

CME Group

1Q 2013

Earnings Conference Call

May 2, 2013

Forward-Looking Statements

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. 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 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, including 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 or eliminated by the growth of electronic trading, the state of the overall economy or declines in subscriptions; changes in our average 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 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 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 or user fee 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 website. 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 TRAKRSSM 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 3/31/2013.



CME Group

Most attractive, valuable, diverse franchise in exchange sector

- **Combination of unique assets provide competitive advantages**

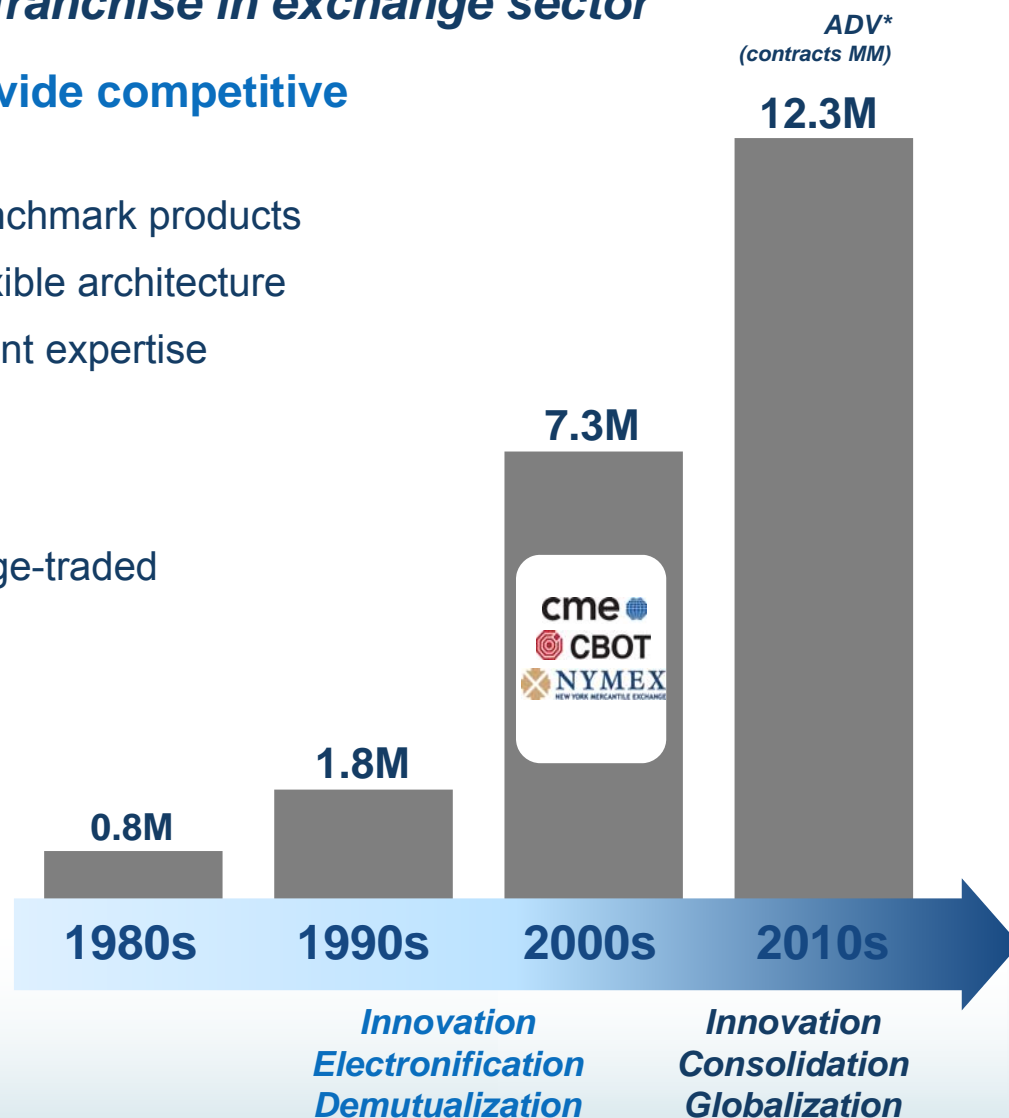
- Balanced portfolio of diverse and benchmark products
- Industry-leading trading platform, flexible architecture
- World-class clearing, risk management expertise

