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As filed with the Securities and Exchange Commission on December 2, 2002

Registration No. 333-90106

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 6

to

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6200**	**36-4459170**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

30 South Wacker Drive
Chicago, Illinois 60606
(312) 930-1000
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

Craig S. Donohue, Esq.
Executive Vice President and Chief Administrative Officer
Chicago Mercantile Exchange Holdings Inc.
30 South Wacker Drive
Chicago, Illinois 60606
(312) 930-1000
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent For Service)

Copies To:

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. / /

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We and the selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and neither we nor the selling shareholders are soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued November 18, 2002

4,751,070 Shares

Chicago Mercantile Exchange Holdings Inc.

CLASS A COMMON STOCK

Chicago Mercantile Exchange Holdings Inc. is offering 3,000,000 shares of Class A common stock and the selling shareholders are offering 1,751,070 shares of Class A common stock. This is our initial public offering, and there has been no organized public market for our Class A common stock. We anticipate that the initial public offering price will be between $31.00 and $34.00 per share. Chicago Mercantile Exchange Holdings Inc. will not receive any proceeds from the sale of shares by the selling shareholders.

We have applied to list our Class A common stock on The New York Stock Exchange under the symbol "CME."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 7.

PRICE $ A SHARE

	Price to Public	*Underwriting Discounts and Commissions*	*Proceeds to Chicago Mercantile Exchange Holdings*	*Proceeds to Selling Shareholders*
Per Share	*$*	*$*	*$*	*$*
Total	*$*	*$*	*$*	*$*

Chicago Mercantile Exchange Holdings Inc. has granted the underwriters the right to purchase up to an additional 712,660 shares to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on , 2002.

MORGAN STANLEY *UBS WARBURG*
SALOMON SMITH BARNEY *JPMORGAN*

WILLIAM BLAIR & COMPANY

, 2002

[INSIDE FRONT COVER]

[Photographic montage of a globe, hand signals and wallboard displays (from our open outcry trading floors) and a computer keyboard (used for electronic trading). The image is captioned "Our futures and options on futures contracts are traded on CME's open outcry trading floors in Chicago, electronically on CME's GLOBEX® platform and through privately negotiated transactions."]

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Our principal executive offices are located at 30 South Wacker Drive, Chicago, Illinois 60606, and our telephone number is (312) 930-1000. In this prospectus, the terms "company," "exchange," "we," "us" and "our" refer to Chicago Mercantile Exchange Holdings Inc. and its subsidiary, Chicago Mercantile Exchange Inc., when the distinction between the two companies is not important to the discussion. When the distinction between the two companies is important to the discussion, we use the term "CME" to refer to Chicago Mercantile Exchange Inc. and "CME Holdings" to refer to Chicago Mercantile Exchange Holdings Inc. On December 3, 2001, we reorganized into a holding company structure. This reorganization was effected through a merger of CME Holdings' wholly owned subsidiary, CME Merger Subsidiary Inc., into CME. Following the merger, CME became a wholly owned subsidiary of CME Holdings. For a more detailed discussion of our reorganization, see the section of this prospectus entitled "Our Reorganization."

Unless otherwise indicated, all information in this prospectus (1) reflects the consummation of our reorganization; and (2) assumes the underwriters do not exercise their over-allotment option granted by us. In this prospectus, we refer to our Class A, Class A-1, Class A-2, Class A-3 and Class A-4 common stock collectively as our Class A common stock, and we refer to our Class B-1, Class B-2, Class B-3 and Class B-4 common stock collectively as our Class B common stock.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell shares of Class A common stock and seeking offers to buy shares of Class A common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of the Class A common stock.

We have not taken any action to permit a public offering of the shares of Class A common stock outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the shares of Class A common stock and the distribution of this prospectus outside the United States.

Chicago Mercantile Exchange Inc., our logo, CME,® GLOBEX,® IEF,® CLEARING 21® and SPAN® are our registered trademarks. GLOBEX Trader,™ Moneychanger,™ CME E-quotes™ and E-mini™ are our service marks. e-miNY℠ is a service mark of CME and New York Mercantile Exchange, Inc. pursuant to agreement.

S&P, S&P 500, Standard & Poor's 500, S&P/BARRA Growth, S&P/BARRA Value, S&P MidCap 400, S&P SmallCap 600, S&P/TOPIX 150, Nasdaq-100, Russell 2000, TRAKRS, Total Return Asset Contracts and other trade names, service marks, trademarks and registered trademarks that are not proprietary to us, are the property of their respective owners and are used herein under license. The FORTUNE e-50™ Index is a trademark of FORTUNE, a division of Time Inc., which is licensed for use by us in connection with futures and options on futures. These products have not been passed on by FORTUNE for suitability for a particular use. The products are not sponsored, endorsed, sold or promoted by FORTUNE. FORTUNE makes no warranty and bears no liability with respect to these products. FORTUNE makes no warranty as to the accuracy and/or completeness of the Index or the data included therein or the results to be obtained by any person from the use of the Index or the data included therein.

PROSPECTUS SUMMARY

The following is a summary of some of the information contained in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our Class A common stock discussed under "Risk Factors" and our consolidated financial statements and notes to those financial statements included elsewhere in this prospectus.

Overview

We are the largest futures exchange in the United States and the second largest exchange in the world for the trading of futures and options on futures, as measured by 2001 annual trading volume. In 2001, our customers traded futures and options on futures contracts with a notional dollar value of $293.9 trillion, making us the world's largest exchange by this measure. We also have the largest futures and options on futures open interest of any exchange in the world. As of November 15, 2002, our open interest record was 23.2 million contracts, set on November 14, 2002. Our open interest is the daily total of positions outstanding on our exchange. Open interest is a widely recognized indicator of the level of customer interest in an exchange's products.

We bring together buyers and sellers of derivative products on our open outcry trading floors, on the GLOBEX electronic trading platform and through privately negotiated transactions that we clear. We offer market participants the opportunity to trade futures contracts and options on futures for interest rates, stock indexes, foreign exchange and commodities. Our key products include Eurodollar contracts and contracts based on major U.S. stock indexes. These indexes include the S&P 500 and the Nasdaq-100. We also offer foreign exchange contracts for the principal foreign currencies and contracts for a number of commodity products, including cattle, hogs and dairy. We believe several of our key products serve as global financial benchmarks. Our Eurodollar contract provides a benchmark for measuring the relative value of U.S. dollar-denominated, short-term fixed-income securities. Similarly, our S&P 500 Index and Nasdaq-100 Index contracts are closely linked to the benchmark indexes for U.S. equity performance.

Our products provide a means for hedging, speculation and asset allocation relating to the risks associated with interest rate sensitive instruments, equity ownership, changes in the value of foreign currency and changes in the prices of commodity products. Our customer base includes professional traders, financial institutions, institutional and individual investors and major corporations, manufacturers, producers and governments.

Trading on our trading floors is conducted exclusively by our members, either through open outcry or by using GLOBEX terminals located on our trading floors. Trades executed by our members can be for their own account or for the account of non-member customers. Members also conduct trading electronically through remote access to our GLOBEX platform and through privately negotiated transactions that we clear. Non-members may also access our markets through the GLOBEX electronic trading platform. Generally, member customers are charged lower fees than our non-member customers. In the first nine months of 2002, our members were responsible for approximately 78% of our trading volume.

Our principal source of revenue is from charges for trade execution and clearing that we assess on each contract traded on our exchange or using our clearing house. We assess clearing and transaction fees based on the product traded, the membership status of the individual executing the trade and whether the trade is executed on our open outcry trading floors, through the GLOBEX electronic trading platform or as a privately negotiated transaction. In addition to clearing and transaction fees, we derive revenue from the sale of valuable data and information regarding pricing and trading activity generated by our markets.

Our 2001 net revenues were $387.2 million, an increase of 70.9% from the $226.6 million recorded during 2000. For the nine months ended September 30, 2002, our net revenues were $333.8 million, an increase of 18.3% from $282.2 million for the nine months ended September 30, 2001. In 2001, we derived $292.5 million, or 75.5% of our

net revenues, from fees associated with trading and clearing products on or through our exchange. For the nine months ended September 30, 2002, we derived $261.4 million, or 78.3% of our net revenues, from such fees. In 2001, we derived approximately 62% of our clearing and

transaction fees revenue from open outcry trading, nearly 27% from electronic trading and approximately 11% from privately negotiated transactions. During the first nine months of 2002, approximately 53% of our clearing and transaction fees revenue was generated from open outcry trading, nearly 39% from electronic trading and approximately 8% from privately negotiated transactions. Revenues from market data products totaled $48.3 million, or 12.5% of our net revenues, in 2001 and $36.5 million, or 11.0% of our net revenues, in the nine months ended September 30, 2002.

Our net income for 2001 was $68.3 million, compared to a net loss of $5.9 million during 2000. Our net income for the nine months ended September 30, 2002 was $61.0 million, compared to net income of $54.5 million for the nine months ended September 30, 2001.

We own our clearing house and are able to guarantee, clear and settle every contract traded through our exchange. During the first nine months of 2002, we processed an average of more than 553,000 clearing transactions per day. We currently have the capacity to clear more than 1.5 million transactions per day. Our systems are scalable and give us the ability to further increase substantially our capacity with very little lead time. As of September 30, 2002, we acted as custodian for approximately $27.7 billion in collateral. In the first nine months of 2002, we moved an average of $1.7 billion of settlement funds through our clearing system each day. In addition, 40 exchanges and clearing organizations worldwide have adopted our Standard Portfolio Analysis of Risk, or SPAN, risk evaluation system. The New York Mercantile Exchange, or NYMEX, and Euronext N.V. also use CLEARING 21, our state-of-the-art clearing system.

CME was founded in 1898 as a not-for-profit corporation. In November 2000, CME became the first U.S. financial exchange to demutualize and become a shareholder-owned corporation. As a consequence, we have adopted a for-profit approach to our business, including strategic initiatives aimed at optimizing volume, efficiency and liquidity. We posted record trading volume of more than 411.7 million contracts in 2001, an increase of 78.1% over 2000, which was previously our busiest year. During the first nine months of 2002, we posted trading volume of more than 413.8 million contracts, an increase of 40.0% over the same period in 2001.

Currently, we have or are developing strategic relationships with the leading derivative exchanges and clearing organizations in France, Spain, England, Singapore, Japan and Korea. These relationships are intended to extend the market reach of our global derivatives business.

We devote substantial resources to introducing new products based on new markets or securities. For example, last year we formed a joint venture with Chicago Board Options Exchange, or CBOE, and the Chicago Board of Trade, or CBOT, to trade single stock futures and futures on narrow-based stock indexes. The venture is called OneChicago, LLC. OneChicago commenced its trading operations on November 8, 2002. We also recently entered into an agreement with NYMEX to introduce small-sized versions of key NYMEX energy futures contracts for trading on our GLOBEX electronic trading platform. The products, based on our successful E-mini stock index contracts, are called e-miNY energy futures and clear at the NYMEX clearing house. The first of these products, e-miNY crude oil and natural gas futures contracts, began trading on June 17, 2002.

Competitive Strengths

We have established ourselves as a premier global marketplace for financial risk management. We believe our principal competitive strengths are:

Highly Liquid Markets. Our deep and liquid markets tend to attract additional customers. This further enhances our liquidity.

Global Benchmark Products. We believe our key Eurodollar product serves as a global financial benchmark for measuring the relative value of U.S. dollar-denominated, short-term fixed-income securities. Similarly, our stock index products are closely linked to the benchmark indexes for U.S. equity performance. As a result, our products are increasingly recognized by our customers as efficient tools for managing and hedging their interest rate and equity market risks.

Diverse Portfolio of Products and Services. We differentiate ourselves from our competitors by developing and offering to our customers a diverse array of products. We also offer a broad range of trade execution and clearing services.

Wholly Owned Clearing House. We believe our performance guarantee and capital-efficient clearing systems are major attractions of our markets. In addition, because we own our clearing house and have significant available capacity, we are able to efficiently introduce new products. We are also able to provide clearing services to other exchanges.

Proven and Scalable Technology. We possess fast, reliable and fully integrated trading and clearing systems. Our systems are highly scalable and designed to accommodate additional products with relatively limited modifications and low incremental costs.

Global Reach. Our electronic trading services are available around the world approximately 23 hours a day and five days per week.

Growth Strategy

Globalization, deregulation and advances in technology offer significant opportunities for expanding futures markets, and exchange markets generally. We intend to increase our trading volume, revenues and profitability by implementing the following four strategies:

Expand Our Current Core Business. We intend to advance our position as a leader in the futures industry by:

- *Expanding Customer Access.* We continue to expand our customer base and trading volume by broadening the access, order routing, trading and clearing solutions we offer to existing and prospective customers.

- *Expanding Electronic and Other Trade Execution Choices.* Our strategy is to offer our customers a broad range of trade execution choices, including increased electronic trading, enhanced facilities for privately negotiated transactions and new links with exchanges around the world.

- *Enhancing Our Market Data and Information Products.* We intend to leverage the value of our market data and information capabilities by developing enhancements to our existing information products and creating new products.

Add New Products. We intend to continue to introduce, either directly or through alliances with other exchanges, new products based on new markets or securities. In addition, we intend to continue working with emerging cash market trading platforms to jointly develop innovative futures products.

