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NIKKEI 225

WELCOME TO **ABOUT NASDAQ**

ENTER ▶

FINANCE INDUSTRIAL TRANSPORT BIOTECH

NASDAQ

About NASDAQ



NASDAQ LISTS MORE COMPANIES THAN ANY OTHER U.S. EQUITIES MARKET.

Since its debut in 1971 as the world's first electronic stock market, The NASDAQ Stock Market, has been at the forefront of innovation, using technology to bring millions of investors together with the world's leading companies.

Today, NASDAQ, (OTCBB: NDAQ) is the world's largest electronic stock market, listing approximately 3,600 of the world's most innovative companies. It is home to category-defining companies that are leaders across all areas of business including technology, retail, communications, financial services, media and biotechnology industries. NASDAQ's competitive market structure, combined with an extensive portfolio of products and services, attracts today's largest and fastest growing companies. In fact, more companies now list on NASDAQ than all other major U.S. stock markets. NASDAQ is the fastest growing major stock market in the U.S.— and home to over half of the companies traded on the primary U.S. markets.

NASDAQ trades more shares per day than any other U.S. equities market. On NASDAQ, trades are executed through a sophisticated computer and telecommunications network – a system which transmits timely, critical investment information to more than 1.3 million users in 83 countries. NASDAQ is also among the world's best-regulated stock markets, employing sophisticated surveillance systems and regulatory specialists to protect investors and provide a fair and competitive trading environment.



About NASDAQ

Offering growth and liquidity and fostering innovative technologies, NASDAQ continues to build the most efficient trading environment worldwide — to the benefit of all market participants and investors.

For more information on The NASDAQ Stock Market, visit
www.NASDAQ.com. ■



Globalization



GLOBALIZATION IS AN IMPORTANT ASPECT OF NASDAQ'S VISION. BY CREATING INTERNATIONAL ALLIANCES, NASDAQ IS LEAVING ITS ELECTRONIC FOOTPRINTS AROUND THE WORLD.

NASDAQ is building the links to all the world's investors and fast becoming the world's first global exchange. Our electronic market structure and brand recognition provide the foundation for worldwide expansion. Unlike a floor-based exchange, NASDAQ's open architecture is not limited to geography. Market makers and trading systems can connect into NASDAQ from anywhere in the world, which has played a critical role in democratizing equity markets in the U.S.

Since the majority of global capital markets' activity is in Europe and North America, we are focusing our initial globalization efforts in these regions, while creating important ties in Asia and elsewhere. Our approach is to help develop and consolidate vibrant local markets in these regions that we can eventually meld into a globally networked marketplace, accessible 24 hours a day from anywhere in the world. Our long-term goal is to help people around the world gain greater access to equity investing by building a highly efficient, globally integrated network. ■



Globalization



NASDAQ IS MAKING
GREAT STRIDES IN
BECOMING THE GLOB-
AL MARKETPLACE OF
THE FUTURE.

Asia

During 2001, NASDAQ opened new representative offices in **Bangalore and Shanghai**—designed for educational purposes and to enhance our services for NASDAQ-listed companies in India and mainland China. ■



Globalization



CANADIAN INVESTORS
HAVE ACCESS TO
CANADIAN COMPANIES
LISTED ON NASDAQ
THROUGH LOCAL
CANADIAN BROKERS.

Canada

NASDAQ Canada, launched in November 2000, provides Canadian investors direct access to U.S. securities and offers listed companies the ability to raise capital more efficiently. Modeled after The NASDAQ Stock Market, NASDAQ Canada represents an alternative market structure to the traditional Canadian equity exchanges and, therefore, will help to facilitate capital formation in Canada, contributing to job creation and economic growth. ■



Financial Products

NASDAQ-100 Index and **QQQ**

OVER THE PAST TEN YEARS, THE NASDAQ-100 INDEX HAS OUTPERFORMED ALL OTHER INDEXES, INCLUDING THE S&P 500 AND THE DOW.

Designed to track the performance of companies included in the NASDAQ-100 Index before fees and expenses, QQQ consists of NASDAQ's 100 largest non-financial companies. For many of these companies, QQQ is one of the top institutional shareholders representing thousands of long-term investors. For investors, QQQ represents a ready-made portfolio of ownership in today's industry-defining companies—offering the advantages of instant diversification and trading as a highly liquid security.

First introduced on March 10, 1999, The NASDAQ-100 Index Tracking Stock (QQQ) has attracted more than \$17 billion in total assets—with more than 696,000,000 shares outstanding by the end of 2002. In 2002, QQQ was the most actively traded stock in the U.S. in terms of average daily trading volume—nearly 89 million shares per day.

Since we introduced QQQ to the U.S. in 1999, the impact of its increasing popularity has been felt worldwide. We have now licensed 160 other global investment products and instruments—including options, futures and traditional mutual funds—that have been created based on the performance of the NASDAQ-100 Index. In addition, a NASDAQ-100 European ETF was launched in December 2002. And recent securities and tax law changes in Japan will now allow us to introduce QQQ into the Japanese market.

For more information visit www.NASDAQ-100.com

**Financial Products****NASDAQ-100 Index and QQQ**

For more complete information about NASDAQ-100 Index Tracking StockSM, including charges, expenses, potential risks and a fund performance, obtain a prospectus from your broker, or call 888.627.3837 or visit our Web site at www.nasdaq-100.com. Read it carefully before you invest. The NASDAQ-100 Index Tracking Stock is subject to risks similar to those of stocks, including those regarding short selling and margin account maintenance. An investor cannot invest directly in the Index. Index performance does not reflect the fees and expenses associated with investing. While there is no assurance that the performance of the NASDAQ-100 Index can be fully matched, the NASDAQ-100 Index Tracking Stock is designed to provide investment results that generally correspond to the performance of the NASDAQ-100 Index before fees and expenses. Past performance is not indicative of future performance.

The sponsor of the NASDAQ-100 TrustSM, a unit investment trust, is Nasdaq Financial Products Services, Inc. ("NFPS"), a wholly owned subsidiary of The Nasdaq Stock Market, Inc. ("NASDAQ," and collectively with its affiliates except NFPS, the "Corporations").

ALPS Distributors, Inc. a registered broker-dealer, is distributor for the Trust. ■



Financial Products

NASDAQ Biotechnology Index



THE BIOTECHNOLOGY INDEX LAUNCHED ON NOVEMBER 1, 1993 WITH A BASE LEVEL OF 200.00. BY JANUARY 31, 2002, THE BASE LEVEL ROSE TO 780.03.

Representing the largest and most actively traded NASDAQ biotechnology stocks, the NASDAQ Biotechnology Index includes companies that are primarily engaged in using biomedical research for the discovery or development of novel treatments or cures for human disease. The Index is a capitalization-weighted index.

Visit www.NASDAQ.com/indexshares/biotech.stm for more information. ■



Financial Products

NASDAQ Financial-100 Index



THE NASDAQ FINANCIAL-100 INDEX LAUNCHED ON JANUARY 31, 1985 WITH A BASE LEVEL OF 250.00. BY JANUARY 31, 2002, THE BASE LEVEL ROSE TO 2099.36.

The NASDAQ Financial-100 Index includes 100 of the largest domestic and international financial organizations listed on The NASDAQ Stock Market based on market capitalization. The Index contains bank and savings institutions and related holding companies, insurance companies, broker dealers, investment companies and financial services.

Visit

http://dynamic.NASDAQ.com/dynamic/NASDAQ_financial100.stm

for more information.

View all of NASDAQ's Market Indices at

<http://dynamic.NASDAQ.com/dynamic/activityPrompt.stm> ■


Financial Products
Baskets of Listed Depositary Receipts: BLDRS


CURRENTLY MADE
UP OF FOUR ETFs,
INCLUDING TWO
MARKET INDEX
FUNDS AND TWO
REGIONAL INDEX
FUNDS,

Sponsored by and listed on NASDAQ, BLDRSSM is a series of ETFs based on The Bank of New York ADR IndexSM. A real-time index tracking U.S. traded depositary receipts, the BLDRS Fund Family includes two market index funds and two regional index funds. Each BLDR represents an entire portfolio of international equities and has the benefit of low cost, transparent investing, liquidity, diversity, and The Bank of New York's expertise as a world leader in depositary receipt programs.

For more complete information about the BLDRS Fund Family, including charges, expenses and potential risks, obtain a prospectus from your broker, or call 888.627.3837 or visit www.bldrsfunfunds.com. Read it carefully before you invest.

ALPS Distributors, Inc. a registered broker-dealer, is distributor for the Trust.

For more information:

BLDRS Emerging Markets 50 ADR Index Fund

http://www.nasdaq.com/structuredeq/BLDRS_Emerging_Fact_Sheet.pdf

BLDRS Developed Markets 100 ADR Index Fund

http://www.nasdaq.com/structuredeq/BLDRS_Developed_Fact_Sheet.pdf

BLDRS Asia 50 ADR Index Fund

http://www.nasdaq.com/structuredeq/BLDRS_Asia_Fact_Sheet.pdf

**Financial Products****Baskets of Listed Depositary Receipts: BLDRS**

BLDRS Europe 100 ADR Index Fund

http://www.nasdaq.com/structuredeq/BLDRS_Europe_Fact_Sheet.pdf

Investment returns and principal value will fluctuate so that an investor's shares, when redeemed or sold, may be worth more or less than the original cost. Ordinary brokerage commissions apply. ■

Market Characteristics

Home of Innovation



NASDAQ WAS THE FIRST STOCK MARKET TO ADVERTISE, PROVIDING ITS LISTED COMPANIES WITH A FINANCIAL MEDIA PLATFORM THAT OFFERS UNSURPASSED VISIBILITY.

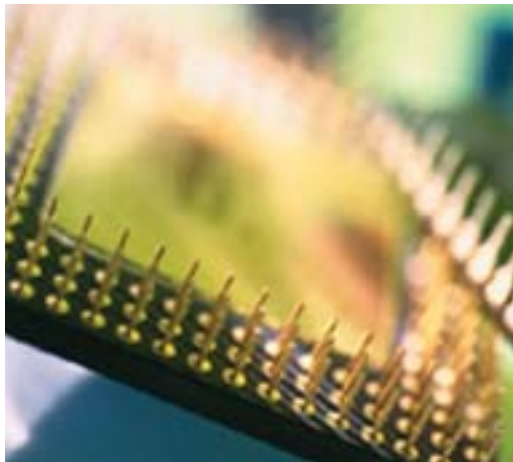
We take enormous pride in listing nearly 4,000 companies—more than any other U.S. equities market. Many are names that have come to be synonymous with growth and innovation. Others are younger, less well-known companies whose collective vision and energies are poised to shape the world of tomorrow.

Key to the NASDAQ culture is the cultivation of a strong and highly effective partnership with our listed companies. Not only do we give them access to capital, visibility and an exceptional portfolio of services, we also share their commitment to moving the world forward. It is our goal as much as theirs to help roll out the next great idea, to help improve the way people live and work, and to foster growth and innovation in the United States and throughout the world. ■



Market Characteristics

Unsurpassed Technology



NASDAQ SENDS DATA
TO OVER 400,000 TER-
MINALS WORLDWIDE.

