

**Nasdaq Financial Product Services (Ireland)
Limited**

**Audited Financial Statements for the Year Ended
31 December 2004**

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Financial Statements for the Year Ended 31 December 2004

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NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Financial Statements for the Year Ended 31 December 2004

General Information

Directors:	Sarah Cunniff Adrian Waters David P. Warren (USA) John L. Jacobs (USA) Edward S. Knight (USA)
Company Secretary:	Sara Bloom (resigned 28 June 2004) Alex Kogan (appointed 28 June 2004) c/o Arthur Cox Building Earlsfort Terrace Dublin 2 Ireland
Registered Number of Incorporation:	354152
Registered Office:	Guild House Guild Street International Financial Services Centre Dublin 1 Ireland
Legal Advisors:	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland
Independent Auditors:	PricewaterhouseCoopers Chartered Accountants & Registered Auditors George's Quay Dublin 2 Ireland
Bankers:	AIB International Banking Services Ashford House PO Box 518 Tara Street Dublin 2 Ireland

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Financial Statements for the Year Ended 31 December 2004

Directors' Report

The Directors submit herewith their report and audited financial statements for the year ended 31 December 2004 for Nasdaq Financial Product Services (Ireland) Limited.

Statement of Directors' responsibilities for financial statements

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2003. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Books of Account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the use of competent persons. The books of account are kept at Guild House, Guild Street, Dublin 1.

Principal Activities

The principal activity of the Company is to act as manager to The Nasdaq ETF Funds plcSM, an open-ended umbrella fund authorised by the Irish Financial Services Regulatory Authority pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended. In September 2002, the first class of fund shares, the Nasdaq-100 European TrackerSM, was established.

The Company is a wholly-owned subsidiary of Nasdaq Global Funds, Inc. (formally Nasdaq Financial Products Services, Inc.) which is a wholly-owned subsidiary of The Nasdaq Stock Market Inc. In January 2005, Nasdaq Financial Products Services Inc. changed its name to Nasdaq Global Funds, Inc.

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Financial Statements for the Year Ended 31 December 2004

Directors' Report (continued)

Loss, dividends and reserves

	USD
Loss before tax for the year amounted to	264,028

The Directors do not recommend the payment of a dividend.
Movements in reserves are shown in note 8 to the financial statements.

Subsequent event

In the opinion of the Directors there are no material subsequent events which require disclosure in the financial statements.

Health and safety

As the Company has no employees the Safety, Health and Welfare at Work Act 1998 does not apply.

Directors

The names of the persons who served as directors during the period are set out below.

- Mr. John L. Jacobs is Executive Vice President of The Nasdaq Stock Market, Inc. as well as Chief Executive Officer of Nasdaq Global Funds, Inc.
- Ms. Sarah Cunniff is a partner in the firm of Arthur Cox, legal advisors in Ireland to the Company.
- Mr. David P. Warren is an Executive Vice-President and Chief Financial Officer of The Nasdaq Stock Market, Inc. and a Director of Nasdaq Global Funds, Inc.
- Mr. Edward S. Knight an Executive Vice-President and General Counsel for The Nasdaq Stock Market, Inc. and a Director of Nasdaq Global Funds, Inc.
- Mr. Adrian Waters.

Directors' and Secretary's Interests

The beneficial interests, including the interests of spouses and minor children, of the Directors and Secretary in the share capital of the Company's ultimate parent company, The Nasdaq Stock Market Inc., were as follows:

	31 December 2004	31 December 2003
Directors:		
*Mr. John L. Jacobs		
Employee Shares Purchased	9,021	6,376
Restricted Stock Awards Granted	6,750	6,750
Options Granted	400,000	100,000

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Financial Statements for the Year Ended 31 December 2004

Directors' Report (continued)

Directors' and Secretary's Interests (Continued)

***Mr. David Warren**

Employee Shares Purchased	-	-
Restricted Stock Awards Granted	15,900	15,900
Options Granted	189,000	114,000

***Ms. Sarah Cunniff**

Employee Shares Purchased	-	-
Restricted Stock Awards Granted	-	-
Options Granted	-	-

Mr. Adrian Waters

Employee Shares Purchased	-	-
Restricted Stock Awards Granted	-	-
Options Granted	-	-

Mr. Edward Knight

Employee Shares Purchased	8,590	5,945
Restricted Stock Awards Granted	15,900	15,900
Options Granted	294,700	69,700

Secretary:

***Mr. Alex Kogan**

Employee Shares Purchased	-	-
Restricted Stock Awards Granted	-	-
Options Granted	11,400	10,000

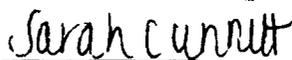
** Officers also hold one share in The Nasdaq ETF Funds plc, as nominee of Nasdaq Financial Product Services (Ireland) Limited.*

Ms. Sarah Cunniff is a partner with Arthur Cox, the Company's Irish legal advisors.

