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The NASDAQ OMX Group
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Thanks, Randy, for that introduction. It is a real pleasure to be here, in the "TMC Theater." And I want to thank SIFMA for extending this invitation to me to kick off this year's conference.

SIFMA is an important voice in our industry, particularly in these challenging times. Each year this conference highlights what's new and what's best in our industry and the role that technology plays in ensuring the growth and reliability of our financial markets for the benefit of investors. You have chosen an appropriate theme for this year's event: technology's role in working through these critical economic times.

Amidst a global financial meltdown, our industry has withstood extraordinary conditions from a series of events that we collectively would not have considered possible. In thinking about the state of the financial markets, technology is perhaps not the first topic that people outside the industry consider or worry about. But technology, as the people in this room know, has a critical role to play in the smooth functioning of our markets. Last fall, we saw the benefits of our continued investment in technology innovation and our commitment as an industry to working together to ensure the reliability and integrity of our financial infrastructure.

At NASDAQ OMX, our staff and our technology team are proud to have delivered to our investors a stable trading platform that worked smoothly and reliably in a time when the financial markets came under the highest levels of stress ever. The NASDAQ stock market's actual trading volume increased to levels that had previously only been tested in our labs. We were processing over 6 billion shares a day at over 250,000 transactions per second on our INET platform while maintaining microsecond latency speeds.

High levels of performance were true not just for our US equities market but also for PHLX, the Nordics, and all the markets in which we operate. Our markets worked as they should. They did not fail. They performed exactly as advertised. People were able to buy and sell securities quickly and easily - even if the prices were not what investors wished.

With all that in mind, let me pause and give you a brief snapshot of NASDAQ OMX as a company right now. Throughout 2008 we continued to deliver transparent markets in real time to investors across the globe and made remarkable progress in transforming NASDAQ OMX into the world's largest exchange company and the premier partner for financial markets around the globe.

Last year we became the world's largest exchange by share volume traded - a total of \$23.9 trillion. Our company became part of the S&P 500. Our acquisitions of the Philadelphia Stock Exchange and OMX gave us a global platform for multi-asset trading for the first time. Our technology now powers 70 exchanges in 50 countries and these markets account for 1 in 10 transactions traded worldwide.

Yet our transformation to a global exchange company is still progressing - and we have a number of important developments scheduled for 2009, from continued innovations in our technology platform to new ventures to bring increased transparency and liquidity to derivatives markets around the world.

At NASDAQ OMX we have always employed the philosophy that we must continue to invest in our technology platform, and that process is a state of being for us. Technological innovation is one of the most important elements shaping competition among exchanges and we intend to maintain our leadership in this area as a driver of our business success. In fact, we are making more investments in new initiatives this year than in any time during our recent past.

Speed and reliability, or to use the technical terms, latency and throughput, form the first building block of our technology platform.

While we are proud of the performance of our technology last fall, we have already made significant enhancements to our INET platform. We have since doubled our throughput and are processing 450,000 transactions per second at even lower latency levels than before. In fact, we are now disseminating nanosecond time stamps on our market data feeds to reflect this trend. And there's more to come!

With all this growth comes responsibility. As CIO, resilience is a topic I live and breathe every day and it is part of the fundamental DNA of the NASDAQ OMX markets. We are part of the national critical infrastructure here and in the countries we operate abroad. Resiliency is therefore not only a business imperative; it is a public responsibility to uphold for the national and global capital markets. Our systems need to be robust, to have the capacity to process huge volumes of transactions quickly and accurately, as they did last fall. We operate every day in an environment in which trading volume has more than doubled every year. Similarly, we talk often about the importance of transparency in well-functioning markets. The flip side of transparency is reliability.