NASDAQ's market platform has long been known as a marvel of technology—an open architecture system with the capacity to serve thousands of market participants worldwide. NASDAQ is the world's largest subscriber network—connecting 11,000 traders in 790 firms and more than 1,000 locations. More than 2 million users in 83 countries have access to screens displaying NASDAQ data. NASDAQ is the world leader in financial technology with unmatched capacity, reliability, speed, and depth. The numbers speak for themselves:

- NASDAQ's fault-tolerant design provides the ultimate in dependability—with 99.98% up-time since 1982.
- NASDAQ is the world's fastest stock market in terms of both order confirmation and order execution. Market participants can enter their orders and gain confirmation in just over 1/5th of a second.
- NASDAQ systems routinely handle over 5,000 transactions per second.
- On a typical day, NASDAQ disseminates 6.5 million quotes, 2.5 million trades and 1.5 million orders.

In 2001, NASDAQ handled 471.2 billion shares, more share volume than all other major U.S. stock markets combined. Peak share volume for a single day in 2001 was 3.2 billion shares and daily share volume averaged 1.9 billion.

**Market Characteristics****Unsurpassed Technology**

Also in 2001, NASDAQ became the first and only U.S. stock market ever to meet ISO 9001 Quality Standards. ISO is recognized worldwide for quality management and assurance standards. ISO 9001 certification gives NASDAQ's computer and network operations, facilities, and technical services a world-recognized seal of approval. NASDAQ SuperMontage is built on NASDAQ's reliable technology and provides information and functionality never before available in NASDAQ. ■



Market Characteristics

Transparency



NASDAQ'S LEVEL OF TRANSPARENCY CREATES A MORE SEAMLESS MARKET LINKING LISTED COMPANIES TO MAJOR POOLS OF CAPITAL WORLDWIDE.

NASDAQ's open market structure offers a level of transparency not found on the other major U.S. markets. Transparency, the ability to view investors' buy and sell orders for securities at multiple price levels, helps investors gauge trends in the market and is crucial to the decision-making process. On NASDAQ, bid and ask quotations in each security are broadcast over the network, making NASDAQ a highly transparent marketplace. All NASDAQ market participants—regardless of whether they are professional traders—can see the same information on their screens. In NASDAQ SuperMontage, the display of orders now shows the aggregate buy and sell interest in each security at the top five price levels with access to depth at any price level by query. ■

Market Characteristics

Depth of Market

“Depth of market” refers to the amount of capital committed and the total number of buyers and sellers within the market. NASDAQ provides greater depth of market because of the capital commitment and participation of multiple market makers. This sponsorship serves to deepen the market as a whole, enhancing price stability and liquidity. ECNs contribute to greater depth of market by bringing additional buyers and sellers into the market. NASDAQ National Market stocks have an average of 19 registered market makers. In NASDAQ SuperMontage, each market participant can enter unlimited quotes and orders at each price level, creating deeper markets. ■

| Industry | Company | Number of Market Makers |
|------------------------|----------------------------|-------------------------|
| Information Technology | Dell Computer Corporation | 95 |
| Health Care | Amgen, Inc. | 92 |
| Consumer Discretionary | Amazon.com, Inc. | 87 |
| Information Technology | QUALCOMM, Inc. | 85 |
| Health Care | Biogen, Inc. | 75 |
| Consumer Discretionary | Ebay, Inc. | 75 |
| Information Technology | Symantec Corporation | 70 |
| Consumer Discretionary | Starbucks Corporation | 67 |
| Health Care | Gilead Sciences, Inc. | 62 |
| Consumer Discretionary | Bed Bath & Beyond, Inc. | 61 |
| Industrials | Fiserv, Inc. | 58 |
| Financials | Fifth Third Bancorp | 58 |
| Industrials | Apollo Group, Inc. | 52 |
| Financials | Safeco Corporation | 49 |
| Industrials | Cintas Corporation | 45 |
| Energy | Patterson-UTI Energy, Inc. | 44 |
| Financials | Northern Trust Corporation | 44 |
| Consumer Staples | Whole Foods Market, Inc. | 40 |
| Materials | Sigma-Aldrich Corporation | 40 |
| Consumer Staples | Performance Food Group | 28 |

NASDAQ Economic Research, 12/2002, Excludes ECNs.



Market Characteristics

Liquidity

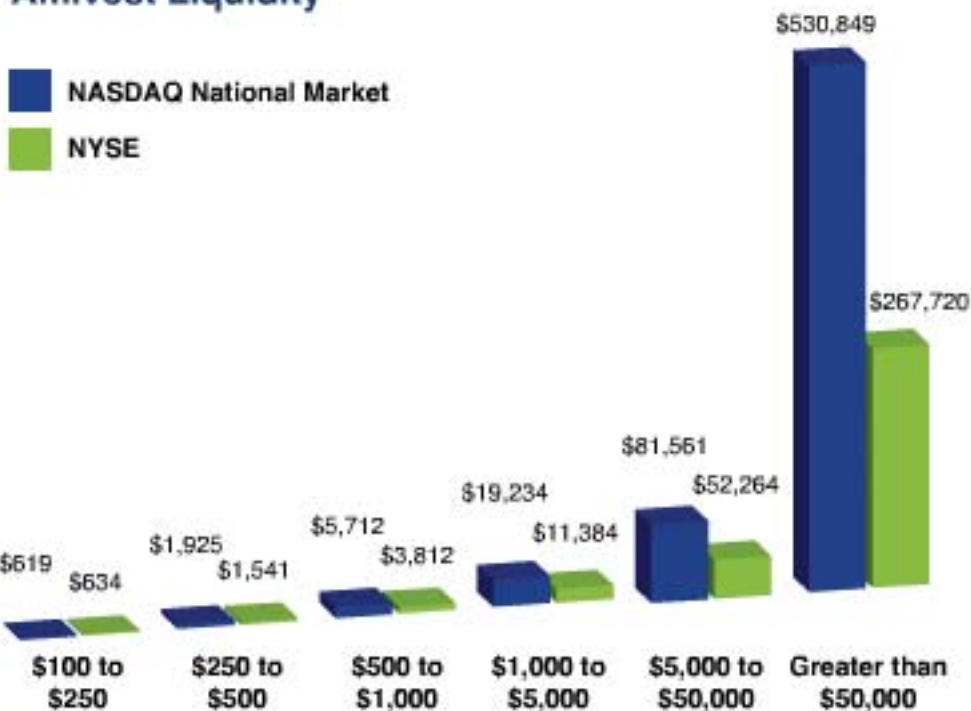
NASDAQ's market structure facilitates greater liquidity—the ease and speed with which a stock can be bought and sold in the market. Liquid stocks have narrower bid-ask spreads and lower market impact costs. As the world's largest electronic stock market, NASDAQ is not limited to one, central trading location. Trading is executed through a sophisticated computer and telecommunications network which transmits timely, critical investment information to more than 2 million users in 83 countries. Without the size limitations or geographic boundaries of a physical trading floor, NASDAQ's market structure allows a virtually unlimited number of market participants to trade in a company's stock. NASDAQ market makers enhance NASDAQ's liquidity by providing investors ready access to capital and uninterrupted trading in their stock. ECNs add to the market's liquidity by bringing additional orders into NASDAQ. NASDAQ SuperMontage offers a deep, liquid "book" which allows investors to automatically and efficiently access liquidity in NASDAQ through market participants. Reserve and anonymous display features encourage market participants to enter more and larger orders, therefore drawing more liquidity into the system. ■

Market Characteristics

Liquidity

| Float Category (\$Mns) | In thousands NASDAQ | NYSE |
|------------------------|------------------------|-----------|
| \$100 to \$250 | \$619 | \$634 |
| \$250 to \$500 | \$1,925 | \$1,541 |
| \$500 to \$1,000 | \$5,712 | \$3,812 |
| \$1,000 to \$5,000 | \$19,234 | \$11,384 |
| \$5,000 to \$50,000 | \$81,561 | \$52,264 |
| Greater than \$50,000 | \$530,849 | \$267,720 |

Amivest Liquidity



*The Amivest liquidity ratio measures the dollar value of trading associated with a 1 percent change in price.

Market Characteristics

SuperMontage



SUPERMONTAGE PROVIDES A STRONGER CENTER OF LIQUIDITY WITH GREATER DEPTH AND TRANSPARENCY.

NASDAQ's next generation trading system, SuperMontage, provides more trade information and process quotes and orders more efficiently than previously processed. At the core of SuperMontage is a new central display montage from which participants can, for the first time, enter multiple levels of trading interest. SuperMontage is the first stock market platform that:

- Fully integrates a public limit order book and market maker quotations.
- Allows market makers and ECNs to enter multiple quotes at single or multiple price levels.
- Displays orders either anonymously or by name.
- Shows aggregate investor buy and sell interest five levels deep.
- Time-stamps individual orders to preserve position and priority.

These SuperMontage features add up to a fairer, more level playing field for all market participants, increasing market quality and investor protection.

For more information about NASDAQ SuperMontage, visit www.NASDAQ.com/reference/SMIssuerbrol.pdf ■

Market Characteristics

Spreads

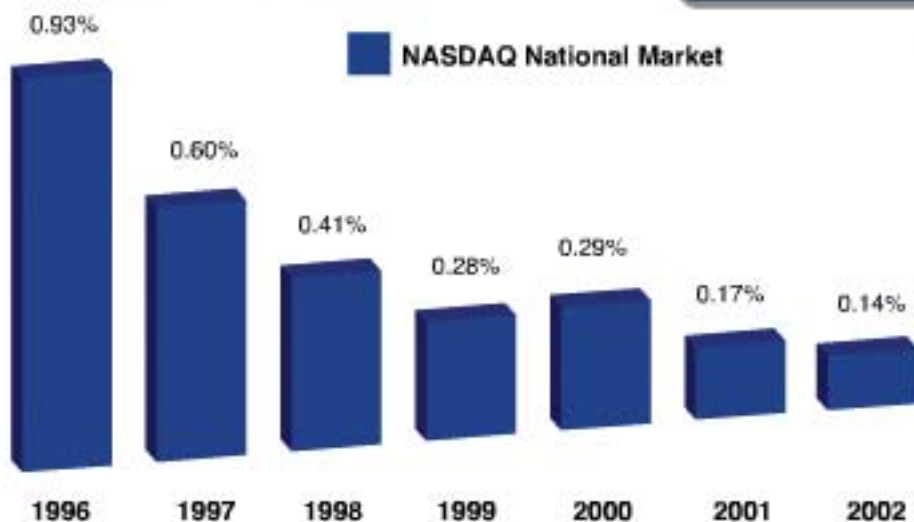
The spread for a stock on any market is the difference between a stock's bid and ask price. On NASDAQ, the spread typically represents the capital risk market makers undertake when buying or selling a stock. The relevant spread on NASDAQ is the inside spread. The inside spread is the difference in price between the best bid and the best ask among all market participants trading in a stock. It is this price or better at which a customer order must be executed. Trading occurs at or inside the inside spread.

