

Chicago Mercantile Exchange Inc. Licenced to Begin GLOBEX® Operations In Australia

CME Becomes First Non-Australian Exchange to Receive Licence Under New Regulatory Framework

CHICAGO, Jan. 14 /PRNewswire-FirstCall/ -- Chicago Mercantile Exchange Inc. (CME) today announced that it has received final regulatory approval from the Australian government to provide Australia direct access to its markets via its GLOBEX® electronic trading platform.

Under the terms of the approval, CME can begin immediately providing direct access to GLOBEX and products traded on GLOBEX to Australian market participants. Previously, CME markets could only be accessed from Australia indirectly through third party connections, often at higher cost and slower execution times than available through direct access to GLOBEX. CME is the first non-Australian exchange to be licensed under the new Chapter 7 of the Corporations Act.

"We are excited to be the first overseas exchange to receive an Australian Market Licence and to now offer direct access to GLOBEX from Australia," said CME Chairman Terry Duffy. "As Australia continues to grow as a major global financial center, there has been growing demand from the Australian financial community for CME products -- particularly our Eurodollar interest rate and foreign exchange products -- and consequently direct access to our markets via GLOBEX. CME will continue to strive to meet the demands of our customers globally."

"CME is grateful for the efforts of the Australian Department of Treasury in Canberra and to AXISS Australia for their assistance," said CME CEO Craig Donohue. "We believe the superior liquidity and transparency provided by the diverse range of CME products, along with our clearing, capital and operational efficiencies, will prove to be beneficial to the Australian financial community and will further establish CME as the premier global marketplace for financial risk management."

The Australian government welcomed the start of CME's GLOBEX operations in Australia, with Parliamentary Secretary to the Treasurer, the Hon. Ross Cameron MP, saying CME's entry could increase competition for derivatives, encouraging the growth of the Australian financial system.

"This is a positive development for the Australian financial community and is evidence of Australia's growing importance as a leading financial centre and our continued integration with the global economy," Cameron said.

Strategically, Sydney is the first major financial centre in the world to open at the beginning of the global trading day. Consequently, in recent years a growing number of international banks, hedge funds, and other financial institutions, as well as independent traders and trading arcades, have been expanding their presence and seeking full access to global markets and risk management tools.

Australia, the world's 14th largest economy, has had economic growth averaging 3.6 percent a year for the past five years, easily beating the global average of 2.6 percent. Australia's \$52 billion a year financial services sector has also been robust, growing an average of 5.3 percent per year over the last two decades. Australian derivatives trading rose sharply in recent years, especially over the counter derivatives markets in interest rates and currencies, which are up 50 percent since 1997.

A variety of CME products provide significant utility to Australian financial markets, especially CME's Eurodollar contract, which represents the interest rate on three-month deposits of U.S. dollars in non-U.S.-based banks. Eurodollars were the world's most actively traded short term interest rate contract in 2003, with average daily volumes exceeding 1.1 million. CME also trades futures and options on futures on the Australian dollar, which together traded roughly 1.7 million contracts in 2003, with over 250,000 contracts in December alone, an all-time monthly record.

CME expanded its presence in the Asia-Pacific region by establishing an office in Sydney to take advantage of the many growth opportunities in the area. Australian institutions and market participants interested in receiving additional information about CME's products and GLOBEX electronic trading platform should contact Nick Bolton at 61-2-9231-7475 or at nbolton@cme.com.

Chicago Mercantile Exchange Inc. (www.cme.com) is the largest futures exchange in the United States. As an international marketplace, CME brings together buyers and sellers on its trading floors and GLOBEX® electronic trading platform. CME offers futures and options on futures primarily in four product areas: interest rates, stock indexes, foreign exchange and commodities. The exchange moved about \$1.4 billion per day in settlement payments in 2003 and managed \$37.6 billion in collateral deposits at Dec. 31, 2003, including \$1.5 billion for non-CME products. CME is a wholly owned subsidiary of Chicago Mercantile Exchange Holdings Inc. (NYSE: CME), which is part of the Russell 1000® Index.

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