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Robert Greifeld – President, Chief Executive Officer & Director
Lee Shavel – Chief Financial Officer & EVP-Corporate Strategy
Edward S. Knight – Chief Regulatory Officer, EVP & General Counsel
Eric W. Noll – Executive Vice President-Transaction Services

Other Participants

Roger Anthony Freeman – Analyst, Barclays Capital, Inc.
Richard H. Repetto – Analyst, Sandler O'Neill & Partners LP
Chris J. Allen – Analyst, Evercore Partners (Securities)
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— MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to The NASDAQ OMX Third Quarter 2012 Results Conference Call. [Operator Instructions] As a reminder, this conference is being recorded. I would now like to turn the conference over to your host, Mr. John Sweeney, Vice President of Investor Relations. Sir, you may begin.

John Sweeney, Vice President-Investor Relations

Good morning, everyone, and thanks for joining us today to discuss NASDAQ OMX's third quarter 2012 earnings results. We are here with Bob Greifeld, our CEO; Lee Shavel, CFO; and Ed Knight, General Counsel. After prepared remarks, we'll open up to Q&A. The press release and presentation are on our website. We intend to use the website as a means of disclosing material, nonpublic information and complying with disclosure obligations on SEC Regulation FD.

I'd like to remind you that certain statements in this presentation and during Q&A may relate to future events and expectations, and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from these projections. Information concerning factors that could cause actual results to differ from forward-looking statements is contained in our press release and periodic reports filed with the SEC.

I now will turn the call over to Bob.

Robert Greifeld, President, Chief Executive Officer & Director

Thank you, John, and I appreciate everybody's time here this morning. I'd like to start by just refreshing everybody's memory with respect to third quarter 2011. That was a quarter where external geopolitical events created higher volatility and volume in the markets. Compared to the

third quarter 2011, the third quarter 2012 in both the U.S. and Nordic equity businesses had volumes down over 30%. In that context, our non-GAAP EPS of \$0.62 is outstanding. It represents a 7% decline when we had 30% decline in equity volume. When we look at our performance, a strong performance, a major contributor was the high proportion of subscription and recurring revenues that is existent in our business models. That percent is now at 71% of total revenues and these revenues actually grew 2% year-over-year in this tough environment.

Now when we see \$0.62 and again in the context of the volumes we see in the marketplace, the question we frequently receive from analysts and investors is, in the face of this continuing pressure in equities, how do we continue to perform at such a high level? As previously mentioned, recurring revenue is a major factor, but more important is the many innovative actions taken by our business leaders and colleagues that individually are not typically large enough to be noticed in the context of a quarterly report, but collectively over time serve to reinvigorate and reinvent our business model.

I would like to highlight several of these innovative, dynamic actions. I'll start first with N2EX. This is our UK operation, which has three separate routes to the power market: a continuous 24/7 market, a business, a clearing platform for over-the-counter trades, and a daily option for day-ahead power. We are now the reference point for the underlying spot price. We bring the magic of price discovery to the UK power marketplace. Becoming the place where the reference price is determined is a definable asset that we will monetize increasingly over time. Our efforts continue to gain traction and we are actually outperforming internal expectations by a factor of two. We have cleared twice the spot terawatt-hours than we expected as we put our 2012 budget together.

Building upon our success in the spot market, we are investing in a derivatives business for gas and power futures based upon the N2EX day-ahead indices. To incent this marketplace, we have initiated a futures fee holiday to help make sure we have a very busy futures market – UK futures market going into 2013 when the fees will be reset to normal levels. While it's early days for this market, I would also like to note that the derivatives market is five times the size of the spot market and certainly gives us substantial room to grow.

Moving on, we're certainly delighted with the launch of BX Options. This is our newest options exchange and we already attracted over 40 customers. In a relatively short period of time, we've gained about one percentage share of U.S. options market and the operation is profitable. I would note that we're able to launch this options exchange with a relatively small investment, without any additional hires, and utilizing our current infrastructure. This is just the type of initiative we are seeking to fund through our GIFT internal investment program. We expect BX Options to demonstrate strong continued growth and to be a solid contributor to our performance in 2013 and beyond.

Our Global Index Group continues to demonstrate strong performance with revenues of \$14 million, up \$1 million or 8% compared to the prior year. I am very pleased to report that we've made excellent progress on the plan we outlined for this business at our Investor Day last spring. After 18 months of development, we're excited to be launching our global equity family on our INET-based global index calculator during the fourth quarter. Our team has been highly focused on this effort and we are confident that we've developed an index methodology that broadly meets the needs of our customers.

Now finally, I'd like to comment on Vanguard's recent announcement to switch many of its funds from MSCI to FTSE. This will result in a significant cost-savings for its customers. We applaud Vanguard for the move and we recognize this begins a new era for ETF providers and an era we recognize when we started development of our global index calculator 18 months ago. We've had initial success with it and clearly we think that the new world will play to our strength as an efficient scalable indexer. Our INET calculator combined with our newly graduated Index Weightings &

Components, a GIFT initiative by the way, and our transparent rule-based methodology position us competitively to address the needs of this new market opportunity.

I'd like to now highlight some of the growth we're seeing in Corporate Solutions. Our strategy has proven successful as it has allowed us to grow while at the same time expanding the addressable market for Issuer Services. Directors Desk has increased the number of clients to 729, up 48% in just the past 12 months. The positive impact of our launch of our iPad application, coupled with continued core product acceptance, drove a 67% increase in revenues compared to the prior-year quarter. We're also proud to be participating in the new Windows 8 Surface launch and our product will be available upon shipment of that product.

I'm also happy to report that GlobeNewswire benefited from reseller agreements as well as new client acquisitions and had continued successful results from our newly formed inside sales team. We drove press release volumes up 22% year-on-year.

Corporate Intelligence had a great quarter. It is built for the busy investor relations professional. It integrates all key elements that that person has to be involved with. It manages their day-to-day activity. We also launched Mobile Corporate Intelligence so investor relationship professionals can access intelligence anytime, anywhere.