Improving our TCO -- the total cost of ownership -- is the second building block of our technology platform. We strive to implement the best technological solutions in the industry, which deliver speed, resilience and cost-efficiency. For instance, we outsourced our physical data centers and migrated to consolidated, high speed efficient networks long before our competitors did. We achieved \$150 million in synergies from our merger with OMX; two-thirds of those came within the first 10 months, over a year ahead of schedule. Cost efficiency is vital to the future of our business.

Without cost efficiency, we wouldn't be able to maintain our price leadership - and without price leadership, we would lose our edge in attracting clients.

NASDAQ OMX's mission is to be a capital formation solution for companies at all levels of development. As with many of the companies that raise capital with us, we strive to be as innovative as the companies that list on our exchanges are, because in some sense, we are those companies in investors' minds.

They include technology leaders -- the household names whose products and services have changed the way in which we live and work -- and they know what counts as leadership in technology - and what doesn't.

Our technology plays a critical role in the strategic support services we provide to listed companies -- from market intelligence solutions that help companies identify the type of investors who might be interested in their securities -- to technology that allows members of a corporation's board to collaborate more effectively in a challenging corporate governance environment.

Innovation is critical to the success of another important growing aspect of our business: data services. These products are targeted to all types of investors -- institutional, retail, and individual. We offer our customers a more complete and transparent view of the market through products such as Market Replay, which enables traders to reconstruct the events surrounding a trade or even to replay and rewind the trading day. And we have listened to our customers and are developing more convenient and cost-efficient distribution options, including plug-and-play and cloud computing based offerings. We are offering more cost-efficient products, such as our new product, NASDAQ BASIC, which provides a lower cost alternative to Level 1 data.

Quite simply, technology innovation allows us to respond to customer needs in new ways, and thus plays a crucial role not just in the smooth functioning of our financial markets but throughout our company's service offerings. NASDAQ OMX is itself a technology company. In fact, only by being a technology company can we truly and best serve our clients.

Finally, I want to highlight an increasingly important aspect of NASDAQ OMX as a company: our expanding global footprint. This sets us distinctly apart from any other exchange. Our technology powers 70 exchanges in 50 countries including the markets we operate and those to whom we are a technology partner.

In some places, such as the Nordic countries, we are the market leader. We have integrated the markets from seven countries onto one platform, raising the profile of NASDAQ OMX Nordics both within the EU and globally. In others, such as London, where we built our “multi-lateral trading platform” or MTF, from concept to trading in under six months, we are very much the challenger. And we relish that role, because we believe -- strongly -- in competition.

Around the world, as securities markets are expanding and are now being opened to competition, NASDAQ OMX businesses are at the heart of that effort. Technology serves as the driver for further innovation and facilitates the globalization of trading.

Iraq, so often in the news for other reasons, provides an excellent example of how technological advances in financial markets can lay the foundation for well-functioning economies. We have worked to drive the transformation of the Iraq Stock Exchange from prices posted on a chalkboard to a modern, transparent, electronic system, a fair venue for companies and investors to meet.

Or consider Poland, where the power exchange using NASDAQ OMX technology is helping businesses adapt to the EU’s cap-and-trade rules to address climate change. India, again using our technology, has recently introduced trading and clearing of energy derivatives. In Colombia, we have provided a trading platform for the fixed income market and for derivatives, using technology that has been transformative for that market and led to significant growth. We are proud that the Tokyo Commodities Exchange recently went live with a system from us. And so on in markets across the world.

All this is good news not just for NASDAQ OMX but for the global economy. We all know that technology is integral to the growth of a nation’s economy. In today’s world, there cannot be efficient and growth-oriented economies without well-functioning financial markets. Our work around the world shows that technology has the power to transform markets -- and to transform the economies those markets serve.

As the U.S. Administration and other global leaders launch their proposals for financial market reform, I'm proud to report that our markets are robust and transparent. We are already delivering market innovation that permits investors to trade reliably. And all our work, both in the U.S. and throughout our global operation is and will continue to be fueled by advances in technology. Thank you for listening, and I'll be happy to take your questions.

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