



# FACTSHEET 2005

# NASDAQ®

## In Profile

NASDAQ® is the largest electronic screen-based equity securities market in the United States. With approximately 3,250 companies, it lists more companies and, on average, trades more shares per day than any other U.S. market. It 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.

## NASDAQ Business Lines

### NASDAQ Corporate Client Group

NASDAQ is the market of choice for industry-leading companies. The NASDAQ Corporate Client Group is dedicated to providing these NASDAQ-listed companies with unmatched customer service, visibility and market intelligence. An integral part of the quality service NASDAQ-listed companies receive, is a NASDAQ Director — a dedicated, day-to-day NASDAQ contact who works with our companies directly to answer their questions on market matters and other issues that affect their companies. All NASDAQ-listed companies have access to the NASDAQ Market Intelligence Desk® — the first service of its kind — giving senior executives an immediate, integrated and insightful source of real-time market information customized to their companies and needs. Our companies are able to maximize the effectiveness of their investor relations and compliance functions by establishing relationships with information and service providers through [www.NASDAQ.net](http://www.NASDAQ.net). Additionally, they can use their exclusive access to NASDAQ Online for strategic equity planning. NASDAQ-listed companies have opportunities to increase their visibility to investors through [NASDAQ.com](http://NASDAQ.com), hosting events at the NASDAQ MarketSite® in Times Square and advertising on the MarketSite tower.

### NASDAQ Transaction Services

NASDAQ Transaction Services is the engine of our market. NASDAQ's trading platform — the NASDAQ Market Center<sup>SM</sup> — is a fully integrated order display, execution and trade reporting system for over 6,700 securities including all NASDAQ National Market®, NASDAQ SmallCap Market<sup>SM</sup>, NYSE- and Amex-listed securities. NASDAQ Market Center is a voluntary, open-access system that accommodates diverse business models and trading preferences. Trading in the NASDAQ Market Center allows investors to have their orders displayed and protected, even when they are not at the best bid and offer. It also gives participants immediate access to greater depth at all price levels for any given stock. The addition of the NASDAQ Opening and Closing Cross in 2004 allows investors and market participants to have access to a transparent single opening and closing price in NASDAQ securities. And, with the completion of

the acquisition of Brut, LLC, NASDAQ has combined its streamlined trading platform with Brut's liquidity, smart-order routing and execution capabilities, enhancing all customers' trading experiences.

### NASDAQ Data Products

NASDAQ Data Products is committed to providing investors, portfolio managers, brokers/dealers, and registered representatives with the highest quality market data available. NASDAQ data products are powerful tools that enable unparalleled market transparency to help users make better-informed trading decisions. NASDAQ's premier data product — TotalView® — gives users access to all bids and offers, attributed and anonymous, at each price level for all stocks in the NASDAQ Market Center. The Data Products business line is unique in its ability to provide highly valued data to meet the needs of market participants and the investors they serve.

### NASDAQ Financial Products

NASDAQ Financial Products oversees the development of new NASDAQ indexes, financial products and associated derivatives; the marketing of NASDAQ indexes and NASDAQ-sponsored exchange traded funds (ETFs); the administration of NASDAQ indexes; the licensing of third-party structured products; and the listing of third-party sponsored ETFs. Over 400 financial products sold in 28 countries are based on NASDAQ indexes. The NASDAQ-100 Index® is the benchmark for the NASDAQ-100 Index Tracking Stock® (symbol: QQQQ),\* an ETF, known as QQQ®. QQQ is the most actively traded ETF in the world and the most actively traded listed equity security in the U.S. based on the average daily share trading volume as of March 31, 2005 (Source: FactSet Research Systems Inc.). NASDAQ Financial Products also sponsors the NASDAQ-100 European Tracker®, a European version of QQQ available only to European investors, and BLDRS (Baskets of Listed Depository Receipts®),\* four ETFs that track baskets of U.S.-traded American Depository Receipts. Most recently, NASDAQ listed a Fidelity ETF that tracks the performance of the NASDAQ Composite Index® (symbol: ONEQ).