Provide Transaction Processing and Other Business Services to Third Parties. We intend to leverage our existing capacity and scalable technology and business processes to offer a broad range of services to other exchanges, clearing organizations and e-marketplaces. We believe that third parties will be attracted by our proven ability to process high volumes of transactions.

Pursue Select Alliances and Acquisitions. We plan to supplement our internal growth through the formation of joint ventures or alliances and select acquisitions of businesses or technologies that help us to enter new markets, provide services that we currently do not offer, open access to our markets and advance our technology.

Corporate Information

We were incorporated in Delaware in August 2001. Our principal executive offices are located at 30 South Wacker Drive, Chicago, Illinois 60606, and our telephone number is (312) 930-1000. Our Web site is http://www.cme.com. Information contained in our Web site is not incorporated by reference into this prospectus. You should not consider information contained in our Web site as part of this prospectus.

THE OFFERING

Class A common stock offered by us	3,000,000 shares
Class A common stock offered by the selling shareholders	1,751,070 shares
Common stock to be outstanding immediately after this offering:	
Class A common stock	31,817,662 shares
Class B common stock	3,138 shares
Use of proceeds	We intend to use the net proceeds from this offering for development of our technology infrastructure, for capital expenditures, to finance possible acquisitions and investments in technology, businesses, products or services, for working capital and for general corporate purposes. Please see the section of this prospectus entitled "Use of Proceeds."
Proposed New York Stock Exchange symbol	CME

The number of shares of our Class A common stock outstanding immediately after this offering is based on the number of shares outstanding at September 30, 2002. This number does not take into account:

- 68,400 shares of Class A common stock subject to restricted stock awards, which are not vested;
- 1,101,400 shares of Class A common stock issuable upon the exercise of outstanding stock options issued under our stock option plan, with an exercise price of $22 per share; and
- 2,875,873 shares of Class A common stock issuable upon the exercise of the outstanding stock options issued to our chief executive officer, at a weighted average exercise price of $18.99 per share, assuming a value of the Class A common stock at September 30, 2002 of $32.50, the mid-point of the range shown on the cover of this prospectus, and assuming the entire option is exercised for cash and settled in Class A common stock only.

If the underwriters exercise their over-allotment option in full, we will issue and sell an additional 712,660 shares and the number of shares of Class A common stock to be outstanding immediately after this offering will be 32,530,322 shares.

COMMON STOCK OWNERSHIP AND SPECIAL RIGHTS OF CLASS B SHAREHOLDERS

Our Class B common stock is associated with trading rights on our exchange and is owned by holders of those membership interests. Holders of our Class B common stock have special rights, including the right to elect 6 of our 20 directors and the right to approve specified "Core Rights" related to their trading privileges. Seventeen of our 20 directors own or are officers or directors of others who own memberships on our exchange. Following this offering, we estimate that our shareholders who own memberships on our exchange will own, of record, more than 80% of our outstanding Class A common stock. Shareholders who own memberships may have interests that are different from the interests of the holders of Class A shares who do not own memberships. For more information on the rights and interests of our members, see the sections of this prospectus entitled "Business" and "Risk Factors." Except with respect to the special rights described above, shares of our Class A common stock and Class B common stock are identical with respect to voting, liquidation, dividend and dissolution rights. Shares of our Class A common stock outstanding prior to this offering are subject to transfer restrictions that vary from 180 to 540 days from the completion of this offering. Shares of our Class B common stock cannot be transferred separately from the transfer of the associated membership interest in our exchange. See "Description of Capital Stock" for more information on these rights and transfer restrictions.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this prospectus. The as adjusted balance sheet data below gives effect to the sale by us of 3,000,000 shares of our Class A common stock in this offering at an assumed offering price of $32.50 per share, the mid-point of the range shown on the cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses.

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	2000	2001	2001	2002
				(unaudited)	
	(in thousands, except per share amounts)				
Income Statement Data:					

Net revenues	$ 210,602	$ 226,552	$ 387,153	$ 282,197	$ 333,789
Total expenses	203,958	234,635	272,788	191,222	232,541
Limited partners' interest in earnings of PMT Limited Partnership	(2,126)	(1,165)	—	—	—
Net income (loss)	2,663	(5,909)	68,302	54,481	61,018
Earnings (loss) per share:(1)					
Basic	0.09	(0.21)	2.37	1.89	2.12
Diluted	0.09	—	2.33	1.86	2.04

	As of September 30, 2002	
	Actual	As Adjusted
	(unaudited) (in thousands)	
Balance Sheet Data:		
Assets:		
Cash and cash equivalents(2)	$ 197,164	$ 285,731
Proceeds from securities lending activities(3)	554,870	554,870
Cash performance bonds and security deposits(4)	1,920,033	1,920,033
Total current assets(5)	2,723,747	2,812,314
Total assets	2,863,830	2,952,397
Liabilities and shareholders' equity:		
Payable under securities lending agreements(3)	554,870	554,870
Cash performance bonds and security deposits(4)	1,920,033	1,920,033
Total current liabilities	2,543,993	2,543,993
Shareholders' equity	299,570	388,137

(1) Earnings per share is presented as if the common stock issued on December 3, 2001 had been outstanding for all periods presented. Diluted loss per share is not presented for the year ended December 31, 2000, because shares issuable for stock options, which would be included as part of the calculation, would have an anti-dilutive effect.

(2) Cash equivalents consist of highly liquid investments with maturities of three months or less.

(3) Securities lending transactions utilize a portion of the securities that clearing firms have deposited to satisfy their proprietary performance bond requirements. Securities lending proceeds change daily. The related investment of these proceeds is short-term in nature. Investments consist principally of money market mutual funds. Securities lending activity is represented by an equal and offsetting current asset and current liability. See the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for a more detailed discussion of our securities lending program.

(4) Our clearing firms are subject to performance bond requirements pursuant to the rules of our exchange. These requirements can be satisfied in cash or by depositing securities, at the clearing firms' election. The deposit of cash is reflected in our financial statements while the deposit of securities is not reflected in our financial statements. The amount of cash performance bonds and security deposits that are deposited by our clearing firms may change daily as a result of changes in the number of the clearing firms' open positions and how clearing firms elect to satisfy their performance bond requirements. The balance of cash performance bonds and securities deposits will also fluctuate daily based on the change in the value of positions held by clearing firms. When clearing firms deposit cash, it is held or invested by us on an overnight basis. We are required to return these funds when performance bond requirements are reduced, as these funds ultimately represent assets of the respective clearing firms. Therefore, the current asset represented by cash performance bonds and security deposits has an equal and offsetting current liability. See the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for a more detailed discussion of cash performance bonds and security deposits.

(5) Current assets consist of cash and cash equivalents, marketable securities, accounts receivable and other current assets in addition to cash performance bonds and security deposits and securities lending. Current assets are short-term in nature and are generally converted to cash in one year or less.

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	2000	2001	2001	2002
	(in thousands, except notional value of trading volume)				
Other Data:					
Total trading volume (round turns, in contracts)(6)	200,737	231,110	411,712	295,463	413,790
GLOBEX trading volume (round turns, in contracts)(6)	16,135	34,506	81,895	55,999	131,685
Open interest at period-end (contracts)	6,412	8,021	15,039	13,938	17,618
Notional value of trading volume (in trillions)	$ 138.3	$ 155.0	$ 293.9	$ 210.2	$ 257.8

(6) A round turn represents a matched buy and sell.

RISK FACTORS

You should carefully consider the risks below before making an investment decision. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our operations.

Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our Class A common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business

Our shareholders who own memberships on our exchange, and who may have interests that differ from or conflict with those of shareholders who are not also owners of memberships, currently own substantially all of our voting stock. Shareholders who own memberships on our exchange account for 17 of the 20 directors on our board and, after the offering, will continue to control the election of all directors. Our dependence on the trading and clearing activities of our members, combined with their ability to control the election of directors, will enable them to exert substantial influence over the operation of our business.

Immediately following this offering, we estimate that our shareholders who own memberships will together own, of record, shares representing in excess of 80% of our outstanding Class A common stock. As a result, they will, if voting in the same manner, control all matters submitted to our shareholders for approval, including electing directors and approving changes of control. As of the date of this prospectus, 17 of the 20 directors on our board own or are officers or directors of others who own memberships on our exchange. In addition, we are dependent on the revenues from the trading and clearing activities of our members. This dependence also gives them substantial influence over how we operate our business.

Many of our trading members and clearing firms derive a substantial portion of their income from their trading or clearing activities on or through our exchange. In addition, trading privileges on our exchange have substantial independent value. The amount of income that members derive from their trading or clearing activities and the value of their memberships are in part dependent on the fees they are charged to trade, clear and access our markets and the rules and structure of our markets. Our trading members, many of whom act as floor brokers and floor traders, benefit from trading rules, membership privileges and fee discounts that enhance their open outcry trading opportunities and profits. Our predominantly electronic trading members benefit from fee discounts and transaction fee caps that enhance their electronic trading opportunities and profits. Our clearing firms benefit from all of the foregoing, as well as decisions that increase electronic trading, which over time, will reduce their costs of doing business

on our exchange. As a result, holders of our Class A common stock may not have the same economic interests as our members. In addition, our members may have differing interests among themselves depending on the role they serve in our markets, their method of trading and the products they trade. Consequently, members may advocate that we enhance and protect their clearing and trading opportunities and the value of their trading privileges over their economic interest in us represented by Class A common stock they own.

The share ownership of our members, in combination with their board representation rights and charter provision protections described in the immediately following risk factor, could be used to influence how our business is changed or developed, including how we address competition and how we seek to grow our volume and revenue and enhance shareholder value.

Our certificate of incorporation grants special rights to holders of Class B common stock, which protect their trading rights and give them special board representation, and requires that we maintain open outcry trading until volumes are not significant.

Under the terms of our certificate of incorporation, our Class B shareholders have the ability to protect their rights to trade on our exchange by means of special approval rights over changes to the

operation of our markets. In particular, these provisions include a grant to the holders of our Class B common stock of the right to approve any changes to:

- the trading floor rights;
- access rights and privileges that a member has;
- the number of memberships in each membership class and the related number of authorized shares of each class of Class B common stock; and
- the eligibility requirements to exercise trading rights or privileges.

For a more detailed description of the approval rights of our Class B shareholders, see the section of this prospectus entitled "Description of Capital Stock." Our Class B shareholders are also entitled to elect six of the 20 directors on our board. As the transfer restrictions on shares of Class A common stock held by Class B shareholders terminate over time, Class B shareholders will continue to have these board representation rights, even if their Class A share ownership interest is very small.

Our certificate of incorporation also includes a provision requiring us to maintain open outcry floor trading on our exchange for a particular traded product as long as the open outcry market is "liquid." Our certificate of incorporation requires us to maintain a facility for conducting business, disseminating price information, clearing and delivery and to provide reasonable financial support for technology, marketing and research for open outcry markets. Our certificate of incorporation provides specific tests as to whether an open outcry market will be deemed liquid, as measured on a quarterly basis. If a market is deemed illiquid as a result of a failure to meet any of these tests, our board will determine whether or not that market will be closed.

We only recently began operating as a for-profit company and have a limited operating history as a for-profit company. Accordingly, our historical and recent financial and business results may not be representative of what they may be in the future.

We have only operated as a for-profit company with private ownership interests since November 13, 2000. We have a limited operating history as a for-profit business on which you can evaluate our management decisions, business strategy and financial results. As a result, our historical and recent financial and business results may not be representative of what they may be in the future. We are subject to risks, uncertainties, expenses and difficulties associated with changing and implementing our business strategy that are not typically encountered by established for-profit companies. The major U.S. futures exchanges have operated historically as mutual, membership organizations. There is little history or experience in operating an exchange as a for-profit corporation upon which we can draw. As a not-for-profit company, our business strategy and fee structure were designed to provide profit opportunities for our members. We targeted profit levels that provided sufficient levels of working capital. Today, our for-profit initiatives are designed to increase our revenues, make us profitable, optimize volume and liquidity and create operating efficiencies. These initiatives may not yield the benefits or efficiencies we expect. For example, fee increases, volume and member discounts and new access rules to our markets may not separately result in higher revenues and profits or greater volume or liquidity in our markets. As a result, we may not be able to operate effectively as a for-profit corporation. It is possible that we may incur significant operating losses in the future and that we may not be able to achieve or sustain long-term profitability.

Our business is subject to the impact of domestic and international market and economic conditions, many of which are beyond our control and could significantly reduce our trading volumes and make our financial results more volatile.

We generate revenues primarily from our trade execution services, clearing services and market data and information services. We expect to continue to do so for the foreseeable future. Each of these revenue

sources is substantially dependent on the trading volume in our markets. Our trading volume is directly affected by U.S. domestic and international factors that are beyond our control, including:

- economic, political and market conditions;
- broad trends in industry and finance;
- changes in levels of trading activity, price levels and price volatility in the derivatives markets and in underlying fixed-income, equity, foreign exchange and commodity markets;
- legislative and regulatory changes;
- competition;
- changes in government monetary policies and foreign exchange rates;
- consolidation in our customer base and within our industry; and
- inflation.

