

# 3Q14 EARNINGS PRESENTATION

October 24, 2014



# DISCLAIMERS

## Cautionary Note Regarding Forward-Looking Statements

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

## Non-GAAP Information

In addition to disclosing results determined in accordance with GAAP, Nasdaq also discloses certain non-GAAP results of operations, including, but not limited to, net income attributable to Nasdaq, diluted earnings per share, operating income, and operating expenses, that make certain adjustments or exclude certain charges and gains that are described in the reconciliation table of GAAP to non-GAAP information provided in our quarterly earnings releases. Management believes that this non-GAAP information provides investors with additional information to assess Nasdaq's operating performance by making certain adjustments or excluding costs or gains and assists investors in comparing our operating performance to prior periods. Management uses this non-GAAP information, along with GAAP information, in evaluating its historical operating performance.

The non-GAAP information is not prepared in accordance with GAAP and may not be comparable to non-GAAP information used by other companies. The non-GAAP information should not be viewed as a substitute for, or superior to, other data prepared in accordance with GAAP.

## Website Disclosure

We intend to use our website, [www.nasdaqomx.com](http://www.nasdaqomx.com), as a means for disclosing material non-public information and for complying with SEC Regulation FD and other disclosure obligations. These disclosures will be included on our website under "Investor Relations."

# 3Q14 NON-GAAP SUMMARY

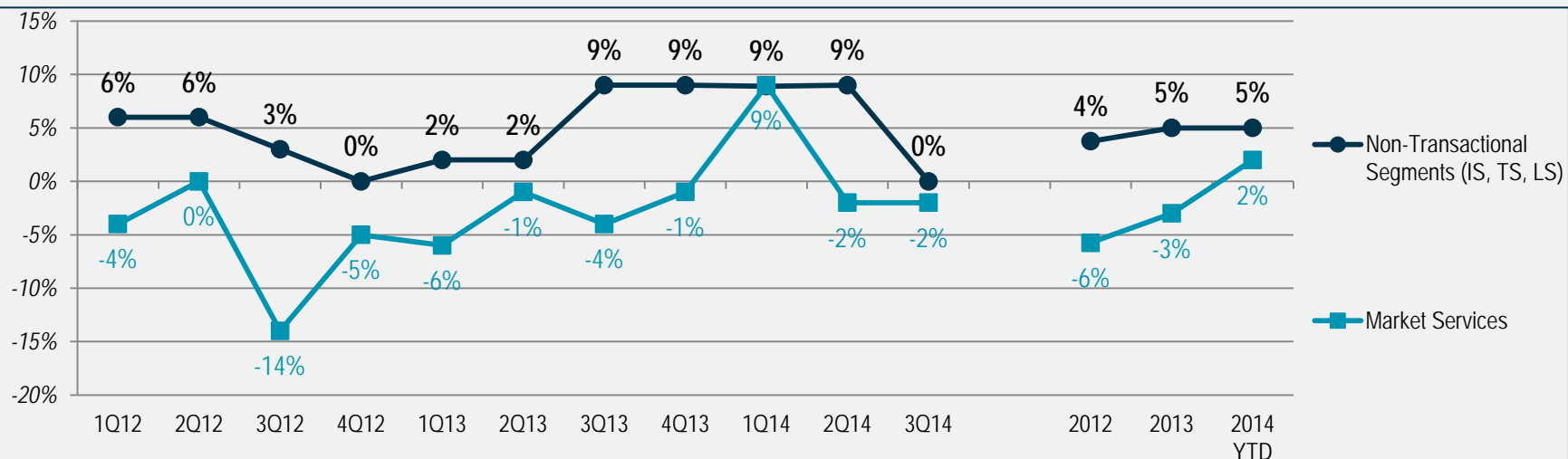
<i>(US\$ millions, except per share)</i>	3Q14	3Q13	% chg.
Subscription and Recurring Revenue	\$366	\$371	(1%)
Net Transaction Revenue <sup>(1)</sup>	\$131	\$135	(3%)
<b>Net Revenue<sup>(1)</sup></b>	<b>\$497</b>	<b>\$506</b>	<b>(2%)</b>
<b>Diluted EPS</b>	<b>\$0.72</b>	<b>\$0.66</b>	<b>9%</b>
<i>y-o-y organic rev. change (%)</i>	<i>(1%)</i>		

- ▶ 3Q14 net revenues were \$497M, down 2% y-o-y. On an organic basis, excluding the impact of currency, net revenues fell 1%.
- ▶ Subscription and recurring revenue (74% of total) declined \$5M, or 1% y-o-y, to \$366M, as a 4% increase in Listing Services was more than offset by modest declines in Information Services, Technology Solutions, and Access/Broker Services.
  - ▶ Declines in subscription and recurring revenues were predominantly driven by lower data audit collections, the impact of foreign exchange, and pricing changes in Corporate Solutions to compensate for the loss of subsidies provided by a competitor to certain customers.
- ▶ Transaction revenue (26% of total) fell \$4M, or 3% y-o-y, to \$131M, due primarily to declines in derivative and fixed income transaction revenue, partially offset by increases in cash equity transaction revenue.
- ▶ 3Q14 diluted EPS of \$0.72 reflected core organic EPS growth of +\$0.05, +\$0.02 due to lower effective tax rate, +\$0.01 due to lower interest costs, partially offset by (\$0.01) impact of higher fully diluted sharecount and (\$0.01) impact of changes in foreign exchange rates as compared to 3Q13's EPS of \$0.66.

1. Represents revenues less transaction rebates, brokerage, clearance and exchange fees.

# ORGANIC REVENUE GROWTH AND OUTLOOK

NASDAQ REVENUE GROWTH EXCLUDING ACQUISITIONS, CONSTANT CURRENCY



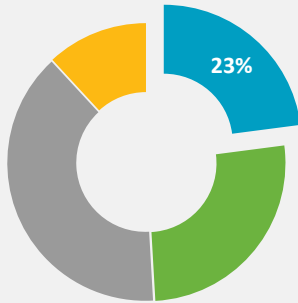
NASDAQ MEDIUM-TERM (3-5 YR) ORGANIC REVENUE GROWTH OUTLOOK

U.S. GDP <sup>1</sup>	S&P 500 Revenue Consensus <sup>2</sup>	Information Services	Technology Solutions	Listing Services	Non-Transactional Segments (IS, TS, LS)
2% - 3%	3% - 4%	Mid Single Digits	Mid Single Digits	Low Single Digits	Mid-Single Digits