\* Distributed by ALPS Distributors, Inc. To obtain a prospectus, which contains more complete information about QQQ or BLDRS unit investment trusts, please call 888.627.3837. Read them carefully before investing.

## Corporate Officers

### Robert Greifeld

*President and Chief Executive Officer*

### H. Furlong Baldwin

*Non-Executive Chairman*

### Bruce Aust

*Executive Vice President,  
NASDAQ Corporate Client Group*

### Christopher R. Concannon

*Executive Vice President,  
NASDAQ Transaction Services*

### Adena Friedman

*Executive Vice President,  
Corporate Strategy and  
NASDAQ Data Products*

### John Jacobs

*Chief Executive Officer,  
NASDAQ Financial Products Services, Inc.  
Executive Vice President,  
Worldwide Marketing*

### Edward S. Knight

*Executive Vice President and  
General Counsel*

### Steve Randich

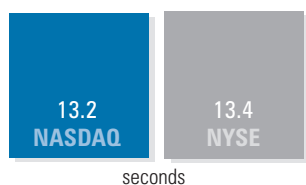
*Executive Vice President,  
Operations and Technology and  
Chief Information Officer*

### David P. Warren

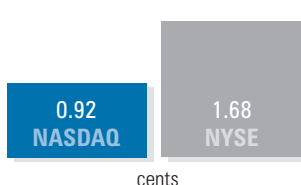
*Executive Vice President and  
Chief Financial Officer*

## S&P 500 Stocks Trade Better on NASDAQ

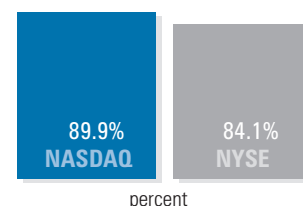
### Execution Speed



### Effective Spread



### % Within Quote



As of February 2005. Source: Market Systems, Inc. SEC 11Ac1-5 data. Note: Includes marketable orders of all sizes under 10,000 executed shares. In order for each reporting marketing center to verify data and ensure its completeness, 11Ac1-5 data is disseminated two months following the end of the reporting month.

NASDAQ's superior execution quality extends to other stocks as well. Companies 101-500 of the S&P 500 as well as S&P 400 MidCap companies trade better on NASDAQ — faster trades, tighter spreads, and lower costs.

## NASDAQ Facts

- On NASDAQ, trades are executed through a sophisticated computer and telecommunications network — a system that transmits timely, critical investment information to all users.
- NASDAQ listed 148 IPOs, including 25 international listings, in 2004 — up 174% from 2003. This represented 61% of all IPOs on all markets and \$15 billion in IPO capital raised on NASDAQ in 2004.
- On June 25, 2004 — the date of the annual reconstitution of the Russell Investment Group's 21 U.S. stock indexes — approximately 333 million shares were executed in 10 seconds through the NASDAQ Closing Cross for 1,637 Russell Index stocks, equating to \$5.3 billion in dollar volume for the day.
- Average daily dollar volume for 2004 was up 24% to \$34.6 billion and total dollar volume traded was \$8.8 trillion, up 24%.
- NASDAQ maintained an order execution and trading systems uptime of 99.993% in 2003 and 2004.
- Average daily volume in NASDAQ-listed securities for 2004 was 1.8 billion, outpacing that of both the NYSE and the Amex.
- NASDAQ's open market structure offers a level of transparency not found on the other major U.S. markets. Transparency, the ability to view investors' buy and sell orders for securities at multiple price levels, helps investors gauge trends in the market and is crucial to the decision-making process.
- NASDAQ offers exemplary regulation, employing sophisticated surveillance systems and regulatory specialists to protect investors and provide a fair and competitive trading environment.

For more information about NASDAQ, visit the NASDAQ Newsroom at [www.NASDAQ.com/newsroom](http://www.NASDAQ.com/newsroom).