2011 and $55 million in the first quarter of 2010. The increase in the first quarter of 2011 compared with the same period in 2010 was primarily due to higher Section 31 fee rates, partially offset by lower dollar value traded on the NASDAQ and NASDAQ OMX BX trading systems.

For NASDAQ and NASDAQ OMX PSX we credit a portion of the per share execution charge to the market participant that provides the liquidity and for NASDAQ OMX BX we credit a portion of the per share execution charge to the market participant that takes the liquidity. These transaction rebates decreased in the first quarter of 2011 compared with the same period in 2010. The decrease was primarily due to declines in matched share volume on NASDAQ's trading system due to a decline in industry volumes and a decline in our matched market share, partially offset by higher average rebate rates due to changes in our pricing program on the NASDAQ, NASDAQ OMX BX and NASDAQ OMX PSX trading systems.

Brokerage, clearance and exchange fees increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in Section 31 pass-through fees, partially offset by a decrease in the amount of volume routed by NASDAQ due to declines in industry volumes.

***European Cash Equity Trading Revenues***

European cash equity trading revenues include trading revenues from equity products traded on the NASDAQ OMX Nordic and NASDAQ OMX Baltic exchanges and NEURO (for periods prior to closing our NEURO business). European cash equity trading revenues remained flat in the first quarter of 2011 compared with the same period in 2010 as increases in trading activity and a favorable impact from foreign exchange of $1 million were offset by lower average fees.

***U.S. Derivative Trading and Clearing Revenues***

U.S. derivative trading and clearing revenues and revenues less transaction rebates, brokerage, clearance and exchange fees increased in the first quarter of 2011 compared with the same period in 2010 primarily due to increases in market share and industry volumes.

Similar to U.S. cash equity trading, Section 31 fees are recorded as derivative trading and clearing revenues with a corresponding amount recorded as cost of revenues. We are assessed these fees from the SEC and pass them through to our customers in the form of incremental fees. Since the amount recorded in revenues is equal to the amount recorded in cost of revenues, there is no impact on our revenues less transaction rebates, brokerage, clearance and exchange fees. Section 31 fees were $7 million in the first quarter of 2011 and $4 million in the first quarter of 2010.

Transaction rebates, in which we credit a portion of the per share execution charge to the market participant, increased in the first quarter of 2011 compared with the same period in 2010 primarily due to increases in market share and industry volumes.

Brokerage, clearance and exchange fees increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in Section 31 pass-through fee revenues.

***European Derivative Trading and Clearing Revenues***

European derivative trading and clearing revenues include trading and clearing revenues from derivative products traded on NASDAQ OMX Stockholm, as well as clearing revenues from resale and repurchase agreements on NASDAQ OMX Stockholm, trading and clearing revenues from derivative products on NASDAQ OMX Copenhagen and revenues from NASDAQ OMX Commodities. European derivative trading and clearing revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to higher trading and clearing revenues for options and futures contracts, as well as fixed-income products due to higher trading and clearing volumes. Also contributing to the increase in the first quarter of 2011 was a favorable impact from foreign exchange of $2 million.

European derivative trading and clearing revenues included:

- trading and clearing revenues for options and futures contracts of $14 million in the first quarter of 2011 compared with $12 million in the first quarter of 2010;
- trading and clearing revenues for energy and carbon products of $11 million in the first quarter of 2011 compared with $10 million in the first quarter of 2010. Beginning in May 2010, trading and clearing revenues for energy and carbon products include revenues from Nord Pool;
- trading and clearing revenues from fixed-income products of $6 million in the first quarter of 2011 compared with $4 million in the first quarter of 2010; and
- other revenues and fees of $1 million in the first quarter of 2011 compared with $2 million in the first quarter of 2010.

***Access Services Revenues***

Access services revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in revenues resulting from our acquisition of FTEN in December 2010, increased demand for co-location and network connectivity services and a revised fee structure for access services.

**Market Data**

Market Data revenues increased slightly in the first quarter of 2011 compared with the same period in 2010. Increases in U.S. and European market data products revenues were partially offset by a decrease in net U.S. tape plans revenues.

The decline in net U.S. tape plans revenues in the first quarter of 2011 compared with the same period in 2010 was primarily due to lower plan shareable revenue and to declines in NASDAQ's trading and quoting market share of U.S. cash equities, as calculated under the SEC-mandated market data revenue quoting and trading formula.

The increase in U.S. market data products revenues in the first quarter of 2011 compared with the same period in 2010 was primarily due to growth of new products such as BX TotalView, options data feeds and global access products.

The increase in European market data products revenues in the first quarter of 2011 compared with the same period in 2010 was primarily due to modified fees for market data products, an increase in revenues as a result of data usage audits and a favorable impact from foreign exchange of $1 million.

**Broker Services**

Broker Services revenues remained flat in the first quarter of 2011 compared with the same period in 2010.

## ISSUER SERVICES

The following table shows revenues from our Issuer Services segment:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Global Listing Services: | | | |
| Annual renewal fees | $ 29 | $ 28 | 3.6% |
| Listing of additional shares fees | 10 | 9 | 11.1% |
| Initial listing fees | 4 | 5 | (20.0)% |
| Total U.S. listing fees | 43 | 42 | 2.4% |
| European listing fees | 13 | 13 | — |
| Corporate Solutions | 22 | 17 | 29.4% |
| Total Global Listing Services | 78 | 72 | 8.3% |
| Global Index Group | 13 | 12 | 8.3% |
| Total Issuer Services revenues | $ 91 | $ 84 | 8.3% |

### Global Listing Services

Global Listing Services revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in Corporate Solutions revenues.

#### *U.S. Listing Services Revenues*

Annual renewal fees increased slightly in the first quarter of 2011 compared with the same period in 2010. Annual renewal fees are recognized ratably over a 12-month period.

Listing of additional shares fees increased slightly in the first quarter of 2011 compared with the same period in 2010. Listing of additional shares fees are amortized on a straight-line basis over an estimated service period of four years. Therefore, revenues for each period will vary depending on the change in the total shares outstanding for companies listed on The NASDAQ Stock Market in each of the preceding four years.

Initial listing fees decreased slightly in the first quarter of 2011 compared with the same period in 2010. Initial listing fees are amortized on a straight-line basis over an estimated service period of six years. Therefore, revenues for each year will vary depending on the number of new listings, which include IPOs, in each of the preceding six years. New listings were 34 during the first quarter of 2011 compared with 41 during the first quarter of 2010. The decrease in new listings during the first quarter of 2011 will impact future revenues as these fees are amortized on a straight-line basis over the estimated service period of six years.

#### *European Listing Services Revenues*

European Listing Services revenues remained flat in the first quarter of 2011 compared with the same period in 2010. European Listing Services revenues are recognized ratably over a 12-month period.

#### *Corporate Solutions Revenues*

Corporate Solutions revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to expanding customer utilization of Shareholder.com and Directors Desk, as well as revenues from our acquisition of ZVM in December 2010.