1. Company estimate.  
 2. Factset consensus est. 2014-2016 revenue growth, as of 7/22/2014

# INFORMATION SERVICES

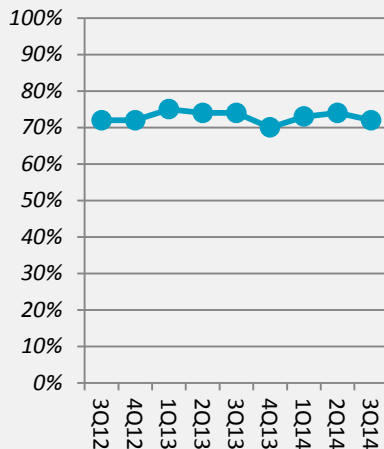
## IS 3Q14 Net Revenue Contribution



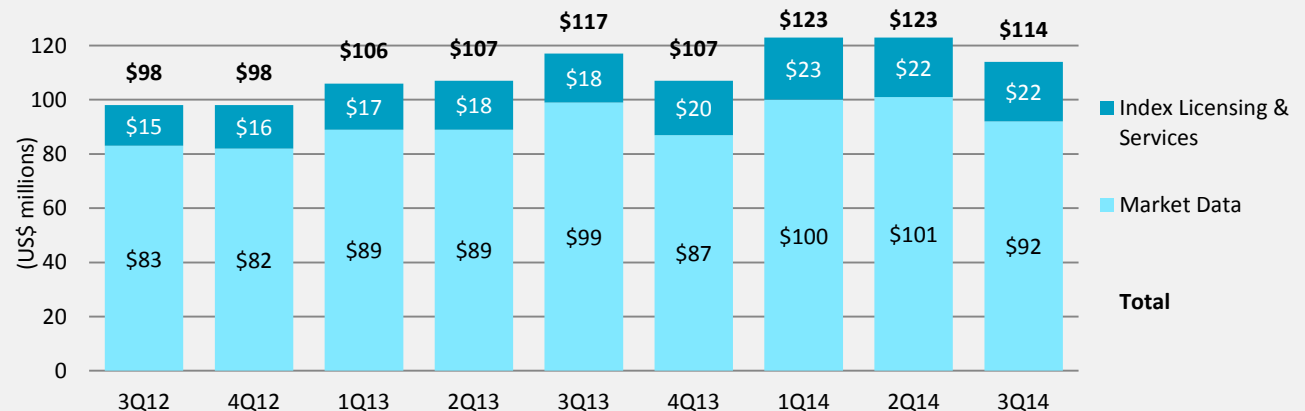
Information Services Performance Summary			
	3Q14	3Q13	% Change
Net Revenue	\$114M	\$117M	(3%)
Operating Profit	\$82M	\$87M	(6%)
Operating Margin	72%	74%	

- 7% decline in Market Data: Driven by \$8M lower audit collections, partially offset by growth in BASIC subscribers and certain pricing initiatives.
- 22% growth in Index Licensing & Services: Driven by growth in both assets under management and number of exchange-traded products licensed to Nasdaq indexes.

## Operating Margin

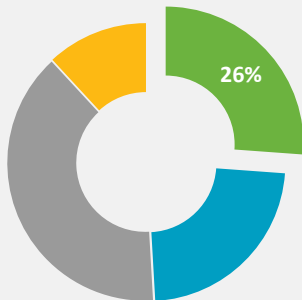


## INFORMATION SERVICES NET REVENUE



# TECHNOLOGY SOLUTIONS

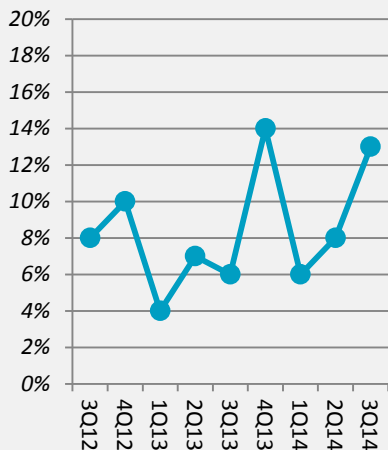
**TS 3Q14  
Net Revenue  
Contribution**



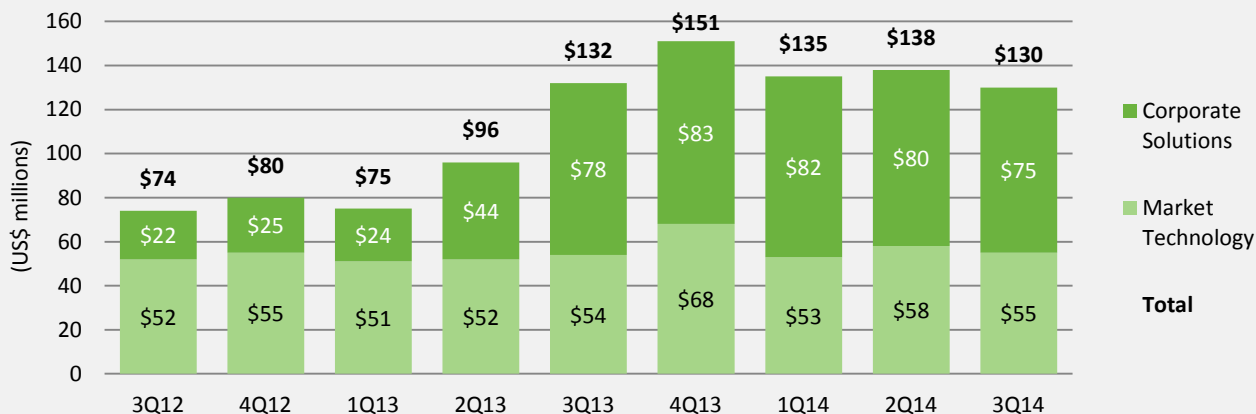
Technology Solutions Performance Summary			
	3Q14	3Q13	% Change
Net Revenue	\$130M	\$132M	(2%)
Operating Profit	\$17M	\$8M	113%
Operating Margin	13%	6%	

- **4% decline in Corporate Solutions:** Due primarily to pricing changes designed to compensate for the impact to certain customers of lost subsidies, as well as other revenue declines in IR product revenues, partially offset by growth in PR & Governance products.
- **2% growth in Market Technology:** Driven by organic growth, particularly at Bwise and SMARTS Broker, partially offset by the impact of foreign exchange.

**Operating Margin**

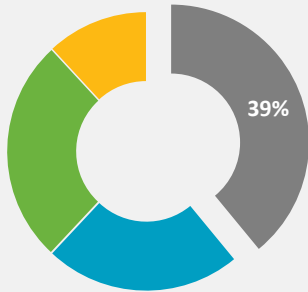


**TECHNOLOGY SOLUTIONS NET REVENUE**



# MARKET SERVICES

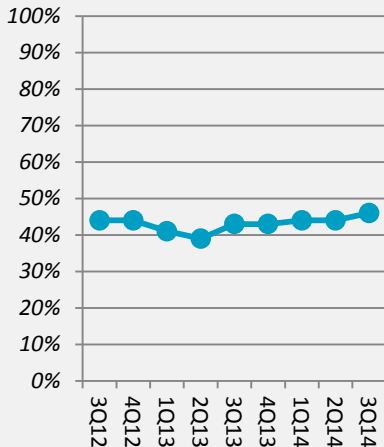
## MS 3Q14 Net Revenue Contribution



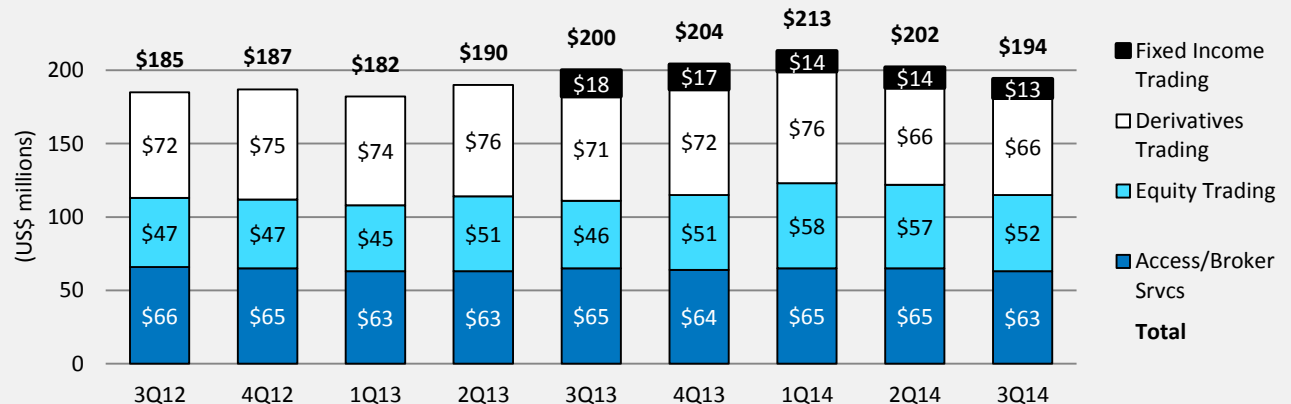
Market Services Performance Summary			
	3Q14	3Q13	% Change
Net Revenue	\$194M	\$200M	(3%)
Operating Profit	\$89M	\$85M	5%
Operating Margin	46%	43%	

- **7% decrease in Derivatives Trading** : European derivatives declined primarily due to foreign exchange impact, while U.S. derivatives fell primarily due to a decline in capture rate, partially offset by higher industry volumes.
- **13% increase in Equities Trading**: U.S. equities rose on higher capture and market share, while European equities were unchanged, as increased market share was offset by foreign exchange impact.
- **28% decrease in Fixed Income Trading**: Fixed Income revenue declined primarily due to lower capture, as well as the impact of a scheduled reduction in revenues from technology licensing.
- **3% decrease in Access & Broker Services**: Access services revenue was lower in part due to foreign exchange impact.

