

# **CME Group**

## **1Q 2010**

### **Earnings Conference Call**

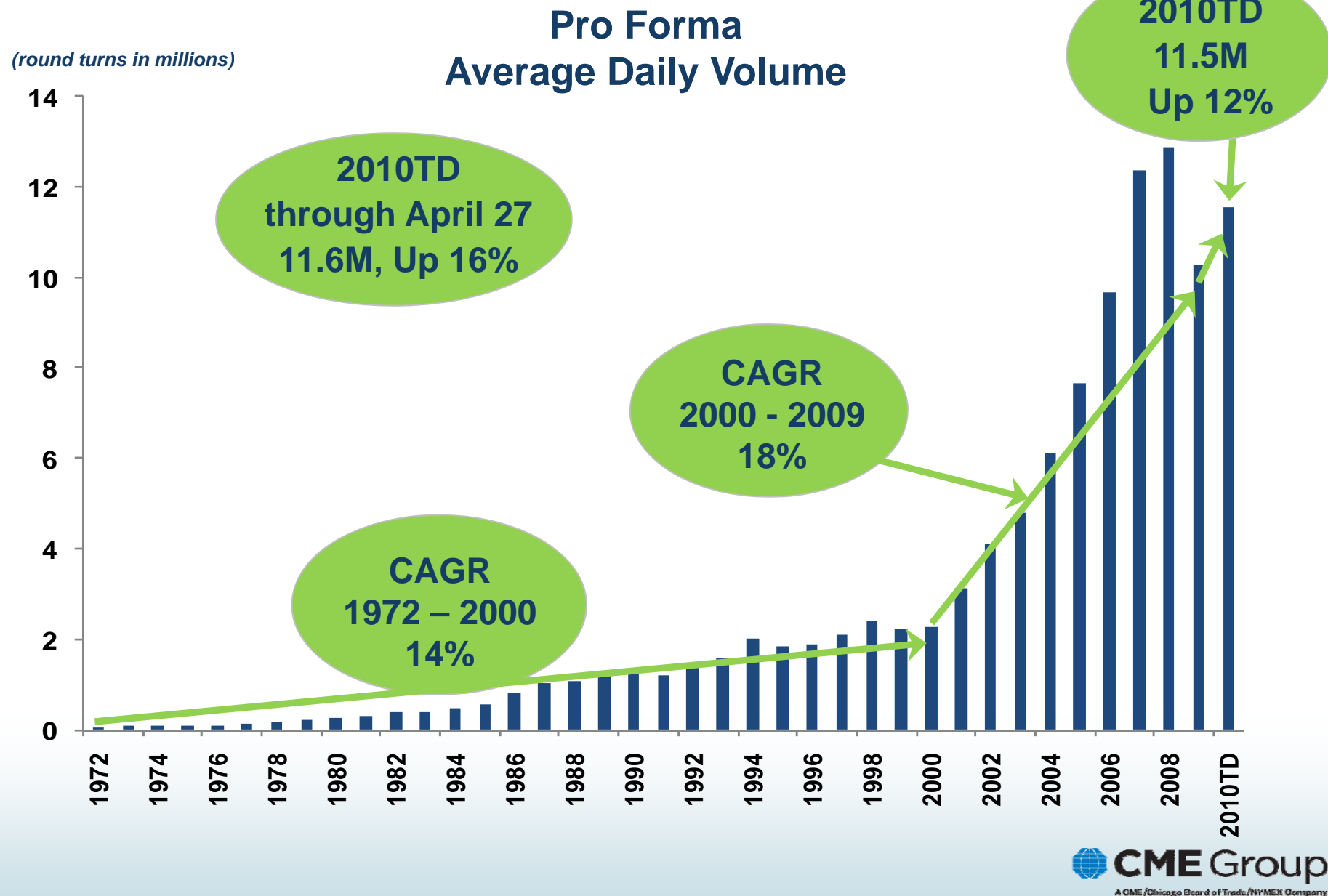
**April 29, 2010**

# Forward-Looking Statements

*Statements in this presentation 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. 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 and implementation of the enhanced functionality required by our customers; 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; our ability to adjust our fixed costs and expenses if our revenues decline; our ability to generate revenues from our processing services; our ability to maintain existing customers, develop strategic relationships and attract new customers; our ability to expand and offer our products in foreign jurisdictions; changes in domestic and foreign regulations; changes in government policy, including policies relating to common or directed clearing and changes as a result of legislation stemming from the recent financial crisis, including the proposed regulatory reform of the over-the-counter derivatives and futures market and any changes in the regulation of our industry with respect to speculative trading in commodity interests and derivative contracts; the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others; our ability to generate revenue from our market data that may be reduced or eliminated by the growth of electronic trading, the state of the overall economy or declines in subscriptions; 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; changes in price levels and volatility in the derivatives markets and in underlying fixed income, equity, foreign exchange and commodities markets; economic, political and market conditions, including the recent volatility of the capital and credit markets and the impact of current economic conditions on the trading activity of our current and potential customers; our ability to accommodate increases in trading volume and order transaction traffic without failure or degradation of performance of our 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 acquisition, investment and alliance strategy; 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 on futures and options on futures transactions and/or the repeal of the 60/40 tax treatment of such transactions; the unfavorable resolution of material legal proceedings and the seasonality of the futures business. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, including our most recent periodic reports filed on Form 10-K and Form 10-Q, which are available in the Investor Relations section of the CME Group Web site. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

*NOTE: Unless otherwise noted, all references to CME Group volume, open interest and rate per contract information in the text of this document is based on pro forma results assuming the merger with CBOT Holdings and the acquisition of NYMEX Holdings were completed as of the beginning of the period presented. All data exclude CME Group's non-traditional TRAKRS<sup>SM</sup> products, for which CME Group receives significantly lower clearing fees of less than one cent per contract on average, as well as HuRLO products and credit default swap clearing. Unless otherwise noted, all year, quarter and month to date volume is through 3/31/10.*

