

CME Group 4Q 2013 Earnings Conference Call

February 4, 2014

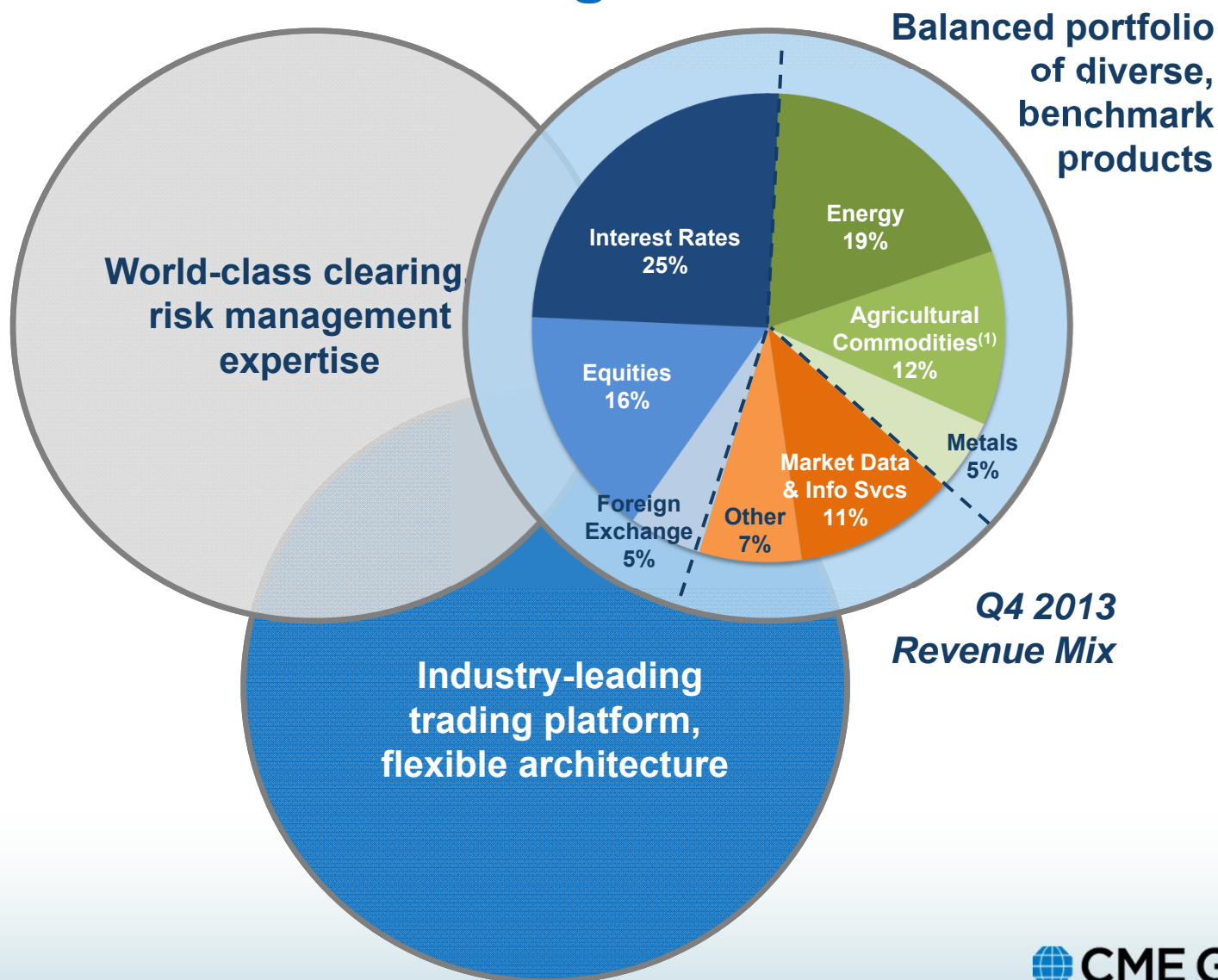
Forward-Looking Statements

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. 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 over-the-counter 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, such as the impact of any changes in domestic and foreign laws or government policy with respect to our industry, including 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; our ability to generate revenue from our market data that may be reduced by decreased demand, poor overall economic conditions or a significant change in how market participants trade and use market data; 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 stemming from the continued uncertainty in the financial markets; our ability to accommodate increases in contract volume and order transaction traffic 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.

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 TRAKRSSM products, for which CME Group receives significantly lower clearing fees of less than one cent per contract on average. Unless otherwise noted, all year, quarter and month to date volume is through 12/31/2013.



Most Attractive, Valuable and Diverse Franchise in the Exchange Sector

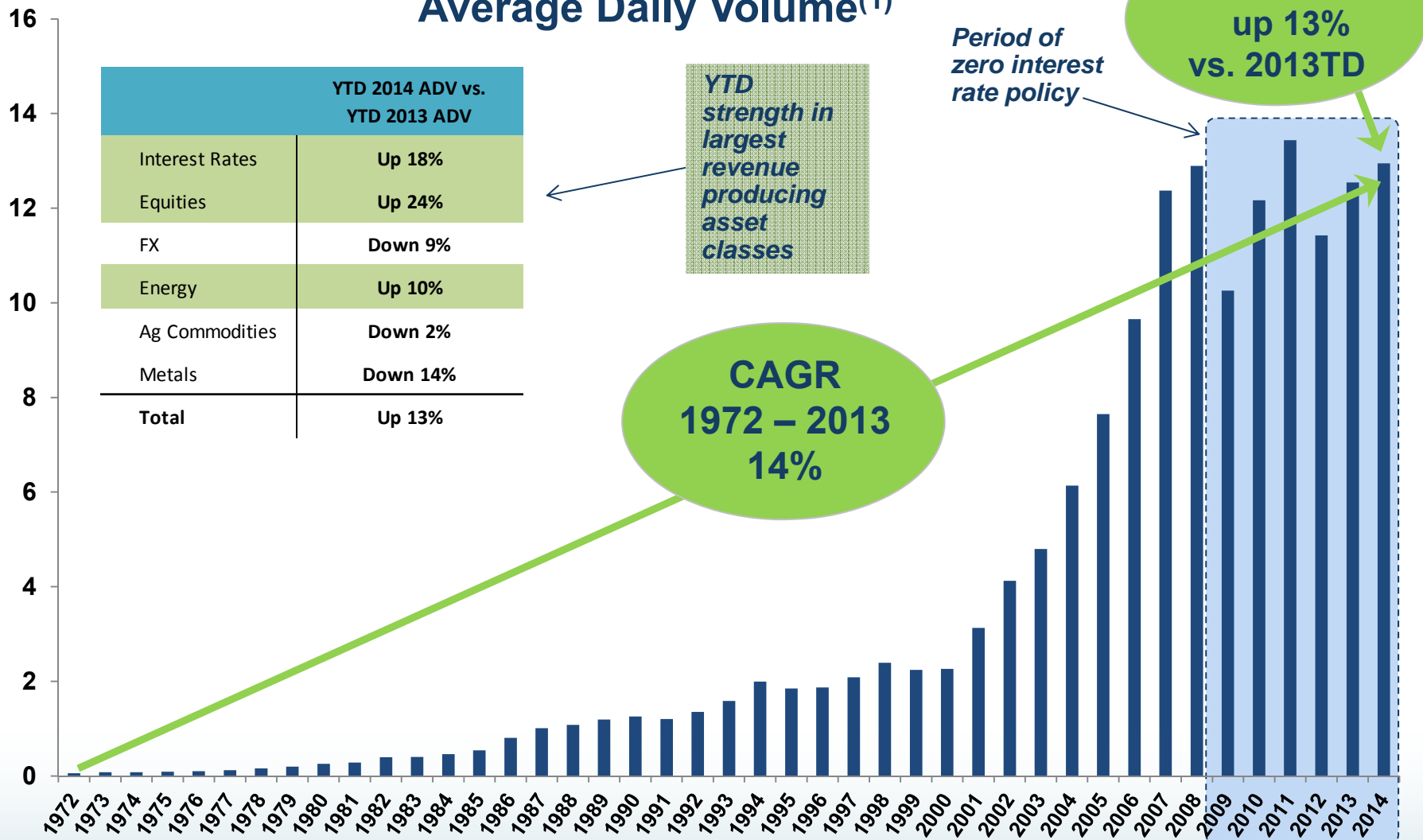


1. Agricultural commodities includes all agricultural commodities (grains, dairy, livestock, forest, NYMEX softs, indexes), weather and real estate

