

CME Group 3Q 2014 Earnings Conference Call

October 30, 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 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.

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 received 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 9/30/2014.

Long-Term Growth in a Variety of Environments

(round turns, in millions)

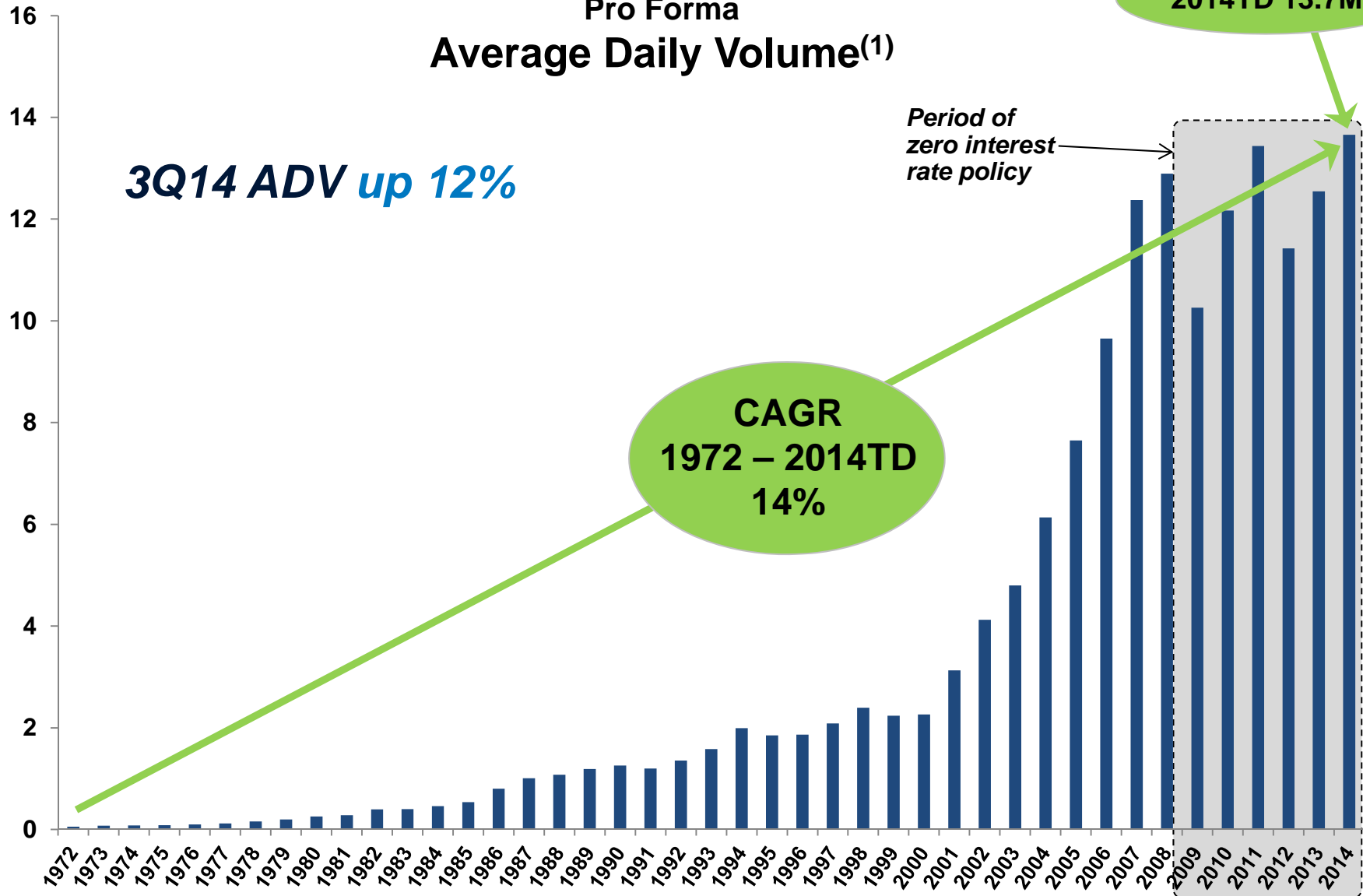
Pro Forma
Average Daily Volume⁽¹⁾

2014TD 13.7M

3Q14 ADV up 12%

Period of
zero interest
rate policy

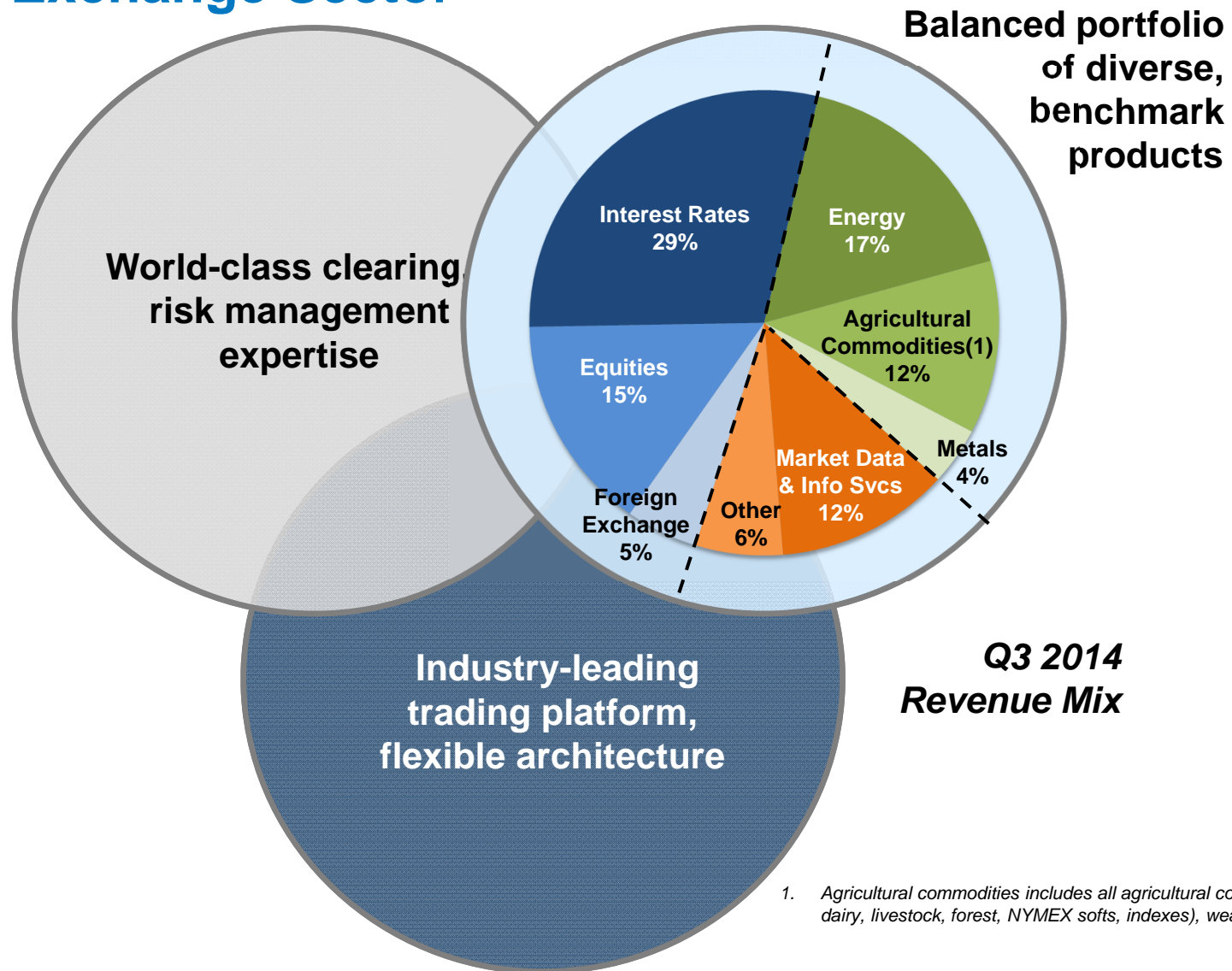
CAGR
1972 – 2014TD
14%



2014TD is through October 28, 2014

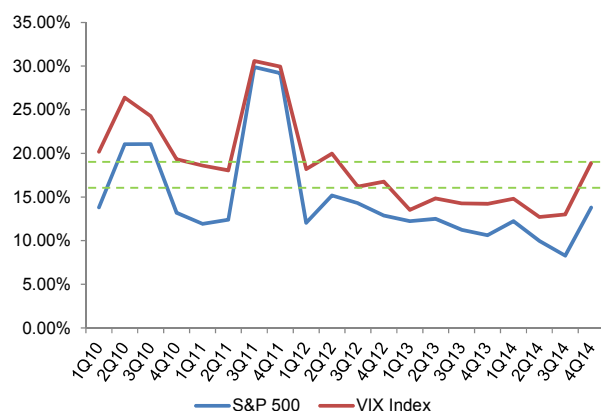
1. Volumes are all pro forma as if CME owned NYMEX and CBOT over the illustrated period.