Any one or more of these factors may contribute to reduced activity in our markets. Our recent operating results and trading volume have been favorably impacted by global and domestic economic and political uncertainty. This is because our customers have sought to hedge or manage the risks associated with volatility in the U.S. equity markets, fluctuations in interest rates and price changes in the foreign exchange and commodities markets. The future economic environment will be subject to periodic downturns, including possible recession and lower volatility in financial markets, and may not be as favorable as it has been in recent years. As a result, period-to-period comparisons of our financial results are not necessarily meaningful. Trends less favorable than those of recent periods could result in decreased trading volume, decreased capital formation and a more difficult business environment for us. Material decreases in trading volume would have a material adverse effect on our financial condition and operating results.

Stock-based compensation expense relating to the option granted to our Chief Executive Officer could have a significant impact on our reported earnings that is unrelated to the operating performance of our business.

Our stock-based compensation expense is a non-cash expense. This expense can fluctuate significantly from quarter-to-quarter based on changes in the value of our Class A common stock and the underlying trading rights on our exchange associated with our Class B common stock. This is because the amount of expense we record for each quarter for the option granted to our CEO is determined using variable accounting. Variable accounting takes into account changes in the value of our Class A common stock and the underlying trading rights on the exchange associated with our Class B common stock from quarter to quarter. As a general matter, if the combined value of our Class A common stock and Class B common stock, including associated trading rights, subject to our CEO's option goes up from the combined value at the end of the previous quarter, we will record additional expense in the amount of the change in combined value. Similarly, if the combined value goes down, we will record a negative expense or credit in the amount of the change in combined value. As a result, our earnings may be subject to significant volatility that is unrelated to the actual operating performance of our business and quarter to quarter or period to period comparisons may not be meaningful. This offering is expected to occur in the fourth quarter of 2002. We expect that our stock-based compensation expense will increase significantly in that quarter based on the expected initial public offering price.

Our operating results are subject to significant fluctuations due to seasonality and a number of other factors. As a result, you will not be able to rely on our operating results in any particular period as an indication of our future performance.

A number of factors beyond our control may contribute to substantial fluctuations in our operating results — particularly in our quarterly results. In the three years prior to 2001, we experienced relatively

higher volume during the first and second quarters, and we generally expect that the third quarter will have lower trading volume. This trend was not evident in 2001 or 2002 in part because of the volatility of interest rates and U.S. equities in the third quarter in each of those years. As a result of seasonality and the factors described in the preceding risk factors, you will not be able to rely on our operating results in any particular period as an indication of our future performance. If we fail to meet securities analysts' expectations regarding our operating performance, the price of our Class A common stock could decline substantially.

Our cost structure is largely fixed. If we are unable to reduce our costs if our revenues decline, our profitability will be adversely affected.

Our cost structure, with the exception of stock-based compensation, is largely fixed. We base our cost structure on historical and expected levels of demand for our products and services. If demand for our products and services and our resulting revenues decline, we may not be able to adjust our cost structure on a timely basis. In that event, our profitability will be adversely affected.

The global trend toward electronic trading may divert volume away from our open outcry trading facilities. Our revenues, profits and stock price will be adversely affected if we experience reductions in our open outcry trading volume that are not offset by increases in our electronic trading volume.

Both newly formed organizations and established exchanges are increasingly employing electronic trading systems that provide fast, low-cost execution of trades by matching buyers and sellers electronically. These organizations are attracting order flow away from some traditional open outcry trading markets. Many market participants believe that these electronic trading systems represent a threat to the continued viability of the open outcry method of trading. Some major European and Asian futures exchanges have closed their traditional open outcry trading facilities and replaced them entirely with electronic systems. Although we offer an electronic trading system, currently the majority of our revenue is generated by open outcry trading. Reductions in our open outcry trading volume that are not offset by increases in our electronic trading volume would have a material adverse effect on our revenue, earnings and stock price.

The success of our markets will depend on our ability to complete development of and successfully implement electronic marketplaces that have the functionality, performance, reliability, speed and liquidity required by customers.

The future success of our business depends in large part on our ability to create interactive electronic marketplaces in a wide range of derivatives products that have the required functionality, performance, reliability, speed and liquidity to attract and retain customers. A significant portion of our current overall volume is generated through electronic trading of our E-mini S&P 500 and E-mini Nasdaq-100 products. However, during the first nine months of 2002, approximately 67% of our volume and approximately 53% of our clearing and transaction fees revenue was generated through our open outcry trading facilities. Most of that open outcry volume is related to trading in Eurodollar contracts. To date, our electronic functionality has not been capable of accommodating the complex trading strategies typically used for trading our Eurodollar contracts. As a result, our electronic trading facilities for these products have met with limited success. We will soon implement a new electronic system upgrade we call the Eagle Project. This software is designed to provide the required functionality to replicate electronically some of the trading strategies used by open outcry Eurodollar traders. We are currently developing additional functionality to accommodate more Eurodollar trading strategies. We may not complete the development of or successfully implement the required electronic functionality for our Eurodollar marketplace. Moreover, our Eurodollar customers may not accept our electronic trading systems. In either event, our ability to increase our electronic Eurodollar trading volume would be adversely affected. In addition, if we are unable to develop our electronic trading systems to include other products and markets, or if our electronic marketplaces do not have the required functionality, performance, reliability, speed and liquidity, we may not be able to compete successfully in a new environment that we expect to be increasingly dominated by electronic trading.

We maintain the simultaneous operation of open outcry trading and electronic trade execution facilities, which may, over time, prove to be inefficient and costly and ultimately adversely affect our profitability.

Currently, we maintain both open outcry trade execution facilities and electronic trade execution facilities. For some products, we maintain side-by-side trading facilities for both open outcry and electronic trading. We are obligated, through the inclusion of provisions in our certificate of incorporation, to maintain the operation of our open outcry trading facilities until the trading volumes in them are not significant. If we continue to operate both trading facilities for the same product, liquidity of markets on each may be less than the liquidity of competing markets on a unified trading platform. In addition, it may be expensive to continue operating two trading systems for the same product. We may incur substantial expenses and experience delays because of our efforts to create trading links between the separate trading platforms to facilitate trading on both systems. Any loss of efficiency or increase in time to market of new or improved products could be detrimental to our business. In addition, we may expend resources on the maintenance of our open outcry facilities that could be more efficiently used to develop our capacity and reduce our costs in the increasingly competitive market for electronic trading facilities.

The development of our electronic trading facilities exposes us to risks inherent in operating in the new and evolving market for electronic transaction services. If we do not successfully develop our electronic trading facilities, or if our customers do not accept them, our revenues, profits and stock price will be adversely affected.

We must further develop our electronic trading facilities to remain competitive. As a result, we will continue to be subject to risks, expenses and uncertainties encountered in the rapidly evolving market for electronic transaction services. These risks include our failure or inability to:

- provide reliable and cost-effective services to our customers;
- develop, in a timely manner, the required functionality to support electronic trading in some of our key products in a manner that is competitive with the functionality supported by other electronic markets;
- match fees of our competitors that offer only electronic trading facilities;
- increase the number of trading and order routing terminals capable of sending orders to our floor and to our electronic trading system;

- attract independent software vendors to write front-end software that will effectively access our electronic trading system and automated order routing system;
- respond to technological developments or service offerings by competitors; and
- generate sufficient revenue to justify the substantial capital investment we have made and will continue to make to develop our electronic trading facilities.

If we do not successfully develop our electronic trading facilities, or our current or potential customers do not accept them, our revenues, profits and stock price will be adversely affected.

Our market data fees may be reduced or eliminated by the growth of electronic trading and electronic order entry systems. If we are unable to offset that reduction through terminal usage fees or transaction fees, we will experience a reduction in revenue.

Electronic trading systems do not usually impose separate charges for supplying market data to trading terminals. If we do not separately charge for market data supplied to trading terminals, and trading terminals with access to our markets become widely available, we would lose quote fee revenue from those who have access to trading terminals. We will experience a reduction in our revenues if we are unable to recover that lost quote fee revenue through terminal usage fees or transaction fees.

Our change to a for-profit company may cause members to seek alternative trading venues and products and negatively impact the liquidity of our markets and our trading volume.

The trading activities of our members accounted for over 70% of our trading volume during both 2001 and the first nine months of 2002. When we became a for-profit company, we changed the role of our members in the operation of our business. We eliminated many member-dominated committees or converted them into advisory bodies. We gave our professional staff greater decision-making responsibilities. Subject to the oversight of our board of directors, our management is charged with making decisions that are designed to enhance shareholder value, which may lead to decisions or outcomes with which our members disagree. These changes may make us less attractive to our members and encourage them to conduct their business at, or seek membership in, another exchange or to trade in equivalent products among themselves on a private, bilateral basis. A material decrease in member trading activity would negatively impact liquidity and trading volume in our products and reduce our revenues. A loss or material reduction in the number of our clearing firms and the capital they provide to guarantee their trades and the trades of their customers would also diminish the strength and attractiveness of our clearing house and our markets.

Despite our governance changes, our dependence on our members gives them substantial influence over how we operate our business. Members could use their ownership of Class A and Class B common stock, and ability to elect our board of directors, to change or modify our policies or business practices with which they do not agree.

Our trading volume, and consequently our revenues and profits, would be adversely affected if we are unable to retain our current customers or attract new customers to our exchange.

The success of our business depends, in part, on our ability to maintain and increase our trading volume. To do so, we must maintain and expand our product offerings, our customer base and our trade execution alternatives. Our success also depends on our ability to offer competitive prices and services in an increasingly price sensitive business. In addition, our success depends on our ability to increase the base of individual customers who trade our products. We cannot assure you that we will be able to continue to expand our product lines, or that we will be able to retain our current customers or attract new customers. We also cannot assure you that we will not lose customers to low-cost competitors with comparable or superior products, services or trade execution facilities. If we fail to expand our product offerings or execution facilities, or lose a substantial number of our current customers, or are unable to attract new customers, our business will be adversely affected.

We face intense competition from other companies, including some of our members. If we are not able to successfully compete, our business will not survive.

The derivatives, securities and financial services industries are highly competitive. We expect that competition will intensify in the future. Our current and prospective competitors, both domestically and around the world, are numerous. They include securities and securities option exchanges, futures exchanges, over-the-counter, or OTC, markets, clearing organizations, market data and information vendors, electronic communications networks, crossing systems and similar entities, consortia of large customers, consortia of some of our clearing firms and electronic brokerage and dealing facilities. We believe we may also face competition from large computer software companies and media and technology companies. The number of businesses providing Internet-related financial services is rapidly growing. Other companies have entered into or are forming joint ventures or consortia to provide services similar to those provided by us. Others may become competitive with us through acquisitions. Recent changes in federal law allow institutions that have been major participants on our exchange to trade the same or similar products among themselves without utilizing any exchange or trading system. Many of our competitors and potential competitors have greater financial, marketing, technological and personnel resources than we do. These factors may enable them to develop similar products, to provide lower

transaction costs and better execution to their customers and to carry out their business strategies more quickly and efficiently than we can. In addition, our competitors may:

- respond more quickly to competitive pressures due to their corporate governance structures, which may be more flexible and efficient than our corporate governance structure;
- develop products that are preferred by our customers;
- develop risk transfer products that compete with our products;
- price their products and services more competitively;
- develop and expand their network infrastructure and service offerings more efficiently;
- utilize better, more user-friendly and more reliable technology;
- take greater advantage of acquisitions, alliances and other opportunities;
- more effectively market, promote and sell their products and services;
- better leverage existing relationships with customers and alliance partners or exploit better recognized brand names to market and sell their services; and
- exploit regulatory disparities between traditional, regulated exchanges and alternative markets that benefit from a reduced regulatory burden and lower-cost business model.

If our products, markets and services are not competitive, our business, financial condition and operating results will be materially harmed. In addition, even if new entrants do not significantly erode our market share, we may be required to reduce our fees significantly to remain competitive, which could have a material adverse effect on our profitability. For more information concerning the competitive nature of our industry and the challenges we face, see the section of this prospectus entitled "Business—Competition."

The enactment of the Commodity Futures Modernization Act will increase competition and enable many of our customers to trade futures contracts other than on exchanges. These events could result in lower trading volume, revenue and profits.

Our industry has been subject to several fundamental regulatory changes, including changes in the statute under which we have operated since 1974. The Commodity Exchange Act generally required all futures contracts to be executed on an exchange that has been approved by the Commodity Futures Trading Commission, or CFTC. The

exchange trading requirement was modified by CFTC regulations and interpretations to permit privately negotiated swap contracts to be transacted in the over-the-counter, or OTC, market. The CFTC exemption under which the OTC derivatives market operated precluded the OTC market from using exchange-like electronic transaction systems and clearing facilities. These barriers to competition from the OTC market were largely repealed by the Commodity Futures Modernization Act. It is possible that the chief beneficiaries of the Commodity Futures Modernization Act will be OTC dealers and competitors that operate or intend to open electronic trading facilities or to conduct their futures business directly among themselves on a bilateral basis. The customers who may access these trading facilities or engage in bilateral private transactions are the same customers who account for a substantial portion of our trading volume. The Commodity Futures Modernization Act also permits banks, broker-dealers and some of their affiliates to engage in foreign exchange futures transactions for or with retail customers without being subject to regulation under the Commodity Exchange Act.

The Commodity Futures Modernization Act also permits bank clearing organizations and clearing organizations regulated by the Securities and Exchange Commission, or SEC, to clear a broad array of derivatives products in addition to the products that these clearing organizations have traditionally cleared. This allocation of jurisdiction may be advantageous to competing clearing organizations and result in a lower volume of trading cleared through our clearing house.

If we are not able to keep up with rapid technological changes, our business will be materially harmed.