- **Additional growth opportunities**

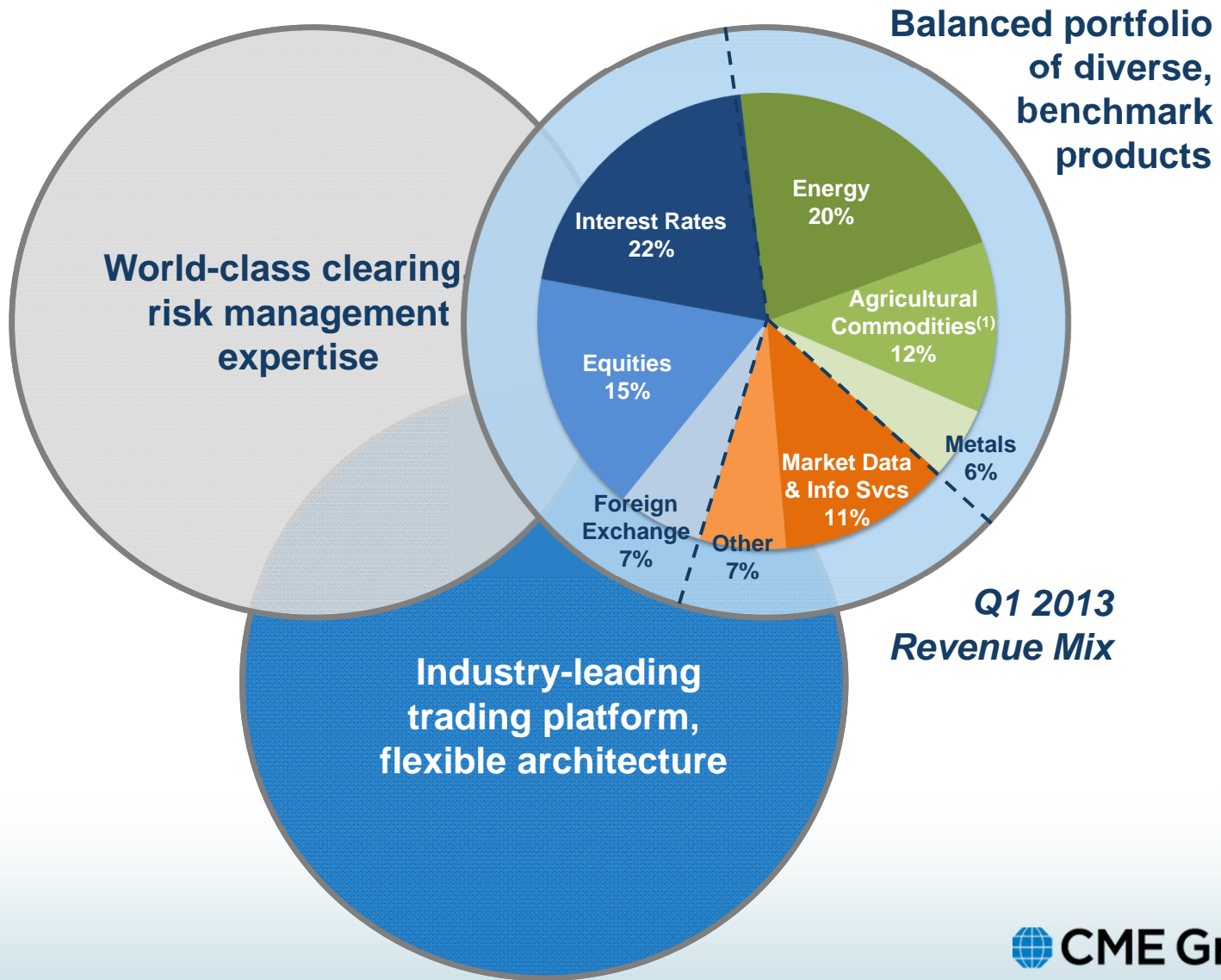
- Early stages of globalization
- Over-the-counter (OTC) and exchange-traded markets converging
- Non-transaction based businesses

- **Strong financial characteristics**

- Significant operating leverage
- Unique variable dividend philosophy supplementing regular dividend
 - \$1.2B in dividends paid in 2012



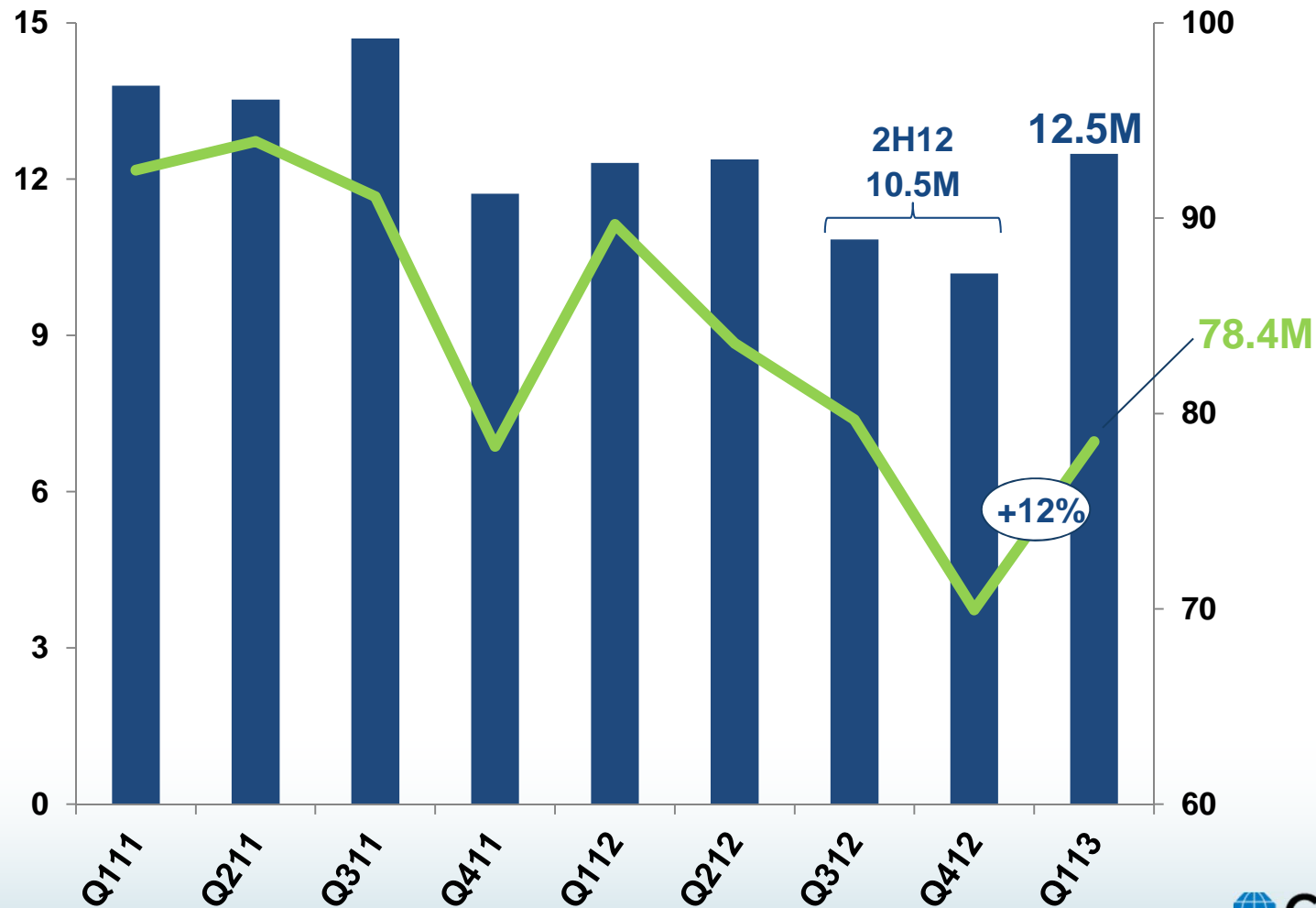
Most Attractive, Valuable and Diverse Franchise in the Exchange Sector