Continue to Execute in a Variety of Environments

(round turns, in millions)

Pro Forma Average Daily Volume⁽¹⁾

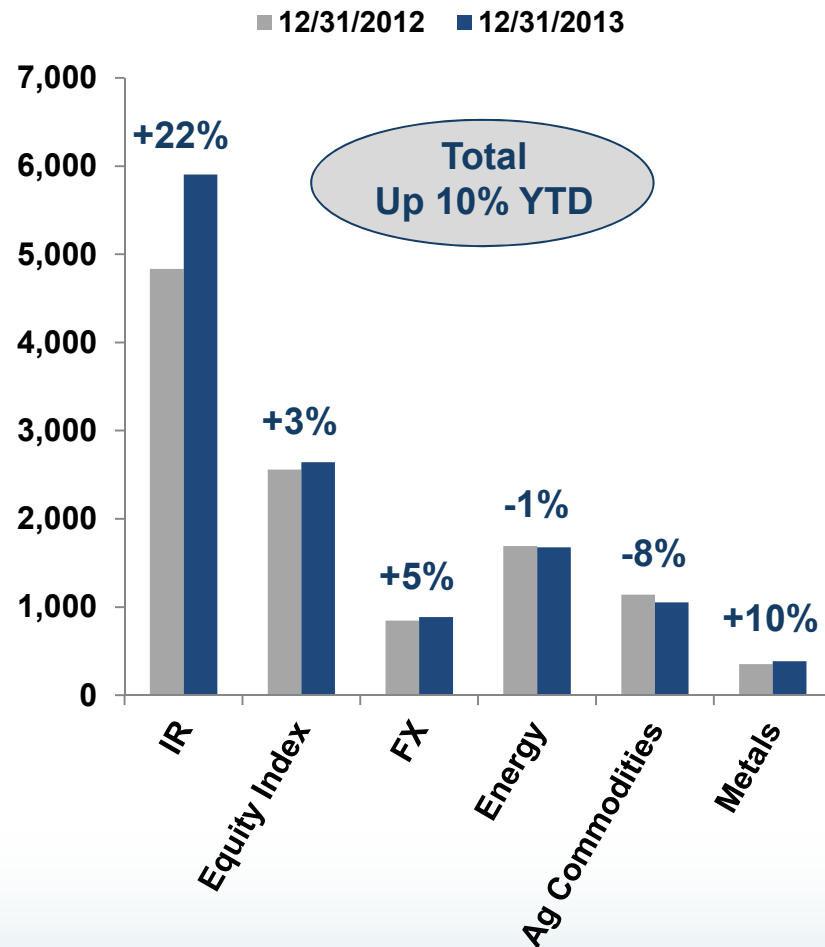


1. Volumes are all pro forma as if CME owned NYMEX and CBOT over the illustrated period.

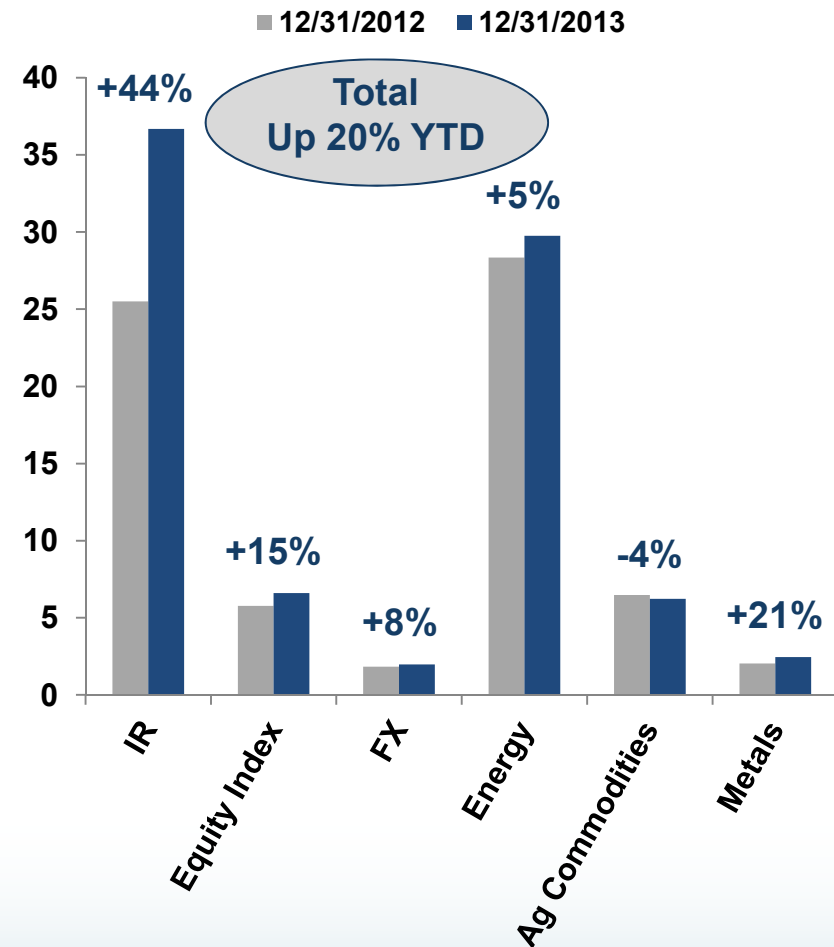
CME Group

Solid 2013 Year-over-Year Trends

Average Daily Volume Growth



Open Interest Growth

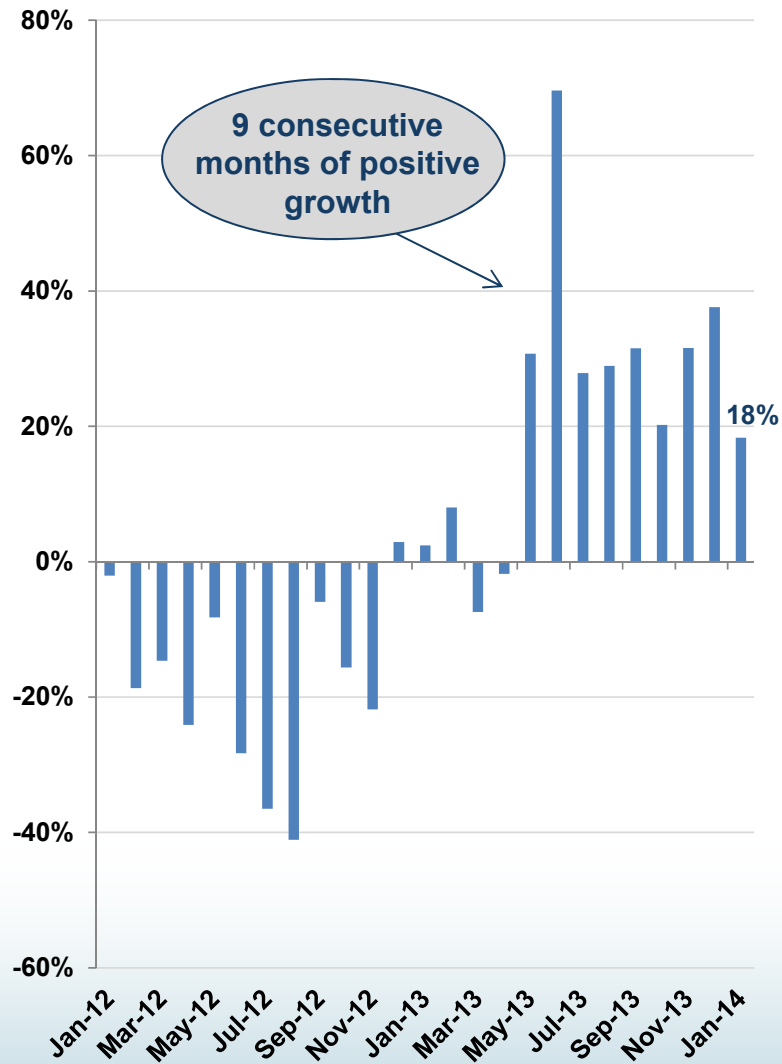


Dec-13 ADV up 13% vs. Dec-12 ADV, with Interest Rates up 38%, and Q4 2013 ADV up 11% vs. Q4 2012 ADV, with Interest Rates up 29%



Strength in Interest Rates

Monthly Year-over-Year Growth



Recent Highlights

- 4Q13 Interest Rate ADV up 29%
 - Eurodollars up 48%
 - Treasuries up 15%
- Dec13 Interest Rate ADV up 38%
 - Eurodollars up 67%
- Jan14 Interest Rate ADV up 18%
 - Eurodollars up 45%
 - Treasuries up 15%
- Innovative product extensions launched in the last three years accounted for 4% of total 4Q13 Interest Rate volume

CME Group Well Positioned To Support Customers As Market Structure Shifts

Core Futures / Options

- Positioned to capture migration into futures
