Deloitte

Toll Associates LLC

Consolidated Financial Statements as of December 31, 2004 and for the Period September 7, 2004 through December 31, 2004 and Report of Independent Registered Public Accounting Firm

TOLL ASSOCIATES LLC

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2004

Assets

Current assets:	
Cash and cash equivalents	$ 33,486,859
Receivables, net	21,194,036
Deferred tax asset	486,352
Other current assets	2,717,412
Total current assets	57,884,659
Furniture and equipment, net	2,316,528
Goodwill	141,380,819
Intangible assets, net	40,404,444
Other assets	20,000
Total assets	$ 242,006,450

Liabilities and Member's Equity

Liabilities:	
Accounts payable and accrued expenses	$ 16,792,210
Accrued personnel costs	3,561,524
Payables to affiliates, net	6,399,473
Non-current deferred tax liability	523,551
Total liabilities	27,276,758
Member's Equity	214,729,692
Total liabilities and member's equity	$ 242,006,450

See notes to consolidated financial statements.

TOLL ASSOCIATES LLC

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD SEPTEMBER 7, 2004 TO DECEMBER 31, 2004

Revenues	$62,224,328
Cost of revenues	59,623,436
Gross margin	2,600,892
Expenses, excluding cost of revenues:	
Compensation and benefits	3,648,849
Marketing and advertising	12,128
Depreciation and amortization	2,287,667
Professional and contract services	143,202
Computer operations and data communications	307,995
Provision for bad debts	602,668
Occupancy	101,292
General and admisitrative	246,639
Total expenses	7,350,440
Operating loss	(4,749,548)
Interest income	104,491
Loss before benefit from income tax	(4,645,057)
Benefit from income tax	1,979
Net loss	$ (4,643,078)

See notes to consolidated financial statements.

TOLL ASSOCIATES LLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD SEPTEMBER 7, 2004 TO DECEMBER 31, 2004

Cash flow from operating activities:	
Net loss	$ (4,643,078)
Non-cash item included in net loss-	
Depreciation and amortization	2,287,667
Net change in:	
Receivables, net	469,105
Other assets	(502,523)
Accounts payable and accrued expenses	1,488,458
Accrued personnel costs	1,363,314
Payables to affiliates, net	6,399,473
Cash provided by operating activities	6,862,416
Cash flow from investing activities-	
Purchases of furniture and equipment	(6,147)
Cash flow from financing activities-	
Capital contribution from Nasdaq	5,000,000
Increase in cash and cash equivalents	11,856,269
Cash and cash equivalents at beginning of year	21,630,590
Cash and cash equivalents at end of year	$ 33,486,859
Non-cash investing and financing activities-	
Impact of goodwill and intangible assets from acquisition by Nasdaq	$183,380,819

See notes to consolidated financial statements.

TOLL ASSOCIATES LLC

CONSOLIDATED STATEMENT OF CHANGES IN MEMBER'S EQUITY FOR THE PERIOD SEPTEMBER 7, 2004 TO DECEMBER 31, 2004

BALANCE—September 7, 2004	$ -
Recapitalization due to acquistion by Nasdaq	214,372,770
Net loss	(4,643,078)
Capital contribution from Nasdaq	5,000,000
BALANCE—December 31, 2004	$214,729,692

See notes to consolidated financial statements.

TOLL ASSOCIATES LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD SEPTEMBER 7, 2004 THROUGH DECEMBER 31, 2004

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

The consolidated financial statements include the accounts of Toll Associates LLC and its subsidiaries (collectively "Toll"). Toll was formally a wholly-owned subsidiary of SunGard Data Systems Inc. ("SunGard") prior to its acquisition by The Nasdaq Stock Market, Inc. ("Nasdaq"), on September 7, 2004 (see Note 3) and is also a holding company that indirectly owns a 100% interest in Brut, LLC. Toll also has a 100.0% interest in Brut Inc. ("Brut Inc.") which serves as Brut's manager pursuant to an operating agreement. Brut also owns Brut Europe Limited, a wholly-owned subsidiary set up to generate a European subscriber base which is currently inactive.

