

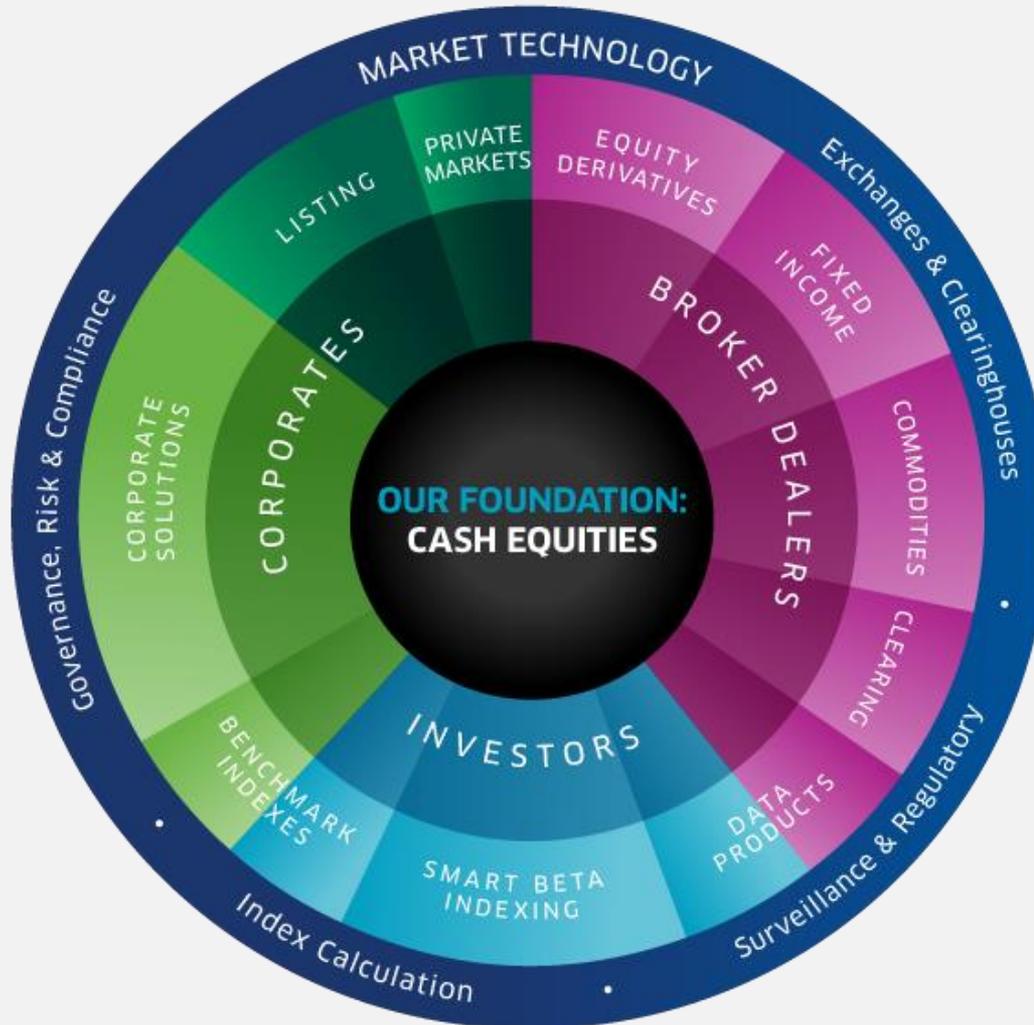
# INVESTOR PRESENTATION

September 2016

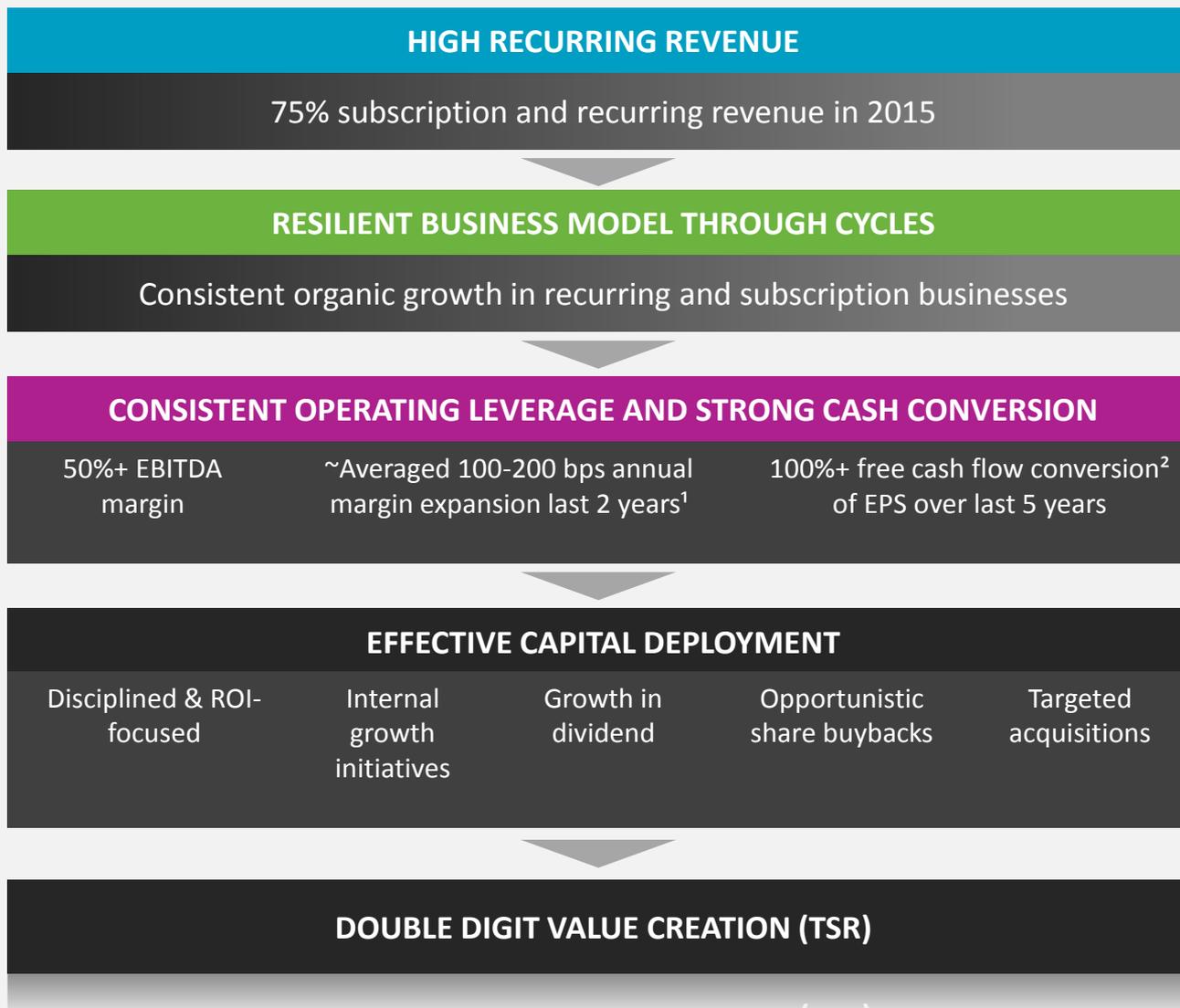


# THE NASDAQ STRATEGY AND STORY

Leveraging Our Technology and Our Relationships Across Global Capital Markets



# PROFITABLE GROWTH DRIVES VALUE CREATION

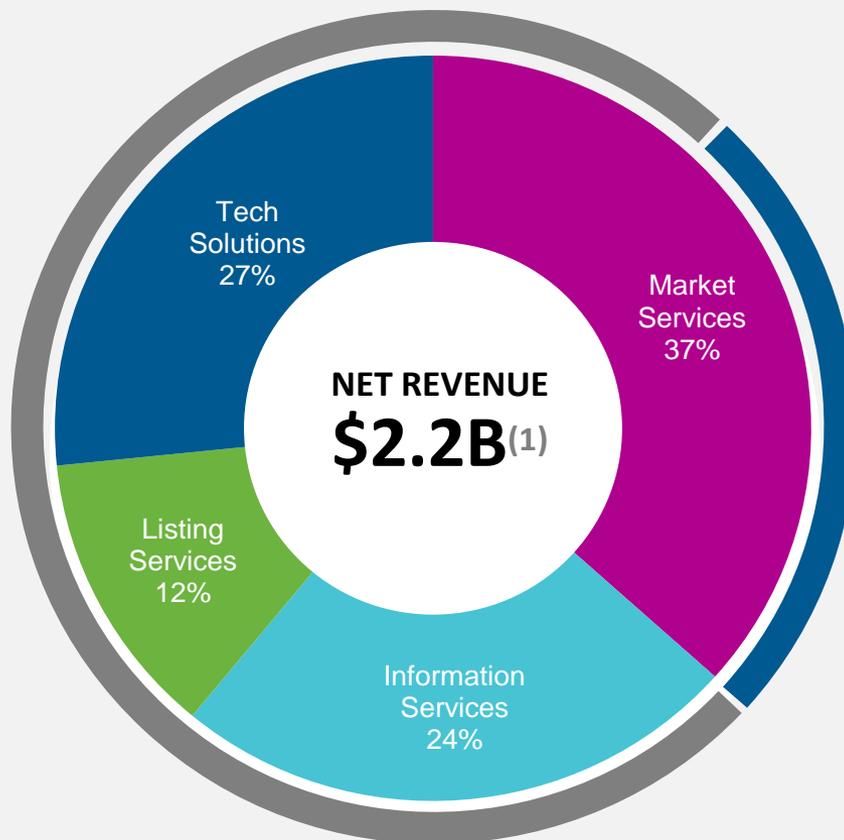


<sup>1</sup>Non-GAAP operating margin increased from 44% in 2013 to 47% in 2015. <sup>2</sup>Free cash flow conversion defined as free cash flow excluding Section 31 fees divided by non-GAAP net income

