



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 20, 2006

Eric J. Friedman, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, NY 10036

Re: Offers by The Nasdaq Stock Market, Inc. for all Ordinary Shares and B Shares of London Stock Exchange Group plc
Incoming Letter dated November 20, 2006
Division of Market Regulation File No. TP 07-16

Dear Mr. Friedman:

We are responding to your letter dated November 20, 2006 to Brian V. Breheny and Mara L. Ransom in the Division of Corporation Finance and James Brigagliano in the Division of Market Regulation. A copy of your correspondence is attached. By doing this, we avoid having to recite or summarize the facts set forth in your letter. Each defined term in this letter has the same meaning as in your November 20, 2006 correspondence, unless otherwise indicated.

Based on the representations in your November 20, 2006 letter but without necessarily concurring in your analysis, the Commission hereby grants an exemption from Rule 14e-5 under the Exchange Act to permit the Prospective Purchasers to purchase Ordinary Shares outside the Ordinary Share Offer and the Broker to engage in the Trading Activities in the LSE Securities through the expiration of the Offers, particularly in light of the following facts:

- The Ordinary Share Offer is required to be conducted in accordance with the City Code as well as the rules and regulations of the UK Listing Authority and the LSE ("Listing Rules");
- London Stock Exchange Group plc, a public limited company incorporated under the laws of England and Wales, is a "foreign private issuer," as defined in Rule 3b-4(c) under the Exchange Act;
- Any purchases of Ordinary Shares of London Stock Exchange Group plc by the Prospective Purchasers and all purchases of LSE Securities by the Affiliates and Departments of the Broker will be subject to the City Code;
- All purchases of the LSE Securities by the Broker through its Affiliates and Departments during the Ordinary Share Offer will be effected in the ordinary course of business and will not be undertaken for the purposes of promoting or otherwise

facilitating the Offers, or for the purpose of creating actual, or apparent, active trading in, maintaining, or affecting the prices of the Shares;

- Dresdner Kleinwort Securities LLC, an affiliate of the Broker, is registered under Section 15(a) of the Exchange Act;
- The Broker maintains and enforces written policies and procedures that are reasonably designed to prevent the flow of information to or from its Affiliates and Departments that might result in a violation of the federal securities laws through the establishment of information barrier policies and procedures;
- Each of the Affiliates and Departments of the Broker that conducts the Trading Activities has no officers (or persons performing similar functions) or employees (other than clerical, ministerial, or support personnel) who direct, effect, or recommend transactions in the LSE Securities and who are also involved in providing the Company with financial advisory services or dealer manager services until such time as the Ordinary Share Offer is completed; and
- The existence of the Memorandum of Understanding on Exchange of Information between the Commission and the United Kingdom Department of Trade and Industry in Matters Relating to Securities and the United States Commodity Futures Trading Commission and the United Kingdom Department of Trade and Industry in Matters Relating to Futures dated September 25, 1991.

The Commission grants this exemption from Rule 14e-5 under the Exchange Act to permit the Prospective Purchasers to purchase or arrange to purchase Ordinary Shares and the Affiliates and Departments of the Broker to purchase or arrange to purchase LSE Securities otherwise than pursuant to the Ordinary Share Offer, subject to the following conditions:

1. No purchases or arrangements to purchase Ordinary Shares by the Prospective Purchasers, otherwise than pursuant to the Ordinary Share Offer, or LSE Securities by the Affiliates and Departments of the Broker shall be made in the United States;
2. The Offer Document shall disclose prominently the possibility of, or the intention to make, purchases of Ordinary Shares by the Prospective Purchasers and of LSE Securities by the Affiliates and/or Departments of the Broker during the Ordinary Share Offer;
3. The Prospective Purchasers and Broker shall disclose in the United States information regarding such purchases to the extent such information is made public in the United Kingdom pursuant to the City Code;
4. The Prospective Purchasers and Broker shall comply with any applicable rules in the United Kingdom, including the City Code and Listing Rules;

