

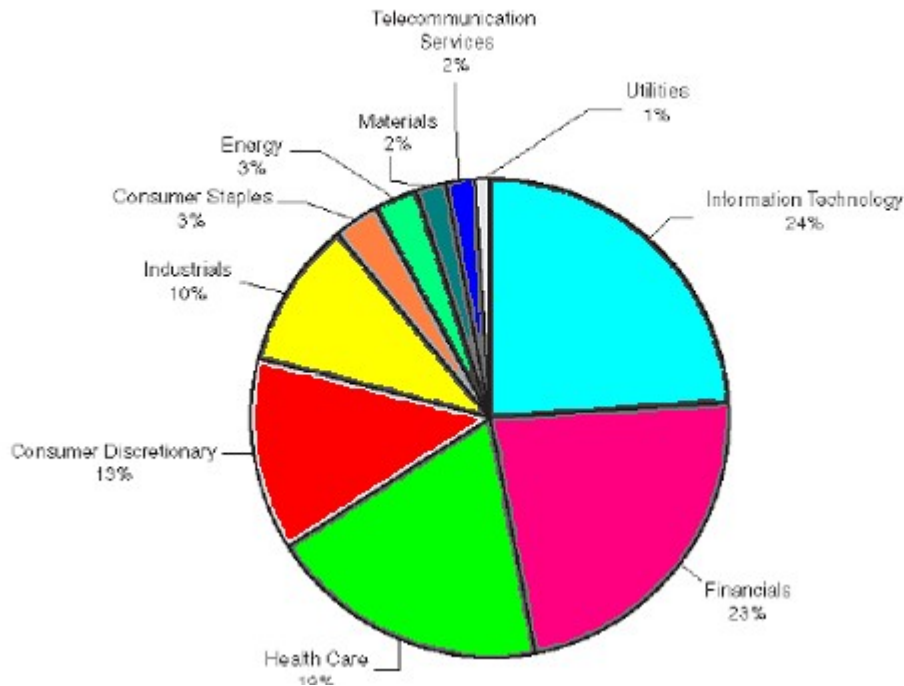
# Tel Aviv Stock Exchange Acquisition

Presented by:  
Elizabeth Hershman  
Chief Financial Officer  
NASDAQ OMX Group, Inc.



# About the NASDAQ

Percentage of Nasdaq-listed Companies by Industry



- **World's Largest Exchange Company**
- **Over 3,100 Companies Listed**
- **\$21.4 Billion Shares Traded**
- **Institutional Ownership (95%)**