### Global Index Group Revenues

Global Index Group revenues increased slightly in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in underlying assets associated with NASDAQ OMX-licensed ETFs and other financial products, partially offset by a decrease in volume for licensed derivative products in the first quarter of 2011.

## MARKET TECHNOLOGY

The following table shows the revenues from our Market Technology segment:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Market Technology: | | | |
| License, support and facility management revenues | $ 28 | $ 26 | 7.7% |
| Delivery project revenues | 6 | 4 | 50.0% |
| Change request, advisory and broker surveillance revenues | 9 | 4 | # |
| Total Market Technology revenues | $ 43 | $ 34 | 26.5% |

16.

\# Denotes a variance equal to or greater than 100.0%.

Market Technology revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in change request, advisory and broker surveillance revenues.

License, support and facility management revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to a favorable impact from foreign exchange of $3 million, partially offset by a decrease in facility management revenues due to the loss of facility management customers.

Delivery project revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to higher deliveries of market technology contracts during the first quarter of 2011.

Change request, advisory and broker surveillance revenues increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in broker surveillance revenues resulting from our acquisition of SMARTS in August 2010. In addition, there was a favorable impact from foreign exchange of $1 million in the first quarter of 2011.

As of March 31, 2011, total order value, which represents the total contract value of orders signed that are yet to be recognized as revenues, was $471 million. Market Technology deferred revenue of $150 million, which is included in this amount, represents cash payments received that are yet to be recognized as revenue for these signed orders. See Note 7, "Deferred Revenue," to the condensed consolidated financial statements for further discussion. The recognition and timing of these revenues depends on many factors, including those that are not within our control. As such, the following table of Market Technology revenues to be recognized in the future represents our best estimate:

| | Total Order Value |
|---|---|
| | (in millions) |
| Fiscal year ended: | |
| 2011[1] | $ 105 |
| 2012 | 116 |
| 2013 | 90 |
| 2014 | 63 |
| 2015 | 48 |
| 2016 and thereafter | 49 |
| Total | $ 471 |

17.

(1) Represents revenues that are anticipated to be recognized over the remaining nine months of 2011.

## Expenses

### *Operating Expenses*

The following table shows our operating expenses:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Compensation and benefits | $ 112 | $ 98 | 14.3% |
| Marketing and advertising | 5 | 4 | 25.0% |
| Depreciation and amortization | 27 | 25 | 8.0% |
| Professional and contract services | 21 | 19 | 10.5% |
| Computer operations and data communications | 17 | 16 | 6.3% |
| Occupancy | 23 | 22 | 4.5% |
| Regulatory | 9 | 9 | — |
| Merger and strategic initiatives | 5 | — | # |
| General, administrative and other | 15 | 55 | (72.7)% |
| Total operating expenses | $ 234 | $ 248 | (5.6)% |

18.

\# Denotes a variance equal to or greater than 100.0%.

Total operating expenses decreased $14 million in the first quarter of 2011 compared with the same period in 2010, reflecting a decrease in operating expenses of $22 million, partially offset by an unfavorable impact from foreign exchange of $8 million. The operational decrease in operating expenses of $22 million in the first quarter of 2011 was primarily due to a decrease in general, administrative and other expense for charges incurred in the first quarter of 2010 in connection with the January 2010 repayment of our senior secured credit facilities in place as of December 31, 2009. Partially offsetting this decrease were increases in compensation expense and merger and strategic initiatives expense.

Compensation and benefits expense increased in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in salary expense as a result of our acquisitions of SMARTS, FTEN and ZVM in the second half of 2010, higher compensation expenses reflecting stronger financial performance and an unfavorable impact from foreign exchange of $4 million. Headcount, including staff employed at consolidated entities where we have a controlling financial interest, increased to 2,369 employees at March 31, 2011 from 2,215 employees at March 31, 2010. The increase in headcount was primarily due to our acquisitions of SMARTS, FTEN and ZVM in the second half of 2010.

Merger and strategic initiatives expense was $5 million in the first quarter of 2011 and primarily included costs for advisors, legal and other professional services, related to our joint proposal to acquire NYSE Euronext, as well as costs related to recent acquisitions and other strategic initiatives. See "Joint Proposal to Acquire NYSE Euronext," of Note 17, "Subsequent Events," to the condensed consolidated financial statements for further discussion of our joint proposal.

General, administrative and other expense decreased in the first quarter of 2011 compared with the same period in 2010 primarily due to charges incurred in the first quarter of 2010 related to the repayment of our senior secured credit facilities in place as of December 31, 2009. In January 2010, we recorded a pre-tax charge of $40 million, which included the write-off of the remaining unamortized balance of debt issuance costs incurred in conjunction with our senior secured credit facilities in place as of December 31, 2009 of $28 million, costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge of $9 million and other costs of $3 million. See "Senior Unsecured Notes and Credit Facility," of Note 8, "Debt Obligations," to the condensed consolidated financial statements for further discussion.

### *Non-operating Income and Expenses*

The following table presents our non-operating income and expenses:

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Interest income | $ 2 | $ 2 | — |
| Interest expense | (30) | (25) | 20.0% |
| Net interest expense | (28) | (23) | 21.7% |
| Dividend and investment income | (1) | — | # |
| Total non-operating income and (expenses) | $ (29) | $ (23) | 26.1% |

\# Denotes a variance equal to or greater than 100.0%.

Total non-operating expenses increased $6 million in the first quarter of 2011 compared with the same period in 2010 primarily due to an increase in interest expense.

Interest Expense

Interest expense for the first quarter of 2011 was $30 million, and was comprised of $23 million in interest expense, $4 million of non-cash expense associated with accretion of debt discounts, $2 million in non-cash debt issuance amortization expense and $1 million of other bank-related fees. Interest expense for the first quarter of 2010 was $25 million, and was comprised of $19 million in interest expense, $4 million of non-cash expense associated with accretion of debt discounts, $1 million in non-cash debt issuance amortization expense and $1 million of other bank-related fees. Interest expense increased in the first quarter of 2011 compared with the same period in 2010 primarily due to additional interest expense as a result of the 2018 Notes issued in December 2010.

***Income Taxes***

NASDAQ OMX's income tax provision was $49 million in the first quarter of 2011 compared with $29 million in the first quarter of 2010. The overall effective tax rate was 32% in the first quarter of 2011 and 33% in the first quarter of 2010. The lower effective tax rate in the first quarter of 2011 when compared to the first quarter of 2010 was primarily due to a change in the geographic mix of earnings and losses.

The effective tax rate may vary from period to period depending on, among other factors, the geographic and business mix of earnings and losses. These same and other factors, including history of pre-tax earnings and losses, are taken into account in assessing the ability to realize deferred tax assets.