# DIVERSIFIED MIX OF RECURRING AND TRANSACTION REVENUE

## RECURRING (75%)

- Leverages exchange businesses
- Correlated to market growth
- Not tied to market volumes
- Consistent growth through penetration and expansion



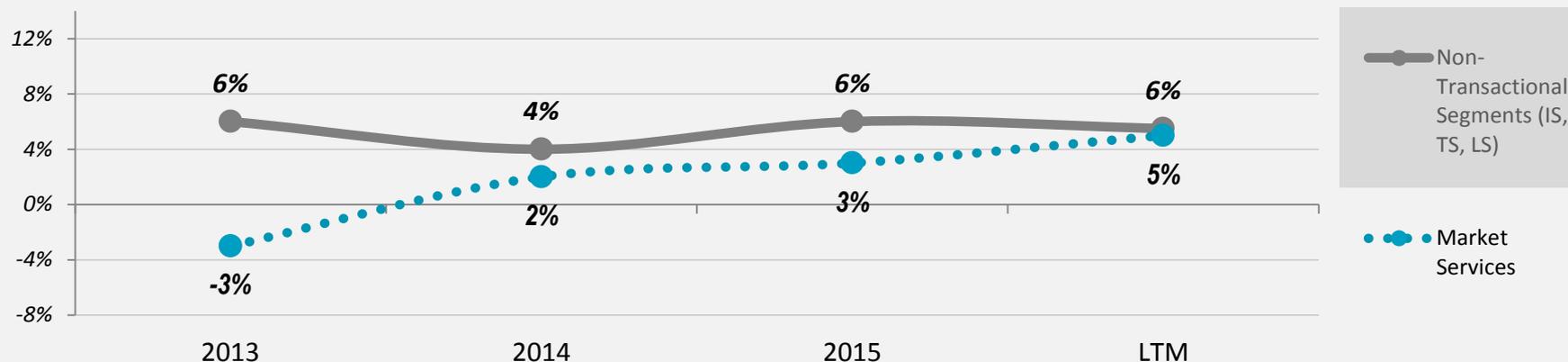
## TRANSACTION-DRIVEN (25%)

- High operating leverage
- Secular growth in derivatives and fixed income
- Cyclical volatility rebound opportunity
- Specific growth initiative investments

1. Represents last 12 months revenues less transaction-based expenses

# ORGANIC REVENUE GROWTH AND OUTLOOK

## NASDAQ REVENUE GROWTH EXCLUDING ACQUISITIONS, CONSTANT CURRENCY<sup>1</sup>



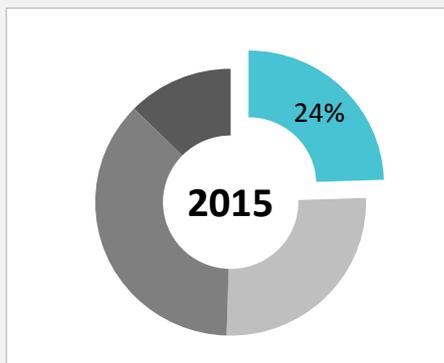
## NASDAQ MEDIUM-TERM (3-5 YR) ORGANIC REVENUE GROWTH OUTLOOK

U.S. GDP <sup>2</sup>	S&P 500 REVENUE CONSENSUS <sup>3</sup>	INFORMATION SERVICES	TECHNOLOGY SOLUTIONS	LISTING SERVICES	NON-TRANSACTIONAL SEGMENTS (IS, TS, LS)
2% - 3%	2% - 3%	Mid Single Digits	Mid Single Digits	Low Single Digits	Mid-Single Digits

1. Non-GAAP, please refer to page 31 for a reconciliation of U.S. GAAP to non-GAAP measures
2. Company estimate.
3. FactSet consensus est. 2015-2017 revenue growth, as of 6/30/2016

# INFORMATION SERVICES

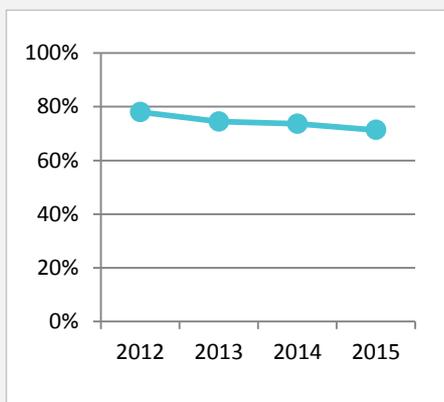
## NET REVENUE CONTRIBUTION



## SUBSCRIPTION & FEE-BASED REVENUE BUSINESS

- **Data Products:** Primarily proprietary information from Nasdaq’s trading markets, and also includes shared revenues from industry-wide U.S. equities “tape plan”.
- **Index Licensing & Services:** Index licenses for financial products: Exchange-traded funds (ETFs), futures, options, mutual funds, structured products. Third-party index calculations and intra-day portfolio valuation (IPV) calculations.

## OPERATING MARGIN<sup>(1)</sup>



## INFORMATION SERVICES NET REVENUE



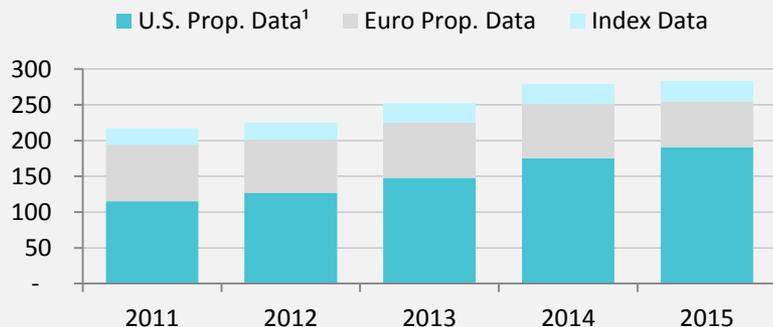
1. Information Services’ operating margins reflect the allocation of certain joint costs that support the operation of various aspects of Nasdaq’s business, including Market Services and Information Services, to business units other than Information Services.

Note: LTM basis through June 30, 2016 and June 30, 2015, respectively.

# INFORMATION SERVICES METRICS

## Market Data & Index Licensing & Services

### PROPRIETARY MARKET DATA (\$M)



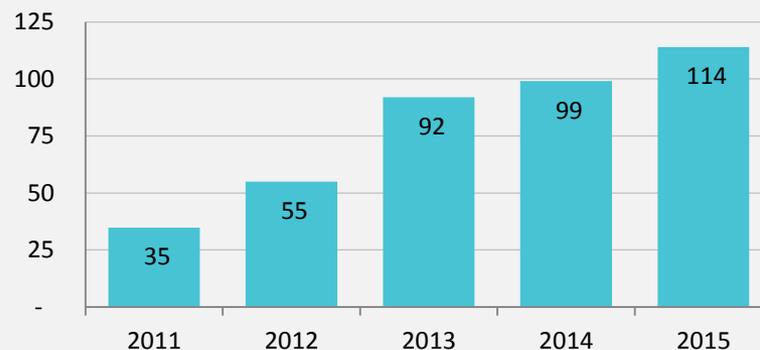
### # OF NASDAQ INDEX LICENSED ETFS



### SHARED TAPE PLAN MKT. DATA REV. (\$M)



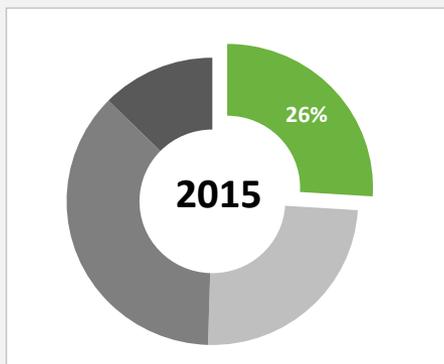
### AUM NASDAQ INDEX LICENSED ETFS (\$B)



<sup>1</sup>U.S. proprietary data include depth of book products, Nasdaq Basic, audit collections, eSpeed, Mutual Fund quotation data (MFQS), DWA, options, and beginning 1Q16, Nasdaq CXC, formerly Chi-X Canada  
Source: Nasdaq