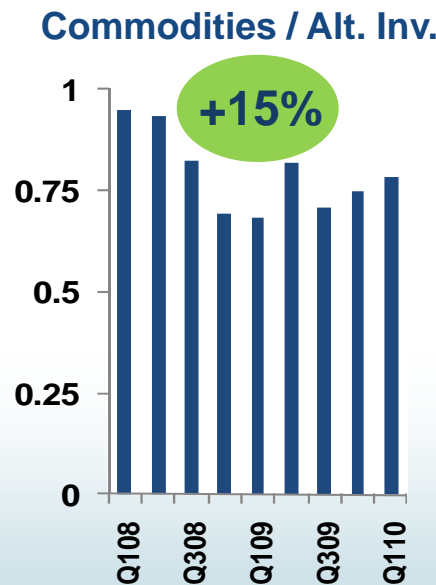
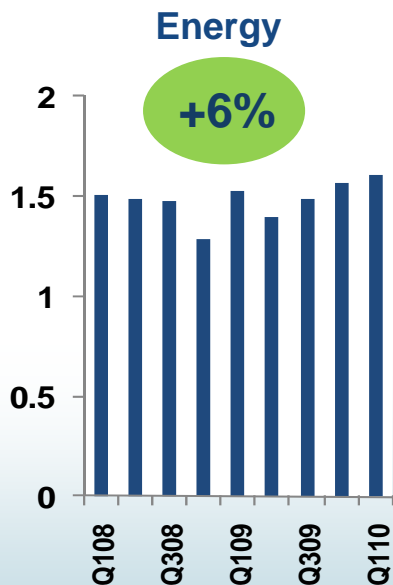
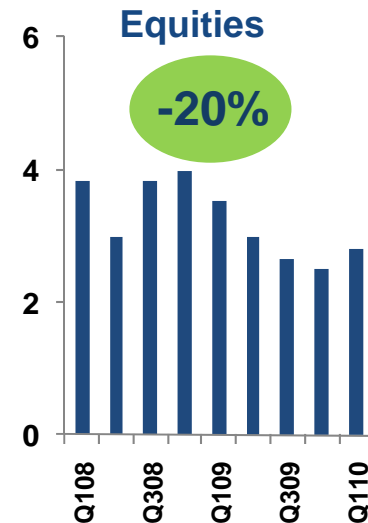
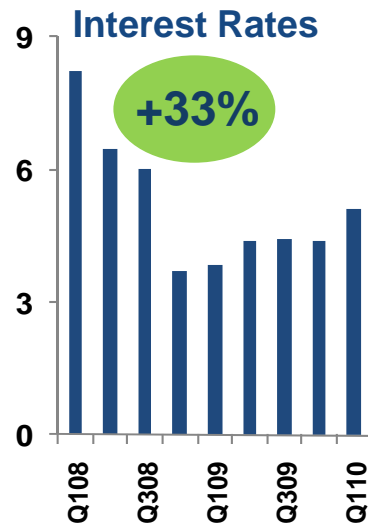
# Near 40 Years of 15 Percent Annual Growth



See slide 2 for pro forma treatment for CME Group / 2010 volume to date in chart through March 31

# Recent Positive Trends

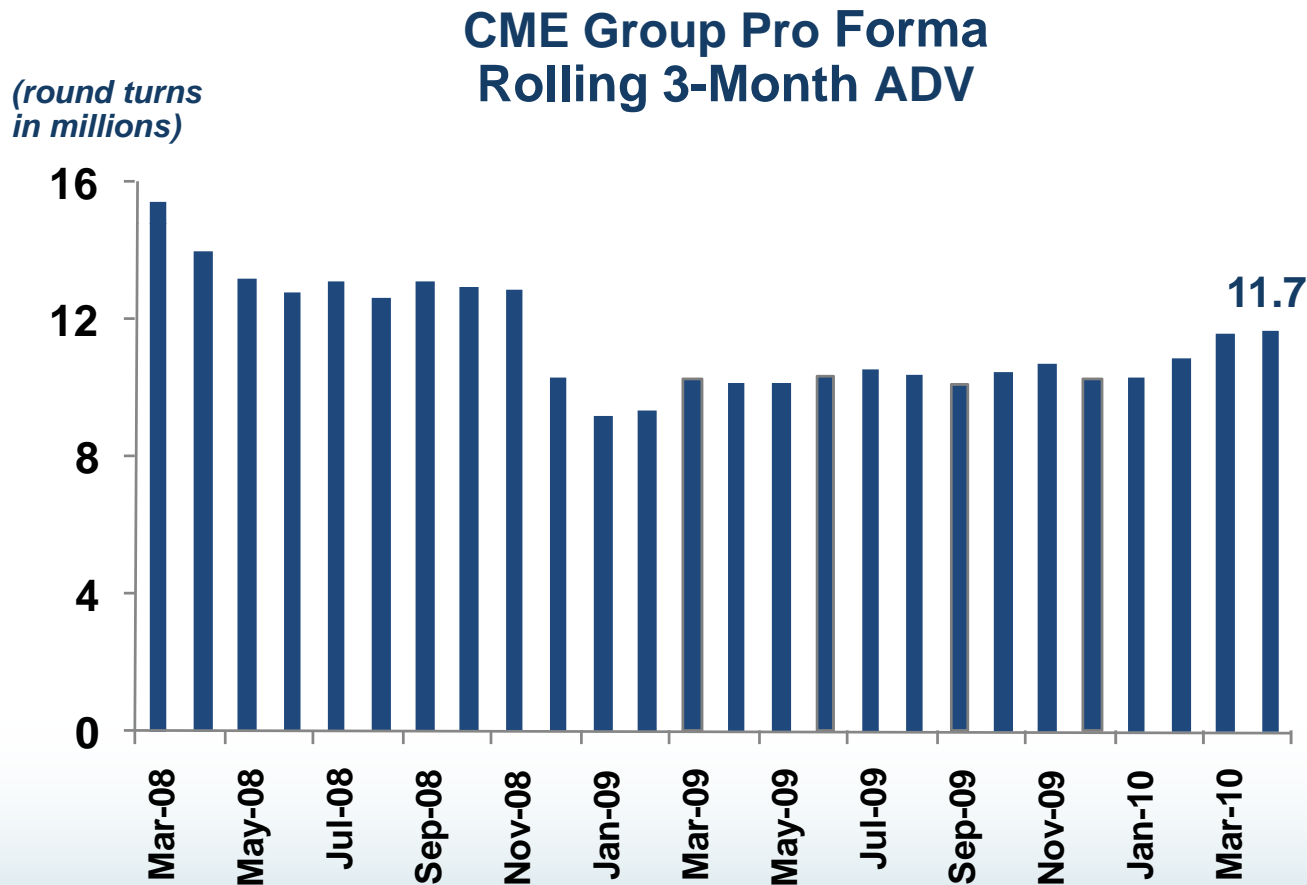
Quarterly pro forma ADV in millions – Q1 2010 vs. Q1 2009 growth