## Operating Margin

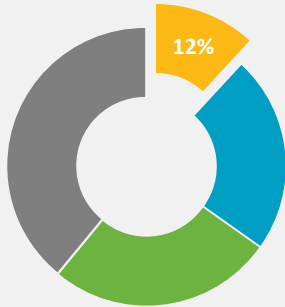


## MARKET SERVICES NET REVENUE



# LISTING SERVICES

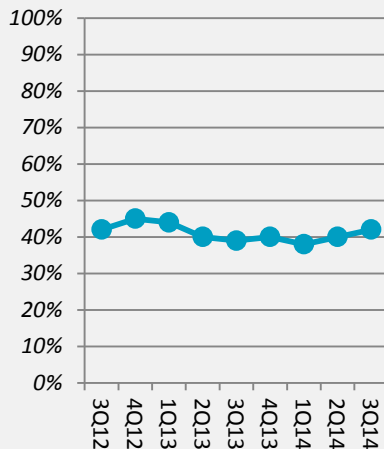
## LS 3Q14 Net Revenue Contribution



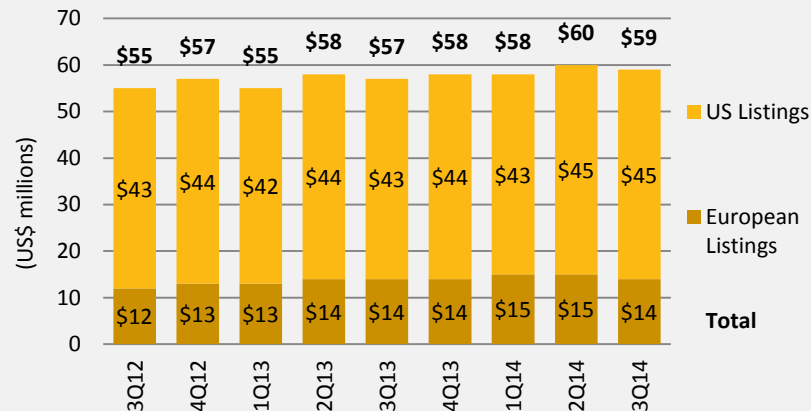
Listing Services Performance Summary			
	3Q14	3Q13	% Change
Net Revenue	\$59M	\$57M	4%
Operating Profit	\$25M	\$22M	14%
Operating Margin	42%	39%	

- 5% increase in U.S. Listing revenue: due primarily to an increased issuer base and the impact of elevated new issue activity.
- Unchanged European Listing revenue: increases in the issuer base and market capitalization were offset by the impact of foreign exchange rates.

## Operating Margin



## LISTING SERVICES NET REVENUE



## 3Q14 KEY HIGHLIGHTS

- ▶ NASDAQ U.S. IPO wins in 3Q14 rose to 41 from 38 in 3Q13.
- ▶ U.S. win rate was 62% for 3Q14, and 61% YTD 2014 vs. 52% for the full year of 2013.
- ▶ 3Q14 saw a continuation of elevated industry-wide activity levels, with 66 U.S. listings priced industry-wide.
- ▶ Total Nordic listed company market capitalization rose 11% vs. 3Q13.
- ▶ In 3Q14, Nasdaq announced 2015 pricing changes for U.S. listings.



# ACQUISITION UPDATE:

## HOW ESPEED & TR IR/MMS/PR MEET REQUIREMENTS FOR ACQUISITIONS

- **Strategically Relevant:** *Leverages Nasdaq's technology and customers*
- **Accretive to EPS Within 1 year:** *Both were accretive in the first full quarter of ownership*
- **Attractive Returns on Capital:** *Considers ROIC vs. both cost of capital and deployment alternatives*

### E-SPEED

- **Synergy Opportunity:**
  - Cross-market electronic fixed income trading
  - Structural expansion in Treasury market size
  - Leverage Nasdaq's "World Class" Market Operations team to strengthen support
- **Progress Update:**
  - **System improvements:**
    - » >45% Improvement in round trip performance
    - » Established Remote Connection Points of Presence in Equinix Secaucus and London data centers
    - » Chicago-based DR facility and POP planned 4Q14
  - **Market participants:**
    - » 15 new accounts since acquisition
    - » 68 in current pipeline - 6 additional accounts targeted within 1H15
  - **Menu expansion:**
    - » Successful launch of the industry's first fully electronic UST Bills marketplace
    - » UST Short Coupon and Coupon Rolls est. in 4Q14.
    - » Off-the-Runs launch est. in 1Q15

### THOMSON REUTERS IR/MMS/PR BUSINESSES

- **Synergy Opportunity:**
  - Cross selling opportunities
  - Enhances appeal by creating improved, "best of breed" products
  - \$35 million of estimated cost synergies
- **Progress Update:**
  - "Lead to Cash" project is complete with the billing services migration from TR in 3Q14
  - Exit from several TR transition services completed
  - Launched IR Mobile next generation offering
  - Product/client migrations progressing well
    - » Multimedia Solutions platform and encoding consolidation and security enhancements complete
- **Investing in:**
  - Next generation IR desktop and mobile systems
  - PR press distribution platform consolidation, media monitoring & targeting platform
  - Next generation Directors Desk

# SUMMARY NON-GAAP P&L REVIEW

- ▶ Net revenues decreased 2% y-o-y in 3Q14, and decreased 1% on an organic basis (constant currency, excluding acquisitions)
- ▶ Non-GAAP operating expenses fell 7% y-o-y, primarily as the result of lower compensation and contract services expense. On an organic basis, operating expenses fell 6%.
- ▶ Net interest expense declined \$2M
- ▶ Non-GAAP EPS of \$0.72 in 3Q14, up \$0.06 from \$0.66 in 3Q13
- ▶ Diluted shares up 1.1M y-o-y to 173.2 million, due to issuance of deferred equity consideration for the eSpeed acquisition and recurring equity-based compensation, partially offset by stock repurchases