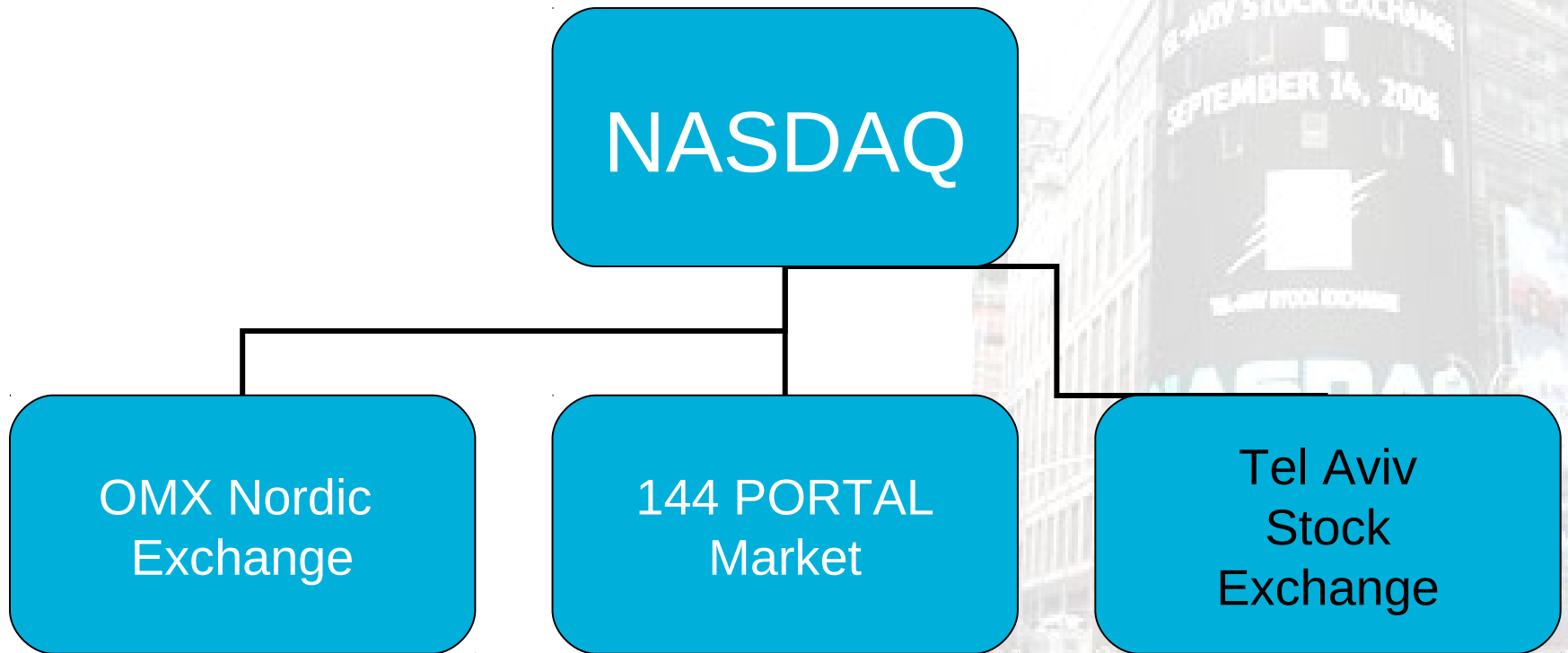
# TASE-NASDAQ Relations

- **70 Companies Co-listed**
  - Market Cap of \$60B
  - Teva Pharmaceuticals
- **Memorandum of Understanding**
  - November 2007
- **Barclays Israel iShares**
  - Israel's Strong Economic Growth



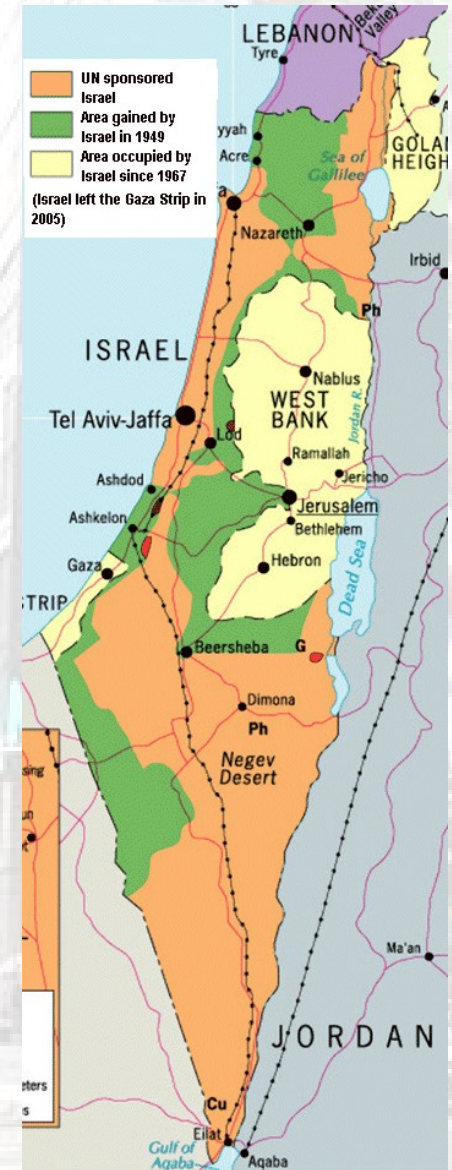
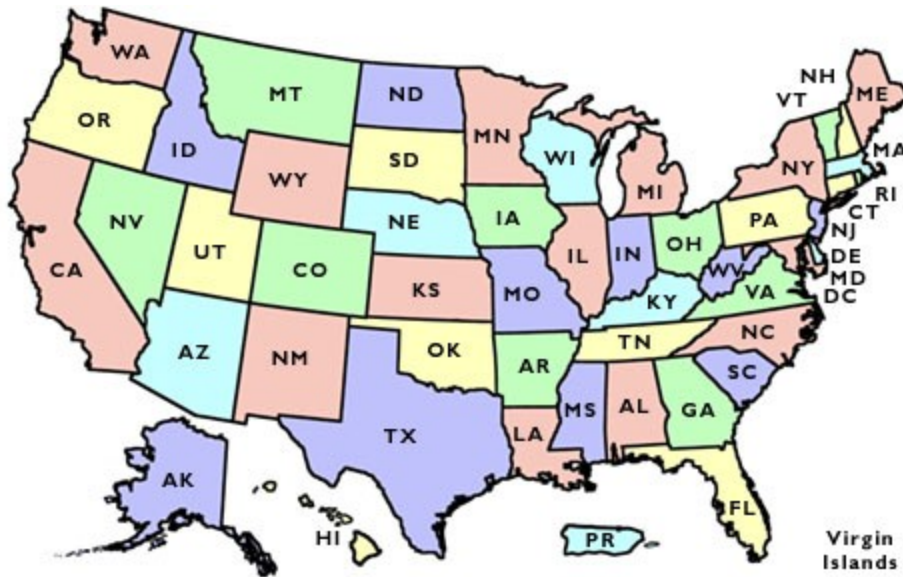
# NASDAQ