- Record quarterly FX ADV (887K) and notional value traded (\$115B, up 83%)
- Record quarterly metals ADV (327K, up 52%)
- March and Q1 double digit growth rates across interest rates, FX, Commodities/Alt. Inv. and metals

# Volumes Stabilizing from Late 2008

*Year-over-year growth trending more positively in recent months*

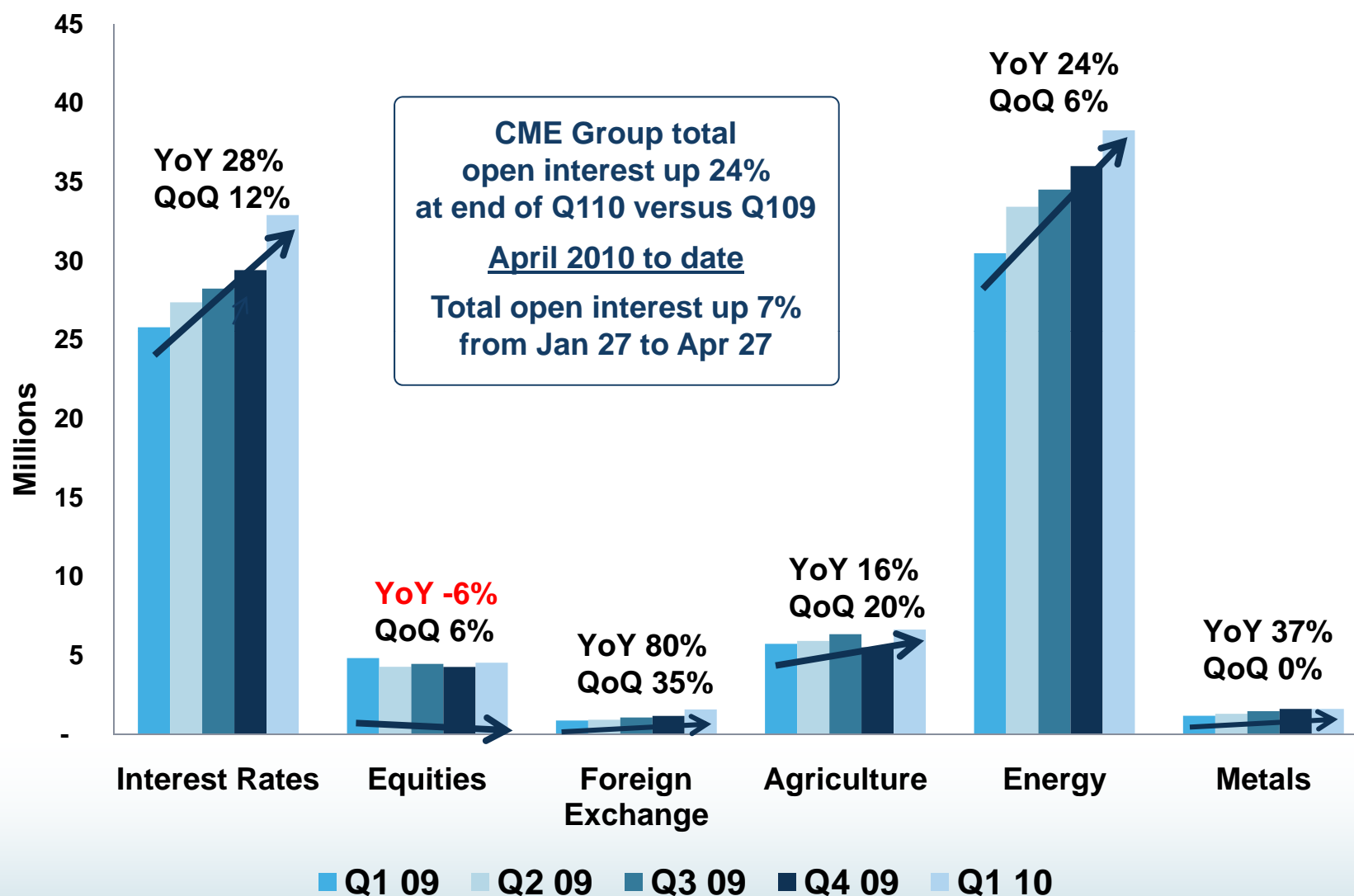


April ADV to date  
through Apr 27  
highlights:

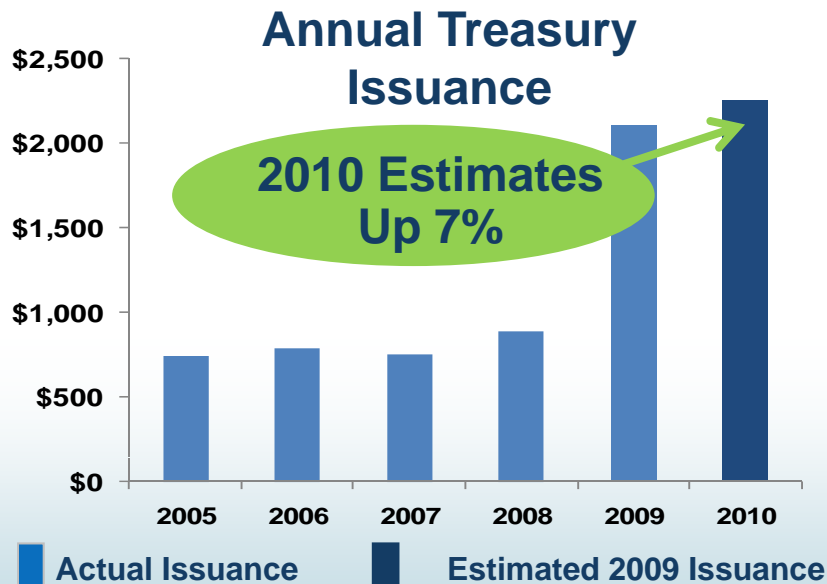
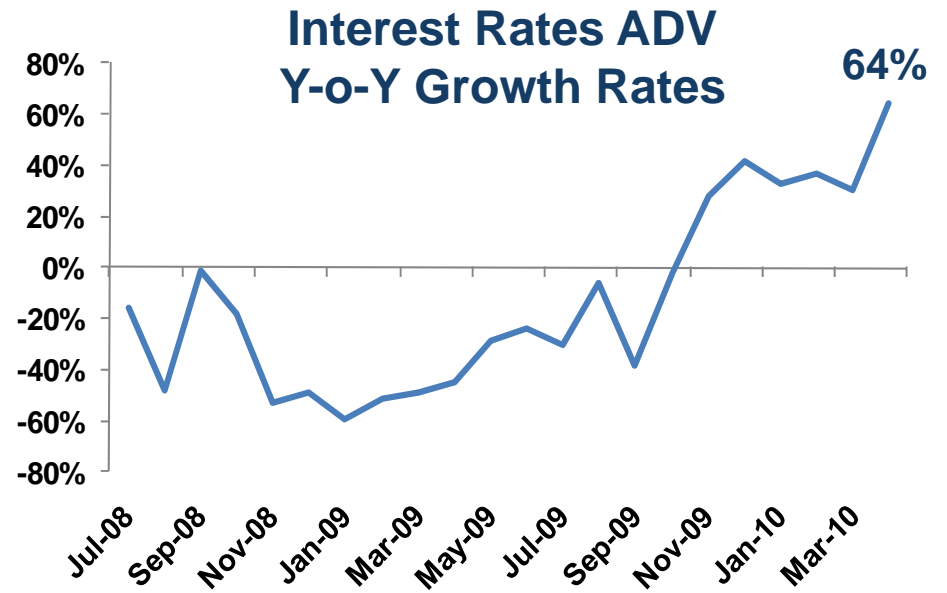
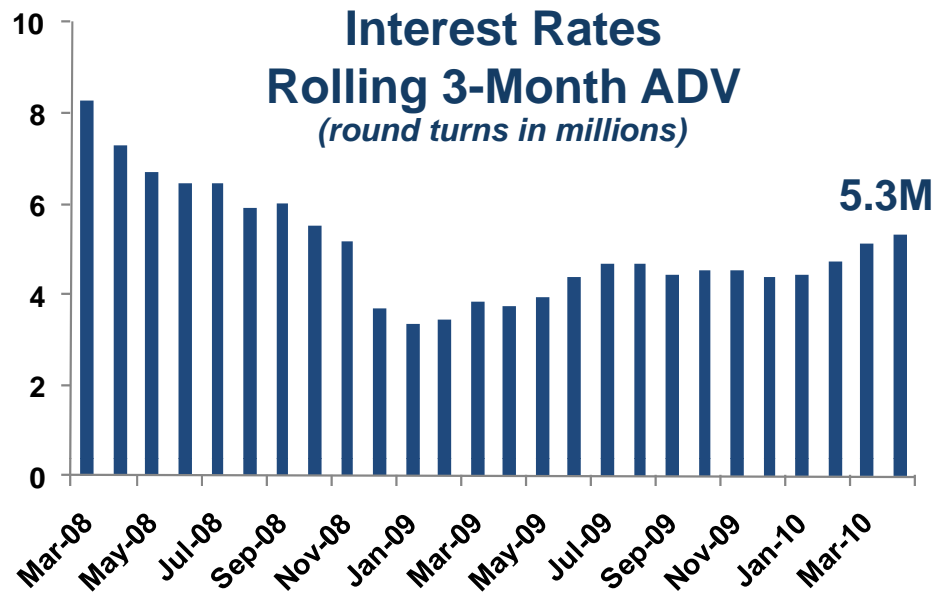
Year-over-year growth:

- Interest rates up 64%
- Equities down 19%
- FX up 77%
- Commodities /  
Alt. Inv. up 11%
- Energy up 32%
- Metals up 55%

# Open Interest: All Products



# Interest Rates Trending Positively



- Larger treasury inventories will need to be managed and hedged for many years, **creating a multiplier effect**
- Current inventory of cash treasuries outstanding, as of Mar. 31, is **\$5.3 trillion, up from \$3.4 trillion at the end of 2008**

# Market Liquidity Highlights

*Liquidity deepened considerably across major asset classes*

Futures Contract (Lead Month Except for ED)	Top-of-the-Book Avg. Bid/Ask Size		Top-of-the-Book Bid-Ask Spread		5-Deep Market Avg. Bid/Ask Size		Bid-Ask Spread For Large Order Size	
	MAR '10	Chg from DEC '09	MAR '10	Chg from DEC '09	MAR '10	Chg from DEC '09	MAR '10	Chg from DEC '09
Eurodollar (5th quarterly)	6,403 Contracts	+220%	0.51 ticks	-0.9%	16,793 Contracts	+122%	\$12.70 (0.51 ticks) (500-lot order)	-1.6%
10-Year Note	1,147	+94%	½ of 1/32 <sup>nd</sup>	unchanged	11,571	+79%	\$15.65 (0.5 of 1/32 <sup>nd</sup> ) (500-lot)	-4%
E-Mini S&P 500	897	+46%	0.25 Pts	unchanged	9,806	+49%	\$12.51 (0.25 pts) (500-lot)	-8%
Euro FX	40	+29%	1.0 ticks	-3%	644	+18%	\$28.12 (2.2 ticks) (100-lot)	-11%
Corn	90	+83% (Mar '09)	1.0 ticks	-4% (Mar '09)	723	+86% (Mar '09)	\$17.13 (1.4 ticks) (100-lot)	-35% (Mar '09)
Crude Oil	11	+26%	1.2 ticks	-12%	166	+35%	\$23.75 (2.4 ticks) (25-lot)	-15%
Natural Gas	7	+41%	1.7 ticks	-26%	87	+57%	\$37.64 (3.8 ticks) (25-lot)	+7%
Gold	8	unchanged	1.3 ticks	-9%	81	+3%	\$29.79 (3.0 ticks) (25-lot)	-3%