# TECHNOLOGY SOLUTIONS

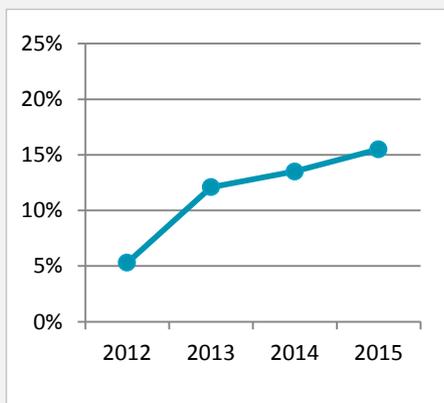
## NET REVENUE CONTRIBUTION



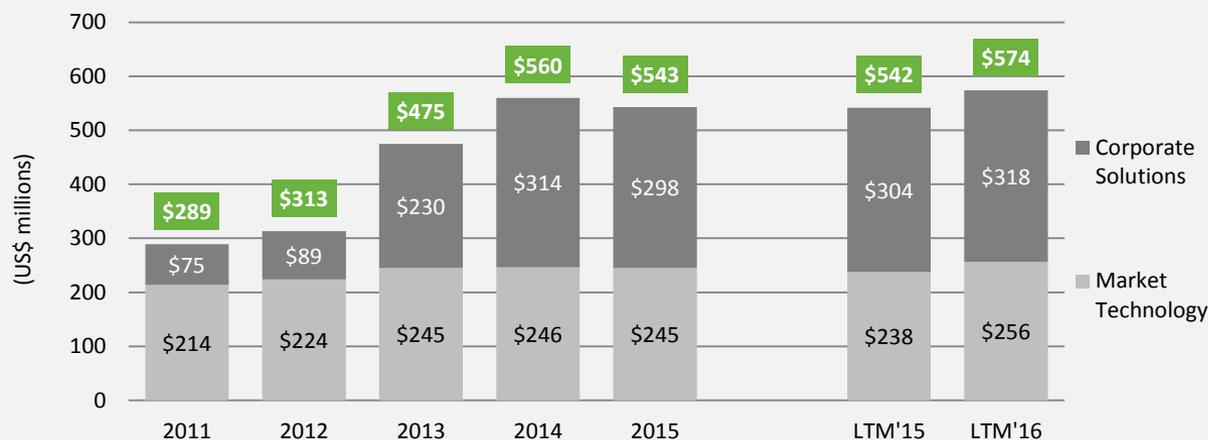
## RECURRING REVENUE BUSINESS W/ MARGIN EXPANSION OPPORTUNITY

- **Market Technology:** Leading technology supplier to exchanges, clearinghouses, central securities depositories and regulators worldwide, with over 70 markets in over 50 countries. Provider of compliance services to over 65 market participants in over 100 countries.
- **Corporate Solutions:** Leading provider of investor relations, governance, public relations & other technology/services to publicly listed and private companies

## OPERATING MARGIN



## TECHNOLOGY SOLUTIONS NET REVENUE

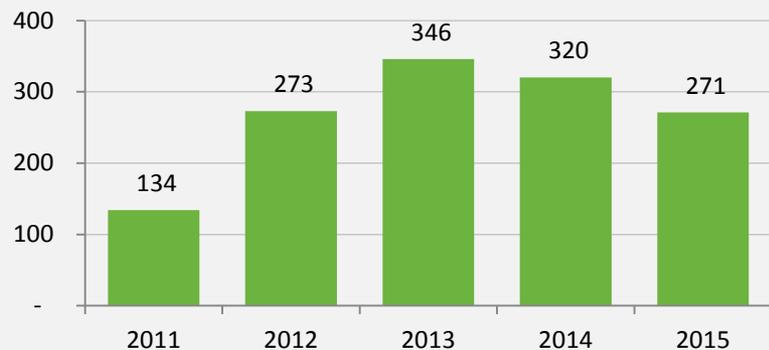


Note: LTM basis through June 30, 2016 and June 30, 2015, respectively.

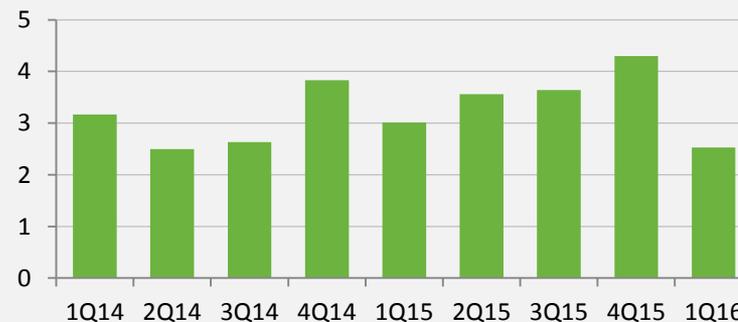
# TECHNOLOGY SOLUTIONS METRICS

## Market Technology & Corporate Solutions

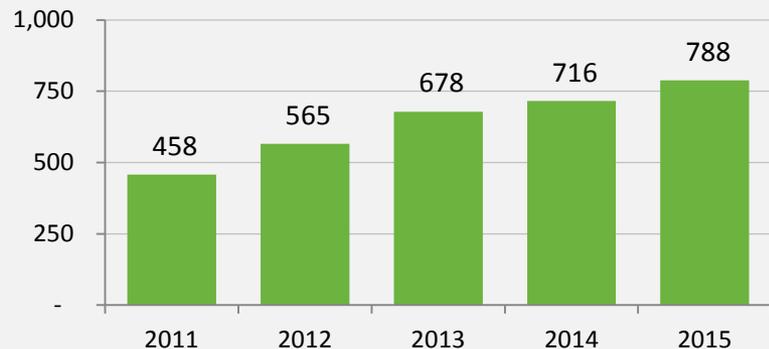
### MARKET TECHNOLOGY ORDER INTAKE (\$M)



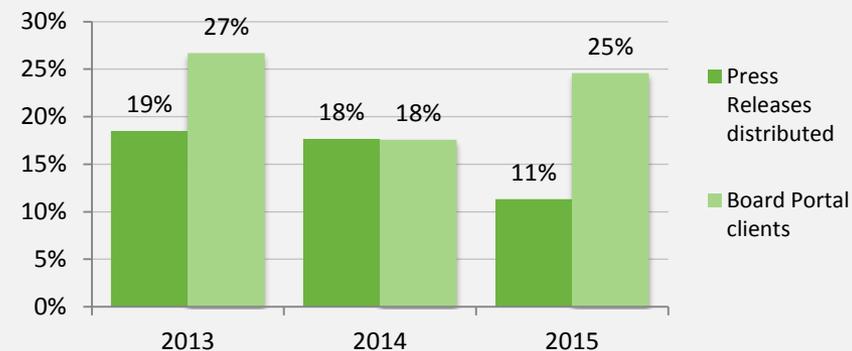
### CORPORATE SOLUTIONS CROSS SALES (\$M)



### MARKET TECHNOLOGY BACKLOG (\$M)

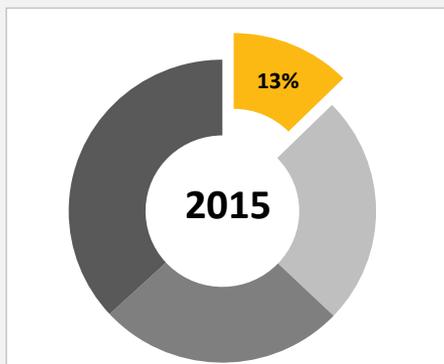


### CORPORATE SOLUTIONS PRODUCT YEAR-OVER-YEAR GROWTH

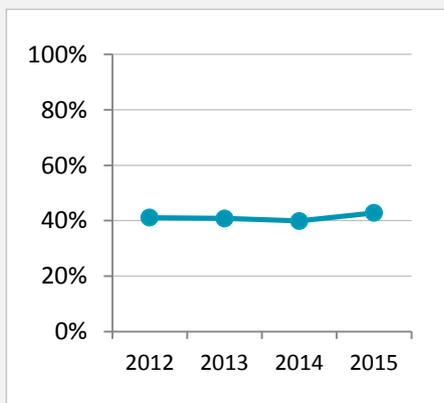


# LISTING SERVICES

## NET REVENUE CONTRIBUTION



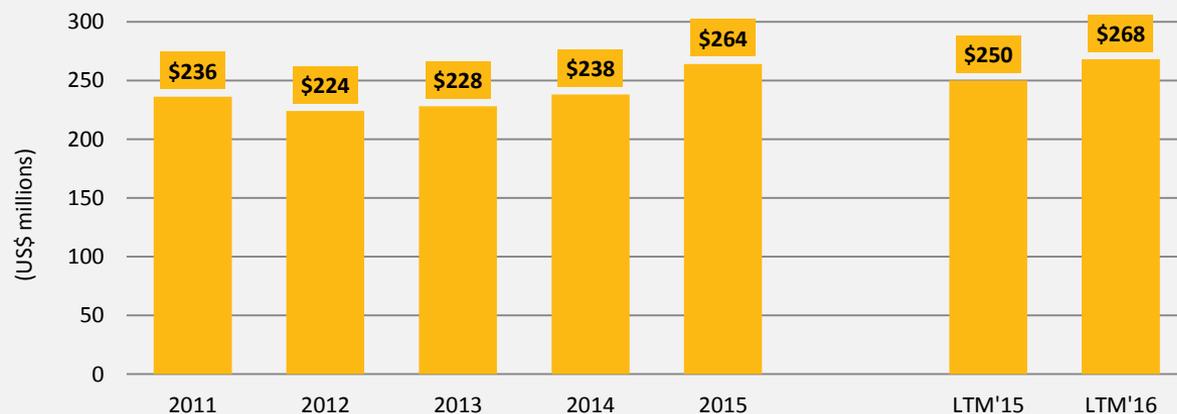
## OPERATING MARGIN



## RECURRING REVENUE BUSINESS

- Leader in U.S. listings by number of companies, and in Nordics by both number and market capitalization of listed companies. Nasdaq is home to over 3,700 listed companies with a market value of approx. \$9.3T.
- The majority of listings revenue is from annual listing fees, which are priced according to size tiers (in the U.S.) or as a ratio to market cap (in the Nordics), as well as from initial listings fees and listings of additional shares fees, which are amortized over multi-year periods.
- In addition, NASDAQ Private Market (NPM) seeks to provide liquidity, cap table management, and other services to private companies.