Most Attractive, Valuable and Diverse Franchise in the Exchange Sector

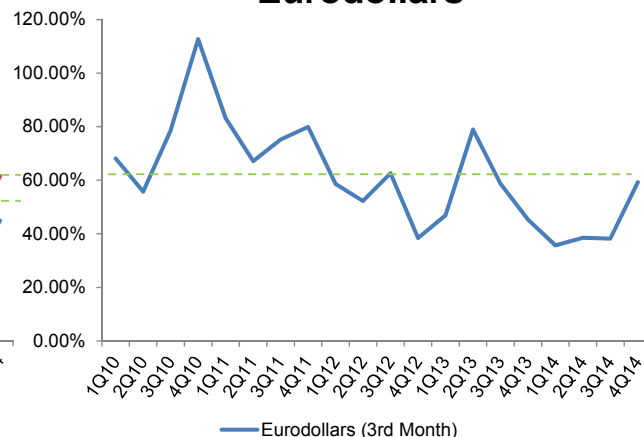


Slight Volatility Uptick Across Many Product Lines

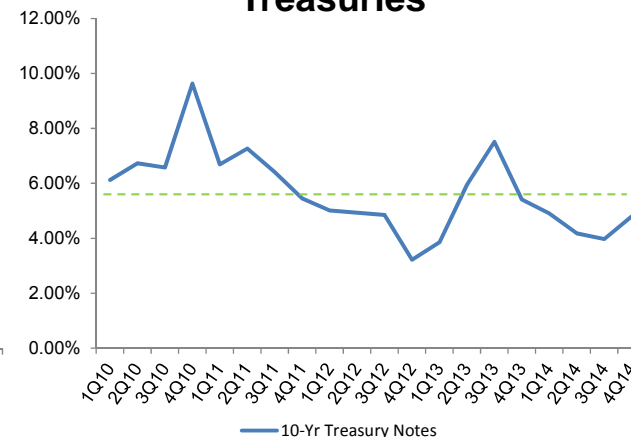
S&P 500 Volatility



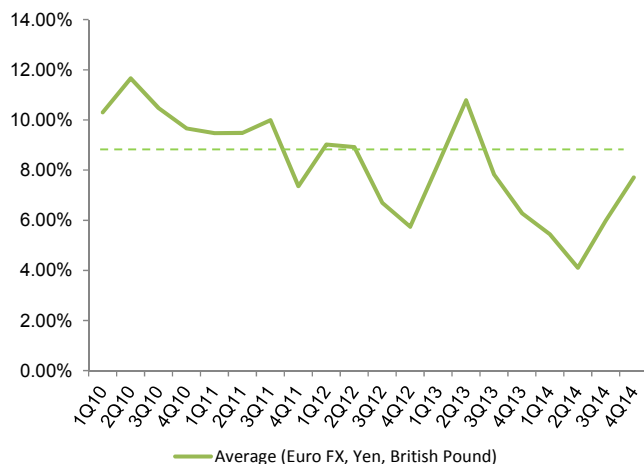
Eurodollars



Treasuries



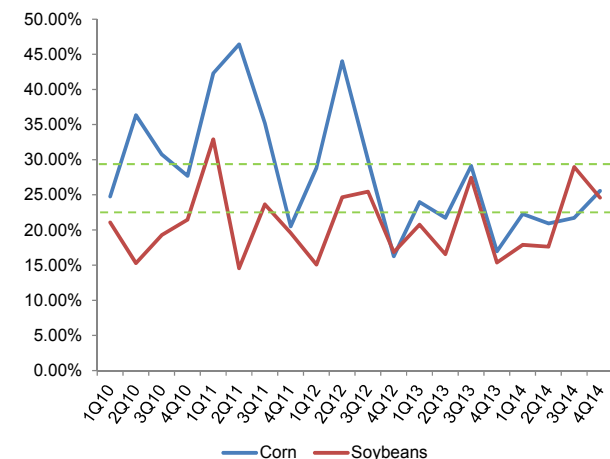
Foreign Exchange



Energy



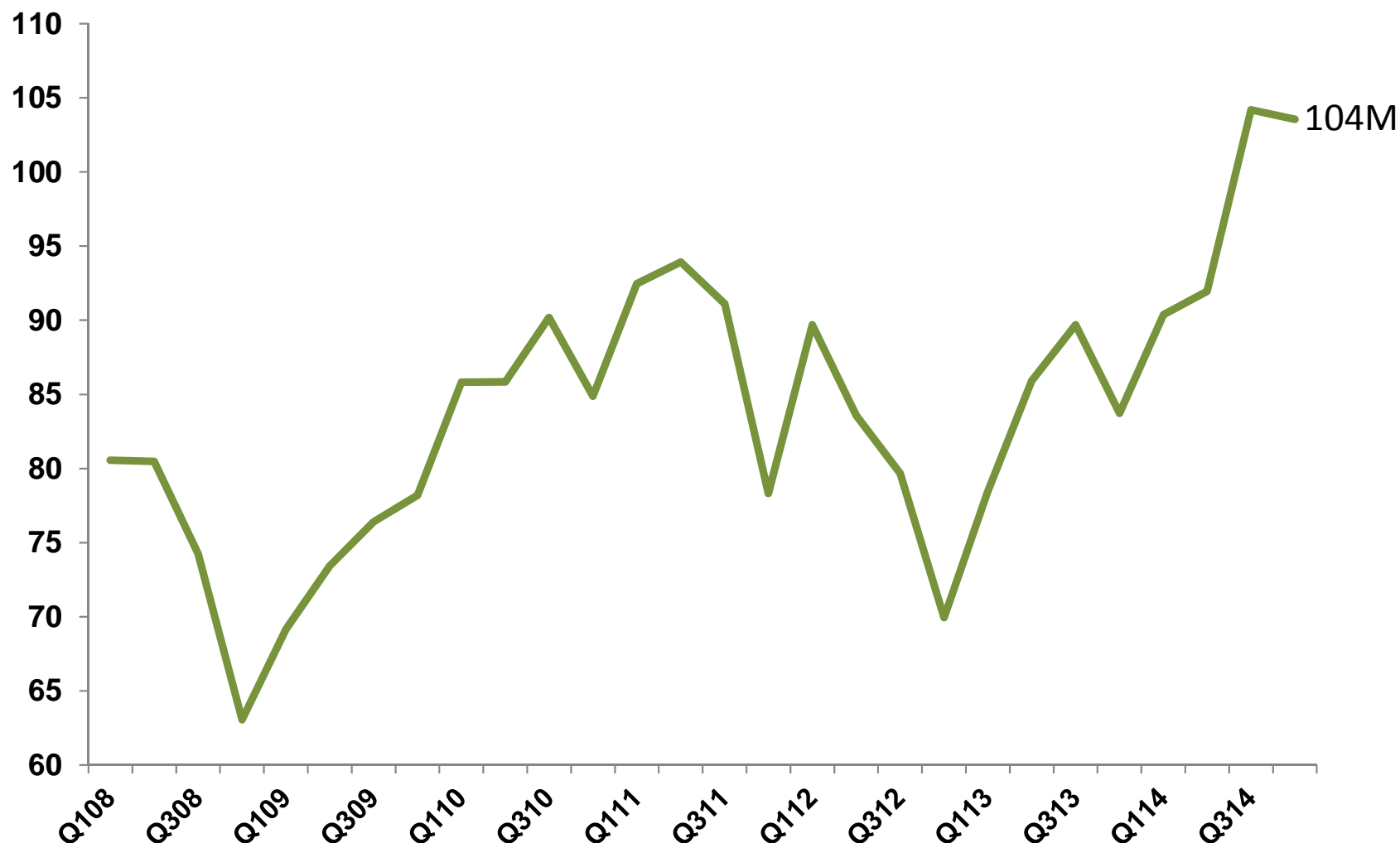
Ag Commodities



----- = trend line of average over timeframe (2010 through 2014TD)