To remain competitive, we must continue to improve the responsiveness, functionality, accessibility and other features of our software, network distribution systems and technologies. The markets in which we compete are characterized by rapidly changing technology, changes in customer demand and uses of our products and services, frequent product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render our existing technology and systems obsolete. Our future success will depend in part on our ability to anticipate and adapt to technological advancements and changing standards in a timely, cost-efficient and competitive manner. We cannot assure you that we will successfully implement new technologies or adapt our technology to customer and competitive requirements or emerging industry standards.

Any significant decline in the trading volume of our Eurodollar, S&P 500 or Nasdaq-100 futures and options on futures contracts or in privately negotiated foreign exchange transactions using our clearing house would adversely affect our revenues and profitability.

We are substantially dependent on trading volume from three product offerings for a significant portion of our clearing and transaction fees revenues and profits. The clearing and transaction fees revenues attributable to transactions in our Eurodollar contracts, our S&P 500 and Nasdaq-100 contracts, and privately negotiated foreign exchange transactions using our clearing house were approximately 47%, 10%, 2% and 10%, respectively, of our total clearing and transaction fees revenues during 2001 and approximately 42%, 9%, 2% and 7%, respectively, during the nine months ended September 30, 2002. Any significant decline in our trading volume in any of these products would negatively impact our business, financial condition and operating results.

We believe our Eurodollar product serves as a global financial benchmark, but we cannot assure you that, in the future, other products will not become preferred alternatives to the Eurodollar contract as a means of managing or speculating on interest rate risk. We also cannot assure you that competitors will not enter the Eurodollar market, or that our members will not trade Eurodollars in privately negotiated bilateral transactions without the use of our clearing house. In either of these events, our trading volume, revenues and profitability would be adversely affected.

Our rights to the Standard & Poor's and Nasdaq products were obtained through licensing arrangements. Our license agreement with Standard & Poor's provides that the S&P 500 Index futures products will be exclusive until December 31, 2008 and non-exclusive from December 31, 2008 until December 31, 2013.

Our license with Nasdaq will be exclusive for each calendar year until expiration, provided the aggregate average daily trading volume in Nasdaq-100 futures contracts and options on Nasdaq-100 futures contracts remains above 5,000 contracts per day. The agreement terminates in April 2006, subject to our mutual agreement to extend the agreement. The agreement does not preclude Nasdaq from allowing Nasdaq-100 futures contracts to be traded on a market owned by Nasdaq or some of its affiliates.

We cannot assure you that either of our Standard & Poor's or Nasdaq license agreements will be renewed when they terminate. In addition, we cannot assure you that others will not succeed in creating stock index futures based on information similar to that which we have obtained by license or that market participants will not increasingly use alternative instruments, including securities and options based on the S&P and Nasdaq indexes, to manage or speculate on U.S. stock risks. We also cannot assure you that Nasdaq will not directly or indirectly offer competitive futures contracts. Currently, Nasdaq LIFFE Markets, or NQLX, offers futures contracts based on an exchange-traded fund called QQQ, which may compete with our Nasdaq-100 futures contracts. Any of these events could have an adverse effect on our trading volume, revenues and profits.

Some of our largest clearing firms have indicated their belief that clearing facilities should not be owned or controlled by exchanges and should be operated as utilities and not for profit. These clearing firms are seeking legislative or regulatory changes that would, if adopted, enable them to use alternative clearing services for positions established on our exchange. Even if they are not successful, these factors may cause them to limit or stop the use of our markets.

Some of our largest clearing firms, which are significant customers and intermediaries in our products, have increasingly stressed the importance to them of centralizing clearing of futures contracts and options on futures in order to maximize the efficient use of their capital, exercise greater control over their value at risk and extract greater operating leverage from clearing activities. Many clearing firms have expressed the view that clearing firms should control the governance of clearing houses or that clearing houses should be operated as utilities rather than as for-profit enterprises. Some of these firms, along with the Futures Industry Association, are attempting to cause legislative or regulatory changes to be adopted that would facilitate mechanisms or policies that allow market participants to transfer positions from an exchange-owned clearing house to a clearing house owned and controlled by clearing firms. Our strategic business plan is to operate a vertically integrated transaction execution and clearing and settlement business. If these legislative or regulatory changes are adopted, our strategy and business plan may lead clearing firms to establish, or seek to use, alternative clearing houses for clearing positions established on our exchange. Even if they are not successful in their efforts, the factors described above may cause clearing firms to limit or stop the use of our products and markets. If any of these events occur, our revenues and profits would be adversely affected.

Our clearing house operations expose us to substantial credit risk of third parties. Our financial condition will be adversely affected in the event of a significant default.

Our clearing house acts as the counterparty to all trades consummated on or through our exchange. As a result, we are exposed to significant credit risk of third parties, including our clearing firms. We are also exposed, indirectly, to the credit risk of customers of our clearing firms. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. A substantial part of our working capital is at risk if a clearing firm defaults on its obligations to our clearing house and its margin and security deposits are insufficient to meet its obligations. Although we have policies and procedures to help assure that our clearing firms can satisfy their obligations, these policies and procedures may not succeed in detecting problems or preventing defaults. We also have in place various measures intended to enable us to cover any default and maintain liquidity. However, we cannot assure you that these measures will be sufficient to protect us from a default or that we will not be materially and adversely affected in the event of a significant default. For a more detailed discussion of our clearing house operations, see the section of this prospectus entitled "Business—Clearing."

If we experience systems failures or capacity constraints, our ability to conduct our operations would be materially harmed and we could be subjected to significant costs and liabilities.

We are heavily dependent on the capacity and reliability of the computer and communications systems and software supporting our operations. We receive and/or process a large portion of our trade orders through electronic means, such as through public and private communications networks. Our systems, or those of our third party providers, may fail or operate slowly, causing one or more of the following to occur:

- unanticipated disruptions in service to our customers;
- slower response times;
- delays in our customers' trade execution;
- failed settlement of trades;
- incomplete or inaccurate accounting, recording or processing of trades;

- financial losses;
- litigation or other customer claims; and
- regulatory sanctions.

We cannot assure you that we will not experience systems failures from power or telecommunications failure, acts of God, war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, acts of vandalism or similar events. If any of our systems do not operate properly or are disabled, including as a result of system failure, customer error or misuse of our systems, we could suffer financial loss, liability to customers, regulatory intervention or reputational damage that could affect demand by current and potential users of our market.

From time to time, we have experienced system errors and failures that have resulted in some customers being unable to connect to our electronic trading platform or erroneous reporting, such as transactions that were not authorized by any customer or reporting of filled orders as cancelled. In September of this year, we experienced a hardware failure that resulted in a temporary suspension of trading on our GLOBEX platform. The impact of these events has not been material.

Our status as a CFTC registrant requires that our trade execution and communications systems be able to handle anticipated present and future peak trading volume. Heavy use of our computer systems during peak trading times or at times of unusual market volatility could cause our systems to operate slowly or even to fail for periods of time. We constantly monitor system loads and performance and regularly implement system upgrades to handle estimated increases in trading volume. However, we cannot assure you that our estimates of future trading volume will be accurate or that our systems will always be able to accommodate actual trading volume without failure or degradation of performance. For example, in June and July 2002, the volume on our GLOBEX electronic trading platform repeatedly exceeded one million contracts in a single day. During the initial period of increased GLOBEX trading volume, there were instances of connectivity problems or erroneous reports that affected some users of the platform. System failure or degradation could lead our customers to file formal complaints with industry regulatory organizations, file lawsuits against us or cease doing business with us or could lead the CFTC or other regulators to initiate inquiries or proceedings for failure to comply with applicable laws and regulations.

We will need to continue to upgrade and expand our systems as our business grows. Although many of our systems are designed to accommodate additional volume without redesign or replacement, we will need to continue to make significant investments in additional hardware and software to accommodate increased volume. The inability of our systems to accommodate an increasing volume of transactions could constrain our ability to expand our businesses and could cause us to lose business.

We depend on third party suppliers and service providers for a number of services that are important to our business. An interruption or cessation of an important supply or service by any third party could have a material adverse effect on our business.

We depend on a number of suppliers, such as banking, clearing and settlement organizations, telephone companies, online service providers, data processors, and software and hardware vendors for elements of our trading, clearing and other systems, as well as communications and networking equipment, computer hardware and software and related support and maintenance. We cannot assure you that any of these providers will be able to continue to provide these services in an efficient, cost-effective manner or that they will be able to adequately expand their services to meet our needs. An interruption in or the cessation of an important supply or service by any third party and our inability to make alternative arrangements in a timely manner, or at all, would result in lost revenue and higher costs.

Our networks and those of our third party service providers may be vulnerable to security risks, which could result in wrongful use of our information or cause interruptions in our operations that cause us to lose customers and trading volume and result in significant liabilities. We could also be required to incur significant expense to protect our systems.

We expect the secure transmission of confidential information over public networks to continue to be a critical element of our operations. Our networks and those of our third party service providers, our members and our customers may be vulnerable to unauthorized access, computer viruses and other security problems. Persons who circumvent security measures could wrongfully use our information or cause interruptions or malfunctions in our operations. Any of these events could cause us to lose customers or trading volume. We may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by breaches. Although we intend to continue to implement industry-standard security measures, these measures may prove to be inadequate and result in system failures and delays that could cause us to lose customers, experience lower trading volume and incur significant liabilities.

We operate in a heavily regulated environment that imposes significant costs and competitive burdens on our business.

Although the Commodity Futures Modernization Act significantly reduced our regulatory burdens, we remain extensively regulated by the CFTC. Our international operations may be subject to similar regulations in specific jurisdictions. We have registered in the United Kingdom as a recognized foreign exchange. We may be required to register or become subject to regulation in other jurisdictions in order to accept business from customers in those jurisdictions.

Many aspects of our operations are subject to oversight and regulation by the CFTC. Our activities relating to single stock and narrow-based stock index futures products will also be subject to oversight by the SEC. Our operations are subject to ongoing review and oversight, including:

- the security and soundness of our order routing and trading systems;
- record keeping and record retention procedures;
- the licensing of our members and many of their employees; and
- the conduct of our directors, officers, employees and affiliates.

If we fail to comply with applicable laws, rules or regulations, we may be subject to censure, fines, cease-and-desist orders, suspension of our business, removal of personnel or other sanctions, including revocation of our designation as a contract market. Changes in laws, regulations or governmental policies could have a material adverse effect on the way we conduct our business.

The CFTC has broad powers to investigate and enforce compliance and punish non-compliance with its rules and regulations. We cannot assure you that we and/or our directors, officers and employees will be able to fully comply with these rules and regulations. We also cannot assure you that we will not be subject to claims or actions by the

CFTC or other agencies.

Demutualization and utilization of electronic trading systems by traders from remote locations will, among other developments, impact our ability to continue the traditional forms of "self-regulation" that have been an integral part of the CFTC regulatory program. The CFTC is reviewing that impact, and it is unclear at this time whether the CFTC will make modifications to its regulations that will have an adverse effect on the way we conduct our business.

From time to time, it is proposed in Congress that federal financial markets regulators should be consolidated, including a possible merger between the CFTC and the SEC. While those proposals have not been adopted to date, the perceived convergence of product lines offered on the securities and commodity exchanges could make adoption more likely. To the extent the regulatory environment following such consolidation is less beneficial for us, our business could be negatively affected.

From time to time, the President's budget includes a proposal that a transaction tax be imposed on futures and options on futures transactions. While those proposals have not been adopted to date, except for a per-contract fee imposed under the Securities Exchange Act of 1934 on single stock futures and futures on narrow-based stock indexes, the imposition of any such tax would increase the cost of using our products and, consequently, could adversely impact our trading volumes, revenues and profits.

Our compliance and risk management methods might not be effective and may result in outcomes that could adversely affect our reputation, financial condition and operating results.

Generally, the CFTC has broad enforcement powers to censure, fine, issue cease-and-desist orders, prohibit us from engaging in some of our businesses or suspend or revoke our designation as a contract market or the registration of any of our officers or employees who violate applicable laws or regulations. Our ability to comply with applicable laws and rules is largely dependent on our establishment and maintenance of compliance, audit and reporting systems, as well as our ability to attract and retain qualified compliance and other risk management personnel. We face the risk of significant intervention by regulatory authorities, including extensive examination and surveillance activity. In the case of non-compliance or alleged non-compliance with applicable laws or regulations, we could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits, including by customers, for damages, which can be significant. Any of these outcomes would adversely affect our reputation, financial condition and operating results. In extreme cases, these outcomes could adversely affect our ability to conduct our business.

Our policies and procedures to identify, monitor and manage our risks may not be fully effective. Some of our risk management methods depend upon evaluation of information regarding markets, customers or other matters that are publicly available or otherwise accessible by us. That information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. We cannot assure you that our policies and procedures will always be effective or that we will always be successful in monitoring or evaluating the risks to which we are or may be exposed.

As a financial services provider, we are subject to significant litigation risk and potential securities law liability.

Many aspects of our business involve substantial liability risks. While we enjoy governmental immunity for some of our market-related activities, we could be exposed to substantial liability under federal and state laws and court decisions, as well as rules and regulations promulgated by the SEC and the CFTC. These risks include, among others, potential liability from disputes over terms of a trade, the claim that a system failure or delay caused monetary losses to a customer, that we entered into an unauthorized transaction or that we provided materially false or misleading statements in connection with a transaction. Dissatisfied customers frequently make claims regarding quality of trade execution, improperly settled trades, mismanagement or even fraud against their service providers. We may become subject to these claims as the result of failures or malfunctions of our systems and services we provide. We could incur significant legal expenses defending claims, even those without merit. In addition, an adverse resolution of any future lawsuit or claim against us could have a material adverse effect on our business.