At NASDAQ, competition is one of the most important factors in creating price efficiencies. The aggressive competition fostered among NASDAQ market participants helps to ensure investors the best prices for the stocks they trade. With NASDAQ's move to decimals in 2001, spreads immediately decreased 50%. The cost to trade NASDAQ stocks has declined 80% since 1996. Continual enhancements to NASDAQ are driving down trading costs and spreads. ■

Relative Spreads- NASDAQ National Market Dollar Volume & Duration Weighted

| | |
|------|-------|
| 1996 | 0.93% |
| 1997 | 0.60% |
| 1998 | 0.41% |
| 1999 | 0.28% |
| 2000 | 0.29% |
| 2001 | 0.17% |
| 2002 | 0.14% |

Relative Spreads - Dollar Volume & Duration Weighted



NASDAQ Economic Research, 12/2002

Market Characteristics

Spreads

| Float Category (\$Mns) | NASDAQ | NYSE |
|------------------------|--------|-------|
| \$100 to \$250 | 0.56% | 0.52% |
| \$250 to \$500 | 0.32% | 0.33% |
| \$500 to \$1,000 | 0.19% | 0.22% |
| \$1,000 to \$5,000 | 0.10% | 0.16% |
| \$5,000 to \$50,000 | 0.06% | 0.11% |
| Greater than \$50,000 | 0.04% | 0.08% |

Relative Spreads - Dollar Volume & Duration Weighted



NASDAQ Economic Research, 12/2002

Listings

Listings



NASDAQ COMPANIES ARE LEADERS ACROSS ALL SECTORS OF BUSINESS INCLUDING RETAIL, TECHNOLOGY, COMMUNICATION, FINANCIAL SERVICES, BIOTECHNOLOGY, TRANSPORTATION, AND MEDIA.

NASDAQ's listed companies embody what we've come to know as the new economic landscape—companies transforming the way we live, work and play. Together, they reflect the full breadth, variety and vitality of what's humanly possible. We take enormous pride in listing nearly 4,000 companies—more than any other U.S. equities market. Many are names that have come to be synonymous with growth and innovation. Others are younger, less well-known companies whose collective vision and energies are poised to shape the world of tomorrow.

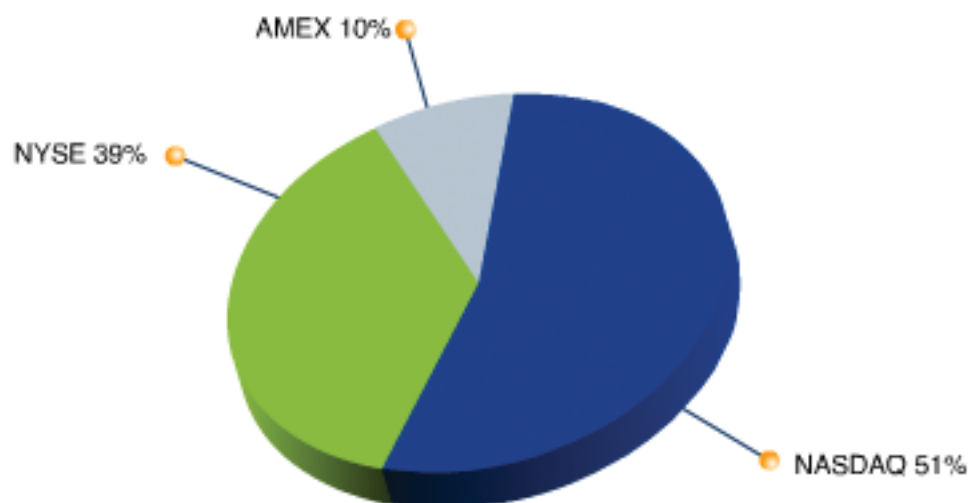
The Facts

- NASDAQ lists more companies than any other U.S. equities market.
- In 2001, NASDAQ had the greatest share volume of all U.S. markets.
- NASDAQ listings' market value neared \$2.9 trillion in 2001. ■

Listings

Listings by Market

| Number & Percentage of Companies by Market | | |
|--|-------|------|
| NASDAQ | 3,663 | 51% |
| NYSE | 2,783 | 39% |
| AMEX | 698 | 10% |
| Total | 7,144 | 100% |



NASDAQ Economic Research, 12/2002



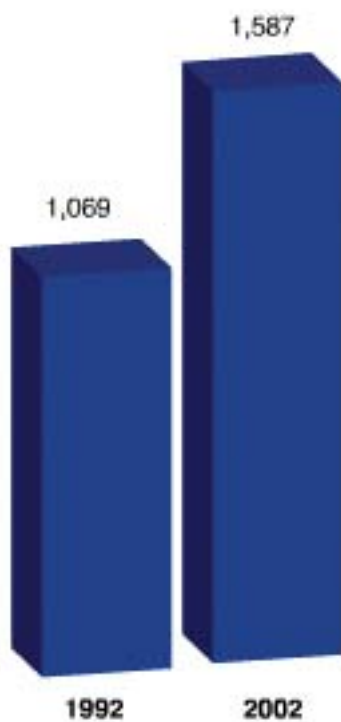
Listings

Listings by Market Capitalization

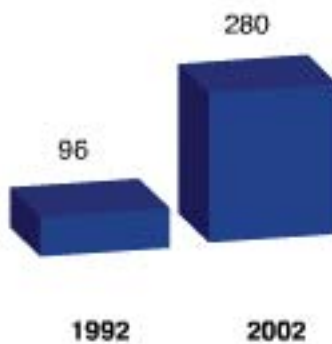
| \$100 Mns+ | |
|------------|-------|
| 1992 | 1,069 |
| 2002 | 1,587 |
| Growth | 48% |

| \$1 Bns+ | |
|----------|------|
| 1992 | 96 |
| 2002 | 280 |
| Growth | 192% |

\$100 Mns+



\$1 Bns+



FactSet Research Systems, Inc. 12/2002

Listings

Listings by Industry

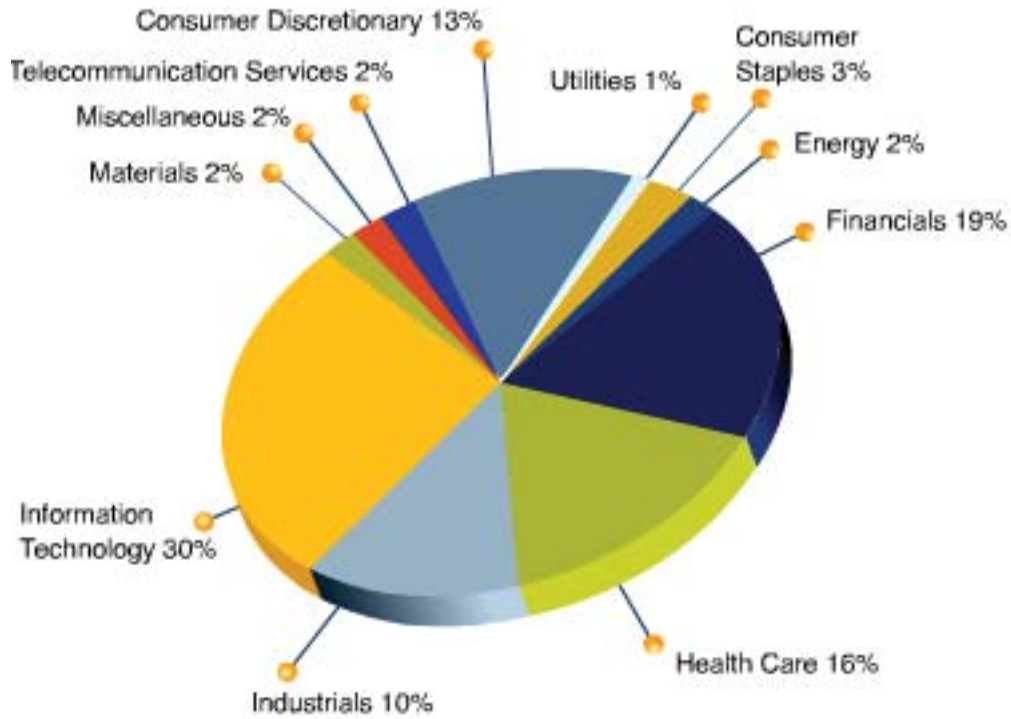
NASDAQ-Listed Companies by GICS Sector

| GICS Sector | NASDAQ | NYSE | AMEX | Total |
|----------------------------|--------------|--------------|------------|--------------|
| Consumer Discretionary | 479 | 385 | 89 | 953 |
| Consumer Staples | 98 | 122 | 28 | 248 |
| Energy | 74 | 170 | 36 | 280 |
| Financials | 709 | 435 | 117 | 1,261 |
| Health Care | 580 | 136 | 78 | 794 |
| Industrials | 380 | 327 | 91 | 798 |
| Information Technology | 1,113 | 130 | 63 | 1,306 |
| Materials | 85 | 198 | 42 | 325 |
| Miscellaneous | 59 | 90 | 27 | 176 |
| Telecommunication Services | 68 | 86 | 10 | 164 |
| Utilities | 15 | 126 | 8 | 149 |
| Total | 3,660 | 2,205 | 589 | 6,454 |

Listings

Listings by Industry

NASDAQ-Listed Companies by GICS Sector



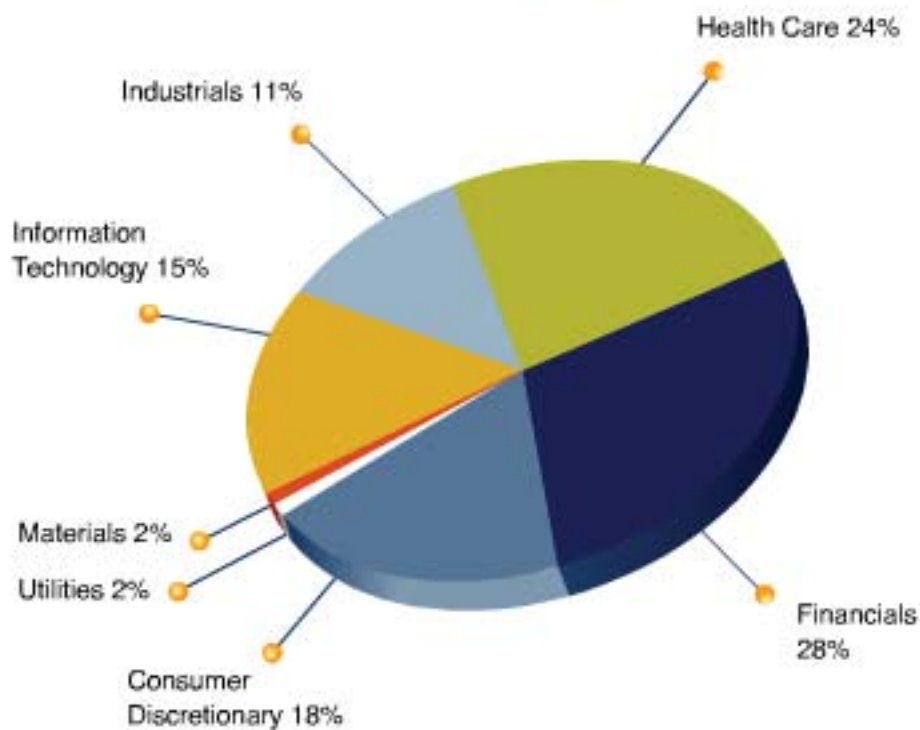
FactSet Research Systems, Inc. As of 12/2002

Listings: Initial Public Offerings

By Industry

| GICS Sector Name | NASDAQ |
|------------------------|-----------|
| Consumer Discretionary | 10 |
| Financials | 16 |
| Health Care | 13 |
| Industrials | 6 |
| Information Technology | 8 |
| Materials | 1 |
| Utilities | 1 |
| Total | 55 |

NASDAQ Initial Public Offerings by Industry, 2002



*Excludes closed-end funds and stock conversions.

