Nasdaq, Inc.

Reconciliation of GAAP Net Income, Diluted Earnings Per Share, Operating Income and

Operating Expenses to Non-GAAP Net Income, Diluted Earnings Per Share, Operating Income, and Operating Expenses

(in millions, except per share amounts)

(unaudited)

	Three Months Ended			**Year Ended**	
	December 31, 2015	**September 30, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
GAAP net income attributable to Nasdaq	$ 148	$ 138	$ 87	$ 428	$ 414
Non-GAAP adjustments:					
Loss reserve and insurance recovery [1]	(26)	(5)	-	-	-
Amortization expense of acquired intangible assets [2]	15	15	16	62	69
Restructuring charges [3]	12	8	-	172	-
Merger and strategic initiatives [4]	4	4	35	10	81
Asset impairment charges [5]	-	-	49	-	49
Income from OCC equity investment [6]	-	-	-	(13)	-
Reversal of value added tax refund [7]	-	-	-	12	-
Sublease loss reserves	-	-	11	-	11
Extinguishment of debt	-	-	2	-	11
Special legal expenses	-	-	-	-	2

Other	-	-	-	-	2
Total non-GAAP adjustments	5	22	113	243	225
Non-GAAP adjustment to the income tax provision [8]	(3)	(9)	(61)	(90)	(97)
Total non-GAAP adjustments, net of tax	2	13	52	153	128
Non-GAAP net income attributable to Nasdaq	$ 150	$ 151	$ 139	$ 581	$ 542
GAAP diluted earnings per share	$ 0.88	$ 0.80	$ 0.50	$ 2.50	$ 2.39
Total adjustments from non-GAAP net income above	0.01	0.08	0.31	0.89	0.74
Non-GAAP diluted earnings per share	$ 0.89	$ 0.88	$ 0.81	$ 3.39	$ 3.13

(1) In March 2015, we established a loss reserve of $31 million for litigation arising from the Facebook IPO in May 2012, which was recorded in general, administrative and other expense. The reserve was intended to cover the estimated amount of a settlement of class-action litigation initiated on behalf of investors in Facebook common stock on the date of its IPO. The reserve also covered the cost of re-opening Nasdaq's voluntary accommodation program to allow any Nasdaq member that did not file for compensation in 2013 to submit a claim during the second quarter of 2015, subject to the conditions and limitations that were applicable to claims filed in 2013. The re-opened accommodation program is now closed. The insurance recovery recognized during the three months ended December 31, 2015 and September 30, 2015 represents amounts reimbursed by applicable insurance coverage which offsets the loss reserve that was recorded in March 2015.

(2) Amortization expense related to intangible assets results primarily from business combinations. These non-cash expenses are fixed and amortized over the estimated useful life of the intangible asset acquired. These expenses generally cannot be changed or influenced by management after the acquisition. Management does not consider these expenses for the purpose of evaluating the performance of the business or its managers or when making decisions to allocate resources. Therefore, such expenses are shown as a non-GAAP adjustment.

(3) During the first quarter of 2015, we performed a comprehensive review of our processes, businesses and systems in a company-wide effort to improve performance, cut costs, and reduce spending. In the first quarter of 2015, we also decided to change our company name from The NASDAQ OMX Group, Inc., to Nasdaq, Inc., which became effective in the third quarter of 2015. We currently estimate that we will recognize net pre-tax restructuring charges of $190 million, consisting of the rebranding of our trade name, severance, asset impairments, facility-related and other costs. We recognized restructuring charges of $12 million for the three months ended December 31, 2015, $8 million for the three months ended September 30, 2015, $2 million for the three months ended June 30, 2015 and $150 million for the three months ended March 31, 2015 for a total of $172 million for the year ended December 31, 2015. The remaining amount will be recognized through June 2016. Restructuring charges are recorded on restructuring plans that have been committed to by management and are, in part, based upon management's best estimates of future events. Changes to the estimates may require future adjustments to the restructuring liabilities.

(4) For the three months and year ended December 31, 2015 and the three months ended September 30, 2015, merger and strategic initiatives expense primarily related to certain strategic initiatives and our acquisition of Dorsey, Wright & Associates, LLC. For the three months and year ended December 31, 2014, merger and strategic initiatives expense primarily related to our acquisition of the Investor Relations, Public Relations and Multimedia Solutions businesses of Thomson Reuters, or the TR Corporate businesses, and eSpeed and a charge of $23 million related to the reversal of a receivable under a tax sharing agreement with an unrelated party. The $23 million charge is offset by a tax benefit as described in note 8 below.

(5) For the three months and year ended December 31, 2014, asset impairment charges of $49 million related to certain acquired intangible assets associated with customer relationships ($38 million) and certain technology assets ($11 million).

(6) We record our investment in The Options Clearing Corporation, or OCC, as an equity method investment. Under the equity method of accounting, we recognize our share of earnings or losses of an equity method investee based on our ownership percentage. As a result of a new capital plan implemented by OCC, we were not able to determine what our share of OCC's income was for the year ended December 31, 2014 until the first quarter of 2015, when OCC financial statements were made available to us. Therefore, we recorded other income of $13 million in the first quarter of 2015 relating to our share of OCC's income for the year ended December 31, 2014.

(7) We previously recorded receivables for expected value added tax, or VAT, refunds based on an approach that had been accepted by the tax authorities in prior years. The tax authorities have since challenged our approach, and the revised position of the tax authorities was upheld in court during the first quarter of 2015. As a result, in the first quarter of 2015, we recorded a charge of $12 million for previously recorded receivables based on the court decision.

(8) For the three months and year ended December 31, 2014, amount includes $23 million associated with the recognition of a previously unrecognized tax benefit. This amount is offset by the reversal of the receivable described in note 4 above.