Improving Environment in 2013

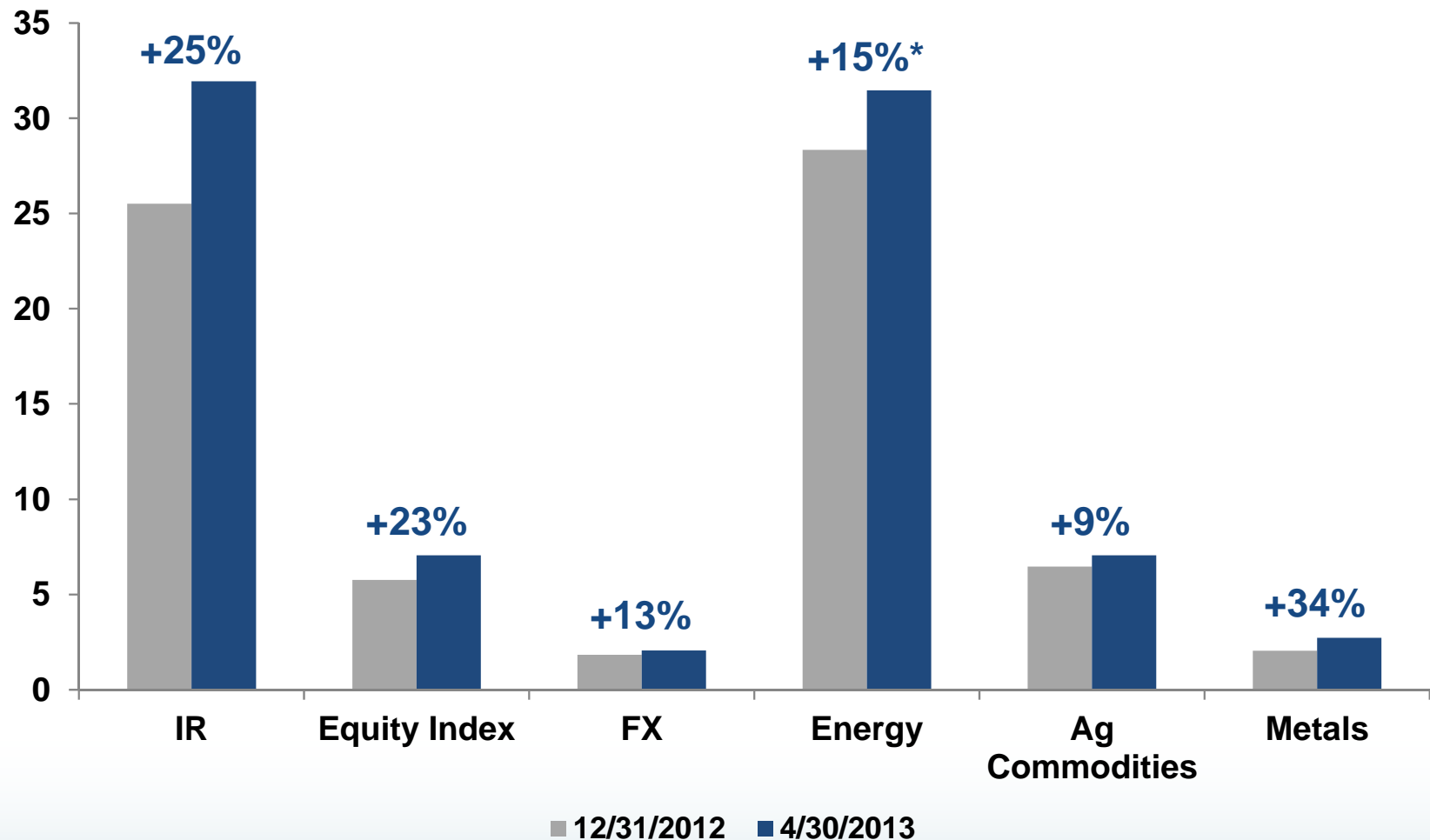
Quarterly ADV (millions)

Quarter End OI (millions)



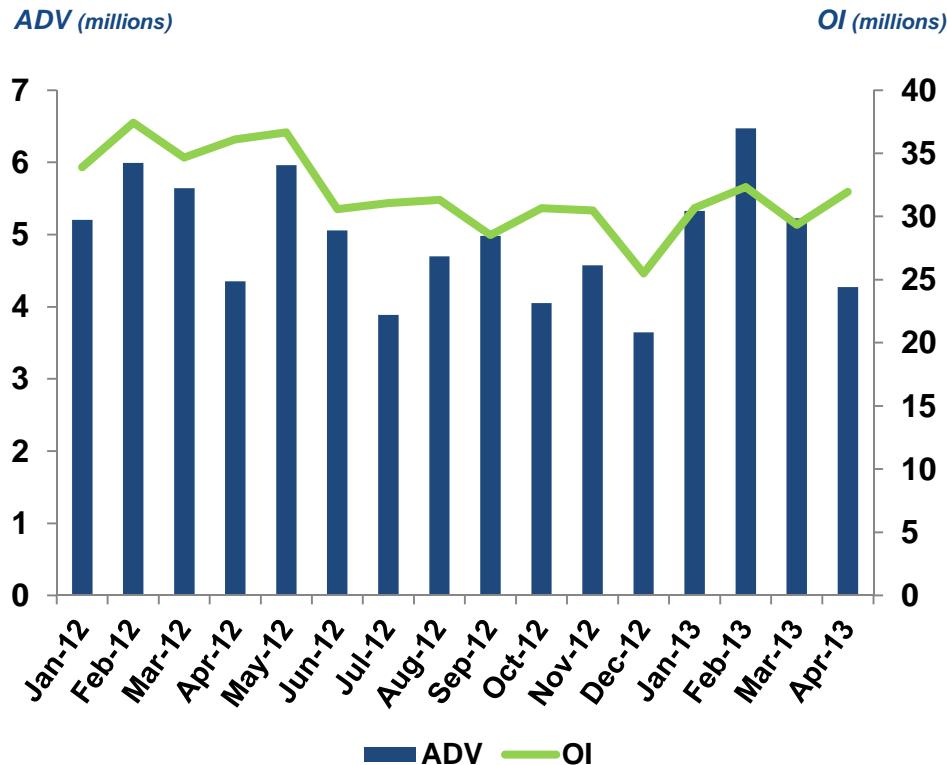
Open Interest YTD Up Across Product Lines