Brut, LLC, a Delaware limited liability company, is a registered broker-dealer and operator of The BRUT ECN System (the "System"), and electronic communications network ("ECN") that allows its subscribers to enter orders for display, view and execution against the orders entered by other subscribers, view the trading interest of other market participants, and route orders through the System to trade with said participants. Subscribers primarily use the System for transactions activity in securities traded on The Nasdaq Stock Market, although the System also offers similar capabilities with respect to securities traded on the New York Stock Exchange and the American Stock Exchange. Brut, LLC and Brut Europe Limited are collectively referred to herein as "Brut."

Toll, through Brut, charges transaction fees to subscribers and other market participants that execute transactions against System orders, or for subscriber orders which route through the System for execution against other market participants. Transaction fees are determined on a per share basis and are billed monthly, net of any rebates. Brut clears and settles all trading activities that take place on the System except for institutional trades and DOT-processed listed securities.

Brut participates, through The Nasdaq Stock Market, in the Unlisted Trading Privilege ("UTP") Plan, which is a joint program between and among Nasdaq and all regional stock exchanges. Under the plan, the revenue collected from the sale of quote and trade information to market data vendors is distributed to plan members based on the amount of market data contributed to each member.

2. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Toll and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

FINANCIAL STATEMENT PREPARATION

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in banks and investments in money market funds. Such equivalent investments included in cash and cash equivalents in the consolidated balance sheet were $32,383,144 at December 31, 2004. Cash equivalents are carried at cost plus accrued interest, which approximates fair value due to the short maturities of these instruments.

RECEIVABLES, NET

Toll's receivables are concentrated with National Association of Securities Dealers ("NASD") member firms and market data vendors. Receivables are shown net of reserves for uncollectible accounts. Reserves are calculated based on the age and source of the underlying receivable and are tied to past collections experience. The reserve for bad debts is maintained at a level that management believes to be sufficient to absorb estimated losses in the accounts receivable portfolio. The amount charged against operating results is based on several factors, including a continuous assessment of the collectiblility of each account. The total reserve netted against receivables in the consolidated balance sheet was $1,445,692 at December 31, 2004.

FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net, are carried at cost less accumulated depreciation. Depreciation is generally recognized over the estimated useful lives of the related assets. Estimated useful lives is generally two and one half to five years for furniture and equipment. Depreciation is computed by the straight-line method. Depreciation expense for furniture and equipment was $687,111 for the period September 7, 2004 through December 31, 2004.

GOODWILL

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of a business acquired. According to Statement of Financial Accounting Standards ("SFAS")142, "Goodwill and Other Intangible Assets" ("SFAS 142") goodwill is subject to annual impairment tests. An impairment is deemed to exist if the carrying value of a reporting unit exceeds its estimated fair value.

INTANGIBLE ASSETS, NET

Intangible assets, net, which primarily include a technology software license and customer relationships, are amortized on a straight-line basis over their estimated average useful life of 10 years. According to SFAS 142, intangible assets deemed to have indefinite useful lives are not amortized and are subject to annual impairment tests. An impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. For intangible assets subject to amortization, an impairment is recognized if the carrying amount is not recoverable and the carrying amount exceeds the fair value of the intangible asset.

REVENUES

Revenues are generally comprised of transaction fees and market data revenue.

Transaction Fees—Transaction fees from securities transactions are recorded on trade date. Included in transaction fees is $54,123,260 for participant orders which were routed through the System for execution against other markets participants for the period September 7, 2004 through December 31, 2004. The execution charges from other market participants are recorded in clearance and execution fees and approximated fees earned for the period September 7, 2004 through December 31, 2004. Also included in transaction fees is $951,771 from institutional investors which are shown net of repatriated commissions to Sponsoring Broker-Dealers for the period from September 7, 2004 through December 31, 2004. Sponsoring Broker-Dealers are identified by the relevant institutional investor as the broker-dealer sponsor of identified transaction activity.