Moving on, our Glide Technologies business, which we acquired late last year, continues to perform. We saw the number of new clients increase by 55% from the second to the third quarter and also saw a substantial ramp in sales. Two NASDAQ OMX Corporate Solutions clients have been awarded Gold and Silver in the Best Online Newsroom Category at Europe's prestigious Digital Impact Awards. After being named finalist in September, Honda (UK) was awarded Gold and Heathrow Airport was awarded Silver for demonstrating best practice examples of digital stakeholder communications.

Moving on to our market data products where we continue to see good progress with our U.S. proprietary data, up \$5 million, or 15%, year-over-year benefiting from new product introductions, including FPGA and Ultrafeed. Our NASDAQ Basic initiatives continue to make remarkable progress and we are now on track to exit the year with over 90,000 subscriptions, up from 19,000 at the start of the year. We expect a combination of our targeted pricing initiatives and new products to drive growth as we move through 2013.

Moving on to Access and Broker Services, revenues were \$66 million, up 2% compared to the prior year. We continue to see increased demand for connectivity and particular our recently launched 40G product. Looking to the future, the growth driver for this business will be product and services that reduce the cost of doing business for our customers, the broker dealers and market participants. In that regard, during the quarter, we announced the partnership with Amazon Web Services for the delivery of cloud computing for the financial industry, which we're calling FinQloud. Amazon will bring their best-in-class cloud platform and NASDAQ will bring regulatory market knowledge and encryption capabilities to this platform launch. Together we will be able to reduce financial services from storage cost by up to 80% by giving them access to cloud data storage solution. Brokers have a tremendous amount of data they need to store for many years and have to have it easily accessible for regulators.

Working with Amazon, we'll be able to help financial firms meet their record keeping requirements. We are the first exchange also to propose to offer wireless technology to deliver market data. Pending regulatory approval, this will allow all market participants to utilize NASDAQ OMX next generation wireless networking solutions in a regulated environment. Firms will no longer need to set their own microwave network throughout third-party and proprietary data feeds. This is another example of a way we are helping our customers reduce their infrastructure costs.

FinCloud and wireless were recently announced. So we expect these products to start contributing as we move into fiscal 2013. As you can see, our Access Services new product pipeline remains full and you'll continue to see us introduce innovative new offerings as we move forward.

Moving on to Market Technology, this business delivers technology and services to marketplaces, brokers and regulators throughout the world. Third quarter revenues were \$47 million, up \$1 million year-over-year and up \$2 million on a constant currency basis. We continue to be on track for a record year of new business wins and order intake.

In the first nine months of 2012, we achieved an order intake of \$163 million compared to \$97 million in the prior year, truly remarkable. We feel good about the pipeline of orders that we're competing for in this market. Our backlog now stands at \$523 million.

In September, Japannext went live with X-stream INET, and during the third quarter, we had a number of notable contract wins. The New Zealand Stock Exchange signed with both X-stream and SMARTS. The Columbian Exchange extended their X-stream INET support contract for five years and the Bermuda Stock Exchange signed an upgrade to X-stream INET.

Also during the quarter, our SMARTS risk management system continued to be in demand from both regulators and brokers. The Financial Services Authority, the regulator for the UK signed up for a SMARTS subscription position us very favorably in this market. Our SMARTS Broker generated solid order intake in the third quarter, where global deals signed with Newedge and Nomura.

Moving on to our Listing's business, we had a very good quarter in the U.S. for IPO activity. We had 17 IPOs. In addition to listing one of the world's leading travel online search engines, Kayak Software, and specialty retailer, Five Below, we also welcomed three leading restaurant groups, Bloomin' Brands, Choice and Del Frisco's. Year-to-date the IPO market is tracking slightly behind last year, 109 companies versus 121, and so far this year, we've attracted 53% of the companies that have chosen to go public. This number excludes spin-offs. And obviously these numbers look better when you look at the proceeds raised by IPOs in 2012.

We're also, during the quarter, delighted to welcome Kraft, and its spin-off Mondelez to the NASDAQ stock market at the start of the month. This was particularly gratifying for us as it represents the largest public company switch ever made, and we continue to experience a record year for switches to NASDAQ, testimony to the strength and attractiveness of our business model. And part of that was our Corporate Solutions business, revenues of \$24 million in the third quarter, up \$7 million compared to the prior year on a constant currency basis.

Moving finally to the Transaction business, in total, these volume-based trading and clearing businesses comprise 29% of total net revenues. In U.S., Cash Equities net revenues were \$29 million, down from the \$43 million in the third quarter of 2011. Last year's volumes, as I said, were driven substantially higher than normal by the European debt crisis and the uncertainty related to the U.S. debt ceiling. U.S. average daily volume declined from 8.8 billion last year to a five-yearly low of 6 billion during the third quarter.

In Europe, our cash equity revenues declined by \$6 million year-over-year, to \$18 million. I would like to highlight our U.S. Derivatives business, where a team has been really executing on all cylinders. During the third quarter of 2012, we took over 2 percentage points of market share and approved revenue capture at the same time compared to the prior-year period. Our U.S. Derivatives market revenue of \$44 million were flat to the second quarter and down versus a very difficult comparison in the third quarter of 2011. As I discussed earlier, we are seeing good progress with our BX Options.

Now, what I'd like to say is during this call, I mentioned a fair number of initiatives that have been launched over the past several years. These have resulted in products that did not exist three years ago. They are now contributing to our strong performance. While it's interesting to discuss and debate, we do it frequently here, which of these products will be more important to us in the future, whether it be N2EX, BX Options, the Index Weightings & Components, Directors Desk, GlobeNewswire, Glide, FPGA, Ultrafeed, Access Services, 40G, Microwave services, our FinQloud services, our wireless market data, or SMARTS Broker to name a few.

Discussing and debating which one is more important is really not the main point. The main point is that here at NASDAQ OMX, we have the talent and the culture to carefully evolve and redefine and to succeed in both good times and at times that are not so good. And we certainly saw that in evidence in this quarter.

So I thank you for your time. And we'll now turn it over to Lee.

Lee Shavel, Chief Financial Officer & EVP-Corporate Strategy

Thanks, Bob. The following comments will focus on our non-GAAP results. Reconciliations of GAAP to non-GAAP results can be found in the attachments to our press release and in the presentation that's available at our website at ir.nasdaqomx.com.