5. The Prospective Purchasers and the Broker shall provide to the Division of Market Regulation ("Division"), upon request, a daily time-sequenced schedule of all purchases of LSE Securities made by any of them during the Ordinary Share Offer, on a transaction-by-transaction basis, including:
 - a. size, broker (if any), time of execution, and price of purchase; and
 - b. if not executed on the LSE, the exchange, quotation system, or other facility through which the purchase occurred;
6. Upon the request of the Division, the Prospective Purchasers and the Broker shall transmit the information as specified in paragraphs 5.a. and 5.b. above to the Division at its offices in Washington, D.C. within 30 days of its request;
7. The Prospective Purchasers and the Broker shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the Ordinary Share Offer;
8. Representatives of the Prospective Purchasers and Broker shall be made available (in person at the offices of the Division in Washington, D.C. or by telephone) to respond to inquiries of the Division relating to their records; and
9. Except as otherwise exempted herein, the Prospective Purchasers and Broker shall comply with Rule 14e-5.

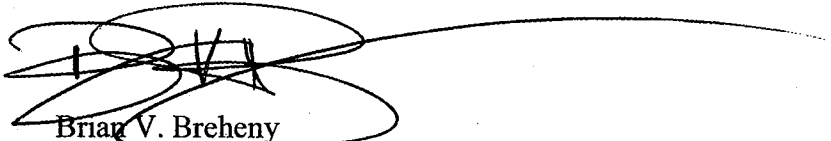
Based on the representations and the facts presented in your letter dated November 20, 2006, the staff of the Division of Corporation Finance will not recommend enforcement action to the Commission pursuant to Rule 14e-1(c) under the Exchange Act if the Offers are conducted as described in your letter.

The foregoing exemption and no-action position are based solely on the representations and the facts in your letter dated November 20, 2006, as supplemented by telephone conversations with the Commission staff. The relief is strictly limited to the application of the rules listed above to this transaction. You should discontinue this transaction pending further consultations with the staff if any of the facts or representations set forth in your letter change.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 9(a), 10(b) and 14(e) of the Exchange Act and Rule 10b-5 thereunder. The participants in the transaction must comply with these and any other applicable provisions of the federal securities laws. The Divisions of Corporation Finance and Market Regulation express no view on any other questions that may be raised by the proposed transaction, including but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the proposed transaction.

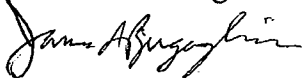
Eric J. Friedman, Esq.
November 20, 2006
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For the Division of Corporation Finance,

A handwritten signature in black ink, appearing to read "B. Breheny", is written over a large, horizontal, scribbled-out line.

Brian V. Breheny
Chief, Office of Mergers and Acquisitions
Division of Corporation Finance

For the Commission,
By the Division of Market Regulation
Pursuant to delegated authority,

A handwritten signature in black ink, appearing to read "James A. Brigagliano", is written in a cursive style.

James A. Brigagliano
Acting Associate Director
Division of Market Regulation

Attachments

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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SECURITIES AND EXCHANGE COMMISSION
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DIVISION OF MARKET REGULATION

November 20, 2006

U.S. Securities and Exchange Commission
100 F Street NE
Washington D.C. 20549

Attention: James Brigagliano, Acting Associate Director
Office of Trading Practices and Processing
Division of Market Regulation

Brian V. Breheny, Chief
Office of Mergers and Acquisitions
Division of Corporation Finance

Mara L. Ransom, Special Counsel
Office of Mergers and Acquisitions
Division of Corporation Finance

Re: The Nasdaq Stock Market, Inc.

Dear Messrs. Brigagliano and Breheny and Ms. Ransom:

We are writing on behalf of our client, The Nasdaq Stock Market, Inc., a Delaware corporation (the "Company"), which will make a cash tender offer (the "Ordinary Share Offer") for all the outstanding ordinary shares (the "Ordinary Shares") of London Stock Exchange Group plc, a public limited company incorporated under the laws of England and Wales ("LSE"). We are also writing this letter on behalf of Dresdner Kleinwort Securities Limited and its affiliates (the "Broker"), who has been retained by the Company to act as a broker in relation to the Offers (as defined below). In the United Kingdom, the role of the "broker" is to provide equity market related advice, and effect transactions in the market on behalf of the offeror.