# TASE Acquisition



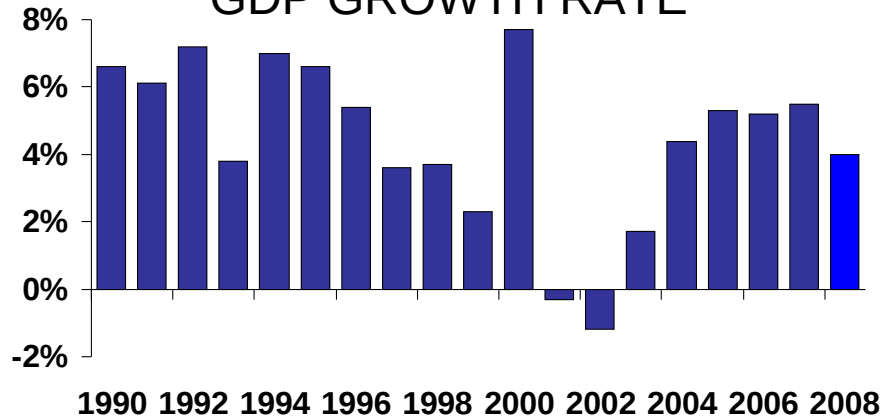
# Environmental Scan

- Political Situation
- Economic Situation
- Regulations

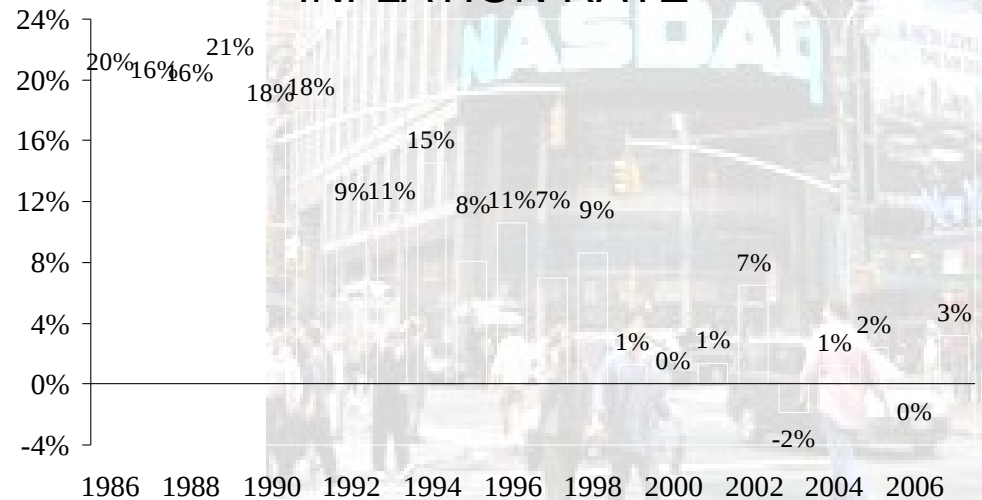


# Environmental Scan

## GDP GROWTH RATE



## INFLATION RATE





# Cost of Acquisition

- Wholly Owned Subsidiary
- Book Value of TASE: \$209.5M
- Commission Based on Percentage of Trades