Starting with revenues, net exchange revenues came in at \$409 million compared to \$436 million in the third quarter of 2011. Our subscription and recurring revenues, about 71% of total revenues, increased by \$5 million to \$290 million, while our trading revenues, which now represent about 29% of our total business, saw a decline of \$32 million, or down 21% year-over-year.

On an organic basis, excluding the impact of foreign currency and acquisitions, our net exchange revenues declined by about 6% compared to the prior year. In the face of over 30% declines in equity volumes and approximately 20% declines in derivatives volumes globally, these results demonstrate that our overall revenues are substantially less variable than market trading volumes.

The overall trading volume environment remains challenging as seen in trading activity in October so far, averaging about 6 billion shares of average daily volume in the fourth quarter to-date. We believe that the near-term impediments to volume include weak capital flows into risk asset funds driven by investor caution in the face of both political uncertainty and global economic risk, and relatively strong market performance through this year discouraging more aggressive behavior through year end.

The longer-term trends, however, continue to show promise as economic growth, unemployment, housing prices and consumer confidence have all demonstrated clear momentum. We believe, in particular, that rising consumer confidence will drive not only improved consumer spending, but also increased appetite for risk assets, particularly as individual investors begin to appreciate the inherent risk of high-fixed income exposure in a recovering economic scenario. In addition, we also believe a recovering market scenario will produce stronger flows into actively managed equity mutual funds.

In our subscription-based revenues, we saw growth year-over-year in Access Services, Market Data, Global Listing and Market Technology, reflecting the strong underlying business trends that Bob described. We now anticipate Market Technology revenues of approximately \$47 million for the fourth quarter of 2012, which implies full-year revenues of approximately \$183 million.

On the expense side, third quarter 2012 non-GAAP operating expenses were \$228 million, down \$1 million compared to the second quarter of 2012, and down \$4 million compared to the third quarter of last year. We continue to make good progress with our cost reduction plan. Our current

view is that we continue to expect cost savings on a constant-currency basis of \$25 million in 2012, and anticipate that we will exit the year on target for annualized run rate cost savings of \$50 million by the end of 2012. This cost guidance does not include the restructuring charges associated with the cost reduction plan currently estimated to be \$43 million, and it does not include the impact of our proposed voluntary accommodation program and special legal expenses. The estimated restructuring charge increase of \$7 million from the prior guidance of \$35 million reflects accelerated cost savings from early retirement programs and additional identified real estate savings.

As a result of our progress on the cost reduction plan, on slide 13 you can see that for 2012 we are reducing our core expense guidance from \$870 million to \$890 million, down to \$865 million to \$873 million. To highlight the progress we've made over the year, our original core expense guidance at the start of the year was \$905 million to \$925 million. Adding the expected expenses from our recent acquisitions of Bwise and NOS Clearing of \$25 million to \$26 million for the year, and reducing new initiative spending to \$32 million to \$36 million, we expect 2012 total operating expenses to be in the range of \$922 million to \$935 million.

Our non-GAAP operating income in the third quarter of 2012 was \$181 million, down \$23 million compared to prior year results. Exchange rates impacted us unfavorably on a non-GAAP basis by \$3 million. Non-GAAP operating margin came in at 44%, down from 47% in the prior year period, primarily as the result of lower revenues in our higher margin transaction businesses offset by improving margins in both Corporate Solutions and Market Technology businesses.

Net interest expense was \$22 million in the third quarter of 2012, a decrease of \$5 million from the third quarter of 2011 due to the refinancing of our credit facility in 2011 and the repurchase of \$335 million of our 2.5% convertible notes and debt pay-down.

The non-GAAP effective tax rate for the quarter was 34%. The increase in the tax rate for the quarter is a direct result of our updated projection for 2012 earnings in which a greater percentage of earnings are now derived from the U.S. As you are probably aware, the U.S. has a higher tax rate versus other jurisdictions. As a result, we are increasing our expectations for our 2012 effective tax range to 34% to 35%, up from our previous guidance range of 32% to 34%.

Our non-GAAP net income was \$105 million or \$0.62 per share, compared to \$121 million or \$0.67 per diluted share in the third quarter of 2011. The \$0.05 decrease reflects negative impacts of \$0.06 operationally, \$0.02 for recent acquisitions, a \$0.02 negative impact from FX and \$0.01 negative impact for the increased tax rate, offset by an increase of \$0.06 for the benefits of our refinancing and share repurchases.

Moving onto the balance sheet, on slide 16, we are showing our debt structure and debt maturities. We extended our debt maturities when we refinanced in 2011, so now the first sizable maturity will be in 2015. Our relatively low leverage, strong cash flow generation and spaced debt maturities gives the company considerable latitude for ongoing capital deployment initiatives. In the first nine months of 2012, we have generated cash flow from operations of \$356 million. Deducting capital expenditures of \$63 million results in free cash of slightly below \$293 million.

On slide 17, we show our track record of cash flow generation and cash flow usage since 2009. As you can see, NASDAQ OMX has generated \$1.8 billion in free cash flow, excluding Section 31 fees from 2009 to the third quarter of this year. We've used that cash flow to repurchase approximately \$1.1 billion of our outstanding stock. This equates to 51.3 million shares at an average price of \$21.90 and a reduction of our share base by 24% in this time period.

For 2012 year-to-date, capital returns through dividends and share repurchases represent 71% of our free cash flow excluding Section 31 fees. We have refinanced and restructured our debt with a reduction of almost \$529 million and we have invested over \$305 million net of dispositions

acquiring a variety of strategic assets, including Bwise, NOS Clearing, FTEN, SMARTS, Glide Technologies and the business of RapiData. We believe that these bolt-in acquisitions allow us to broaden our existing business and enhance our ability to grow profitably.

Finally, we paid our second quarterly dividend of \$0.13 per share in September. This quarterly dividend represents a yield of 2.2% at the current valuation.

To illustrate the power of our capital return policy, take a look at what we've accomplished in the last year. Our total share repurchases sum to \$325 million plus another \$43 million in dividends totals to \$368 million in capital return to shareholders. To put this in perspective, our total equity value at the current stock price is \$4.1 billion, so we've returned 9% of this value in the period.