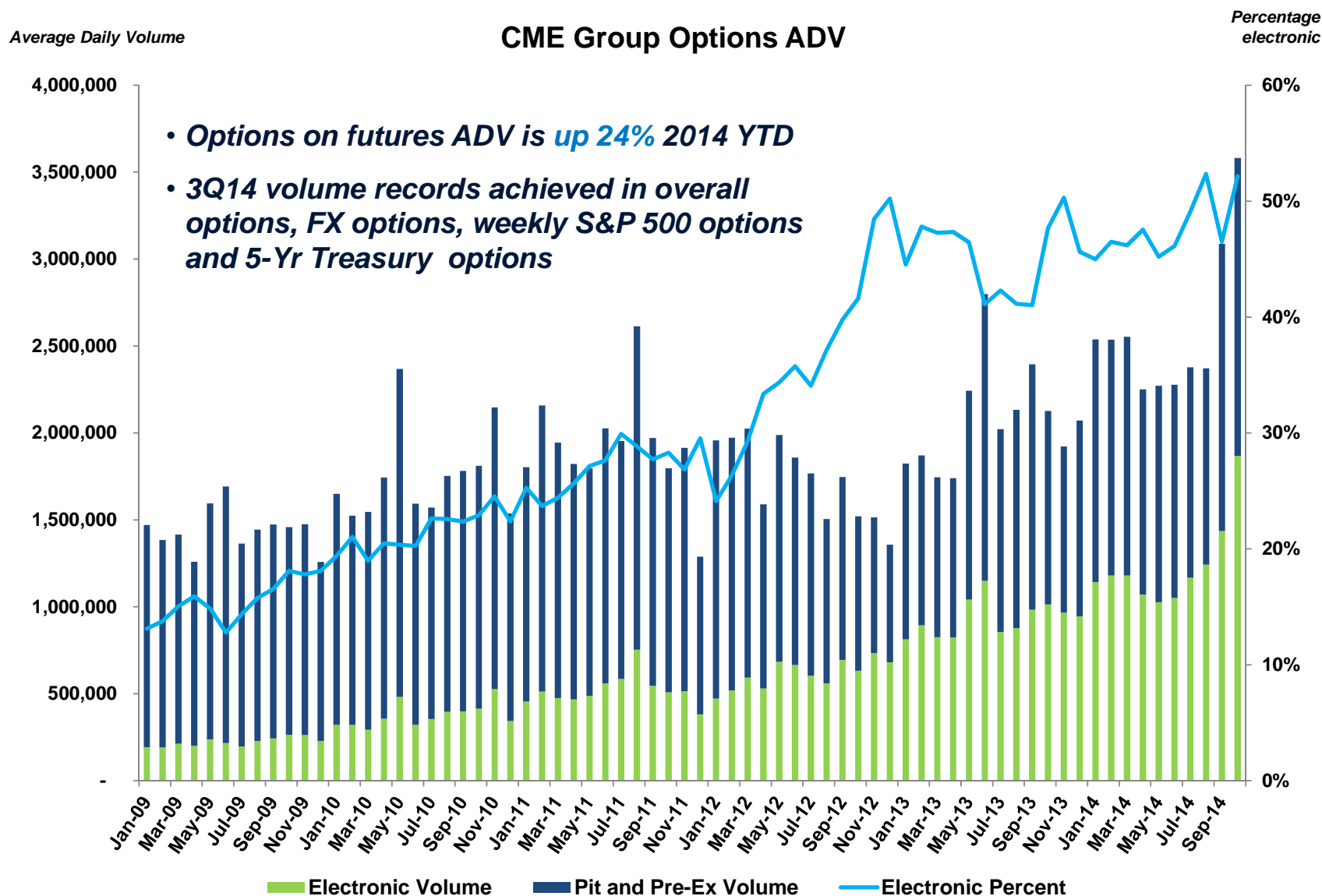
All-Time High Open Interest – 108M on September 11

(open contracts, in millions)

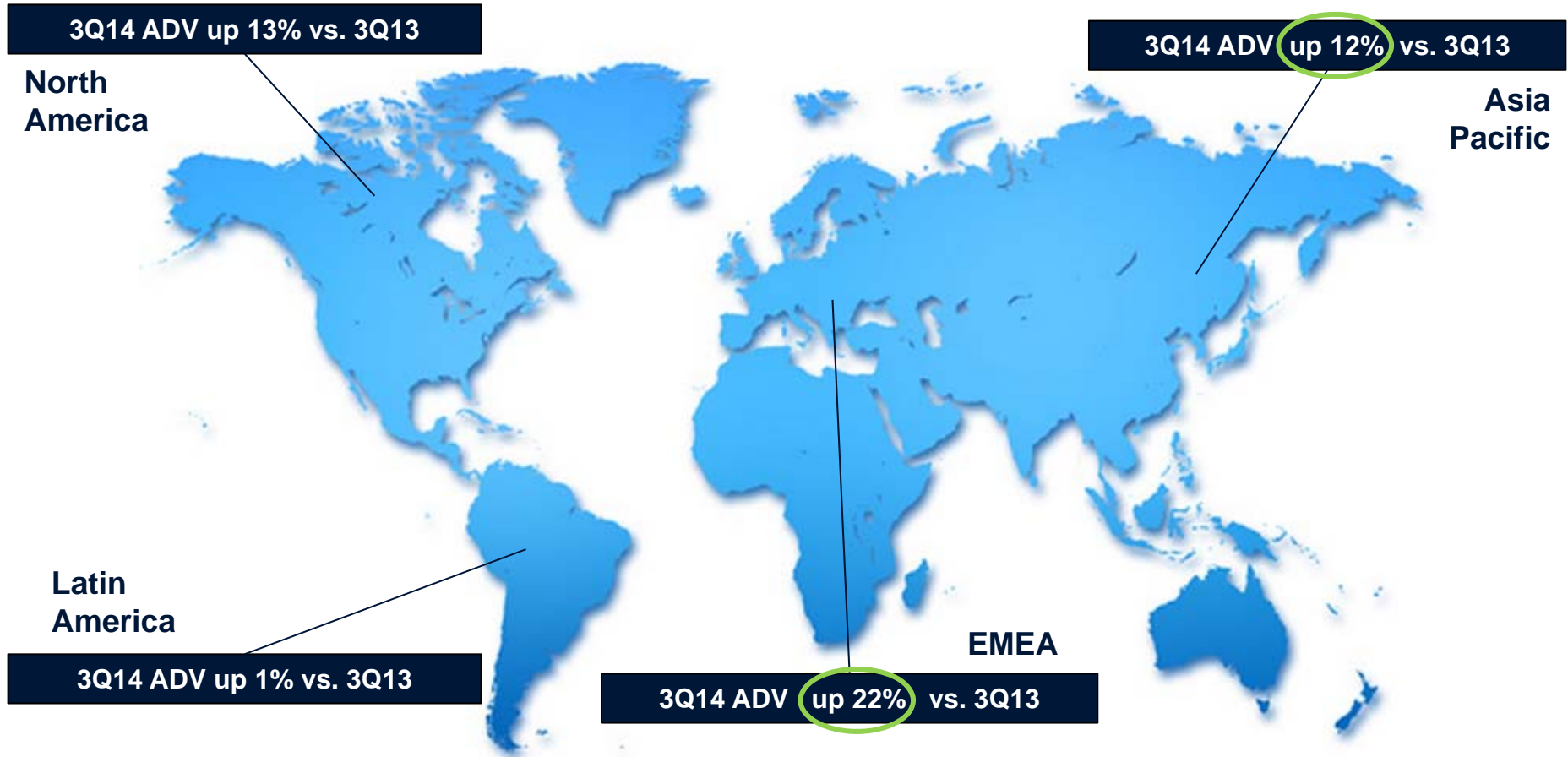


Q414TD is through October 28, 2014

Electronic Options Growth Leads to Deeper, More Diverse Markets



Investing in Growth Outside the U.S.