**Green:** Favorable trend – Increase (+) in Market Depth and Decrease (-) in Bid-Ask Spread  
**Red:** Unfavorable trend – Decrease (-) in Market Depth and Increase (+) in Bid-Ask Spread

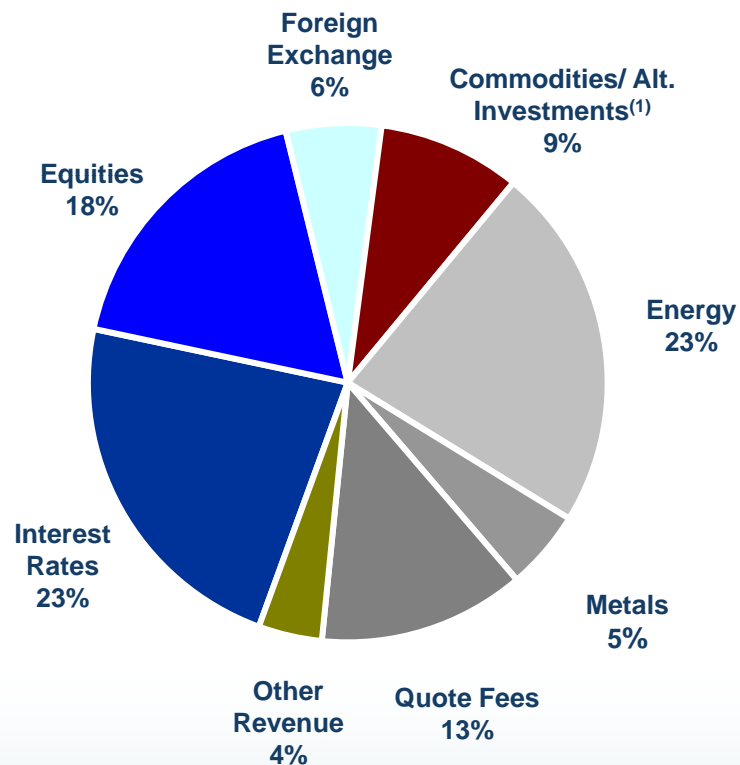


Data Source: CME Info Source

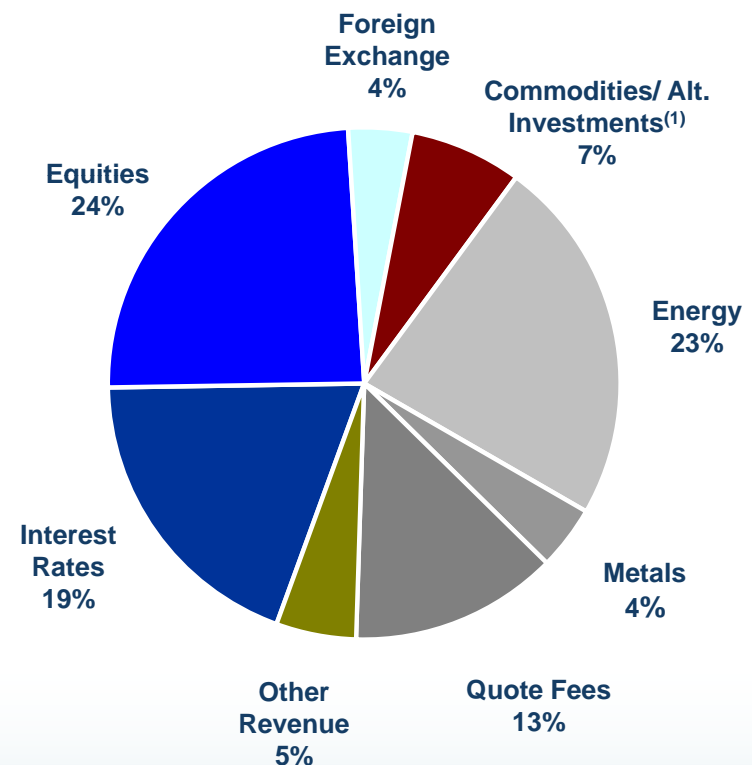


# Diverse Product Portfolio

## Q1 2010 Revenue Mix

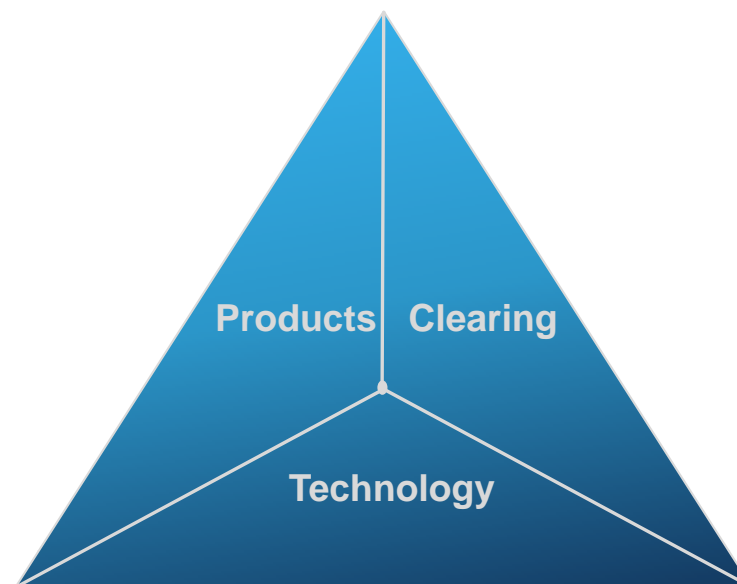


## Q1 2009 Revenue Mix



# CME Group Global Strategy Execution

- Core assets in place
  - Diverse benchmark products
  - Robust technology
  - Industry-leading clearing
- Expanding our core businesses
- Building deep liquidity in our products 24 hours per day