## LISTING SERVICES REVENUE

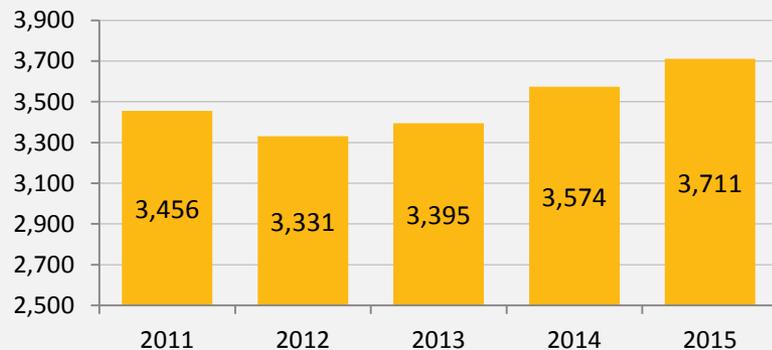


Note: LTM basis through June 30, 2016 and June 30, 2015, respectively.

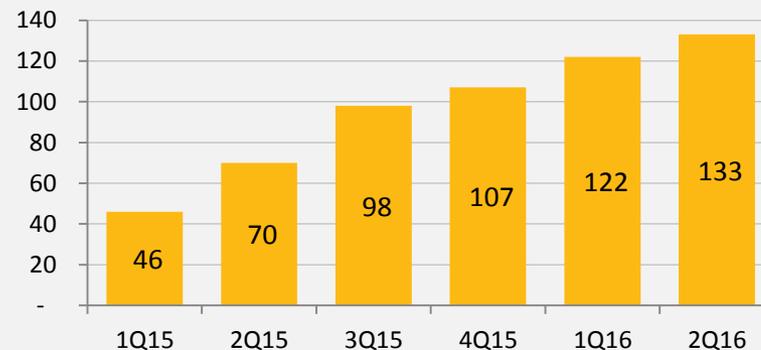
# LISTINGS METRICS

## U.S. and Nordic Listings

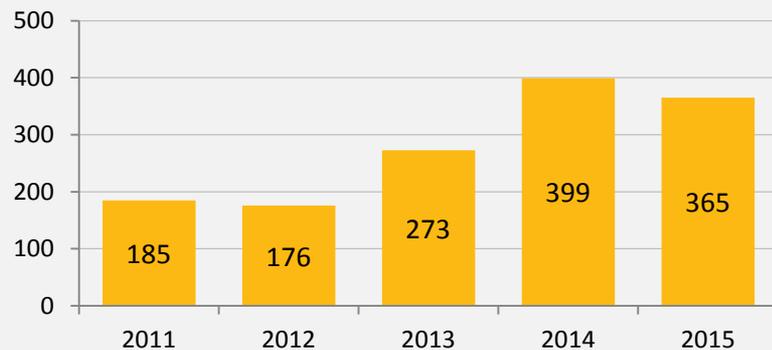
### # OF U.S. AND NORDIC NDAQ LISTINGS



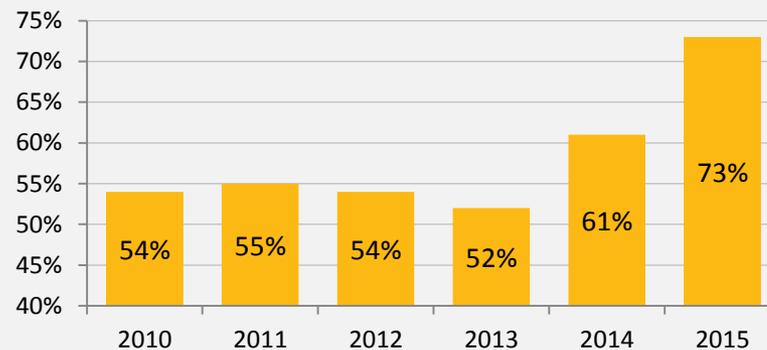
### # OF NPM CUSTOMERS<sup>1</sup> SERVED



### GLOBAL NEW LISTINGS



### NDAQ WIN RATE OF U.S. IPOs

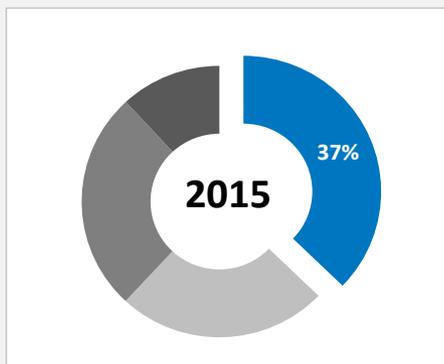


Source: Nasdaq

<sup>1</sup>Customers using software products for employee shareholder liquidity OR equity cap table administration

# MARKET SERVICES

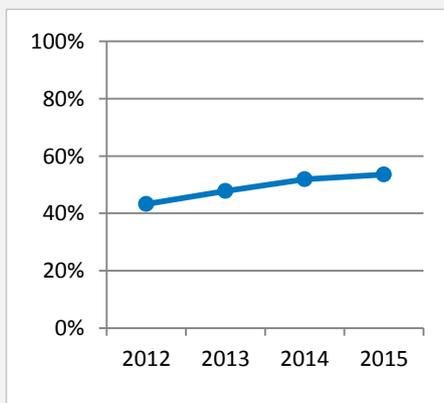
## NET REVENUE CONTRIBUTION



## MIX OF VARIABLE/RECURRING REVENUE BUSINESS

- **Cash Equities:** A leader in U.S. and Nordic equity trading.
- **Equity Derivatives:** A leader in U.S. equity options trading, as well as trading and clearing of derivatives on Nordic equities and equity indices.
- **Fixed Income, Currency and Commodities (FICC):** Consists of eSpeed government bond trading, Nordic fixed income clearing, and energy, freight and other commodity trading and clearing products.
- **Access/Broker Services:** Connects customers to Nasdaq and other markets, as well as providing risk management and back office services.

## OPERATING MARGIN



## MARKET SERVICES NET NON-GAAP REVENUE

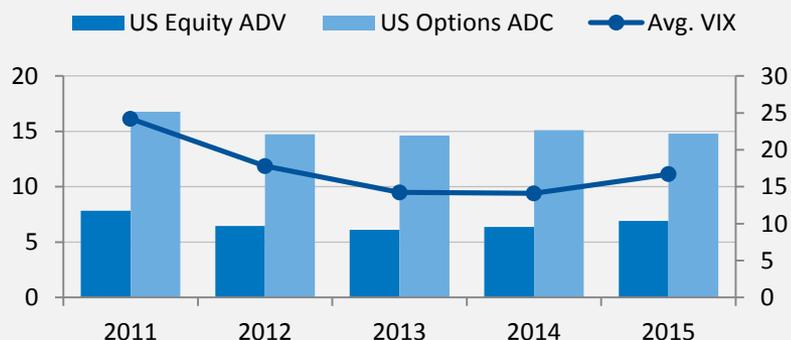


Note: LTM basis through June 30, 2016 and June 30, 2015, respectively.

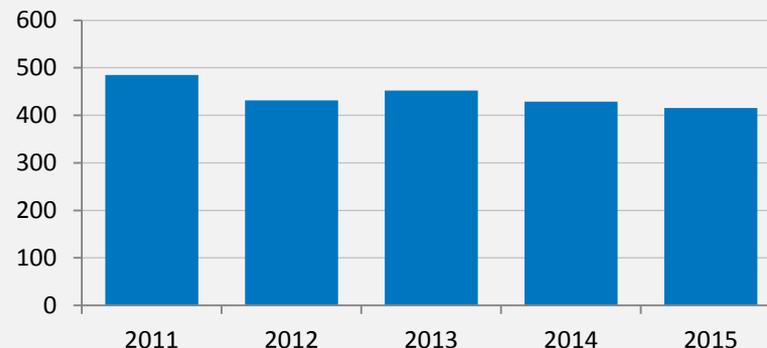
# MARKET SERVICES METRICS

## Derivative, Equity & Fixed Income Trading

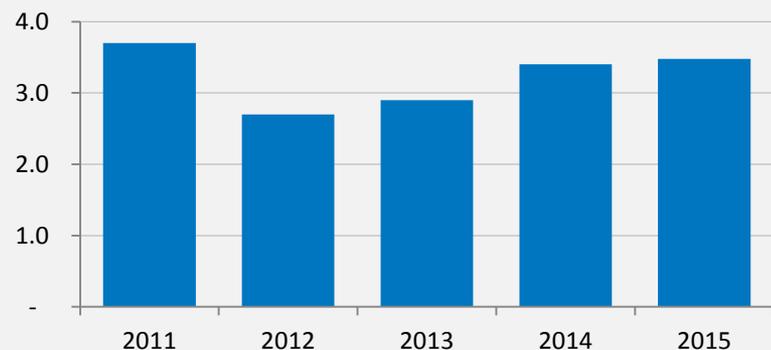
### U.S. EQUITY ADV (B) & OPTION ADC (M)



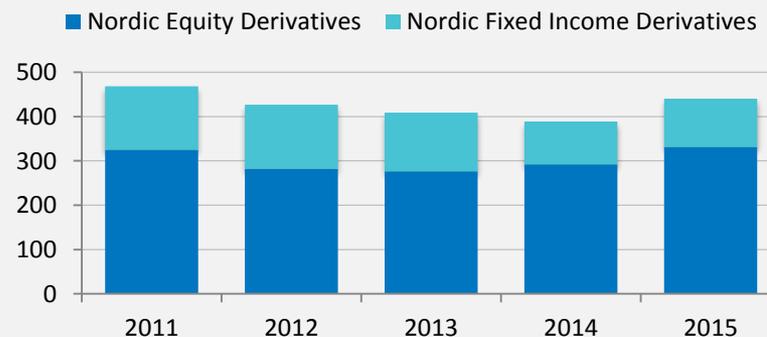
### PRIMARY DEALER UST AVG. DAILY VOL. (\$B)



