



Department of Justice

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NASDAQ OMX GROUP INC. AND INTERCONTINENTALEXCHANGE INC.
ABANDON THEIR PROPOSED ACQUISITION OF NYSE EURONEXT
AFTER JUSTICE DEPARTMENT THREATENS LAWSUIT

*Resolves Antitrust Concerns and Preserves Competition
Between Stock Exchanges in the United States*

WASHINGTON – The NASDAQ OMX Group Inc. and IntercontinentalExchange Inc. abandoned their joint bid to acquire NYSE Euronext after the Department of Justice informed the companies that it would file an antitrust lawsuit to block the deal. The department said that the acquisition would have substantially eliminated competition for corporate stock listing services, opening and closing stock auction services, off-exchange stock trade reporting services and real-time proprietary equity data products.

On April 1, 2011, NASDAQ joined with the IntercontinentalExchange to submit an unsolicited bid to acquire NYSE. At the time of its announcement, the proposed bid was worth approximately \$11.3 billion. If consummated, the deal would have given NASDAQ control over NYSE's stock listings business, stock trading venues and market data licensing operations. NYSE's futures businesses, located primarily in Europe, would have been sold to the IntercontinentalExchange.

“The companies’ decision to abandon their bid for NYSE Euronext eliminates the competitive concerns developed during our investigation,” said Christine Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “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.”

NYSE and NASDAQ operate the major stock exchanges in the United States. NYSE owns the New York Stock Exchange, the oldest exchange in the United States and referred to by many simply as the “Big Board”; NYSE Arca, an all-electronic exchange; and NYSE Amex, which caters to small and mid-size companies. NASDAQ operates The NASDAQ Stock Market, NASDAQ OMX BX (formerly the Boston Stock Exchange) and NASDAQ OMX PSX (formerly the Philadelphia Stock Exchange). The market value of the companies and funds listed on NASDAQ and NYSE U.S. exchanges is approximately \$18 trillion, with more than \$14 trillion listed on NYSE exchanges and \$4 trillion on NASDAQ.

The department's investigation revealed that NYSE and NASDAQ are the only competitors in several businesses vital to the success of U.S. equity markets. NYSE and NASDAQ compete aggressively for listing customers as they are effectively the only companies providing corporate stock listing services in the United States. In order for a company to sell its stock to investors on a public exchange in the United States, the company must first "list" or register its shares with an exchange. Once listed, the company's stock can be bought or sold on any stock exchange in the United States, off-exchange at certain broker-dealers and on licensed alternative trading systems. Listing stock exchanges act as "gatekeepers" to public equity markets, allowing only certain companies that meet rigorous standards to list and attract investment capital from the public.

NYSE and NASDAQ are also the only two providers of stock auction services that are used every day at the open and close of trading, as well as at certain other times of market imbalance, the department said. At most times, the process of determining a price for a stock occurs in a robust market, with numerous buyers and sellers actively negotiating prices. However, at certain times the market cannot determine a price in this way. For example, a long line of orders builds up every night waiting to execute at the moment the market opens. These orders are based on information revealed overnight, which is not reflected in the market price at the close of the previous day. Similarly, at the end of each trading day, major market participants place large orders to balance their portfolios, potentially creating large imbalances in order flows and distorting prices, the department said. Both NYSE and NASDAQ have developed special auctions to handle these unique order flows at the open and close of each trading day.

NYSE and NASDAQ provide trade reporting facilities for the reporting of stock trades occurring outside of a stock exchange and are currently the only two entities that compete to collect this data. This reporting business is vital for the proper dissemination of information about off-exchange trading, which today accounts for roughly 30 percent of all stock trading in the United States, the department said.

NASDAQ and NYSE are the largest two competitors providing certain real-time proprietary equity data products. These products reflect, for example, the prices and quotes on the several NASDAQ and NYSE stock exchanges as well as information and data collected by the NASDAQ and NYSE trade reporting facilities for trades occurring off the stock exchanges.

NYSE is a publicly traded Delaware corporation with its principal place of business located in New York, N.Y. NYSE was created by the merger between NYSE Group Inc. (NYSE Group) and Euronext N.V. in 2007. In 2010, NYSE earned more than \$3 billion in revenues from sales within the United States.

NASDAQ is a publicly traded Delaware corporation with its principal place of business also located in New York, N.Y. In 2010, NASDAQ earned more than \$2.5 billion in revenues from sales to customers located in the United States.

IntercontinentalExchange is a publicly traded Delaware corporation with its principal place of business located in Atlanta. IntercontinentalExchange operates exchanges, over-the-counter markets and clearing houses to support derivatives trading and settlement. In 2010, IntercontinentalExchange earned \$609 million in revenues within the United States.

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