

3Q17 Earnings Presentation

October 25, 2017



NASDAQ 3Q17 HIGHLIGHTS¹

Applied Technology, Innovation, Growth, Resiliency and Total Shareholder Return

Record Revenues, Non-GAAP Op. Inc.

Operating Income:
\$290 Million
+8% Y-o-Y

Information Services

3Q17 Revenue
Growth
+9% Y-o-Y

Index Licensing & Services

3Q17 Revenue
Growth
+21% Y-o-Y

Market Technology

YTD'17 Revenues
+8% Y-o-Y
Record Backlog:
\$805 Million

Non-GAAP Operating Margin

48% in 3Q17
versus
46% in 3Q16

Nasdaq Futures, Inc. (NFX)

3Q17 ADV: 192K,
+33% Y-o-Y
Open Interest:
3.3 Million

Free Cash Flow ex Section 31 Fees

\$579 Million
YTD 2017
+22% Y-o-Y

Capital Returns to Shareholders²

\$355 Million YTD
2017
66% of non-GAAP
Net Income

¹Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

²Refers to share repurchases plus dividends.

3Q17 NON-GAAP SUMMARY⁽¹⁾

<i>(US\$ millions, except per share)</i>	3Q17	3Q16	% Δ
Revenue from non-trading segments ⁽²⁾	\$388	\$372	4%
Market Services Net Revenue ⁽³⁾	\$219	\$213	3%
Net Revenues⁽³⁾	\$607	\$585	4%
Operating Expenses	\$317	\$317	—
Operating Income	\$290	\$268	8%
Operating Margin	48%	46%	—
Net Income	\$181	\$154	18%
Diluted EPS	\$1.06	\$0.91	16%
Diluted Shares Outstanding	170.0	169.5	—

- 3Q17 net revenues⁽³⁾ totaled \$607 million, +4% Y-o-Y
 - Revenues from non-trading segments⁽²⁾ increased 4%, or \$16 million y-o-y, with increases in Information Services and Market Technology.
 - Net revenues from Market Services⁽³⁾ increased 3%, or \$6 million y-o-y, primarily on higher Trade Management Services revenues.
- Subscription and recurring revenue businesses⁽⁴⁾ constituted 76% of total revenues in 3Q17.

1. Please refer to the appendix for a reconciliation of U.S. GAAP to non-GAAP measures.

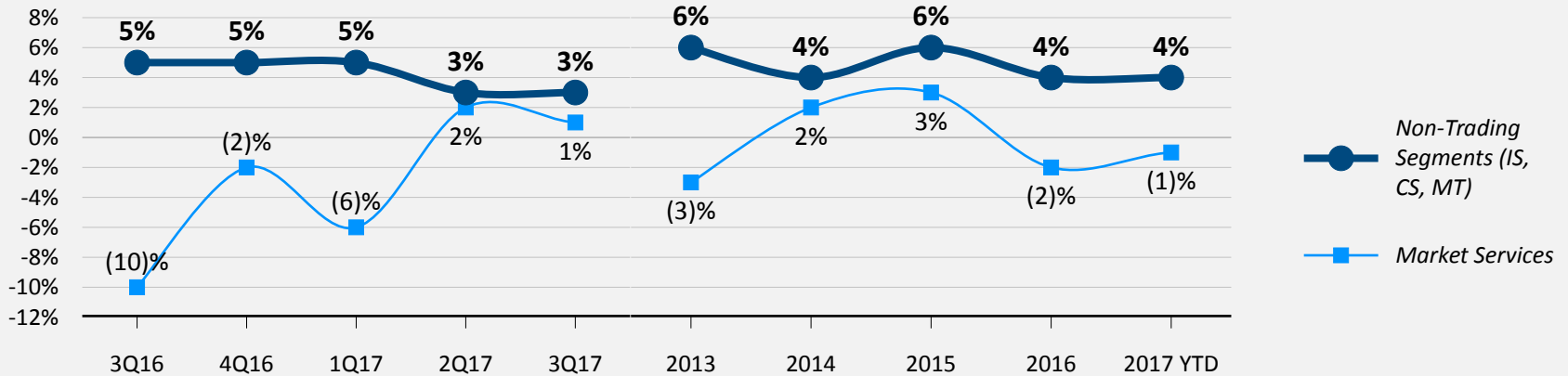
2. Represents revenues from our Corporate Services, Information Services and Market Technology segments.

3. Represents revenues less transaction-based expenses.

4. Represents revenues from our Corporate Services, Information Services and Market Technology segments, as well as our Trade Management Services business.

ORGANIC REVENUE AND OUTLOOK

NASDAQ YEAR-OVER-YEAR REVENUE GROWTH EXCLUDING ACQUISITIONS, CONSTANT CURRENCY⁽¹⁾



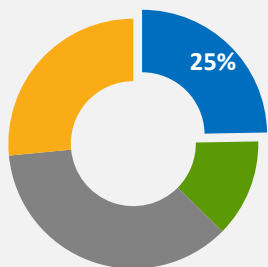
NASDAQ MEDIUM-TERM (3-5 YR) ORGANIC REVENUE GROWTH OUTLOOK

U.S. GDP ⁽²⁾	S&P 500 Revenue Consensus ⁽³⁾	Information Services	Market Technology	Corporate Services	Non-Trading Segments (IS, CS, MT)
2% -2.5%	4% - 5%	Mid Single Digits	Mid to High Single Digits	Low Single Digits	Mid-Single Digits

1. Please refer to pages 26-27 for a reconciliation of organic revenue growth.
2. GDP forecasts for 2017 and 2018 according to Consensus Economics Inc.
3. FactSet consensus est. 2016-2018 average annual revenue growth, as of 10/16/2017.

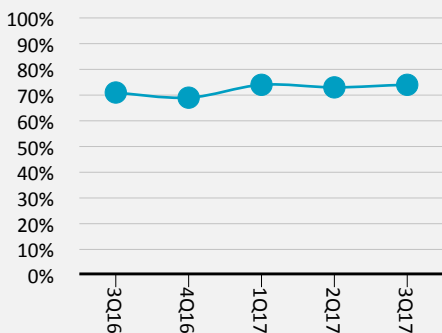
INFORMATION SERVICES

IS 3Q17
Net Revenue
Contribution

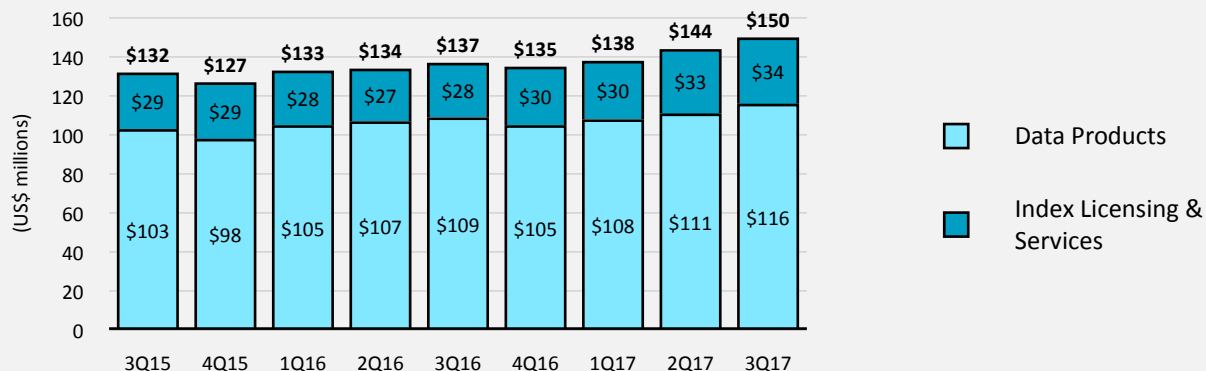


Information Services Performance Summary				
	3Q17	3Q16	% Δ	
Net Revenue	\$150M	\$137M	9%	<ul style="list-style-type: none"> 6% increase in Data Products revenues: Primarily due to growth in shared tape plan revenues as well as higher audit collections.
Operating Income	\$111M	\$97M	14%	
Operating Income Margin	74%	71%		<ul style="list-style-type: none"> 21% increase in Index Licensing & Services revenues: Primarily due to higher assets under management in exchange traded products linked to Nasdaq indexes.