As always, the under-penning of our capital deployment strategy is a robust return on invested capital framework. We continue to see attractive value-creating opportunities for internal investment and acquisitions. As always, all potential uses of cash are screened to ensure they have strong returns on invested capital and we allocate our capital to the highest yielding opportunities. Thanks for your attention. And I will now turn it back over to John.

John Sweeney, Vice President-Investor Relations

Thanks, operator. We'll now open for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question is from Roger Freeman of Barclays Capital. You may begin.

<Q – Roger Freeman – Barclays Capital, Inc.>: Hi. Good morning.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: How are you doing, Roger?

<Q – Roger Freeman – Barclays Capital, Inc.>: Good. Thanks. Just, I guess, with the updated cost guidance and some of the initiative spending coming down. Can you just kind of walk through, is it a function of just bringing – trying to bring costs down in a tough environment or is this, Lee, a refined ROIC, an outcome of that in terms of future expected returns on some of those investments?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Sure. Roger, I'd say it's fundamentally our focus on reducing our expense base in this current environment. And so, as we outlined in the first quarter when we introduced the cost reduction plan, we had specific targets for each of our businesses and this reflects a very focused effort in achieving those. We are actually ahead of the targets that we've set, as you can see, in terms of the quantum of reduction in our overall expense guidance. I think that we certainly believe that there are some benefits in terms of our return on invested capital efforts. But I don't think that's a primary driver in the cost reductions that you see here.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. Thanks. And then, I don't know, I may have missed this. Did you give an update on the Facebook settlement proposal? Do you still expect to hear back on that by the end of the year?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: I would say this, Roger. One, obviously it's under the SEC's control. There is a checkpoint at the end of October, but to the extent the SEC requires more time, then we would agree to that. So I'm not here to predict what they might do, but end of the year is a reasonable guess.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. And just lastly...

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Hold on.

<A – Ed Knight – The NASDAQ OMX Group, Inc.>: I just want to make it clear, this is Ed, that this is not a settlement proposal.

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

<A – Ed Knight – The NASDAQ OMX Group, Inc.>: This is a voluntary plan by NASDAQ.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. Sorry for mischaracterizing. The – lastly, the acquisition revenues in the quarter from Bwise and NOS, do you have those? I thought Corporate Solutions would have been a bit higher with that, but?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah, we don't have those broken out at this point, Roger.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. All right, thanks.

Operator: Thank you. Our next question is from Rich Repetto of Sandler O'Neill. You may begin.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: How are you doing, Rich?

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Good morning, Bob. Good morning, Lee. I guess the first question, Lee, I think, follow-on on expenses. If you back out from the yearly guidance, what you did in the first three quarters, I mean you still see a pretty big uptick in 4Q on the low end at \$7 million. So, I guess, I'm just trying to see what's in the run rate and why the big uptick?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Sure. And Rich, it's a very fair question. A couple things. One, I think the more significant driver in that is anticipated increases in our new initiative spending. As you know, we have a portfolio of investments that each have different spending projections. We do anticipate an increase in the fourth quarter as we ramp up some of those initiatives. And then the second element is going into the fourth quarter, we always try to provide some flexibility for an improving environment. Now, so far in October with average daily volumes still at the 6 billion level, that seems less likely, but given the election and other potential drivers of volatility, we have some upside there reflecting higher activity.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: But it sounds like there's opportunities to beat that number.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: I think that would be a fair conclusion, Bob.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: I think that was the point of my question.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Thank you. Thank you, Rich.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: But secondly, you – the sale of IDCG closed, I guess, in the quarter. And I think you said in the past, it freed up, whether it's \$75 million, \$80 million of capital, just are we holding this against the – how you characterize the accommodation plan, what are the uses of this freed up capital, how are you looking at that?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Sure. Rich and it was from a net standpoint, we ended up netting about \$68 million of cash from the IDCG transaction. And you can see in our year-to-date cash flow presentation – in the investor presentation how we've allocated that. And I think that that cash flow along with the cash flow that was freed up through the implementation of our default plan have gone into funding not only the share repurchase and dividends but also the recent acquisitions of NOS, and also it continues to give us flexibility and could in part serve to fund the accommodation program, which is not going to be a – have a substantial financial impact on us.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Understood. Okay. And then very lastly, Bob, on the regulatory front, it seems like the beating drum, at least you hear a lot more talk on the regulation of high-frequency trading and the – sort of the looking at collocation and the market data fee. So I'm just trying to get how you view the risk – regulatory risk as we close out the year on these topics.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah, good question, Rich, and obviously something that we pay close attention to. And I think when you see high-frequency floating around as a term in the media, it's hard to actually know exactly what people are talking about. So, obviously, it's not a defined legal term, but I would say this. We, in our minds, when we look at what's happening in Europe and what's talked about in the U.S., we zero in on a definition of high frequency, which have the following attributes. One is the trading is done on a proprietary basis. Two, it utilizes low-latency technology in a datacenter of a market center. The traders tend to have no inventory, tend to be flat at the end of each trading day. They have a short average order life, under one second, and a high order-to-trade ratio above 100. And they are not designated market makers with market maker obligations.

Now, when we take that definition and compare it to our equity business on a global basis, not just the U.S. but U.S. and Europe, inclusive of collocation fees, that represents in and around \$50 million worth of revenue to NASDAQ OMX. So, clearly, it's customer-based we care about. We have a fundamental belief that they add liquidity to the market, but to the extent there are rule sets that affected high-frequency trading by 10% or 15% or 20%, it's clearly not material to us.

But I would say that we're – what we're seeing, which I think will be good for the overall equity market, is high-frequency trading, saying, we want to step up into an obligated market-making role. And that is what we need in the equity marketplace. So if you look at the equity marketplace today, in the very actively traded stocks, the market has never been better, deep liquidity, very narrow spreads. But as you walk down the market cap curve, you see that our spreads get wider and liquidity gets less. So, we have a large number, or too large of a number of public companies that really do not have adequate market-making support, adequate constant liquidity.