In order to recognize and measure our unrecognized tax benefits, management determines whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the recognition thresholds, the position is measured to determine the amount of benefit to be recognized in the condensed consolidated financial statements. Interest and/or penalties related to income tax matters are recognized in income tax expense.

NASDAQ OMX and its eligible subsidiaries file a consolidated U.S. federal income tax return and applicable state and local income tax returns and non-U.S. income tax returns. The review of federal income tax returns for the years 2007 through 2009 by the Internal Revenue Service is expected to commence in 2011. Several state tax returns are currently under examination by the respective tax authorities for the years 2000 through 2008 and we are subject to examination for 2009. Non-U.S. tax returns are subject to review by the respective tax authorities for years 2003 through 2009. We anticipate that the amount of unrecognized tax benefits at March 31, 2011 will significantly decrease in the next twelve months as we expect to settle certain tax audits. The final outcome of such audits cannot yet be determined. We anticipate that such adjustments will not have a material impact on our condensed consolidated financial position or results of operations.

In the fourth quarter of 2010, we received an appeal from the Finnish Tax Authority in which such authority challenges certain interest expense deductions claimed by NASDAQ OMX in Finland for the years 2009 and 2008. NASDAQ OMX's tax return position with respect to this deduction was previously reviewed and approved by the Finnish Tax Authority. The appeal also demands certain penalties be paid with regards to such tax return filing position. If the Finnish Tax Authority prevails in their challenge, additional tax and penalties for such years would total approximately $10 million. We expect the Finnish Tax Authority to agree with our position once its review is completed and, as such, believe it is unlikely NASDAQ OMX will be assessed any additional tax and penalties. Through March 31, 2011, we have recorded the tax benefits associated with such filing position.

In June 2009, NASDAQ OMX filed an application for an advance tax ruling with the Swedish Tax Council for Advance Tax Rulings. The application was filed to confirm whether certain interest expense is deductible for Swedish tax purposes under legislation that became effective on January 1, 2009. In June 2010, we received a favorable response from the Swedish Tax Council for Advance Tax Rulings in which all members of the Council agreed that such interest expense is deductible for Swedish tax purposes. The Swedish Tax Agency has appealed such ruling to the Swedish Supreme Administrative Court. We expect the Swedish Supreme Administrative Court to agree with the ruling from the Swedish Tax Council for Advance Tax Rulings. In the first quarter of 2011 we recorded a tax benefit of $5 million, or $0.03 per diluted share, and in the first quarter of 2010 we recorded a tax benefit of $5 million, or $0.02 per diluted share, related to this matter. Since January 1, 2009, we have recorded a tax benefit of $42 million, or $0.20 per diluted share, related to this matter.

***Non-GAAP Financial Measures***

In addition to disclosing results determined in accordance with GAAP, we have also provided non-GAAP net income attributable to NASDAQ OMX and non-GAAP diluted earnings per share. Management uses this non-GAAP information internally, along with 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 comparison of results as the items described below do not reflect operating performance. These measures are not in accordance with, or an alternative to, 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 GAAP financial measures included in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the notes thereto. When viewed in conjunction with our GAAP results and the accompanying reconciliation, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than GAAP measures alone. Our management uses these measures to evaluate operating performance and management decisions during the reporting period are made by excluding certain items that we believe have less significance on, or do not impact, the day-to-day performance of our business. We understand that analysts and investors regularly rely on non-GAAP financial measures, such as non-GAAP net income and non-GAAP diluted earnings per share, to assess operating performance. We use non-GAAP net income attributable to NASDAQ OMX and non-GAAP diluted earnings per share because they more clearly highlight trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures, since these measures eliminate from our results specific financial items that have less bearing on our operating performance. Non-GAAP net income attributable to NASDAQ OMX for the periods presented below is calculated by adjusting net income attributable to NASDAQ OMX for charges or gains related to acquisition and divestiture transactions, integration activities related to acquisitions and other significant infrequent charges or gains and their related income tax effects that are not related to our core business. We do not believe these items are representative of our future operating performance since these charges were not consistent with our normal operating performance.

Non-GAAP adjustments for the three months ended March 31, 2011 primarily related to the following:

(i) asset retirement charges primarily related to obsolete technology, (ii) sublease reserve charge recorded on space we occupy in Woborn, Massachusetts, (iii) merger and strategic initiatives costs, primarily costs for advisors, legal and other professional services, related to our joint proposal to acquire NYSE Euronext, as well as costs related to recent acquisitions and other strategic initiatives and (iv) adjustment to the income tax provision to reflect these non-GAAP adjustments.

Non-GAAP adjustments for the three months ended March 31, 2010 primarily related to the following:

(i) debt related charges associated with the repayment of our senior secured credit facilities in place as of December 31, 2009, (ii) asset retirement charges, primarily related to obsolete technology associated with recent acquisitions, (iii) workforce reduction costs related to recent acquisitions, (iv) sublease loss reserve charge recorded on the space we occupy in San Francisco, related to the sale of Carpenter Moore and (v) adjustment to the income tax provision to reflect these non-GAAP adjustments.

The following table represents reconciliations between GAAP net income and diluted earnings per share and non-GAAP net income and diluted earnings per share:

| | Three Months Ended March 31, 2011 | | Three Months Ended March 31, 2010 | |
|---|---|---|---|---|
| | Net Income | Diluted Earnings Per Share | Net Income | Diluted Earnings Per Share |
| | (in millions, except per share amounts) | | | |
| **GAAP net income and diluted earnings per share attributable to NASDAQ OMX** | $ 104 | $ 0.57 | $ 61 | $ 0.28 |
| Non-GAAP adjustments: | | | | |
| Debt repayment | — | — | 40 | 0.19 |
| Asset retirements | 1 | 0.01 | 3 | 0.01 |
| Workforce reductions | — | — | 2 | 0.01 |
| Sublease reserves | 2 | 0.01 | 2 | 0.01 |
| Merger and strategic initiatives | 5 | 0.03 | — | — |
| Other | 1 | 0.01 | — | — |
| Adjustment to the income tax provision to reflect non-GAAP adjustments[1] | (3) | (0.02) | (16) | (0.07) |
| Total non-GAAP adjustments, net of tax | 6 | 0.04 | 31 | 0.15 |
| **Non-GAAP net income and diluted earnings per share attributable to NASDAQ OMX** | $ 110 | $ 0.61 | $ 92 | $ 0.43 |
| Denominator for diluted earnings per share | | 181,080,072 | | 214,761,357 |

20.

(1) We determine the tax effect of each item based on the tax rules in the respective jurisdiction where the transaction occurred.

**Liquidity and Capital Resources**

While global markets and economic conditions continue to improve from adverse levels experienced during the past several years, investors and lenders remain cautious about the pace of the global economic recovery. This lack of confidence in the prospects for growth could result in sporadic increases in market volatility and lackluster trading volumes, which could in turn affect our ability to obtain additional funding from lenders. Currently, our cost and availability of funding remain healthy and we expect to be positively impacted by continued improvements in the credit markets as we expect to be able to obtain improved terms should we seek either new debt financing or refinancing of our existing obligations.