Operating Income Margin ⁽¹⁾



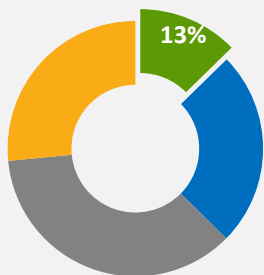
INFORMATION SERVICES NET REVENUES



1. Information Services' margins reflect the allocation of certain costs that support the operation of various aspects of Nasdaq's business, including Market Services, to units other than Information Services.

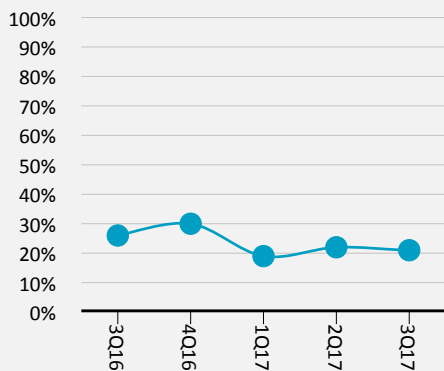
MARKET TECHNOLOGY

MT 3Q17
Net Revenue
Contribution

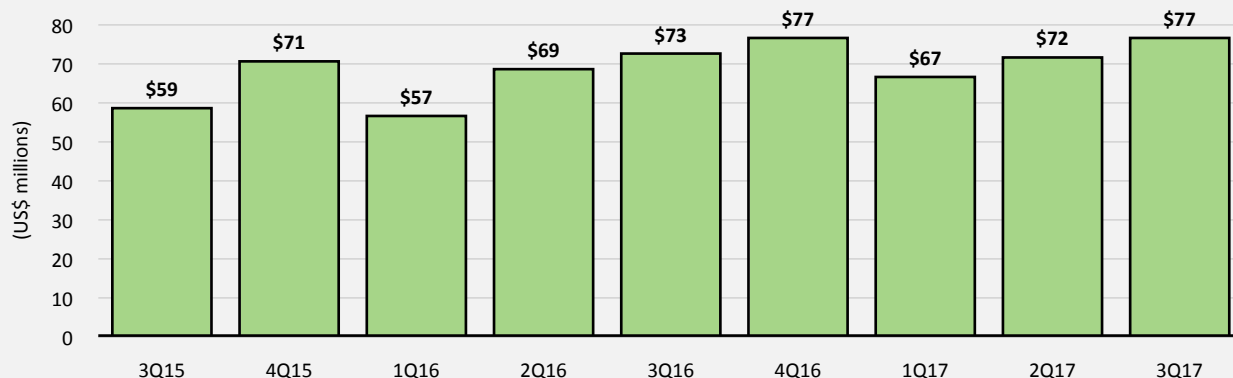


Market Technology Performance Summary				
	3Q17	3Q16	% Δ	
Net Revenue	\$77M	\$73M	5%	<ul style="list-style-type: none"> • 5% growth in Market Technology revenues: The increase primarily reflects higher change requests, organic revenue growth in software as a service revenues, and a favorable impact due to changes in foreign exchange rates, partially offset by lower software, licensing and support revenues. • \$66 million new order intake in 3Q17 and 9% y-o-y increase in total order value to \$805 million at 3Q17. • The operating income margin for Market Technology was 21%, down 5 percentage points, reflecting investments to upgrade technology for the Nasdaq Financial Framework and our surveillance offering.
Operating Income	\$16M	\$19M	(16)%	
Operating Income Margin	21%	26%		

Operating Income Margin

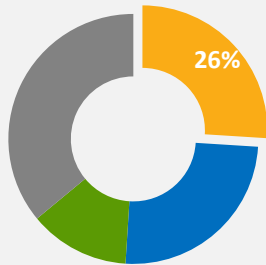


MARKET TECHNOLOGY NET REVENUES



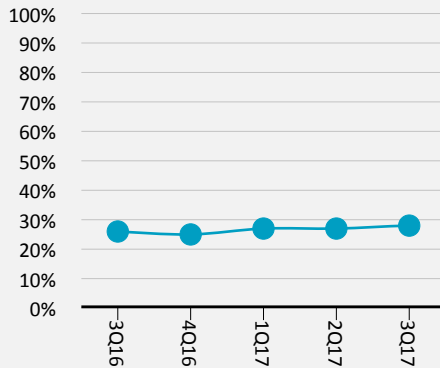
CORPORATE SERVICES

CS 3Q17
Net Revenue
Contribution

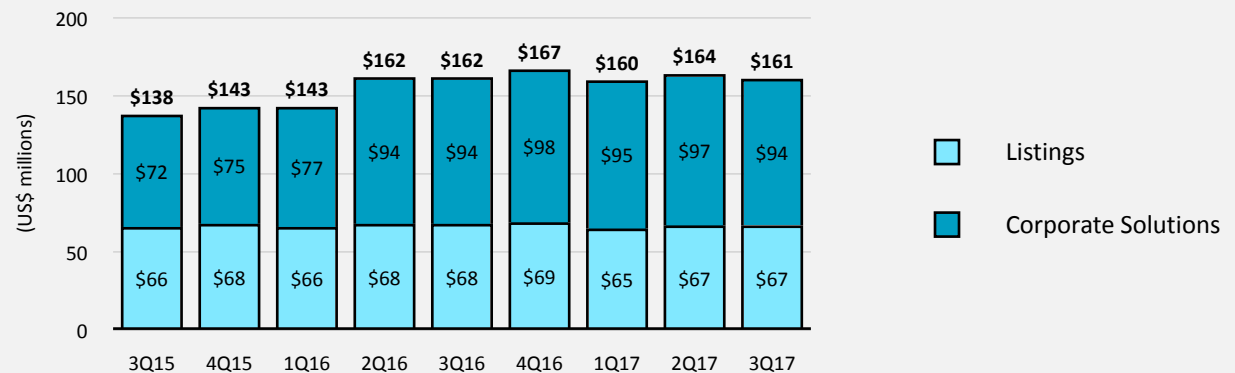


Corporate Services Performance Summary				
	3Q17	3Q16	% Δ	
Net Revenue	\$161M	\$162M	(1)%	<ul style="list-style-type: none"> • Corporate Solutions revenues were unchanged. • 1% decrease in Listing Services revenues: Primarily reflects a decrease in U.S. listings revenues due to the run-off of listing of additional shares fees, which is the result of the implementation of our all-inclusive annual fee, partially offset by an increase in European listing services revenues. • 78 new U.S. listings including 34 IPOs in 3Q17, and a 77% U.S. IPO win rate. • European new listings totaled 11 in 3Q17.
Operating Income	\$45M	\$42M	7%	
Operating Income Margin	28%	26%		