So, certainly it's going to be our effort and others to take out of this high-frequency debate a positive outcome where these participants become market makers, become obligated, and provide higher levels of support to the lower end of the marketplace. So, we see this as opportunity, we see it actually happening as we're speaking today, but it's also important to define clearly what we mean by high-frequency trading and understand what it is in the context of, one, our overall operation, and two, the operation in the equity marketplace.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Thanks Bob. It seems like you were very well-prepared for that question. Thanks.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Thank you for asking it, Rich.

Operator: Thank you. Our next question is from Chris Allen of Evercore. You may begin.

<Q – Chris Allen – Evercore Partners (Securities)>: Good morning, guys.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Good morning, Chris.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: How are you doing?

<Q – Chris Allen – Evercore Partners (Securities)>: Just wanted to touch on the slide, investments and new initiatives, the revenues and expenses forecasts both came in a little bit from last quarter. Just wondering if you could give us some color in terms of what's changed since the last quarter. And the fourth quarter spending implies a pretty big ramp-up, just what specific areas does – is the spending going to be concentrated in?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Yeah. So, thanks, Chris, for focusing on that. There are a couple of changes, and particularly if you look at prior quarters. First of all, in terms of the overall revenue, that reflects an adjustment for lower volumes that we're anticipating in some of our initiatives. So, revenues have come down slightly in that regard. The other thing that you may be confusing is that over the last quarter, you saw a drop in the revenue from the initiatives that are characterized as in-development. That doesn't reflect a dramatic drop in those revenues, but actually it's a movement of those from in-development to deployed. And I want to spend a little time talking about this. We had four of our initiatives, one being the BX Options initiative, which Bob talked about at length, which has been a very successful launch for us.

Our SMARTS Broker initiative, where we invested money in expanding our sales effort around that product, our inside sales effort on GlobeNewswire, as well as in our Index business, our Index Weightings & Components initiative, all of those have achieved, in our view, stability. They are now considered deployed initiatives. And so we've moved that revenue from the in-development into

deployed, which reflects that drop in the in-development. And then if you look at the overall revenues, that has come down slightly as a result of our estimates of volumes and how that impacts some of our new initiatives.

The continuing expense growth is going to be tied to a number of our initiatives. You've heard Bob talk about our NLX initiative that will be a significant component of the expense growth that you'll see in 2012 in the new initiative, as well as a number of other ones, such as our Virtual Data Room and Marketplace for Hire, which we continue to be very optimistic about. So, those are the types of things that are contributing to that growth in expense.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: A couple comments. One, with respect to the four, they graduated, they get certificates and everything, so those are successful. They've shown demonstrated run-rate profitability for two quarters and they leave the GIFT program, so you see that going. And as Lee mentions, NLX will have increased funding requirements as we go into the fourth quarter, but it's important to recognize the way we're running the GIFT program is it has a very tight, short interval scheduling, people have to hit the milestones, so to the extent that NLX does not hit certain milestones, then we won't do the funding for it. If it does, it will. And that goes for all the initiatives, and obviously we're becoming increasingly successful at this and it's definitely a contributor to this strong quarter.

<Q – Chris Allen – Evercore Partners (Securities)>: Got it. And then I guess just turning back to capital a little bit, looking forward in terms of priority of capital deployment, do you guys see opportunities for some of the small bolt-on acquisitions you've done in the past? Or is it more looking at some kind of the current share price and then weighing that against the opportunities?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, as Lee mentioned, we have to look at things holistically. With respect to the bolt-in acquisitions, it's something that we look at, as I've said publicly before, probably during the course of the year, we look at something coming up to a 100 different opportunities, we have to see a perfect storm for us to actually pull a trigger. And it's episodic. So you just don't know when you're going to do a transaction. You can't plan for it, but to the extent we can do transactions as we've done with these bolt-ins and obviously are us investing in our future and us positioning ourselves primarily in markets where we see growth opportunities, we'll do it.

And last acquisition we did was Bwise, and we stand by the concept that, within five years, every audit committee will require management to have a global risk control capability in place. We put the best-of-breed with respect to capability, classical small software company with great product and limited distribution and name recognition, and we solve those two problems for them quite quickly. So those are the kind of things we really love to do.

<Q – Chris Allen – Evercore Partners (Securities)>: Yeah. Thanks, guys. I'll get back in the queue.

Operator: Thank you. Our next question is from Howard Chen of Credit Suisse. You may begin.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Bob?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yes, we're here. How are you doing, Howard?

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Hi, sorry. Good. How are you?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yes, good morning.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Since you hosted this call last quarter, we had a few more market structure issues, including those at Knight Capital and the Kraft transfer. I realize those are two very different situations, but if you add in the flash crash and the issues around the Facebook IPO, I just get a question a lot from investors, why do you think these events seem to be happening more often. Does something more material need to change with U.S. Cash Equities market structure? And I was just hoping you could weigh in on all that.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Sure. I'll say a couple of things. And Eric is here if he wants to add to it. But one is Kraft, the system worked the way it was supposed to. Circuit breakers were not so much triggered in that one, but they were there and worked. But we were happy with what happened there. Certainly, we believe, having circuit breakers apply from 9:30 or limit up, limit down, apply right at 9:30 would be a very good evolution of the market. There's been tremendous industry discussion with respect to kill switches. We think that's a good evolution of the market that we have to see. And so, I think the improvements of the market are not difficult to discern. And I think there's a clear path to get us there. But I also have to highlight that, as much as we hear about how the market doesn't work, it is remarkable how well it does perform. I mean, we process literally billions of shares per day across a diverse range of execution venues and a diverse range of customers, and the system works. Eric, you want to add to that?

<A – Eric Noll – The NASDAQ OMX Group, Inc.>: Yeah. I think, Howard, one of the things we're really aiming for here is to help develop the confidence and explanation about market structure for investors. And so, we'll be spending a lot of time, as Bob mentioned, working on things like kill switches, looking on – working on other protections for the marketplace to bring additional stability to the marketplace to prevent events from spiraling out of control. I think we'd be remiss to say that we can stop events from happening. I think the key that we're going to focus on is, how do we limit the damage and how we build confidence in the market structure going forward?

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Okay. Thanks, Bob; thanks, Eric. And then just a follow-up, you know there are some renewed rumbling across the industry around options, dividend trades. You remain the dominant player in that business, apparently even more so after some others will exit. So I was just hoping for your outlook for that business and that dividend strategy, trade strategy in particular.