Historically, we have funded our operating activities and met our commitments through cash generated by operations, augmented by the periodic issuance of our common stock in the capital markets and by issuing debt obligations. In addition to these cash sources, we have a $250 million revolving credit commitment (including a swingline facility and letter of credit facility) under our credit facility to borrow funds. See Note 8, "Debt Obligations," to the condensed consolidated financial statements for further discussion of our debt obligations.

In the near term, we expect that our operations will provide sufficient cash to fund our operating expenses, capital expenditures, and interest payments on our debt obligations. Working capital (calculated as current assets less current liabilities) was $380 million at March 31, 2011, compared with $279 million at December 31, 2010, an increase of $101 million. As of March 31, 2011, our cash and cash equivalents of $439 million were primarily invested in money market funds. In the long-term, we may use both internally generated funds and external sources to satisfy our debt and other long-term liabilities.

Principal factors that could affect the availability of our internally-generated funds include:

- deterioration of our revenues in any of our business segments;
- changes in our working capital requirements; and
- an increase in our expenses.

Principal factors that could affect our ability to obtain cash from external sources include:

- operating covenants contained in our credit facility that limit our total borrowing capacity;
- increases in interest rates applicable to our floating rate loans under our credit facility;
- credit rating downgrades, which could limit our access to additional debt;
- a decrease in the market price of our common stock; and
- volatility in the public debt and equity markets.

The following sections discuss the effects of changes in our cash and cash equivalents and cash flows, indebtedness, derivative clearing and broker-dealer net capital requirements and contractual obligations and contingent commitments on our liquidity and capital resources.

***Cash and Cash Equivalents and Changes in Cash Flows***

Cash and cash equivalents include cash in banks and all non-restricted highly liquid investments with original maturities of three months or less at the time of purchase. The balance retained in cash and cash equivalents is a function of anticipated or possible short-term cash needs, prevailing interest rates, our investment policy and alternative investment choices. Restricted cash, which was $60 million as of March 31, 2011 and December 31, 2010, is not available for general use by us due to regulatory and other requirements and is classified as restricted cash in the Condensed Consolidated Balance Sheets. As of March 31, 2011 and December 31, 2010, current restricted cash primarily includes cash held for regulatory purposes at NASDAQ OMX Nordic and cash held in customer margin accounts at IDCG and NOCC. Non-current restricted cash was $105 million at March 31, 2011 and December 31, 2010 and includes a deposit in the guaranty fund of IDCG of $80 million, as well as $25 million segregated for NOCC to improve its liquidity position, which is not available for general use. These amounts are classified as non-current restricted cash in the Condensed Consolidated Balance Sheets.

The following tables summarize our cash and cash equivalents and changes in cash flows:

| | March 31, 2011 | December 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Cash and cash equivalents[1] | $ 439 | $ 315 | 39.4% |

1.

(1) Cash and cash equivalents exclude restricted cash which is not available for general use by us due to regulatory and other requirements.

| | Three Months Ended March 31, 2011 | Three Months Ended March 31, 2010 | Percentage Change |
|---|---|---|---|
| | (in millions) | | |
| Cash provided by (used in) operating activities | $ 171 | $ (16) | # |
| Cash provided by (used in) investing activities | (24) | 33 | # |
| Cash used in financing activities | (27) | (68) | (60.3)% |
| Effect of exchange rate changes on cash and cash equivalents | 4 | (8) | # |

21.

\# Denotes a variance greater than 100.0%.

Cash and Cash Equivalents

Cash and cash equivalents increased $124 million from December 31, 2010 primarily due to cash provided by operating activities, partially offset by cash used in financing activities and investing activities.

Changes in Cash Flows

*Cash Provided by (Used in) Operating Activities*

The following items impacted our cash provided by operating activities for the three months ended March 31, 2011:

- Net income of $103 million, plus:
  - Non-cash items of $27 million comprised primarily of $27 million of depreciation and amortization expense, $7 million of share-based compensation expense, $4 million related to accretion of debt discounts, partially offset by deferred taxes, net of $11 million.
- Increase in deferred revenue of $108 million mainly due to Global Listing Services' annual billings.
- Increase in other current liabilities of $28 million reflecting an increase in income taxes payable related to the timing between quarterly payments and current quarter accruals.

Partially offset by a:

- Decrease in accrued personnel costs of $55 million primarily due to the payment of our 2010 incentive compensation in the first quarter of 2011, partially offset by the 2011 accrual.
- Increase in receivables, net of $26 million primarily due to an increase in Transaction Services' receivables as a result of increased Section 31 fee rates and increased trading activity in the first quarter of 2011, as well as increases within U.S. Listing Services due to timing of collections.
- Decrease in Section 31 fees payable to SEC of $12 million mainly due to the timing of payments, partially offset by higher Section 31 fee rates due to increased rates in 2011.

The following items impacted our cash used in operating activities for the three months ended March 31, 2010:

- Increase in other assets of $86 million primarily related to a prepaid expense for a data center lease of $34 million, an increase in non-current restricted cash related to a capital infusion made to NOCC of $25 million to improve its liquidity position, and an increase of $11 million related to receivables for unsettled trades within NASDAQ OMX Commodities related to our U.K. power business.
- Decrease in Section 31 fees payable to SEC of $80 million mainly due to the timing of payments and lower Section 31 fee rates due to decreased rates in 2010.
- Increase in receivables, net of $80 million primarily due to the timing of Global Listing Services' annual billings and the timing of collections of Market Services' receivables.
- Decrease in accrued personnel costs of $54 million primarily due to the payment of our 2009 incentive compensation in the first quarter of 2010, partially offset by the 2010 accrual.

Partially offset by an:

- Increase in deferred revenue of $117 million mainly due to Global Listing Services' annual billings.
- Net income of $60 million, plus:
  - Non-cash items of $70 million comprised primarily of $37 million for the refinancing of debt obligations, which includes $28 million for the write-off of the remaining unamortized balance of debt issuance costs incurred in conjunction with our senior secured credit facilities in place as of December 31, 2009 and $9 million in costs to terminate our float-to-fixed interest rate swaps previously designated as a cash flow hedge,

depreciation and amortization expense of $25 million and share-based compensation of $8 million, partially offset by deferred taxes, net of $9 million.

- Increase in accounts payable and accrued expenses of $34 million primarily reflecting an increase in payables related to our NASDAQ OMX Commodities U.K. power business, representing unsettled trades, and an increase in accrued interest payable.

We expect that cash provided by operating activities may fluctuate in future periods as a result of a number of factors, including fluctuations in our operating results, accounts receivable collections, share-based compensation and the timing and amount of other payments that we make.

*Cash Provided by (Used in) Investing Activities*

Cash used in investing activities in the first quarter of 2011 is primarily due to cash used in connection with the purchase of trading securities, partially offset by cash received from sales and redemptions of trading securities.