- Eurodollars out 10 years – can replicate certain swap trades
- Full slate of Treasury products
- Most capital efficient
- Ease of use – standardized product
- Significant existing liquidity pools, and open interest (\$28T of notional value at 6/30/2013)

Cleared OTC Swaps

- Three waves to mandate
 - ✓ March – 30 active hedge funds, MSPs, Swap Dealers
 - ✓ June – Larger group - non-dealer banks, insurance, non-active hedge funds
 - ✓ September – pensions, third party sub accounts going through asset managers
- Expanding on multi-asset class solution
 - European IRS
 - OIS out 30 years
- Portfolio margining (*7 clearing members live*)
- Real-time clearing

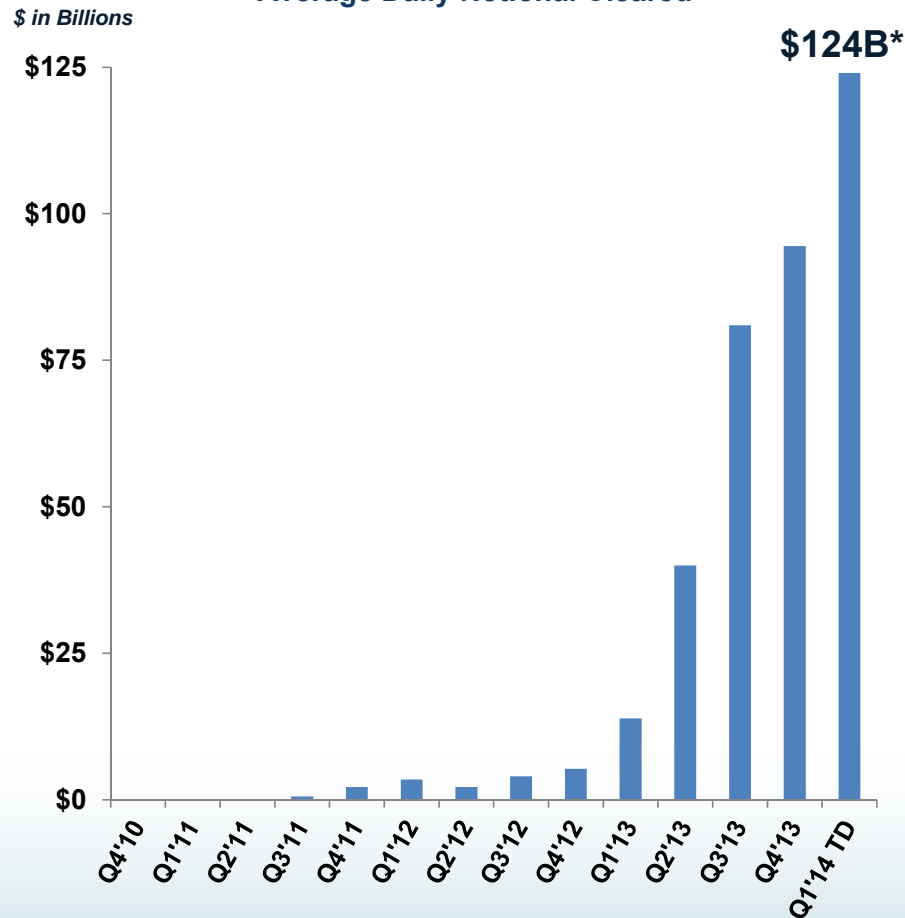
Hybrid Futures

Deliverable Swap Futures

- Innovative new product created based on client demand
- Complements CME Group's market-leading Interest Rate futures and options businesses, and cleared OTC Swaps offerings
- Unique solution for customers that may not be able to comply with upcoming mandates

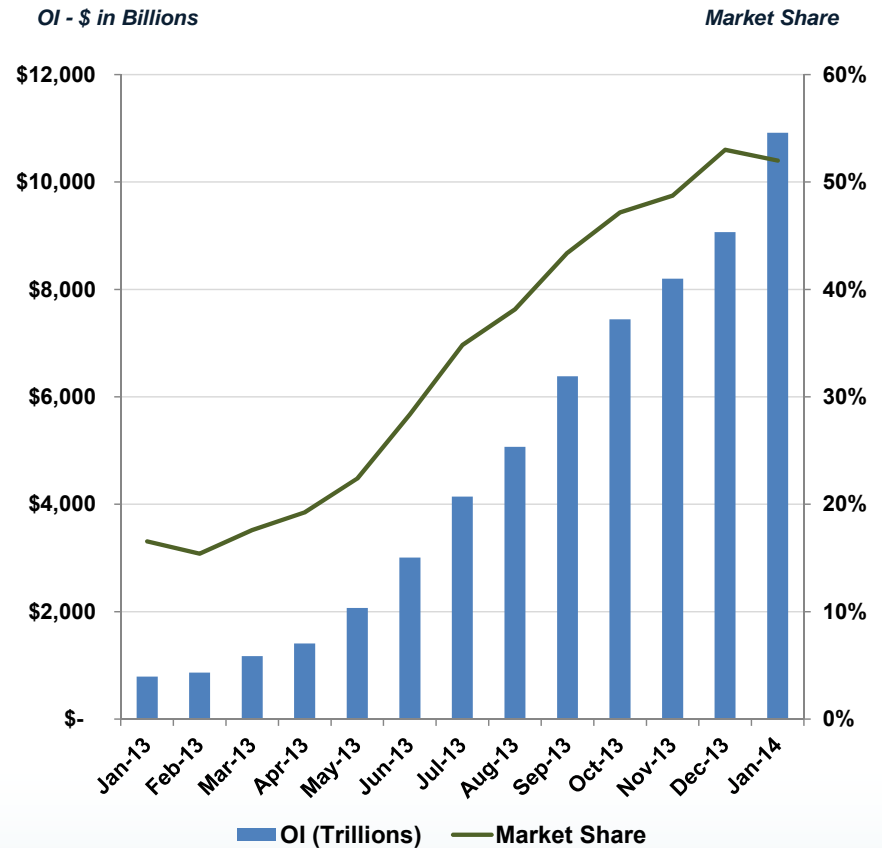
Continued Market Share Growth as Customers Shift Focus from Compliance to Optimization

