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NASDAQ OMX® / LEAN TRANSFORMATION / 2010-12-07

GET TO KNOW US

We invented electronic trading nearly 40 years ago and are now the world's largest exchange company.

By operating own markets and powering customer markets worldwide we are fueling the world's economic growth one investor, one company, one market at a time.

We are a public company listed on NASDAQ and are part of the S&P 500.

We power
1 in 10
of the
world's
securities
transactions

NASDAQ OMX
trading technology is
used to power
over 70
exchanges
in **50**
countries

NASDAQ OMX lists
3,700
global companies worth
\$5.2T in market
cap representing
diverse industries and
many of the world's
most
well-known and
innovative brands

Our global platform
can handle
more than 1M
messages/second
at **sub-100**
microsecond
average speeds

We own and
operate **24**
markets
and
8 clearing houses
& CSDs

Over
\$500B
is tied to
our global
indexes

OUR MARKET IS CHANGING

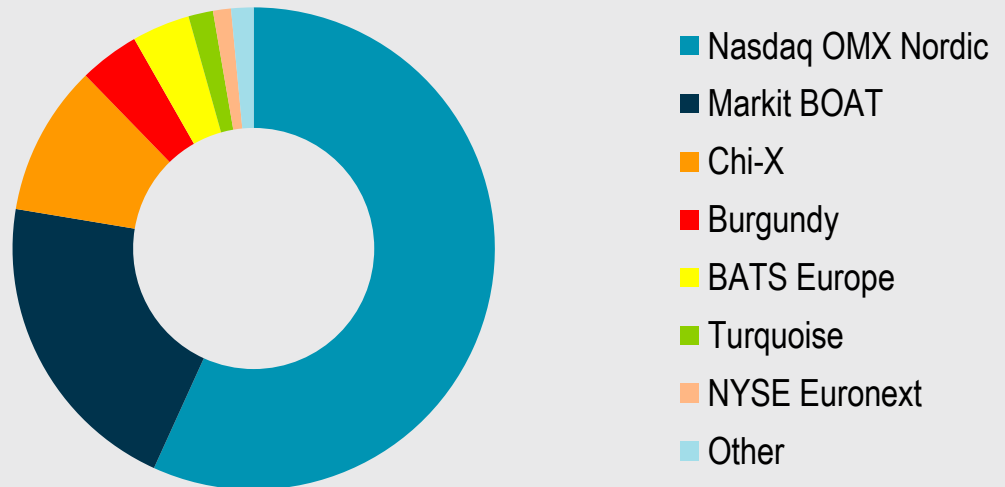
MiFID (Markets in Financial Instruments Directive) was introduced in November 2007.

In October 2010 a total of 28 trading and reporting venues handled trading in Swedish shares.

Yesterday

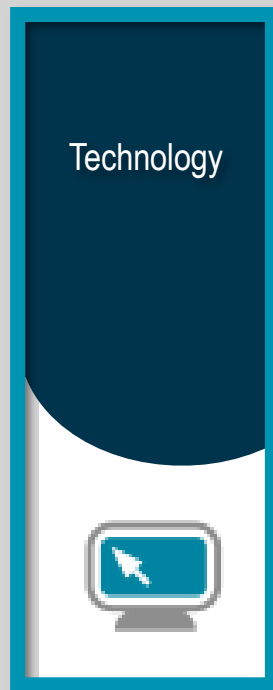


Today



LEADERSHIP IN TECHNOLOGY IS A KEY STRATEGIC ASSET

The success we have had in all of our exchange businesses is built from our technology excellence. We have unique capabilities **unmatched by any exchange in the world.**



Fastest and most scalable trading platform on the planet

World's largest exchange technology provider with over 20 years experience

Able to trade any and every instrument, faster and at a lower cost than any peer.

Can clear any and every instrument in an efficient, integrated platform.