We could be harmed by employee misconduct or errors that are difficult to detect and deter.

There have been a number of highly publicized cases involving fraud or other misconduct by employees of financial services firms in recent years. Misconduct by our employees, including employees of GFX Corporation, or GFX, our wholly owned subsidiary that engages in proprietary trading in foreign exchange futures, could include hiding unauthorized activities from us, improper or unauthorized activities on behalf of customers or improper use of confidential information. Employee misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation. It is not always possible to

deter employee misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Our employees also may commit errors that could subject us to financial claims for negligence, or otherwise, as well as regulatory actions.

Our acquisition, investment and alliance strategy involves risks. If we are unable to effectively manage these risks, our business will be materially harmed.

To achieve our strategic objectives, in the future we may seek to acquire or invest in other companies, businesses or technologies. Acquisitions entail numerous risks, including the following:

- difficulties in the assimilation of acquired businesses or technologies;
- diversion of management's attention from other business concerns;
- assumption of unknown material liabilities;
- failure to achieve financial or operating objectives; and
- potential loss of customers or key employees of acquired companies.

We may not be able to integrate successfully any operations, personnel, services or products that we have acquired or may acquire in the future.

We also may seek to expand or enhance some of our operations by forming joint ventures or alliances with various strategic partners throughout the world. Entering into joint ventures and alliances also entails risks, including difficulties in developing and expanding the business of newly formed joint ventures, exercising influence over the activities of joint ventures in which we do not have a controlling interest, and potential conflicts with our joint venture or alliance partners. For example, in 2001 we entered into an operating agreement governing OneChicago, our joint venture with CBOE and CBOT, to trade single stock futures and futures based on narrow-based stock indexes. Under the terms of our operating agreement, CBOE and we together own a significant majority interest in the joint venture, and CBOT owns a minority interest. Our ability to control key decisions relating to the operation and development of OneChicago will be limited. In addition, under the terms of our operating agreement, until May 31, 2005, we are restricted from in any way engaging in the business of trading, marketing, regulating, selling, purchasing, clearing or settling transactions in single stock futures other than in conjunction with the joint venture. This restriction on our ability to compete applies whether or not we remain part of the joint venture, but it does not apply to futures based on narrow-based stock indexes. We also recently entered into an agreement with NYMEX to introduce small-sized versions of key NYMEX energy futures contracts, which trade on our GLOBEX electronic trading platform and clear at the NYMEX clearing house. During the term of the agreement and for one year thereafter, we are generally prohibited, other than in cooperation with NYMEX, from providing for or facilitating electronic trading in futures or options on futures contracts on any underlying commodity (or index of

commodities) that is also the underlying commodity for a product listed for trading by NYMEX. We cannot assure you that any joint venture or alliance that we have entered or may enter into will be successful.

Our ability to successfully trade single stock futures and futures on narrow-based stock indexes may be impaired by statutory and regulatory provisions that limit our natural competitive advantages and expand opportunities for competitors.

The Commodity Futures Modernization Act, which authorized us to trade futures contracts based on individual securities and narrow-based stock indexes, or security futures, prohibited the implementation in connection with these contracts of many traditional features of futures trading that would have made using security futures cheaper, tax advantaged and more efficient than using similar security options and OTC security derivatives. The Commodity Futures Modernization Act also created a system of dual registration and regulation for security futures intermediaries and exchanges that may be costly and burdensome to the intermediaries and the exchanges and may discourage intermediaries and investors from using security futures. The Commodity Futures Modernization Act also eliminated most legal impediments to

unregulated trading of security futures or similar products between qualified investors. In addition, foreign exchanges may be allowed to trade similar products under terms that will be more favorable than the terms we are permitted to offer our customers. Finally, security futures are subject to a number of complicated and controversial regulations. As a result, we cannot assure you that we, either directly or through our joint venture, OneChicago, will be successful in offering single stock futures or futures on narrow-based stock indexes.

The imposition in the future of regulations requiring that clearing houses establish linkages with other clearing houses whereby positions at one clearing house can be transferred to and maintained at, or otherwise offset by a fungible position existing at, another clearing house may have a material adverse effect on the operation of our business.

In connection with the trading of single stock futures and futures on narrow-based stock indexes, the Commodity Futures Modernization Act contemplates that clearing houses will, after an initial period, establish linkages enabling a position in any such product executed on an exchange for which it clears these products to be offset by an economically linked or fungible position on the opposite side of the market that is executed on another exchange utilizing a different clearing house. If, in the future, a similar requirement is imposed with respect to futures contracts generally, the resulting unbundling of trade execution and clearing services would have a material adverse effect on our revenues and profits.

Expansion of our operations internationally involves special challenges that we may not be able to meet, which could adversely affect our financial results.

We plan to continue to expand our operations internationally, including by directly placing order entry terminals with members and/or customers outside the United States and by relying on distribution systems established by our current and future strategic alliance partners. We face certain risks inherent in doing business in international markets, particularly in the regulated derivatives exchange business. These risks include:

- restrictions on the use of trading terminals or the contracts that may be traded;
- becoming subject to extensive regulations and oversight, tariffs and other trade barriers;
- reduced protection for intellectual property rights;
- difficulties in staffing and managing foreign operations; and
- potentially adverse tax consequences.

In addition, we will be required to comply with the laws and regulations of foreign governmental and regulatory authorities of each country in which we conduct business. These may include laws, rules and regulations relating to any aspect of the derivatives business. To date, we have had limited experience in marketing and operating our products and services internationally. We cannot assure you that we will be able to succeed in marketing our products and services in international markets. We may also experience difficulty in managing our international operations because of, among other things, competitive conditions overseas, management of foreign exchange risk, established domestic markets, language and cultural differences and economic or political instability. Any of these factors could have a material adverse effect on the success of our international operations and, consequently, on our business, financial condition and operating results.

We may not be able to protect our intellectual property rights, which may materially harm our business.

We rely primarily on trade secret, copyright, service mark, trademark law and contractual protections to protect our proprietary technology and other proprietary rights. We have not filed any patent applications covering our technology. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise obtain and use our proprietary technology without authorization or otherwise infringe on our rights. We also seek to protect our software

and databases as trade secrets and under copyright law. We have copyright registrations for certain of our software, user manuals and databases. The copyright protection afforded to databases, however, is fairly limited. While the arrangement and selection of data generally are protectable, the actual data are not, and others may be free to create databases that would perform the same function. In some cases, including a number of our most important products, there may be no effective legal recourse against duplication by competitors. In addition, in the future, we may have to rely on litigation to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. Any such litigation, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources, either of which could adversely affect our business.

Any infringement by us on patent rights of others could result in litigation and adversely affect our ability to continue to provide, or increase the cost of providing, electronic execution services.

Patents of third parties may have an important bearing on our ability to offer certain of our products and services. Our competitors as well as other companies and individuals may obtain, and may be expected to obtain in the future, patents related to the types of products and services we offer or plan to offer. We cannot assure you that we are or will be aware of all patents containing claims that may pose a risk of infringement by our products and services. In addition, patent applications in the United States are generally confidential until a patent is issued and, therefore, we cannot evaluate the extent to which our products and services may be covered or asserted to be covered by claims contained in pending patent applications. In general, if one or more of our products or services were to infringe patents held by others, we may be required to stop developing or marketing the products or services, to obtain licenses to develop and market the services from the holders of the patents or to redesign the products or services in such a way as to avoid infringing on the patent claims. In May 1999, we were sued along with other defendants for alleged infringement of Wagner U.S. patent 4,903,201 entitled "Automated Futures Trade Exchange." In August 2002, we settled the lawsuit for $15 million. Under the terms of the settlement agreement, we are not allowed to process trades for any third party futures exchange, except in specified circumstances. For a more detailed description of the terms of the settlement, see the section of this prospectus entitled "Business—Legal Proceedings." We cannot assess the extent to which we may be required in the future to obtain licenses with respect to patents held by others, whether such licenses would be available or, if available, whether we would be able to obtain such licenses on commercially reasonable terms. If we were unable to obtain such licenses, we may not be able to redesign our products or services to avoid infringement, which could materially adversely affect our business, financial condition and operating results.

As a holding company, we are totally dependent on dividends from our operating subsidiary to pay dividends and other obligations.

We are a holding company with no business operations. Our only significant asset is the outstanding capital stock of our subsidiary. As a result, we must rely on payments from our subsidiary to meet our obligations. We intend to pay quarterly dividends to our shareholders beginning in the first quarter of 2003. We currently expect that the earnings and cash flow of our subsidiary will primarily be retained and used by it in its operations, including to service any debt obligations it may have now or in the future. Accordingly, our subsidiary may not be able to generate sufficient cash flow to pay a dividend or distribute funds to us in order to allow us to pay a dividend on or make a distribution in respect of our Class A common stock. Our existing credit facility, as well as future credit facilities, other future debt obligations and statutory provisions, may limit our ability to pay dividends.

Risks Associated With Purchasing Our Class A Common Stock In This Offering

If we settle the option granted to our CEO only in shares of Class A common stock, we could be required to issue substantial additional shares of Class A common stock. In addition, if our Class B shares increase in value relative to our Class A shares, holders of our Class A shares will experience additional dilution.

We granted our CEO an option to purchase our Class A and Class B shares, with two separately exercisable tranches. Each tranche of the option is for 2.5% of each class of our common stock outstanding as of the date of our demutualization, as adjusted for our reorganization. Currently, we may settle the exercise of the option with any combination of Class A shares, Class B shares or cash, at our discretion. Following the offering, we do not expect to issue Class B shares to settle the exercise of the option. If the entire option was vested and the exercise price was paid in cash on September 30, 2002 and the option was settled only with Class A common stock, we would have been required to issue 2,875,873 shares of Class A common stock, assuming an initial public offering price of $32.50 per share, the mid-point of the range shown on the cover of this prospectus.

The value of our Class A shares is not directly linked to the value of our Class B shares. As a result, if we decide to settle the entire option by issuing only Class A shares, the amount of dilution experienced by holders of our Class A shares would increase if our Class B shares increased in value relative to our Class A shares. As of September 30, 2002, the value of the trading rights associated with our Class B shares had increased by approximately 10% and 120% compared to their value as of December 31, 2001 and December 31, 2000, respectively.

Sales of our Class A common stock may have an adverse impact on the market price of our Class A common stock.

Sales of a substantial number of shares of our Class A common stock in the public market following this offering, or the perception that large sales could occur, could cause the market price of our Class A common stock to decline. Either of these circumstances could also limit our future ability to raise capital through an offering of equity securities. After completion of this offering, there will be 31,817,712 shares of our Class A common stock issued and outstanding, or 32,530,372 shares if the underwriters exercise their over-allotment option in full. All of the shares of Class A common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act by persons other than our "affiliates" within the meaning of Rule 144 under the Securities Act.

Our currently issued and outstanding shares of Class A common stock are registered under the Securities Act but are subject to significant transfer restrictions. These transfer restrictions will gradually expire over an 18-month period following this offering. Upon expiration, the Class A common stock held by existing shareholders will be freely transferable unless held by "affiliates" within the meaning of Rule 144 under the Securities Act. If our shareholders sell a large number of shares of our Class A common stock upon the expiration of some or all of these restrictions, the market price for our Class A common stock could decline significantly. For a more detailed description of the transfer restrictions imposed on our Class A common stock, see the section of this prospectus entitled "Description of Capital Stock."

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Some of the statements under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These factors include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such statements. We are under no duty to update any of the forward-looking statements after the date of this prospectus.

OUR REORGANIZATION

CME Holdings was incorporated in Delaware in August 2001 to be the holding company for CME and its subsidiaries. On December 3, 2001, we reorganized into a holding company structure through a merger of CME Holdings' wholly owned subsidiary, CME Merger Subsidiary Inc., into CME. Following the merger, CME became a wholly owned subsidiary of CME Holdings, and shareholders of CME became shareholders of CME Holdings.

CME Holdings operates as a holding company, while CME continues to conduct the business and operations of our exchange. We believe our holding company structure provides us with greater organizational flexibility, facilitates our access to the capital markets, promotes new business opportunities, facilitates future acquisitions and the formation of strategic alliances and creates a framework for future growth. The structure allows us to engage in these activities and maintain our exchange as a separate and distinct regulated entity. Our holding company reorganization also enabled us to place transfer restrictions on the shares of CME Holdings common stock outstanding prior to this offering.

As a result of our conversion into a for-profit corporation in the fall of 2000, individuals and entities who, at the time, owned trading privileges on our exchange became the owners of all the outstanding equity of CME. After the merger, these shareholders owned the same percentage of CME Holdings common stock that they previously owned of CME common stock. We estimate that, immediately prior to our reorganization, more than 95% of our Class A common stock and 100% of our Class B common stock were held, of record, by persons or entities who owned memberships on our exchange. We estimate that, as of November 27, 2002, more than 95% of our Class A common stock and 100% of our Class B common stock were held, of record, by persons or entities who own memberships on our exchange.