CME Group Interest Rate Swaps Average Daily Notional Cleared

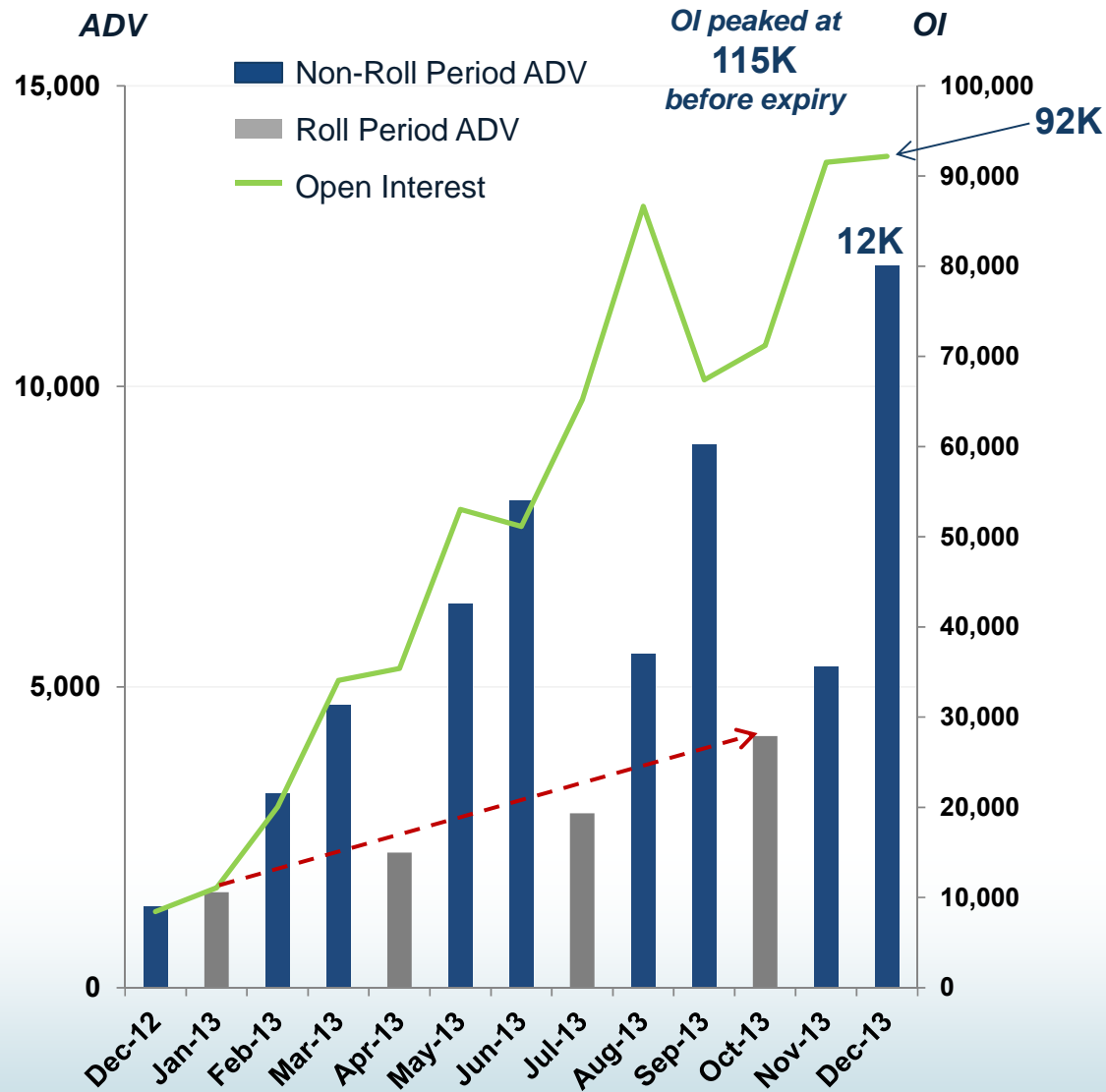


*Excludes Martin Luther King Day (January 20, 2014) in the trade day count

CME Group Cleared OTC IRS Open Interest



Deliverable Swap Futures Becoming Preferred Means to Swap Rate Exposure in a Futures Contract

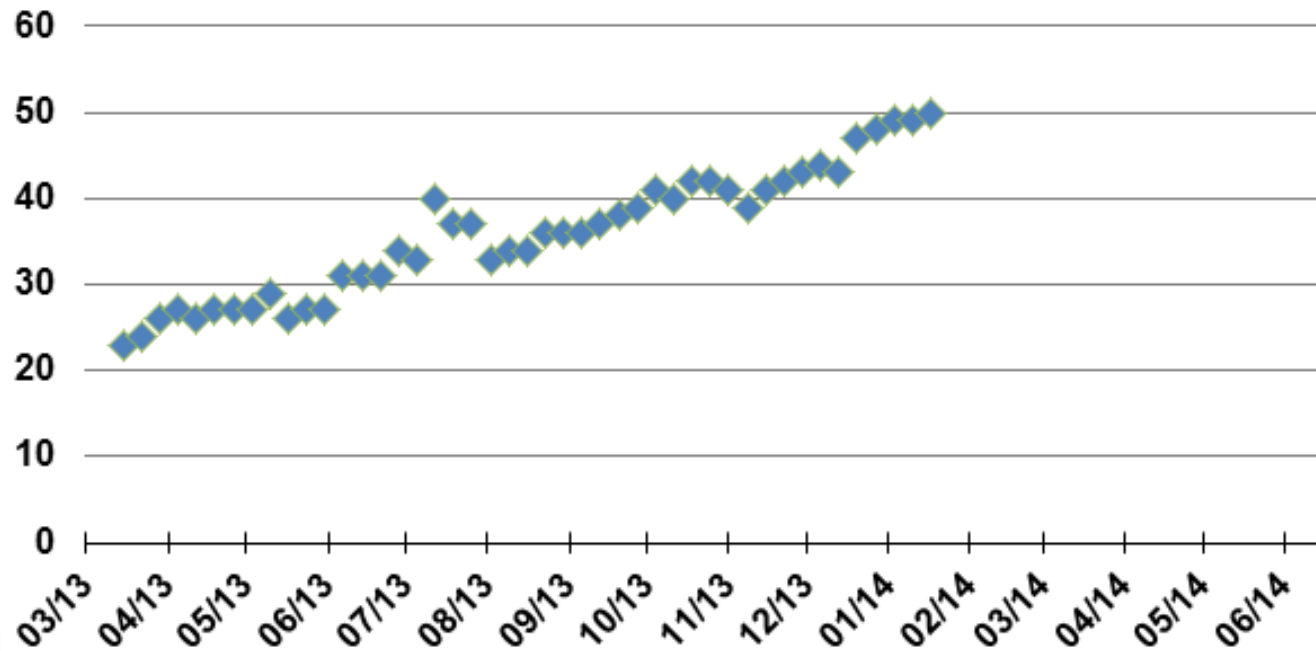


- Second fastest growing new product ever
- Daily volume record on December 3rd of 42K contracts
- Open interest peaked at 115K in December
- New tools available to customers to track liquidity as well as volume and open interest