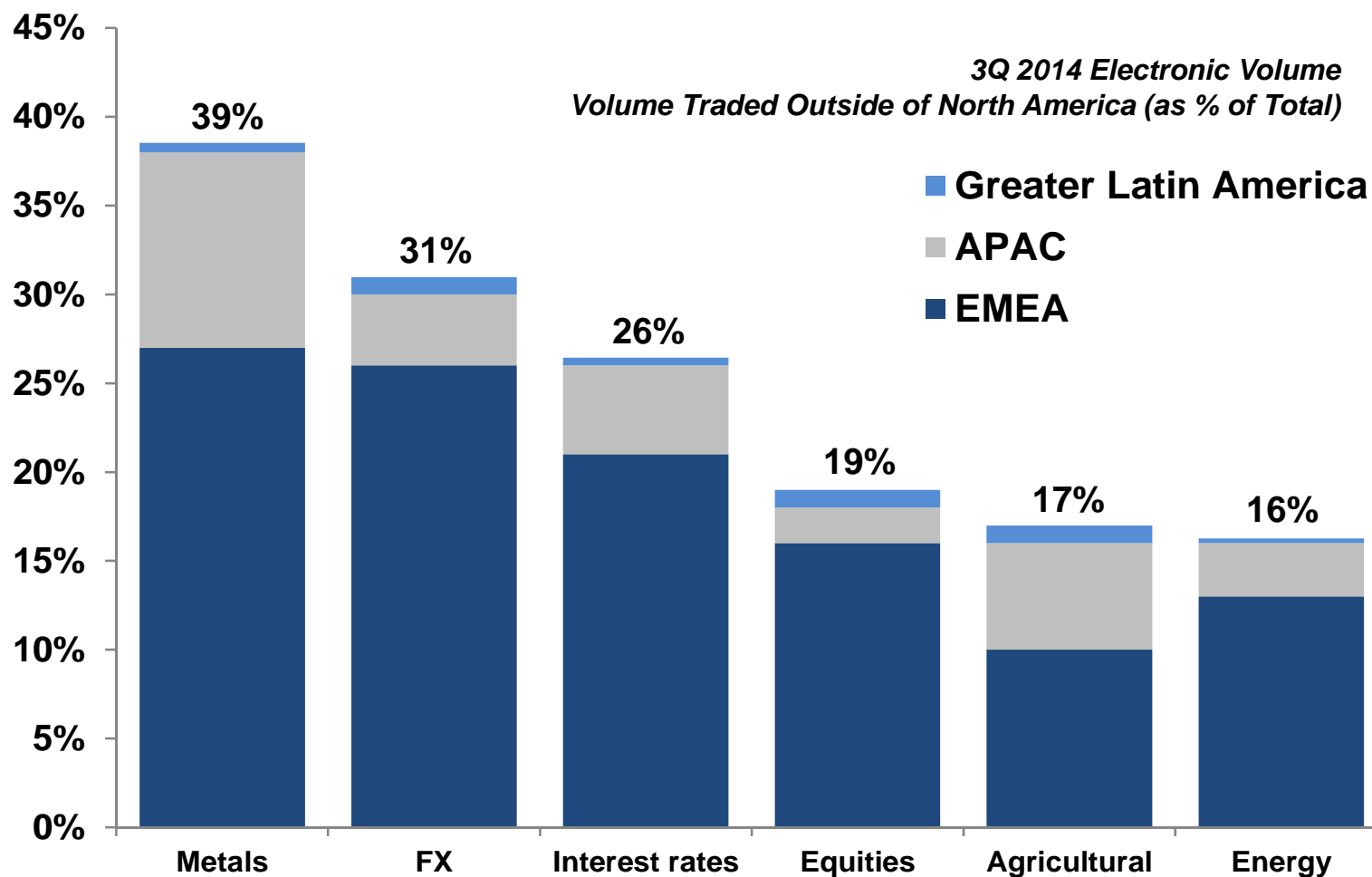


- *European strength driven by 28% growth in Interest Rates and 33% growth in Equities*
- *APAC strength driven by 23% growth in Interest Rates and 36% growth in Equities*

Note: Regional ADV growth represents electronic volume only / Bullets refer to Q314 growth over same period in 2013

Globally Relevant Products

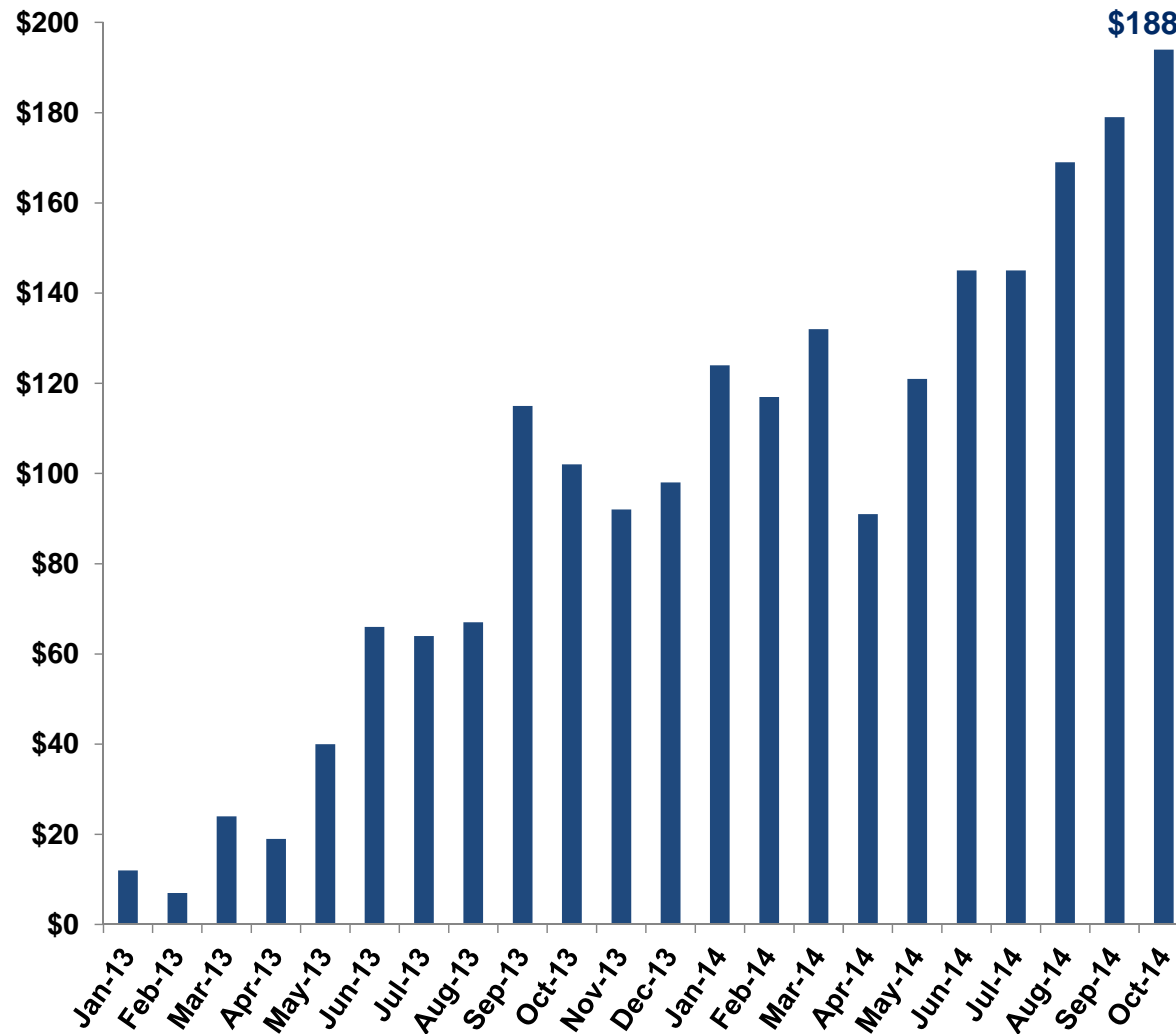
Focused strategy execution, but in early stages of the game



- Percentage of electronic volume outside of United States reached **24 percent** in 3Q14