YTD OI Growth



 **CME Group**

Interest Rates



- 1Q 2013 ADV of 5.7M up from 4.3M during 2H 2012
- 1Q 2013 Treasury volume of 3.4M up 24 percent compared to 1Q12
- **Record** February 2013 Treasury futures ADV up 37 percent, including a daily Treasury futures record of 10.1M contracts on Feb. 26
- February 2013 Treasury options volume - **second highest month**
- 1Q13 **54 percent** electronic trading of 10-yr Treasury Note options (**record**)
- 1Q13 Weekly Treasury options up 48 percent

Interest Rates

Large Open Interest Holders – In Aggregate

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

Source: CFTC

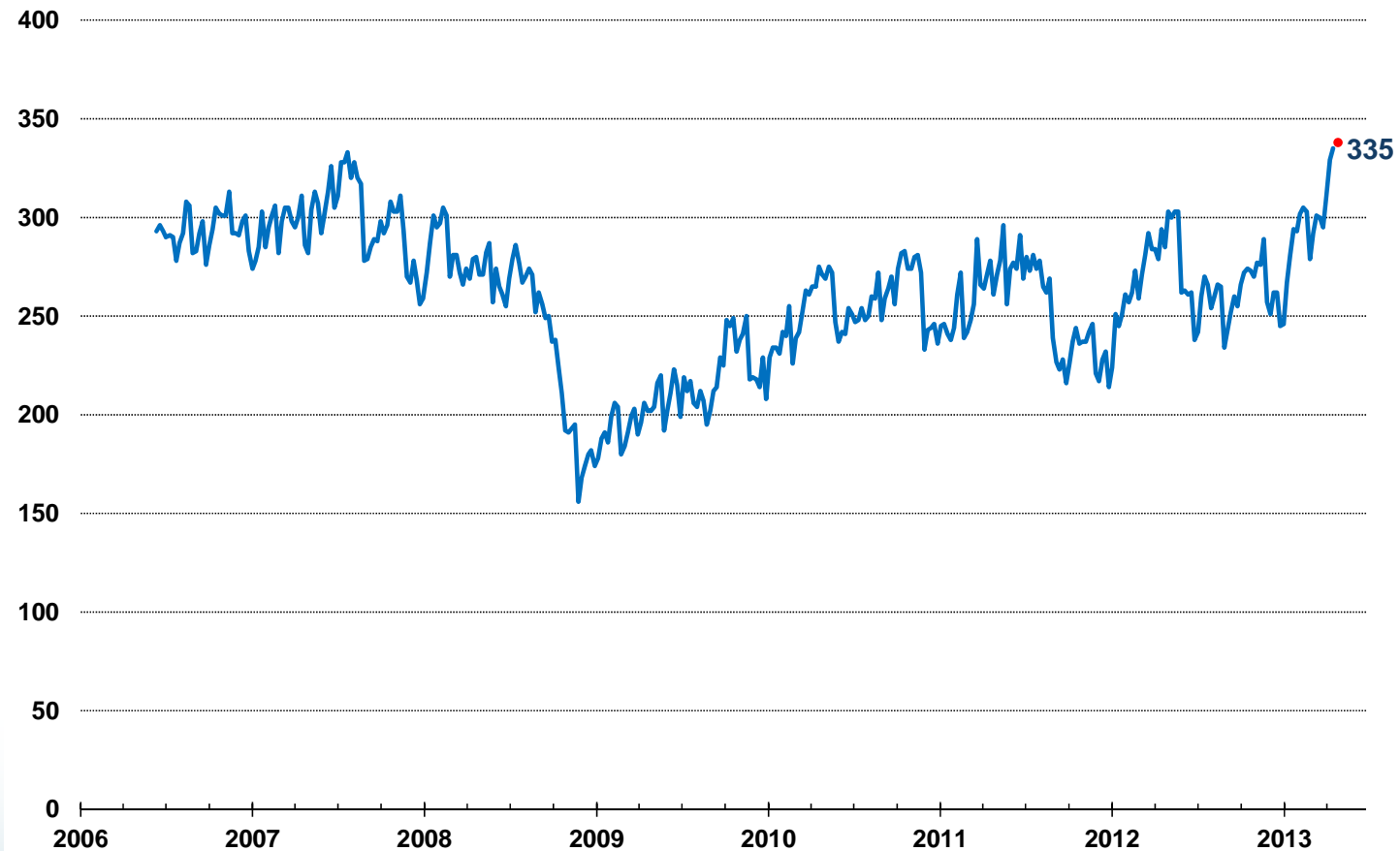


Interest Rates

Large Open Interest Holders – CBOT 10-Year Treasury Note Futures

CBOT 10-Year Treasury Note Futures
Number of Large Open Interest Holders*

Source: CFTC



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 (\$21T of notional value at 12/31/12)

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 5 years
- Portfolio margining
- Real-time clearing

Hybrid Futures

Deliverable Swap Futures

- Innovative new product created based on client demand
- Compliments 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

