



Department of Justice

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**REMARKS AS PREPARED FOR DELIVERY BY ASSISTANT ATTORNEY GENERAL
CHRISTINE VARNEY REGARDING NASDAQ OMX GROUP INC. AND
INTERCONTINENTALEXCHANGE INC. ABANDONING THEIR BID FOR NYSE
EURONEXT**

WASHINGTON, D.C.

Good Afternoon. As you know, NASDAQ and IntercontinentalExchange abandoned their joint bid to acquire The New York Stock Exchange after we informed them of our decision to file a lawsuit to block the deal. We were prepared to go to court this morning to enjoin the transaction.

The New York Stock Exchange and NASDAQ are two iconic institutions known throughout the world, and they share a unique place at the center of America's financial markets. They are fierce competitors that are the only full service stock exchange operators in the United States.

In order for our economy to be strong and vital, markets must operate effectively. This must be done at the highest levels of the marketplace. We believe that if these two competitors had merged, they would effectively create a monopoly that would lead to higher prices, inferior service and less innovation for corporate stock listing services in the United States. The acquisition would have removed incentives for competitive pricing, high quality of service, and innovation in the listing, trading and data services these exchange operators provide to the investing public and to new and established companies that need access to U.S. stock markets.

If the acquisition proceeded, it would have eliminated substantial competition in the following ways.

First, NYSE and NASDAQ compete aggressively for corporate stock listing services. Virtually, if not all, every listed Fortune 500 company that is incorporated and headquartered in the United States has its stock listed on a U.S. stock market owned by either NASDAQ or NYSE. If they were to merge, they would have the ability and incentive to raise the cost of stock listings, increase listing fees and reduce the quality of services.

Second, when the exchanges open and close, a mechanism is needed to match buy and sell orders and set a reasonable price. It's called the open and close auction process. These two competitors have developed proprietary processes for these services and if they were to merge,

NASDAQ would have the incentive and capability to increase the price of trading during the opening and closing auctions for U.S.-listed stocks or reduce the quality of services.

Third, off-exchange stock trade reporting services would also be adversely affected by a merger. Broker-dealers and other alternative trading systems are required to publicly report their trading activities. NASDAQ and NYSE currently offer the only viable venues for reporting those trades. If allowed to merge, the companies would have the ability to exercise monopoly power in the market for off-exchange stock trading data reporting services.

Fourth, NASDAQ and NYSE also compete head to head to offer real-time equity data products. These data products include the best bid and offer of every exchange and information on each equity trade, including the last sale. Post-merger, the firm would have the ability to raise the cost of real-time proprietary equity data and the firm would be less likely to develop new, innovative, real-time data products.

Allowing these two companies to merge would have given them virtually 100 percent of the market share in several markets. The proposal was a two-to-one merger to monopoly, a merger we could not allow to go forward.

I want to thank Antitrust Division staff for their hard work. They conducted an efficient, but thorough, review of the facts.

I would also like to thank the Securities and Exchange Commission. We worked cooperatively with the SEC as we undertook our analysis.

Thank you. I would be happy to take any of your questions.

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