

CME Group and Citadel to Launch the First Integrated Credit Default Swaps Trading Platform and Central Counterparty Facility, Linked to CME Clearing

Joint Venture will Facilitate Clearing for Existing Swap Contracts within 30 Days

CHICAGO, Oct 07, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- CME Group, the world's largest and most diverse derivatives exchange, and Citadel Investment Group, L.L.C., a leading alternative investment and technology firm, today announced they have executed a non-binding term sheet to launch a joint venture company within 30 days, which will be the first electronic trading platform that is fully integrated with a central counterparty clearing facility for Credit Default Swaps (CDS). CME Clearing, the world's largest derivatives clearing house, will be the central counterparty for this solution.

The joint venture will operate as an independent organization with its own board of directors and management team. CME Group and Citadel have invited major CDS market participants to join as Founding Members by allocating up to 30 percent of the equity in the venture, and by offering certain market maker privileges to such Founding Members. The equity and market maker incentives are designed to encourage participants to both migrate existing positions and to trade new CDS contracts on the platform.

As a fully integrated trading and clearing solution, the joint venture will provide the following benefits to market participants:

- Enhanced liquidity through standardized contracts with fixed coupons for all the leading CDS indices and their underlying single-name components, with OTC market conventions, including credit event procedures;
- CME Group's well-established clearing, settlement and risk management capabilities with Citadel's state-of-the-art technology for price discovery, matching engine, and risk management analytics;
- Facilities to convert existing bilateral trades to standardized contracts and straight through processing into CME Clearing, reducing bilateral credit risks, outstanding notional balances and capital requirements while providing more flexibility for trading in and out of existing positions; and,
- The joint venture has entered into preliminary licensing discussions with Markit, a leading financial information services company that owns the most widely traded CDS indices and Markit RED, the industry-standard CDS identifiers.

In today's environment, effective risk management is more important than ever as investors seek transparent, secure and liquid market alternatives, particularly for credit default swaps," said CME Group Executive Chairman Terry Duffy. "Combining Citadel's leading CDS technology with the renowned safety and soundness of CME Clearing, this joint venture is a best-of-both-worlds solution that will reduce much of the systematic risk inherent in the current CDS market structure."

"It is imperative to bring stability and transparency to the CDS market," said Ken Griffin, Founder and CEO of Citadel Investment Group. "This venture is a comprehensive, state-of-the-art solution that addresses today's immediate concerns and provides tremendous opportunity for market users into the future."

"Recent market events highlight the urgent need to reduce counterparty credit risks in the CDS market as well as the other over-the-counter markets. Our innovative new partnership with Citadel, and our invitation to leading market participants to join this first-ever integrated solution, is a key turning point in improving the functioning of these important markets," said Craig Donohue, Chief Executive Officer of CME Group. "This platform provides an important opportunity for market participants to demonstrate to customers and regulators alike how these markets can be better organized to meet legitimate hedging and trading needs while reducing operational and credit risks that have grown unchecked in the OTC market."

Platform participation is open to all qualified commercial market participants. The launch of trading is subject to completion of definitive agreements and any necessary regulatory approvals.

About CME Group

CME Group (<http://www.cmegroup.com>) is the world's largest and most diverse derivatives exchange. Building on the heritage of CME, CBOT and NYMEX, CME Group serves the risk management needs of customers around the globe. As an international marketplace, CME Group brings buyers and sellers together on the CME Globex electronic trading platform and on trading floors in Chicago and New York. By acting as the buyer to every seller and the seller to every buyer, CME Clearing

virtually eliminates counterparty credit risk CME Clearing also offers \$7 billion in financial safeguards to help mitigate systemic risk, providing the security and confidence market participants need to operate, invest and grow. CME Group offers the widest range of benchmark products available across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, and alternative investment products such as weather and real estate. CME Group is listed on NASDAQ under the symbol "CME".

About Citadel Investment Group, L.L.C.

Citadel is a leading global financial institution focused on alternative investment strategies and services. The Citadel group of companies employs 1,400 professionals worldwide in Chicago, London, New York City, Hong Kong, Tokyo, San Francisco and Bermuda.

Statements in this news release that are not historical facts are forward- looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. Detailed information about factors that may affect the performance of CME Group may be found in its filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, which is available in the Investor Relations section of the CME Group Web site. Additionally, the proposed joint venture is subject to negotiation of definitive agreements, , customary closing conditions and receipt of all regulatory approvals and we cannot assure you that such agreements or conditions will be satisfied. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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