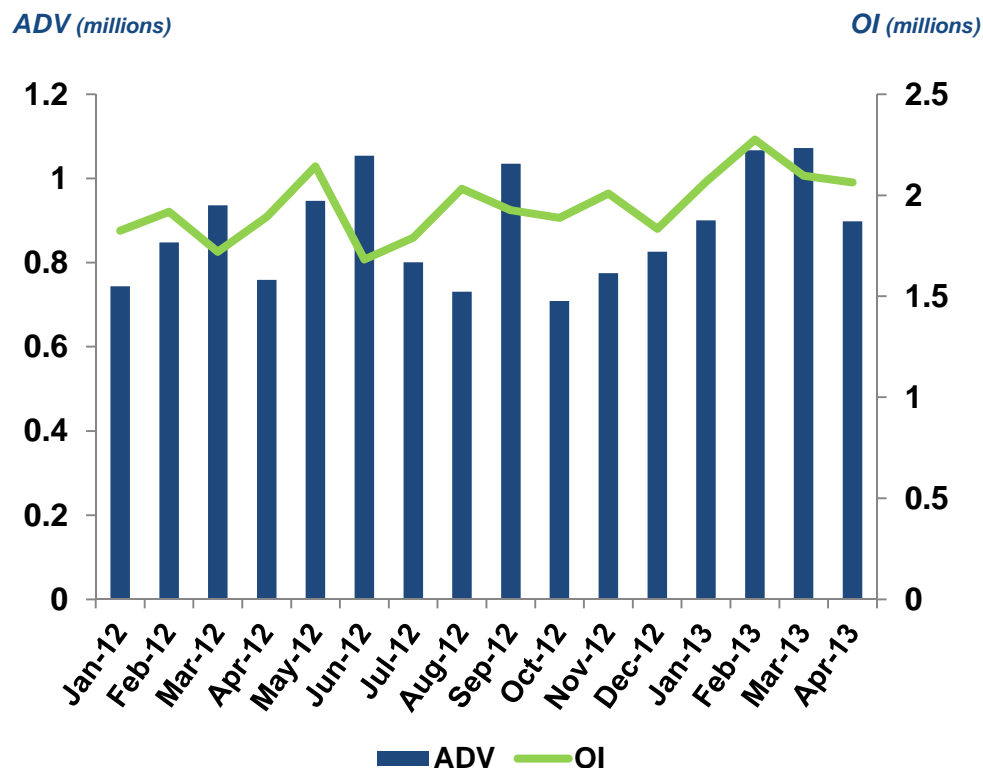
Foreign Exchange

- 1Q13 ADV of 1 million contracts up 19 percent year-over-year; Feb 2013 was highest non-roll month since May 2010

- 1Q 2013 quarterly records in Japanese Yen and British Pound contracts

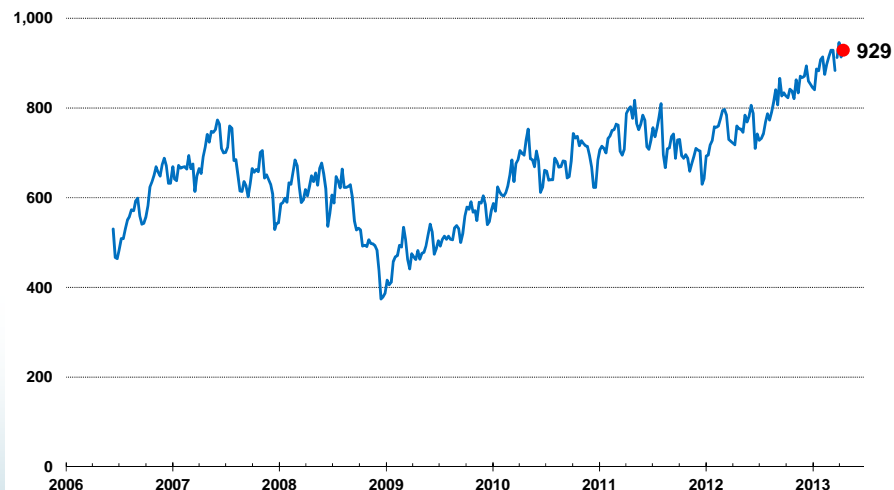
- FX Options continue to be strong with monthly record in February 2013, up 70 percent 1Q13 vs. the same period last year (and 85 percent electronic YTD)

- Significant growth in open interest and the number of “Large Open Interest Holders”*