Operating Income Margin

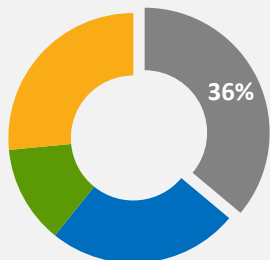


CORPORATE SERVICES NET REVENUES

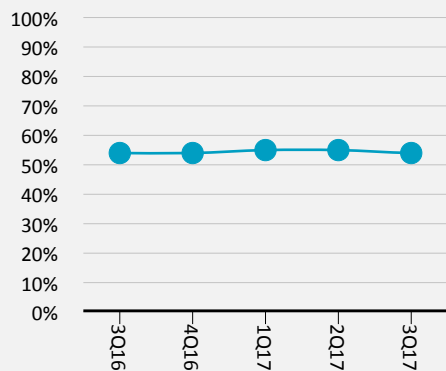


MARKET SERVICES

MS 3Q17
Net Revenue
Contribution



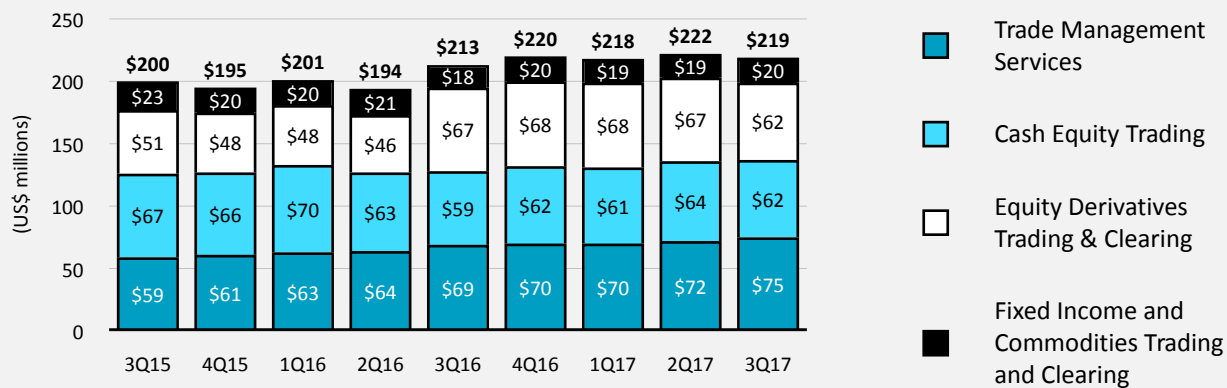
Operating Income Margin



Market Services Performance Summary

	3Q17	3Q16	% Δ	
Net Revenue	\$219M	\$213M	3%	<ul style="list-style-type: none"> ● 7% decrease in Equity Derivative Trading and Clearing revenues: Due primarily to lower net revenue capture, partially offset by higher U.S. industry trading volumes and higher U.S. market share ● 5% increase in Cash Equity Trading revenues: Due to higher European revenues and a favorable impact from foreign exchange rates. ● 9% increase in Trade Management Services revenues: Due primarily to an increase in customer demand for third-party connectivity, co-location and test facilities as well as a favorable impact from foreign exchange rates. ● 11% increase in Fixed Income and Commodities Trading and Clearing revenues: Due to higher volumes and pricing changes at NFX and a favorable impact from changes in foreign exchange rates.
Operating Income	\$118M	\$114M	4%	
Operating Income Margin	54%	54%		

MARKET SERVICES NET REVENUES

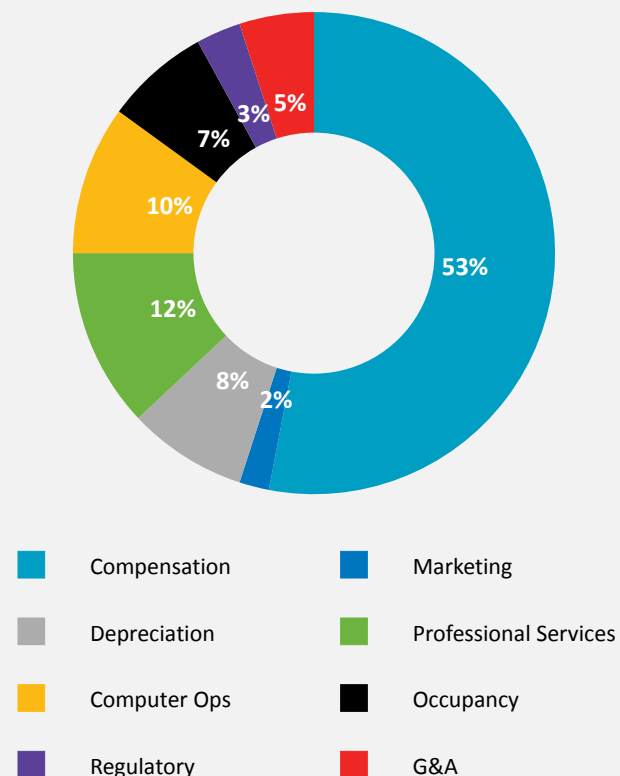


NON-GAAP OPERATING EXPENSES⁽¹⁾

(US\$ millions)

Total Non-GAAP operating expenses	3Q17	2Q17	3Q16
Compensation and benefits	169	163	168
Professional and contract services	39	38	40
Computer operations and data communications	31	30	28
Occupancy	23	23	23
General, admin. & other ⁽²⁾	15	20	19
Marketing and advertising	7	8	8
Depreciation and amortization ⁽²⁾	25	25	23
Regulatory ⁽²⁾	8	8	8
Total non-GAAP operating expenses	317	315	317

3Q17 EXPENSE CATEGORIES



1. Please refer to the appendix for reconciliation of U.S. GAAP to non-GAAP measures.

2. Depreciation and amortization expense in all periods has been adjusted from GAAP expense. For 3Q17, regulatory expense is adjusted and for 2Q17, general, admin. & other expense was also adjusted. Refer to slides 23 and 24 for the amounts and details of the adjustments for all periods presented.

DISCIPLINED EXPENSE MANAGEMENT APPROACH

Organic Y-o-Y Expense Trends ⁽³⁾

2015 Organic Expense Growth	3%
2016 Organic Expense Growth	3%
2017 YTD Organic Expense Growth	1%

Operating Income Margin Trends

Segment	2014	2015	2016
Information Services ²	74%	71%	71%
Corporate Services	22%	25%	25%
Market Technology	20%	24%	25%
Market Services	52%	54%	54%
Total Nasdaq	45%	47%	46%

2017 Tax and Expense Guidance¹ (\$ Millions)

Core Non-GAAP Operating Expenses	1,235 - 1,245
Research & Development	40 - 45
Total Non-GAAP Operating Expenses	1,275 - 1,290
Expected 2017 Non-GAAP Effective Tax Rate	30 - 32%

1. U.S. GAAP operating expense guidance and U.S. GAAP effective tax rate outlook are not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement in foreign currency rates, fluctuations in our stock price, as well as future charges or reversals outside of the normal course of business.
2. Information Services' margins reflect the allocation of certain costs that support the operation of various aspects of Nasdaq's business, including Market Services, to units other than Information Services.

DEBT OVERVIEW

Plan to De-Lever to Mid-2X

- 3Q17 debt increased by \$191M vs. 2Q17 primarily due to \$143M net debt issuance and a \$48M increase in Euro bonds book values caused by a stronger Euro
- With the eVestment acquisition, we expect our leverage ratio to temporarily increase and we plan to de-lever to mid-2x leverage ratio in mid-2019
- 3Q17 net interest expense was \$32M, \$4M lower than in 3Q16, primarily due to a lower average debt balance since the 2016 acquisitions
- Issued \$500M floating rate note in 3Q17; used a portion of the proceeds to pay down \$340M of commercial paper

Leverage Ratios

Net Debt to EBITDA ⁽¹⁾ = 2.6x

Total Debt to EBITDA ⁽¹⁾ = 3.1x

LTM EBITDA ⁽¹⁾ = \$1,223M

1. See Appendix for EBITDA reconciliation.

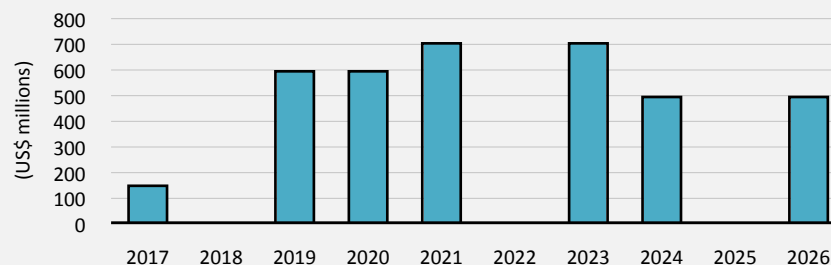
2. Includes debt issuance costs of \$5M.

3. Excludes \$21M of restricted cash as of September 30, 2017 and \$18M as of June 30, 2017.

\$3.2B Net Debt

(US\$ millions)	9/30/2017	6/30/2017	Maturity Date
Commercial Paper	154	494	Various
Revolver (Libor + 117.5 bps) ⁽²⁾	(5)	10	Apr 2022
Term Loan (Libor + 150 bps)	100	100	Nov 2019
Floating rate note (Libor + 39 bps)	498	—	Mar 2019
5.55% Bond	598	598	Jan 2020
3.88% Euro Bond	705	681	Jun 2021
1.75% Euro Bond	701	677	May 2023
4.25% Bond	496	496	Jun 2024
3.85% Bond	496	496	Jun 2026
Total Debt Obligations	\$3,743	\$3,552	
Less Cash and Cash Equivalents ⁽³⁾	(530)	(356)	
Net Debt	\$3,213	\$3,196	

Well Laddered Debt Maturities



ACQUISITION FINANCIAL CONSIDERATIONS

Transaction Information

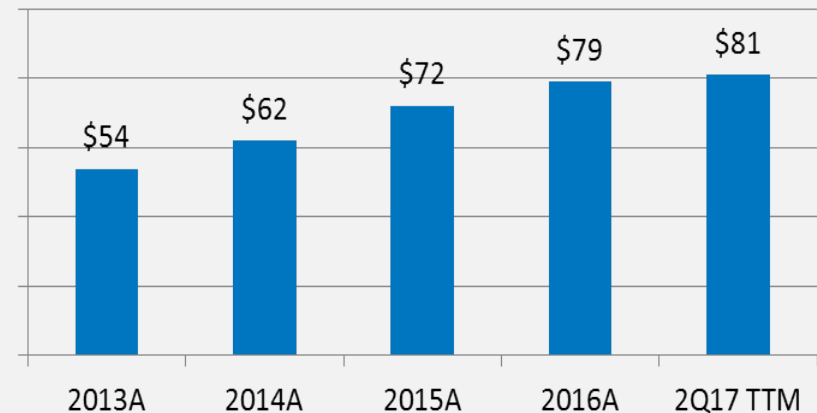
- eVestment closed October 23, 2017.
- eVestment will be included in Data Products revenue, under the Information Services segment.
- eVestment GAAP revenue was \$81 million during the 12-month period ending June 30, 2017, and exhibited a 12% revenue growth CAGR between 2013 to June 30, 2017.
- Sybenetix closed September 23, 2017.
- Sybenetix will be included in the Market Technology segment, while LTM revenues are immaterial.