Average Daily Cleared Volume – Steady Growth

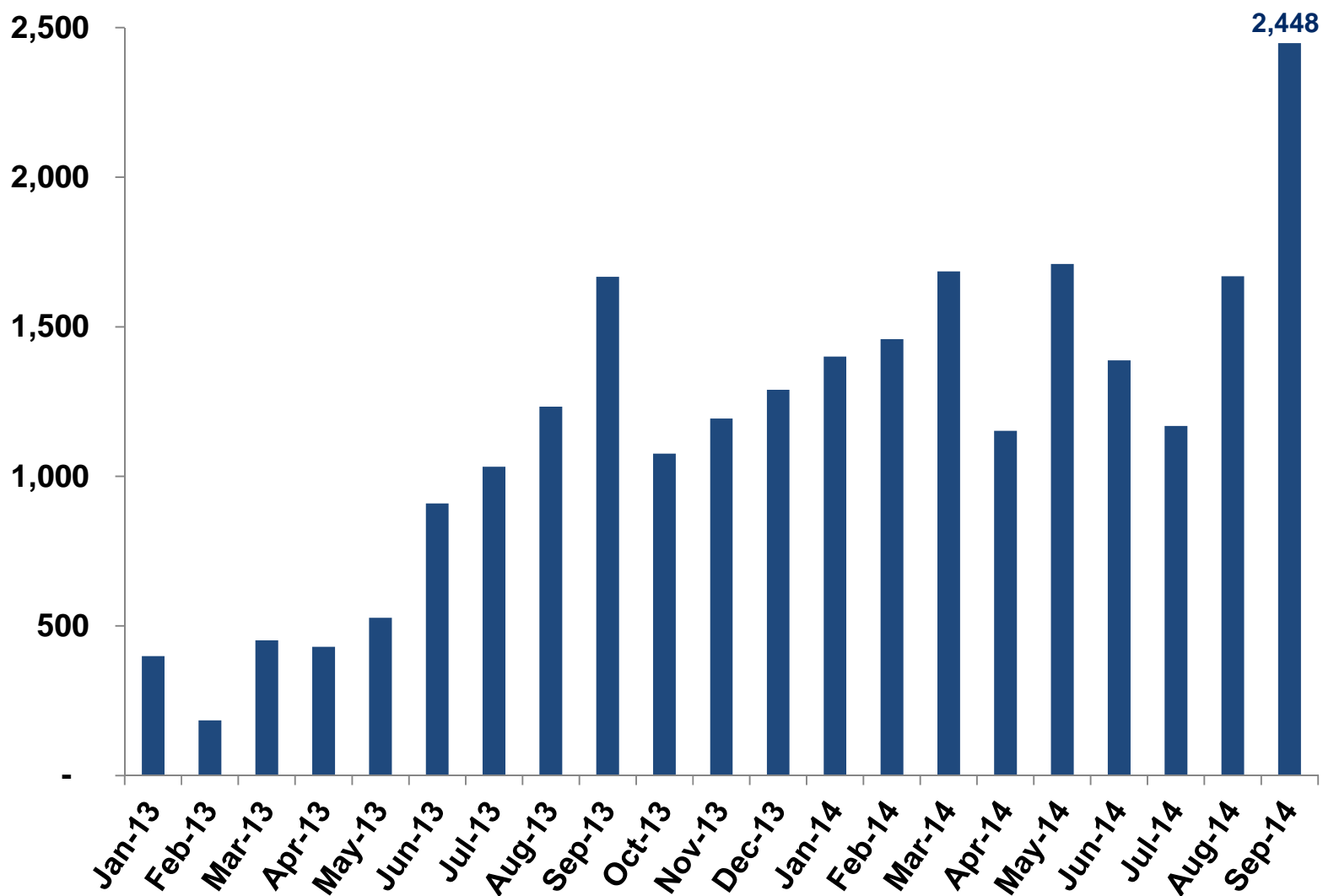
Average Daily Cleared Volume (\$ Billions)



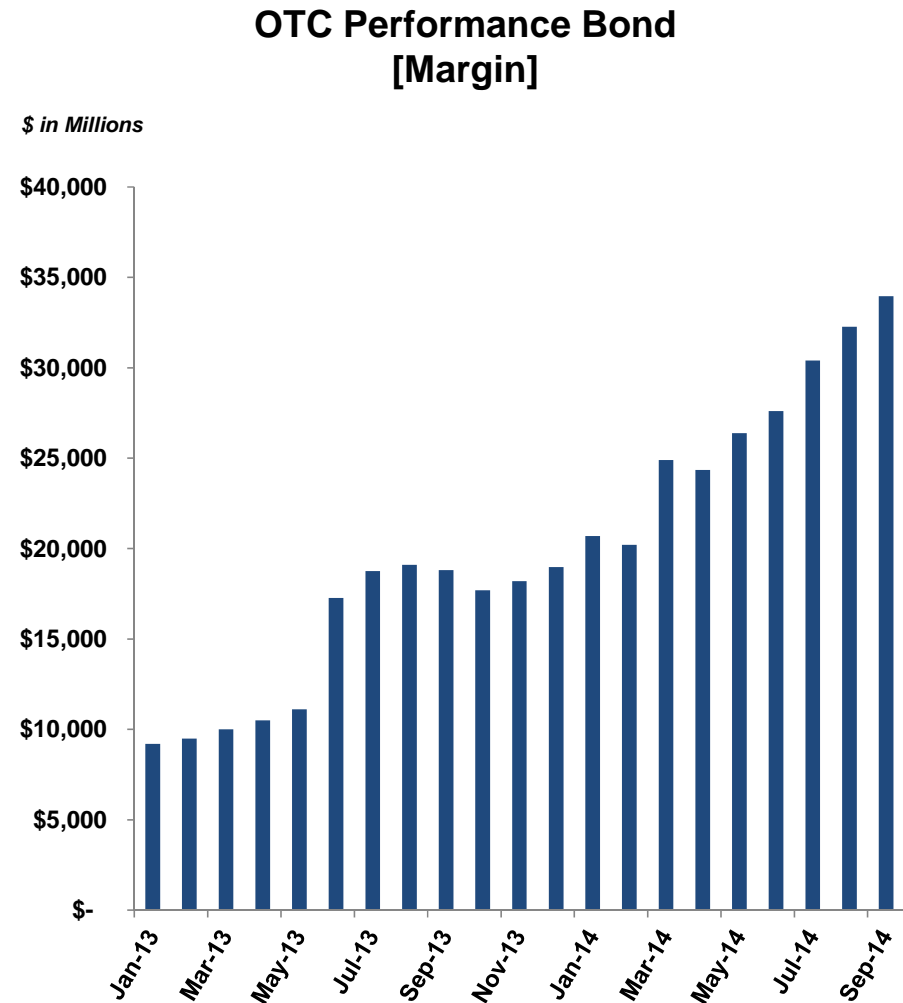
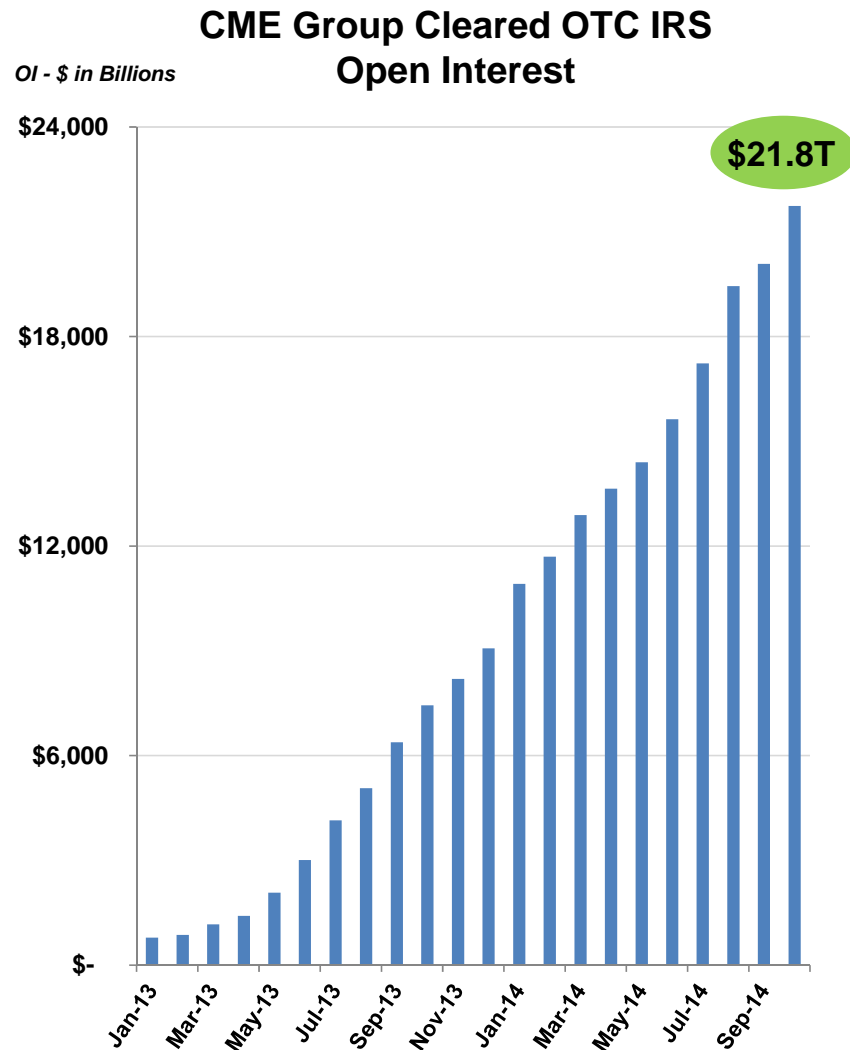
- 500 clients clearing OTC Interest Rate Swaps with CME Group
- Firms more focused on capital costs
 - 25 institutions (180+ accounts, with DSFs and Ultra Bonds now included) utilizing portfolio margining solution, now driving \$3.7B+ benefit - 9 clearing members live
- Since launching compression via coupon blending in early June
 - Solution has blended 28,000+ trades resulting in \$1.1 trillion of notional reduced
 - 89% reduction in line items
 - 69% savings in cleared notional for the portfolios submitted

