

The Nasdaq Stock Market, Inc.
Unconsolidated Balance Sheet - The Nasdaq Stock Market, Inc.
(In thousands)

Year ended
December 31, 2004

Assets

Current assets:

Cash and cash equivalents \$ 16,871

Investments:

Available-for-sale, at fair value 174,913

Held-to-maturity, at amortized cost 28,600

Receivables, net 79,535

Receivables from related parties 177,462

Deferred tax asset 23,723

Other current assets 9,678

Total current assets 510,782

Investments:

Held-to-maturity, at amortized cost 2,008

Property and equipment:

Land, buildings and improvements 96,209

Data processing equipment and software 198,068

Furniture, equipment and leasehold improvements 138,862

433,139

Less accumulated depreciation and amortization (262,377)

Total property and equipment, net 170,762

Non-current deferred tax asset 48,873

Other intangibles 386

Other assets 264,824

Total assets \$ 997,635

Liabilities

Current liabilities:

Accounts payable and accrued expenses \$ 15,883

Accrued personnel costs 44,989

Deferred revenue 59,537

Other accrued liabilities 38,252

Payables to related parties 230,141

Total current liabilities: 388,802

Senior notes 25,000

Subordinated notes 240,000

Accrued pension costs 25,671

Non-current deferred tax liability 29,100

Non-current deferred revenue 89,821

Other liabilities 39,935

Total liabilities 838,329

Stockholder's equity

Common stock 1,306

Preferred stock 130,134

Additional paid-in capital 355,943

Common stock in treasury, at cost (662,002)

Preferred stock dividends (31,232)

Accumulated other comprehensive loss (1,914)

Deferred stock compensation (1,030)

Common stock issuable 2,567

Retained earnings 347,810

Net income 17,724

Total stockholder's equity 159,306

Total liabilities and stockholder's equity \$ 997,635

The Nasdaq Stock Market, Inc.
Unconsolidated Statement of Income - The Nasdaq Stock Market, Inc.
(In thousands)

	<u>Year ended December 31, 2004</u>
Revenues	
Market Services	\$ 278,190
Issuer Services	205,648
Other	47
Total revenues	<u>483,885</u>
Expenses	
Compensation and benefits	141,138
Marketing and advertising	18,708
Depreciation and amortization	73,828
Professional and contract services	22,566
Computer operations and data communications	100,455
Provision for bad debts	471
Occupancy	28,087
General and administrative	40,818
Total expenses	<u>426,071</u>
Support costs from related parties, net	45,513
Total expenses	<u>471,584</u>
Operating income	12,301
Interest income	5,689
Interest expense	<u>(14,088)</u>
Operating income from continuing operations before income taxes	3,902
Income tax benefit	<u>(4,264)</u>
Net income from continuing operations	<u>8,166</u>
Net income from discontinued operations, net of tax	9,558
Net income	<u><u>\$ 17,724</u></u>