<A – Eric Noll – The NASDAQ OMX Group, Inc.>: Howard, this is Eric again. I think – I'd say a couple of things about it. One is I would say that there are not really any regulatory rumblings about this trade. This is a trade that has existed, and a trading strategy, that has existed for decades. I think there is some – there are some users or some market participants who don't like to trade or don't want the finance to trade. Those of course are legitimate business decisions by those firms. There are, of course other users and demand for the product out there and we continue to support it as functionality. They are legitimate trades. They do take risk. And they exist in the marketplace. So while they're not huge revenue drivers for us, we do think it's part of the service offering we offer to our customers.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: The other thing I need to say is you have to take our role in context here. As an exchange, we have equal access provisions. We want all comers to come to the market. And with respect to a trade, there tends to be a winner and a loser, and it's our job to just provide a proper forum that meets the regulatory requirements. So, clearly we have a number of different types of trading activity in the marketplace that would have controversy; that will have supporters and detractors. This would be one of them, but it's just one out of many. And it's something we wrestle with on a daily basis. And we clearly have a philosophy that we have to keep within the four walls of the regulatory structures and obviously not come close to any lines. But given what the regulatory system provides us, it's our job to make sure that we have the venue to welcome all comers.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Okay. Thanks. And just final quick one, what were the \$4 million of special legal expenses you called out this quarterly?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: It's associated with Facebook litigation.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Okay. Thanks.

Operator: Thank you. Our next question is from Niamh Alexander of KBW. You may begin.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: How are you doing?

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: I'm fine. How are you? The Index business, I too paid attention to when Vanguard made their switch, and I guess it's hard enough to see the impact on some of the index provider stock. But this is a business you've been working out for some time, you'd mentioned it earlier. But are there any anecdotal or any evidence you can give us that's suggesting some early wins there in that business?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, I would say this. One is our product is coming out in the fourth quarter. And as I mentioned in my prepared remarks, it was 18 months of development. Do I wish I'd started it six months sooner? Yes. But we did start it 18 months ago, it is ready in the fourth quarter. We're excited about it. The industry is keenly aware of it and obviously anxiously awaiting the ability to test and back-test against that. And one of the things that got us to decide to fund this effort several years ago was that two years ago we did have an iShares fund switch. It was an S&P semiconductor index, which switched over to The NASDAQ OMX PHLX Semiconductor. So that was kind of when the light bulb went off two years ago, we saw, okay, this was real, it was doable. And we took ourselves from what I'll say is a NASDAQ-focused limited purpose index provider, said we're embarking on the technology to make ourselves a global player across multiple asset classes. So it's coming out. It's ready. Timing looks very good. We're obviously very excited about it.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Fair enough. Thanks, Bob. And then the MiFID II, I mean, it's making slow progress in Europe, but the first round of kind of voting on, it seems to me like more of the potentially negative factors for aspects of the business like high-frequency trading and timely clearing to the trading. They seem to get watered down than not. What was your impression? What was your – what were your thoughts post the first round of the vote on the impact, potential impact on the business?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, the first thing, and you hit on it, as an American, you just really have to calibrate your thought process in that it's a step in a long process. And it has – definitely you can be assured the final form will not look like interim form at this stage. So we put that. Second thing is we say that there were a lot of good things in the regulation for exchanges and with respect to the OFT status, we're very happy. On the other side of the table, with respect to obviously high-frequency trading, it's something that we certainly need to work on with the regulators there. But I do highlight the fact that when you get into the definitions that they're talking about, they're not mirroring exactly as I described it in my answer to Rich, but they're not that far off. You do have to put it in the proper context. It's not that big a piece of our business.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Thank you. And then lastly, Bob just on that definition you provided earlier, which was very specific and helpful, but that's your definition. It's not something the regulators are also working to and kind of, if – because right now there's no specific proposal out there in the U.S. that I could see from the SEC to limit high-frequency trading, but you've kind of provided this group. Is that something that you've been kind of working on with the regulators?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: It's something – well, one is we take what we hear from the regulators, obviously voice our opinion. So I think in many ways, the regulators' definition is not as restrictive as ours, but we'll see. The 100-to-1, I think in Europe, they're talking more at like 200-to-1 order-to-trade ratio. So we picked 100-to-1. We don't know what the final number will be. And average order life, under a second. Again, that's a fairly expansive definition, it's not 500 milliseconds as we got it at a full second. And we also include anybody who's in our data center, and being done on a proprietary basis. So it's our definition. People will have different definitions, will come up with different answers. But when you put the terms out there as we're defining it, it's hard, I think, for people not to say that you're very close to what people would see as what is a high-frequency trading. Go ahead, Eric.

<A – Eric Noll – The NASDAQ OMX Group, Inc.>: Niamh, I think one of the things I think that's going to be important here is, I think this is going to be less about the definition of who's a high-frequency trader and what behaviors or what market structure impacts are of concern here. So I think the focus is going to be less about defining who is a high-frequency trader and what is high-frequency trader, but what is the behavior in the marketplace that we're looking to mitigate. So while I think the definition is important to talk about, I think the larger issue is really going to be about, what are we trying to ameliorate in the marketplace.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: And what we have to do is make this a positive by saying, okay, it ties back to Eric's point of behavior. Let's say, what do we want to make better in the marketplace? And what we want to have better in the marketplace is continuous liquidity, especially in less actively traded stocks. And in our conversations with current people who would kind of fit this definition of High Frequency Trading, they seem very willing to step into that role. So I have the ability to make this a pure win, have a better market structure coming out of it, have obligated market makers more involved in our marketplace. And that's the job that we have. So it's not so much that we want to be in a regulatory showdown with respect to finite definitions of what is HFT, but let's make this a positive dynamic, let's get make more market-making support in this marketplace.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Thanks. So I guess just trying to understand what's next, because you've made the progress on the definition. Is there something that there is exchange rules in the hopper that we should be looking towards, or is it something from the SEC that we should be looking towards?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, I think maybe both. I mean, obviously, we want to be creative in our response, and the question is what market structures can we put in place that will help, and something we think about, nothing that's ready for publication but something we spend time with.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Thanks.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: And I'd also say that I think in – the focus in the U.S., as you saw from the panel discussion with Anna Ewing [NASDAQ Chief Information Officer and Executive Vice President], went to, is more about kill switches and recognition that there always will be problems in the marketplace, nothing will ever be perfect, but how do you put in a protection layer around that? So there is at this point in time a little bit difference in terms of the discussion in Europe versus the U.S. Europe is more about, let's make sure we have more protections in place, and then U.S. is more about that, and Europe is obviously going through the long and seems eternal MiFID II discussions.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Thank you.