As a result of our demutualization, membership interests in our exchange were converted into shares of capital stock of CME. Specifically, each membership interest was converted into shares of a series of Class B common stock of CME that corresponded with a membership division of our exchange, and a number of shares of Class A common stock of CME that varied in amount based on membership division. In the merger, each outstanding whole share of Class A common stock of CME was converted into four shares of Class A common stock of CME Holdings as follows: one share of Class A-1, one share of Class A-2, one share of Class A-3 and one share of Class A-4. Each class of Class A common stock is identical to the Class A common stock being sold in this offering except that each class is subject to transfer restrictions of specified time duration. There are no restrictions on the shares of Class A common stock being sold in this offering. In the merger, each outstanding share of Class B common stock of CME was divided into two pieces: Class A common stock of CME Holdings in an amount essentially the same as the Class A share equivalents embedded in that Class B share of CME, and one share of Class B common stock of CME Holdings of the same class as the Class B share of CME surrendered in the merger. Class A share equivalents are the specified number of Class A shares that were represented by each Class B share for purposes of determining rights to vote for directors to be elected by both the Class A and Class B shareholders, to vote on matters submitted to a vote of both the Class A and Class B shareholders, to receive dividends or to receive liquidating distributions. In the merger, we issued additional Class A shares to Class B shareholders in an amount equal to the Class A share equivalents previously embedded in each Class B share. Prior to the merger, Class B shareholders had voting, dividend and liquidation rights equivalent to owning the number of Class A shares embedded in their Class B shares. Following the merger, their ownership interest remained the same, because the Class A share equivalents were issued in the form of actual Class A shares in CME Holdings.

The Class B common stock of CME represented an aggregate of approximately 10% of the outstanding common equity of CME prior to the merger. Each share of Class B common stock is associated with trading privileges in our exchange. In this prospectus, we refer to Class A, Class A-1, Class A-2, Class A-3 and Class A-4 common stock of CME Holdings collectively as Class A common stock, and we refer to Class B-1, Class B-2, Class B-3 and Class B-4 common stock of CME Holdings collectively

as Class B common stock. The following chart depicts the total number of shares of Class A common stock and Class B common stock, by class, received by CME shareholders in the merger.

	Converted into Shares of CME Holdings Common Stock Post-Merger		
Share of CME Common Stock Pre-Merger	**Class A common stock, by class**	**Class B common stock, by class**	**Total shares of common stock in CME Holdings**
Class A common stock	1 Class A-1 share 1 Class A-2 share 1 Class A-3 share 1 Class A-4 share	None	4 shares
Series B-1 common stock (included 1,800 Class A share equivalents)	450 Class A-1 shares 450 Class A-2 shares 450 Class A-3 shares 449 Class A-4 shares	1 Class B-1 share	1,800 shares
Series B-2 common stock (included 1,200 Class A share equivalents)	300 Class A-1 shares 300 Class A-2 shares 300 Class A-3 shares 299 Class A-4 shares	1 Class B-2 share	1,200 shares
Series B-3 common stock (included 600 Class A share equivalents)	150 Class A-1 shares 150 Class A-2 shares 150 Class A-3 shares 149 Class A-4 shares	1 Class B-3 share	600 shares
Series B-4 common stock (included 100 Class A share equivalents)	25 Class A-1 shares 25 Class A-2 shares 25 Class A-3 shares 24 Class A-4 shares	1 Class B-4 share	100 shares

The shares of Class A common stock and Class B common stock of CME Holdings received in the merger are subject to significant transfer restrictions. The Class A-1, A-2, A-3 and A-4 common stock may not be sold or transferred separately from a share of Class B common stock for specified periods of time following the completion of this offering. The shares of Class B common stock received in the merger may only be transferred in connection with the transfer of the associated membership in our exchange. For a more detailed discussion of the transfer restrictions imposed on our currently outstanding shares of Class A and Class B common stock, see the section of this prospectus entitled "Description of Capital Stock." In connection with our demutualization in 2000, we granted our Class B shareholders the right to approve changes to specified rights relating to the trading privileges associated with Class B shares. We maintained these rights after the reorganization through provisions contained in the certificate of incorporation of the holding company. For a more detailed discussion of these rights, see the section of this prospectus entitled "Description of Capital Stock."

Immediately prior to the merger, CME effected a one-for-four reverse stock split of its Class A common stock reducing the number of outstanding shares to 6,465,150. The reverse stock split was required to facilitate the issuance of four classes of Class A common stock of CME Holdings without increasing the number of outstanding shares of Class A common stock after the merger.

USE OF PROCEEDS

Our net proceeds from the sale of the shares of Class A common stock in this offering will be approximately $88.6 million, assuming an initial public offering price of $32.50, the mid-point of the range shown on the cover of this prospectus. If the underwriters fully exercise their over-allotment option, our net proceeds from the offering will be $110.1 million. Net proceeds are what we expect to receive after paying the underwriters' discounts and commissions and other expenses of the offering based on an assumed initial public offering price of $32.50 per share. We will not receive any proceeds from the sale of shares of our Class A common stock by the selling shareholders in this offering.

The principal purposes of this offering are to obtain additional capital, create a public market for our Class A common stock, facilitate our future access to public equity markets and provide increased visibility in a marketplace in which a number of our current and potential competitors are or will be publicly held companies. While, at this time, we have no specific allocations for the use of proceeds from this offering, we intend to use the net proceeds primarily for development of our technology infrastructure, capital expenditures, working capital and other general corporate purposes. We also may use a portion of the proceeds to acquire or invest in businesses, technologies, products or

services, although no specific acquisitions are planned and no portion of the net proceeds has been allocated for any acquisition. Our management will have broad discretion over how we use the net proceeds from this offering. Pending such uses, we intend to invest the net proceeds from this offering in short-term, interest-bearing investment grade securities.

DIVIDEND POLICY

On June 4, 2002, our board of directors declared a special cash dividend on each outstanding and restricted share of our Class A and Class B common stock in the amount of $0.60 per share to shareholders of record as of June 17, 2002. The holders of record included members of our exchange, directors and employees with grants of restricted stock, as well as other holders of our Class A common stock. The aggregate amount of the dividend was $17.3 million, which was paid on June 28, 2002. We did not pay a dividend in 2001.

We intend to pay regular quarterly dividends to our shareholders beginning in the first quarter of 2003. The annual dividend target will be approximately 20% of prior year's cash earnings. The decision to pay a dividend, however, remains within the discretion of our board of directors and may be affected by various factors, including our earnings, financial condition, capital requirements, level of indebtedness and other considerations our board of directors deems relevant.

Our existing credit facility, as well as future credit facilities, other future debt obligations and statutory provisions, may limit our ability to pay dividends.

CAPITALIZATION

The following table sets forth our capitalization, as of September 30, 2002, on an actual basis. The as adjusted information reflects the issuance and sale of the 3,000,000 shares of Class A common stock offered by us in the offering at an assumed initial public offering price of $32.50 per share, the mid-point of the range shown on the cover of this prospectus. The outstanding share information excludes:

- 68,400 shares of Class A common stock subject to restricted stock awards, which are not vested;
- 1,101,400 shares of Class A common stock issuable upon the exercise of outstanding stock options issued under our stock option plan, with an exercise price of $22 per share; and
- 2,875,873 shares of Class A common stock issuable upon the exercise of the outstanding stock options issued to our chief executive officer, at a weighted average exercise price of $18.99 per share, assuming a value of the Class A common stock at September 30, 2002 of $32.50, the mid-point of the range shown on the cover of this prospectus, and assuming the entire option is exercised for cash and settled in Class A common stock only.

The information set forth below should be read in conjunction with "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2002	
	Actual	As Adjusted
	(in thousands, except share data)	
Cash and cash equivalents	$ 197,164	$ 285,731
Long-term debt (including current portion)(1)	$ 8,221	$ 8,221
Shareholders' equity		
Preferred stock, $.01 par value; 9,860,000 shares authorized; no shares issued and outstanding, actual and as adjusted	$ —	$ —
Series A junior participating preferred stock, $.01 par value; 140,000 shares authorized, no shares issued and outstanding, actual and as adjusted	—	—
Class A common stock, $.01 par value; 138,000,000 shares authorized; 28,817,662 shares issued and outstanding, actual; 31,817,662 shares issued and outstanding, as adjusted	288	318
Class B common stock, $.01 par value; 3,138 shares authorized; 3,138 shares issued and outstanding, actual; 3,138 shares issued and outstanding, as adjusted	—	—
Additional paid-in capital	68,515	157,052
Unearned restricted stock compensation	(775)	(775)
Retained earnings	231,542	231,542
Accumulated net unrealized gains on securities	—	—
Total shareholders' equity	299,570	388,137
Total capitalization	$ 307,791	$ 396,358

(1) Long-term debt consists of capitalized lease obligations.

DILUTION

Purchasers of our Class A common stock in this offering will suffer an immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the offering price paid by the purchasers of our Class A common stock will exceed the net tangible book value per share of our Class A common stock and Class B common stock after the offering. The net tangible book value per share of our Class A common stock and Class B common stock is determined by subtracting total liabilities from the total book value of the tangible assets and dividing the difference by the number of shares of our Class A common stock and Class B common stock deemed to be outstanding on the date the book value is determined. As of September 30, 2002, we had a net tangible book value of $299,570,000, or $10.40 per share of Class A common stock and Class B common stock, excluding this offering. Upon the sale by us of 3,000,000 shares at an assumed initial public offering price of $32.50 per share, the mid-point of the range shown on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses, our net tangible book value as of September 30, 2002, would have been $388,137,000, or $12.20 per share of Class A common stock and Class B common stock. This represents an immediate increase in net tangible book value to existing shareholders of $1.80 per share and an immediate dilution to new investors of $20.30 per share. The following table illustrates this per share dilution:

Initial public offering price per share		$ 32.50
Net tangible book value per share before this offering	$ 10.40	
Increase in net tangible book value per share resulting from this offering	1.80	
Net tangible book value per share after this offering		12.20
Dilution per share to new investors		$ 20.30

The discussion and table above exclude:

- 68,400 shares of Class A common stock subject to restricted stock awards, which are not vested;
- 1,101,400 shares of Class A common stock issuable upon the exercise of outstanding stock options issued under our stock option plan, with an exercise price of $22 per share; and
- 2,875,873 shares of Class A common stock issuable upon the exercise of the outstanding stock option issued to our chief executive officer, at a weighted average exercise price of $18.99 per share, assuming a value of the Class A common stock at September 30, 2002 of $32.50, the mid-point of the range shown on the cover of this prospectus, and assuming the entire option is exercised for cash and settled in Class A common stock only.

As the restricted stock awards vest and to the extent option holders exercise their outstanding options, new investors will be further diluted.

SELECTED FINANCIAL DATA

The following selected consolidated financial data with respect to each of the years in the five-year period ended December 31, 2001 have been derived from our audited consolidated financial statements. The financial information provided as of and for the nine months ended September 30, 2001 and 2002 is unaudited, but in the opinion of management contains all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of our results of operations and financial position for such periods. The information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,					Nine Months Ended September 30,	
	1997	1998	1999	2000	2001	2001	2002
						(unaudited)	
	(in thousands, except per share amounts)						
Income Statement Data:							
Revenues							
Clearing and transaction fees	$ 116,917	$ 126,524	$ 140,305	$ 156,649	$ 292,459	$ 211,894	$ 261,414
Quotation data fees	37,719	40,079	43,005	36,285	48,250	35,810	36,507
GLOBEX access fees	—	1,013	1,899	3,971	11,987	8,908	9,770
Communication fees	7,885	8,128	8,165	9,391	9,330	6,905	7,364
Investment income	8,178	10,117	9,091	9,736	8,956	6,796	6,098
Securities lending interest income	—	—	—	—	10,744	7,490	14,702
Other	6,945	11,304	8,137	10,520	14,904	11,494	10,943
Total revenues	177,644	197,165	210,602	226,552	396,630	289,297	346,798
Securities lending interest expense	—	—	—	—	(9,477)	(7,100)	(13,009)
Net revenues	177,644	197,165	210,602	226,552	387,153	282,197	333,789
Expenses							
Salaries and benefits	66,873	72,386	80,957	94,067	105,227	78,338	85,222
Stock-based compensation	—	—	—	1,032	17,639	6,643	5,748
Occupancy	19,779	19,702	17,773	19,629	20,420	15,145	16,970
Professional fees, outside services and licenses	16,913	28,038	28,319	23,131	27,289	18,372	24,747
Communications and computer and software maintenance	17,197	22,731	28,443	41,920	43,598	31,365	33,816
Depreciation and amortization	16,689	17,943	25,274	33,489	37,639	27,279	35,504
Patent litigation settlement	—	—	—	—	—	—	13,695
Public relations and promotion	11,175	9,586	7,702	5,219	6,326	3,424	4,398
Other	9,960	12,586	15,490	16,148	14,650	10,656	12,441
Total expenses	158,586	182,972	203,958	234,635	272,788	191,222	232,541
Income (loss) from continuing operations before limited partners' interest in PMT and income taxes	19,058	14,193	6,644	(8,083)	114,365	90,975	101,248
Limited partners' interest in earnings of PMT	—	(2,849)	(2,126)	(1,165)	—	—	—
Income tax (provision) benefit	(6,963)	(4,315)	(1,855)	3,339	(46,063)	(36,494)	(40,230)
Income (loss) from continuing operations	12,095	7,029	2,663	(5,909)	68,302	54,481	61,018

Discontinued operations, net of tax	(3,428)	—	—	—	—	—	—
Net income (loss)	$ 8,667	$ 7,029	$ 2,663	$ (5,909)	$ 68,302	$ 54,481	$ 61,018
Earnings (loss) per share:(1)							
Basic	$ 0.30	$ 0.24	$ 0.09	$ (0.21)	$ 2.37	$ 1.89	$ 2.12
Diluted	0.30	0.24	0.09	—	2.33	1.86	2.04

(1) Earnings per share is presented as if the common stock issued on December 3, 2001 had been outstanding for all periods presented. Diluted loss per share is not presented for the year ended December 31, 2000, because shares issuable for stock options, which would be included as part of the calculation, would have an anti-dilutive effect.

