

NASDAQ to Acquire Boston Stock Exchange and Key Exchange Assets



Please Route To: Head Traders; Technical Contacts; Compliance Officers; Buy-Side Contacts; Vendor Contacts; Options Contacts

What you need to know:

- The Nasdaq Stock Market, Inc. today announced it has entered into a definitive agreement to acquire the Boston Stock Exchange (BSE), including the holding company (BSE Group), the equities market (BEX), the Boston Stock Exchange Clearing Corporation (BSECC) and BOX Regulation (BOXR).
- The transaction will give NASDAQ a second SRO license, providing flexibility around market structure and execution efficiencies.
- NASDAQ will hold a market-wide call today at 4:15 p.m., Eastern Time (ET), to provide additional information to market participants.

Whom you should contact: [NASDAQ Market Sales](#) at 800.846.0477

What is NASDAQ acquiring?

The Nasdaq Stock Market, Inc. today announced it has entered into a definitive agreement to acquire the Boston Stock Exchange (BSE), including the holding company (BSE Group), the equities market (BEX), the Boston Stock Exchange Clearing Corporation (BSECC) and BOX Regulation (BOXR). Along with these businesses NASDAQ® will acquire an SRO license for trading both equities and options and a clearing license.

NASDAQ will not acquire an interest in the Boston Options Exchange (BOX) from the BSE. However, a regulatory framework for the BOX market will remain in place. NASDAQ, through BOXR, will operate the regulatory services provider to the BOX, which is an options trading facility of the BSE. NASDAQ and BOX are discussing a plan regarding the future regulatory structure for BOX.

How will the BSE acquisition benefit NASDAQ's market participants?

This transaction will provide added liquidity, new trading choices and an enhanced competitive market environment. NASDAQ's acquisition of the BSE will expand our execution offerings, and deliver user and investor benefits consistent with our Brut and INET acquisitions. Specifically, the acquisition will allow customers to better execute their trading strategies. A second SRO license will give NASDAQ the ability to offer a second quote within the equities space, arming the customer base with more choice and competitive pricing. NASDAQ anticipates operating the BSE using its INET trading system.

Does NASDAQ plan to make use of the BSE clearing license?

Subject to Securities and Exchange Commission (SEC) approval, NASDAQ anticipates utilization of the BSE Clearing Corporation.

Will this acquisition affect NASDAQ's plans to launch an Options Market?

No. As previously noted, NASDAQ anticipates organically launching The NASDAQ Options Market, a price/time priority options market, in early December of 2007.

What approvals are required? When will this acquisition close?

The transaction is subject to SEC approval and approval by BSE members. NASDAQ's and BSE's boards of directors have approved the transaction, which is expected to close by early first quarter 2008.

What are the details for the market-wide conference call?

NASDAQ will hold an open, market-wide call today, October 2, 2007, beginning at 4:15 p.m., ET, to discuss the BSE acquisition and plans.

To ensure that you are not held up in the conference call queue as a result of the high call volume, please call in at least ten minutes early. The call details are:

October 2, 2007; 4:15 p.m., ET

Leader: Adam Nunes

Dial in: 888.639.0048

Passcode: Market-wide

*****Please note that this call is closed to members of the media.*****

Whom can I contact for additional information?

- Contact [NASDAQ Market Sales](#) at 800.846.0477

NASDAQ is the largest U.S. electronic stock market. With more than 3,100 companies, it lists more companies and, on average, its systems trade more shares per day than any other U.S. market. NASDAQ is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks as well as a leading liquidity pool for trading NYSE-listed stocks. For more information about NASDAQ, visit the NASDAQ Trader website at www.NASDAQTrader.com.

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this communication contains forward-looking statements, which 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, statements about the proposed transaction, NASDAQ's ability to implement its strategic and business initiatives, expectations and intentions and other statements that are not historical facts. Additional risks and factors are identified in NASDAQ's filings with the U.S. Securities Exchange Commission (the "SEC"), including its Report on Form 10-K for the fiscal year ending December 31, 2006 which is available on NASDAQ's website at <http://www.nasdaq.com> and on the SEC's website at <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.

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