## CME Globex ADV

(ADV in millions)	Time Slice	Duration	1Q 2010		ADV % Change	1Q 2009	
			ADV	% Share		ADV	% Share
<b>U.S. Trading Hours</b>	7am - 4pm CT	9 hours	8.2	85%	12%	7.4	90%
<b>Asian Trading Hours</b>	4pm - 11pm CT	7 hours	1.1	12%	55%	0.7	9%
<b>European Trading Hours</b>	11pm - 7am CT	8 hours	0.3	3%	75%	0.1	1%
<b>Total</b>	Full Day	24 hours	9.6	100%	17%	8.2	100%

# CME Group's International Partnerships Have Targeted High Growth Economies Globally

## Global GDP (Nominal) (\$s in Trillions)

	2009	2020	CMEG Capability Expansion	CMEG Partnership Recent Agreements
EU	\$16.0	\$23.0	X	
US	\$14.3	\$18.0		
Japan	\$5.0	\$5.2		X
China	\$4.8	\$12.6		
Brazil	\$1.5	\$2.2	X	X
Canada	\$1.3	\$1.7		
Russia	\$1.3	\$2.5		
India	\$1.0	\$2.8		X
Mexico	\$1.0	\$1.7	X (2011)	X
Australia	\$0.9	\$1.7		
South Korea	\$0.9	\$1.5	X	X

# CME Group's International Strategy Aligns to Key Geographic Regions Where Futures Are Traded

- Partner with leading Asian exchanges:

- KRX (Korea)
- BMD (Malaysia)
- SGX (Singapore)

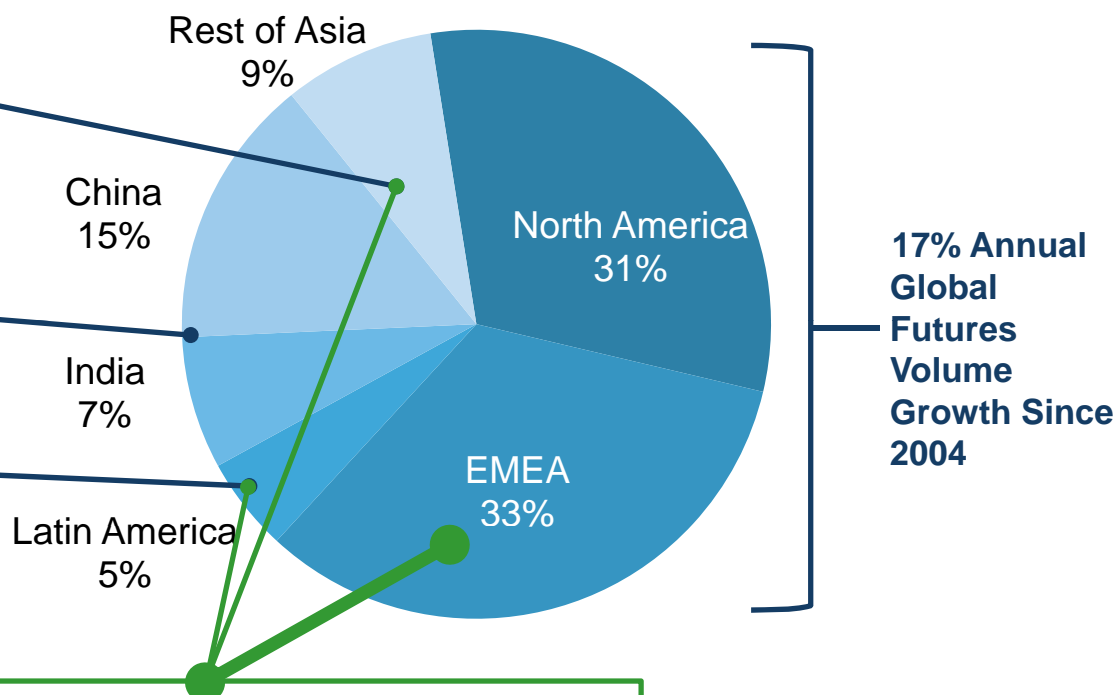
- Partner with leading Indian exchange:

- NSE (India)

- Partner with leading Latin America exchanges

- BVMF (Brazil)
- BMV (Mexico)

## 2009 Futures Volume (29.9M ADV)



17% Annual  
Global  
Futures  
Volume  
Growth Since  
2004

- Expansion of strategic sales & distribution capabilities
  - London, Singapore & Sao Paulo strategic sales offices
  - 8 high speed telecommunication/distribution hubs
  - Trading in over 80 countries
  - Market data in over 150 countries
  - 521 Global Primary Globex Connections in 11 Countries

\*Based on the number of futures and options traded and cleared by 54 exchanges worldwide

# Significantly Increasing Product Breadth Through Partnerships Over Last 12 Months

## Equities

- iBovespa
- KOSPI 200
- Nifty 50
- TIIE 28



## Index Services

- New indexes across cash, OTC, derivatives
- Options volatility indexes on gold, corn, soybeans and crude oil