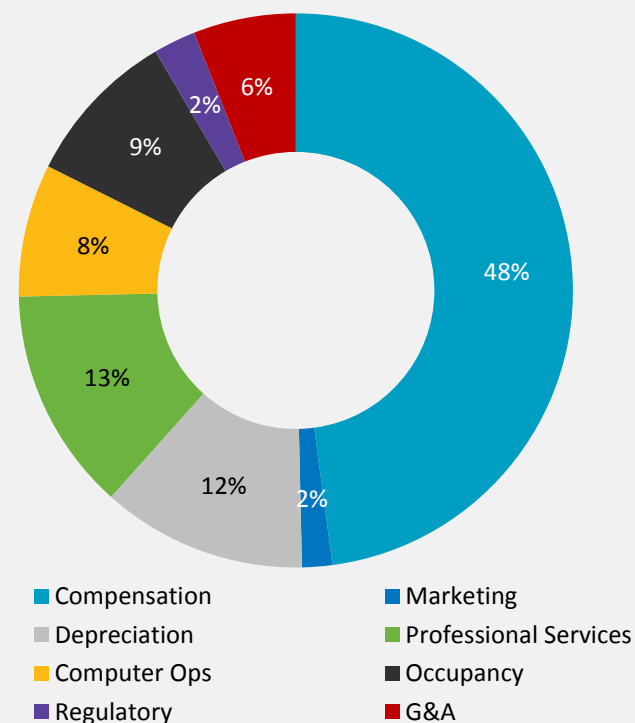
(US\$ millions, except per share)	3Q14	3Q13	\$ chg.	% chg.
<b>Net Revenue</b>	<b>\$497</b>	<b>\$506</b>	<b>(\$9)</b>	<b>(2%)</b>
<i>Organic revenue growth (constant currency, ex acquisitions)</i>	-	-	-	<i>(1%)</i>
<b>Non-GAAP Operating Expenses</b>	<b>284</b>	<b>304</b>	<b>(20)</b>	<b>(7%)</b>
<i>Organic operating expense growth (constant currency, ex acquisitions)</i>	-	-	-	<i>(6%)</i>
<b>Non-GAAP Operating Income</b>	<b>213</b>	<b>202</b>	<b>11</b>	<b>5%</b>
<i>Non-GAAP Operating Margin %</i>	<i>43%</i>	<i>40%</i>		
<hr/>				
Net Interest Expense	28	30	(2)	(7%)
<hr/>				
<b>Non-GAAP Net Income</b>	<b>125</b>	<b>113</b>	<b>12</b>	<b>11%</b>
<b>Non-GAAP diluted EPS</b>	<b>\$0.72</b>	<b>\$0.66</b>	<b>\$0.06</b>	<b>9%</b>
Diluted Shares	173.2	172.1	1.1	1%

# NON-GAAP OPERATING EXPENSES

(US\$ millions)

Total Non-GAAP operating expenses	3Q14	2Q14	3Q13
Compensation and benefits	136	145	150
Marketing and advertising	5	9	7
Depreciation and amortization	34	35	33
Professional and contract services	37	41	41
Computer operations and data communications	22	23	22
Occupancy	26	24	26
Regulatory	7	7	8
General, admin. & other	17	24	17
Total non-GAAP operating expenses	\$284	\$308	\$304
<b>3Q14 non-GAAP operating exp. @ 2Q14 currency rates</b>	<b>\$288</b>		
<b>3Q14 non-GAAP operating exp. @ 3Q13 currency rates</b>	<b>\$286</b>		

3Q14 EXPENSE CATEGORIES



# 2014 GUIDANCE <sup>(1)</sup>

(US\$ millions)	Prior 2014 Guidance	Updated 2014 Guidance
Core Non-GAAP Operating Expenses	\$1,190-\$1,210	\$1,175-\$1,190
New Initiatives Operating Expenses	\$30-\$40	\$30-\$35
<b>Total Non-GAAP Operating Expenses</b>	<b>\$1,220-\$1,250</b>	<b>\$1,205-\$1,225</b>
Effective Tax Rate	33%-35%	33%-35%

1. The guidance does not reflect the impact of any restructuring or integration charges.

# DEBT OBLIGATIONS

- ▶ 3Q14 total debt decreased by \$63M vs. 2Q14 primarily due to \$63 million decrease in book value of Euro bond due to currency rate changes
- ▶ Manageable debt maturities, with \$123M maturing in 2016 and largest portion (32%) of debt maturing in 2021
- ▶ Net interest expense for 3Q14 was \$28M, a decrease of \$2M as compared to \$30M in 3Q13, primarily due to decreased interest expense on decreased balances of the term loan and the revolver

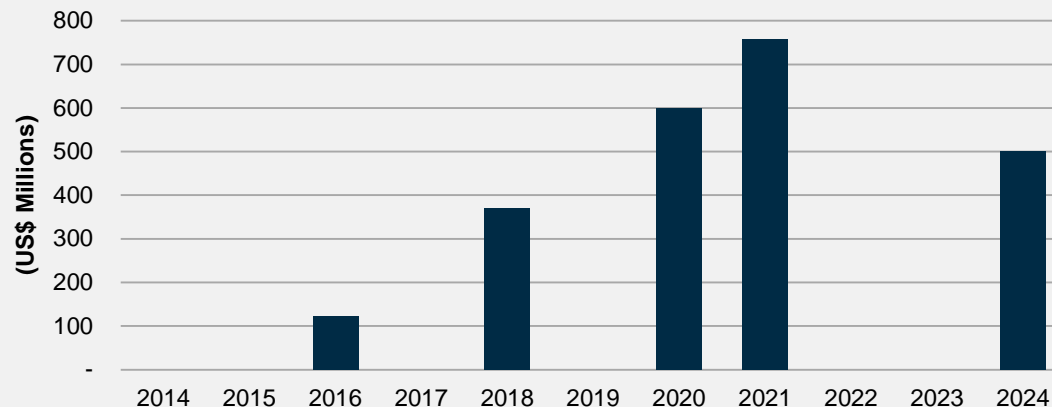
(\$ millions)	9/30/14	Maturity Date
Revolver (Libor +137.5 bps)	-	09/19/16
Amortizing Term Loan (Libor +137.5 bps)	123	09/19/16
5.25% Bond	368	01/16/18
5.55% Bond	599	01/15/20
3.88% Euro Bond	757	06/07/21
4.25% Bond	498	06/01/24
<b>Total Debt Obligations</b>	<b>\$ 2,345</b>	-
Less Cash and Cash Equivalents	(286)	-
Net Debt	\$2,059	-

Net Debt to EBITDA <sup>1</sup> = 2.1x

Total Debt to EBITDA <sup>1</sup> = 2.4x

LTM EBITDA <sup>1</sup> = \$987 million

## DEBT MATURITIES



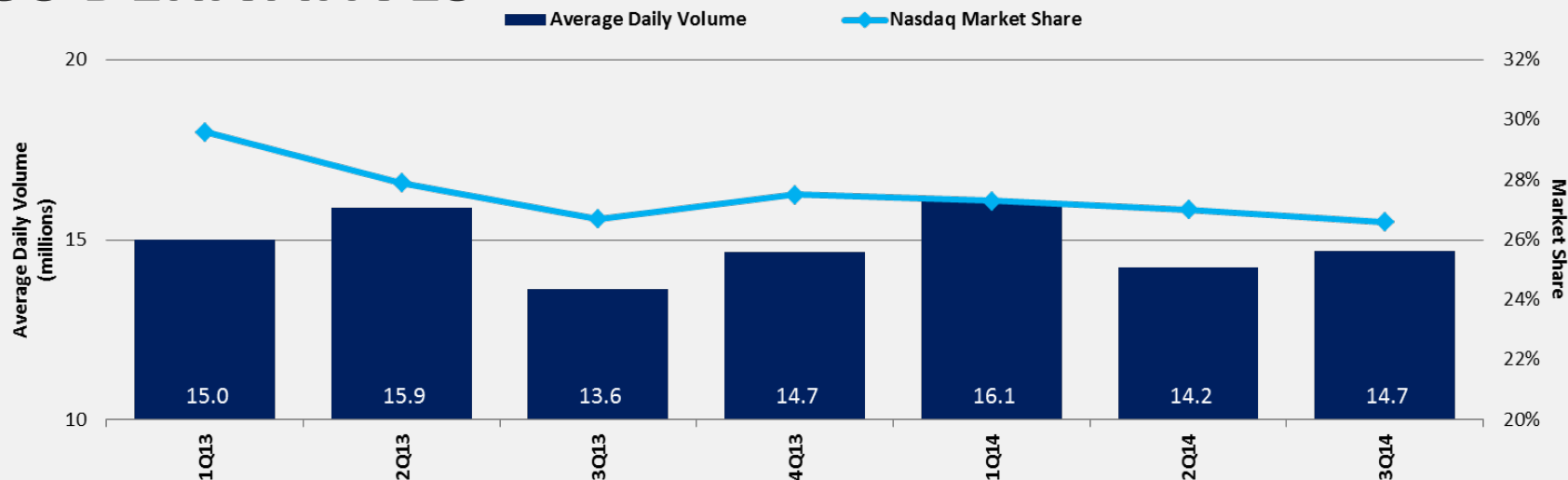
1. See Appendix for EBITDA reconciliation.