### NORDIC EQUITIES DAILY VALUE TRADED (\$B)

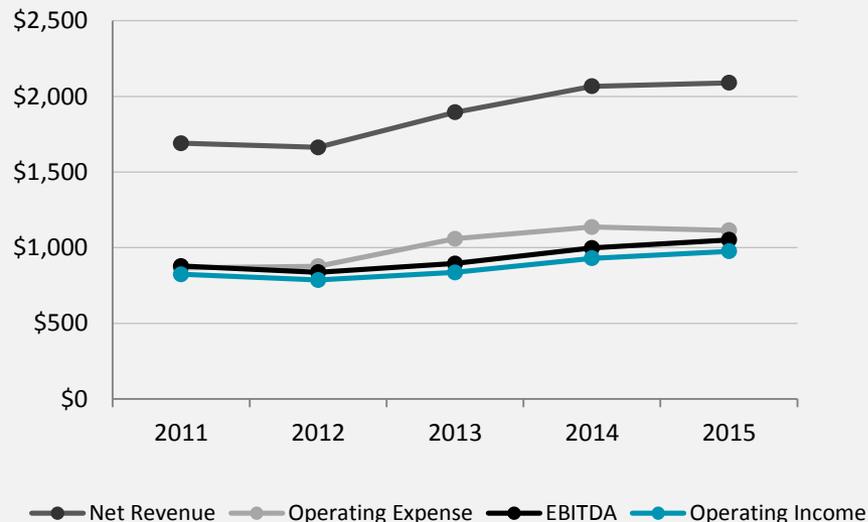
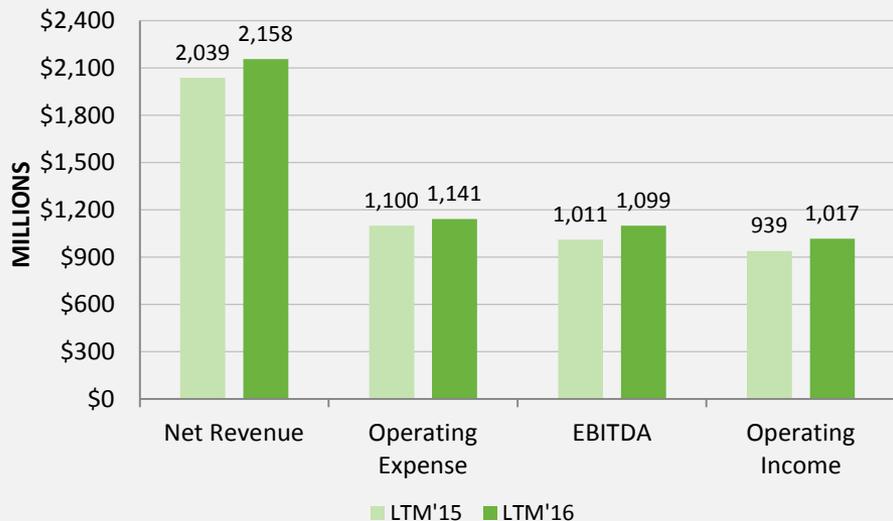


### NORDIC DERIVATIVE ADC (000'S)



Source: Nasdaq, Options Clearing Corp., NY Federal Reserve, FactSet

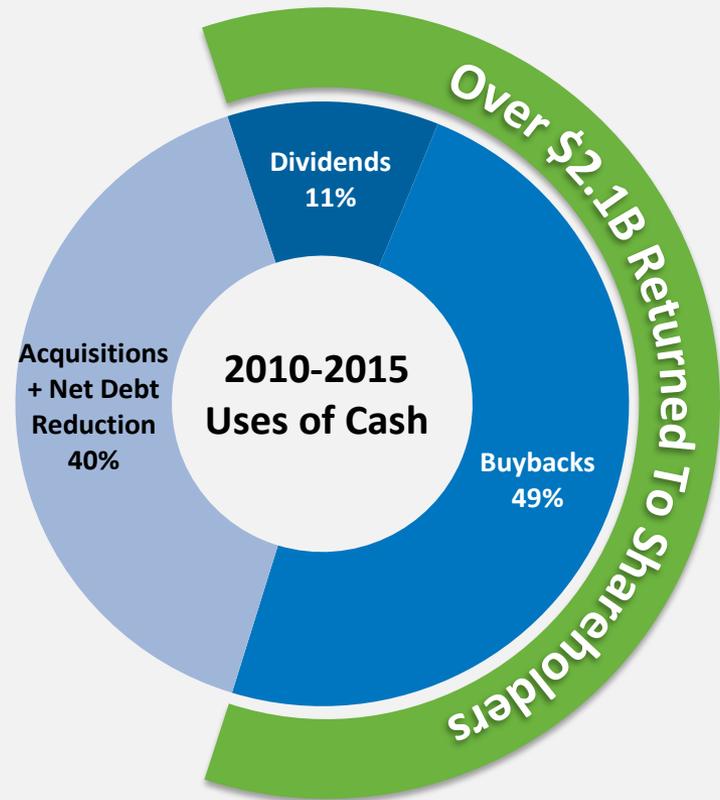
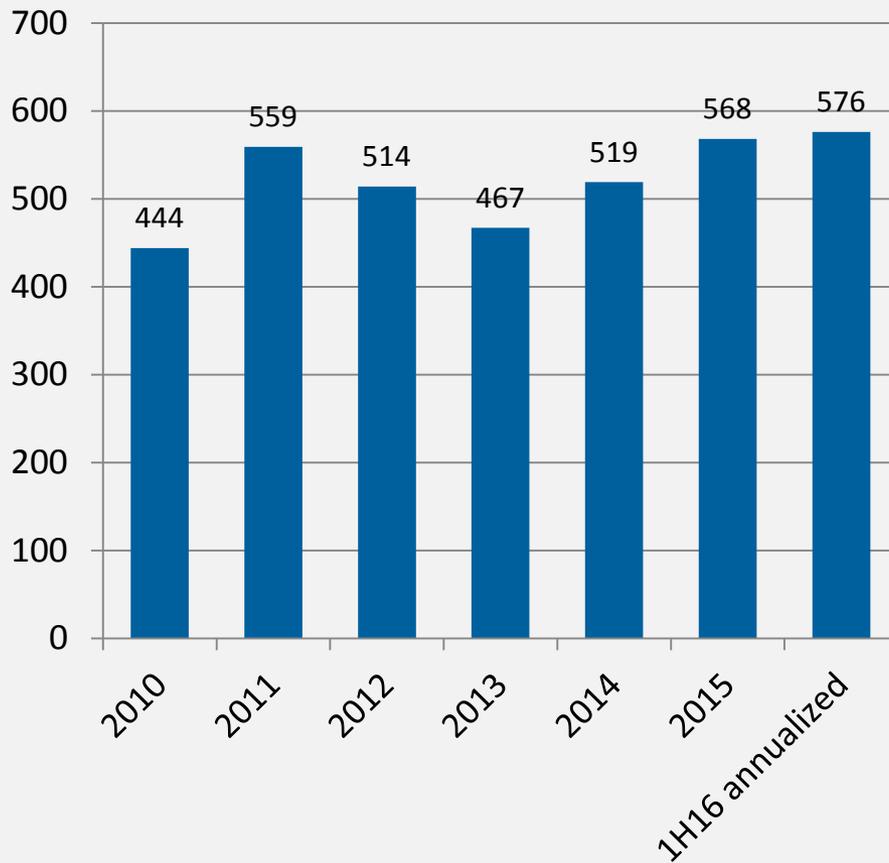
# REVENUE, EARNINGS AND CASH FLOW STABILITY<sup>1</sup>