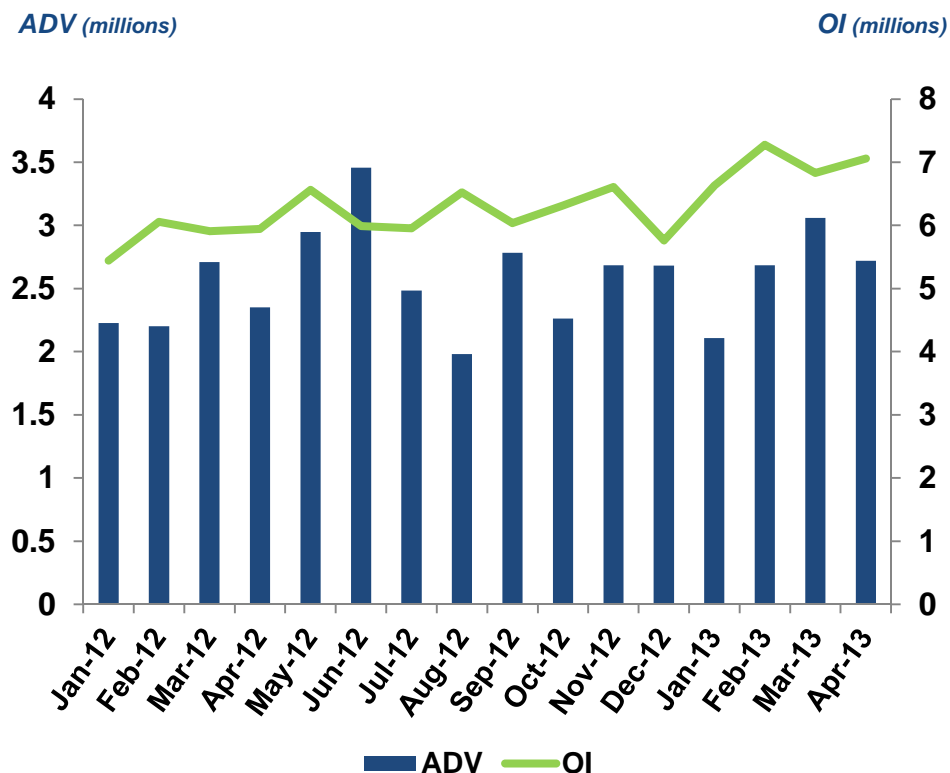


CME Foreign Exchange Futures
Aggregate Number of Large Open Interest Holders*

Source: CFTC



Equity Indexes

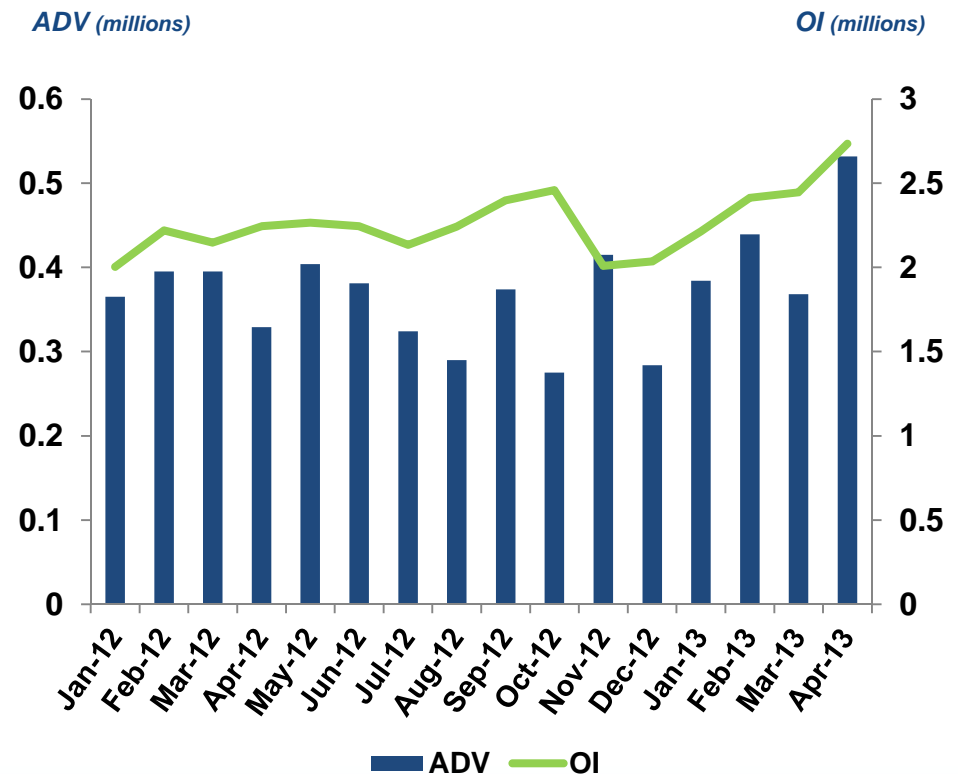


- 1Q13 ADV up 9 percent vs. prior year and open interest up 23 percent year-to-date
- YTD 2013 net active equity inflows through March of \$135B*
- 1Q13 E-mini options ADV up 86 percent, up 89 percent in April
 - Expanded participation in weekly and monthly options
- 1Q13 Nikkei based products up 76 percent (Yen-based) and up 116 percent (U.S. dollar-based)
- Solid overall monthly growth trends
 - February up 22 percent
 - March up 13 percent
 - April up 16 percent

Metals

Global supply/demand and geopolitical events have positive impact

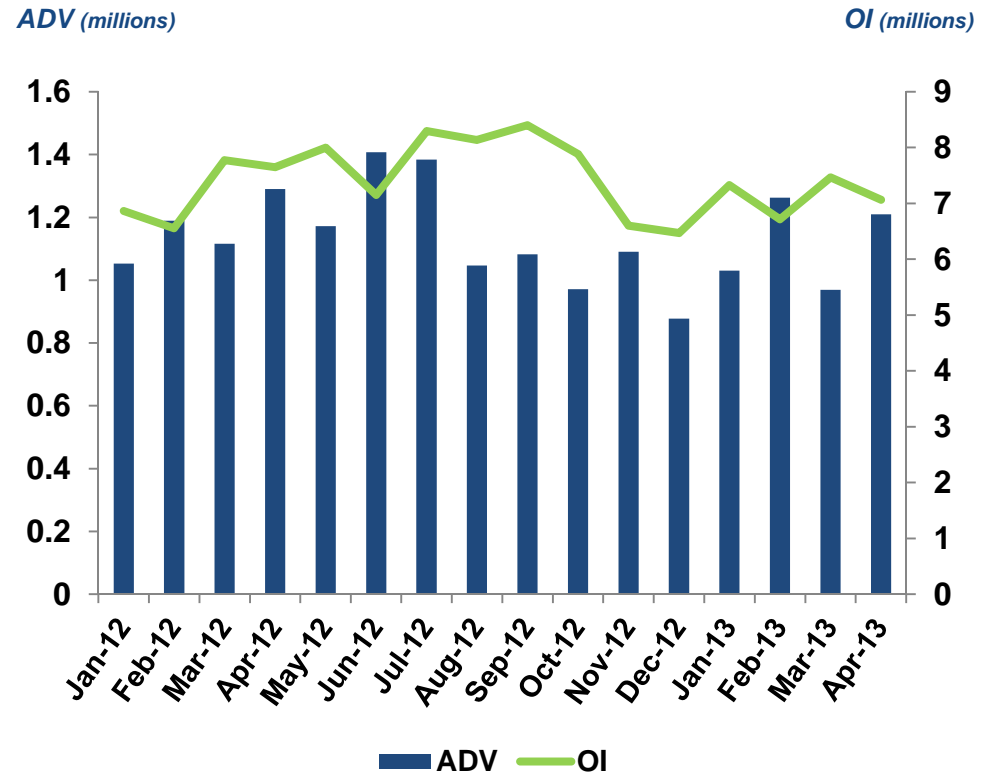
- April 2013 ADV record 532K
- Recent strength in copper
 - April 2013 ADV record 103K
- Multiple records on April 15
 - Combined futures and options of 1.5M contracts, up 78 percent from prior daily record
- All-time daily trading records in gold futures, gold options and copper futures