CONTINUOUS INNOVATION

GENIUM INET is the fastest and most scalable trading technology on the planet

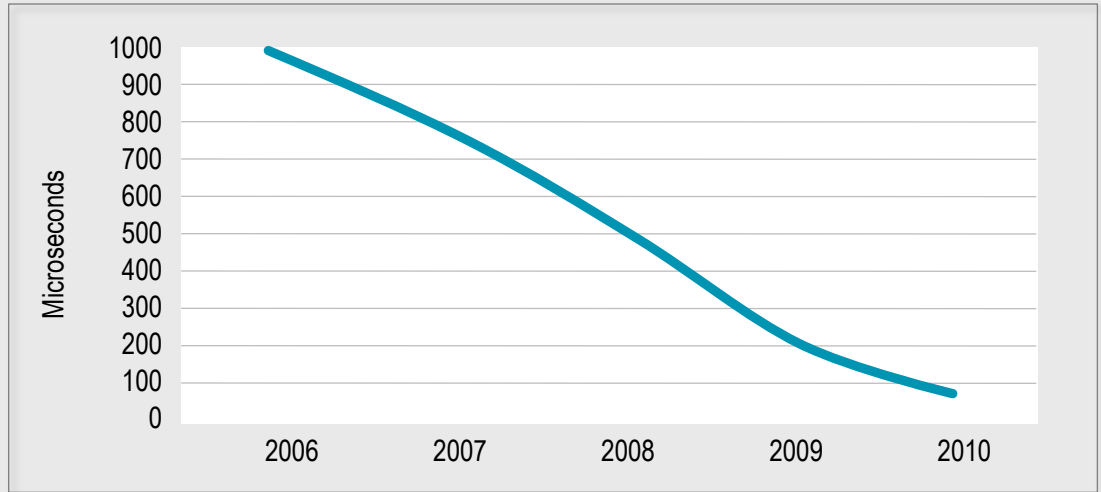
As much as 10 times faster than competing trading venues with less than 100 microsecond latency

Capable of handling millions of messages per second

System performance has increased 10 times while handling 400% increased peak daily transactions

Reliability: 99.99+%

NASDAQ STOCK MARKET 2006-2010 (AVERAGE LATENCY IN MICROSECONDS)