DSF Large Open Interest Holders Trending Up

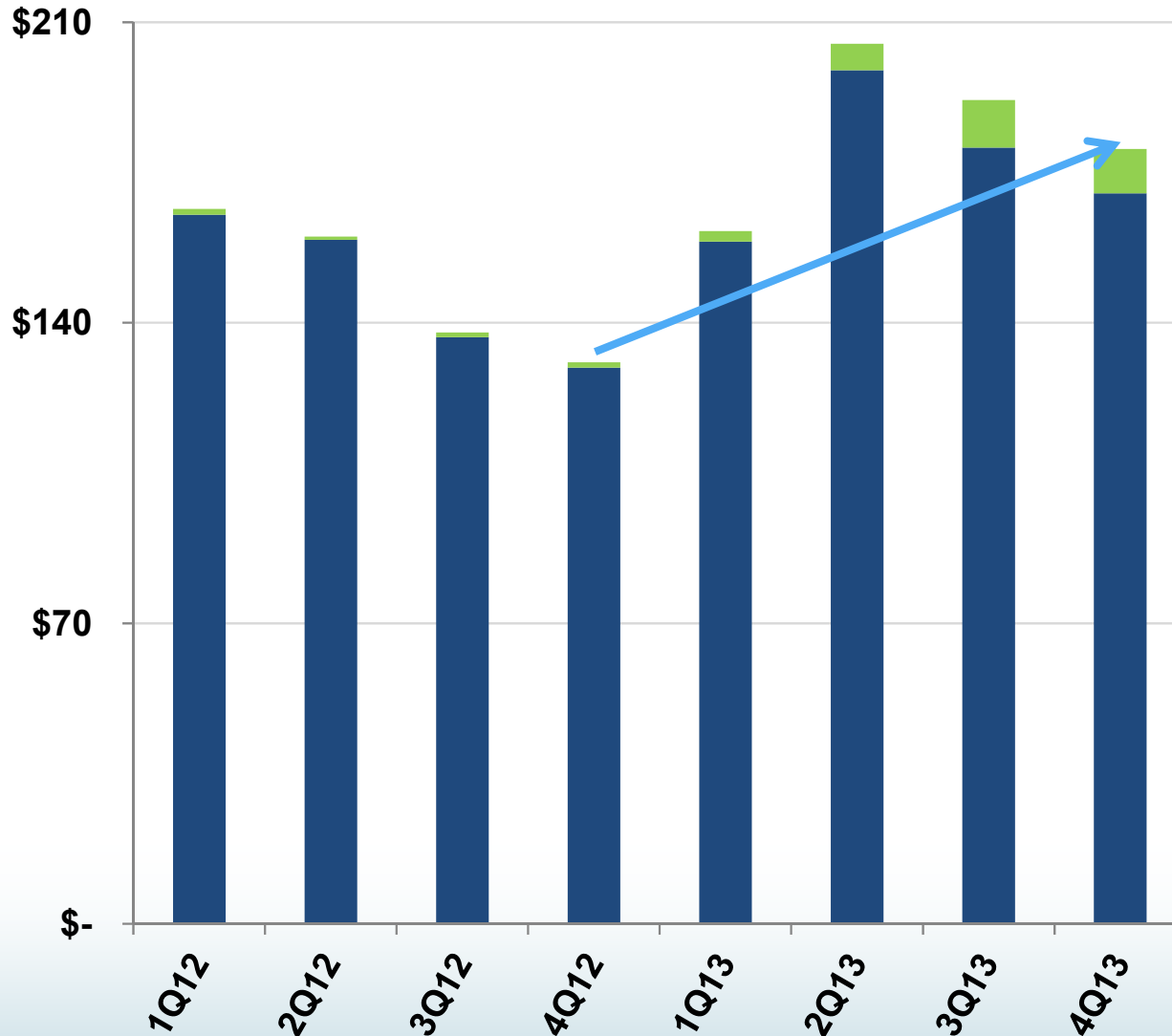
**CME 10-Year Deliverable Swap Futures
Number of Large Open Interest Holders**

Source: CFTC



Incremental Revenues Build on the Core

Revenue (in millions)

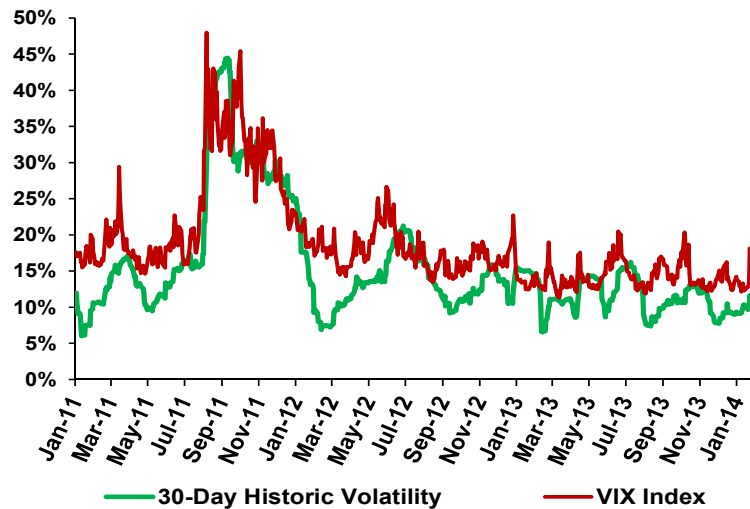


OTC clearing business is strengthening the overall interest rates franchise

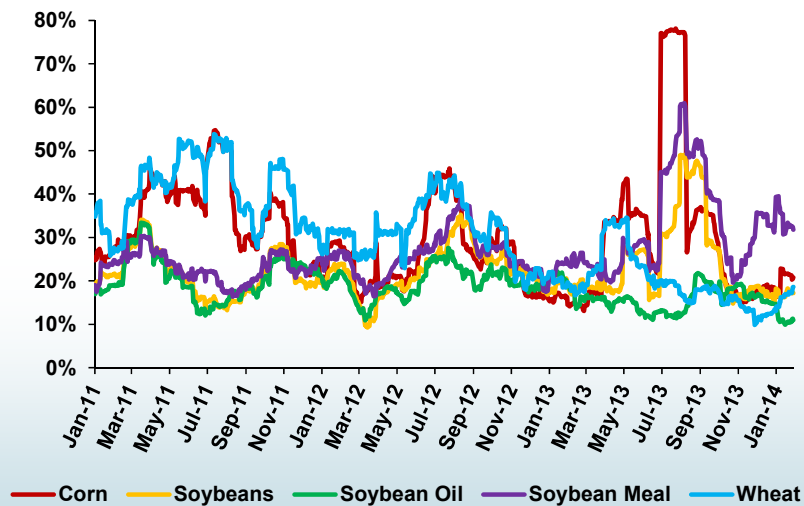
- Q413 Core Interest Rates revenue was up 31% from Q412
- If you factor in the incremental revenue from OTC interest rate swaps clearing, that total interest rate revenue would be up 38%

Low Level Volatility Across Many Product Areas

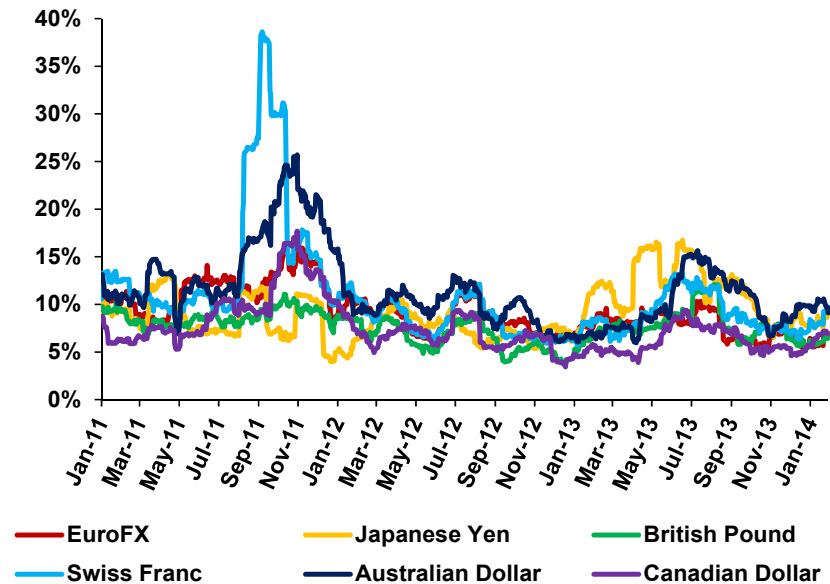
S&P 500 Volatility



Grains



Currencies



- *Slight improvement seen in January 2014*

Forging Partnerships to Expand Distribution, Build 24-Hour Liquidity, and Add New Customers