Commodities

CME Group offers widest range of agricultural commodity futures and options on any U.S. exchange

- KCBT acquisition added the more geographically diverse high protein wheat to the legacy wheat complex
 - Hard Red Winter (HRW) Wheat accounts for an estimated 42 percent of total US production and 45 percent of exports
 - Implied inter-exchange Wheat futures spread became available on CME Globex in December 2012
 - HRW Wheat ADV doubled from December 2012 to February 2013
 - HRW Wheat Q1 2013 ADV is up 24 percent vs. Q1 2012
- Clearing services consolidated under CME Clearing in April
- Additional customer efficiency ahead:
 - All floor trading transitioning to Chicago (July)*



- April 8th daily volume record for short-dated new crop corn options
- Working with global partners on product innovation
 - MexDer launched mini-sized corn futures contract denominated in Mexican pesos



Energy

NYMEX WTI

- **Short-term:** Industry infrastructure improvements (Seaway Pipeline / waterborne crudes like Light Louisiana Sweet crude reconnecting to WTI) can help drive increased market share versus competing crude products
- **Longer-term:** Substantial increases in projected U.S. production should significantly benefit WTI

NYMEX Brent

- Monthly ADV **building** – Jan 22K, Feb 33K, Mar 35K, April 39K
- Higher volumes and tighter markets driving solid open interest
- Still early in development; >5 percent share in Brent futures

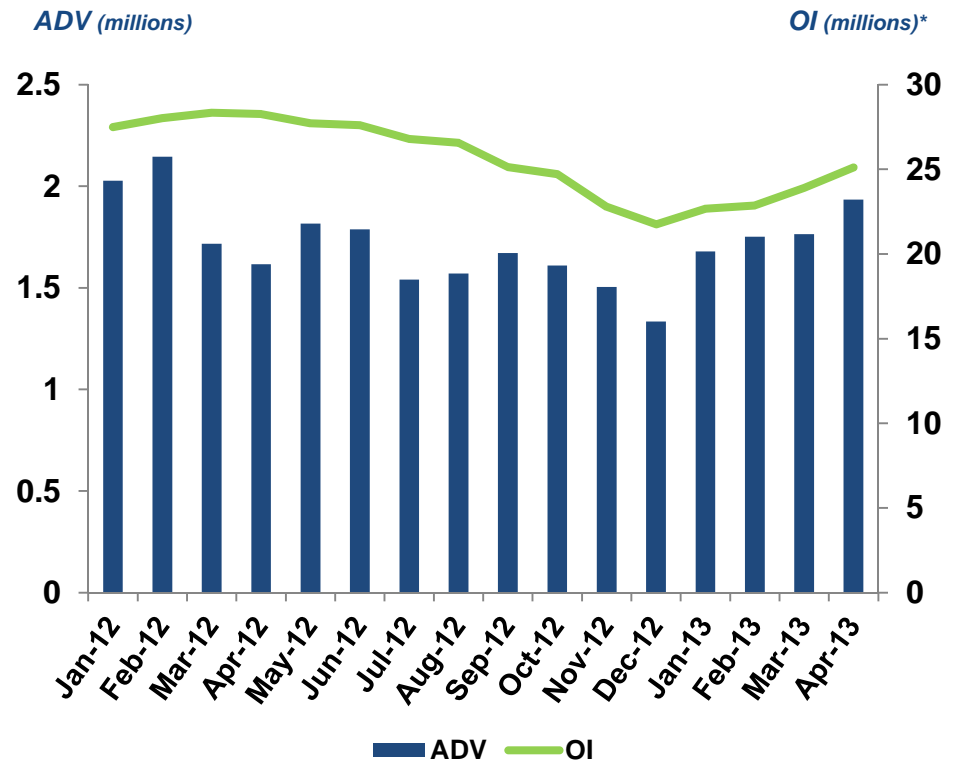
DME Oman

- Increased ownership to 50 percent in 2012 / new CEO in place / 1Q13 ADV **up 20 percent**
- Will be included in a new U.S.-based commodities fund, giving investors exposure to Asia's rapidly growing demand for raw materials

Energy

Recent strength / Focus on global strategy

- April 2013 ADV of 1.9 million contracts **up 20 percent** year-over-year
 - Increased volatility
 - Rising natural gas prices
 - Ongoing corrections to infrastructure issues
- Crude, Natural Gas and Power all up significantly in April versus 1Q 2013
- In recent weeks, WTI and Brent spread has tightened considerably – **under \$9** in the June contract