Average Daily Trade Count – Record September

Average Daily Trade Count
OTC IRS

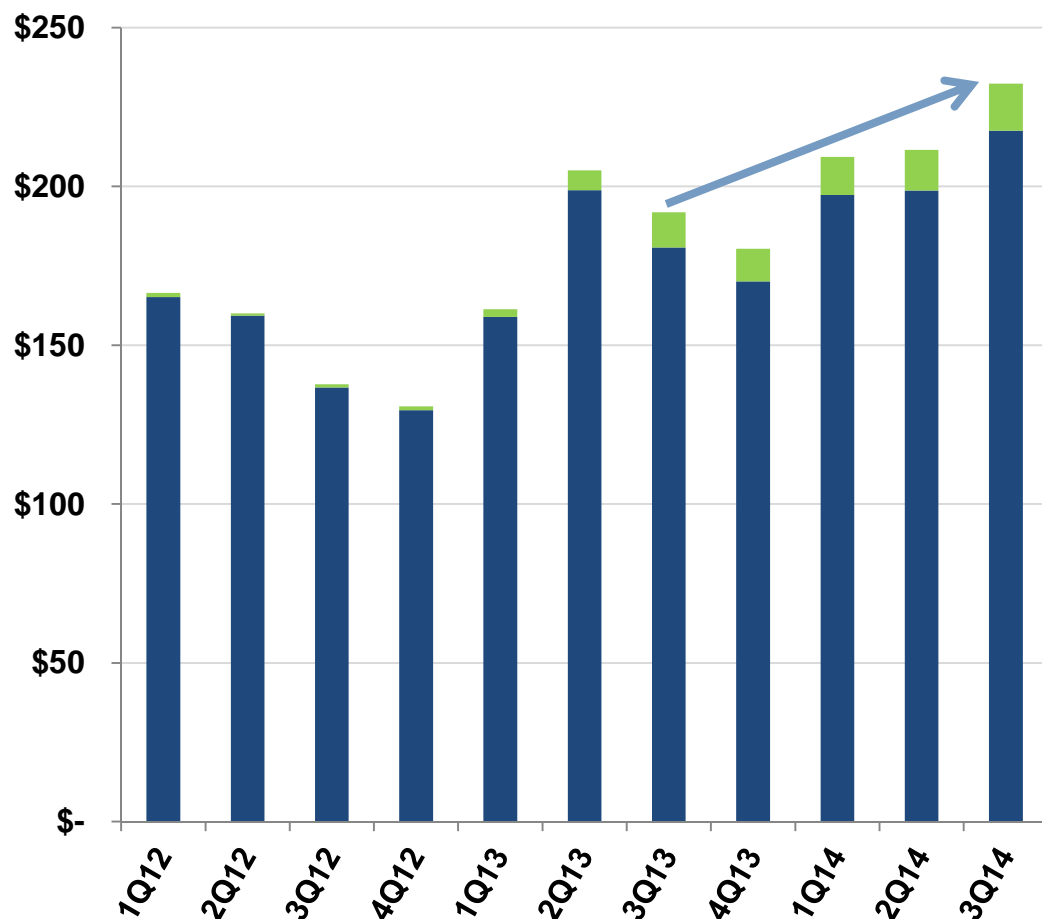


OTC IRS Momentum Continues as Customers Shift Focus from Compliance to Optimization



Incremental Interest Rate Revenues Build on the Core

Revenue (in millions)



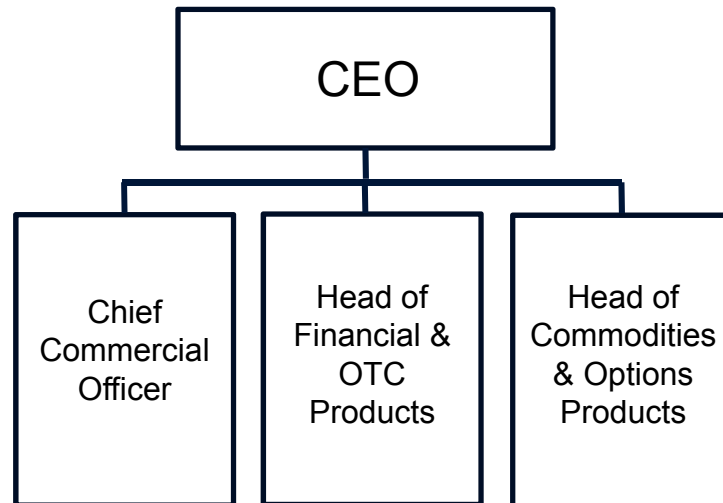
OTC clearing business is strengthening the overall interest rates franchise

- Q314 Core Interest Rates revenue was **up 20%** compared with Q313
- If you factor in the incremental revenue from OTC interest rate swaps clearing, that total interest rate revenue would be **up 21%**

Reorganized Leadership Structure/Company Around Client Needs

- *Brings individual business portfolios closer to CEO*
- *Enhances customer responsiveness*