Greenhill & Co. International LLP (the "Financial Advisor") is acting as the Company's financial advisor in relation to the Offers, including for purposes of the Takeover Code (as defined below). The Broker's role is contrasted with the role of the Financial Advisor, which has responsibility for providing strategic advice in relation to the Offers. A financial advisor has a series of specified obligations under the Takeover Code, including in particular, responsibility to

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acceptance for not less than 20 U.S. business days from the mailing of the Offer Document and either or both of the Offers can be extended for such additional period or periods as may be (i) determined by the Company ("Voluntary Extensions") and (ii) required or necessary to comply in this respect with Section 14(e) of the Exchange Act and Regulation 14E thereunder or the Takeover Code ("Mandatory Extensions"), but not while the applicable Offer remains conditional as to the minimum level of acceptance beyond midnight on the 60th calendar day after mailing or such later date as to which the Panel on Takeovers and Mergers (the "Panel"), which administers the Takeover Code, may agree.

Once an Offer becomes or has been declared unconditional as to the minimum level of acceptance, all conditions to that Offer must be satisfied or, where permissible, waived pursuant to Rule 31.7 of the Takeover Code not later than 21 calendar days after the date on which that Offer is declared unconditional as to the level of acceptance, whereupon that Offer will be wholly unconditional (representing the end of the "Initial Offer Period") and the Company will accept all Ordinary Shares or B Shares, as applicable, that have by that time been validly tendered in acceptance of that Offer and will, in accordance with the Takeover Code, pay for all such accepted Shares within 14 calendar days after its Initial Offer Period.

If an Offer becomes or is declared wholly unconditional, that Offer must, in order to comply with Rule 31.4 of the Takeover Code, remain open for acceptance for at least 14 calendar days following the date on which it would otherwise have expired and may remain open for such longer period as the Company deems appropriate (the "Subsequent Offer Period"). If an Offer becomes or is declared wholly unconditional, all Shares validly tendered during the Subsequent Offer Period will be accepted and paid for within 14 calendar days. In addition, Rule 31.2 of the Takeover Code requires that notice of the termination of the Subsequent Offer Period must be given not less than 14 calendar days before such termination. An institution operating in the United Kingdom will act as the UK receiving agent to receive tenders of Shares pursuant to the Offers. If the Offers have not been declared unconditional as to acceptances 42 calendar days after publication of the Offer Document and in certain other limited circumstances, LSE shareholders who have accepted the Offers will be entitled to withdraw their acceptance. Otherwise, LSE shareholders would not be entitled to withdraw their acceptance.

The Offers will be subject to a minimum level of acceptance condition, regulatory approvals and various other conditions which would be generally customary for UK offers of this type.

Prompt Payment

Rule 14e-1(c) under the Exchange Act requires that the consideration offered in a tender or exchange offer be paid "promptly" after the termination of such offer. As described above, payment would be made in accordance with the Takeover Code in the United Kingdom, the home jurisdiction of LSE. Under the Takeover Code, the Company is required to pay the consideration for securities tendered within 14 calendar days of the close of the Initial Offer Period and during any Subsequent Offer Period. In cases where either of the Offers were terminated or withdrawn, under the Takeover Code, the Company would also be required to return any Shares tendered into the Offers within 14 calendar days of the notice of termination or withdrawal. The 14 calendar

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company's stock, avoiding proration, taking advantage of the market's response to a tender offer and offering a higher price outside the offer. The Commission has recognized that a strict application of Rule 14e-5 could disadvantage U.S. security holders in some situations. In this context, the Commission has noted that "flexible application of Rule 14e-5 is necessary and appropriate to encourage offerors for the securities of foreign private issuers to extend their offers to U.S. security holders."⁹

The Commission has granted a number of exemptions from Rule 14e-5 and Rule 10b-13 (the predecessor to Rule 14e-5) to permit purchases by offerors and persons acting on behalf of offerors. We note that, with respect to offers conducted in the UK, the Commission granted exemptive relief under Rule 14e-5 in connection with the offer by United Technologies Corporation for Kidde plc (December 15, 2004). The Commission has enumerated certain factors that it considers important in ruling on a Rule 14e-5 exemption request, including (i) the degree of ownership of the target by U.S. holders, (ii) whether the offer will be made to U.S. holders on an equal basis to non-U.S. holders, (iii) whether the consideration will be cash or securities, (iv) the nature of the foreign regulation to which the offer is subject and (v) whether the principal trading market for the target's securities is outside the United States.

