



May 1, 2014

## CME Group Inc. Reports Solid First-Quarter 2014 Financial Results

CHICAGO, May 1, 2014 /PRNewswire/ -- CME Group Inc. (NASDAQ: CME) today reported revenues of \$777 million and operating income of \$454 million for the first quarter of 2014. Net income attributable to CME Group was \$267 million and diluted earnings per share were \$0.79. Excluding the items noted in the reconciliation, adjusted earnings per share would have been \$0.83<sup>1</sup>.



"In first-quarter 2014, we posted industry-leading volume growth of 9 percent, driven by our interest rate, equity index and agricultural products," said CME Group Executive Chairman and President Terry Duffy. "Following Federal Reserve comments related to quantitative easing and the target federal funds rate, our Eurodollar futures reached a daily record of 6 million contracts traded on March 19. Further, market participants have begun to adjust their risk management activities in the short end of the interest rate curve, as evidenced by our 47 percent growth in Eurodollar volume in the first quarter followed by 73 percent growth in April."

"In 2014, we continue to meet the needs of our customers by delivering innovative new products and services," said CME Group Chief Executive Officer Phupinder Gill. "We recently launched our London-based derivatives exchange, CME Europe, allowing our European clients to manage risk and access liquidity in their local jurisdiction. With London as the center of global FX trading, we will focus on FX futures initially, and add other products going forward. We also launched a Euro-denominated deliverable swap futures product, and plan to launch a North American physically delivered aluminum futures contract in second-quarter 2014."

First-quarter 2014 average daily volume was 13.7 million contracts, up 9 percent from first-quarter 2013, and included 19 percent growth in interest rate volume. Clearing and transaction fee revenues were \$652 million, up 10 percent compared with the same period last year. First-quarter total average rate per contract was 76.7 cents, down from 78.0 cents in fourth-quarter 2013, driven primarily by a higher proportion of total volume coming from interest rate products, which have lower average fees.

As of March 31, 2014, the company had \$1.1 billion of cash and marketable securities and \$2.1 billion of debt after paying off \$750 million of debt in February.

**CME Group will hold a conference call to discuss first-quarter 2014 results at 8:30 a.m. Eastern Time today. A live audio Webcast of the call will be available on the Investor Relations section of CME Group's Web site at [www.cmegroup.com](http://www.cmegroup.com). An archived recording will be available for up to two months after the call.**

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, weather and real estate. CME Group brings buyers and sellers together through its CME Globex<sup>®</sup> electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates CME Clearing, one of the world's leading central counterparty clearing providers, which offers clearing and settlement services across asset classes for exchange-traded contracts and over-the-counter derivatives transactions. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk.

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*Statements in this press 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. We want to caution you not to place undue reliance on any forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that might affect our performance are increasing competition by foreign and domestic entities, including increased competition from new entrants into our markets and consolidation of existing entities; our ability to keep pace with rapid technological developments, including our ability to complete the development, implementation and maintenance of the enhanced functionality required by our customers while maintaining reliability and ensuring that such technology is not vulnerable to security risks; our ability to continue introducing competitive new products and services on a timely, cost-effective basis, including through our electronic trading capabilities, and our ability to maintain the competitiveness of our existing products and services, including our ability to provide effective services to the swaps market; our ability to adjust our fixed costs and expenses if our revenues decline; our ability to maintain existing customers, develop strategic relationships and attract new customers; our ability to expand and offer our products outside the United States; changes in domestic and non-U.S. regulations, including the impact of any changes in domestic and foreign laws or government policy with respect to our industry, such as any changes to regulations and policies that require increased financial and operational resources from us or our customers; the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others; decreases in revenue from our market data as a result of decreased demand; changes in our rate per contract due to shifts in the mix of the products traded, the trading venue and the mix of customers (whether the customer receives member or non-member fees or participates in one of our various incentive programs) and the impact of our tiered pricing structure; the ability of our financial safeguards package to adequately protect us from the credit risks of clearing members; the ability of our compliance and risk management methods to effectively monitor and manage our risks, including our ability to prevent errors and misconduct and protect our infrastructure against security breaches and misappropriation of our intellectual property assets; changes in price levels and volatility in the derivatives markets and in underlying equity, foreign exchange, interest rate and commodities markets; economic, political and market conditions, including the volatility of the capital and credit markets and the impact of economic conditions on the trading activity of our current and potential customers; our ability to accommodate increases in contract volume and order transaction traffic and to implement enhancements without failure or degradation of the performance of our trading and clearing systems; our ability to execute our growth strategy and maintain our growth effectively; our ability to manage the risks and control the costs associated with our strategy for acquisitions, investments and alliances; our ability to continue to generate funds and/or manage our indebtedness to allow us to continue to invest in our business; industry and customer consolidation; decreases in trading and clearing activity; the imposition of a transaction tax or user fee on futures and options on futures transactions and/or repeal of the 60/40 tax treatment of such transactions; the unfavorable resolution of material legal proceedings; and the seasonality of the futures business. For a detailed discussion of these and other factors that might affect our performance, see our filings with the Securities and Exchange Commission, including our most recent periodic reports filed on Form 10-K and Form 10-Q.