Independent Auditors

The auditors, PricewaterhouseCoopers will continue as auditors in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors


Director


Director

Date:

Date:

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Independent Auditors' Report to the shareholders of Nasdaq Financial Product Services (Ireland) Limited

We have audited the financial statements on pages 8 to 12.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable Irish law and accounting standards generally accepted in Ireland are set out on page 3 in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practices Board applicable in Ireland. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2003. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Independent Auditors' Report to the shareholders of Nasdaq Financial Product Services (Ireland) Limited (Continued)

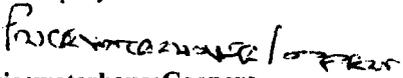
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2003.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 3 to 5 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 9, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2004 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
Date: 12/12/05

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Profit and Loss Account for the Year Ended 31 December 2004

	<i>Note</i>	<i>2004 USD</i>	<i>2003 USD</i>
Income			
Management Fee Income	2	<u>229,851</u>	<u>105,282</u>
Total Income		<u>229,851</u>	<u>105,282</u>
Administrative Expenses			
License Fees		(45,765)	(21,117)
Fund Fees		(68,955)	(31,585)
Other Expenses		<u>(379,805)</u>	<u>(425,161)</u>
Total Expenses		<u>(494,525)</u>	<u>(477,863)</u>
Operating Loss		(264,674)	(372,581)
Bank Interest Income		<u>646</u>	<u>956</u>
Loss on ordinary activities before Taxation	3	(264,028)	(371,625)
Taxation	4	<u>278</u>	<u>-</u>
Loss for the Financial Year	8	(263,750)	(371,625)
Loss carried forward at beginning of Year		<u>(408,279)</u>	<u>(36,654)</u>
Loss carried forward at end of Year		<u>(672,029)</u>	<u>(408,279)</u>

Operating losses arose from continuing operations.

There were no recognised gains or losses in the year other than those included in the profit and loss account.

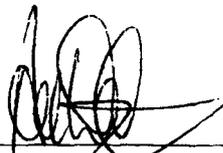
The accompanying notes form an integral part of the financial statements.

On behalf of the Board

Sarah Cunniff

Director

Date:



Director

Date:

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Balance Sheet as at 31 December 2004

	<i>Note</i>	2004	2003
		USD	USD
Current Assets			
Debtors	5	27,692	14,902
Cash at bank		<u>794,238</u>	<u>470,028</u>
		<u>821,930</u>	<u>484,930</u>
Creditors			
Amounts falling due within one year	6	<u>(233,959)</u>	<u>(173,209)</u>
Net Assets		<u><u>587,971</u></u>	<u><u>311,721</u></u>
Capital & Reserves			
Called up Share Capital	7	150,000	150,000
Capital Contribution	8	1,110,000	570,000
Profit and loss account	8	<u>(672,029)</u>	<u>(408,279)</u>
Equity Shareholders' Funds	8	<u><u>587,971</u></u>	<u><u>311,721</u></u>

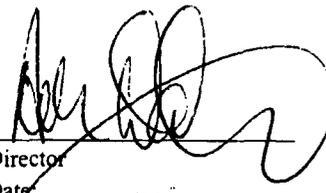
The accompanying notes form an integral part of the financial statements.

On behalf of the Board

Sarah Lunnitt

Director

Date: 11/1/05



 Director
 Date: 11/1/05

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Notes to the Financial Statements

1. Accounting Policies

(a) Accounting Period

The financial statements are for the year ended 31 December 2004. The Nasdaq-100 European Tracker FundSM, for which the Company acts as manager, commenced trading on 2 December 2002.

(b) Accounting Convention

The financial statements have been prepared under the historical cost convention. The reporting currency is US Dollars.

(c) Basis for Preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2003. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

(d) Fee and Other Income and Expenses

Fee income, bank interest income and expenses are recorded in the Profit and Loss Account on an accruals basis.

(e) Deferred Taxation

Deferred taxation is provided, using the liability method on all material timing differences, to the extent that it is expected to become payable in the foreseeable future.

Timing differences are temporary differences between profits as computed for taxation purposes and gains recognised in the financial statements, which arise because certain gains and losses in the financial statements are dealt with in different years for taxation purposes. There was no deferred tax liability or tax asset for the year ended 31 December 2004.