In the context of the Offers, we believe that (i) U.S. persons beneficially own less than 40% of each of the Ordinary Shares and B Shares, which is consistent with the level of U.S. shareholdings noted in prior letters requesting relief from Rule 14e-5,¹⁰ (ii) each of the Offers is for all of the outstanding Ordinary Shares and B Shares, as applicable, (iii) the Offers will be made on the same basis to U.S. and non-U.S. holders of Shares, (iv) the consideration will consist entirely of cash, (v) the Panel will have primary regulatory authority over the Offers and it will be fully regulated under the Takeover Code and (vi) the principal trading market of LSE is outside the United States on the Exchange.

Rules 6.1 and 6.2 of the Takeover Code provide protections similar to those provided by Rule 14e-5, making exemptive relief appropriate in the circumstances of the Offers, by requiring that the price paid in each Offer be increased to the level of any higher purchase price for the applicable Shares outside that Offer. In addition, under Rule 8.1 of the Takeover Code, any purchases outside the Offers by any party to the transaction (including the offeror and any advisor, broker or other financial institution acting as its agent) are required to be disclosed on a next-day basis to a Regulatory Information Service, as set out in Appendix 3 (and supplemented in Rule 38) to the UK Financial Services Authority Listing Rules and the Panel. Disclosures of

⁹ *Id.*

¹⁰ See NYSE Euronext, Inc. Offer for Euronext N.V. (July 13, 2006), Adecco, S.A. Offer for DIS Deutscher Industrie Service AG (January 9, 2006); Nordic Telephone Company ApS Offer for TDC A/S (November 30, 2005); Gas Natural SDG, S.A. Offer for Endesa, S.A. (November 18, 2005); United Technologies Corporation Offer for Kidde plc (December 15, 2004); UCB S.A. Offer for Celltech Group plc (May 19, 2004); Songbird Acquisition Limited Offer for Canary Wharf (April 22, 2004); BLB Investors, LLC Offer for Wembley plc (March 31, 2004); Twins Acquisition, Inc. Offer for IDS Group plc (June 25, 2003); Celltech Group plc Offer for Oxford GlycoSciences plc (March 3, 2003); CIBER (UK) Limited for ECsoft Group plc (January 8, 2003); Vinci Offer for TBI plc (August 23, 2001); and Schlumberger Limited Offer for Sema plc (February 15, 2001).

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November 20, 2006

- l) Except as otherwise exempted herein, the Prospective Purchasers and Broker shall comply with Rule 14e-5.

Additionally, we hereby request that the Commission confirm that it will not take enforcement action under Rule 14e-1(c) under the Exchange Act if the Company pays for, or returns, Shares tendered in the Offers in accordance with UK law and practice.

Finally, we note the existence of the Memorandum of Understanding on Exchange of Information between the Commission and the UK Department of Trade and Industry in Matters Relating to Securities and the U.S. Commodity Futures Trading Commission and the UK Department of Trade and Industry in Matters Relating to Futures dated September 25, 1991.

Conclusion

On behalf of the Company, we respectfully request that the Commission issue the requested exemptive relief and confirmation as soon as practicable. If you require any further information or have any questions, please contact the undersigned at 212-735-2204. Thank you in advance for your prompt consideration in this matter. In compliance with Securities Act Release No. 6269 (December 5, 1980), seven additional copies of this letter are enclosed.

Sincerely,



Eric J. Friedman

cc: Dresdner Kleinwort Securities Limited
The Nasdaq Stock Market, Inc.
Greenhill & Co. International LLP