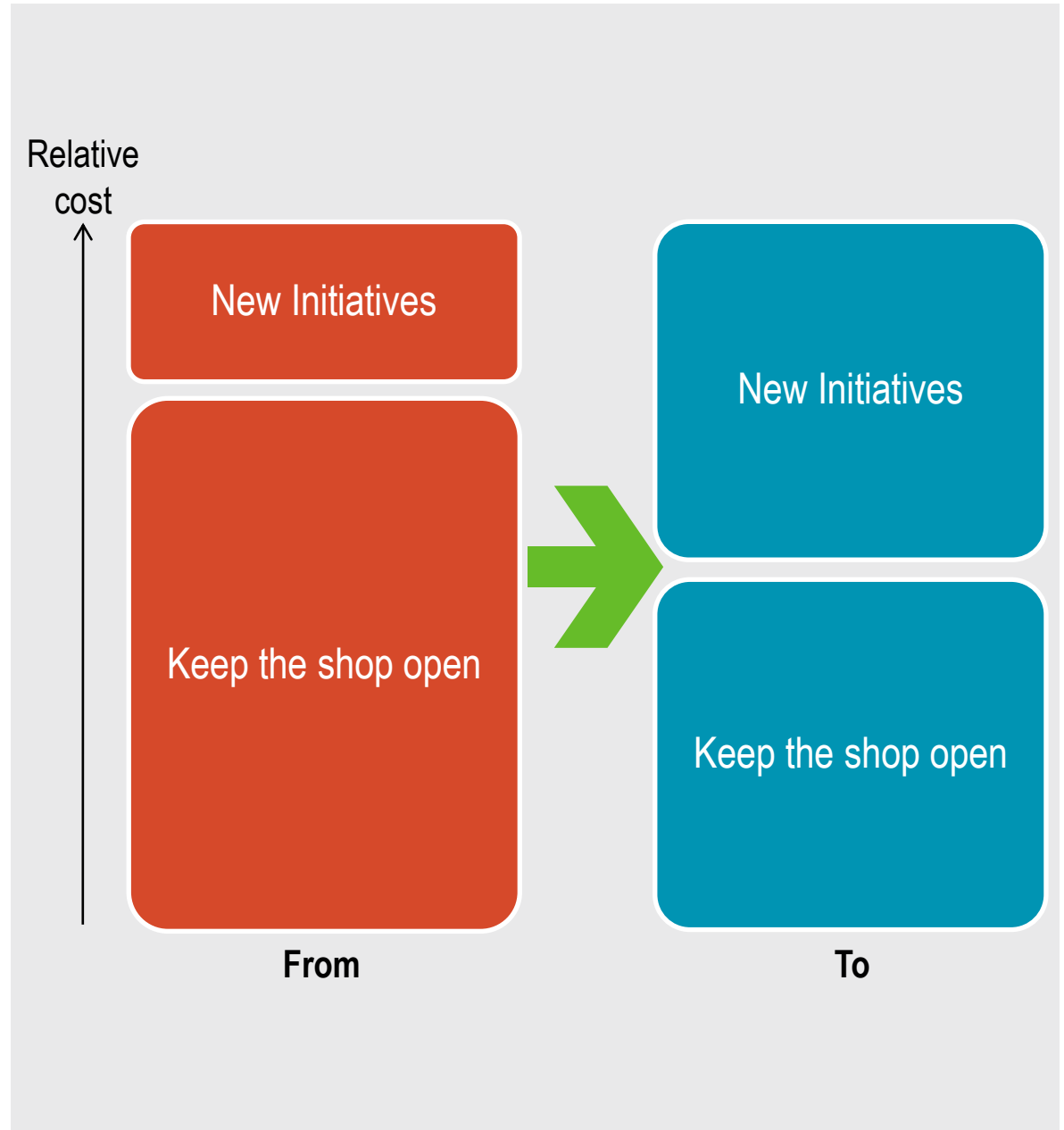


	2006	2007	2008	2009	2010
Transaction Latency	1 millisec	750 microsec	500 microsec	250 microsec	<100 microsec
Peak Messages Per Second in Production	53,836	119,719	133,894	411,816	524,535
System Reliability	99.99+%	99.99+%	99.99+%	99.99+%	99.99+%
Cost/Transaction	\$0.0007	\$0.0003	\$0.0002	\$0.0001	<\$0.0001

CHANGING OUR PROFILE

IT INFRASTRUCTURE FOCUSED ON MAXIMIZING FLEXIBILITY AND COST EFFICIENCY

- Dedicated data centers are leased providing flexible cost structure while maintaining full control.
- Capacity on demand minimizes up-front capital investment.
- Lean IT program to leverage key technology trends
- Lean IT program to boost Operational Excellence culture



LEAN IT AT NASDAQ OMX



INFRASTRUCTURE FOOTPRINT

AUTOMATION

PROCESS AND CULTURE

INFRASTRUCTURE FOOTPRINT

Move from a dedicated application driven infrastructure to a global optimized infrastructure

Faster deployment of new applications, reduced infrastructure footprint, reduced power cost, more efficient use of server infrastructure and cost avoidance by reducing the need to buy new servers.

VIRTUALIZATION

Considerable work is ongoing to minimize the cabinet space in all data centers

Target:

Servers virtualized at the end of 2010:

20% of High Performance Computing Production Servers

50% of Research and Development Servers

80% of Enterprise Servers

CLOUD COMPUTING

Not suitable for low latency, high-speed services, but can be leveraged to provide generic business services, especially in the post-trade arena.

Examples:

- Storing market data in an Amazon cloud for our Market Replay service.
- Data-On-Demand, a cloud-based solution for historical market data.
- QFolio, iPhone and iPad app

AUTOMATION

Use tools to automate:

- Service request handling & tracking
- Deployment & configuration of applications and services

Significantly reduce time spent on change work.

Minimize operational issues caused by manual errors.

GENIUM INET SYSTEM INSTALLATION

Yesterday:

Installation from scratch: 3-4 days

Upgrades: 4-6 hours

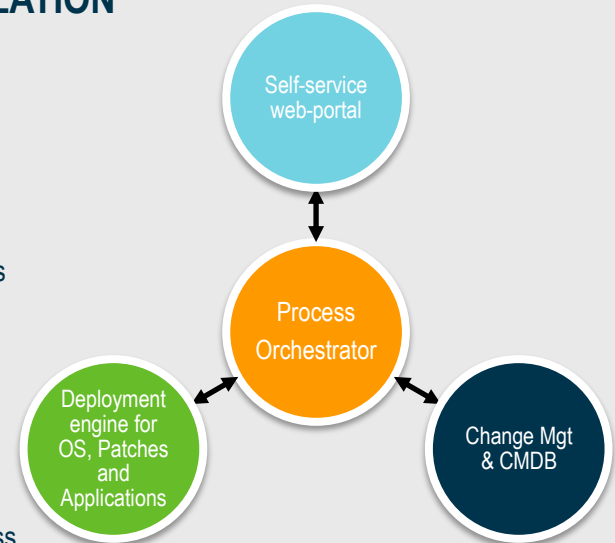
* Excluding manual Change Management process

Today:

Installation from scratch: 1-1,5 hours

Upgrades: 30-45 minutes

*Including automatic Change Management process



PATCH MANAGEMENT AND PROVISIONING

Implementing automated inventory control

Implemented automated patch management and automated provisioning of new servers (physical and virtual) for:

- Windows
- Linux (Red Hat and CentOS)
- Solaris

AUTOMATION

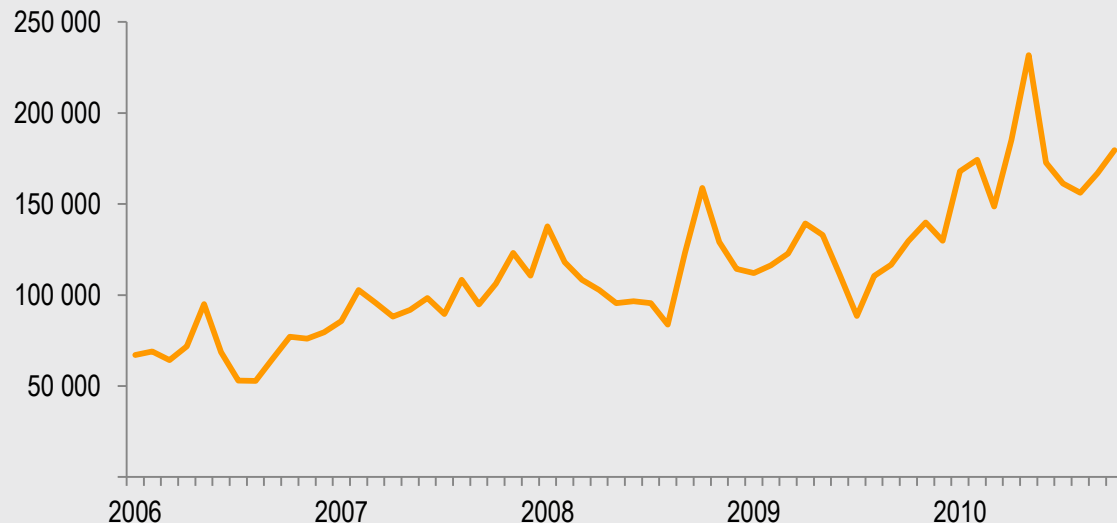
Number of orders and number of trades is increasing rapidly.

Customers are increasingly using automated trading methods

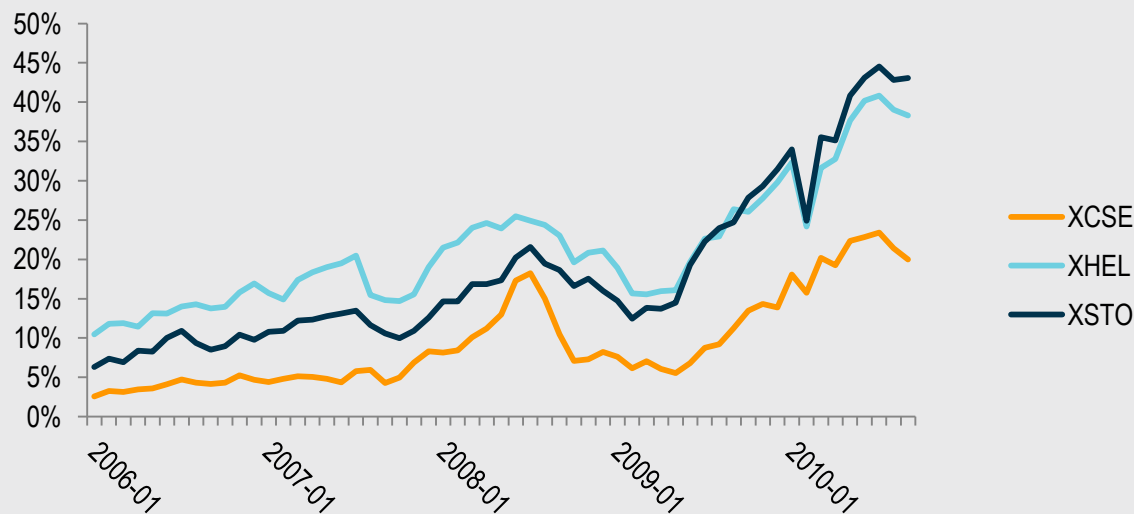
Algorithmic trading today account for over 80% of the order flow and 40% of the trading

To ensure competitiveness in the market we need to be agile and update the software in production at a rapid pace