Expense Considerations

- Updated Nasdaq 2017 non-GAAP operating expense guidance includes impact of Sybenetix and eVestment.
- 2018 Nasdaq non-GAAP operating expenses will reflect, in addition to organic growth, an approximately +6% inorganic increase due to the full-year impact of eVestment and Sybenetix non-GAAP operating expenses, reflecting expected increases to support growth as well as up-front integration costs including incentive and retention compensation.

eVestment Revenue Track Record

GAAP Revenues (12% CAGR)



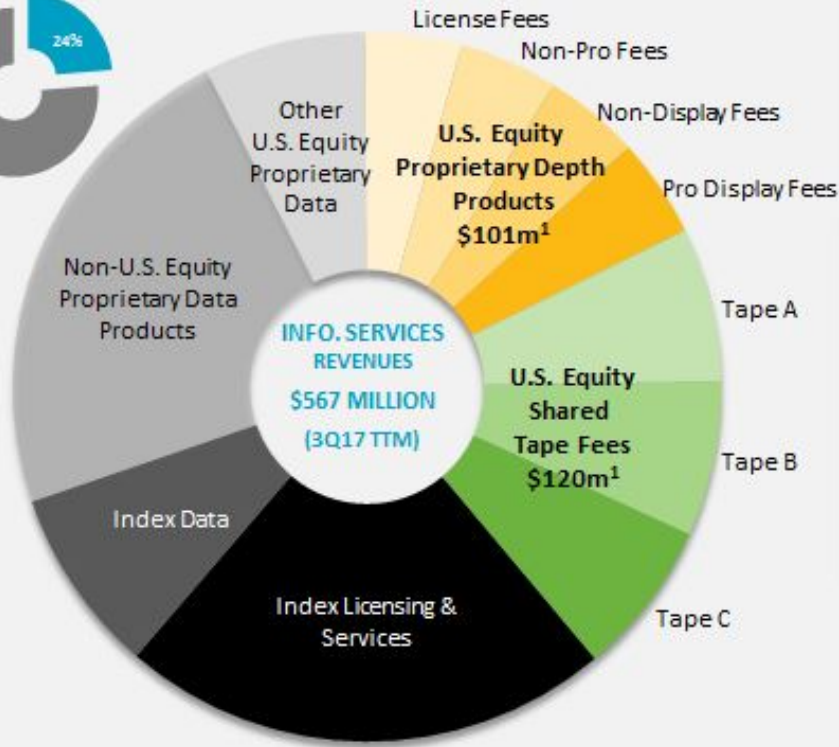
Expected Revenue Impact of \$34M Purchase Price Adjustment on Deferred Revenue Balance

Expected eVestment deferred revenue write-down	\$M
4Q17	-\$9
1Q18	-\$11
2Q18	-\$8
3Q18	-\$5
4Q18	-\$1

INFORMATION SERVICES

Supplemental Disclosure: Revenues By Product Type

TTM Information Services
Revenue Contribution
To Nasdaq



Other US Equity Prop Data
Nasdaq Basic and Last Sale
Ultrafeed: (distributes 3rd party data)
Other proprietary products

Non-US –Equity Proprietary Data
Nordic equity, derivatives, FICC data
Nasdaq Canada equity data
US Options data
Nasdaq Fixed Income Treasury data
Mutual Fund Quotation Service

Information Services constitutes a diverse and highly-distributed set of regulated and non-regulated data, analytics & index products serving customers that span a broad spectrum of the global investment community.

U.S. Equity Proprietary Depth Products

Serves ~200,000 users (directly), ~5,600 firms (directly + indirectly)

Non-professional users:

Any person not a professional who is using the data on a display terminal

Professional Displayed:

Person registered with the SEC or other like agency, investment advisor or employed by a bank and looking at data on a terminal

Non-Displayed:

Accessing data by a machine or automated device

License, Distributor and other fees:

Fixed monthly fees for right to access or distribute data

U.S. Equity Shared Tape Fees

Tape A: 3.1M users, Tape B: 1.8M users, Tape C: 3.3M

Highly-regulated Securities Information Processors (SIP) governed by exchanges, with SEC and customer representatives participating in governance meetings/calls

For competitive reasons, sub-segments represented in US Equity Proprietary Depth Products and Shared Tape Fees segments are depicted for illustrative purposes, and not in actual proportions to actual revenues. Each sub-segment listed contributed materially to revenues in the period.

APPENDIX

HISTORICAL CASH FLOW/ USES OF CASH FLOW

Free Cash Flow Calculation (US\$ millions)	2014	2015	2016	2017 YTD	2014 – 2017 YTD
Cash flow from operations ⁽¹⁾	\$647	\$727	\$776	\$609	\$2,759
Capital expenditure	(140)	(133)	(134)	(102)	(509)
Free cash flow	507	594	642	507	2,250
Section 31 fees, net ⁽²⁾	(28)	16	(4)	72	56
Free cash flow ex. Section 31 fees	\$479	\$610	\$638	\$579	\$2,306
Uses of cash flow					
Share repurchases	\$178	\$377	\$100	\$175	\$830
Net repayment/(borrowing) of debt	235	(137)	(1,300)	30	(1,172)
Acquisitions	—	256	1,460	31	1,747
Dividends	98	149	200	180	627
Total uses of cash flow	\$511	\$645	\$460	\$416	\$2,032

1. Cash flow from operations has been restated for adoption of ASU 2016-15, ASU 2016-18, and ASU 2016-09.

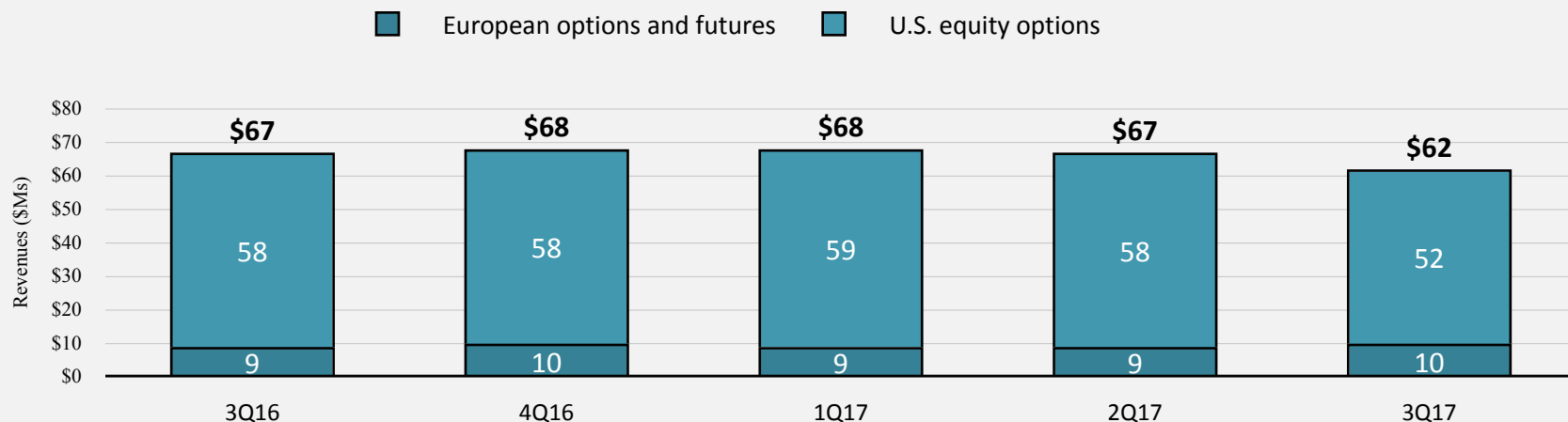
2. Net of change in Section 31 fees receivables of \$14 million in 2014; (\$11 million) in 2015; \$1 million in 2016; (\$5 million) in 2017 YTD; and (\$1 million) in 2014-2017 YTD.