	As of December 31,					As of September 30,	
	1997	1998	1999	2000	2001	2001	2002
						(unaudited)	
			(in thousands)				
Balance Sheet Data:							
Assets:							
Cash and cash equivalents(2)	$ 11,170	$ 14,841	$ 14,249	$ 30,655	$ 69,101	$ 56,995	$ 197,164
Proceeds from securities lending activities(3)	—	—	—	—	882,555	131,271	554,870
Cash performance bonds and security deposits(4)	151,081	71,803	73,134	156,048	855,227	609,904	1,920,033
Current assets(5)	268,081	205,186	178,401	267,432	1,946,110	923,946	2,723,747
Total assets	346,732	295,090	303,467	381,444	2,068,881	1,036,127	2,863,830
Liabilities and shareholders' equity:							
Payable under securities lending agreements(3)	—	—	—	—	882,555	131,271	554,870
Cash performance bonds and security deposits(4)	151,081	71,803	73,134	156,048	855,227	609,904	1,920,033
Total current liabilities	178,210	112,555	111,717	198,294	1,801,845	796,589	2,543,993
Long-term obligations and limited partners' interest in PMT	8,968	15,638	23,087	19,479	16,667	13,536	20,267
Shareholders' equity	159,554	166,897	168,663	163,671	250,369	226,003	299,570

	Year Ended December 31,					Nine Months Ended September 30,	
	1997	1998	1999	2000	2001	2001	2002
			(in thousands, except notional value of trading volume)				
Other Data:							
Total trading volume (round turns, in contracts)(6)	200,742	226,619	200,737	231,110	411,712	295,463	413,790
GLOBEX trading volume (round turns, in contracts)(6)	4,388	9,744	16,135	34,506	81,895	55,999	131,685
Open interest at period-end (contracts)	6,479	7,282	6,412	8,021	15,039	13,938	17,618
Notional value of trading volume (in trillions)	$ 184.6	$ 161.7	$ 138.3	$ 155.0	$ 293.9	$ 210.2	$ 257.8

(2) Cash equivalents consist of highly liquid investments with maturities of three months or less.

(3) Securities lending transactions utilize a portion of the securities that clearing firms have deposited to satisfy their proprietary performance bond requirements. Securities lending proceeds change daily. The related investment of these proceeds is short-term in nature. Investments consist principally of money market mutual funds. Securities lending activity is represented by an equal and offsetting current asset and current liability. See the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for a more detailed discussion of our securities lending program.

(4) Our clearing firms are subject to performance bond requirements pursuant to the rules of our exchange. These requirements can be satisfied in cash or by depositing securities, at the clearing firms' election. The deposit of cash is reflected in our financial statements while the deposit of securities is not reflected in our financial statements. The amount of cash performance bonds and security deposits that are deposited by our clearing firms may change daily as a result of changes in the number of the clearing firms' open positions and how clearing firms elect to satisfy their performance bond requirements. The balance of cash

performance bonds and securities deposits will also fluctuate daily based on the change in the value of positions held by clearing firms. When clearing firms deposit cash, it is held or invested by us on an overnight basis. We are required to return these funds when performance bond requirements are reduced, as these funds ultimately represent assets of the respective clearing firms. Therefore, the current asset represented by cash performance bonds and security deposits has an equal and offsetting current liability. See the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for a more detailed discussion of cash performance bonds and security deposits.

(5) Current assets consist of cash and cash equivalents, marketable securities, accounts receivable and other current assets in addition to cash performance bonds and security deposits and securities lending. Current assets are short-term in nature and are generally converted to cash in one year or less.

(6) A round turn represents a matched buy and sell.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the risks described in "Risk Factors" and elsewhere in this prospectus. You should read the following discussion with "Selected Financial Data" and our financial statements and related notes included elsewhere in this prospectus.

Corporate Structure

We are the largest futures exchange in the United States, as measured by 2001 annual trading volume. Our international marketplace brings together buyers and sellers on our trading floors, as well as through our GLOBEX electronic trading platform and privately negotiated transactions. We offer market participants the opportunity to trade futures contracts and options on futures primarily in four product areas: interest rates, stock indexes, foreign exchange and commodities.

Our exchange was organized in 1898 as a not-for-profit membership organization. On November 13, 2000, we became the first U.S. financial exchange to become a for-profit corporation by converting membership interests into shares of common stock. As a result of our conversion into a for-profit corporation, individuals and entities who, at the time, owned trading privileges on our exchange became the owners of all of the outstanding equity of CME. As part of our demutualization, we also purchased all of the assets and liabilities of P-M-T Limited Partnership, or PMT, an Illinois limited partnership that operated the GLOBEX electronic trading platform.

On December 3, 2001, we completed our reorganization into a holding company structure, as described more fully in the section of this prospectus entitled "Our Reorganization." As a result of the reorganization, CME became a wholly owned subsidiary of CME Holdings. In our reorganization, CME shareholders exchanged their shares for shares of CME Holdings. After the reorganization, these shareholders owned the same percentage of CME Holdings common stock that they previously owned of

CME common stock. CME shareholders retained their memberships and trading privileges in CME and continue to own substantially all of our outstanding common stock. Prior to the reorganization, CME Holdings had no significant assets or liabilities. Our financial statements have been prepared as if the holding company structure had been in place for all periods presented.

As a not-for-profit membership organization, our business strategy and fee structure were designed to provide profit opportunities for our members and to limit our profits beyond that necessary to provide for sufficient working capital and infrastructure investment. Membership provided individuals and clearing firms with exclusive direct access to our markets, allowing them to profit from proprietary trading and customer execution. We provided some infrastructure services at a significant discount or as a membership benefit and, on occasion, offered fee holidays or fee rebates. For example, in 1998 we paid a rebate of $17.6 million to our clearing firms and member brokers, which had a negative impact on our profitability, as did other fee reductions implemented prior to our demutualization. As a result, our financial results for periods prior to our demutualization may not be indicative of such results in subsequent periods. Consequently, comparisons of periods before and after demutualization may not be meaningful.

In conjunction with our demutualization and corporate reorganization, we adopted a new for-profit business strategy that is being integrated into our operations. As part of this integration process, we have examined and will continue to examine the fees we charge for our products in order to increase revenues and profitability, provide incentives for members and non-members to use our markets and enhance the liquidity of our markets. To enhance trading volume and promote new products, we offer discounts, some of which may be significant, to our members and non-members to use our markets. In the fourth quarter of 2000 and first quarter of 2001, we implemented changes to our fee structure. These changes included: increasing clearing fees for some products; increasing the daily maximum on GLOBEX fees for our E-mini products; implementing fees for order routing, delivery of agricultural products and a surcharge for trades

executed by one firm and cleared by another clearing firm ("give-ups"); increasing fees for access to our trading floor by members and their employees; increasing fees for the use of certain facilities on our trading floor; reducing GLOBEX fees for interest rate products; and implementing reduced clearing fees for customers achieving certain volume levels in our interest rate products. In addition, we increased the number of GLOBEX access choices, altered the pricing for existing GLOBEX access choices, changed the type of market data offered through our non-professional service offering and increased the price of our professional market data service offering. In contrast to the fee rebates and other fee reductions implemented prior to our demutualization, this new approach to fees has had a significant positive impact on our revenues and profitability.

Overview

As the largest futures exchange in the United States, our revenue is derived primarily from the clearing and transaction fees we assess on each contract traded through our trading venues or using our clearing house. As a result, revenues fluctuate significantly with volume changes, and thus our profitability is tied directly to the trading volume generated. Clearing and transaction fees are assessed based on the product traded, the membership status of the individual executing the trade and whether the trade is completed on our trading floor, through our GLOBEX electronic trading platform or as a privately negotiated transaction. In addition to clearing and transaction fees, revenues include quotation data fees, GLOBEX access fees, communication fees, investment income, including securities lending activities and other revenue. Our securities lending activities generate interest income and related interest expense. We have elected to present securities lending interest expense as a reduction of total revenues on our consolidated statements of income to arrive at net revenues.

Net revenues have increased from $177.6 million in 1997 to $387.7 million in 2001 and $337.8 million for the nine months ended September 30, 2002. As a result of the increase in trading volume during this time period and the fee changes implemented in the fourth quarter of 2000 and the first quarter of 2001, resulting from our demutualization, the percentage of our revenues derived from clearing and transaction fees increased and represented 65.8% and 75.5% of our net revenues in 1997 and 2001, respectively, and 78.3% of our net revenues for the nine months ended September 30, 2002.

While volume has a significant impact on our clearing and transaction fees revenue, there are four other factors that also influence this source of revenue: rate structure, mix of products traded, method of trade and the percentage of trades executed by customers who are members compared to non-member customers. Our fee structure is complex, and fees vary depending on the type of product traded. Therefore, our revenue increases or decreases if there is a change in trading or usage patterns. Trades executed through GLOBEX are charged fees for using the electronic trading platform in addition to the clearing fees assessed on all transactions executed on our exchange. Trades executed as privately negotiated transactions also incur additional charges beyond the clearing fees assessed on all transactions. In addition, non-member customers are charged higher fees than customers who are members. Our revenue decreases if the percentage of trades executed by customers who are members increases and increases if the percentage of trades executed by non-member customers increases, even when our fee structure remains unchanged. As a result, there are multiple factors that can change over time and these changes all potentially impact our revenue from clearing and transaction fees.

Our quotation data fees represent our second largest source of revenue. Revenue from these fees has increased 27.9% from 1997 to 2001. In 1998, we began to generate revenue from fees assessed for access to our GLOBEX electronic trading platform. These fees currently represent approximately 3% of our net revenues. In June 2001, we began to engage in securities lending activities, which has contributed modestly to our net revenues. Revenue derived from investment income and other revenue have increased in a manner consistent with our net revenues from 1997 to 2001, while communication fees have remained relatively constant during this period.

Expenses have increased from $158.6 million in 1997 to $272.8 million in 2001 and $232.6 million for the nine months ended September 30, 2002. The rate of increase in expenses has been lower than the rate of increase in revenues. The majority of our expenses fall into three categories: salaries and benefits; communications and computer and software maintenance; and depreciation and amortization. Additional expenses are also incurred for stock-based compensation, occupancy, professional fees, public relations and promotion and other expenses. Also, in the nine months ended September 2002, we incurred expenses related to a patent litigation settlement. Our salaries and benefits expense has increased 57.4% from 1997 to 2001 and currently represents 36.6% of our total expenses. A significant component of the increase in expenses, stock-based compensation, began in 2000 and is a non-cash expense that results primarily from the increase in the value of the option granted to our Chief Executive Officer as well as other stock-based compensation awarded to certain other employees. In addition, in 2000, we incurred $9.8 million of expenses associated with restructuring of management, our demutualization and the write-off of certain internally developed software that could not be utilized as intended.

With the exception of license fees paid for the trading of our stock index contracts and a component of our trading facility rent that is related to trading volume, expenses do not vary directly with changes in trading volume. The number of transactions processed, rather than the number of contracts traded, tends to impact expenses. A trade executed on our exchange represents one transaction, regardless of the number of contracts included in that trade. Therefore, total contract trading volume is greater than the number of transactions processed.

Revenues

Our net revenues have grown from $177.6 million in 1997 to $387.2 million in 2001. During the first nine months of 2002, our net revenues were $333.8 million, an 18.3% increase over the first nine months of 2001.

Our clearing and transaction fees revenues are tied directly to volume and underlying market uncertainty. We attempt to mitigate the downside of unpredictable volume swings through various means, such as increasing clearing fees, creating volume incentives, opening access to new markets and further diversifying the range of products and services we offer. The annual growth in daily trading volume from 1997, when average daily volume was 793,627 contracts, to 2001 is summarized as follows:

	1998	1999	2000	2001
	(in round-turn contracts)			
Average Daily Volume	899,281	793,425	917,120	1,640,288
Increase (Decrease) from Previous Year	105,654	(105,856)	123,695	723,168
Percentage Increase (Decrease) from Previous Year	13.3%	(11.8)%	15.6%	78.9%

This represents a compound annual growth rate of 19.9% from 1997 to 2001. Average daily volume increased from 1.6 million contracts per day in the first nine months of 2001 to 2.2 million contracts per day in the same period of 2002, an increase of 39.3%.