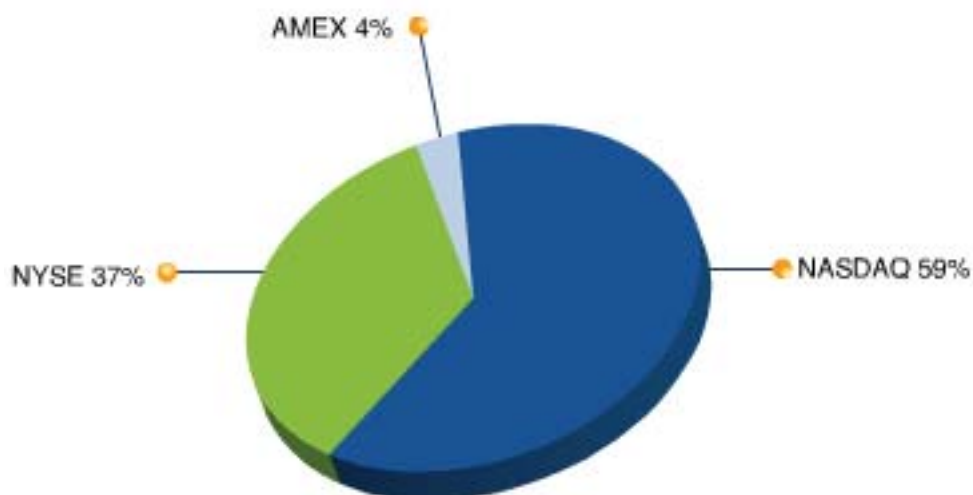
Equidesk, 12/2002

Listings: Initial Public Offerings

By Market

| Number & Percentage of Companies by Market | | Total |
|--|----|-------|
| NASDAQ | 55 | 59% |
| NYSE | 35 | 37% |
| AMEX | 4 | 4% |
| Total | 94 | 100% |

Initial Public Offerings by Market - 2002



Equidesk, 12/2002



Listings: Initial Public Offerings

IPOs' Profile

NASDAQ 2002 IPO Profiles

| Company | CTI Molecular Imaging, Inc. | JetBlue Airways Corporation | Petco Animal Supplies, Inc. |
|-------------------------------------|---|------------------------------------|---|
| Ticker Symbol | CTMI | JBLU | PETC |
| City | Knoxville | Kew Gardens | San Diego |
| State | TN | NY | CA |
| Business Description | Manufacturer of positron emission tomography (PET) imaging equipment | Low-cost passenger airline | Pet food and supplies provider |
| SIC | 3844 | 4512 | 5999 |
| Industry | X-Ray Apparatus & Tubes | Air Transportation, Scheduled | Miscellaneous Retail Stores |
| CEO | Dr. Terry D. Douglass, Ph.D. | Mr. David Neeleman | Mr. Brian K. Devine |
| CFO | Mr. David N. Gill | Mr. John Owen | Mr. James M. Myers, CPA |
| Lead Manager | Credit Suisse First Boston, U.S Bancorp Piper Jaffray | Morgan Stanley, Merrill Lynch & Co | Merrill Lynch & Co, Morgan Stanley |
| Co-Managers | Inc, Bear, Stearns & Co Banc of America Securities, Wachovia Securities Inc | Raymond James, UBS Warburg LLC | Deutsche Bank Securities, Goldman, Sachs & Co, Lehman Brothers, Salomon Smith Barney Inc. |
| Type of Security | IPO | IPO | IPO |
| Exchange | NASDAQ National Market | NASDAQ National Market | NASDAQ National Market |
| Offered Date | 21-Jun-02 | 11-Apr-02 | 21-Feb-02 |
| Offered Price | \$17.000 | \$27.000 | \$19.000 |
| Closing Price (1 Day) | \$19.500 | \$45.000 | \$20.000 |
| Shares Offered (Mns) | 10.720 | 5.867 | 14.500 |
| Amount Offered (Mns) | \$182.240 | \$158.400 | \$275.500 |
| Shares Outstanding (Mns) | 40.825 | 40.945 | 55.748 |
| Market Value (Mns) | \$694.024 | \$1,105.528 | \$1,059.218 |
| Closing Price - Dec 2002 | \$24.660 | \$27.000 | \$23.439 |
| Price Performance - Dec 2002 | 26.46% | -10.00% | 17.20% |
| Shares Outstanding - Dec 2002 (Mns) | 42.216 | 63.195 | 57.366 |
| Market Value - Dec 2002 (Mns) | \$1,041.05 | \$1,706.27 | \$1,344.60 |
| Number of Market Makers | 22 | 34 | 30 |

Equidesk, 12/2002



Listings: Value - Added Services

Market Intelligence Desk



THE MARKET INTELLIGENCE DESK PROVIDES COMPANY AND INDUSTRY SPECIFIC MARKET DATA TO NASDAQ-LISTED COMPANIES.

NASDAQ's Market Intelligence Desk is designed to significantly enhance the way information and services are delivered to listed companies.

Staffed by a dedicated group of NASDAQ market experts, and operating over extended hours, the Market Intelligence Desk is a one-stop-shop for market information. Through an integrated suite of telephone and Web-based services, companies can call and quickly access information on their stocks, including company-specific trading insights, market intelligence and news of important market events. ■



Listings: Value - Added Services

Personal Service



NASDAQ DIRECTORS
ARE ALWAYS AVAIL-
ABLE TO ANSWER
QUESTIONS AND OFFER
INSIGHT TO MARKET-
SPECIFIC ISSUES.

NASDAQ-listed companies have a dedicated NASDAQ representative, known as a director, with in-depth knowledge and experience in their industry. As a relationship manager, directors are experienced and knowledgeable about finance and market matters. As consultants, directors analyze the company's stock performance and make recommendations to increase visibility in the investment community. Directors keep listed companies informed and up-to-date on important regulatory and other issues affecting corporate management and decision-making—a complement to NASDAQ's Market Intelligence Desk. ■



Listings: Value - Added Services

NASDAQ Online



NASDAQ ONLINE PROVIDES A WIDE RANGE OF MARKET INTELLIGENCE AND REAL-TIME PRICE QUOTES FOR ALL COMPANIES TRADED ON THE MAJOR U.S. MARKETS.

Designed exclusively for NASDAQ-listed companies and offered at no additional cost, NASDAQ Online is a password-protected Web site that provides the latest market intelligence on publicly traded companies in one single, integrated source. With comprehensive market information and access to market commentary, NASDAQ Online helps companies manage their relationships with analysts, market participants, and institutions.

Users can see how their stock is trading, follow their competitors, and track the market's activity at any given moment. Continually updated, NASDAQ Online offers a real-time report generator to assist company executives in preparing presentation-quality materials. NASDAQ Online also contains proprietary NASDAQ data not available elsewhere. And users can access New York Stock Exchange and American Stock Exchange real-time, last-sale data. Rated first in a 2001 survey by the National Investor Relations Institute of its members' favorite Web sites, NASDAQ Online recently added personalization and streaming data. ■



Listings: Value - Added Services

Executive Programs



EXECUTIVE PROGRAMS
PROVIDE PUBLIC COM-
PANIES WITH THE
TOOLS THEY NEED TO
BE PUBLIC.

NASDAQ company executives are invited to participate in a variety of educational and visibility programs in the U.S., Europe, and Asia. Investor Relations Conferences—covering the most basic to more advanced investor relations' topics—offer shareholder relations strategies and networking opportunities. Analyst and Investor Forums showcase companies to investors in Europe and Asia. Various NASDAQ-sponsored academic, business, and governmental events in the U.S. and abroad are also available. ■



Listings: Value - Added Services

International Magazine



NASDAQ INTERNATIONAL MAGAZINE WAS NAMED "FINANCIAL MAGAZINE OF THE YEAR" IN 2001.

Award-winning, NASDAQ International Magazine is a bimonthly publication that showcases NASDAQ-listed companies in the U.S. and abroad.

With over 60,000 readers worldwide, NASDAQ International Magazine provides listed companies a forum for sharing their latest developments with a broad array of professional investors such as international fund managers and analysts. In a recent survey by Forbes Consulting Group among portfolio managers receiving the magazine, NASDAQ International Magazine is described as a reference source that is not duplicated elsewhere by providing access to the "minds of CEOs" who drive the strategic direction of NASDAQ-listed companies. ■



Listings: Value - Added Services

NASDAQ MarketSite



Serving as the epicenter for NASDAQ news and events, MarketSite is located in the heart of New York's Times Square. Each day MarketSite hosts world business leaders to preside over the Market Open. This event is broadcast globally and can be viewed live by downloading the MarketSite Webcam at www.nasdaq.com.

MarketSite Broadcast Studio

The MarketSite houses a state-of-the-art digital broadcast studio that transmits 175 live market updates by a host of networks including CNBC, CNN Headline News, CNNfn, Bloomberg, BBC, Reuters and other financial networks to reach millions of viewers around the world with up-to-the-second market news. Dedicated NASDAQ technical and production staff provide real-time trading information to reporters 14 hours a day.

MarketSite Tower

Located at 43rd and Broadway, this high-tech electronic display wraps around the cylindrical NASDAQ building, providing up-to-the minute financial news, market highlights, and advertisements. The MarketSite Tower is featured in films, television programming, and news articles. This modern day icon soars 7 stories high and illuminates Times Square 24 hours a day.



Listings: Value - Added Services

NASDAQ MarketSite



MarketSite Events

NASDAQ MarketSite is a unique venue for corporate meetings, product launches, press conferences, and other special events. For additional information, please e-mail us at marketsite.events@nasdaq.com or call 646-441-5275. ■

Listings: Value - Added Services

NASDAQ.com

NASDAQ Two week trial for professionals only. To speak with a sales representative, [click here.](#) EDG

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Nasdaq Composite

1290
1285
1280
1275

NASDAQ's consumer Web site, NASDAQ.com, was built to help listed companies generate visibility with both existing and potential investors. Averaging 7.5 million page views each weekday, the site offers comprehensive data for securities listed on all major global exchanges, as well as for U.S. equity options and mutual funds. ■

Listings: Value - Added Services

NASDAQ Insurance Agency



NASDAQ INSURANCE AGENCY WAS DEVELOPED ESPECIALLY FOR NASDAQ-LISTED COMPANIES TO ASSIST WITH MANAGING UNIQUE INSURANCE RISKS.

A full-service insurance agency, the **NASDAQ Insurance Agency** provides **NASDAQ-listed companies and companies planning to go public on NASDAQ with custom-designed insurance products** including directors and officers and other management liability insurance as well as property and casualty, international, professional and environmental insurance required by listed companies. Experienced insurance professionals provide information and advice on insurance products and services including employee benefits programs. For more information, please visit www.NASDAQ-insurance.com or call (888) 824-3363. ■



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Market Participants

Market Participants



NASDAQ MARKET PARTICIPANTS INCREASE MARKET QUALITY AND INVESTOR PROTECTION.