North America
(Up 8% YOY in 4Q13 / 78% of electronic volume)



CME Clearing Europe

A CME Group Company

- 2013 cleared volume up 51% versus 2012
- December 2013 up 12% YOY

CME Europe Ltd. – awaiting regulatory approval

Asia-Pacific
(Up 12% YOY in 4Q13 / 4% of electronic volume)



Europe (EMEA – Europe, Middle East, Africa)
(Up 12% YOY in 4Q13 / 17% of electronic volume)

CBOT Black Sea Wheat

- Renewed MOU with Shanghai Futures Exchange (SHFE)



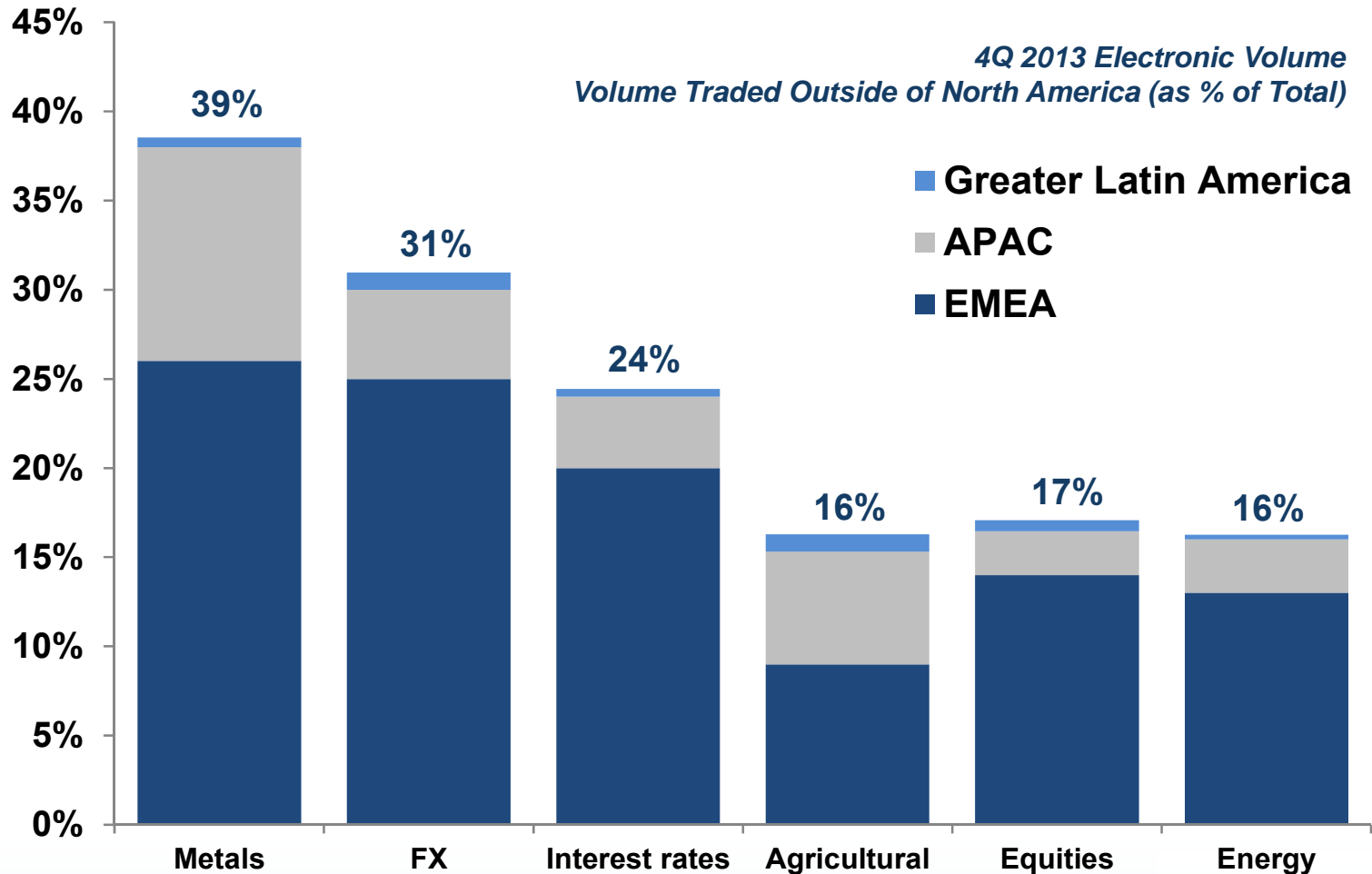
Latin America
(Up 36% in 4Q13 / 1% of electronic volume)

• During 4Q13, volumes continued to grow in line with demand for coal as the fuel of choice in global energy markets (various non-US CME Group coal products showing strength), CME Group announced that the European Securities and Markets Authority (ESMA) approved the CME European Trade Repository as a Trade Repository (TR) under the European Market Infrastructure Regulation (EMIR), and China Merchants Futures became a new clearing member of CME Group.