1. Reflects non-GAAP results. Please refer to the Appendix for a complete reconciliation of non-GAAP to GAAP numbers.

# HISTORICAL CASH FLOW / USES OF CASH FLOW

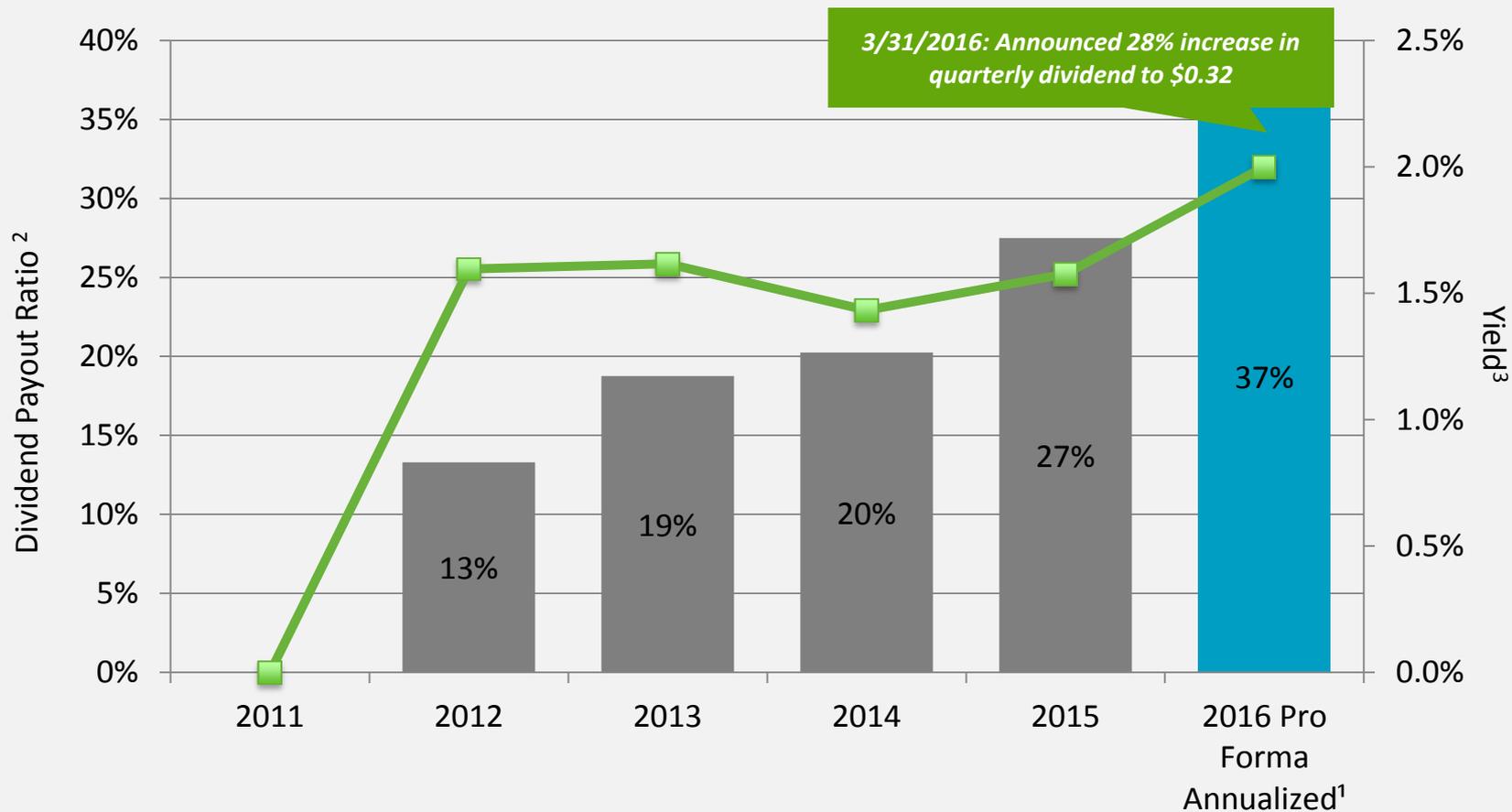
FCF Ex. SEC Section 31 Fees<sup>1</sup> (\$M)



(1) Net of change in Section 31 fees receivables of (\$9 million) in 2010; \$2 million in 2011; \$4 million in 2012; (\$7 million) in 2013; \$14 million in 2014; (\$11 million) in 2015; \$4 million in 2016YTD.

# DIVIDENDS TO COMMON SHAREHOLDERS

Significant, Growing Component Of NDAQ Investment Proposition



1. Includes pro forma 2016 quarterly dividend of \$0.32
2. Full-year dividends paid divided by prior-year non-GAAP net income
3. Average daily dividend yield through July 27, 2016 (Source: FactSet).

# INVESTING SIGNIFICANTLY FOR GROWTH

*INNOVATION AND DISRUPTIVE TECHNOLOGIES ARE CORE TO NASDAQ'S CULTURE*

**Defined R&D Investment Framework for Organic Initiatives, Partnerships, and Technology**  
*Projected \$35-\$45M in 2016 (4% of Non-GAAP Expenses) • \$100M+ Invested Since Initiation*

<b>NFX Energy Market</b>	<ul style="list-style-type: none"><li>• Expands commodities offering to include popular global energy benchmarks, leveraging existing infrastructure and OCC clearing.</li><li>• Partnership with leading energy market participants to bring increased competition to \$1B+ revenue industry.</li><li>• Over 100K ADV and over 1M open interest achieved in first 4 quarters of operation, user fee implementation began May 1, 2016.</li></ul>	 <p>NFX</p>
<b>Blockchain</b>	<ul style="list-style-type: none"><li>• Potential to drive significant efficiencies for financial services industry</li><li>• Exploring potential through multiple use cases:<ul style="list-style-type: none"><li>• Incorporating into Nasdaq Private Market</li><li>• Testing use in proxy voting in Estonia</li></ul></li><li>• Will look to incorporate and leverage in Nasdaq's core products, such as in post-trade Market Technology offerings.</li></ul>	 
<b>Machine Intelligence</b>	<ul style="list-style-type: none"><li>• Compliance and surveillance needs are growing broadly, and in particular for products predominantly traded off-exchange.</li><li>• Entered partnership with Digital Reasoning for eComms compliance and surveillance.</li><li>• In addition to compliance and surveillance, see application to innovate in data products, market operations, etc</li></ul>	

# EXECUTING ON ATTRACTIVE ACQUISITIONS

	Market Services		Corporate Solutions	
Acquisition	<b>ISE</b> <ul style="list-style-type: none"> <li>Operator of three U.S. equity options exchanges</li> <li>Leading market share in complex options trades</li> <li>20% ownership of OCC</li> </ul>	<b>Nasdaq CXC Limited</b> <ul style="list-style-type: none"> <li>Alternative Canadian equity trading platform for TSX and TSXV-listed securities</li> <li>Top-2 market position</li> <li>Product expansion opp.</li> </ul>	<b>Marketwired</b> <ul style="list-style-type: none"> <li>Global provider of news distribution services</li> <li>Unique media analytic tools</li> <li>7,000 corporate clients</li> </ul>	<b>Boardvantage</b> <ul style="list-style-type: none"> <li>A leading Board collaboration and productivity platform.</li> <li>1,900 corporate clients</li> </ul>
	<i>Closed 2Q16</i>	<i>Closed 1Q16</i>	<i>Closed 1Q16</i>	<i>Closed 2Q16</i>
Operational Update	<ul style="list-style-type: none"> <li>Re-platforming to Nasdaq's INET technology is underway and expected to complete mid-2017</li> </ul>	<ul style="list-style-type: none"> <li>Re-branding complete</li> <li>Re-platforming to Nasdaq's INET technology expected to occur in 1Q17</li> </ul>	<ul style="list-style-type: none"> <li>Product roadmaps and client migration plans underway</li> <li>Expect to transition from two product platforms to one in 2017</li> </ul>	<ul style="list-style-type: none"> <li>Product roadmaps and client migration plans underway</li> <li>Expect to transition from two product platforms to one in 2017</li> </ul>
Synergies	<p><b>Cost synergies of \$40M targeted</b>  <b>\$8M achieved as of 2Q16</b>  <i>Full synergies expected within 18 months of closing</i></p>		<p><b>Cost synergies of \$20M targeted</b>  <b>\$2M achieved as of 2Q16</b>  <i>Full synergies expected within 18 months of closing</i></p>	
<p><b>\$0.40 accretive to 2015 diluted EPS</b></p> <p><i>Assumes 2015 Pro-Forma w/ Full Synergy Realization</i></p>				

# APPENDIX

# HISTORICAL REVENUE, OPERATING PROFIT, EBITDA, AND MARGIN TRENDS

NON-GAAP RESULTS <sup>(1)</sup> (US\$ Millions, except EPS)	2011	2012	2013	2014	2015	2Q15	3Q15	4Q15	1Q16	2Q16
<b>Net Revenues</b>	<b>\$1,690</b>	<b>\$1,663</b>	<b>\$1,895</b>	<b>\$2,067</b>	<b>\$2,090</b>	<b>\$518</b>	<b>\$529</b>	<b>\$536</b>	<b>\$534</b>	<b>\$559</b>
Operating Expenses	(866)	(877)	(1,059)	(1,137)	(1,114)	(281)	(276)	(285)	(280)	(300)
<b>Operating Income</b>	<b>824</b>	<b>786</b>	<b>836</b>	<b>930</b>	<b>976</b>	<b>237</b>	<b>253</b>	<b>251</b>	<b>254</b>	<b>259</b>
<i>Operating Margin<sup>(2)</sup></i>	49%	47%	44%	45%	47%	46%	48%	47%	48%	46%
EBITDA	878	838	895	998	1,052	256	272	271	275	281
<i>EBITDA Margin<sup>(3)</sup></i>	52%	50%	47%	48%	50%	49%	51%	51%	51%	50%
Net Income	489	464	484	542	581	143	151	150	153	153
<b>DILUTED EPS</b>	<b>\$2.72</b>	<b>\$2.69</b>	<b>\$2.83</b>	<b>\$3.13</b>	<b>\$3.39</b>	<b>\$0.83</b>	<b>\$0.88</b>	<b>\$0.89</b>	<b>\$0.91</b>	<b>\$0.91</b>

1. Please refer to the Appendix for a complete reconciliation of GAAP to non-GAAP numbers
2. Operating margin equals operating income divided by net revenues.
3. EBITDA margin equals EBITDA divided by net revenues.

# 2016 NON-GAAP EXPENSE GUIDANCE <sup>(1)</sup>

(US\$ millions)	Prior 2016 Guidance <sup>(1)</sup>	Revised 2016 Guidance <sup>(1)</sup>
Non-GAAP Operating Expenses	\$1,145-\$1,185	\$1,145-\$1,185
Impact of ISE <sup>2</sup>	-	\$35
Research & Development	\$35-\$45	\$35-\$45
<b>Total Non-GAAP Operating Expenses</b>	<b>\$1,180-\$1,230</b>	<b>\$1,215-\$1,265</b>

1. U.S. GAAP operating expense guidance is 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, as well as future charges or reversals outside of the normal course of business.
2. ISE acquisition closed June 30, 2016.