Cash provided by investing activities in the first quarter of 2010 is primarily due to proceeds received from sales and redemptions of trading securities, partially offset by purchases of trading securities.

*Cash Used in Financing Activities*

Cash used in financing activities in the first quarter of 2011 primarily consisted of a $35 million required quarterly principal payment made on our Term Loans.

Cash used in financing activities in the first quarter of 2010 is primarily due to the repayment of our senior secured credit facilities in place as of December 31, 2009 and cash used in connection with our share repurchase program, partially offset by the net proceeds from the issuance of $1 billion of Notes and funding of $700 million in Term Loans in January 2010. For further discussion of our debt obligations see Note 8, "Debt Obligations," to the condensed consolidated financial statements. For further discussion of our share repurchase program, see "Share Repurchase Program and Share Repurchase from Borse Dubai," of Note 12, "NASDAQ OMX Stockholders' Equity," to the condensed consolidated financial statements.

***Indebtedness***

The following table summarizes our debt obligations by contractual maturity:

| | Maturity Date | March 31, 2011 | December 31, 2010 |
|---|---|---|---|
| | | (in millions) | |
| 3.75% convertible notes (net of discount)[(1)] | October 2012 | $ — | $ — |
| $700 million senior unsecured term loan facility | January 2013 | 535 | 570 |
| 2.50% convertible senior notes | August 2013 | 392 | 388 |
| 4.00% senior unsecured notes (net of discount) | January 2015 | 398 | 398 |
| 5.25% senior unsecured notes (net of discount) | January 2018 | 367 | 367 |
| 5.55% senior unsecured notes (net of discount) | January 2020 | 598 | 598 |
| Total debt obligations | | 2,290 | 2,321 |
| Less current portion | | (140) | (140) |
| Total long-term debt obligations | | $ 2,150 | $ 2,181 |

22.

(1) As of March 31, 2011 and December 31, 2010, approximately $0.5 million aggregate principal amount of the 3.75% convertible notes remained outstanding.

Credit Facilities

As discussed in Note 8, "Debt Obligations," to the condensed consolidated financial statements, in January 2010 NASDAQ OMX entered into a $950 million senior unsecured three-year credit facility. The credit facility provides for an unfunded $250 million revolving credit commitment (including a swingline facility and letter of credit facility) and $700 million of funded Term Loans.

In addition to the $250 million revolving credit commitment, we also have other credit facilities related to our clearinghouses in order to meet liquidity and regulatory requirements. These credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled $459 million ($208 million in available liquidity and $251 million to satisfy regulatory requirements), none of which was utilized at March 31, 2011. At December 31, 2010, these credit facilities totaled $440 million ($196 million in available liquidity and $244 million to satisfy regulatory requirements), none of which was utilized.

Debt Covenants

At March 31, 2011, we were in compliance with the covenants of all of our debt obligations.

See Note 8, "Debt Obligations," to the condensed consolidated financial statements for further discussion of our debt obligations.

### *Derivative Clearing and Broker-Dealer Net Capital Requirements*

Derivative Clearing Operations Regulatory Capital Requirements

We are required to maintain minimum levels of regulatory capital primarily for our clearing operations for NASDAQ OMX Stockholm, NASDAQ OMX Commodities and IDCG. The level of regulatory capital required to be maintained is dependent upon many factors, including market conditions and creditworthiness of the counterparty. At March 31, 2011, we were required to maintain regulatory capital of $292 million which is comprised of:

- $4 million of restricted cash;
- $80 million of non-current restricted cash; and
- $208 million primarily in Swedish government debt securities. These securities are included in financial investments, at fair value in the Condensed Consolidated Balance Sheets as of March 31, 2011.

In addition, we have available credit facilities of $251 million which can be utilized to satisfy our regulatory capital requirements.

Broker-Dealer Net Capital Requirements

Our broker-dealer subsidiaries, Nasdaq Execution Services and NASDAQ Options Services, are subject to regulatory requirements intended to ensure their general financial soundness and liquidity. These requirements obligate these subsidiaries to comply with minimum net capital requirements. At March 31, 2011, Nasdaq Execution Services was required to maintain minimum net capital of $0.3 million and had total net capital of approximately $6.0 million, or $5.7 million in excess of the minimum amount required. At March 31, 2011, NASDAQ Options Services also was required to maintain minimum net capital of $0.3 million and had total net capital of approximately $4.1 million, or $3.8 million in excess of the minimum amount required.

Other Capital Requirements

NASDAQ Options Services also is required to maintain a $2.0 million minimum level of net capital under our clearing arrangement with OCC.

## Contractual Obligations and Contingent Commitments

NASDAQ OMX has contractual obligations to make future payments under debt obligations by contract maturity, minimum rental commitments under non-cancelable operating leases, net and other obligations. The following table shows these contractual obligations as of March 31, 2011:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| **Contractual Obligations** | **Total** | **Remainder of 2011** | **2012-2013** | **2014-2015** | **2016-Thereafter** |
| | | | (in millions) | | |
| Debt obligations by contract maturity [1] | $ 2,880 | $ 155 | $ 1,026 | $ 530 | $ 1,169 |
| Minimum rental commitments under non-cancelable operating leases, net[2] | 529 | 70 | 143 | 113 | 203 |
| Other obligations[3] | 23 | — | 23 | — | — |
| Total | $ 3,432 | $ 225 | $ 1,192 | $ 643 | $ 1,372 |

23.

(1) Our debt obligations include both principal and interest obligations. A weighted-average interest rate of 2.41% at March 31, 2011 was used to compute the amount of the contractual obligations for interest on our Term Loans. All other debt obligations were calculated on a 360-day basis at the contractual fixed rate multiplied by the aggregate principal amount at March 31, 2011. See Note 8, "Debt Obligations," to the condensed consolidated financial statements for further discussion.

(2) We lease some of our office space and equipment under non-cancelable operating leases with third parties and sublease office space to third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

(3) In connection with our acquisitions of FTEN and SMARTS, we entered into escrow agreements to secure the payment of post-closing adjustments and other closing conditions. At March 31, 2011, these agreements provide for future payments of $23 million.

## Off-Balance Sheet Arrangements

### *Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available*

Collateral Received for Clearing Operations

Through our clearing operations in the derivatives markets with NASDAQ OMX Commodities, NASDAQ OMX Stockholm and IDCG, as well as riskless principal trading at NOCC and the resale and repurchase market with NASDAQ OMX Stockholm, we are the legal counterparty for each position traded and thereby guarantee the fulfillment of each contract. We also act as the counterparty for certain trades on OTC derivative contracts. The derivatives are not used by us for the purpose of trading on our own behalf and the resale and repurchase agreements are not used by us for financing purposes. The structure and operations of NASDAQ OMX Commodities and NASDAQ OMX Stockholm differ from most other clearinghouses. See "Derivative Positions, at Fair Value," of Note 13, "Fair Value of Financial Instruments," to the condensed consolidated financial statements for further discussion. As a legal counterparty of each transaction, we bear the counterparty risk between the purchaser and seller in the contract. The counterparty risks are measured using models that are agreed to with the Financial Supervisory Authority of the application country, which requires us to provide minimum guarantees and maintain certain levels of regulatory capital.