**\$210M**



# Risks

- **Trading Platform Compatibility**
- **Cultural Differences**
- **Size Difference**
- **Public-Private Combination**



**NASDAQ**



# Owner Compensation

- **Owners of TASE → Owners of NASDAQ**
- **Ester Levanon on BOD**
- **Collaboration Between IT & Trading**



**NASDAQ**

# Future for NASDAQ-TASE

- **Access to Economies of Scale**
- **Brand Awareness**
- **Entry to New Markets**
- **Compete on Global Level**



**NASDAQ**

# Questions?



**NASDAQ**

# Financials: Turnover

Year	Shares & Convertibles	Bonds	Treasury Bills <sup>(2)</sup>
1992	59	29	31
1993	123	35	32
1994	104	29	27
1995	37	36	47
1996	33	56	35
1997	59	55	27
1998	62	78	37
1999	86	63	39
2000	115	74	48
2001	64	131	50
2002	51	159	78
2003	80	160	107
2004	147	214	140
2005	223	298	151
2006	326	384	179
2007	505	799	206
Change in 2007	55%	108%	15%



# NASDAQ

# Equity Market Indicators

Year	Daily Turnover (US\$ millions)	Capital Raised (US\$ billions) (2)	Thereof: Capital Raised in Israel	Market Capitalization (US\$ billions) (1)	Number of Listed Companies <sup>(1)</sup>	Thereof: New Listed Companies <sup>(3)</sup>	TA-100 Index % Change (US\$ terms)
1992	59	1.9	2.1	29.6	378	95	61.9
1993	123	3.1	3.6	50.8	558	186	17.0
1994	104	1.8	1.9	32.7	638	82	(30.7)
1995	37	0.7	0.7	36.5	654	19	15.7
1996	33	0.8	0.4	35.9	655	7	(2.4)
1997	59	2.2	1.9	46.4	659	12	26.8
1998	62	2.1	2	40.9	662	14	-12.4
1999	86	1.5	1.3	65.4	654	13	62.7
2000	115	3.3	3.3	66.8	665	37	3.2
2001	64	1.3	1.3	57.6	649	14	-16.4
2002	51	1.2	1.2	42.6	624	9	-30.6
2003	80	0.7	0.7	70.4	577	4	73.9
2004	147	3.6	1.6	92.1	578	25	21.0
2005	223	3.2	2.7	122.6	584	32	21.1
2006	326	9.6	2.7	161.4	606	44	22.0
2007	505	5.8	5.2	235.2	654	62	37.6

# TASE Market Indicators

## TASE MAIN INDICATORS

(December 31, 2007)

### 1. Market Capitalization

(US \$ billions)

	<u>31.12.06</u>	<u>31.12.07</u>
Shares & Convertibles	161.4	235.2
Government Bonds	62.8	71.2
Non Government Bonds <sup>(1)</sup>	36.1	80.2
Treasury Bills	<u>20.9</u>	<u>18.1</u>
Total	281.2	404.7

### 2. Average Daily Trading Volume

(Including off-the exchange, US \$ millions)