**1. A reconciliation of the non-GAAP financial results mentioned to the respective GAAP figures can be found within the Reconciliation of GAAP to Non-GAAP Measures chart at the end of the financial statements.**

**CME Group Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(in millions)

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,053.7	\$ 2,469.7
Marketable securities	72.2	68.4
Accounts receivable, net of allowance	344.6	302.7
Other current assets (includes \$37.0 and \$40.0 in restricted cash)	180.7	209.7
Performance bonds and guaranty fund contributions	21,658.5	21,355.1
Total current assets	23,309.7	24,405.6
Property, net of accumulated depreciation and amortization	508.4	513.4
Intangible assets—trading products	17,175.3	17,175.3
Intangible assets—other, net	2,716.1	2,741.2
Goodwill	7,569.0	7,569.0
Other assets (includes \$74.9 and \$74.0 in restricted cash)	1,888.6	1,873.3
Total Assets	<u>\$ 53,167.1</u>	<u>\$ 54,277.8</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 43.1	\$ 36.2
Short-term debt	—	749.9

Other current liabilities	328.1	1,169.8
Performance bonds and guaranty fund contributions	21,658.5	21,355.1
Total current liabilities	22,029.7	23,311.0
Long-term debt	2,107.4	2,107.2
Deferred income tax liabilities, net	7,276.1	7,249.7
Other liabilities	443.8	449.4
Total Liabilities	31,857.0	33,117.3
CME Group shareholders' equity	21,304.6	21,154.8
Non-controlling interest	5.5	5.7
Total Equity	21,310.1	21,160.5
Total Liabilities and Equity	\$ 53,167.1	\$ 54,277.8

**CME Group Inc. and Subsidiaries**  
**Consolidated Statements of Income**  
(dollars in millions, except per share amounts; shares in thousands)

	Quarter Ended March 31,	
	2014	2013
<b>Revenues</b>		
Clearing and transaction fees	\$ 652.2	\$ 593.2
Market data and information services	89.4	80.9
Access and communication fees	20.4	21.5
Other	15.4	23.0
<b>Total Revenues</b>	777.4	718.6
<b>Expenses</b>		
Compensation and benefits	135.5	129.4
Communications	8.2	8.9
Technology support services	13.9	12.4
Professional fees and outside services	29.6	21.9
Amortization of purchased intangibles	25.2	25.9
Depreciation and amortization	34.1	32.6
Occupancy and building operations	23.2	18.5
Licensing and other fee agreements	29.0	21.2
Other	24.2	42.3
<b>Total Expenses</b>	322.9	313.1
<b>Operating Income</b>	454.5	405.5
<b>Non-Operating Income (Expense)</b>		
Investment income	3.2	3.6
Interest and other borrowing costs	(33.7)	(39.0)
Equity in net gains (losses) of unconsolidated subsidiaries	22.4	17.5
Total Non-Operating	(8.1)	(17.9)
<b>Income before Income Taxes</b>	446.4	387.6
Income tax provision	179.8	150.2
<b>Net Income</b>	266.6	237.4
Less: net income (loss) attributable to non-controlling interests	(0.2)	1.6
<b>Net Income Attributable to CME Group</b>	\$ 266.8	\$ 235.8
<b>Earnings per Common Share Attributable to CME Group:</b>		
Basic	\$ 0.80	\$ 0.71
Diluted	0.79	0.71
<b>Weighted Average Number of Common Shares:</b>		
Basic	333,905	331,953
Diluted	335,644	333,372