NASDAQ's inclusive screen-based model, where multiple market participants openly compete for order flow, provides listed companies with unmatched liquidity and depth throughout each trading day. NASDAQ combines the most efficient aspects of both the quote- and order-driven markets, allowing multiple participants to trade with each other through a sophisticated computer and telecommunications network. NASDAQ market participants—approximately 1,000—are made up of market makers, order entry firms, and alternative trading systems (ATSS) that include electronic communication networks (ECNs) and unlisted trading privileges (UTP) exchanges. NASDAQ allows all participants equal access to the market and to market information through a simultaneous broadcast of quotes over computer terminals. Trading information is broadcast to over 1.2 million users in 83 countries. NASDAQ trades are facilitated through NASDAQ Workstation II presentation devices, numbering 11,000. ■



Market Participants

ECNs

Electronic Communication Networks (ECNs) are electronic trading systems that display orders in NASDAQ. ECNs were integrated into the market in 1997 as part of implementation of the Securities and Exchange Commission (SEC) order handling rules. Certified by the SEC, ECNs must be registered with NASDAQ and NASD to participate in the NASDAQ market. ECNs display either one-sided or two-sided quotes, which reflect actual orders. ■

| Current Registered ECNs | Market Participant Identification Code |
|---------------------------|--|
| Archipelago, L.L.C. | ARCA |
| Attain | ATTN |
| B-Trade Services L.L.C. | BTRD |
| The BRASS Utility, L.L.C. | BRUT |
| Instinet Corporation | INCA |
| The Island ECN | ISLD |
| Market XT | MKXT and LSPD |
| NexTrade | NTRD |
| REDIBook | REDI |

The NASDAQ Stock Market as of 4/2002



Market Participants

Market Makers

NASDAQ market makers are independent dealers competing for investor orders by displaying buy and sell interest in NASDAQ-listed securities.

Nearly 300 active registered firms commit capital in the securities in which they choose to make a market. Market makers display both quotes and orders in NASDAQ, in compliance with the 1997 Securities and Exchange Commission Order Handling Rules. Displaying two-sided quotes in all securities that they choose to make a market in, market makers are subject to disciplinary action if they fail to honor their quoted prices. NASDAQ achieves market depth averaging 14 market makers per stock. ■



Market Participants

Order-entry Firms

▼ **A NASDAQ order-entry firm is a type of broker/dealer that enters customer orders into the NASDAQ system.** Adding to the market's liquidity by bringing additional orders into NASDAQ, order-entry firms have the ability to access bid and ask quotes for market makers and NASDAQ-listed securities. However, they differ from market makers in that they do not commit capital. ■

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Market Participants: Products

SuperMontage



SUPERMONTAGE PROVIDES A STRONGER CENTER OF LIQUIDITY WITH GREATER DEPTH AND TRANSPARENCY.

NASDAQ's next generation trading system, SuperMontage, provides more trade information and processes quotes and orders more efficiently than previously processed. At the core of SuperMontage is a new central display montage from which participants can, for the first time, enter multiple levels of trading interest. SuperMontage is the first stock market platform that:

- Fully integrates a public limit order book and market maker quotations.
- Allows market makers and ECNs to enter multiple quotes at single or multiple price levels.
- Displays orders either anonymously or by name.
- Shows aggregate investor buy and sell interest five levels deep.
- Time-stamps individual orders to preserve position and priority.

These SuperMontage features add up to a fairer, more level playing field for all market participants, increasing market quality and investor protection.

For more information about NASDAQ SuperMontage, visit www.NASDAQ.com/reference/SMIssuerbrol.pdf ■



Market Participants: Products

Primex



PRIMEX CREATES OPPORTUNITIES FOR INVESTORS TO RECEIVE PRICES THAT IMPROVE UPON THE BEST QUOTES.

The Primex Auction System is a unique digital trading system for NASDAQ and other exchange-listed stocks. For all its participants, the Primex Auction System offers a market-based solution for providing price and size improvement opportunities. The system is designed specifically to help brokers facilitate best execution for their customer orders. NASDAQ has an exclusive license to operate the Primex Auction System as a facility of its market for U.S. equities. ■



Market Participants: Products

Data Products



NASDAQ IS DEDICATED
IN ITS EFFORTS TO
PROVIDE THE HIGHEST
QUALITY DATA.

NASDAQ is committed to delivering the highest quality market data available. What distinguishes NASDAQ among other U.S. stock markets is our ability to provide varying levels of detail according to the needs of individual users and their customers. Distributed to over half a million industry professionals and millions of investors, NASDAQ's market data is derived from over 350,000 terminals worldwide, reaching all workstations in 500 milliseconds or less. Affordable for all investors, monthly access to NASDAQ's real-time data costs an individual investor less than an ATM transaction.

With SuperMontage, NASDAQ offers four unprecedented new data products:

QuoteView provides each SuperMontage participant's best bid and offer, as well as the aggregate best bid and offer available on SuperMontage. This service is an updated version of the current Level II data service and consists of the data available on the NASDAQ Quotation Dissemination Service (NQDS) data feed.

DepthView shows the aggregate size, by price level, of all NASDAQ market participants' attributed and unattributed quotations/orders that are in the top five price levels in SuperMontage. This view service is based on the information available in the Aggregated Depth at Price (ADAP) data feed and allows large investors to know how many shares they can trade within NASDAQ without having any price impact.



Market Participants

Data Products

PowerView bundles QuoteView and DepthView by combining the NQDS and ADAP data feeds.

TotalView offers the PowerView services plus all NASDAQ market participants' attributed quotations/orders that are in the top five price levels in Super-Montage, in addition to the aggregate size of all unattributed quotes/orders at each of the top five price levels. To create a TotalView display, distributors must receive and process the NASDAQ Prime data feed. ■

**Market Performance****Share Volume by Market**

- NASDAQ's share volume topped other U.S. markets on 234 of 252 trading days—92.9%.
- NASDAQ traded over 1 billion shares on 248 of 252 days in 2002.
- In 2002, NASDAQ's annual share volume was 441 billion shares and average daily share volume was 1.7 billion shares.
- In 2002, NASDAQ continued as the share volume leader among U.S. equity markets by capturing 54% of all share volume.
- In the last decade, NASDAQ experienced a 812% growth in share volume.

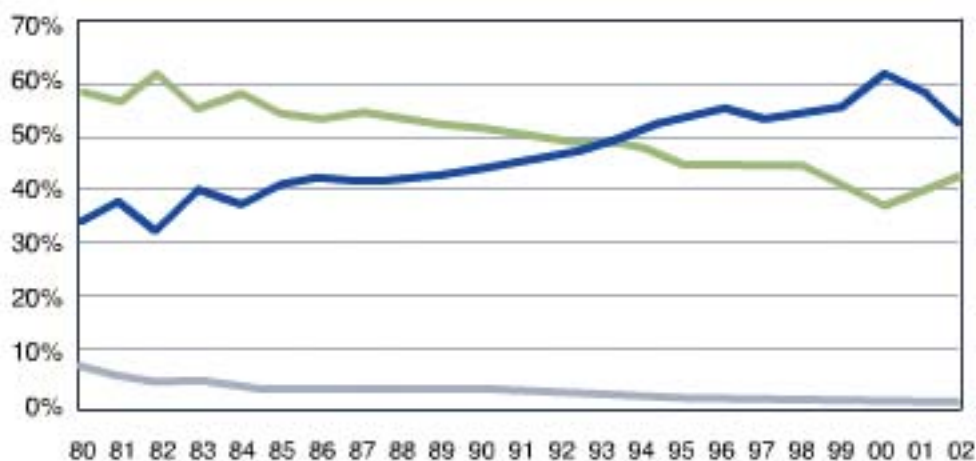


Market Performance

Share Volume by Market

| Year | NASDAQ | NYSE | AMEX |
|------|--------|------|------|
| 1980 | 34% | 58% | 8% |
| 1981 | 37% | 56% | 6% |
| 1982 | 32% | 63% | 5% |
| 1983 | 40% | 55% | 5% |
| 1984 | 38% | 58% | 4% |
| 1985 | 41% | 55% | 4% |
| 1986 | 43% | 53% | 4% |
| 1987 | 42% | 54% | 4% |
| 1988 | 42% | 55% | 3% |
| 1989 | 43% | 53% | 4% |
| 1990 | 44% | 52% | 4% |
| 1991 | 46% | 50% | 4% |
| 1992 | 47% | 50% | 3% |
| 1993 | 48% | 48% | 3% |
| 1994 | 49% | 48% | 3% |
| 1995 | 52% | 45% | 3% |
| 1996 | 56% | 42% | 2% |
| 1997 | 54% | 44% | 2% |
| 1998 | 53% | 45% | 2% |
| 1999 | 56% | 42% | 2% |
| 2000 | 62% | 37% | 2% |
| 2001 | 59% | 39% | 2% |
| 2002 | 54% | 44% | 2% |