We require our customers and clearing members to pledge collateral and meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. Total customer pledged collateral with NASDAQ OMX Commodities and NASDAQ OMX Stockholm was $7.2 billion at March 31, 2011 and $8.7 billion at December 31, 2010. This pledged collateral is held by a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX in the event of default. Since these funds are not held by NASDAQ OMX Commodities or NASDAQ OMX Stockholm and they are not available for our use, we do not receive any interest income on these funds.

We also require market participants at IDCG and NOCC to meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations and to provide collateral to cover the daily margin call. Customer pledged cash collateral held by IDCG and NOCC, which was $22 million at March 31, 2011 and $15 million at December 31, 2010, is included in restricted cash with an offsetting liability included in other current liabilities in the Condensed Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belongs to IDCG and NOCC. Clearing member pledged cash collateral, included in IDCG's guaranty fund, was $8 million at both March 31, 2011 and December 31, 2010. This cash is included in non-current restricted cash with an offsetting liability included in other liabilities in the Condensed Consolidated Balance Sheets, as the risks and rewards of collateral ownership, including interest income, belongs to IDCG.

Through our clearing operations in the resale and repurchase markets with NASDAQ OMX Stockholm, pledged collateral which is transferred through NASDAQ OMX Stockholm at initiation of the bilateral contract between the two clearing member counterparties, primarily consists of Swedish government debt securities. In addition, market participants must meet certain minimum financial standards to mitigate the risk if they become unable to satisfy their obligations. In the event that one of the members cannot fulfill its obligation to deliver or receive the underlying security at the agreed upon price, NASDAQ OMX Stockholm is required to buy or sell the security in the open market to fulfill its obligation. In order to protect itself against a price movement in the value of the underlying security, or price risk, NASDAQ OMX Stockholm requires all members to provide additional margin as needed, which is valued on a daily basis and is maintained at a third-party custodian bank for the benefit of the clearing members and is accessible by NASDAQ OMX Stockholm in the event of default.

Guarantees Issued and Credit Facilities Available

In addition to the collateral pledged by market participants discussed above, we have obtained financial guarantees and credit facilities which are guaranteed by us through counter indemnities, to provide further liquidity and default protection. At March 31, 2011, financial guarantees issued to us totaled $6 million. Credit facilities, which are available in multiple currencies, primarily Swedish Krona and U.S. dollar, totaled $459 million ($208 million in available liquidity and $251 million to satisfy regulatory requirements), none of which was utilized at March 31, 2011. At December 31, 2010, these facilities totaled $440 million ($196 million in available liquidity and $244 million to satisfy regulatory requirements), none of which was utilized.

We believe that the potential for us to be required to make payments under these arrangements is mitigated through the pledged collateral and our risk management policies. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for these arrangements.

***Leases***

We lease some of our office space and equipment under non-cancelable operating leases with third parties and sublease office space to third parties. Some of our leases contain renewal options and escalation clauses based on increases in property taxes and building operating costs.

***Other Guarantees***

We have provided other guarantees as of March 31, 2011 of $21 million, primarily related to obligations for our rental and leasing contracts. In addition, for certain Market Technology contracts, we have performance guarantees of $6 million related to the delivery of software technology and support services. We have received financial guarantees from various financial institutions to support these guarantees. These guarantees totaled $24 million at December 31, 2010.

We have also provided a $25 million guarantee to our wholly-owned subsidiary, NOCC, to cover losses associated with customer defaults, net of any collateral posted against such losses.

We believe that the potential for us to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for the above guarantees.

***Brokerage Activities***

Nasdaq Execution Services and NASDAQ Options Services provide guarantees to securities clearinghouses and exchanges under their standard membership agreements, which require members to guarantee the performance of other members. If a member becomes unable to satisfy its obligations to the clearinghouses, other members would be required to meet its shortfalls. To mitigate these performance risks, the exchanges and clearinghouses often require members to post collateral, as well as meet certain minimum financial standards. Nasdaq Execution Services' and NASDAQ Options Services' maximum potential liability under these arrangements cannot be quantified. However, we believe that the potential for Nasdaq Execution Services and NASDAQ Options Services to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the Condensed Consolidated Balance Sheets for these arrangements.

**Review for Potential Goodwill Impairment**

Goodwill represents the excess of the purchase price over the value assigned to the net tangible and identifiable intangible assets of a business acquired. Goodwill is allocated to the reporting units based on the assignment of the fair values of each reporting unit of the acquired company. We are required to test goodwill for impairment at the reporting unit level annually, or in interim periods if certain events occur indicating that the carrying value may be impaired. We test for impairment during the fourth quarter of our fiscal year using October 1st carrying values. We considered the need to update our most recent annual goodwill impairment test as of March 31, 2011 and concluded that none of the impairment indicators triggered a revised impairment analysis. As such, we concluded the assumptions used during the annual assessment remained appropriate. There was no impairment of goodwill for the three months ended March 31, 2011 and 2010. Although there is no impairment as of March 31, 2011, events such as economic weakness and unexpected significant declines in operating results of reporting units may result in our having to perform a goodwill impairment test for some or all of our reporting units prior to the required annual assessment. These types of events and the resulting analysis could result in goodwill impairment charges in the future.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a result of our operating and financing activities, we are exposed to market risks such as interest rate risk, foreign currency exchange rate risk and credit risk.

We have implemented policies and procedures to measure, manage, monitor and report risk exposures, which are reviewed regularly by management and the board of directors. We identify risk exposures and monitor and manage such risks on a daily basis.

We perform sensitivity analyses to determine the effects that market risk exposures may have. We may use derivative instruments solely to hedge financial risks related to our financial positions or risks that are incurred during the normal course of business. We do not use derivative instruments for speculative purposes.

### *Interest Rate Risk*

The following table summarizes our significant exposure to interest rate risk on our financial assets and liabilities as of March 31, 2011:

| | Financial Assets | Financial Liabilities[1] | Negative impact of a 100 bp adverse shift in interest rate[2] |
|---|---|---|---|
| | | (in millions) | |
| Floating rate positions[3] | $ 604 | $ 535 | $ 1 |
| Fixed rate positions[4] | 254 | 1,798 | 1 |
| Total | $ 858 | $ 2,333 | $ 2 |

24.

(1) Represents total contractual debt obligations.
(2) Annualized impact of a 100 basis point parallel adverse shift in the yield curve.
(3) Includes floating rate and fixed interest rates with a maturity or reset date due within 12 months.
(4) Financial assets primarily consist of Swedish government debt securities, which are classified as trading investment securities, with an average duration of 0.77 years.