Globally Relevant Products

Focused strategy execution, but in early stages of the game

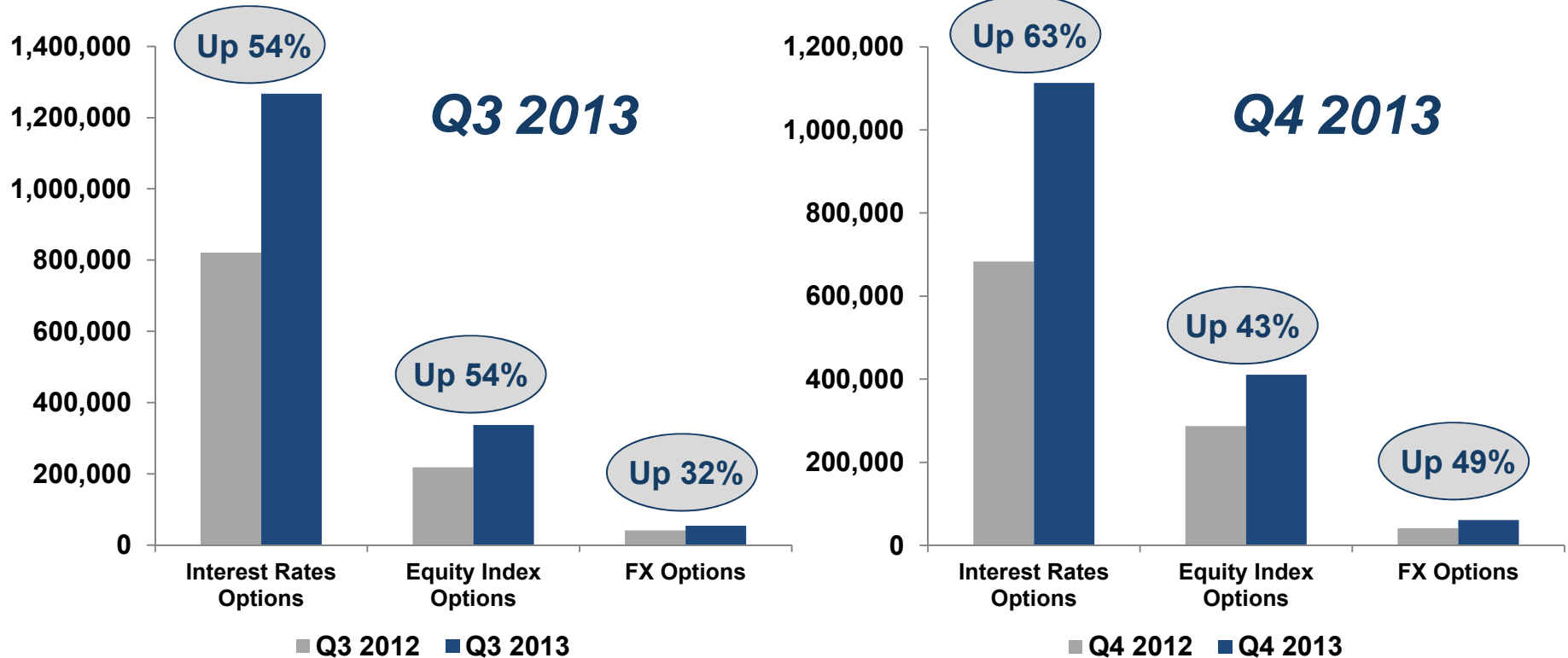


• Global product growth and innovation:

- Indian Rupee FX futures, CME Clearing Europe Iron Ore contracts, Hard Red Winter (HRW) Wheat through KCBT acquisition, Chinese Steel Rebar HRB400 (Mysteel) Swap Futures, Chinese Deliverable Renminbi (CNH), U.S. Dollar Denominated Ibovespa Futures, European OTC Interest Rate Swaps, BM&FBOVESPA to trade cash settled mini Crude Oil derivatives contract (based on settlement of NYMEX WTI), U.S. Dollar Denominated Malaysian Crude Palm Oil Calendar Swaps, Australian Dollar-denominated wheat swaps, Coal (API 5) fob Newcastle (Argus/McCloskey) deliverable in Western Australia, Yen-denominated Nikkei 225 options

Options Are Appealing in Low Volatility Periods

Top performing asset classes:



- **Strong fourth-quarter 2013 electronic options percentage of total ADV across various asset classes**

- Equity 92%, FX 89%, Metals 55%, Ag Commodities 52%, Energy 27%, Interest Rates 33%
- In 2013, 45% of total options traded electronically, up from 35% in 2012
- Electronic venue commands higher rate per contract

- **In January, for the first time 1 million equity options traded within a single day**

- **Options OI increased 27% in 2013, outpacing futures which rose 13%**



CME Group 4Q 2013 Adjusted Financial Results¹

- Revenue of \$687M
- Operating Expense of \$337M
- Operating Income of \$350M
- Net Income Attributable to CME Group of \$214M
- Diluted EPS of \$0.64

CME Group Average Rate Per Contract (RPC)

<u>Product Line</u>	<u>4Q 2012</u>	<u>1Q 2013</u>	<u>2Q 2013</u>	<u>3Q 2013</u>	<u>4Q 2013</u>
Interest Rates	\$ 0.494	\$ 0.468	\$ 0.455	\$ 0.484	\$ 0.504
Equities	0.697	0.691	0.714	0.695	0.702
Foreign Exchange	0.835	0.848	0.826	0.819	0.835
Energy	1.487	1.390	1.260	1.300	1.279
Ag Commodities	1.298	1.318	1.378	1.323	1.327
Metals	1.709	1.656	1.613	1.626	1.682
Average RPC	\$ 0.831	\$ 0.785	\$ 0.748	\$ 0.762	\$ 0.780

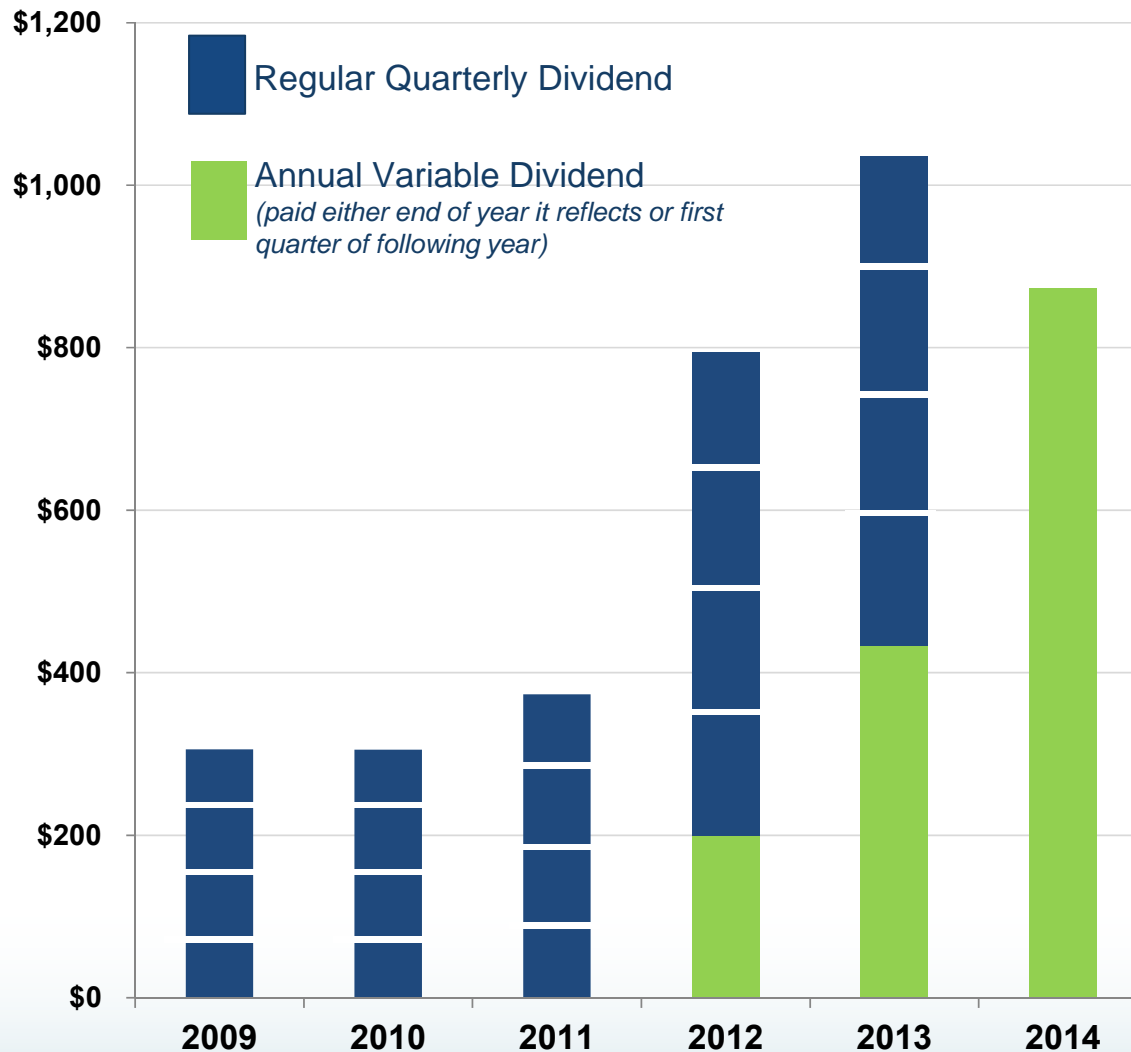
1) A reconciliation of the non-GAAP financial results mentioned to the respective GAAP figures can be found within the Reconciliation of GAAP to Non-GAAP Measures chart at the end of the financial statements. Fourth-quarter 2013 results included a loss associated with the sale of the NYMEX building as well as the impact of an intangible asset write-off by an unconsolidated subsidiary.