Pursuant to EITF Issue No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," ("EITF 99-19") execution revenues from transactions executed through Brut are recorded on a gross basis in revenues and expenses such as liquidity rebate payments are recorded in cost of revenues as Brut acts as principal.

Market Data Revenue—Market data revenue is recorded as earned. Revenue is based on both share and trade volumes.

INCOME TAXES

Toll and its eligible subsidiaries file all applicable U.S. federal and state and local income tax returns. Toll uses the asset and liability method required by SFAS No. 109, *Accounting for Income Taxes*, to provide income taxes on all transactions recorded in the consolidated financial statements. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities (i.e., temporary differences) and are measured at the enacted rates that will be in effect when these differences are realized. If necessary, a valuation allowance is established to reduce deferred tax assets to the amount that is more likely than not to be realized.

3. ACQUISITION BY NASDAQ

On September 7, 2004, Nasdaq completed its acquisition of Toll and affiliated entities from SunGard for a total consideration of $190,000,000 in cash, subject to certain post-closing adjustments, including a working capital adjustment yet to be finalized.

The acquisition was accounted for under SFAS 141, "Business Combinations" as a purchase and accordingly goodwill and intangible assets of $141,380,819 and $42,000,000 were recorded, respectively. The fair value of the identifiable intangible assets acquired was based upon an independent valuation model. The fair value of certain assets and liabilities of Toll are still being finalized so the allocation of the purchase price is subject to refinement.

As part of the acquisition of Toll by Nasdaq, all intercompany receivables and payables was forgiven by SunGard and its affiliates.

The integration of Brut's services into Nasdaq is designed to be seamless to both Nasdaq and Brut customers. Brut continues to operate under the Brut name as a broker-dealer; however, it will operate as part of Nasdaq.

4. RELATED PARTY TRANSACTIONS

Toll receives Revenue Sharing under the UTP plan and Liquidity Provider Rebate income from Nasdaq for participation in the exchange operations. The combined revenues related to Revenue Sharing under the UTP plan and Liquidity Provider Rebate for the period September 7, 2004 through December 31, 2004 were $4,229,317 and are included in revenues in the consolidated statement of operations.

Toll pays Nasdaq for clearing charges it incurs on their system. These expenses for the period September 7, 2004 through December 31, 2004 were $3,778,423 and are included in cost of revenues in the consolidated statement of operations

Toll accrues a liability with Nasdaq for invoices paid on its behalf and Toll records a receivable for payments deposited in Nasdaq for Toll receivables. The net receivable or payable from this activity is periodically settled. The net liability from this activity as of December 31, 2004 was $6,402,973 and is included in payables from affiliates in the consolidated balance sheet.

5. GOODWILL AND INTANGIBLE ASSETS

At December 31, 2004, Toll had goodwill of $141,380,819 related to its acquisition by Nasdaq.

The following table summarizes Toll's intangible assets as of December 31, 2004:

	Gross Carrying Amount	Accumulated Amortization
Technology	$ 15,700,000	$ (665,667)
Customer relationships	26,300,000	(934,889)
Other	5,000	-
	$ 42,005,000	$ (1,600,556)

Both the technology and customer relationships intangible assets are being amortized over a 10-year estimated average useful life ending 2014. Total pre-tax amortization expense for the year ended December 31, 2004 was $1,600,556.

Annual pre-tax amortization expense for intangible assets for the five years ended December 31, 2009 is estimated to be as follows:

2005	$4,773,000
2006	4,325,667
2007	4,236,778
2008	4,059,000
2009	4,059,000

6. NET CAPITAL REQUIREMENTS AND MEMBER'S EQUITY

Brut is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (the "Rule"), which requires the maintenance of minimum net capital. Brut has elected to use the basic method permitted by the Rule, which requires that Brut maintain minimum net capital equal to the greater of $100,000 or 6 2/3% of aggregate indebtedness, as defined. The rule also requires that aggregate indebtedness not exceed 15 times net capital. At December 31, 2004, Brut had net capital of $8,111,745, which was $6,363,625 in excess of its required net capital of $1,748,120. During the period September 7, 2004 through December 31, 2004, Brut continuously had net capital in excess of requirements.