---

# APPENDIX

---

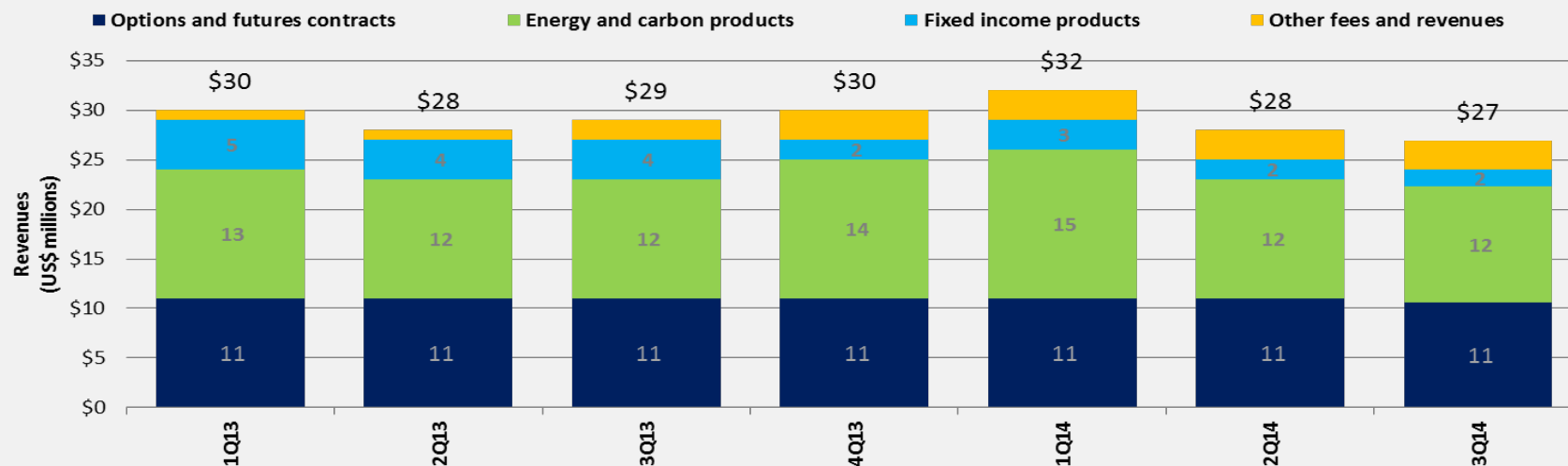
# US DERIVATIVES



	FY13				FY14		
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Total industry ADV (Contracts in M) <sup>a</sup>	15.0	15.9	13.6	14.7	16.1	14.2	14.7
# of trading days <sup>b</sup>	60	64	64	64	61	63	64
Industry quarterly volume (M) <sup>a*b=c</sup>	899	1,016	872	939	980	896	941
<i>Matched market share % on:</i>							
PHLX	20.7%	18.0%	16.7%	17.6%	16.0%	15.6%	16.3%
NOM	7.9%	8.9%	9.0%	9.1%	10.3%	10.6%	9.5%
BX	1.0%	1.0%	1.0%	0.8%	1.0%	0.8%	0.8%
<b>Total market share<sup>d</sup></b>	<b>29.6%</b>	<b>27.9%</b>	<b>26.7%</b>	<b>27.5%</b>	<b>27.3%</b>	<b>27.0%</b>	<b>26.6%</b>
NDAQ quarterly volume (M) <sup>c*d=e</sup>	266	284	233	258	268	242	250
Net U.S. derivative trading revenue <sup>f</sup>	44	48	42	42	44	38	39
Revenue capture per contract <sup>f/e</sup>	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Section 31 fees	8	7	5	6	6	7	6

Note: numbers may vary slightly due to rounding

# EUROPEAN DERIVATIVES

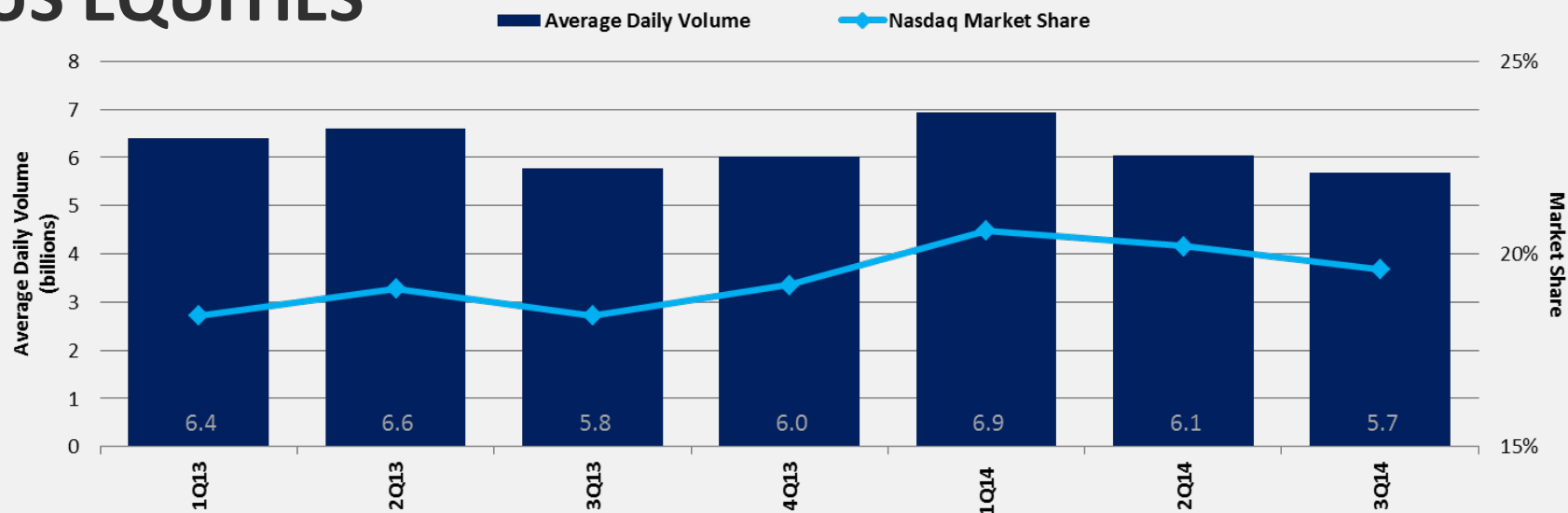


	FY13				FY14		
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
<b>Revenues (US\$ in Millions)</b>							
Options and futures contracts	11	11	11	11	11	11	11
Energy and carbon products	13	12	12	14	15	12	12
Fixed income products	5	4	4	2	3	2	2
Other fees and revenues	1	1	2	3	3	3	3
<b>European derivative &amp; clearing</b>	<b>30</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>32</b>	<b>28</b>	<b>27</b>
<b>Volumes</b>							
Options and futures (millions of contracts)	27.8	24.1	24.1	21.7	23.9	20.3	21.5
Energy trading and clearing (TWh)	704	644	566	692	683	542	604
Fixed income products (millions of contracts)	8.9	8.3	6.5	8.4	7.3	6.2	5.1
<b>Revenue Capture</b>							
Options and futures (RPC)	\$ 0.40	\$ 0.46	\$ 0.45	\$ 0.52	\$ 0.46	\$ 0.53	\$ 0.49
Energy trading and clearing (\$'000 per TWh)	\$ 18.49	\$ 18.47	\$ 20.81	\$ 20.23	\$ 21.96	\$ 22.14	\$ 19.37
Fixed Income (RPC) <sup>(1)</sup>	\$ 0.62	\$ 0.65	\$ 0.92	\$ 0.64	\$ 0.70	\$ 0.73	\$ 0.79
SEK/US\$	\$ 0.155	\$ 0.152	\$ 0.158	\$ 0.158	\$ 0.155	\$ 0.152	\$ 0.144
Euro/US\$	\$ 1.320	\$ 1.306	\$ 1.325	\$ 1.362	\$ 1.370	\$ 1.372	\$ 1.330