Note: Fourth-quarter 2012 and first-quarter 2013 RPC data does not include 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.



Committed to Returning Cash to Shareholders

\$ (millions)



- Unique annual variable structure
- Creates opportunity to sweep excess cash to shareholders annually
- CME Group to keep \$700M minimum cash



Notes / Guidance

- **Operating Expense**

- Fourth-quarter was \$364 million, however, excluding the loss associated with the sale of the NYMEX building and the tax impact from that, expenses would have been \$337 million¹.
- Full-year 2013 was \$1.271 billion, which was approximately \$21 million higher than original expense guidance of \$1.25 billion due primarily to (1) the \$16 million expense associated with the company's response to a cyber-intrusion over recent months and (2) deferred compensation of \$9 million due to strong equity market growth
- Full-year 2014 operating expenses expected to come in at approximately \$1.31 billion, not including deferred compensation, and is based upon our targeted bonus level, which may vary depending on performance and assumes a certain level of license and fee sharing expense with varies with volume

- Up 5 percent excluding the cyber incident and deferred compensation in 2013

- **Tax** – Excluding impacts noted in the reconciliation¹, the fourth quarter effective tax rate was 37.2 percent and full year 2013 was approximately 37.7 percent. Expecting effective tax rate of between 37 and 38 percent for 2014, consistent with the prior year.
- **Capital Expenditures** – 4Q totaled \$39 million, bringing the full year 2013 to \$130 million, which is lower than the original guidance. Capital expenditures in 2014 are expected to be \$175 million – which includes approximately \$37 million associated with a NYMEX office space update to bring it up to corporate standards and improve efficiency.²

Notes / Guidance

- **Several announced pricing changes went into effect recently –**
 - Adjusted transaction fees and certain tier levels within the core business, which based on 2013 activity and mix levels, we would expect to result in a 2 to 3 percent increase to transaction fee revenue.
 - Effective last month, expanded market data fees for professional screens from \$70 per month to \$85 per month.
 - Beginning in 2014, the company will not be granting any more new market data fee waivers, and starting in 2015, the company will begin charging 50 percent of the standard fee to existing clients that have the waiver in place – expect this to add incremental market data revenue beginning in 2015.
- **Balance Sheet** – As of December 31, 2013, the company had almost \$2.54 billion of cash and marketable securities, which includes \$750 million held in cash for the February 2014 debt pay down. The annual, variable dividend was paid out in mid-January and totaled \$870 million, bringing total 2013-related dividend to \$1.5 billion, reflecting a payout percentage well over 100 percent, driven in part from one-time items (the building sale proceeds and proceeds from the company's interest rate hedge). This leaves approximately \$900 million in cash heading into 2014.

Most Attractive, Valuable and Diverse Franchise in the Exchange Sector

- **Combination of unique assets provide competitive advantages**
 - Balanced portfolio of diverse and benchmark products
 - Industry-leading trading platform, flexible architecture
 - Vertically integrated clearing, risk management expertise
- **Additional growth opportunities**
 - Early stages of globalization
 - Over-the-counter (OTC) and exchange-traded markets converging
 - Non-transaction based businesses
- **Strong financial characteristics**
 - Highly cash-generative business model with commitment to returning capital to shareholders
 - Significant operating leverage

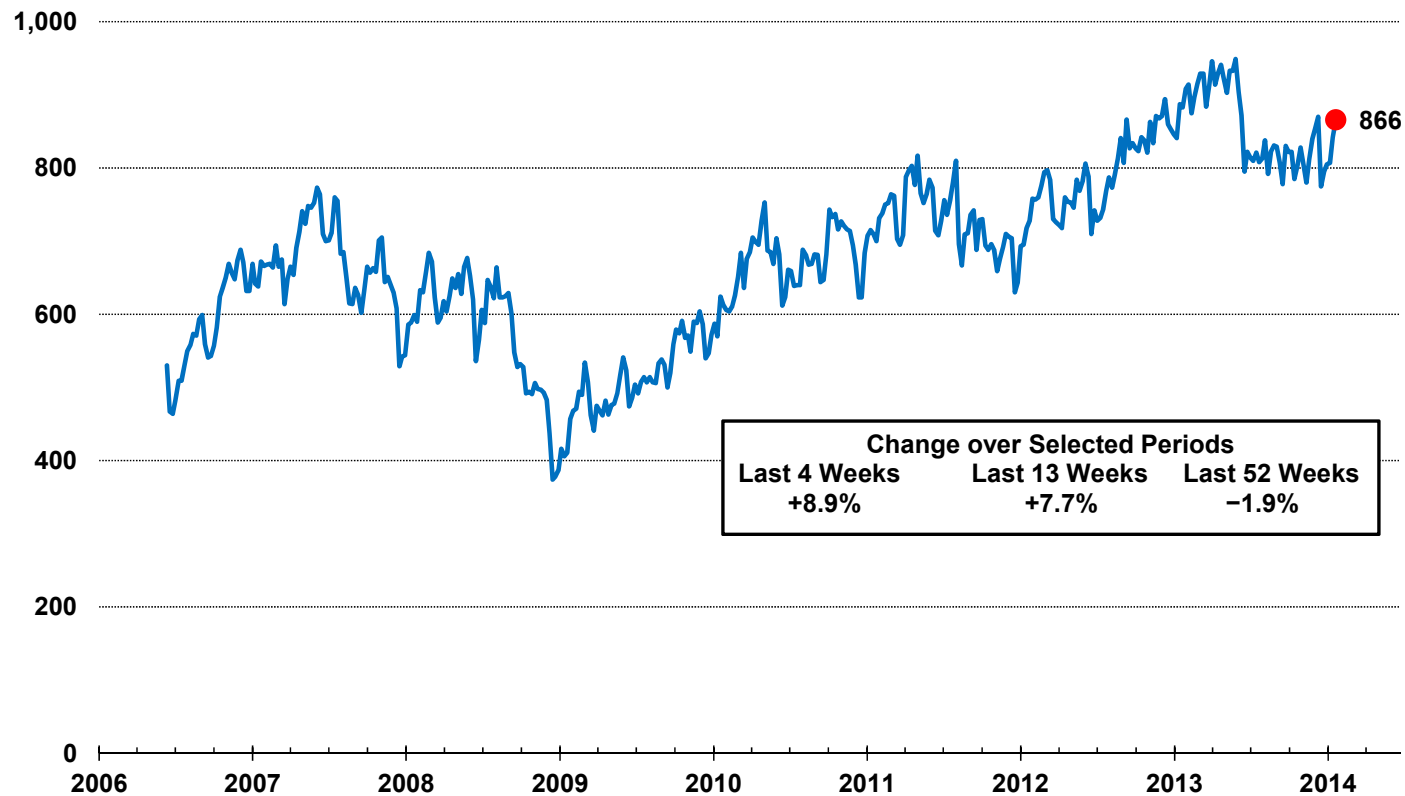
CME Group
4Q 2013
Earnings Conference Call – Appendix

February 4, 2014

FX LOIH

CME Group Foreign Exchange Futures Aggregate Number of Large Open Interest Holders*

Source: CFTC



**The CFTC defines large open interest holders as having at least 400 open contracts in Major Foreign Currency futures and at least 100 open contracts in Other Foreign Currency futures.*

Interest Rate Futures LOIH

CME Group Interest Rate Futures
Aggregate Number of Large Open Interest Holders*

Source: CFTC



3-Month Eurodollar LOIH

CME 3-Month Eurodollar Futures
Number of Large Open Interest Holders*

Source: CFTC



The CFTC defines large open interest holders as having at least **3,000 open contracts in Eurodollar futures.*