We are exposed to cash flow risk on floating rate financial assets, which totaled $604 million at March 31, 2011. When interest rates on financial assets of floating rate positions decrease, net interest income decreases. When interest rates on financial liabilities of floating rate positions increase, net interest expense increases. Based on March 31, 2011 positions, each 1.0% change in interest rate on our net floating rate positions would impact annual pre-tax income negatively by $1 million in total as reflected in the table above.

We are exposed to price risk on our fixed rate financial assets, which totaled $254 million at March 31, 2011. At March 31, 2011, these fixed rate positions have an average outstanding maturity or reset date falling in less than one year. A shift on 1.0% of the interest rate curve would in aggregate impact the fair value of these positions by approximately $1 million. The average duration of the portfolio was 0.77 years. The net effect of such a yield curve shift, taking into account the change in fair value and the increase in interest income, would impact annual pre-tax income negatively by $2 million.

### *Foreign Currency Exchange Rate Risk*

As an international company, we are subject to currency translation risk. For the three months ended March 31, 2011, approximately 35.5% of our revenues less transaction rebates, brokerage, clearance and exchange fees and 27.7% of our operating income were derived in currencies other than the U.S. dollar, primarily the Swedish Krona, Euro, Norwegian Krone and Danish Krone.

Our primary exposure to foreign denominated revenues less transaction rebates, brokerage, clearance and exchange fees and operating income for the three months ended March 31, 2011 is presented in the following table:

| | Swedish Krona | Euro | Norwegian Krone | Danish Krone | Other Foreign Currencies |
|---|---|---|---|---|---|
| | | | (in millions, except currency rate) | | |
| Average foreign currency rate to the U.S. dollar in the first quarter of 2011 | 0.1543 | 1.3685 | 0.1748 | 0.1835 | # |
| Percentage of revenues less transaction rebates, brokerage, clearance and exchange fees | 23.2% | 3.8% | 2.7% | 2.9% | 2.9% |
| Percentage of operating income | 17.8% | 6.5% | 2.7% | 4.1% | (3.4)% |
| Impact of a 10% adverse currency fluctuation on revenues less transaction rebates, brokerage, clearance and exchange fees | $ (10) | $ (2) | $ (1) | $ (1) | $ (1) |
| Impact of a 10% adverse currency fluctuation on operating income | $ (3) | $ (1) | $ — | $ (1) | $ — |

25.

\# Represents multiple foreign currency rates.

Our investments in foreign subsidiaries are exposed to volatility in currency exchange rates through translation of the foreign subsidiaries' net assets or equity to U.S. dollars. Substantially all of our foreign subsidiaries operate in functional currencies other than the U.S. dollar. Fluctuations in currency exchange rates may create volatility in our reported results as we are required to translate the balance sheets and operational results of these foreign currency denominated subsidiaries into U.S. dollars for consolidated reporting. The translation of foreign subsidiaries non-U.S. dollar balance sheets into U.S. dollars for consolidated reporting results in a cumulative translation adjustment which is recorded in accumulated other comprehensive loss within stockholders' equity in the Condensed Consolidated Balance Sheets.

Our primary exposure to net assets in foreign currencies as of March 31, 2011 is presented in the following table:

| | Net Assets | Impact on Consolidated Equity of a 10% Decrease in Foreign Currency |
|---|---|---|
| | (millions of dollars) | |
| Swedish Krona (1) | $ 4,487 | $ (449) |
| Norwegian Krone | 285 | (28) |
| Euro | 95 | (10) |
| Australian Dollar | 87 | (9) |

26.

(1) Includes goodwill of $3,455 million and intangible assets, net of $1,098 million.

***Credit Risk***

We are exposed to credit risk from third parties, including customers, counterparties and clearing agents. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. We limit our exposure to credit risk by rigorously selecting the counterparties with which we make investments and execute agreements. The financial investment portfolio objective is to invest in securities to preserve principal while maximizing yields, without significantly increasing risk. Credit risk associated with investments is minimized substantially by ensuring that these financial assets are placed with governments which have investment grade ratings, well-capitalized financial institutions and other creditworthy counterparties.

Nasdaq Execution Services and NASDAQ Options Services may be exposed to credit risk, due to the default of trading counterparties, in connection with the clearing and routing services they provide for our trading customers. System trades in cash equities routed to other market centers for members of The NASDAQ Stock Market are cleared by Nasdaq Execution Services, as a member of the National Securities Clearing Corporation, or NSCC. System trades in derivative contracts executed in the opening and closing cross and trades routed to other market centers are cleared by NASDAQ Options Services, as a member of the OCC.

Pursuant to the rules of the NSCC and Nasdaq Execution Services' clearing agreement, Nasdaq Execution Services is liable for any losses incurred due to a counterparty or a clearing agent's failure to satisfy its contractual obligations, either by making payment or delivering securities. Pursuant to the rules of the OCC and NASDAQ Options Services' clearing agreement, NASDAQ Options Services is also liable for any losses incurred due to a counterparty or a clearing agent's failure to satisfy its contractual obligations, either by making payment or delivering securities. Adverse movements in the prices of securities and derivative contracts that are subject to these transactions can increase our credit risk. However, we believe that the risk of material loss is limited, as Nasdaq Execution Services' and NASDAQ Options Services' customers are not permitted to trade on margin and NSCC and OCC rules limit counterparty risk on self-cleared transactions by establishing credit limits and capital deposit requirements for all brokers that clear with NSCC and OCC. Historically, neither Nasdaq Execution Services nor NASDAQ Options Services has incurred a liability due to a customer's failure to satisfy its contractual obligations as counterparty to a system trade. Credit difficulties or insolvency or the perceived possibility of credit difficulties or insolvency of one or more larger or visible market participants could also result in market-wide credit difficulties or other market disruptions.

Through our clearing operations in the derivative markets with NASDAQ OMX Commodities, NASDAQ OMX Stockholm and IDCG, as well as riskless principal trading at NOCC and the resale and repurchase market with NASDAQ OMX Stockholm, we are the legal counterparty for each position traded and thereby guarantee the fulfillment of each contract. See "Collateral Received for Clearing Operations, Guarantees Issued and Credit Facilities Available," of "Off-Balance Sheet Arrangements," above for further discussion.

We also have credit risk related to transaction fees that are billed to customers on a monthly basis, in arrears. Our potential exposure to credit losses on these transactions is represented by the receivable balances in our Condensed Consolidated Balance Sheets. Most of our customers are financial institutions whose ability to satisfy their contractual obligations may be impacted by volatile securities markets.

On an ongoing basis we review and evaluate changes in the status of our counterparty's creditworthiness. Credit losses such as those described above could adversely affect our condensed consolidated financial position and results of operations.