AVERAGE DAILY NORDIC TRADES



ALGO SHARE OF TOTAL TRADES NORDICS



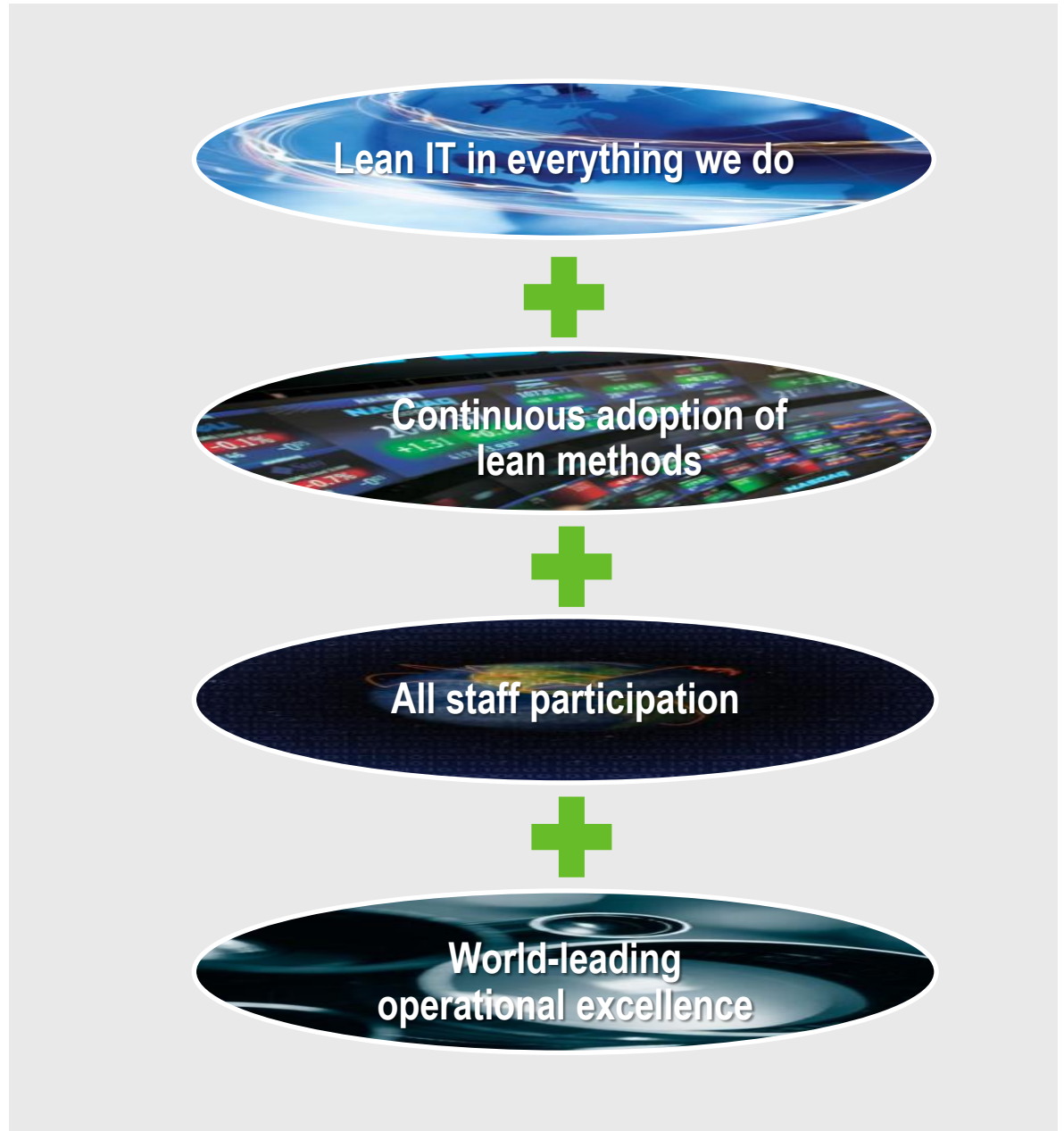
PROCESS AND CULTURE

“Productivity happens on the floor”

Global work practices for all applications using a set of standardized tools for deployment and daily operations.

Better analyzing and reporting capabilities by using common tools.

Metrics - Whiteboards



LESSONS LEARNED



Line management task

Not a project

Don't underestimate time to implement

Tools do not always deliver what they promise

Cost per transaction is going down

THANK YOU