# HISTORICAL CASH FLOW / USES OF CASH FLOW

Free Cash Flow Calculation (US\$ millions)	2010	2011	2012	2013	2014	2015	2016YTD	2009 – 2016YTD
Cash flow from operations	\$440	\$669	\$588	\$574	\$687	\$685	\$392	<b>\$4,617</b>
Capital expenditure	(42)	(88)	(87)	(115)	(140)	(133)	(51)	<b>(715)</b>
<b>Free cash flow</b>	<b>398</b>	<b>581</b>	<b>501</b>	<b>459</b>	<b>547</b>	<b>552</b>	<b>341</b>	<b>3,902</b>
Section 31 fees (net) <sup>(1)</sup>	46	(22)	13	8	(28)	16	(53)	<b>(82)</b>
<b>Free cash flow ex. Section 31 fees</b>	<b>444</b>	<b>559</b>	<b>514</b>	<b>467</b>	<b>519</b>	<b>568</b>	<b>288</b>	<b>3,820</b>
<b>Uses of cash flow</b>								
Share repurchases	797	100	275	10	178	377	45	<b>1,782</b>
Net repayment/(borrowing) of debt	(193)	248	145	(606)	235	(137)	(1,358)	<b>(1,326)</b>
Acquisitions (less dispositions)	189	26	112	1,164	-	256	1,460	<b>3,161</b>
Dividends	-	-	65	87	98	149	94	<b>493</b>
<b>Total uses of cash flow</b>	<b>793</b>	<b>374</b>	<b>597</b>	<b>655</b>	<b>511</b>	<b>645</b>	<b>241</b>	<b>4,110</b>

(1) Net of change in Section 31 fees receivables of (\$9 million) in 2010; \$2 million in 2011; \$4 million in 2012; (\$7 million) in 2013; \$14 million in 2014; (\$11 million) in 2015; \$4 million in 2016YTD and \$23 million in 2009-2016YTD.

# DEBT OVERVIEW

## PLAN TO DE-LEVER TO MID-2X

- ▶ 2Q16 debt increased by \$1,166M vs. 1Q16 primarily to finance the acquisitions
- ▶ Plan to de-lever to mid-2x leverage ratio over the next 18 months
- ▶ Net interest expense for 2Q16 was \$31M, \$5M higher as compared to \$26M in 2Q15, primarily due to acquisition debt

## LEVERAGE RATIOS

Net Debt to EBITDA <sup>(1)</sup> = 2.8x

Total Debt to EBITDA <sup>(1)</sup> = 3.1x

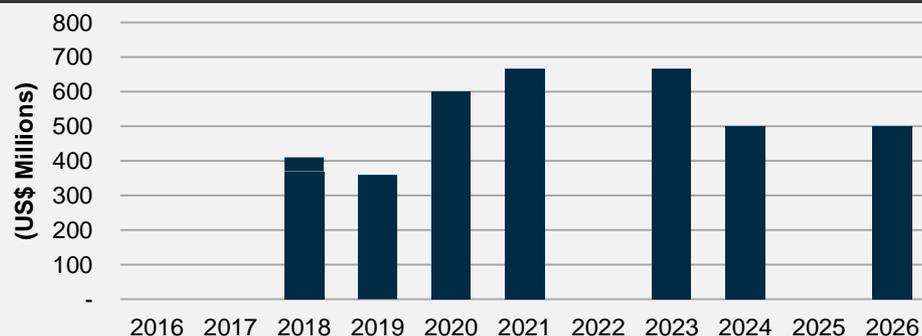
LTM EBITDA <sup>(1)</sup> = \$1,212M

(1) See Appendix for EBITDA reconciliation. Pro forma leverage ratios have been calculated for Q2'16 to reflect the acquisitions of Nasdaq CXC Limited (formerly Chi-X Canada), Marketwired, Boardvantage and ISE

## \$3.4B NET DEBT

(\$ millions)	6/30/16	Maturity Date
Revolver (Libor + 117.5 bps)	58	11/25/19
Term Loan (Libor + 150 bps)	399	11/25/19
5.25% Bond	369	01/16/18
5.55% Bond	597	01/15/20
3.88% Euro Bond	661	06/07/21
1.75% Euro Bond	657	05/19/23
4.25% Bond	495	06/01/24
3.85% Bond	495	06/30/26
<b>Total Debt Obligations</b>	<b>\$ 3,731</b>	
Less Cash and Cash Equivalents	(344)	
<b>Net Debt</b>	<b>\$3,387</b>	

## WELL LADDERED DEBT MATURITIES



# NET REVENUES<sup>1</sup>

## Reconciliation of U.S. GAAP to non-GAAP

### ANNUAL

(US\$ Millions)	FY11	FY12	FY13	FY14	FY15	LTM'15	LTM'16
<b>GAAP REVENUES</b>							
Less transaction-based expenses	\$1,690	\$1,674	\$1,895	\$2,067	\$2,090	\$2,039	\$2,158
Income from open positions relating to the operations of the Exchange	-	(11)	-	-	-	-	-
<b>NON-GAAP REVENUES</b>							
Less transaction-based expenses	\$1,690	\$1,663	\$1,895	\$2,067	\$2,090	\$2,039	\$2,158

1. Certain reclassifications of prior period amounts have been made to conform to the current period presentation

# PRO FORMA EBITDA

## Pro Forma Earnings Before Interest, Taxes, Depreciation and Amortization

<i>(US\$ millions)</i>	2Q15	3Q15	4Q15	1Q16	2Q16		LTM'15	LTM'16 <sup>(1)</sup>
<b>U.S. GAAP net income attributable to Nasdaq:</b>	<b>\$133</b>	<b>\$138</b>	<b>\$148</b>	<b>\$132</b>	<b>\$70</b>		<b>\$352</b>	<b>\$488</b>
Income tax provision	60	68	71	63	76		132	278
Net income from unconsolidated investees	(1)	(2)	-	(2)	(1)		(15)	(5)
Other investment income	-	-	-	(1)	(2)		-	(3)
Net interest expense	26	27	27	27	31		107	112
Asset impairment charge							49	
Net loss attributable to noncontrolling interests	(1)						(1)	
<b>U.S. GAAP operating income:</b>	<b>\$217</b>	<b>\$231</b>	<b>\$246</b>	<b>\$219</b>	<b>\$174</b>		<b>\$624</b>	<b>\$870</b>
Non-GAAP Adjustments <sup>(2)</sup>	20	22	5	35	85		315	147
<b>Non-GAAP operating income:</b>	<b>\$237</b>	<b>\$253</b>	<b>\$251</b>	<b>\$254</b>	<b>\$259</b>		<b>\$939</b>	<b>\$1,017</b>
Depreciation and amortization of tangibles (Nasdaq)	19	19	20	21	22		72	82
<b>EBITDA</b>	<b>\$256</b>	<b>\$272</b>	<b>\$271</b>	<b>\$275</b>	<b>\$281</b>		<b>\$1,011</b>	<b>\$1,099</b>
EBITDA of Nasdaq CXC/Marketwired/Boardvantage/ISE <sup>(3)</sup>		34	31	27	21			113
<b>EBITDA pro forma for acquisitions:</b>		<b>\$306</b>	<b>\$302</b>	<b>\$302</b>	<b>\$302</b>			<b>\$1,212</b>

<i>(US\$ millions)</i>	2011	2012	2013	2014	2015
<b>U.S. GAAP net income attributable to Nasdaq:</b>	<b>\$387</b>	<b>\$352</b>	<b>\$385</b>	<b>\$414</b>	<b>\$428</b>
Income tax provision	190	199	216	181	203
Net income from unconsolidated investees	(2)	1	2	-	(17)
Other investment income	(1)	-	(30)	-	-
Net interest expense	108	87	102	111	107
Asset impairment charges	18	40	14	49	-
Loss on divestiture	-	14	-	-	-
Net loss attributable to noncontrolling interests	(4)	(3)	(1)	(1)	(1)
<b>U.S. GAAP operating income:</b>	<b>\$696</b>	<b>\$690</b>	<b>\$688</b>	<b>\$754</b>	<b>\$720</b>
Non-GAAP Adjustments <sup>(2)</sup>	128	96	148	176	256
<b>Non-GAAP operating income:</b>	<b>\$824</b>	<b>\$786</b>	<b>\$836</b>	<b>\$930</b>	<b>\$976</b>
Depreciation and amortization of tangibles (Nasdaq)	54	52	59	68	76
<b>EBITDA</b>	<b>\$878</b>	<b>\$838</b>	<b>\$895</b>	<b>\$998</b>	<b>\$1,052</b>

(1) Numbers may not add up due to rounding

(2) Please see slide 28 for reconciliation of U.S. GAAP operating income to non-GAAP operating income

(3) The sources of the pro forma information were LTM financials provided by Chi-X Canada, Marketwired, Boardvantage and ISE.