**CME Group Inc. and Subsidiaries**  
**Quarterly Operating Statistics**

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014
Trading Days	60	64	64	64	61

**Quarterly Average Daily Volume (ADV)  
CME Group ADV (in thousands)**

<b>Product Line</b>	<b>1Q 2013</b>	<b>2Q 2013</b>	<b>3Q 2013</b>	<b>4Q 2013</b>	<b>1Q 2014</b>
Interest rate	5,656	6,828	5,839	5,274	6,725
Equity	2,608	3,079	2,408	2,471	2,890
Foreign exchange	1,010	1,042	792	705	817
Energy	1,730	1,796	1,609	1,571	1,705
Agricultural commodity	1,084	1,106	1,009	992	1,168
Metal	396	471	360	317	355
<b>Total</b>	<b>12,484</b>	<b>14,323</b>	<b>12,018</b>	<b>11,331</b>	<b>13,659</b>
<b>Venue</b>					
Electronic	10,908	12,457	10,199	9,723	11,703
Open outcry	885	1,134	1,173	957	1,179
Privately negotiated*	691	731	646	651	778
<b>Total</b>	<b>12,484</b>	<b>14,323</b>	<b>12,018</b>	<b>11,331</b>	<b>13,659</b>

**Average Rate Per Contract (RPC)  
CME Group RPC**

<b>Product Line</b>	<b>1Q 2013</b>	<b>2Q 2013</b>	<b>3Q 2013</b>	<b>4Q 2013</b>	<b>1Q 2014</b>
Interest rate	\$ 0.468	\$ 0.455	\$ 0.484	\$ 0.504	\$ 0.481
Equity	0.691	0.714	0.695	0.702	0.712
Foreign exchange	0.848	0.826	0.819	0.835	0.804
Energy	1.390	1.260	1.300	1.279	1.364
Agricultural commodity	1.318	1.378	1.323	1.327	1.369
Metal	1.656	1.613	1.626	1.682	1.707
Average RPC	\$ 0.785	\$ 0.748	\$ 0.762	\$ 0.780	\$ 0.767

Note: First-quarter 2013 volume and RPC data does not include volume and revenue from our acquisition of the Kansas City Board of Trade completed on November 30, 2012. Kansas City Board of Trade average daily volume for first-quarter 2013 totaled 24,579.

\*The privately negotiated venue average daily volume includes both traditional block trades as well as what was historically categorized as CME ClearPort. Going forward there will no longer be a break out for CME ClearPort.

**CME Group Inc. and Subsidiaries  
Reconciliation of GAAP to Non-GAAP Measures  
(dollars in millions, except per share amounts; shares in thousands)**

	<b>Quarter Ended March 31, 2014</b>
<b>GAAP Net Income Attributable to CME Group</b>	<b>\$ 266.8</b>
Less: Foreign exchange transaction gains <sup>1</sup>	(3.1)
Add: Income tax effect related to above	1.1
Add: Tax expense related to certain state taxes <sup>1</sup>	12.9
<b>Adjusted Net Income Attributable to CME Group</b>	<b>\$ 277.7</b>
<b>GAAP Earnings per Common Share Attributable to CME Group:</b>	
Basic	\$ 0.80
Diluted	0.79
<b>Adjusted earnings per Common Share Attributable to CME Group:</b>	
Basic	\$ 0.83
Diluted	0.83
<b>Weighted Average Number of Common Shares:</b>	
Basic	333,905

Diluted

335,644

1. First-quarter 2014 results included a \$3.1 million foreign exchange transaction gain during the quarter principally related to cash held in British pounds within foreign entities whose functional currency is the U.S. dollar, as well as a \$12.9 million tax expense primarily attributable to changes in future state apportionment factors resulting from state law changes.

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