Increase Ongoing Revenue Growth



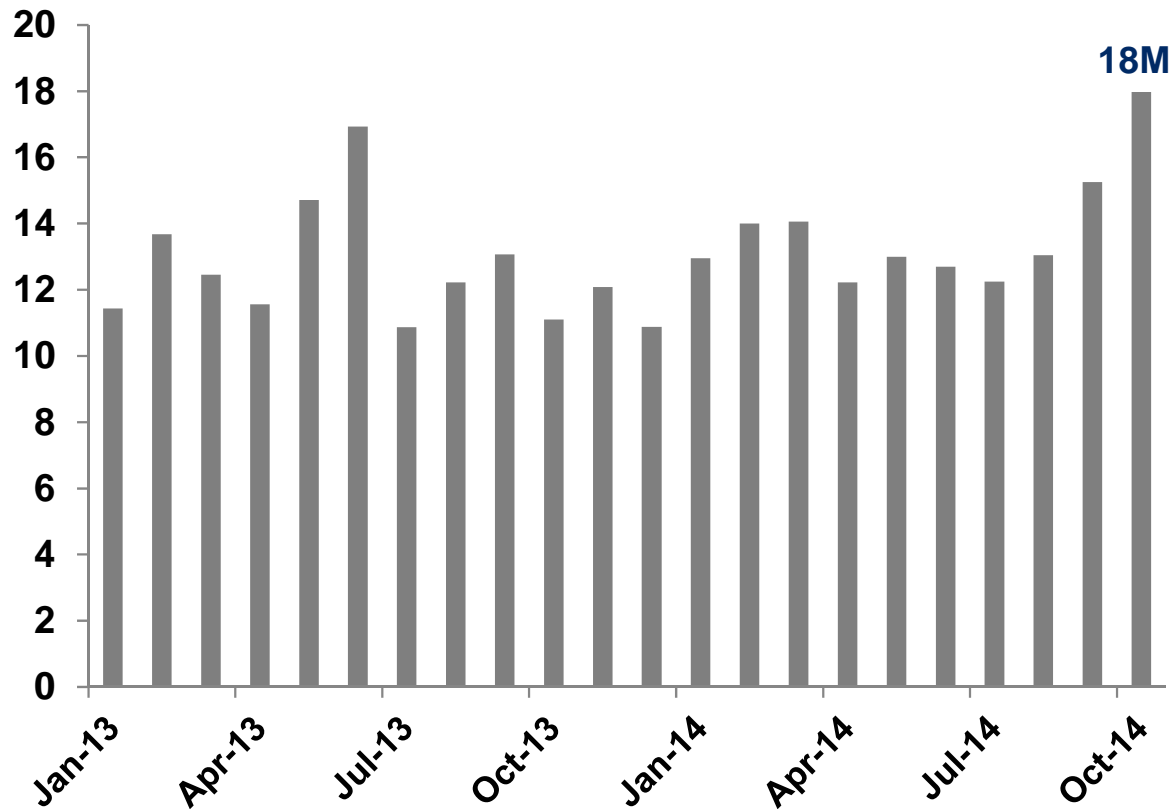
Improve Execution / Speed to Market



Driving decreased costs and improved profitability as well as earnings growth

Exceptionally Strong October 2014 to date

ADV
(in millions)

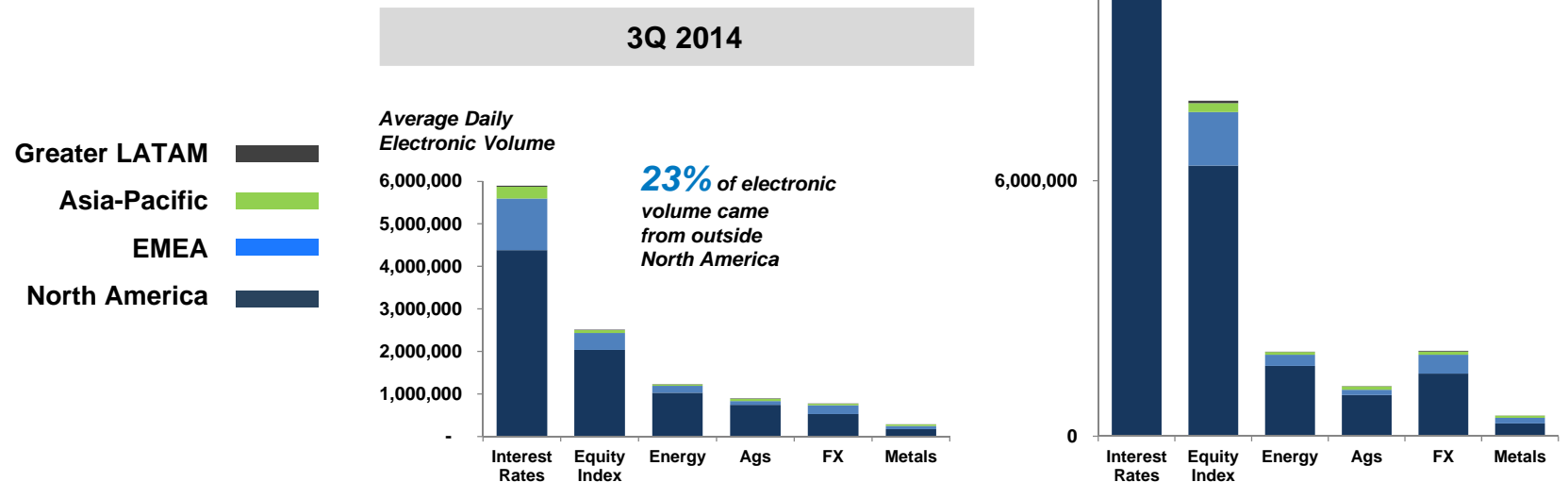


- 2 of the 3 CME Group all-time high trading days occurred during the month
- Diverse, strong activity – growth across all product lines
 - Financial product lines all up more than 50 percent

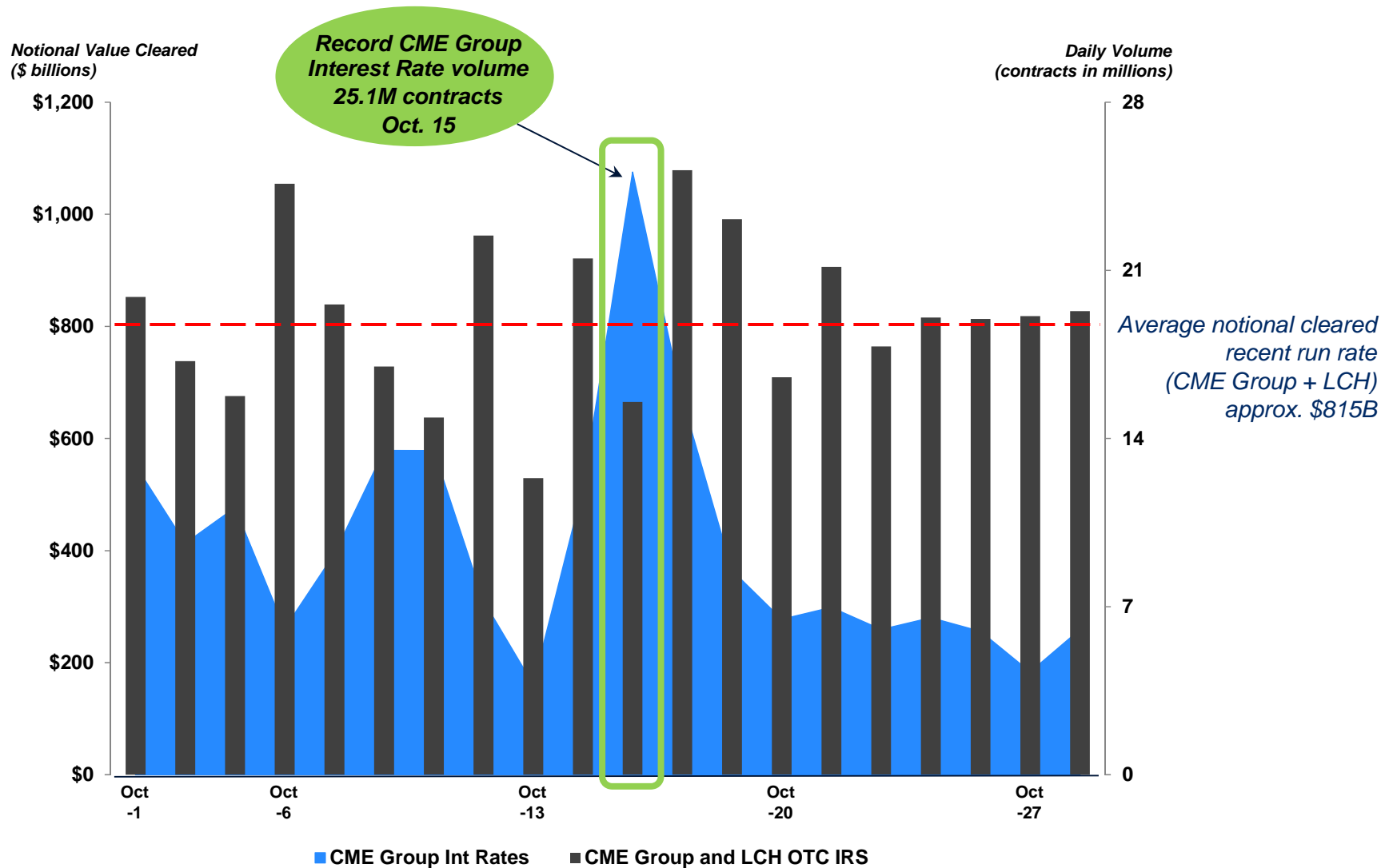
Increased Participation From Outside U.S.