TOTAL VARIANCE NET IMPACTS: 3Q17 & YTD 2017

<i>All figures in US\$ Millions</i>	3Q17 actual	3Q16 actual	Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
			\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$219	\$213	\$6	3 %	\$3	1 %	\$—	—%	\$3	1%
Corporate Services	161	162	(1)	(1)%	(2)	(1)%	—	—%	1	1%
Information Services	150	137	13	9 %	12	9 %	—	—%	1	1%
Market Technology	77	73	4	5 %	2	3 %	—	—%	2	3%
Total Non-trading Segment Revenue	388	372	16	4 %	12	3 %	—	—%	4	1%
Total Revenue less transaction expenses	607	585	22	4 %	15	3 %	—	—%	7	1%
Non-GAAP Operating Expenses	317	317	—	— %	(4)	(1)%	—	—%	4	1%
Non-GAAP Operating Income	290	268	22	8 %	19	7 %	—	—%	3	1%
Non-GAAP Operating Margin	48%	46%	—	—	—	—	—	—	—	—

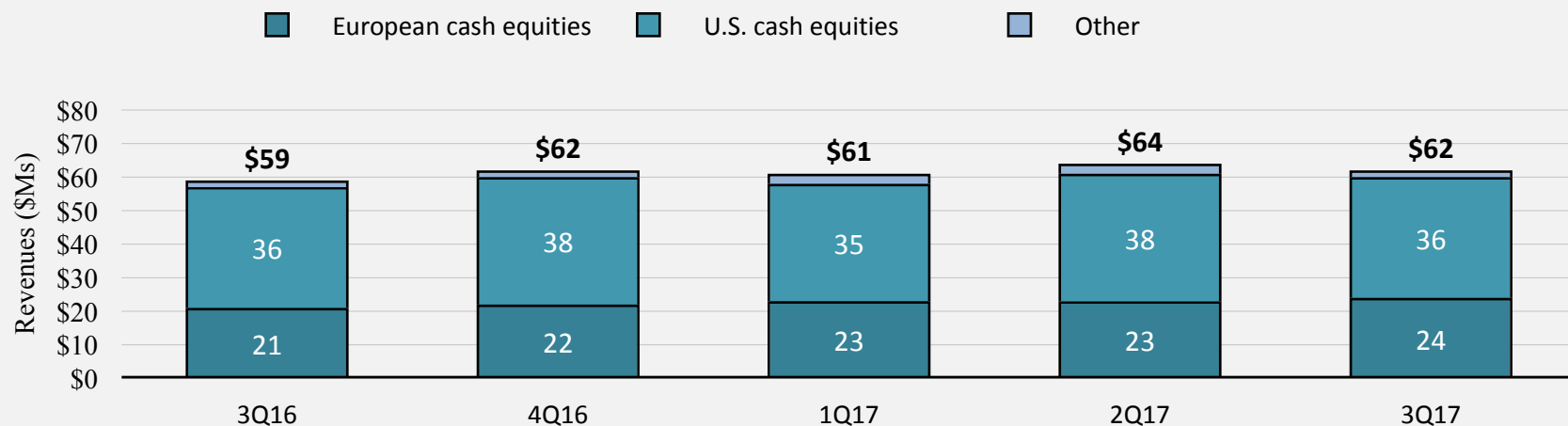
<i>All figures in US\$ Millions</i>	YTD 2017	YTD 2016	Total Variance		Organic Impact		Acquisition Impact		FX Impact (Prior Year Rates)	
			\$M	%	\$M	%	\$M	%	\$M	%
Market Services	\$659	\$607	\$52	9%	(\$4)	(1)%	\$57	9%	(\$1)	— %
Corporate Services	486	467	19	4%	—	— %	20	4%	(1)	— %
Information Services	432	405	27	7%	23	6 %	4	1%	—	— %
Market Technology	215	199	16	8%	15	8 %	2	1%	(1)	(1)%

EQUITY DERIVATIVE TRADING AND CLEARING



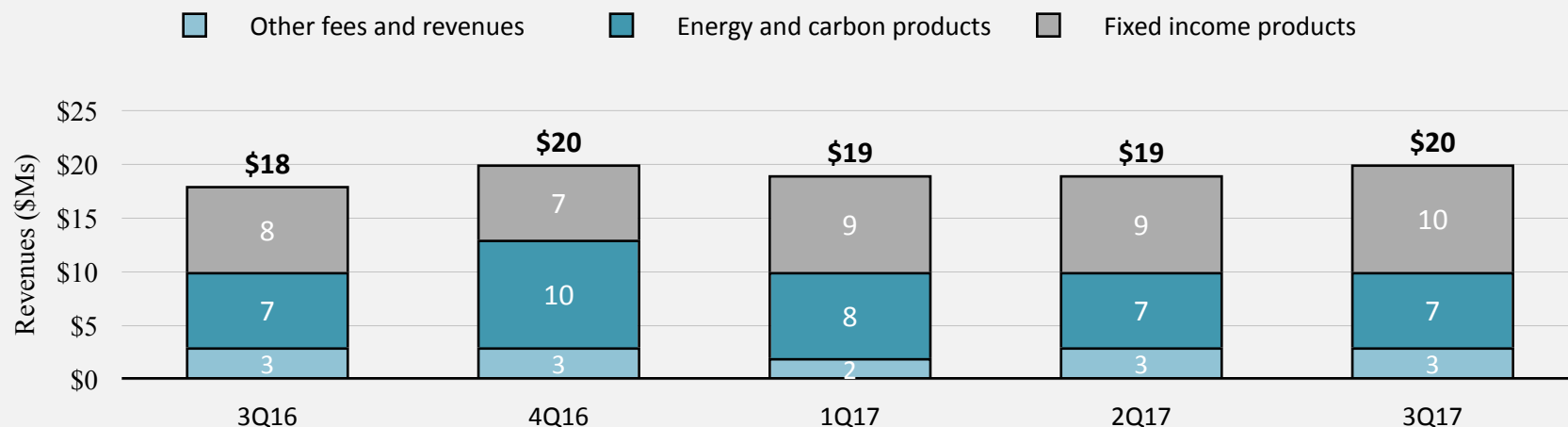
	FY16		FY17		
	3Q16	4Q16	1Q17	2Q17	3Q17
Net Revenues (US\$ in Millions)					
U.S. equity options	58	58	59	58	52
European options and futures	9	10	9	9	10
Equity Derivatives	67	68	68	67	62
Nasdaq Volumes					
U.S. equity options (millions of contracts)	347	356	385	386	364
European options and futures (millions of contracts)	19.2	21.2	21.7	22.2	19.2
Revenue Capture					
U.S. equity options (RPC)	\$ 0.17	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.14
European options and futures (RPC)	\$ 0.47	\$ 0.46	\$ 0.42	\$ 0.39	\$ 0.51
<i>SEK/US\$ average</i>	\$ 0.117	\$ 0.110	\$ 0.112	\$ 0.114	\$ 0.123
<i>Euro/US\$ average</i>	\$ 1.116	\$ 1.078	\$ 1.065	\$ 1.100	\$ 1.175