Brut has an agreement with its clearing broker that enables Brut to include certain assets as allowable assets in its Net Capital Computation.

In November 2004, Toll received a $5,000,000 capital contribution from Nasdaq.

7. GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

Brut Agreements—Brut contracted with a subsidiary of SunGard, SunGard Financial Systems Inc. ("SunGard Financial"), for SunGard Financial to provide Brut on-line processing, report services and related services in connection with the clearance of trades. The term of the agreement is five years beginning September 2004 and is automatically renewed at yearly intervals thereafter until terminated by Brut or SunGard Financial. The annual service fee is $10,000,000 in the first year, dropping to $8,000,000 in the second year and $6,000,000 in the third year of the agreement. The annual service fee is subject to price review in years four and five based on market rates, but will not be less than $4,000,000 per year. Some additional fees may be assessed based on services needed or requested.

Brut also contracted with SunGard to host certain software on designated equipment at a SunGard facility for a transitional period. SunGard developed and operated the computer software programs that enable Brut to operate and provide order entry and execution over its ECN. Under the terms of the original agreement, which began in September 2004 through May 2005, Brut was obligated to pay SunGard approximately $109,200 per month. On November 29, 2004, an amendment was signed which extended the original agreement through June 30, 2006 and beginning November 30, 2005, Brut may cancel the agreement within 30 days written notice to SunGard.

Brokerage Activities—Brut provides guarantees to securities clearinghouses and exchanges under their standard membership agreements, which require members to guarantee the performance of other members. If a member becomes unable to satisfy its obligations to the clearinghouses, other members would be required to meet its shortfalls. To mitigate these performance risks, the exchanges and clearinghouses often require members to post collateral as well as meet certain minimum financial standards. Brut's maximum potential liability under these arrangements cannot be quantified. However, Toll believes that the potential for Brut to be required to make payments under these arrangements is unlikely. Accordingly, no contingent liability is recorded in the consolidated statement of financial condition for these arrangements.

General Litigation—Toll may be subject to claims as well as reviews by self-regulatory agencies arising out of the conduct of its business. Management is not aware of any unasserted claims or assessments that would have a material adverse effect on the financial position and the results of operations of Toll.

Leases—As of December 31, 2004, Toll has a non-cancelable operating lease through 2006 for office space. The lease contains provisions for escalations based on certain costs incurred by the lessor. For the period September 7, 2004 through December 31, 2004, rent expense totaled $101,709 (including a corporate allocation from Nasdaq for Nasdaq office space used by Toll employees) and was included in occupancy in the consolidated statement of operations. Annual rent related to the non-cancelable operating lease is $44,960 and $15,140 through April 30, 2006.

Risks and Uncertainties—Toll generates substantially all of its revenue from transaction fees charged to market participants that either execute transactions against buy or sell orders in the System or have transactions routed outside the System for execution, and from market data revenue collected through its participation in the UTP plan. As a result, Toll's revenue could vary based on transaction volume and transaction fee levels, and on continued participation in the UTP plan.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Toll considers cash and cash equivalents, receivables, receivables and payables with affiliates, accounts payable and accrued expenses and accrued personnel costs to be its financial instruments. The carrying amounts reported in the consolidated balance sheet for theses financial instruments closely approximates their fair values due to the short-term nature of these assets and liabilities.

9. INCOME TAXES

Toll is a single-member limited liability company and, as such, is generally treated as a disregarded entity for federal and state income tax purposes. With the exception of Toll's indirect interest in Brut, LLC through its interest in Brut, Inc., all items of taxable income and all income tax deductions flow through to Nasdaq, Toll's single member.

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