

The Nasdaq Stock Market, Inc.
 Unaudited Condensed Consolidated Statements of Income
 (in millions, except per share amounts and other drivers)

	Three Months Ended			Six Months Ended	
	June 30, 2006	March 31, 2006	June 30, 2005	June 30, 2006	June 30, 2005
Revenues					
Market Services	\$ 347.6	\$ 337.1	\$ 163.6	\$ 684.9	\$ 288.7
Issuer Services	63.4	58.9	56.1	122.3	110.9
Other	--	0.2	--	0.2	0.2
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Total revenues	411.0	396.2	219.7	807.4	399.8
Cost of revenues					
Liquidity rebates	(170.6)	(167.2)	(69.2)	(337.8)	(104.5)
Brokerage, clearance and exchange fees	(69.3)	(67.0)	(20.1)	(136.5)	(38.6)
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Total cost of revenues	(239.9)	(234.2)	(89.3)	(474.3)	(143.1)
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Gross margin	171.1	162.0	130.4	333.1	256.7
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Expenses					
Compensation and benefits	48.0	48.9	36.9	96.9	74.2
Marketing and advertising	3.8	5.0	2.0	8.9	3.4
Depreciation and amortization	21.5	24.5	14.9	46.0	33.1
Professional and contract services	7.3	8.9	7.0	16.2	14.0
Computer operations and data communications	10.3	10.0	15.9	20.2	32.1
Provision for bad debts	1.8	--	(0.7)	1.9	(0.2)
Occupancy	8.2	8.0	7.1	16.2	14.2
General and administrative	24.8	6.8	10.6	31.5	16.0
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Total direct expenses	125.7	112.1	93.7	237.8	186.8
Support costs from related parties, net	9.1	8.1	10.4	17.2	20.8
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Total expenses	134.8	120.2	104.1	255.0	207.6
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Operating income	36.3	41.8	26.3	78.1	49.1
Interest income	6.3	4.5	3.1	10.8	4.5
Interest expense	(24.4)	(16.4)	(4.6)	(40.9)	(7.5)
Dividend income	9.2	--	--	9.2	--
Minority interest	0.3	0.1	--	0.5	--
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Income before income taxes	27.7	30.0	24.8	57.7	46.1
Income tax provision	11.1	12.0	10.8	23.1	19.4
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Net income	\$ 16.6	\$ 18.0	\$ 14.0	\$ 34.6	\$ 26.7

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Net income applicable to common stockholders:					
Net income	\$ 16.6	\$ 18.0	\$ 14.0	\$ 36.4	\$ 26.7
Preferred stock:					
Dividends declared	--	(0.4)	(0.8)	(0.4)	(1.8)
Accretion of preferred stock	--	(0.3)	(1.5)	(0.3)	(2.3)
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Net income applicable to common stockholders	\$ 16.6	\$ 17.3	\$ 11.7	\$ 33.9	\$ 22.6
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Basic and diluted earnings per share:					
Basic	\$ 0.16	\$ 0.20	\$ 0.15	\$ 0.35	\$ 0.28
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Diluted	\$ 0.13	\$ 0.16	\$ 0.13	\$ 0.28	\$ 0.26
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Weighted average common shares outstanding for earnings per share:					
Basic	105.2	87.9	79.4	96.6	79.2
Diluted	145.2	128.0	109.9	137.0	101.0
Other Drivers					
Average daily share volume in NASDAQ-listed securities (in millions)	2,142	2,122	1,781	2,132	1,890
Percentage of share volume of NASDAQ-listed securities reported to The NASDAQ Market Center	77.8%	74.5%	55.7%	78.9%	55.3%
Percentage of share volume of NYSE-listed securities reported to The NASDAQ Market Center	22.7%	21.3%	15.6%	22.4%	15.3%
Percentage of share volume of AMEX-listed securities reported to The NASDAQ Market Center	46.1%	42.1%	32.4%	45.1%	31.9%

Initial Public Offerings	35	30	25	65	45
Secondary Offerings	54	69	50	123	95
Number of listed companies	3,205	3,191	3,241	3,205	3,241

The Nasdaq Stock Market, Inc.
Condensed Consolidated Balance Sheets
(in millions)

	June 30, 2006	December 31, 2005
	(unaudited)	Assets Current assets:
Cash and cash equivalents	\$ 488.8	\$ 165.2
Available-for-sale investments, at fair value	1,215.5	179.4
Receivables, net	234.5	207.6
Deferred tax assets	14.3	10.0
Other current assets	35.5	34.8
Total current assets	1,988.6	597.0
Property and equipment:		
Assets held-for-sale	30.7	--
Land, buildings and improvements	0.9	60.9
Data processing equipment and software	180.6	180.0
Furniture, equipment and leasehold improvements	105.0	115.6
	317.2	356.5
Less accumulated depreciation and amortization	(222.9)	(233.9)
Total property and equipment, net	94.3	122.6
Non-current deferred tax assets	124.3	133.3
Goodwill	988.3	961.9
Intangible assets, net	207.3	215.5
Other assets	12.4	16.5
Total assets	\$ 3,415.2	\$ 2,046.8
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 112.1	\$ 118.9
Accrued personnel costs	36.2	55.3
Deferred revenue	114.9	53.6
Other accrued liabilities	56.5	61.8
Current portion of debt obligations	11.8	7.5
Payables to related parties	9.8	28.2
Total current liabilities	341.3	325.3
Debt obligations	1,612.6	1,184.9
Accrued pension costs	24.6	25.8
Non-current deferred tax liabilities	89.2	95.2
Non-current deferred revenue	98.6	92.0
Other liabilities	69.6	69.6
Total liabilities	2,235.9	1,792.8
Minority interest	0.5	1.0
Stockholders' equity		

Common stock	1.3	1.3
Preferred stock, Series D at June 30, 2006 and December 31, 2005 and Series C at December 31, 2005	--	95.0
Additional paid-in capital	1,039.3	383.7
Common stock in treasury, at cost	(249.6)	(613.4)
Accumulated other comprehensive loss	(31.9)	(1.3)
Deferred stock compensation	--	(4.9)
Common stock issuable	--	6.8
Retained earnings	419.7	385.8
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Total stockholders' equity	1,178.8	253.0
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Total liabilities, minority interest and stockholders' equity	\$ 3,415.2	\$ 2,046.8
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The Nasdaq Stock Market, Inc.
Non-GAAP Calculation of Operating Income
(in millions)
(unaudited)

	Three Months Ended		
	June 30, 2006	March 31, 2006	June 30, 2005
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GAAP Operating Income:	\$ 36.3	\$ 41.8	\$ 26.3
Adjustments:			
Loss on early extinguishment of debt and the refinancing of a credit facility	20.9	--	7.4
Cost reduction program and INET integration charges	17.9	13.6	5.9
Foreign currency gain associated with investment in London Stock Exchange	(8.2)	--	--
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Total Adjustments	30.6	13.6	13.3
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Non-GAAP Operating Income	\$ 66.9	\$ 55.4	\$ 39.6
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