Operator: Thank you. Our next question is from Gaston Ceron of Morningstar Equity. You may begin.

<Q – Gaston Ceron – Morningstar Research>: Hi, good morning.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: How are you doing?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Hi, Gaston.

<Q – Gaston Ceron – Morningstar Research>: Great. Bob, just wondering if you could talk about the macro environment, again just a little bit. I would just like to know if you could give a little additional color beyond what you've already said on what you're hearing these days from your corporate clients, people like CEOs, CFOs on their expectations for raising capital, and based frankly, overall confidence in the economy as we kind of go through the end of the year here?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah, that's a good question. Obviously the election is something that people focus on in the U.S. as if it will be a some kind of signal event. I'm not sure I agree with that. But I would say that, with respect to corporate America, the ability to get a package that would get us onto some sort of fiscal stability, something that would look like Simpson-Bowles with some spending cuts and revenue increase is what you hear from CEOs and CFOs. I think, what I'm happy to say, is I think you'll see a lot of focus on that in Congress after the election independent of who is – wins the presidency. So that being said, in terms of conversations you have with respect to U.S. based CEOs and the business model, it is what I would call cautiously optimistic. I think you see some decline in some performance by different firms this quarter versus prior quarters, but overall people believe we're not that far away from having a strong economy, and some help from the policymakers would be most appreciated.

<Q – Gaston Ceron – Morningstar Research>: Fair enough. Thank you very much.

Operator: Thank you. Our next question comes from Alex Goldstein (sic) [Blostein] (54:04) of Goldman Sachs. You may begin.

<Q – Alex Blostein – Goldman Sachs & Co.>: Hi, guys. Good morning.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: How are you doing?

<Q – Alex Blostein – Goldman Sachs & Co.>: Good. So, the first question on margins on just kind of a broader outlook, I guess when you look into 2013, there's still I guess about \$25 million that is not in the run rate that will benefit the margins. But when you look at growth rates in different business you've got – they guys have right now, and assuming volumes will kind of stay where they are, off of the 44%-ish margin level right now, where do you guys see that going?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Well, I'd say, I guess a couple of things. First Alex, the \$25 million that you're – that we're referring to is what?

<Q – Alex Blostein – Goldman Sachs & Co.>: The savings that you guys are...

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Okay.

<Q – Alex Blostein – Goldman Sachs & Co.>: ...that are not in the run rate, yet they will be in the run rate for you next year.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Got it. Yeah. So I think when you look across the businesses, I think we expect in the non-transactional businesses that our margins will be stable to improving. I think that when you look at market data, we can expect that margin to continue to be stable, Access Services similarly stable to improving. And in our Corporate Solutions business and in Market Technology as I indicated earlier, both of those businesses have shown

improvements year-over-year in margins. And we expect that to continue into 2013. And in Index Services, also a very high-margin business, we expect that to continue to be stable to improving. When you move to the transaction businesses, obviously the margin outcome is going to be driven by what your volume expectations are.

And so, if our volumes remain where they are, then we think that our margins will be stable to improving as we realize the benefits of our cost savings effort. But with increasing volumes, the incremental margin on all of those businesses is substantial and accretive to the margins. So what I would say to summarize is non-transactional businesses I think we see very solid trends in margin on each of those. And I think if you share our view that going into 2013 there are more reasons to believe that volume should be stronger than weaker, then we would anticipate improving margins in those businesses as well in benefiting our overall corporate margin.

<Q – Alex Blostein – Goldman Sachs & Co.>: Got it. Helpful. And then, Bob, I wanted to focus for a second on market tack. Clearly, pipelines are really good. You guys continue to win business there. But if you look at the revenue trends, I guess last quarter the run rate ex-FX was around \$49 million, went down slightly to \$47 million this quarter. It sounds like you guys expect \$47 million next quarter. What's taking I guess a little bit longer to realize some of this new business?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Well, I think what you see is the short-term revenue has not had a positive last three to six months, and that is what we call CRs, which is customer request for minor changes. And unlike our licensed part of the business, which is the bigger dollar amount, this is immediately recognized. So that kind of is the at the moment heartbeat, so if that slows down a little bit and you feel it in the given quarter. So we see that. But I'd also say that with respect to what we presented at the Analyst Day on a currency neutral basis, we think we'll get to the low end of the forecast we gave you for 2013. So, all-in-all, in the environment we're very pleased.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: And Alex, it's Lee. I just want to add one thing. I know talking about the businesses, that's one element. The other thing that I think you need to factor in is that we've made the deliberate decision with our new initiative program to be spending on projects that will generate revenue over time. Those in combination with our acquisitions are going to in the near-term have a negative impact on margin but obviously that's driven by our confidence in our ability to generate profitability and good returns on capital in those businesses. So as you think about it from a corporate level, obviously it's a blend of both of those elements.

<Q – Alex Blostein – Goldman Sachs & Co.>: Got it. Thanks for that. And then the last one just speaking of capital. Can you guys talk a little bit about I guess the process and timing of you potentially changing the dividend policy or I guess the overall mix of the payout and I know you just introduced a dividend only a quarter ago, but how would the timing work if you were to choose something else.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Sure, Alex. Our view is that we initiated the dividend after the first quarter. I think it would be our policy to review that dividend level on an annual basis, so I think that that we'll go through a similar process that we did at the end of the first quarter of this year to evaluate where the dividend is, what we see as or our relative return on capital opportunities between share repurchases, internal investment acquisitions and an increase – to increase dividend. So that would be the timing. I would also say that when we initiated the dividend, it was with a view that certainly when you make that decision, you're making a longer-term decision in terms of capital allocation, and we certainly recognize that companies that have shown an ability to increase their dividend over time have been rewarded by investors and certainly that's our objective.