**Recently Adopted Accounting Pronouncements**

***ASC Topic 820—***In January 2010, the FASB issued amended guidance relating to ASC Topic 820, "Fair Value Measurements and Disclosures." The amended guidance requires new disclosures as follows:

- Amounts related to transfers in and out of Levels 1 and 2 shall be disclosed separately and the reasons for the transfers shall be described.
- In the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements on a gross basis.

The guidance also provides amendments that clarify existing disclosures related to the following:

- Reporting fair value measurement disclosures for each class of assets and liabilities.
- Providing disclosure surrounding the valuation techniques and inputs used to measure fair value for both Level 2 and Level 3 fair value measurements.

This accounting guidance was effective for us beginning on January 1, 2010, except for the disclosure requirements surrounding the reconciliation of Level 3 fair value measurements, which were effective for us on January 1, 2011. Since this guidance only required additional disclosure, it did not affect our financial position or results of operations.

### Item 4. Controls and Procedures.

(a). ***Disclosure controls and procedures.*** NASDAQ OMX's management, with the participation of NASDAQ OMX's Chief Executive Officer and President and Interim Chief Financial Officer and Controller, has evaluated the effectiveness of NASDAQ OMX's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, NASDAQ OMX's Chief Executive Officer and President and Interim Chief Financial Officer and Controller have concluded that, as of the end of such period, NASDAQ OMX's disclosure controls and procedures are effective.

(b). ***Internal controls over financial reporting.*** There have been no changes in NASDAQ OMX's internal controls over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, NASDAQ OMX's internal controls over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

We are not currently a party to any litigation that we believe could have a material adverse effect on our business, condensed consolidated financial condition, or operating results. However, from time to time, we have been threatened with, or named as a defendant in, lawsuits or involved in regulatory proceedings.

### Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 as filed with the SEC on February 24, 2011, as well as the additional risk factors set forth below in relation to our joint proposal with ICE to acquire NYSE Euronext. These risks could materially and adversely affect our business, financial condition and results of operations. The risks and uncertainties in our Form 10-K are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

**Risk Factors Relating to our Offer to Acquire NYSE Euronext**

***We cannot predict whether our joint proposal with ICE to acquire NYSE Euronext will result in an agreement with NYSE Euronext and, if it does, what final terms may be agreed between the parties. Additionally, the completion of the acquisition would be subject to conditions that we cannot control.***

We have not yet had the opportunity to discuss the price and terms of our joint proposal with NYSE Euronext or its directors, and even if we and ICE are successful in negotiating a transaction with NYSE Euronext, the consummation of such transaction would remain subject to conditions the satisfaction of which we cannot control, including, among others, required regulatory approvals and the approval of the transaction by holders of a majority of the holders of shares of our common stock, ICE common stock and NYSE Euronext common stock.

We have already incurred legal and other transaction fees and costs in connection with our joint proposal and will incur additional fees and costs as we continue our pursuit of a transaction with NYSE Euronext, some of which will be payable by us regardless of whether our joint proposal results in an agreement with NYSE Euronext. In addition, the pursuit of an acquisition of NYSE Euronext may absorb the attention of our management that would otherwise be available for the ongoing conduct of our operations and the development of other opportunities that could have been beneficial to us.

***In the event that our proposed acquisition of NYSE Euronext is successful, we will incur additional indebtedness.***

If we are successful in consummating an acquisition of NYSE Euronext, we will need to incur additional indebtedness to finance the cash portion of the acquisition consideration. In connection with the proposed acquisition of NYSE Euronext, we have obtained committed financing from a group of lenders.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

**Employee Transactions**

During the first quarter of 2011, we purchased shares from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants.

The table below represents repurchases made by or on behalf of us or any "affiliated purchaser" of our common stock during the fiscal quarter ended March 31, 2011:

| Period | (a) Total Number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) |
|---|---|---|---|---|
| January 2011 | 7,974 | $ 23.83 | N/A | N/A |
| February 2011 | 23,099 | $ 27.94 | N/A | N/A |
| March 2011 | 2,101 | $ 27.72 | N/A | N/A |
| Total First Quarter 2011 | 33,174 | $ 26.94 | N/A | N/A |

## Item 3. Defaults upon Senior Securities.

None.

## Item 4. (Removed and Reserved).

## Item 5. Other Information.

None.

## Item 6. Exhibits.

The exhibits required by this item are listed on the Exhibit Index.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | |
|---|---|
| | The NASDAQ OMX Group, Inc.<br>(Registrant) |
| Date: May 5, 2011 | By: /s/ ROBERT GREIFELD<br>Name: **Robert Greifeld**<br>Title: **Chief Executive Officer and President** |
| Date: May 5, 2011 | By: /s/ Ronald Hassen<br>Name: **Ronald Hassen**<br>Title: **Interim Chief Financial Officer and Controller** |

## Exhibit Index

| Exhibit Number | |
|---|---|
| 3.2 | By-Laws of NASDAQ OMX (incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K filed on April 20, 2011). |
| 11 | Statement regarding computation of per share earnings (incorporated herein by reference from Note 11 to the condensed consolidated financial statements under Part I, Item 1 of this Form 10-Q). |
| 31.1 | Certification of Chief Executive Officer and President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”). |
| 31.2 | Certification of Interim Chief Financial Officer and Controller pursuant to Section 302 of Sarbanes-Oxley. |
| 32.1 | Certifications Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley. |
| 101.INS | XBRL Instance Document* |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | Taxonomy Extension Definition Linkbase |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase |



* The following materials from The NASDAQ OMX Group, Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2011, formatted in XBRL (eXtensible Business Reporting Language); (i) Condensed Consolidated Statements of Income for the three months ended March 31, 2011 and 2010; (ii) Condensed Consolidated Balance Sheets at March 31, 2011 and December 31, 2010; (iii) Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2011 and 2010; (iv) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2011 and 2010; and (v) notes to condensed consolidated financial statements, tagged as block of text. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

**Exhibit 31.1**

**CERTIFICATION**

I, Robert Greifeld, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The NASDAQ OMX Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2011

/s/ Robert Greifeld

Name: Robert Greifeld
Title: Chief Executive Officer and President

**Exhibit 31.2**

**CERTIFICATION**

I, Ronald Hassen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The NASDAQ OMX Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 5, 2011

/s/ Ronald Hassen

Name: Ronald Hassen
Title: Interim Chief Financial Officer and Controller

**Exhibit 32.1**

**Certification of CEO and CFO Pursuant to**
**18 U.S.C. Section 1350**
**as Adopted Pursuant to**
**Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of The NASDAQ OMX Group, Inc. (the “Company”) for the quarter ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Robert Greifeld, as Chief Executive Officer and President of the Company, and Ronald Hassen, as Interim Chief Financial Officer and Controller of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his and her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

/s/ Robert Greifeld

Name: Robert Greifeld
Title: Chief Executive Officer and President
Date: May 5, 2011

/s/ Ronald Hassen

Name: Ronald Hassen
Title: Interim Chief Financial Officer and Controller
Date: May 5, 2011

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.