1. Fixed Income revenue includes 2Q13, 3Q13, 4Q13, 1Q14, 2Q14 and 3Q14 impact from NLX, which is excluded in the revenue capture calculation.



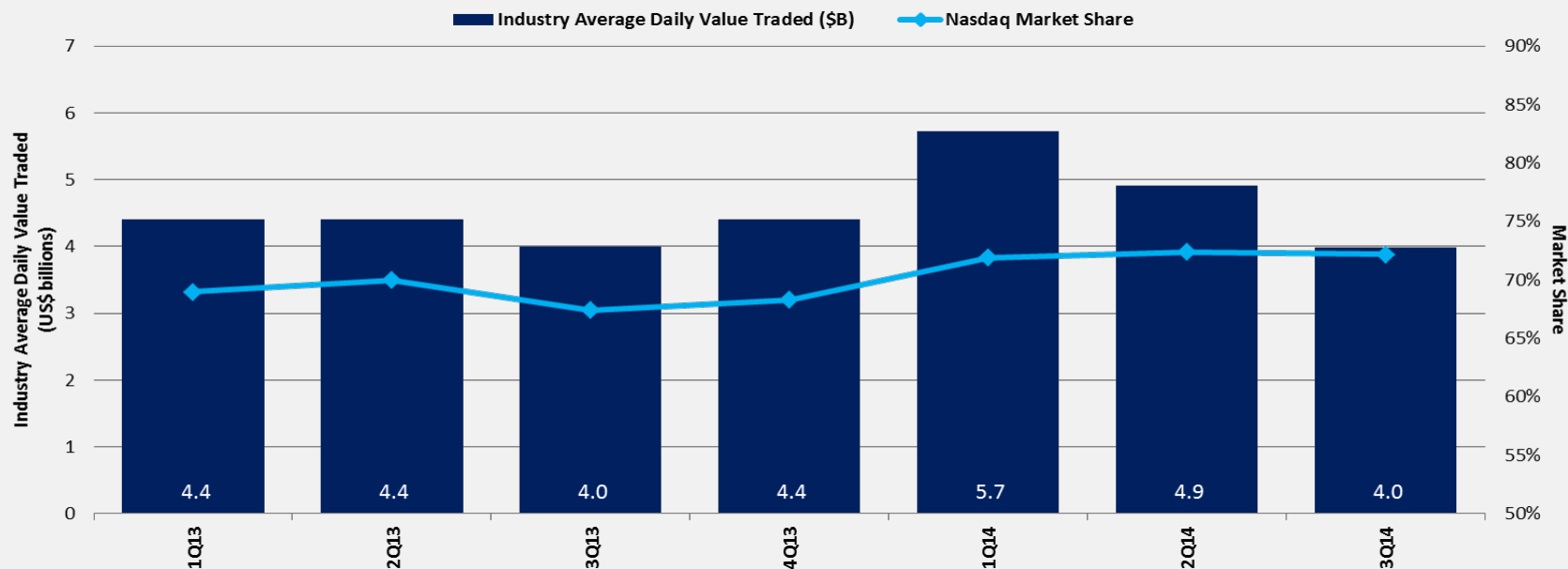
# US EQUITIES



	FY13				FY14		
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Average Daily Share Volume (B) <sup>a</sup>	6.4	6.6	5.8	6.0	6.9	6.1	5.7
# of trading days <sup>b</sup>	60	64	64	64	61	63	64
Industry quarterly volume (B) <sup>a*b=c</sup>	382	422	370	385	423	381	364
<i>Matched market share % on:</i>							
NASDAQ	15.1%	15.9%	15.3%	16.1%	17.2%	17.1%	16.6%
BX	2.5%	2.4%	2.4%	2.6%	2.9%	2.6%	2.5%
PSX	0.8%	0.8%	0.7%	0.5%	0.5%	0.5%	0.5%
<b>Total market share<sup>d</sup></b>	<b>18.4%</b>	<b>19.1%</b>	<b>18.4%</b>	<b>19.2%</b>	<b>20.6%</b>	<b>20.2%</b>	<b>19.6%</b>
NDAQ quarterly share volume (B) <sup>c*d=e</sup>	70	81	68	74	87	77	71
Net U.S. cash equity trading revenue <sup>f</sup>	23	29	25	29	32	33	31
Revenue capture per 1000 shares <sup>f/e</sup>	\$ 0.33	\$ 0.36	\$ 0.37	\$ 0.40	\$ 0.38	\$ 0.43	\$ 0.44
Section 31 fees	64	69	52	58	69	76	71