Comparing October 15 volume with 3Q14 ADV:

- Traded 7.4M contracts from Europe, **3.5x** the average
- Traded 1.1M contracts from Asia, more than **2x** average
- **3x** or more traded than average across all financial product lines; **1x – 2x** more than average across all commodities product lines



Participants Turn to CME Group for Liquidity/Efficiency



CME Group 3Q 2014 Adjusted Financial Results¹

- Revenue of \$762M, up 7 percent
- Operating Expense of \$317M, down 1 percent
- Operating Income of \$445M, up 13 percent
- Net Income Attributable to CME Group of \$281M, up 12 percent
- Diluted EPS of \$0.84, up 12 percent

CME Group Average Rate Per Contract (RPC)

<u>Product Line</u>	<u>3Q 2013</u>	<u>4Q 2013</u>	<u>1Q 2014</u>	<u>2Q 2014</u>	<u>3Q 2014</u>
Interest Rates	\$ 0.484	\$ 0.504	\$ 0.481	\$ 0.473	\$ 0.473
Equities	0.695	0.702	0.712	0.714	0.687
Foreign Exchange	0.819	0.835	0.804	0.861	0.788
Energy	1.300	1.279	1.364	1.298	1.291
Ag Commodities	1.323	1.327	1.369	1.430	1.362
Metals	1.626	1.682	1.707	1.715	1.707
Average RPC	\$ 0.762	\$ 0.780	\$ 0.767	\$ 0.749	\$ 0.725

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. Third-quarter 2014 results included foreign exchange transaction net losses of \$12.8 million during the quarter principally related to cash held in British pounds within foreign entities whose functional currency is the U.S. dollar.

Notes / Guidance

- **Operating Expense**

- Update: Full-year 2014 adjusted operating expenses expected to come in at \$1.3 billion – the low end of the previously stated range, which assumes a certain level of license and fee sharing expense as well as bonus expense, both of which generally vary with volume.
- Update: Full-year 2015 adjusted operating expense expected to come in at approximately \$1.3 billion. This estimate excludes the impact of the pending transaction with GFI Group.

- **Non-Operating Expense**

- Dividend income was approximately \$5 million, down from about \$9.6 million in the prior quarter when CME Group received and recorded both the Q1 and Q2 dividends from BM&F BOVESPA. CME Group also recorded a dividend from its investment in the Mexican Exchange in Q2 with no dividend from them in Q3.
- Slight uptick in interest expense from the prior quarter due to clearing line of credit costs

- **Tax Rate**

- Q314 effective tax rate (pro forma) was 37.3 percent. Including a catch up adjustment for Q1 and Q2, CME Group expects the Q414 effective tax rate to be approximately 37.3 percent.

- **Capital Expenditures**

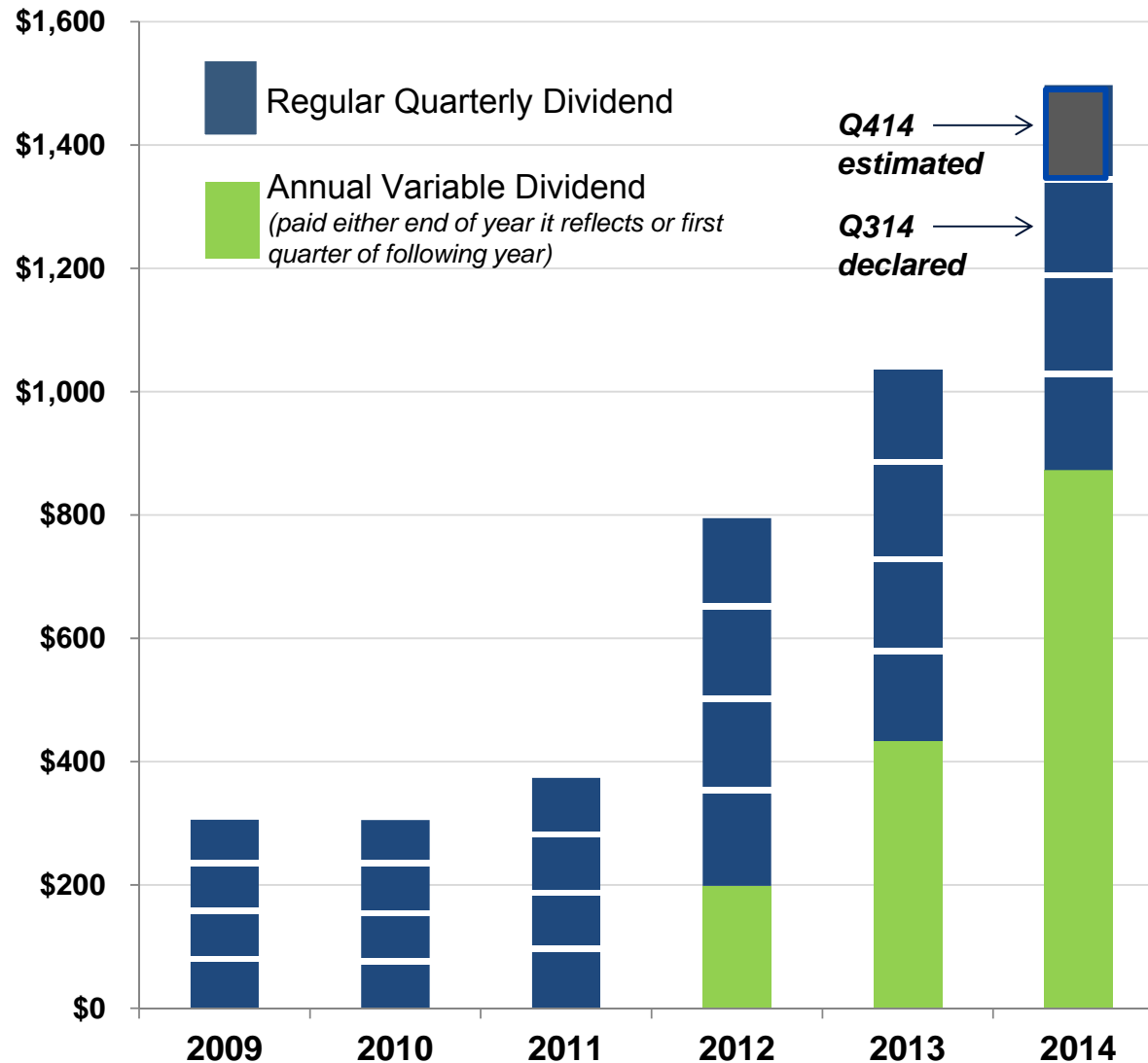
- 2014 full-year capital expenditures expected to come in at \$155 million, down from the prior estimate of \$175 million, primarily based on timing of reconfiguring New York space stretching into 2015

- **Balance Sheet**

- At September 30, 2014, approximately \$1.16B in cash and marketable securities

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**
- *Have returned over \$3 billion to shareholders in the form of dividends since the implementation of the new dividend policy*

Note – Annual, variable dividend reflecting excess cash from 2011 was paid in 1Q 2012, and annual, variable dividend reflecting excess cash from 2012 (which is illustrated in 2013 on this chart), was paid early in 4Q 2012.

Important Investment Highlights

- **CME Group Interest Rate and OTC Clearing Momentum**

- Outperforming broader market; various factors align to fuel continued growth

- 
- Significant cyclical change
 - CME Group leading innovation
 - Secular shift from OTC into futures
 - Increasing global interest rate customer base

- **Globalization**

- CME Group activity out of Europe remains elevated in 3Q14, following strong 2Q14, while European derivatives exchanges continue to struggle

- **Intensified focus on operating expenses**

- Announced new leadership structure designed to better address the needs of global customers
- Near-term initiatives in place, announced 5% headcount reduction, and also focused on efficiency over the long-term

- **Industry-leading capital return**

- Have returned over \$3 billion to shareholders in the form of dividends since the implementation of the new dividend policy

- **Strong September, Q314 metrics – continuing momentum in Oct-14**

September 2014

- ADV 15.3M contracts, up 17% y/y
- FX up 39%, Interest Rates up 23%, Ag Commodities up 13%
- Overall options ADV record 3.1M contracts
- All-time high 6.88M Eurodollar futures traded Sept. 17 (*since surpassed*)

Q3 2014

- ADV 13.5M contracts, up 12% y/y
- Interest Rates up 23%
- ADV records included total options, FX options, 5-Yr Treasury options, E-mini S&P 500 weekly options, Brent futures and options and Live Cattle futures and options
- Record OI of 108M contracts on Sept. 11

Q4 2014TD – Almost full month Oct (through 10/28)

- ADV 18M contracts, up 64% y/y
- Interest Rates up 100%, FX up 55%, Equities up 53%, Ags up 29%, Energy up 10%, Metals up 4% (y/y)
- First week of Oct was busiest week of 2014 to date / record Columbus Day / record single day of 40M on Oct. 15

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