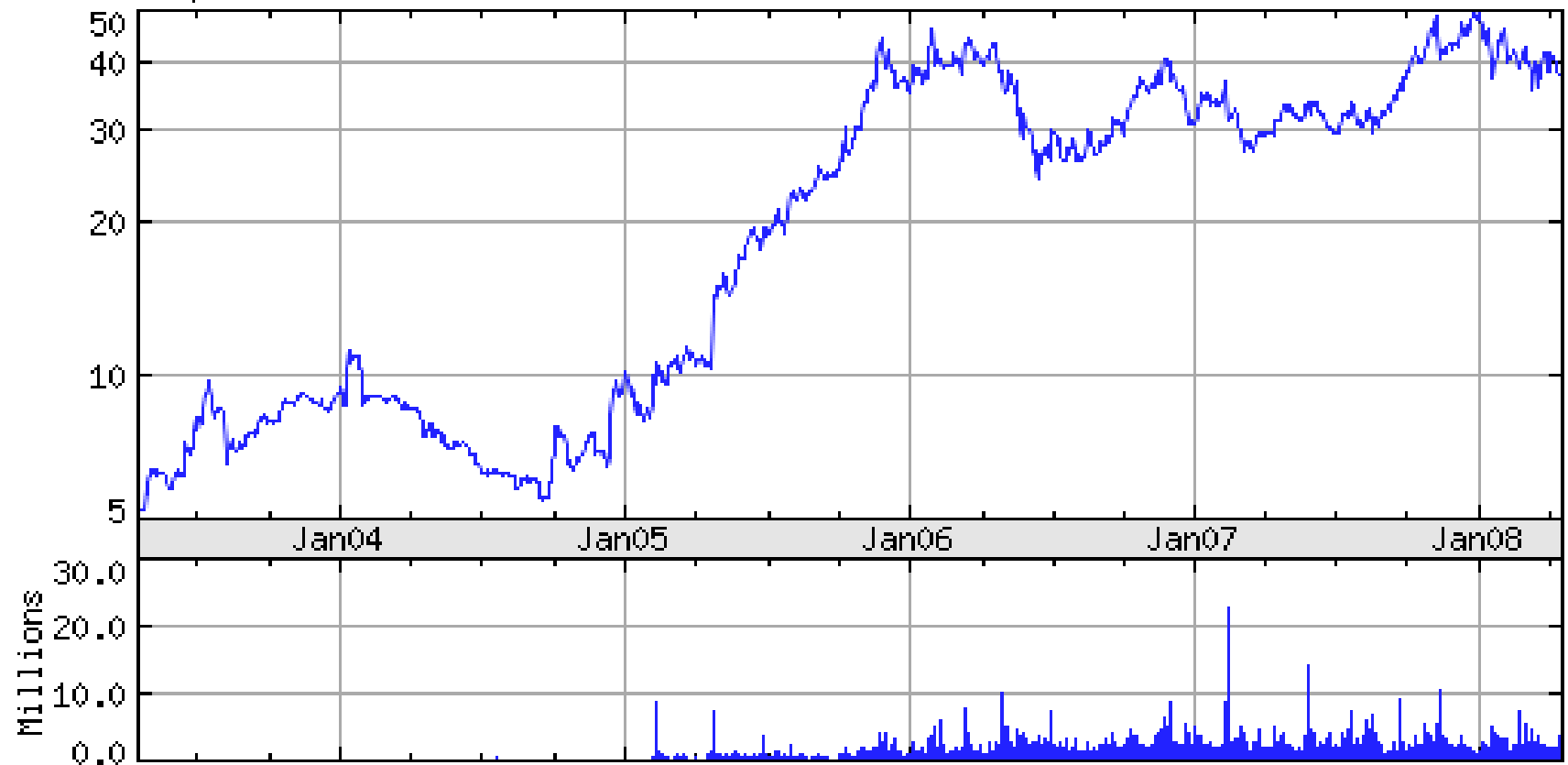
	<u>2006</u>	Y-T-D <u>2007</u>	December <u>2007</u>
Shares & Convertibles	326	505	585
Bonds	384	799	865
Treasury Bills	179	206	229

Derivatives (Thousands of contracts)

TA-25 Index Options & Futures	305	385	371
Currencies Options & Futures	30	40	38

# NASDAQ Performance

NASDAQ OMX GRP  
as of 11-Apr-2008



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**NASDAQ**



# NASDAQ Statistics

- **Market Cap: 5.32B**
- **Profit Margin: 21.28%**
- **Beta 2.26**
- **Cash \$1.33B**



**NASDAQ**