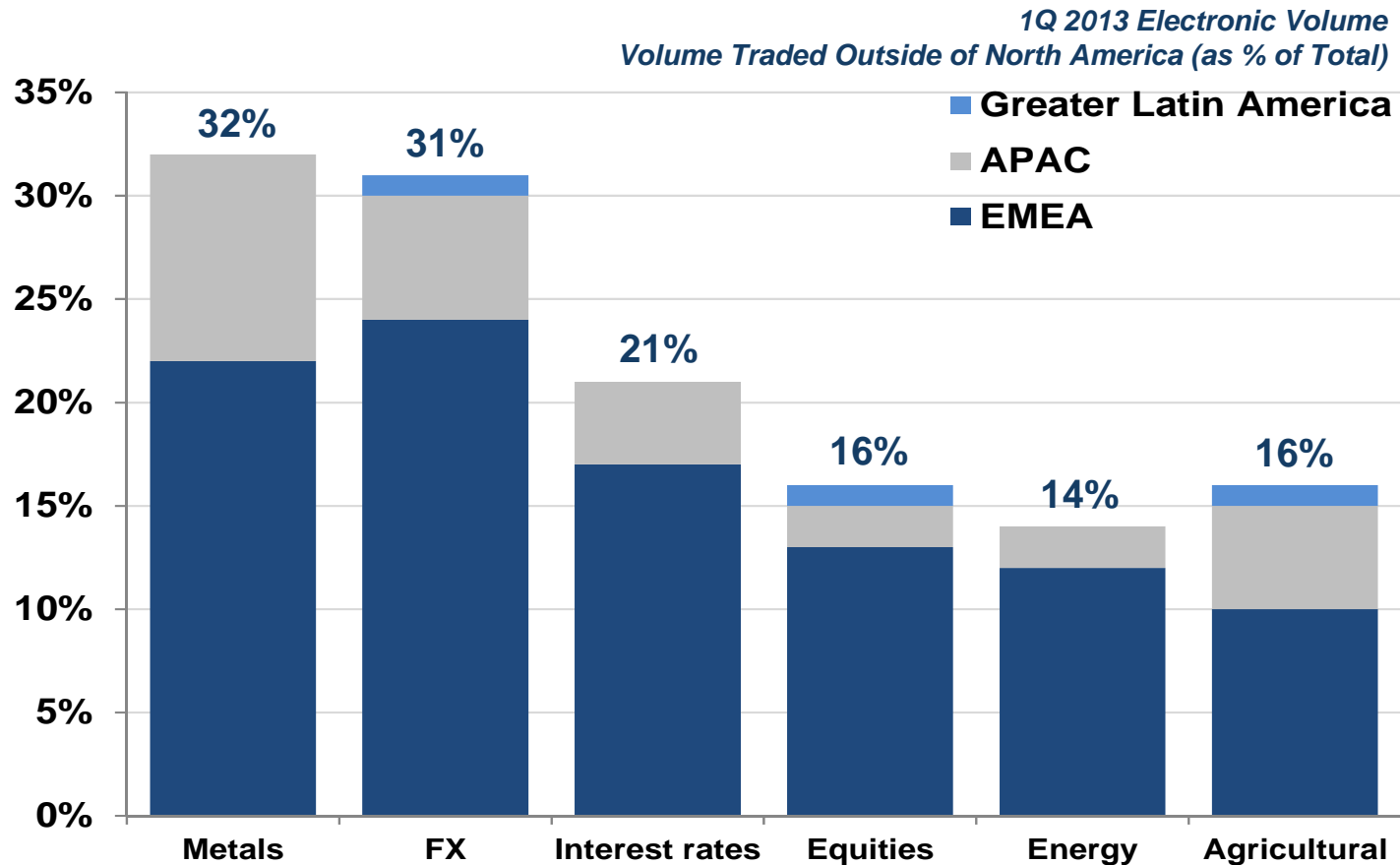
**Energy open interest excludes the open interest from the PJM power contracts*

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



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)*



CME Group 1Q 2013 Adjusted Financial Results¹

- Revenue of \$719M
- Operating Expense of \$301M
- Operating Income of \$418M
- Operating Margin 58%
- Net Income Attributable to CME Group of \$244M
- Diluted EPS of \$0.73

CME Group Average Rate Per Contract (RPC)

<u>Product Line</u>	<u>1Q 2012</u>	<u>2Q 2012</u>	<u>3Q 2012</u>	<u>4Q 2012</u>	<u>1Q 2013</u>
Interest Rates	\$ 0.475	\$ 0.485	\$ 0.481	\$ 0.494	\$ 0.468
Equities	0.692	0.674	0.685	0.697	0.691
Foreign Exchange	0.841	0.807	0.808	0.835	0.848
Energy	1.517	1.496	1.473	1.487	1.390
Ag Commodities	1.216	1.264	1.301	1.298	1.318
Metals	1.647	1.649	1.693	1.709	1.656
Average RPC	\$ 0.811	\$ 0.812	\$ 0.822	\$ 0.831	\$ 0.785
<u>Venue</u>					
Exchange-traded	\$ 0.737	\$ 0.750	\$ 0.757	\$ 0.771	\$ 0.730
CME ClearPort	2.388	2.510	2.719	2.646	2.360

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. First-quarter 2013 results included a \$12 million expense due to foreign exchange transaction losses incurred during the quarter principally related to cash held in British pounds within foreign entities whose functional currency is the U.S. dollar.

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.



Notes / Guidance

- **Other Revenue** - First-quarter was \$23 million, up from \$14 million in Q4, due primarily to a progress payment from BM&FBOVESPA related to our trading platform development work.
- **Non-Operating Income** – CME Group did not record a dividend this quarter from BVMF. We record dividends on the ex-dividend date, and the ex-date for their Q1 dividend fell in April this year. Based on what they declared, our portion will be approximately \$10 million. We will recognize this dividend in Q2, and depending on their timing, we may end up recording two dividends from them in Q2. If we had been able to record this dividend in Q1, our Q1 EPS would have been a couple of cents higher.
- **Interest Expense** - Totaled \$39 million in Q1 which we guided to last quarter. We will be paying down our upcoming August maturity and will likely look to issue new debt later this year to prefund the February 2014 bonds. Once we've worked through these near-term maturities, our run rate quarterly interest expense will likely be between \$26 and \$27 million starting in Q2 2014.
- **Equity in gains in unconsolidated subsidiaries** - \$17.5 million, with good results from the S&P Dow Jones joint venture. In April, the company purchased the non-controlling interest in CME Group Index Services LLC (Index Services) for \$80.0 million. Index Services maintained a 24.4 percent interest in S&P/Dow Jones Indices LLC (S&P/DJI). As a result of the purchase of the non-controlling interest, the company's interest in S&P/DJI increased to 27 percent.
- **1Q 2013 adjusted effective tax rate**, excluding the FX impact, was 38.5 percent
- 2013 expense projection of \$1.25 billion **remains unchanged**
- 2013 capital expenditures expected between \$140 and \$150 million **remains unchanged**

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

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