CASH EQUITY TRADING



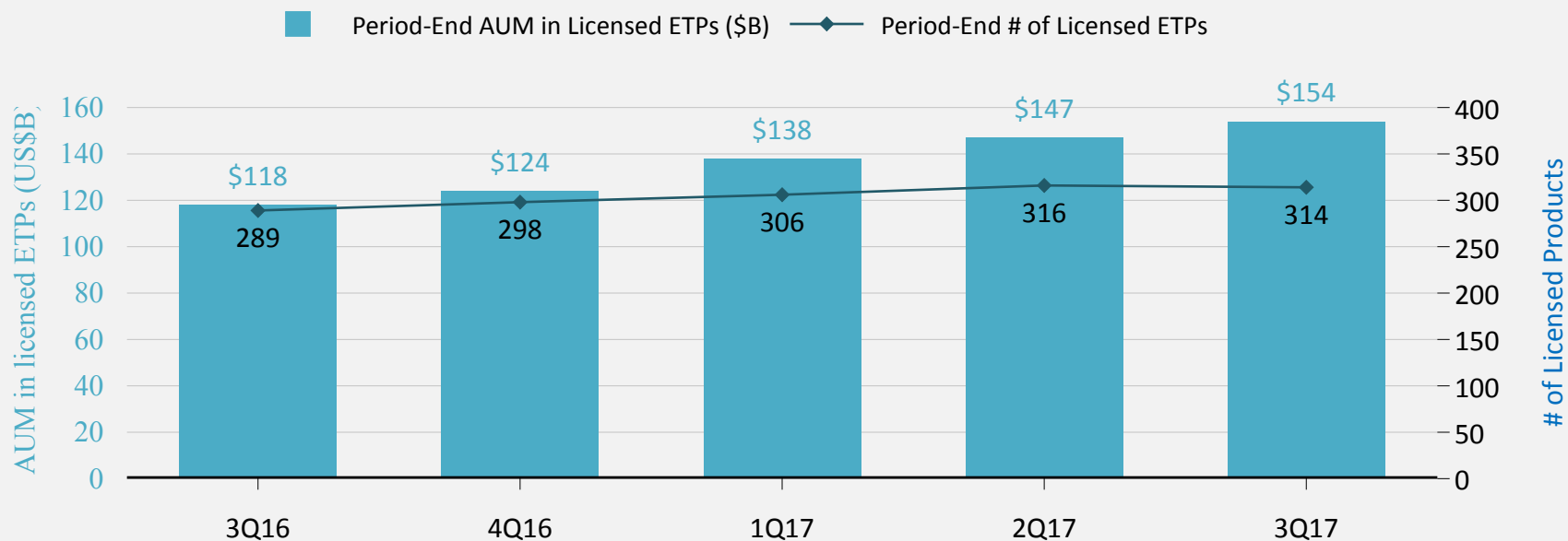
	FY16		FY17		
	3Q16	4Q16	1Q17	2Q17	3Q17
Net Revenues (US\$ in Millions)					
U.S. cash equities	36	38	35	38	36
European cash equities	21	22	23	23	24
Other	2	2	3	3	2
Cash Equity Trading	59	62	61	64	62
Nasdaq Volumes					
U.S. cash equities (billions of shares)	71.0	76.4	74.7	79.3	69.1
European cash equities value shares traded (\$B)	180	201	206	220	221
Revenue Capture					
U.S. cash equities revenue capture per 1000 shares	\$ 0.51	\$ 0.49	\$ 0.47	\$ 0.49	\$ 0.52
European cash equities revenue capture per \$1000 traded	\$ 0.12	\$ 0.11	\$ 0.11	\$ 0.10	\$ 0.11
<i>SEK/US\$ average</i>	\$ 0.117	\$ 0.110	\$ 0.112	\$ 0.114	\$ 0.123
<i>Euro/US\$ average</i>	\$ 1.116	\$ 1.078	\$ 1.065	\$ 1.100	\$ 1.175

FIXED INCOME AND COMMODITIES TRADING & CLEARING



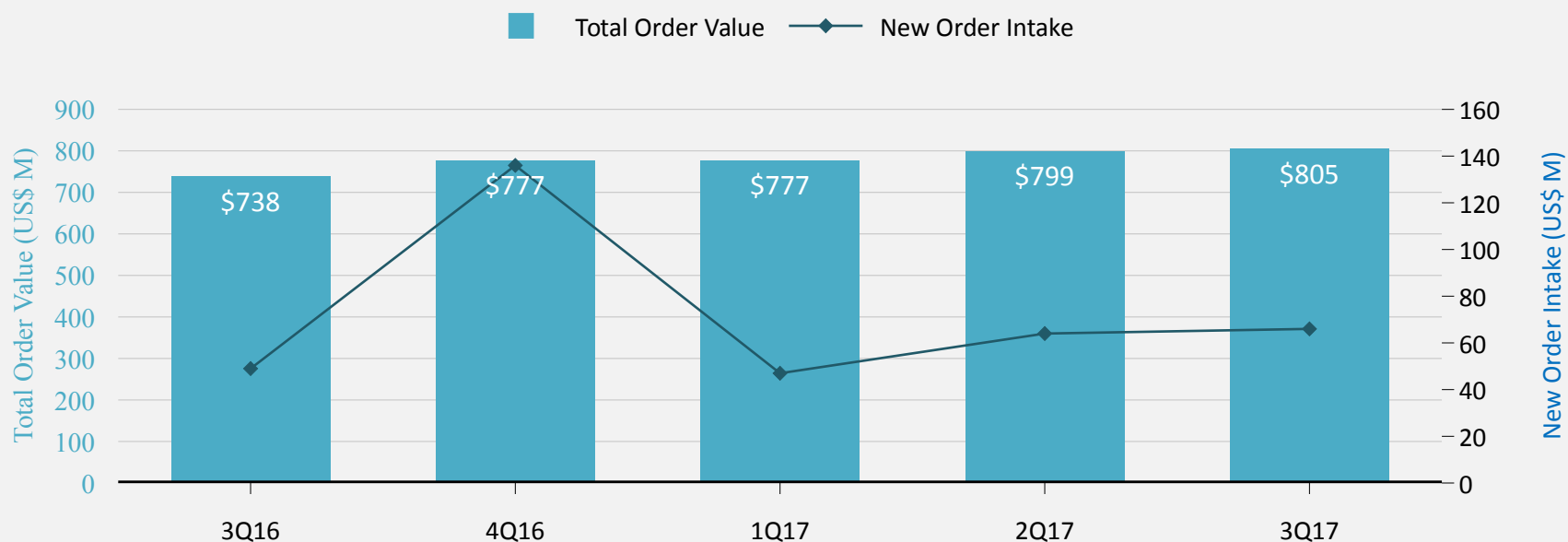
	FY16			FY17	
	3Q16	4Q16	1Q17	2Q17	3Q17
Net Revenues (US\$ in Millions)					
Fixed income products	8	7	9	9	10
Energy and carbon products	7	10	8	7	7
Other fees and revenues	3	3	2	3	3
Fixed Income and Commodities Trading and Clearing	18	20	19	19	20
Nasdaq Volumes					
U.S. Fixed income trading volume (billions of \$ notional)	4,816	5,465	5,041	4,755	3,975
European Fixed income products (millions of contracts)	4.9	5.9	7.2	7.0	6.8
Energy trading and clearing (TWh)	511	721	585	406	392
Revenue Capture					
European Fixed Income (RPC) ⁽¹⁾	\$ 0.72	\$ 0.56	\$ 0.71	\$ 0.62	\$ 0.63
Energy trading and clearing (\$1000 per TWh)	\$ 13.70	\$ 13.87	\$ 13.68	\$ 17.24	\$ 18.17
SEK/US\$ average	\$ 0.117	\$ 0.110	\$ 0.112	\$ 0.114	\$ 0.123
Euro/US\$ average	\$ 1.116	\$ 1.078	\$ 1.065	\$ 1.100	\$ 1.175

INDEX LICENSING AND SERVICES



	FY16		FY17		
	3Q16	4Q16	1Q17	2Q17	3Q17
Period-End # of Licensed ETPs	289	298	306	316	314
Period-End AUM in Licensed ETPs (\$B)	118	124	138	147	154
Index Licensing & Servicing Revenues (\$M)	28	30	30	33	34

MARKET TECHNOLOGY



	FY16		FY17		
	3Q16	4Q16	1Q17	2Q17	3Q17
New Order Intake	49	136	47	64	66
Total Order Value	738	777	777	799	805
Net Revenue	73	77	67	72	77