Market Share by Market



NASDAQ Economic Research, as of 12/2002

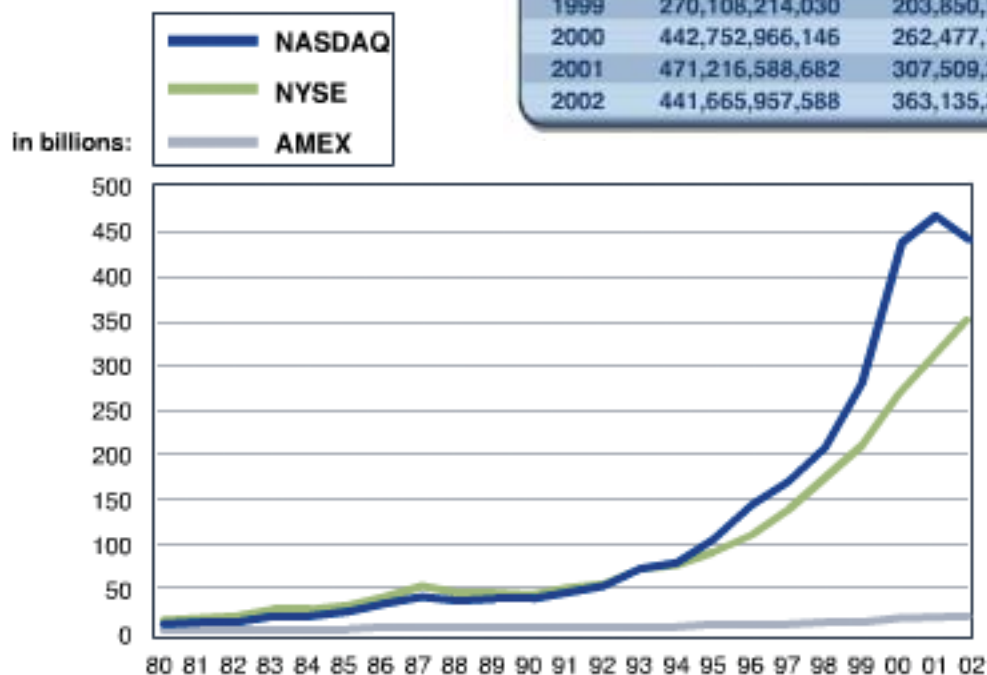


Market Performance

Share Volume by Market

| Year | NASDAQ | NYSE | AMEX |
|------|-----------------|-----------------|----------------|
| 1980 | 6,691,631,000 | 11,352,294,000 | 1,626,073,000 |
| 1981 | 7,823,410,000 | 11,853,741,000 | 1,343,400,000 |
| 1982 | 8,432,275,000 | 16,458,037,000 | 1,337,725,000 |
| 1983 | 15,908,547,000 | 21,589,577,000 | 2,080,922,000 |
| 1984 | 15,158,823,000 | 23,071,031,000 | 1,544,335,000 |
| 1985 | 20,699,146,000 | 27,510,706,000 | 2,100,815,000 |
| 1986 | 28,736,561,000 | 35,680,016,000 | 2,978,612,000 |
| 1987 | 37,890,006,000 | 47,801,309,000 | 3,505,955,000 |
| 1988 | 31,070,103,000 | 40,849,537,000 | 2,515,025,000 |
| 1989 | 33,530,386,000 | 41,698,538,000 | 3,125,108,000 |
| 1990 | 33,380,381,000 | 39,664,516,000 | 3,328,918,000 |
| 1991 | 41,310,531,000 | 45,266,043,000 | 3,377,706,000 |
| 1992 | 48,454,663,000 | 51,127,959,000 | 3,595,789,405 |
| 1993 | 66,540,480,000 | 66,923,258,000 | 4,582,015,345 |
| 1994 | 74,352,568,000 | 73,420,401,000 | 4,481,625,000 |
| 1995 | 101,157,098,300 | 87,257,567,312 | 5,087,648,550 |
| 1996 | 138,112,017,100 | 104,630,809,000 | 5,630,448,000 |
| 1997 | 163,881,594,000 | 133,206,448,000 | 6,173,544,000 |
| 1998 | 202,040,228,873 | 169,513,525,979 | 7,310,268,151 |
| 1999 | 270,108,214,030 | 203,850,172,800 | 8,230,868,060 |
| 2000 | 442,752,966,146 | 262,477,705,083 | 13,318,250,465 |
| 2001 | 471,216,588,682 | 307,509,255,893 | 16,316,745,005 |
| 2002 | 441,665,957,588 | 363,135,345,221 | 15,685,488,358 |

Share Volume by Market



NASDAQ Economic Research, as of 12/2002



Market Performance

Share Volume by Market

Share Volume by Market - 2002

| | NASDAQ | NYSE | AMEX |
|------|-----------------|-----------------|----------------|
| 2002 | 441,665,957,588 | 363,135,345,221 | 15,685,488,358 |

441,665,957,588



NASDAQ

363,135,345,221



NYSE

15,685,488,358



AMEX

NASDAQ Economic Research, as of 12/2002



Market Performance

Dollar Volume by Market

NASDAQ's dollar volume in 2002 reached \$7.3 trillion, an increase of \$6.4 trillion since 1992. That's a 714% increase in the last 10 years.

| Year | NASDAQ | NYSE | AMEX |
|------|--------|------|------|
| 1980 | 14% | 78% | 7% |
| 1981 | 15% | 80% | 5% |
| 1982 | 14% | 82% | 4% |
| 1983 | 19% | 78% | 3% |
| 1984 | 16% | 81% | 2% |
| 1985 | 19% | 79% | 2% |
| 1986 | 21% | 76% | 3% |
| 1987 | 21% | 77% | 2% |
| 1988 | 20% | 78% | 2% |
| 1989 | 21% | 76% | 2% |
| 1990 | 25% | 73% | 2% |
| 1991 | 31% | 67% | 2% |
| 1992 | 33% | 65% | 2% |
| 1993 | 37% | 62% | 2% |
| 1994 | 37% | 62% | 1% |
| 1995 | 43% | 56% | 1% |
| 1996 | 44% | 55% | 1% |
| 1997 | 43% | 56% | 1% |
| 1998 | 43% | 55% | 2% |
| 1999 | 54% | 44% | 2% |
| 2000 | 63% | 34% | 3% |
| 2001 | 49% | 47% | 4% |
| 2002 | 40% | 57% | 4% |

Market Share by Market



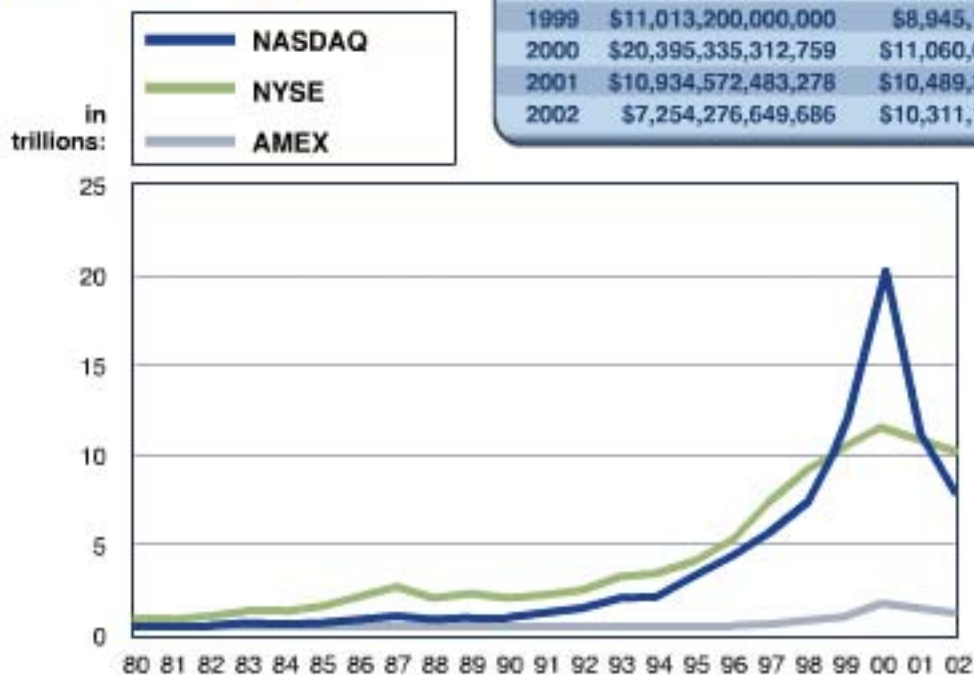
NASDAQ Economic Research, as of 12/2002

Market Performance

Dollar Volume by Market

| Year | NASDAQ | NYSE | AMEX |
|------|----------------------|----------------------|-------------------|
| 1980 | \$68,669,000,000 | \$374,909,300,000 | \$35,788,327,624 |
| 1981 | \$71,057,000,000 | \$389,218,600,000 | \$24,520,205,419 |
| 1982 | \$84,189,000,000 | \$488,396,300,000 | \$21,056,649,904 |
| 1983 | \$188,284,596,000 | \$765,275,200,000 | \$31,237,023,941 |
| 1984 | \$153,453,903,000 | \$764,737,800,000 | \$21,376,098,408 |
| 1985 | \$233,454,049,000 | \$970,478,700,000 | \$27,838,566,791 |
| 1986 | \$378,215,986,000 | \$1,374,349,600,000 | \$45,356,898,691 |
| 1987 | \$499,854,773,000 | \$1,873,597,200,000 | \$50,469,993,686 |
| 1988 | \$347,089,139,000 | \$1,356,049,600,000 | \$30,921,806,605 |
| 1989 | \$431,381,099,000 | \$1,542,845,000,000 | \$44,401,174,619 |
| 1990 | \$452,429,922,000 | \$1,325,332,400,000 | \$37,714,827,819 |
| 1991 | \$693,852,037,000 | \$1,520,164,000,000 | \$40,919,297,189 |
| 1992 | \$890,785,036,000 | \$1,745,466,400,000 | \$42,238,331,156 |
| 1993 | \$1,350,100,413,000 | \$2,283,389,600,000 | \$56,736,607,000 |
| 1994 | \$1,449,300,889,700 | \$2,454,241,600,000 | \$58,511,171,000 |
| 1995 | \$2,398,214,491,477 | \$3,082,915,308,000 | \$72,716,804,959 |
| 1996 | \$3,301,777,043,830 | \$4,063,654,600,000 | \$76,503,030,000 |
| 1997 | \$4,481,691,314,097 | \$5,777,601,500,000 | \$143,230,143,047 |
| 1998 | \$5,758,600,000,000 | \$7,287,948,500,000 | \$283,057,962,603 |
| 1999 | \$11,013,200,000,000 | \$8,945,195,000,000 | \$477,821,668,891 |
| 2000 | \$20,395,335,312,759 | \$11,060,046,000,000 | \$945,390,686,492 |
| 2001 | \$10,934,572,483,278 | \$10,489,322,500,000 | \$817,041,590,380 |
| 2002 | \$7,254,276,649,686 | \$10,311,155,700,000 | \$642,183,216,414 |

Dollar Volume by Market



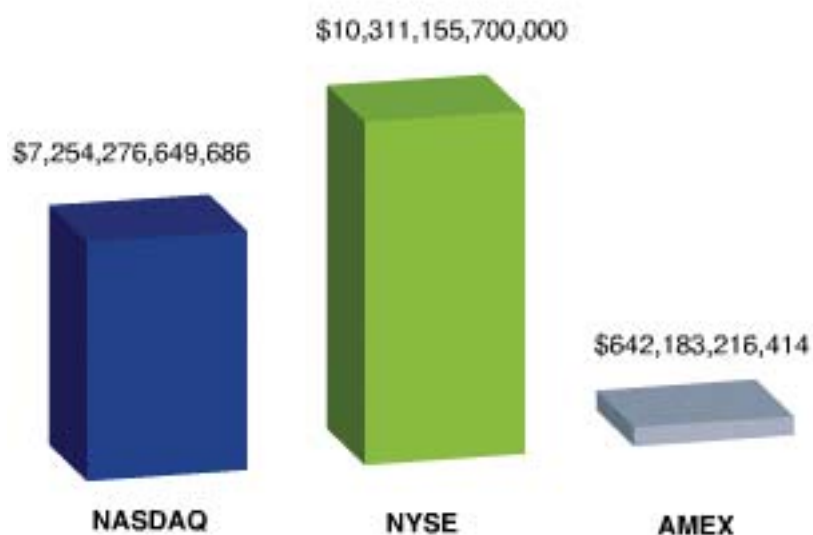
NASDAQ Economic Research, as of 12/2002

Market Performance

Dollar Volume by Market

Dollar Volume by Market - 2002

| | NASDAQ | NYSE | AMEX |
|------|---------------------|---------------------|-------------------|
| 2002 | \$7,254,276,649,686 | \$10,311,155,700,00 | \$642,183,216,414 |