## Interest Rates

- Mexican bonds
- Overnight interest rates



## Commodities

- Crude palm oil
- Oman crude oil



## Green Products

- Emissions

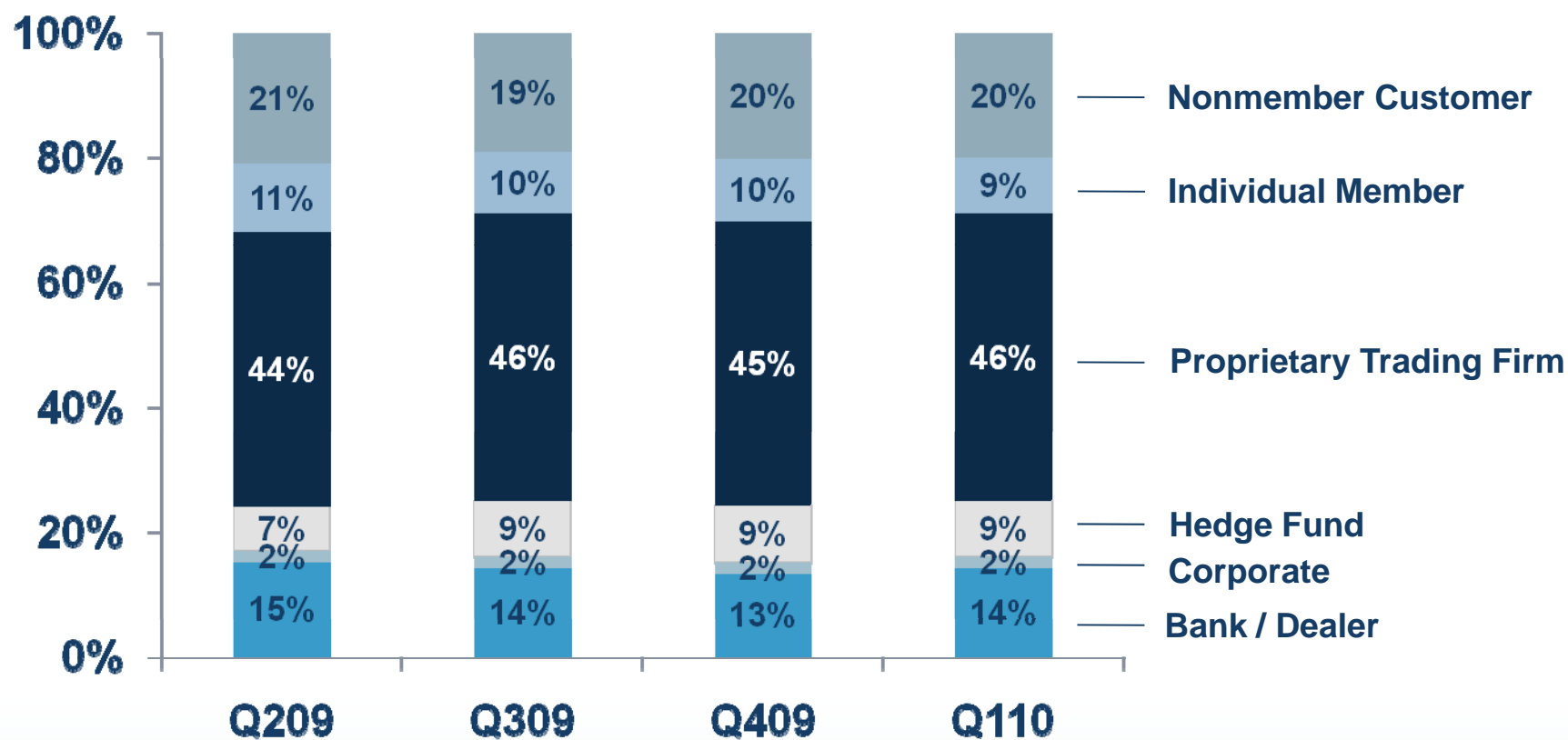


# CME Group Delivered Solid Financial Results

## *1Q 2010 financial results*

- Total revenues: \$693 million
- Total operating expenses: \$278 million
- Pre-tax operating margin: 60%
- Net income: \$240 million
- Diluted earnings per share: \$3.62

# Customer Segmentation Estimates



# CME Group Average Rate Per Contract

## Average Rate Per Contract (RPC)

### CME Group RPC

<u>Product Line</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>	<u>1Q 2010</u>
Interest rates	\$ 0.532	\$ 0.525	\$ 0.505	\$ 0.509	\$ 0.503
Equities	0.716	0.712	0.722	0.733	0.713
Foreign exchange	0.918	0.901	0.853	0.816	0.803
Energy (including ClearPort)	1.608	1.653	1.694	1.606	1.636
Commodities & alternative investments	1.108	1.130	1.199	1.278	1.244
Metals (including ClearPort)	1.858	1.808	1.849	1.872	1.734
Average RPC	\$ 0.839	\$ 0.823	\$ 0.834	\$ 0.849	\$ 0.821

<u>Venue</u>					
Exchange-traded	\$ 0.777	\$ 0.765	\$ 0.765	\$ 0.783	\$ 0.754
CME ClearPort	1.874	2.031	2.304	2.236	2.392