A deferred tax asset of USD84,004 (2003: USD51,032), being retained losses carried forward at the current corporation tax rate of 12.5% (2003: 12.5%), has not been recognised in these accounts due to doubt concerning its recoverability.

2. Management Fee Income

	<i>2004</i>	<i>2003</i>
	<i>USD</i>	<i>USD</i>
Management Fee Income	<u>229,851</u>	<u>105,282</u>

The Company is entitled to receive a management fee, calculated daily and paid monthly in arrears, at a rate of 0.2% of the net asset value of the The Nasdaq ETF Funds plc.

3. Loss on Ordinary Activities before Taxation

	<i>2004</i>	<i>2003</i>
	<i>USD</i>	<i>USD</i>
The loss on ordinary activities before taxation is stated after charging:		
Auditor's Remuneration	17,472	44,521
Consultancy Services	84,552	82,586
Director Fees	40,000	59,836
Taxation Services	<u>10,429</u>	<u>15,443</u>

Included in the above figures are audit expenses of USD12,472 and director fees of USD20,000, which the Company incurred in respect of The Nasdaq ETF Funds plc.

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Notes to the Financial Statements (Continued)

4. Taxation on Profit on Ordinary Activities	2004	2003
	USD	USD
Based on Loss for the Period		
Corporation Tax @ 12.5% (2003 – 12.5%)	<u>278</u>	<u>-</u>
<p>The Company received a corporation tax refund of USD278 in the year in respect of deposit interest retention tax suffered on deposit interest earned.</p> <p>There was no corporation tax charged due to losses which the Company has incurred in the year, and as noted in 1(e) no deferred asset has been recognised in respect of these losses.</p>		
5. Debtors	2004	2003
	USD	USD
Management fees receivable	27,494	14,748
Interest receivable	198	154
	<u>27,692</u>	<u>14,902</u>
6. Creditors - Amounts falling due within one year	2004	2003
	USD	USD
Director fees	40,000	40,000
Audit fees	30,031	10,041
Professional tax fees	8,050	3,320
Fund fees	8,248	4,424
Agency fees	7,522	9,071
Service & license fees	16,247	13,668
Legal fees	118,455	90,987
Other fees	5,406	1,698
Total creditors	<u>233,959</u>	<u>173,209</u>
7. Called Up Share Capital	2004	2003
	USD	USD
Authorised		
1,000,000 Ordinary shares of USD1 each	<u>1,000,000</u>	<u>1,000,000</u>
Alloted and fully paid		
150,000 Ordinary shares of USD1 each	<u>150,000</u>	<u>150,000</u>

NASDAQ FINANCIAL PRODUCT SERVICES (IRELAND) LIMITED

Notes to the Financial Statements (Continued)

8. Reconciliation of Movement in Equity Shareholder's Funds

	<i>2004</i> <i>USD</i>	<i>2003</i> <i>USD</i>
Capital and Reserves at Beginning of Year	311,721	143,346
Capital contribution	540,000	540,000
Retained Loss for the Year	<u>(263,750)</u>	<u>(371,625)</u>
Capital and Reserves at End of Year	<u>587,971</u>	<u>311,721</u>

9. Cash Flow Statement

The Company has availed of its exemption from preparing a cash flow statement under Financial Reporting Standards 1, "Cash Flow Statements", on the grounds that it is a wholly-owned subsidiary and the consolidated financial statements in which the Company is included are publicly available.

10. Employees

The Company had no employees during the period.

11. Related Party Disclosures

The party controlling the Company is outlined in Note 12 below. The Company has taken advantage of the exemption available under Financial Reporting Standards 8, "Related Party Disclosures", section 3(c) not to disclose transactions with other group companies as 90% or more of the voting rights are controlled within the group, and the consolidated financial statements in which the Company is included are publicly available.

Sarah Cunniff is a partner in the legal firm Arthur Cox, who are the Irish legal advisors of the Company. Fees amounting to USD48,784 were incurred in the year, all of which was paid as at the balance sheet date.

12. Parent company

The smallest group in which the financial statements of Nasdaq Financial Product Services (Ireland) Limited are consolidated is that headed by Nasdaq Global Funds, Inc. The largest group is that headed by The Nasdaq Stock Market, Inc. Copies of the parent's consolidated financial statements may be obtained from the Secretary, Nasdaq Stock Market Inc., One Liberty Plaza, New York, NY 10006, United States of America. The ultimate parent is incorporated in the United States of America.

In the opinion of the Directors all material related party transactions have been fully disclosed in the financial statements.

13. Approval of the Financial Statements

The Financial Statements were approved by the Directors on 10 March 2005.