NASDAQ Economic Research, as of 12/2002



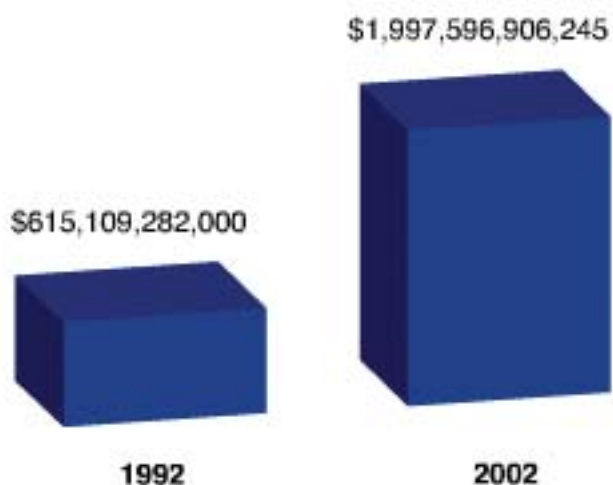
Market Performance

Market Capitalization

NASDAQ's market capitalization more than quadrupled over the last 10 years, from \$508 billion in

NASDAQ Market Capitalization

| 1992 | 2002 | Difference |
|-------------------|---------------------|------------|
| \$615,109,282,000 | \$1,997,596,906,245 | 225% |



NASDAQ Economic Research, as of 12/2002



Market Performance

Composite Index Value

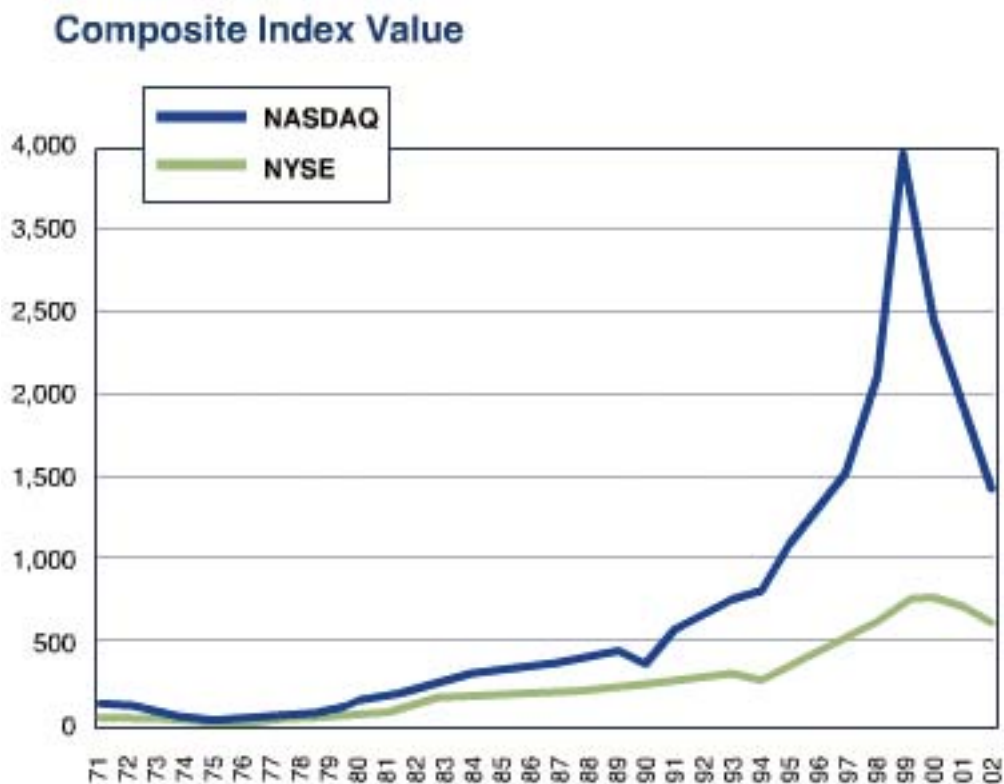
1991 to \$2.9 trillion in 2001—a 470% increase.

- The NASDAQ Composite increased 24% in the past five years and 233% in the last 10 years.
- The NASDAQ Composite set two records on January 3, 2001: Single day

| | Closing Value | | Indexed to 1971 | |
|----|---------------|-------|-----------------|---------|
| | NASDAQ | NYSE | NASDAQ | NYSE |
| 71 | 114.1 | 56.4 | 100.0 | 100.0 |
| 72 | 133.7 | 64.5 | 117.2 | 114.3 |
| 73 | 92.2 | 51.8 | 80.8 | 91.8 |
| 74 | 59.8 | 36.1 | 52.4 | 64.0 |
| 75 | 77.6 | 47.6 | 68.0 | 84.4 |
| 76 | 97.9 | 57.9 | 85.8 | 102.6 |
| 77 | 105.1 | 52.5 | 92.1 | 93.0 |
| 78 | 118.0 | 53.6 | 103.4 | 95.0 |
| 79 | 151.1 | 62.0 | 132.4 | 109.8 |
| 80 | 202.3 | 77.9 | 177.3 | 138.0 |
| 81 | 195.8 | 71.1 | 171.6 | 126.0 |
| 82 | 232.4 | 81.0 | 203.7 | 143.6 |
| 83 | 278.6 | 95.2 | 244.1 | 168.7 |
| 84 | 247.4 | 96.4 | 216.7 | 170.8 |
| 85 | 324.9 | 121.6 | 284.7 | 215.5 |
| 86 | 348.8 | 138.6 | 305.7 | 245.6 |
| 87 | 330.5 | 138.2 | 289.6 | 245.0 |
| 88 | 381.4 | 156.3 | 334.2 | 276.9 |
| 89 | 454.8 | 195.0 | 398.5 | 345.6 |
| 90 | 373.8 | 180.5 | 327.6 | 319.8 |
| 91 | 586.3 | 229.4 | 513.8 | 406.6 |
| 92 | 677.0 | 240.2 | 593.2 | 425.7 |
| 93 | 776.8 | 259.1 | 680.7 | 459.1 |
| 94 | 752.0 | 250.9 | 658.9 | 444.7 |
| 95 | 1,052.1 | 329.5 | 922.0 | 583.9 |
| 96 | 1,291.0 | 392.3 | 1,131.3 | 695.2 |
| 97 | 1,570.4 | 511.2 | 1,376.1 | 905.9 |
| 98 | 2,192.7 | 595.8 | 1,921.4 | 1,055.8 |
| 99 | 4,069.3 | 650.3 | 3,565.8 | 1,152.4 |
| 00 | 2,470.5 | 656.9 | 2,164.8 | 1,164.0 |
| 01 | 1,950.4 | 589.8 | 1,709.1 | 1,045.2 |
| 02 | 1,335.5 | 472.9 | 1,170.3 | 838.0 |

Market Performance

Composite Index Value



NASDAQ Economic Research, as of 12/2002



Market Performance

Research Analyst Coverage by Market

point increase of 324.83 and single day percent increase of 14.17%.

- NASDAQ companies attract more research coverage, on average, and greater sponsorship.
- NASDAQ's decentralized market structure generates competition among market makers. That competition results in greater visibility among market participants and increased trading activity, which provides incentive to deliver

| Float Category (\$Mns) | NASDAQ | |
|------------------------|-----------------|------|
| | National Market | NYSE |
| \$100 to \$250 | 4 | 4 |
| \$250 to \$500 | 6 | 5 |
| \$500 to \$1,000 | 8 | 6 |
| \$1,000 to \$5,000 | 12 | 10 |
| \$5,000 to \$50,000 | 21 | 16 |
| Greater than \$50,000 | 25 | 21 |

Average Number of Research Analysts by Market





Market Performance

Market Recognition Comparison

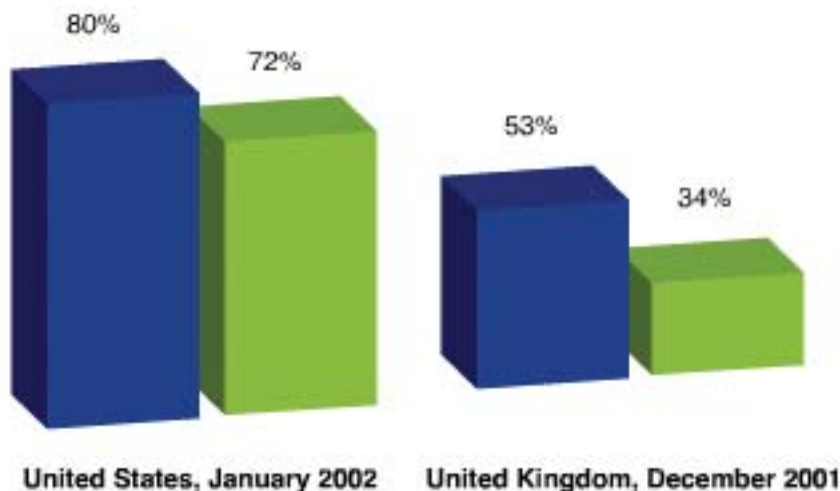
research coverage. Sponsorship helps attract more investor interest.

- NASDAQ is the most recognized market in the U.S.
- NASDAQ consistently receives significantly more media coverage and more favorable mentions in international press.

Investor Unaided Market Awareness

| | NASDAQ | NYSE |
|-------------------------------|--------|------|
| United States, January 2002 | 80% | 72% |
| United Kingdom, December 2001 | 53% | 34% |

 NASDAQ
 NYSE





Market Performance

Leading Stock Market

- NASDAQ is building liquidity and investor opportunity on three continents.

NASDAQ Beats Competition and Investors Win

Starting in 2001, the Securities and Exchange Commission (SEC) mandated that uniform trade statistics be reported by all market centers. The latest numbers are in, and analysis of the data obtained from third-party data provider, Market Systems Inc., clearly demonstrates that NASDAQ delivers far superior execution quality compared to other markets. How is this a win for investors?

Faster Execution Speed

NASDAQ's unmatched speed means there is less trading uncertainty—less likelihood of the market moving away from an investor's price.

Superior Quoted Spreads

Tighter spreads between bid and ask prices on NASDAQ mean better prices, benefiting investors and traders alike who are accessing liquidity.

Lower Transaction Costs

Investors enjoy lower effective spreads on NASDAQ. Lower effective spreads lead to lower trading costs, which means investors can put more toward their investments rather than covering a wide spread.

The information in this document is based on October 2002 SEC Rule 11Ac1-5 statistics for comparable NASDAQ- and NYSE-listed securities in the S&P 500 Index, companies 101-500 in the S&P 500 Index, and the S&P 400 MidCap Index.

The statistical analysis was produced by the Market Systems Inc. (MSI) Web site. MSI is a third-party vendor that compiles 11Ac1-5 execution quality statistics; NASDAQ subscribes to their service.