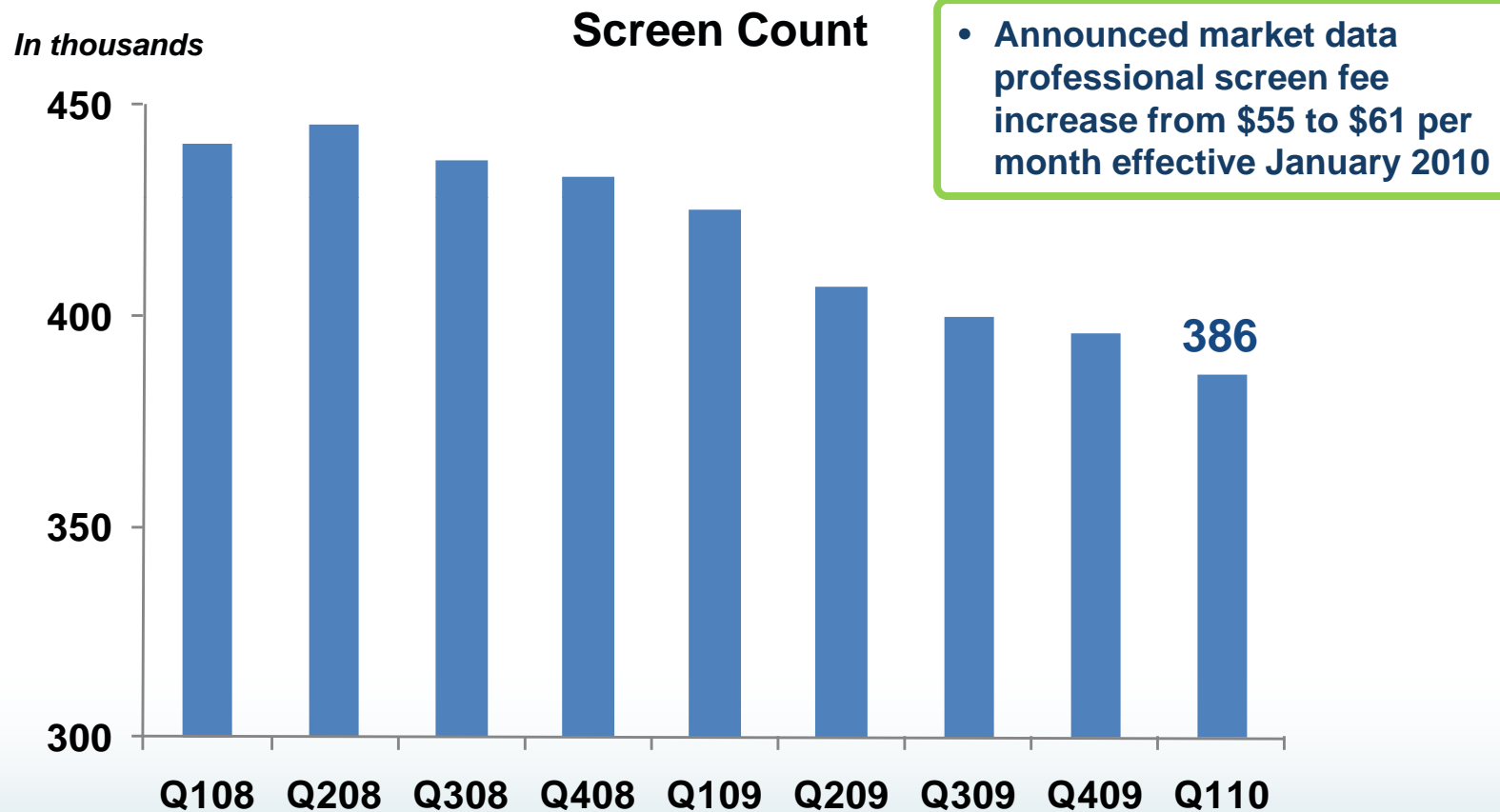
### Recent Rolling 3-Month RPC Trend

	<u>Q209</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Q309</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Q409</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Q110</u>
Interest rates	\$0.525	\$0.518	\$0.511	\$0.505	\$0.502	\$0.506	\$0.509	\$0.511	\$0.511	\$0.503
Equities	\$0.712	\$0.720	\$0.727	\$0.722	\$0.715	\$0.722	\$0.733	\$0.735	\$0.726	\$0.713
Energy	\$1.653	\$1.673	\$1.677	\$1.694	\$1.645	\$1.628	\$1.606	\$1.637	\$1.640	\$1.636
Foreign exchange	\$0.901	\$0.874	\$0.876	\$0.853	\$0.824	\$0.802	\$0.816	\$0.817	\$0.806	\$0.803
Commodities/Alt. Inv.	\$1.130	\$1.129	\$1.175	\$1.199	\$1.244	\$1.259	\$1.278	\$1.267	\$1.255	\$1.244
Metals	\$1.808	\$1.803	\$1.823	\$1.849	\$1.868	\$1.898	\$1.872	\$1.851	\$1.703	\$1.734
<b>Total</b>	<b>\$0.823</b>	<b>\$0.821</b>	<b>\$0.826</b>	<b>\$0.834</b>	<b>\$0.831</b>	<b>\$0.840</b>	<b>\$0.849</b>	<b>\$0.852</b>	<b>\$0.838</b>	<b>\$0.821</b>



# Quotation Data Fees – Quarterly Trend

- *Q110 count down 10 percent from Q109 and down 3 percent from Q409*



# Debt Update

- **March 8<sup>th</sup> - Announced pricing of CME Group Index Services LLC debt offering in connection with proposed index services joint venture with Dow Jones (guaranteed by CME Group Inc.)\***
  - **Sale of notes completed on March 18, 2010**

## Pro Forma Debt Structure as of Q4 2009

Description	Par (\$B)	Maturity	Yield	Type
Commercial Paper	\$0.30	32-54 days	0.22%	Variable
2 Year Public Issue	\$0.30	Aug-10	4.14%	Fixed
3 Year Bank Loan	\$0.42	Aug-11	4.83%	Fixed
5 Year Public Issue	\$0.75	Aug-13	5.54%	Fixed
5 Year Public Issue	\$0.75	Feb-14	5.95%	Fixed
*8 Year Rule 144A Issue	\$0.61	Mar-18	Approx. 4.6%	Fixed
<b>Total Debt</b>	<b>\$3.1</b>			

# Additional Notes and Guidance

- As a result of the company's acquisition of NYMEX being included in the prior year's results for the full year, we no longer believe the non-GAAP financials are necessary to provide an understanding of our current financial performance or to provide a meaningful comparison with prior periods.
- Q1 2010 results did include \$6 million in non-operating income for the recovery of a bankruptcy claim and a \$6 million reduction in certain tax reserves, offset primarily by \$10 million of professional fees related to establishing the company's joint venture with Dow Jones – these three items increased net income by less than \$2 million
- Q1 2010 figures include the results of Dow Jones Indexes beginning March 19<sup>th</sup>
- New line in the income statement and the balance sheet related to the Dow Jones Inc. minority interest in the CME Group Index Services business
- Adjusted customer segmentation methodology – now includes legacy NYMEX/COMEX data and enhanced categories
- Normalized interest expense, including the Dow related debt, is expected to trend from \$38 million in Q2 to \$34 million in Q4 as we plan to pay down \$300 million of debt due in August
- For the full year 2010, we expect an effective tax rate of between 41 and 42 percent
- Since providing full year expense guidance, the Dow transaction was completed, which added \$10 million of transaction-related expense, plus approximately \$21 million in terms of 2010 operating expenses
  - The ongoing quarterly net impact on expenses related to Dow is \$7 million, with increases spread primarily across compensation, amortization and professional fees and a reduction in license fees
- Adjusted methodology to report non-U.S. hours trading volume share (see Slide #10)

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