RECONCILIATIONS OF U.S. GAAP to NON-GAAP

NON-GAAP ADJUSTMENTS

<i>(US\$ millions)</i>	3Q17	2Q17	3Q16	2016	2015	2014
Amortization expense of acquired intangible assets ⁽¹⁾	22	22	23	82	62	69
Merger and strategic initiatives ⁽²⁾	3	11	12	76	10	81
Restructuring charges ⁽³⁾	—	—	—	41	172	—
Asset impairment charges ⁽⁴⁾	—	—	—	578	—	49
Regulatory matter ⁽⁵⁾	—	—	—	6	—	—
Executive compensation ⁽⁶⁾	—	—	—	12	—	—
Income from OCC equity investment ⁽⁷⁾	—	—	—	—	(13)	—
Reversal of value added tax refund ⁽⁸⁾	—	—	—	—	12	—
Sublease loss reserve ⁽⁹⁾	—	—	—	(1)	—	11
Special legal expense	—	—	—	—	—	2
Other ⁽¹⁰⁾	1	2	—	6	—	2
Extinguishment of debt ⁽¹¹⁾	—	10	—	—	—	11
Total Non-GAAP adjustments	26	45	35	800	243	225
Non-GAAP adjustment to the income tax provision ⁽¹²⁾	(16)	(20)	(12)	(287)	(90)	(97)
Total Non-GAAP Adjustments, net of tax	10	25	23	513	153	128

Please see page 24 for above footnotes

NON-GAAP ADJUSTMENTS FOOTNOTES

- (1) Refer to the disclaimer non-GAAP information section for further discussion of why we consider amortization expense of acquired intangible assets and other items to be non-GAAP adjustments.
- (2) For the three months ended September 30, 2017, merger and strategic initiatives expense is primarily related to our acquisitions of eVestment, Inc and Sybetix as well as costs associated with the potential strategic alternatives for our Public Relations and Digital Media businesses within our Corporate Solutions business. For the three months ended June 30, 2017 and September 30, 2016, merger and strategic initiatives expense primarily related to our acquisition of ISE. For the year ended December 31, 2016, merger and strategic initiatives expense primarily related to our acquisition of ISE. For the year ended December 31, 2015, merger and strategic initiatives expense primarily related to certain strategic initiatives and our acquisition of Dorsey, Wright & Associates, LLC. For the year ended December 31, 2014, merger and strategic initiatives expense primarily related to our acquisition of the TR Corporate businesses in May 2013 and eSpeed in June 2013 and a charge of \$23 million related to the reversal of a receivable under a tax sharing agreement with an unrelated party.
- (3) During the first quarter of 2015, we performed a comprehensive review of our processes, businesses and systems in a company-wide effort to improve performance, cut costs, and reduce spending. In June 2016, we completed our 2015 restructuring plan. For the year ended December 31, 2016, restructuring charges primarily related to severance costs, asset impairment charges, facility related costs associated with the consolidation of leased facilities and other charges, and for the year ended December 31, 2015, restructuring charges primarily related to the rebranding of our trade name, severance costs, facility-related costs associated with the consolidation of leased facilities and other charges.
- (4) For the year ended December 31, 2016, we recorded a pre-tax, non-cash asset impairment charge of \$578 million related to the full write-off of the eSpeed trade name. The impairment charge was the result of a decline in operating performance and the rebranding of our overall Fixed Income business. For the year ended December 31, 2014, we recorded pre-tax, non-cash asset impairment charges of \$49 million related to certain acquired intangible assets associated with customer relationships and certain technology assets.
- (5) In December 2016, we were issued a \$6 million fine by the Swedish Financial Supervisory Authority, or SFSA, as a result of findings in connection with its investigations of cybersecurity processes at our Nordic exchanges and clearinghouse. The SFSA's conclusions related to governance issues rather than systems and platform security. We have appealed the SFSA's decision, including the amount of the fine. This charge is included in regulatory expense in the Consolidated Statements of Income (Loss) for the year ended December 31, 2016.
- (6) For the year ended December 31, 2016, we recorded \$12 million in accelerated expense due to the retirement of the company's former CEO for equity awards previously granted.
- (7) We record our investment in The Options Clearing Corporation, or OCC, as an equity method investment. Under the equity method of accounting, we recognize our share of earnings or losses of an equity method investee based on our ownership percentage. As a result of a new capital plan implemented by OCC, we were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when OCC financial statements were made available to us. Therefore, we recorded other income of \$13 million in the first quarter of 2015 relating to our share of OCC's income for the year ended December 31, 2014.
- (8) We previously recorded receivables for expected value added tax, or VAT, refunds based on an approach that had been accepted by the tax authorities in prior years. The tax authorities have since challenged our approach, and the revised position of the tax authorities was upheld in court during the first quarter of 2015. As a result, in the first quarter of 2015, we recorded a charge of \$12 million for previously recorded receivables based on the court decision.
- (9) The credit of \$1 million for the year ended December 31, 2016, pertains to the release of a previously recorded sublease loss reserve due to the early exit of a facility, partially offset by a sublease loss reserve charge recorded on space we currently occupy due to excess capacity. For the year ended December 31, 2014, we recorded a sublease loss reserve of \$11 million on space we occupied due to excess capacity.
- (10) For the three months ended June 30, 2017, other charge relates to wind down costs associated with an equity method investment that was previously written off, which is included in net income from unconsolidated investees in the Condensed Consolidated Statements of Income. For the year ended December 31, 2016, other charges primarily include the impact of the write-off of an equity method investment, partially offset by a gain resulting from the sale of a percentage of a separate equity method investment.
- (11) During the three months ended June 30, 2017, in connection with the early extinguishment of our 5.25% senior unsecured notes issued in December 2010 and the \$300 million repayment on our \$400 million senior unsecured term loan facility due November 25, 2019, we recorded a charge of \$10 million primarily related to a premium paid for early redemption. For the year ended December 31, 2014, we recorded a loss on extinguishment of debt of \$11.
- (12) For the three months ended September 30, 2017, June 30, 2017, and September 30, 2016, the non-GAAP adjustment to the income tax provision primarily reflects the tax impact of each non-GAAP adjustment. In addition, the non-GAAP adjustment to the income tax provision reflects the recognition of previously unrecognized tax benefits associated with positions taken in prior years of \$8 million for the three months ended September 30, 2017 and \$4 million for the three months ended June 30, 2017. For the year ended December 31, 2016, the amount includes the tax impact of the above adjustments as well as \$27 million in tax expense due to an unfavorable tax ruling received during the three months ended June 30, 2016, the impact of which related to prior periods. For the year ended December 31, 2014, the amount includes \$23 million associated with the recognition of a previously unrecognized tax benefit. This amount is offset by the reversal of the receivable described in note 2 above.

RECONCILIATION OF U.S. GAAP to NON-GAAP: OPERATING EXPENSES, OPERATING INCOME, NET INCOME AND DILUTED EARNINGS PER COMMON SHARE

<i>(US\$ millions, except per share)</i>	3Q17	2Q17	3Q16	2016	2015	2014
U.S. GAAP operating expenses:	\$343	\$358	\$352	\$1,438	\$1,370	\$1,313
Total Non-GAAP adjustments:	(26)	(43)	(35)	(216)	(256)	(176)
Non-GAAP operating expenses:	\$317	\$315	\$317	\$1,222	\$1,114	\$1,137
U.S. GAAP operating income:	\$264	\$244	\$233	\$839	\$720	\$754
Total Non-GAAP adjustments:	26	43	35	216	256	176
Non-GAAP operating income:	\$290	\$287	\$268	\$1,055	\$976	\$930
Revenues less transaction based expenses	\$607	\$602	\$585	\$2,277	\$2,090	\$2,067
U.S.-GAAP operating margin ⁽¹⁾	43%	41%	40%	37%	34%	36%
Non-GAAP operating margin ⁽²⁾	48%	48%	46%	46%	47%	45%
U.S. GAAP net income attributable to Nasdaq:	\$171	\$147	\$131	\$108	\$428	\$414
Total Non-GAAP Adjustments, net of tax:	10	25	23	513	153	128
Non-GAAP net income attributable to Nasdaq:	\$181	\$172	\$154	\$621	\$581	\$542
U.S. GAAP diluted earnings per share:	\$1.01	\$0.87	\$0.77	\$0.64	\$2.50	\$2.39
Total adjustments from non-GAAP net income above:	0.05	0.15	0.14	3.04	0.89	0.74
Non-GAAP diluted earnings per share:	\$1.06	\$1.02	\$0.91	\$3.68	\$3.39	\$3.13

1. U.S. GAAP operating margin equals U.S. GAAP operating income divided by total revenues less transaction-based expenses.