Notes: numbers may vary slightly due to rounding

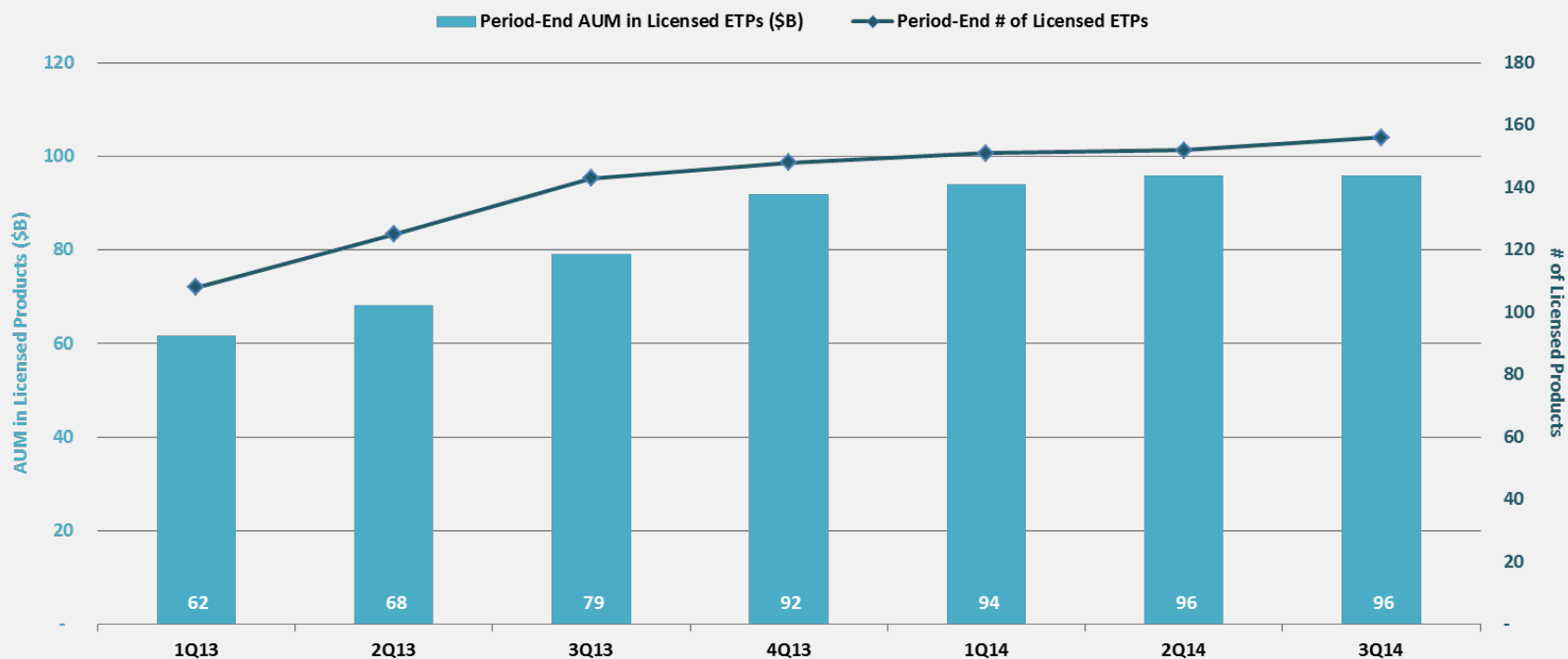
# EUROPEAN EQUITIES



	FY13				FY14		
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Industry Average Daily Value Traded (\$B)	4.4	4.4	4.0	4.4	5.7	4.9	4.0
NASDAQ OMX Market Share %	69%	70%	67%	68%	72%	72%	72%
<b>NDAQ ADV traded (\$B)</b>	3.0	3.1	2.7	3.0	4.1	3.6	2.8
# of trading days	62	60	65	62	62	59	66
NDAQ quarterly value shares traded (\$B)	192	183	176	185	255	210	184
<b>Euro cash equity trading rev. (\$M)</b>	<b>22</b>	<b>22</b>	<b>21</b>	<b>22</b>	<b>26</b>	<b>24</b>	<b>21</b>
Revenue capture per \$'000 traded	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.10	\$ 0.11	\$ 0.11
SEK/US\$	\$ 0.155	\$ 0.152	\$ 0.158	\$ 0.158	\$ 0.155	\$ 0.152	\$ 0.144

Note: numbers may vary slightly due to rounding

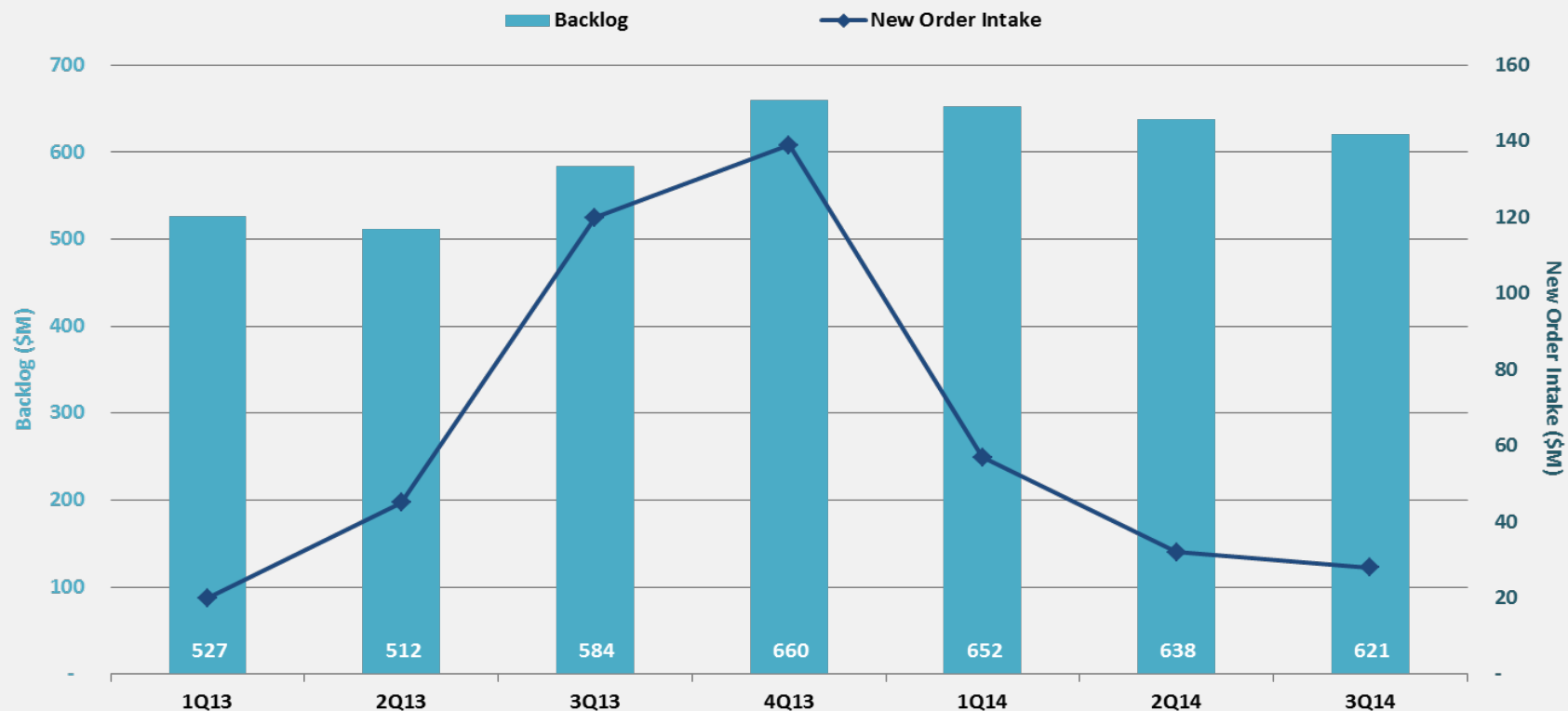
# INDEX LICENSING AND SERVICES, INDEX DATA



	FY13				FY14		
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Period-End # of Licensed ETPs	108	125	143	148	151	152	156
Period-End AUM in Licensed ETPs (\$B)	62	68	79	92	94	96	96
Index Licensing & Servicing Revenues	17	18	18	20	23	22	22
Index Data Revenues	7	6	7	7	7	8	7
<b>Total Index Related Revenues (\$M)</b>	<b>24</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>30</b>	<b>30</b>	<b>29</b>

Note: numbers may vary slightly due to rounding

# MARKET TECHNOLOGY



	FY13				FY14		
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
New Order Intake	20	45	120	139	57	32	28
Backlog	527	512	584	660	652	638	621
Revenue	51	52	54	68	53	58	55

# HISTORICAL CASH FLOW / USES OF CASH FLOW

Free Cash Flow Calculation (US\$ millions)	2009	2010	2011	2012	2013	2014YTD	2009 – 2014YTD
Cash flow from operations	\$582	\$440	\$669	\$594	\$574	\$407	<b>\$3,266</b>
Capital expenditure	(59)	(42)	(88)	(87)	(115)	(93)	<b>(484)</b>
<b>Free cash flow</b>	<b>523</b>	<b>398</b>	<b>581</b>	<b>507</b>	<b>459</b>	<b>314</b>	<b>2,782</b>
Section 31 fees	(88)	55	(24)	9	15	56	<b>23</b>
<b>Free cash flow ex. Section 31 fees</b>	<b>435</b>	<b>453</b>	<b>557</b>	<b>516</b>	<b>474</b>	<b>370</b>	<b>2,805</b>
<b>Uses of cash flow</b>							
Share repurchases	-	797	100	275	10	121	<b>1,303</b>
Net repayment/(borrowing) of debt	340	(193)	248	145	(606)	235	<b>169</b>
Acquisitions (less dispositions)	(46)	189	26	112	1,164	-	<b>1,445</b>
Dividends	-	-	-	65	87	73	<b>225</b>
<b>Total uses of cash flow</b>	<b>294</b>	<b>793</b>	<b>374</b>	<b>597</b>	<b>655</b>	<b>429</b>	<b>3,142</b>