<Q – Alex Blostein – Goldman Sachs & Co.>: Got it. Thanks very much.

Operator: Thank you. Our next question is from Brian Bedell of ISI Group. You may begin.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Hi. Good morning, folks.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: How we doing?

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Good, good. How are you? Look, just a question on the recurring revenue streams. Obviously you've done a very good job in building the capacity to grow revenues organically, but just curious as how you view those efforts versus what's a fairly flat sequential environment in most of the recurring fee areas, and you give guidance on the technology obviously. But, if you could talk a little bit about maybe the Corporate Solutions area, some of the proprietary market data and the access and broker service fees just sort of the near-term outlook for the fourth quarter, whether you think that's going to continue to be relatively flat? And as we move into 2013, do you think the initiative that you're working on will improve the revenue streams in that area?

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

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: And also if there are any, I don't know, one-time items in the third quarter in that area?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah. I would say as a medium to long term, you'll see the recurring revenue increase as a percent of our overall revenue, and you see as I listed a number of the initiatives that we're involved with, many of them have that as their predominant business model. And obviously you mentioned Corporate Solutions, that is in that realm, and to the extent that our internal developments within Corporate Solutions and our acquisitions such as Glide and BWISE continue to grow, that obviously will increase the share there.

On the market data side, which is by definition a recurring revenue business, we're incredibly proud of the progress we've made with Basic. Basic is not a large money maker for us now as we transition customers from the shared plan. It is profitable, but we expect that profitability to increase quite dramatically by this time next year.

So we're well positioned. We're delivering superior value to the customers on a recurring revenue basis, and as Data is – a data and index business are an increased focus from us at a corporate level and a management level that is again going to contribute to our increase in recurring revenue.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: And since it is more of a 2013 story, I guess, the fourth quarter you would expect these revenue streams to be roughly flat with the third quarter?

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: I would say roughly would be the answer.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Okay. And then when you talked about the – you gave us a very good outlook on the stable to improving margins across many of the businesses. As we come into 2013, does that, I guess, from an overall perspective, does that imply a slowdown in your investments then for new initiatives? Or would you overlay the investment spend on that and say that would be sort of a negative to the margins?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Yeah. As I tried to address in my follow-up comment to Alex's question, the spending in the new initiatives is not slowing down. We continue to look at opportunities. I will say that we do subject what's brought to us to pretty rigorous tests, and one in terms of return on capital, but as Bob indicated also to clear deadlines in order to continue to fund them. And so, we may have projects that we just decide aren't meeting the hurdles, and so

that comes out. But, overall those new initiatives and some of our recent acquisitions are in the near term going to be a reduction to our overall corporate margin beyond the trends that I described in each of the individual business lines.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Yeah. It's important to recognize that the new initiatives, the GIFT council has to have an entirely different dynamic than the core business. We run this core business in a very lean and effective way, and we have to look at that. You see we made progress again polishing the diamond in 2012. The new initiative dynamic is, is this a solid business plan? What are our chances of us being successful? What advantages do we bring to the marketplace? And we definitely operate with the philosophy that we want to be effective first, and then worry about efficiency second.

So, core business, efficiency is what we're focused on. New initiatives, it's about effectiveness, and from that point of view it has a different budget dynamic. And to the extent we have a great concept that should be funded that represents us leveraging some core capabilities to our advantage in the marketplace, then we clearly have the balance sheet, we have the cash flow to support that effort. And it runs independent of a normal budget discipline.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: And then I would assume if the revenue environment does improve in 2013, especially on the transaction side, you would feel more capacity to invest in growth initiatives? Or would you...

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: No, no. I'm saying the opposite. I'm saying the growth initiatives that we have is the real opportunity independent of how the core business is doing, we'll make the proper decision, right? We have the cash flow; we have the balance sheet to do that, all right? So the fact that we're living through tough volume times today definitely forces the business running the transaction businesses to make sure that they're running that thing as lean as they possibly can. But that's a different dynamic than how do you fund a new business initiative. The new business initiative says, okay, what is our opportunity set? What unique capabilities do we bring to the marketplace? What sustainable advantage do we have in coming to that marketplace? And assuming we have the balance sheet and the cash flow, then we'll look to fund it. And as Lee referenced and as we've gotten very good at, these things that are funded have to meet some tight schedules and meet deadlines, and to the extent they don't, then the funding will quickly dry up.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Yeah.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Brian, I would say maybe there is one element that in an improving environment then the potential returns, I think the opportunities increase the attractiveness of it. So, that may be a driver of continued spending here.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Right. Got it. No, that's very clear. Thank you. And then just lastly on the legal expenses. Do you expect those to recur in the fourth quarter and potentially into 2013 a little bit?

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Yes.

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

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Yes, okay. Okay, great. Thank you so much.

<A – Bob Greifeld – The NASDAQ OMX Group, Inc.>: Okay. Great.

<A – Lee Shavel – The NASDAQ OMX Group, Inc.>: Thanks.

Operator: Thank you. I would now like to turn the call over to Bob Greifeld for closing remarks.

Robert Greifeld, President, Chief Executive Officer & Director

Good. As I said during my prepared comments, we have a number of different initiatives that are each individually contributing to our success. We don't have any game-changers that would say, okay, this is it, this is that. It's a collective effort. And as I highlighted, to me, the important point as you think about NASDAQ OMX is we've carefully built the culture over the last number of years to make sure that regardless of the economic deck of cards that we're handed, that we can succeed. We have done that in this quarter. We're proud of our progress. Obviously, we wish that equity volumes were not down by 30%. We do have a belief that the equity market will rebound and will come, as you see, in a close correlation to economic growth, GDP growth in a particular region where we serve. So we're optimistic about that over the medium to long term. But we're going to execute in a very careful way, leveraging our position in different marketplaces.

So, proud of the quarter; we appreciate your time. We look forward to talking to you as the rest of the year unfolds. Thank you.

Operator: Ladies and gentlemen, this concludes today's conference. Thank you for your participation, and have a wonderful day.

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