2. Non-GAAP operating margin equals non-GAAP operating income divided by total revenues less transaction-based expenses.

NON-TRADING SEGMENTS ORGANIC REVENUE GROWTH

<u>Non-Trading Segments</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
2017 YTD	1,133	1,071	62	6%	38	4%	24	2 %
3Q17	388	372	16	4%	12	3%	4	1 %
2Q17	380	365	15	4%	12	3%	3	1 %
1Q17	365	333	32	10%	15	5%	17	5 %
4Q16	379	341	38	11%	16	5%	22	6 %
3Q16	372	329	43	13%	17	5%	26	8 %
2016	1,450	1,319	131	10%	53	4%	78	6 %
2015	1,319	1,271	48	4%	70	6%	(22)	(2)%
2014	1,271	1,139	132	12%	46	4%	86	8 %
2013	1,139	937	202	22%	59	6%	143	15 %

1. Other impacts includes acquisitions and changes in FX rates.

MARKET SERVICES ORGANIC REVENUE GROWTH

<u>Market Services Segment</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
2017 YTD	659	607	52	9 %	(4)	(1)%	56	9 %
3Q17	219	213	6	3 %	3	1 %	3	1 %
2Q17	222	194	28	14 %	3	2 %	25	13 %
1Q17	218	201	17	8 %	(12)	(6)%	29	14 %
4Q16	220	195	25	13 %	(3)	(2)%	28	14 %
3Q16	213	200	13	7 %	(20)	(10)%	33	17 %
2016	827	771	56	7 %	(13)	(2)%	69	9 %
2015	771	796	(25)	(3)%	23	3 %	(48)	(6)%
2014	796	756	40	5 %	21	2 %	19	3 %
2013	756	737	19	3 %	(24)	(3)%	43	6 %

1. Other impacts includes acquisitions and changes in FX rates.

OPERATING EXPENSE ORGANIC IMPACT

<u>Non-GAAP operating expense</u>			Total Variance		Organic Impact		Other Impact ⁽¹⁾	
	<i>All figures in US\$ Millions</i>	Current Period	Prior-year Period	\$M	%	\$M	%	\$M
2017 YTD	938	898	40	4 %	10	1%	30	3 %
2016	1,222	1,114	108	10 %	36	3%	72	6 %
2015	1,114	1,137	(23)	(2)%	33	3%	(56)	(5)%

1. Other impacts includes acquisitions and changes in FX rates.

EBITDA: EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

<i>(US\$ millions)</i>	TTM	3Q17	2Q17	1Q17	4Q16
GAAP net income attributable to Nasdaq:	\$263	\$171	\$147	\$169	(\$224)
Income tax provision	(1)	65	66	48	(180)
Net income from unconsolidated investees	(7)	(4)	(2)	(4)	3
Other investment income	(1)	—	(1)	—	—
Asset impairment charges	578	—	—	—	578
Net interest expense	137	32	34	35	36
GAAP operating income:	\$969	\$264	\$244	\$248	\$213
Non-GAAP Adjustments ⁽¹⁾	160	26	43	29	62
Non-GAAP operating income:	\$1,129	\$290	\$287	\$277	\$275
Depreciation and amortization of tangibles (Nasdaq)	94	25	25	22	22
EBITDA:	\$1,223	\$315	\$312	\$299	\$297

1. Please see slide 25 for reconciliation of GAAP operating income to non-GAAP operating income.

TAX RATE: RECONCILIATION OF GAAP EFFECTIVE TAX RATE TO NON-GAAP EFFECTIVE TAX RATE

	Three Months Ended Sep 30, 2017		
<i>(US\$ millions, except effective tax rate)</i>	U.S. GAAP	Non-GAAP Adjustments	Non-GAAP
Income before income taxes	\$236	\$26 ¹	\$262
Income tax provision	65	16 ¹	81
Net Income	\$171	\$10	\$181
Effective tax rate	28%	62%	31%

¹Please see slide 24 for details of non-GAAP adjustments and non-GAAP adjustment to the income tax provision.

DISCLAIMERS

Non-GAAP Information

In addition to disclosing results determined in accordance with U.S. GAAP, Nasdaq also discloses certain non-GAAP results of operations, including, but not limited to, net income attributable to Nasdaq, diluted earnings per share, operating income, and operating expenses, that include certain adjustments or exclude certain charges and gains that are described in the reconciliation table of U.S. GAAP to non-GAAP information provided at the end of this release. Management uses this non-GAAP information internally, along with U.S. GAAP information, in evaluating our performance and in making financial and operational decisions. We believe our presentation of these measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparisons of results as the items described below do not reflect ongoing operating performance.

These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. Investors should not rely on any single financial measure when evaluating our business. We recommend investors review the U.S. GAAP financial measures included in this earnings release. When viewed in conjunction with our U.S. GAAP results and the accompanying reconciliations, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than U.S. GAAP measures alone.

We understand that analysts and investors regularly rely on non-GAAP financial measures, such as non-GAAP net income attributable to Nasdaq, non-GAAP diluted earnings per share, non-GAAP operating income and non-GAAP operating expenses to assess operating performance. We use these measures because they highlight trends more clearly in our business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures, since these measures eliminate from our results specific financial items, such as those described below, that have less bearing on our ongoing operating performance.

Amortization expense of acquired intangible assets: We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations. As such, if intangible asset amortization is included in performance measures, it is more difficult to assess the day-to-day operating performance of the businesses, the relative operating performance of the businesses between periods and the earnings power of Nasdaq. Management does not consider intangible asset amortization expense for the purpose of evaluating the performance of our business or its managers or when making decisions to allocate resources. Therefore, we believe performance measures excluding intangible asset amortization expense provide investors with a more useful representation of our businesses' ongoing activity in each period.

Restructuring charges: Restructuring charges are associated with our 2015 restructuring plan to improve performance, cut costs and reduce spending and as of June 30, 2016 are primarily related to (i) severance and other termination benefits, (ii) asset impairment charges, and (iii) other charges. We exclude these restructuring costs because these costs do not reflect future operating expenses and do not contribute to a meaningful evaluation of Nasdaq's ongoing operating performance or comparison of Nasdaq's performance between periods.

DISCLAIMERS

Non-GAAP Information (cont.)

Merger and strategic initiatives expense: We have pursued various strategic initiatives and completed a number of acquisitions in recent years which have resulted in expenses which would not have otherwise been incurred. These expenses generally include integration costs, as well as legal, due diligence and other third party transaction costs. The frequency and the amount of such expenses vary significantly based on the size, timing and complexity of the transaction. Accordingly, we exclude these costs for purposes of calculating non-GAAP measures which provide a more meaningful analysis of Nasdaq's ongoing operating performance or comparisons in Nasdaq's performance between periods.

Other significant items: We have excluded certain other charges or gains that are the result of other non-comparable events to measure operating performance. For the three months ended June 30, 2017, other significant items include loss on extinguishment of debt, wind down costs associated with an equity method investment which was previously written off, and the recognition of previously unrecognized tax benefits associated with positions taken in prior years. For 2016, other significant items primarily included a regulatory fine received by our exchange in Stockholm and Nasdaq Clearing, accelerated expense due to the retirement of the company's former CEO for equity awards previously granted, the release of a sublease loss reserve due to the early exit of a facility, and the impact of the write-off of an equity method investment, partially offset by a gain resulting from the sale of a percentage of a separate equity method investment. For 2015, other significant items included income from our equity investment in The Options Clearing Corporation, or OCC, where we were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when financial statements were made available to us. As a result, we recorded other income in the first quarter of 2015 relating to our share of OCC's income for the year ended December 31, 2014. For 2015, significant adjustments also included the reversal of a value added tax refund. For 2014, other significant items included loss on extinguishment of debt, a sublease loss reserve, and special legal expense. We believe the exclusion of such amounts allow management and investors to better understand the financial results of Nasdaq.

Foreign exchange impact: In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. Certain discussions in this release isolate the impact of year-over-year foreign currency fluctuations to better measure the comparability of operating results between periods. Operating results excluding the impact of foreign currency fluctuations are calculated by translating the current period's results by the prior period's exchange rates.

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 relating to our future financial results, total shareholder returns, growth, trading volumes, products and services, order backlog, taxes and achievement of synergy targets, (ii) statements about the closing or implementation dates and benefits of certain acquisitions and other strategic, restructuring, technology, de-leveraging and capital 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 investor relations website at <http://ir.nasdaq.com> and the SEC's website at www.sec.gov. Nasdaq undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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