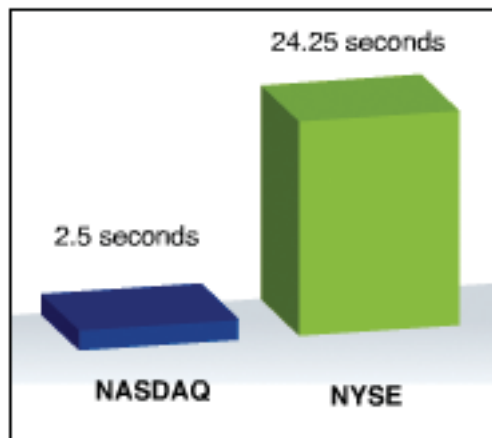


Market Performance

Leading Stock Market

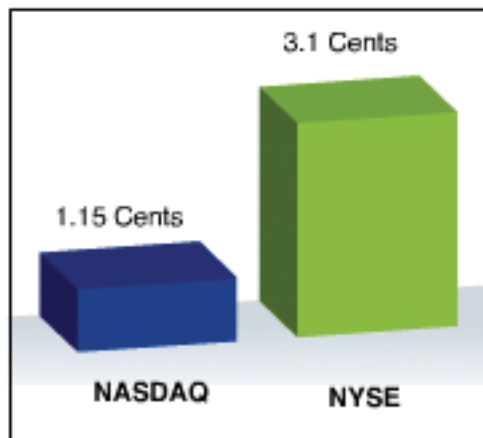
S&P 500 Stocks Trade Better on NASDAQ*

*NASDAQ and NYSE Average Quoted Spread for 500 Companies.
All Marketable Order, All Order Sizes



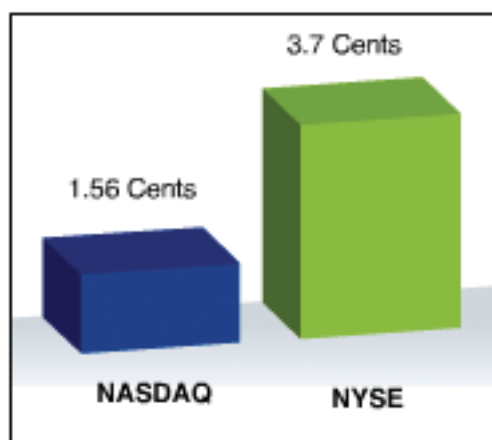
Faster Trades

| NASDAQ | NYSE |
|--|--|
| NASDAQ executes in an average of 2.5 seconds | NASDAQ is 9.7 times faster than the NYSE |



Tighter Spreads

| NASDAQ |
|------------------------------------|
| NASDAQ is 62% better than the NYSE |



Lower Costs

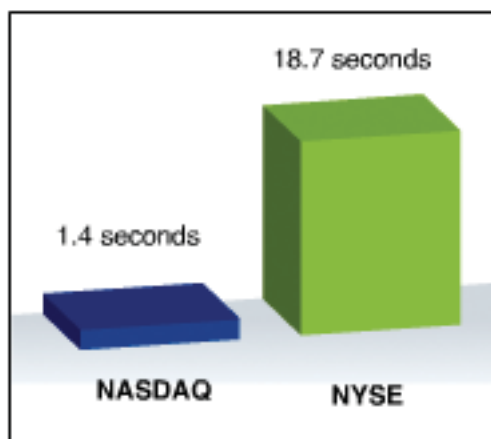
| NASDAQ |
|------------------------------------|
| NASDAQ is 56% better than the NYSE |

Market Performance

Leading Stock Market

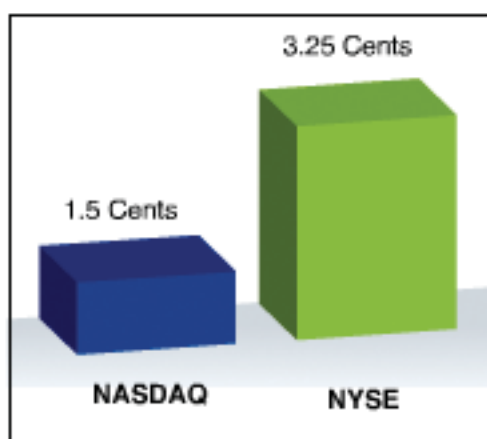
Companies 101-500 of the S&P 500 Trade Better on NASDAQ**

**NASDAQ and NYSE Average Quoted Spread for S&P 101-500 Companies.
All Marketable Order, All Order Sizes



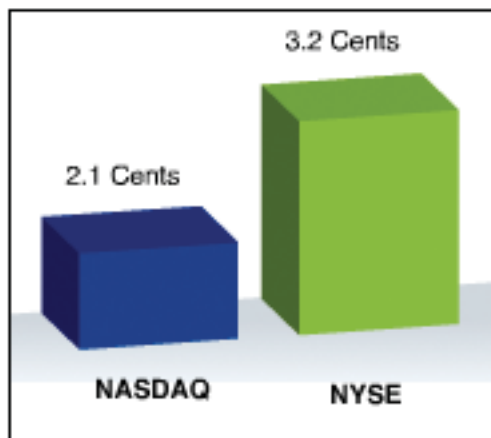
Faster Trades

| NASDAQ | NYSE |
|--|---|
| NASDAQ executes in an average of 1.4 seconds | NASDAQ is 13.4 times faster than the NYSE |



Tighter Spreads

| NASDAQ |
|------------------------------------|
| NASDAQ is 55% better than the NYSE |



Lower Costs

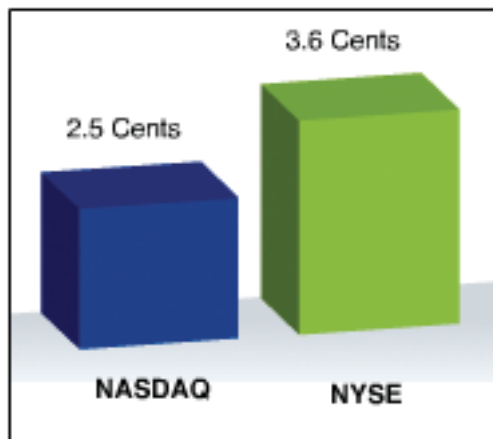
| NASDAQ |
|------------------------------------|
| NASDAQ is 37% better than the NYSE |

Market Performance

Leading Stock Market

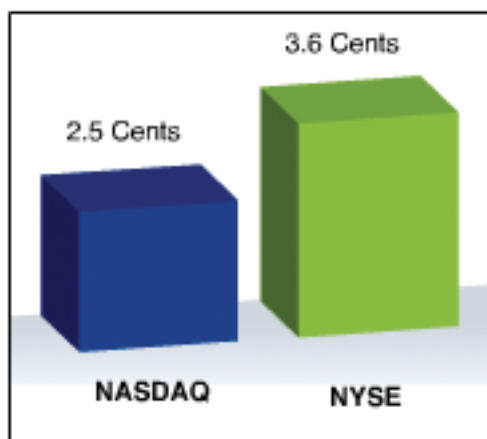
S&P 400 MidCaps Stocks Trade Better on NASDAQ***

***NASDAQ and NYSE Average Quoted Spread for S&P 400 Companies.
All Marketable Order, All Order Sizes



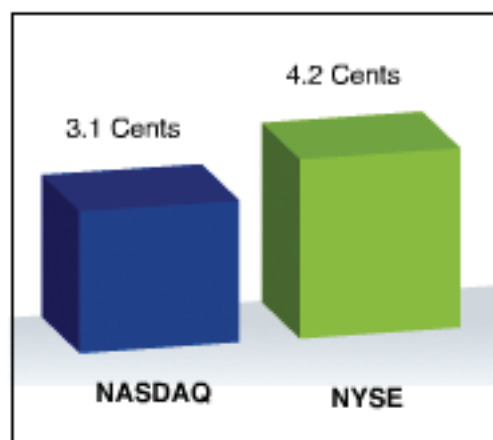
Tighter Spreads

NASDAQ
NASDAQ is 32%
better than the NYSE



Tighter Spreads

NASDAQ
NASDAQ is 32%
better than the NYSE



Lower Costs

NASDAQ
NASDAQ is 26%
better than the NYSE



NASDAQ Timeline

1961

Congress authorizes the Securities and Exchange Commission (SEC) to conduct a study of fragmentation in the over-the-counter market. The SEC proposes automation as a possible solution and charges the National Association of Securities Dealers, Inc. (NASD) with its implementation.

1971

February 8, the National Association of Securities Dealers Automated Quotation (NASDAQ) begins trading, with median quotes for 2,500 over-the-counter securities.

1976

NASDAQ purchased the assets of the automated quotation NASDAQ System from its builder and operator, Bunker Ramo Corporation.

1980

NASDAQ releases inside quotations, which promptly narrows displayed and published spreads on more than 85 percent of its securities.

1982

The National Market System (NMS) is created for NASDAQ's 40 highest volume securities for up-to-the-minute reporting of trades.

1983

Computer Assisted Execution System (CAES) executes transactions in NMS issues.

1984

Small Order Execution System (SOES) automatically executes small orders against the best quotations, making greater volume and efficiency in trading possible.

1986

NASDAQ opens fully redundant backup system to ensure reliable market.

1987

NASDAQ Workstation, in PC-based platform, gives traders a faster tool and greater flexibility in customizing their service.



NASDAQ Timeline

1988

Advanced Computerized Execution System (ACES) enables market makers to execute many orders automatically.

1989

The new Automated Confirmation Transaction (ACT) Service reduces risk by providing same-day comparisons of telephone-negotiated trades. The StockWatch Automated Tracking system (SWAT) is launched, bringing state-of-the-art sophistication to the evaluation of NASDAQ securities for abnormal activity.

1990

SelectNet enhances opportunities to find and execute transactions at the best prices at greater volume.

1991

Introduction of NASDAQ International Service enables firms and investors around the globe to participate in the trans-Atlantic NASDAQ network during European trading hours.

1993

NASDAQ develops three news indexes that enable investors to track key growth industries: biotechnology, computer and telecommunications.

1994

NASDAQ surpasses the New York Stock Exchange in yearly share volume.

1995

NASDAQ Workstation II is unveiled, and the state-of-the-art surveillance tool, RADAR, is introduced.

1996

The NASDAQ Web site—www.NASDAQ.com—begins operating, quickly becoming one of the most visited investor sites on the Internet.



NASDAQ Timeline

1997

The SEC approves NASDAQ's proposal to reduce the minimum quotation increment from 1/8 of a dollar to 1/16 of a dollar for stocks trading above \$10. New SEC Order Handling Rules begin to phase-in, narrowing spreads and enhancing market information.

1998

In conjunction with The Stock Exchange of Hong Kong, NASDAQ announces a partnership to provide investors worldwide with information about their respective markets on a new, joint Internet service.

1999

NASDAQ becomes the world's biggest stock market by dollar volume and repeatedly breaks share and dollar volume records. The NASDAQ-100 Index Tracking Stock (QQQ) launches and sees 2.6 million shares traded in the first two hours. NASDAQ creates a cooperative agreement with the Stock Exchange of Hong Kong. NASDAQ opens MarketSite in Times Square, NYC featuring high visibility broadcast studio and the largest, outdoor video screen in the world. NASDAQ launches NASDAQ Canada.

2000

NASDAQ membership votes overwhelmingly to restructure and spin off NASDAQ into a shareholder-owned, for-profit company.

2001

NASDAQ sets new share volume record—more than 3.19 billion shares traded. As part of its global expansion efforts, NASDAQ opens liaison office in Bangalore, India. NASDAQ becomes the first U.S. stock market to meet ISO 9001 quality standards. NASDAQ launches final phase of SuperSoes and launches Primex Auction System. NASDAQ converts all equity securities to decimal pricing.

2002

NASDAQ launches SuperMontage—the next generation market platform creating more transparency, access to liquidity and stable trading.