# OPERATING EXPENSES

## Reconciliation of U.S. GAAP to non-GAAP

(US\$ Millions)	2Q15	3Q15	4Q15	1Q16	2Q16	FY11	FY12	FY13	FY14	FY15	LTM'15	LTM'16
<b>U.S. GAAP OPERATING EXPENSES</b>	<b>\$301</b>	<b>\$298</b>	<b>\$290</b>	<b>\$315</b>	<b>\$385</b>	<b>\$994</b>	<b>\$984</b>	<b>\$1,207</b>	<b>\$1,313</b>	<b>\$1,370</b>	<b>\$1,415</b>	<b>\$1,288</b>
Voluntary Accommodation Program	-	-	-	-	-	-	-	(44)	-	-	-	-
Securities and Exchange Commission matter	-	-	-	-	-	-	-	(10)	-	-	-	-
Merger and strategic initiatives	(3)	(4)	(4)	(9)	(35)	(38)	(4)	(22)	(81)	(10)	(43)	(52)
Restructuring charges	(2)	(8)	(12)	(9)	(33)	-	(44)	(9)	-	(172)	(152)	(62)
Extinguishment of debt	-	-	-	-	-	(31)	-	-	(11)	-	(2)	-
Special legal expenses	-	-	-	-	-	-	(7)	(3)	(2)	-	(31)	-
Sublease reserve	-	-	-	-	2	-	-	-	(11)	-	(11)	2
Reversal of value added tax refund	-	-	-	-	-	-	-	-	-	(12)	(12)	-
Amortization of acquired intangible assets	(15)	(15)	(15)	(17)	(19)	(55)	(52)	(63)	(69)	(62)	(63)	(66)
Loss reserve and insurance recovery	-	5	26	-	-	-	-	-	-	-	0	31
Other	-	-	-	-	-	(4)	-	3	(2)	-	(1)	-
<b>Total adjustments</b>	<b>(20)</b>	<b>(22)</b>	<b>(5)</b>	<b>(35)</b>	<b>(85)</b>	<b>(128)</b>	<b>(107)</b>	<b>(148)</b>	<b>(176)</b>	<b>(256)</b>	<b>(315)</b>	<b>(147)</b>
<b>NON-GAAP OPERATING EXPENSES</b>	<b>\$281</b>	<b>\$276</b>	<b>\$285</b>	<b>\$280</b>	<b>\$300</b>	<b>\$ 866</b>	<b>\$ 877</b>	<b>\$ 1,059</b>	<b>\$1,137</b>	<b>\$1,114</b>	<b>\$1,100</b>	<b>\$1,141</b>

# OPERATING INCOME

## Reconciliation of U.S. GAAP to non-GAAP

(US\$ Millions)	2Q15	3Q15	4Q15	1Q16	2Q16	FY11	FY12	FY13	FY14	FY15	LTM'15	LTM'16
<b>U.S. GAAP OPERATING INCOME</b>	<b>\$217</b>	<b>\$231</b>	<b>\$246</b>	<b>\$219</b>	<b>\$174</b>	<b>\$696</b>	<b>\$690</b>	<b>\$688</b>	<b>\$754</b>	<b>\$720</b>	<b>\$624</b>	<b>\$870</b>
Income from open positions relating to the operations of the Exchange	-	-	-	-	-	-	(11)	-	-	-	-	-
Voluntary Accommodation Program	-	-	-	-	-	-	-	44	-	-	-	-
Securities and Exchange Commission matter	-	-	-	-	-	-	-	10	-	-	-	-
Merger and strategic initiatives	3	4	4	9	35	38	4	22	81	10	43	52
Restructuring charges	2	8	12	9	33	-	44	9	-	172	152	62
Extinguishment of debt	-	-	-	-	-	31	-	-	11	-	2	-
Special legal expenses	-	-	-	-	-	-	7	3	2	-	31	-
Sublease reserve	-	-	-	-	(2)	-	-	-	11	-	11	(2)
Reversal of value added tax refund	-	-	-	-	-	-	-	-	-	12	12	-
Amortization of acquired intangible assets	15	15	15	17	19	55	52	63	69	62	63	66
Loss reserve and insurance recovery	-	(5)	(26)	-	-	-	-	-	-	-	-	(31)
Other	-	-	-	-	-	4	-	(3)	2	-	1	-
<b>Total Non-GAAP adjustments</b>	<b>20</b>	<b>22</b>	<b>5</b>	<b>35</b>	<b>85</b>	<b>128</b>	<b>96</b>	<b>148</b>	<b>176</b>	<b>256</b>	<b>315</b>	<b>147</b>
<b>NON-GAAP OPERATING INCOME</b>	<b>\$237</b>	<b>\$253</b>	<b>\$251</b>	<b>\$254</b>	<b>\$259</b>	<b>\$ 824</b>	<b>\$ 786</b>	<b>\$ 836</b>	<b>\$930</b>	<b>\$976</b>	<b>\$939</b>	<b>\$1,017</b>

# NET INCOME AND DILUTED EPS

## Reconciliation Of U.S. GAAP To Non-GAAP - Quarterly

<i>(US\$ millions, except EPS)</i>	2Q15	3Q15	4Q15	1Q16	2Q16
<b>U.S. GAAP NET INCOME ATTRIBUTABLE TO NASDAQ</b>	<b>\$133</b>	<b>\$138</b>	<b>\$148</b>	<b>\$132</b>	<b>\$70</b>
Merger and strategic initiatives	3	4	4	9	35
Sublease reserve	-	-	-	-	(2)
Restructuring charges	2	8	12	9	33
Amortization of acquired intangible assets	15	15	15	17	19
Loss reserve and insurance recovery	-	(5)	(26)	-	-
<b>TOTAL NON-GAAP ADJUSTMENTS</b>	<b>20</b>	<b>22</b>	<b>5</b>	<b>35</b>	<b>85</b>
Adjustment to the income tax provision to reflect non-GAAP adjustments <sup>(1)</sup>	(10)	(9)	(3)	(14)	(2)
Total Non-GAAP Adjustments, net of tax	10	13	2	21	83
<b>NON-GAAP NET INCOME ATTRIBUTABLE TO NASDAQ</b>	<b>\$143</b>	<b>\$151</b>	<b>\$150</b>	<b>\$153</b>	<b>\$153</b>
<b>U.S. GAAP diluted EPS</b>	<b>\$0.77</b>	<b>\$0.80</b>	<b>\$0.88</b>	<b>\$0.78</b>	<b>\$0.42</b>
Total adjustments from non-GAAP net income, above	\$0.06	\$0.08	\$0.01	\$0.13	\$0.49
<b>NON-GAAP DILUTED EPS</b>	<b>\$0.83</b>	<b>\$0.88</b>	<b>\$0.89</b>	<b>\$0.91</b>	<b>\$0.91</b>

1. Nasdaq determines the tax effect of each item based on the tax rules in the respective jurisdiction where the transaction occurred

# NET INCOME AND DILUTED EPS

## Reconciliation Of U.S. GAAP To Non-GAAP - Annual

<i>(US\$ millions, except EPS)</i>	FY11	FY12	FY13	FY14	FY15
<b>U.S. GAAP NET INCOME ATTRIBUTABLE TO NASDAQ</b>	<b>\$387</b>	<b>\$352</b>	<b>\$385</b>	<b>\$414</b>	<b>\$428</b>
Voluntary Accommodation Program	-	-	44	-	-
Securities and Exchange Commission matter	-	-	10	-	-
Income from open positions relating to the operations of the Exchange	-	(11)	-	-	-
Gain on sale of investment security	-	-	(30)	-	-
Merger and strategic initiatives	38	4	22	81	10
Extinguishment of debt	31	-	-	11	-
Asset impairment charges	18	40	14	49	-
Loss on divestiture of a business	-	14	-	-	-
Sublease reserve	-	-	-	11	-
Restructuring charges	-	44	9	-	172
Special legal expenses	-	7	3	2	-
Income from OCC investment	-	-	-	-	(13)
Reversal of value added tax refund	-	-	-	-	12
Amortization of acquired intangible assets	55	52	63	69	62
Other	4	-	(3)	2	-
<b>TOTAL NON-GAAP ADJUSTMENTS</b>	<b>146</b>	<b>150</b>	<b>132</b>	<b>225</b>	<b>243</b>
Non-GAAP adjustment to the income tax provision <sup>(1)</sup>	(44)	(38)	(33)	(97)	(90)
Total Non-GAAP Adjustments, net of tax	102	112	99	128	153
<b>NON-GAAP NET INCOME ATTRIBUTABLE TO NASDAQ</b>	<b>\$489</b>	<b>\$464</b>	<b>\$484</b>	<b>\$542</b>	<b>\$581</b>
<b>GAAP diluted EPS</b>	<b>\$2.15</b>	<b>\$2.04</b>	<b>\$2.25</b>	<b>\$2.39</b>	<b>\$2.50</b>
Total adjustments from non-GAAP net income, above	\$0.57	\$0.65	\$0.58	\$0.74	\$0.89
<b>NON-GAAP DILUTED EPS</b>	<b>\$2.72</b>	<b>\$2.69</b>	<b>\$2.83</b>	<b>\$3.13</b>	<b>\$3.39</b>

1. Nasdaq determines the tax effect of each item based on the tax rules in the respective jurisdiction where the transaction occurred

# ORGANIC REVENUE GROWTH:

## Reconciliation of U.S. GAAP to non-GAAP

<u>Non-Trading Segments</u>			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>		
<i>All figures in US\$ Millions</i>		Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
3Q15-2Q16		1,368	1,272	96	8%	70	6%	26	2%
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%
<u>Market Services Segment</u>			Total Variance		Organic Impact		Other Impact <sup>(1)</sup>		
<i>All figures in US\$ Millions</i>		Current Period	Prior-year Period	\$M	%	\$M	%	\$M	%
3Q15-2Q16		790	767	23	3%	37	5%	(14)	(2%)
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%

<sup>1</sup>Other impact includes acquisitions and changes in FX rates

# 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 reconciliation, 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 are primarily related to (i) the rebranding of our company name from The NASDAQ OMX Group, Inc. to Nasdaq, Inc., (ii) severance and other termination benefits, (iii) costs to vacate duplicate facilities, and (iv) asset impairment 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.

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## 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 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 of 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, 2016, other significant items include 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, and the release of a sublease loss reserve due to the early exit of a facility. We believe the exclusion of such amounts, which arise outside of the normal course of business, allow management and investors to better understand the financial results of Nasdaq.

*Foreign exchange impact on revenue:* 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.

## 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, 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](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.

## Website Disclosure

We intend to use our website, [ir.nasdaq.com](http://ir.nasdaq.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."

# FOR ADDITIONAL INVESTOR RELATIONS INFORMATION

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