# NET INCOME AND DILUTED EARNINGS PER COMMON SHARE: RECONCILIATION OF GAAP TO NON-GAAP

(US\$ millions, except EPS)	3Q14	2Q14	3Q13
<b>GAAP net income attributable to Nasdaq:</b>	<b>\$123</b>	<b>\$101</b>	<b>\$113</b>
Merger and strategic initiatives <sup>(1)</sup>	5	14	-
Extinguishment of debt	-	9	-
Special legal expenses	-	1	-
Other	1	-	-
<b>Total Non-GAAP Adjustments</b>	<b>6</b>	<b>24</b>	<b>-</b>
Adjustment to the income tax provision to reflect non-GAAP adjustments <sup>(2)</sup>	(2)	(7)	(3)
Significant tax adjustments, net <sup>(3)</sup>	(2)	2	3
Total Non-GAAP Adjustments, net of tax	2	19	-
<b>Non-GAAP net income attributable to Nasdaq:</b>	<b>\$125</b>	<b>\$120</b>	<b>\$113</b>
<b>GAAP diluted earnings per common share:</b>	<b>\$0.71</b>	<b>\$0.59</b>	<b>\$0.66</b>
Total adjustments from non-GAAP net income, above	0.01	0.11	-
<b>Non-GAAP diluted earnings per common share</b>	<b>\$0.72</b>	<b>\$0.70</b>	<b>\$0.66</b>

- For the three months ended September 30, 2014, merger and strategic initiatives costs are primarily related to the acquisition of the TR Corporate Solutions businesses in May 2013. For the three months ended June 30, 2014, merger and strategic initiatives costs are primarily related to the acquisition of the TR Corporate Solutions businesses and other strategic initiatives. For the three months ended September 30, 2013, merger and strategic initiatives expense included \$8 million of costs primarily related to the acquisitions of eSpeed and the TR Corporate Solutions businesses. This amount was offset by the re-measurement of a contingent purchase price liability related to the BWISE acquisition due to changes in the anticipated performance of BWISE.
- We determine the tax effect of each item based on the tax rules in the respective jurisdiction where the transaction occurred. For the three months ended September 30, 2013, the adjustment includes the \$8 million of merger and strategic initiatives expense described in note (1) above.
- For the three months ended September 30, 2014 and June 30, 2014, the amount relates to previous tax return liabilities which have resulted in an adjustment to the tax provision. For the three months ended September 30, 2013, the amount represents an increase in net deferred tax liabilities resulting from changes in tax rates in various jurisdictions.

# OPERATING INCOME: RECONCILIATION OF GAAP TO NON-GAAP

<i>(US\$ millions)</i>	3Q14	2Q14	1Q14	4Q14	3Q13
<b>GAAP operating income:</b>	<b>\$207</b>	<b>\$191</b>	<b>\$184</b>	<b>\$238</b>	<b>\$202</b>
<u>Adjustments:</u>					
Merger and strategic initiatives <sup>(1)</sup>	5	14	28	(11)	-
Extinguishment of debt	-	9	-	-	-
Special legal expenses	-	1	1	1	-
Voluntary accommodation program	-	-	-	(18)	-
Securities and Exchange commission matter	-	-	-	-	-
Other	1	-	1	-	-
Total adjustments	6	24	30	(3)	-
<b>Non-GAAP operating income</b>	<b>\$213</b>	<b>\$215</b>	<b>\$214</b>	<b>\$207</b>	<b>\$202</b>
<b>Total net revenues</b>	<b>\$497</b>	<b>\$523</b>	<b>\$529</b>	<b>\$520</b>	<b>\$506</b>
<b>Non-GAAP operating margin <sup>(2)</sup></b>	<b>43%</b>	<b>41%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>

- For the three months ended September 30, 2014, merger and strategic initiatives costs are primarily related to the acquisition of the TR Corporate Solutions businesses in May 2013. For the three months ended June 30, 2014 and March 31, 2014, merger and strategic initiatives costs are primarily related to the acquisition of the TR Corporate Solutions businesses and other strategic initiatives. For the three months ended December 31, 2013, merger and strategic initiatives expense included a \$23 million credit associated with a receivable under a tax sharing agreement with an unrelated party partially offset by costs related to the acquisition of the TR Corporate Solutions businesses and other strategic initiatives. For the three months ended September 30, 2013, merger and strategic initiatives expense included \$8 million of costs primarily related to the acquisitions of eSpeed and the TR Corporate Solutions businesses. This amount was offset by the re-measurement of a contingent purchase price liability related to the BWISE acquisition due to changes in the anticipated performance of BWISE.
- Non-GAAP operating margin equals non-GAAP operating income divided by total revenues less transaction rebates, brokerage, clearance and exchange fees.

# OPERATING EXPENSES: RECONCILIATION OF GAAP TO NON-GAAP

<i>(US\$ millions)</i>	3Q14	2Q14	3Q13
<b>GAAP operating expenses:</b>	<b>\$ 290</b>	<b>\$ 332</b>	<b>\$ 304</b>
<u>Adjustments:</u>			
Merger and strategic initiatives <sup>(1)</sup>	(5)	(14)	-
Extinguishment of debt	-	(9)	-
Special legal expenses	-	(1)	-
Other	(1)	-	-
Total adjustments	(6)	(24)	-
<b>Non-GAAP operating expenses</b>	<b>\$ 284</b>	<b>\$ 308</b>	<b>\$ 304</b>

- For the three months ended September 30, 2014, merger and strategic initiatives costs are primarily related to the acquisition of the TR Corporate Solutions businesses in May 2013. For the three months ended June 30, 2014, merger and strategic initiatives costs are primarily related to the acquisition of the TR Corporate Solutions businesses and other strategic initiatives. For the three months ended September 30, 2013, merger and strategic initiatives expense included \$8 million of costs primarily related to the acquisitions of eSpeed and the TR Corporate Solutions businesses. This amount was offset by the re-measurement of a contingent purchase price liability related to the BWISE acquisition due to changes in the anticipated performance of BWISE.



# EXPENSE DETAIL: RECONCILIATION OF GAAP TO NON-GAAP

<i>(US\$ millions)</i>	3Q14	2Q14	3Q13
<b><u>Professional and contract services</u></b>			
GAAP	37	42	41
Adjustments	-	(1)	-
<b>non-GAAP</b>	<b>\$37</b>	<b>\$41</b>	<b>\$41</b>
<b><u>Merger and strategic initiatives</u></b>			
GAAP	5	14	-
Adjustments	(5)	(14)	-
<b>non-GAAP</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>General, administrative and other</u></b>			
GAAP	18	33	17
Adjustments	(1)	(9)	-
<b>non-GAAP</b>	<b>\$17</b>	<b>\$24</b>	<b>\$17</b>
<b>Total Adjustments</b>	<b>(\$6)</b>	<b>(\$24)</b>	<b>-</b>

# EBITDA: EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

<i>(US\$ millions)</i>	TTM	3Q14	2Q14	1Q14	4Q13
<b>Non-GAAP operating income</b>	\$849	\$213	\$215	\$214	\$207
<u>Plus:</u>					
Depreciation and amortization	138	34	35	35	34
<b>EBITDA</b>	<b>\$987</b>	<b>\$247</b>	<b>\$250</b>	<b>\$249</b>	<b>\$241</b>