Trading volume in our interest rate products increased 97.4% in 2001 over 2000. Trading volume in our equity products rose 64.1% in 2001 over 2000. During 2001, trading volume in our foreign exchange products increased 16.1% over levels in 2000. Our commodity products trading volume rose 7.3% in 2001 over 2000. Volume increased as a result of economic and political factors, enhancements to our product and service offerings and expansion of our electronic and other trade execution choices. Global and national economic and political uncertainty generally results in increased trading activity, as our customers seek to hedge, manage or speculate on the risks associated with fluctuations in interest rates, equities, foreign exchange and commodities. For example, at the time of the terrorist attacks of September 11, our year-to-date 2001 trading volume had increased 71.3% over the same time period in 2000. During the period from September 12, 2001 to December 31, 2001, our trading volume increased 95.2% when compared to the same time period in 2000. In recent periods, our trading volume has been positively

affected by the increased volatility in the markets for equity and fixed-income securities. Products and services offered also have a significant effect on volume. We built on earlier successes in our standard S&P 500 and Nasdaq-100 stock index contracts by introducing E-mini versions of the S&P 500 contract in 1997 and the Nasdaq-100 contract in 1999. E-mini contracts are one-fifth the size of the standard contract. These E-mini contracts are traded only through GLOBEX, our electronic trading platform. In addition, since 1998, we significantly upgraded our GLOBEX electronic trading platform and, beginning in November 2000, we modified GLOBEX policies to give more users direct access to our markets. A comparison of our average daily trading volume by venue and the related percentage of clearing and transaction fees associated with each venue are illustrated in the table below:

	Average Daily Volume			Approximate Percentage of Clearing and Transaction Fees Revenue	
Method of Trade:	1997	2001	Increase	1997	2001
	(in round turn contracts)				
Open Outcry	752,273	1,282,147	529,874	75%	62%
GLOBEX	17,343	326,274	308,931	5	27
Privately Negotiated	24,011	31,867	7,856	20	11
Total	793,627	1,640,288	846,661	100%	100%

For the nine months ended September 30, 2002, the percentage of our clearing and transaction fees revenue derived from open outcry trading was approximately 53%, while GLOBEX and privately negotiated transactions represented approximately 39% and 8%, respectively.

While the increase in clearing and transaction fees has generally resulted from increased trading volume, the largest factors contributing to the increase in clearing and transaction fees from 1999 to 2000 were the rate increases and new transaction fees implemented in the fourth quarter of 2000, resulting from our demutualization. Additional revenue was also generated by the 15.1% increase in trading volume and an increase in the percentage of trades executed through GLOBEX. Partially offsetting these increases was a decrease in the percentage of trades attributable to non-member customers, who are charged higher fees than members, and a decrease in the percentage of total volume attributable to our standard equity products from which we earn higher clearing fees than other contracts. By contrast, the increase in clearing and transaction fees from 2000 to 2001 resulted primarily from the increase in trading volume and was augmented by the rate increases and new transaction fees implemented in the fourth quarter of 2000 and first quarter of 2001. Our revenues would have been higher in 2001 if the percentage of trading volume attributable to interest rate products, which are charged lower clearing fees than some of the other products offered through our exchange, had not increased compared to such other products. The increase in trading volume was the primary reason for the increase in clearing and transaction fee revenue in the first nine months of 2002 when compared to the same time period in 2001. Partially offsetting this volume increase was the impact of certain volume discounts, fee limits and a decrease in the percentage of trades executed by non-member customers. Changes in fees, volume discounts, limits on fees and member discounts, including some that may be significant, occur periodically based on management's review of our operations and business environment.

Our clearing and transaction fees revenues, stated as an average rate per contract, are illustrated in the table below:

	Year Ended December 31,					Nine Months Ended September 30,	
	1997	1998	1999	2000	2001	2001	2002
	(in thousands, except rate per contract)						
Clearing and Transaction Revenues	$ 116,917	$ 126,524	$ 140,305	$ 156,649	$ 292,459	$ 211,894	$ 261,414
Total Contracts Traded	200,742	226,619	200,737	231,110	411,712	295,463	413,790
Average Rate per Contract	$ 0.582	$ 0.558	$ 0.699	$ 0.678	$ 0.710	$ 0.717	$ 0.632

Overall, the average rate per contract has increased since 1997. This increase was attributable primarily to the pricing changes implemented in the fourth quarter of 2000 and first quarter 2001, resulting from our demutualization, as well as growth in the percentage of trades executed through GLOBEX. The average rate per contract decreased in 1998 as a result of fee reductions and rebates. Despite the pricing changes in the fourth quarter of 2000, there was a decrease in the average rate per contract in 2000 that

resulted primarily from an increase in the percentage of total volume from Euordollar products, as these products have a lower average rate per contract, and a decline in the percentage of trades for non-member customers. The decline in the average rate per contract from the first nine months of 2001 to the first nine months of 2002 resulted primarily from volume discounts on certain products, limits on some fees associated with trading through the GLOBEX platform and a decrease in the percentage of trades attributed to non-members. In addition, in the second quarter of 2002, we established a $5.0 million reserve relating to our fee adjustment policy and clearing firm account management errors.

Our second largest source of revenue is quotation data fees, which we receive from the sale of our market data. Revenues from market data products represented 12.5% of our net revenues in 2001 and 11.0% of our net revenues for the nine months ended September 30, 2002. In general, our market data service is provided to two types of customers. Since March 2001, our non-professional service has been provided to those customers that typically only require market data provided in one-minute snapshots or on a limited group of products, such as our E-mini products. The fee for this service is relatively nominal and is a flat rate per month. Subscribers to our professional service receive market data on all our products on a real-time streaming basis. Fees for the professional service are higher than the non-professional service. Professional customers pay one price for the first device, or screen, at each physical location displaying our market data and a lower price for each additional screen displaying our market data at the same location. Pricing for our market data services is based on the value of the service provided, our cost structure for the service and the price of comparable services offered by our competitors. The pricing of quotation data services was increased on March 1, 2001 as part of the pricing changes implemented in 2001. Increases or decreases in our quotation data revenue will be influenced by changes in our price structure for existing market data offerings, introduction of new market data services and changes in the number of subscribers. In addition, general economic factors will influence our market data fees. For example, the recent downsizing in the brokerage industry has contributed to a decline in the number of screens displaying our market data and has adversely affected our market data revenue.

At year-end 2001, more than 48,000 subscribers displayed our data on approximately 190,000 screens worldwide. At September 30, 2002, the number of subscribers had increased to nearly 54,000, but the number of screens displaying our data had declined to approximately 180,000. With the exception of 2000, revenues from quotation data fees have grown steadily over the last five years. In 2000, we began to offer a lower-priced non-professional service that increased the number of subscribers but adversely affected revenue as some of our existing customers switched to this lower-priced service. When this service was changed from real-time streaming to one-minute snapshots of market data in 2001, the number of subscribers to this service declined. Partially offsetting this decrease was the effect of some subscribers to our previous non-professional service switching to our professional service to obtain real-time streaming of

market data. In addition, a new non-professional service offering began late in 2001 whereby a subscriber could obtain market data limited to our E-mini products. As of September 30, 2002, there were approximately 14,000 subscribers to this E-mini market data service. The combined effect of these changes was a net decline in the total number of non-professional subscribers from nearly 25,000 at December 31, 2000 to approximately 20,000 at September 30, 2002. In addition, one of the major resellers of our quotes declared bankruptcy in February 2001. This reduced our revenue from quotation data fees by $1.4 million in 2000 and $0.5 million in 2001. The pricing of quotation data services was increased on March 1, 2001 as part of the pricing changes implemented in 2001. We began to offer CME E-quotes, an additional market data service utilizing Internet access, in March 2002.

GLOBEX access fees are the connectivity charges to customers of our electronic trading platform. The fee each customer is charged varies depending on the type of connection provided. There is a corresponding communication expense associated with providing these connections that varies based on the type of connection selected by the customer. Increases or decreases in revenue from GLOBEX access fees are influenced by changes in the price structure for our existing GLOBEX access choices, the introduction of new access choices and our ability to attract new users to our electronic trading platform. In addition, GLOBEX access fees are affected by some of the same factors that influence the general level of activity in electronic trading, including the products offered, quality of execution services and general economic conditions affecting our markets.

Communication fees consist of charges to members and firms that utilize our various telecommunications networks and communications services. Revenue from communication fees is dependent on open outcry trading, as a significant portion relates to telecommunications on the trading floor. There is a corresponding variable expense associated with providing these services.

Investment income represents interest income and net realized gains and losses from our marketable securities and from the trading securities in our non-qualified deferred compensation plans as well as income generated by the short-term investment of clearing firms' cash performance bonds and security deposits. Investment income is influenced by our operating results, market interest rates and changes in the levels of cash performance bonds deposited by clearing firms. The total cash performance bonds deposited by clearing firms is a function of the type of collateral used to meet performance bond requirements, the number of open positions held by clearing firms and volatility in our markets. As a result, the amount of cash deposited by clearing firms is subject to significant fluctuation. For example, cash performance bonds and security deposits totaled $156.0 million at December 31, 2000, compared to $855.2 million at December 31, 2001 and $1.9 billion at September 30, 2002. In addition, clearing firms may choose to deposit cash in a foreign currency. Our ability to generate investment income from clearing firms' cash performance bonds and security deposits is impacted by the currency received and the interest rates prevailing in the country for that particular currency. The investment results of our non-qualified deferred compensation plans that are included in investment income do not affect net income as there is an equal and offsetting impact to our salaries and benefits expense.

Beginning late in the second quarter of 2001, we entered into securities lending transactions utilizing a portion of the securities that clearing firms deposited to satisfy their proprietary performance bond requirements. Securities lending interest income is presented separately in the consolidated statements of income. Substantial interest expense is incurred as part of this securities lending activity and is presented as a deduction from total revenues to arrive at net revenues.

Other revenue is composed of fees for trade order routing and various services to members, as well as fees for administering our Interest Earning Facility program, or IEF, which consists of private money market funds managed by third party investment managers. We offer clearing firms the opportunity to invest cash performance bonds in our IEF. These clearing firms receive interest income, and we receive a fee based on total funds on deposit. We recently implemented an addition to our IEF program, called IEF2, which allows clearing firms to invest directly in public money market mutual funds through a special

facility provided by us. Other revenue also includes trading revenue generated by GFX, our wholly owned subsidiary that trades in foreign exchange futures contracts to enhance liquidity in our markets for these products, fines assessed to members for violations of exchange rules and revenue from the sale of our SPAN software. In 2001, we entered into a joint venture, OneChicago, to trade single stock futures and futures on narrow-based stock indexes. We currently have a 40% ownership interest in the joint venture. Our share of the net loss from this joint venture is included in other revenue.

A substantial portion of our clearing and transaction fees, telecommunications fees and various service charges included in other revenue are billed to the clearing firms of the exchange. The majority of clearing and transaction fees received from clearing firms represent charges for trades executed on behalf of the customers of the various clearing firms. There are currently approximately 70 clearing firms, and one firm, with a significant portion of customer revenue, represented approximately 11% of our net revenues in the first nine months of 2002. Should a clearing firm withdraw from the exchange, we believe the customer portion of that firm's trading activity would likely transfer to another clearing firm of the exchange. Therefore, we do not believe we are exposed to significant risk from the loss of revenue received from any particular clearing firm.

Expenses

Our expenses have grown from $158.6 million in 1997 to $272.8 million in 2001. The increase in total annual expenses since 1997 is illustrated in the table below:

	1998	1999	2000	2001
	(in thousands)			
Total Expenses	$ 182,972	$ 203,958	$ 234,635	$ 272,788
Total Increase From Previous Year	$ 24,386	$ 20,986	$ 30,677	$ 38,153
Percentage Increase From Previous Year	15.4%	11.5%	15.0%	16.3%

Expenses for the nine months ended September 30, 2002 totaled $232.5 million, a 21.6% increase from the same time period in 2001.

Salaries and benefits expense is our most significant expense and includes employee wages, bonuses, related benefits and employer taxes. Changes in this expense are driven by increases in wages as a result of inflation or labor market conditions, the number of employees, rates for employer taxes and price increases affecting benefit plans. This expense, combined with stock-based compensation, accounted for $122.9 million, or 45.0% of total expenses, for 2001 and $91.0 million, or 39.2% of total expenses, for the nine months ended September 30, 2002. Annual bonus payments also vary from year to year and have a significant impact on total salaries and benefits expense. This expense has increased each year for the years 1997 to 2001. The number of employees increased from 865 at December 31, 1997 to 1,118 at September 27, 2002.

Stock-based compensation is a non-cash expense related to stock options and restricted stock grants. The most significant portion of this expense relates to our CEO's stock option, granted in February 2000 for 5% of all classes of our outstanding common stock. For accounting purposes, the option was treated as a stock appreciation right prior to our demutualization. Since the date of demutualization, variable accounting treatment has been required for this option. As a result, this expense increases or decreases from quarter to quarter based on changes between quarters in the value of our Class A shares and the trading rights on our exchange, which are associated with our Class B shares. Currently, there is no independent established trading market for our Class A shares. Since demutualization, shares of Class A common stock can only be sold as part of a bundle with a Class B share and the associated trading right. Therefore, the value of the Class A shares is imputed based on recent transactions in the bundle and transactions involving the trading rights only. As a result of variable accounting for the option, this expense, and ultimately our reported operating results, will be subject to significant fluctuation related to

volatility in the value of our Class A common stock and the trading rights on our exchange associated with our Class B common stock. This volatility may be unrelated to our operating performance. Specifically, given our variable accounting treatment for the option, we anticipate this expense will increase in the fourth quarter of 2002 by approximately $13 million if the value of our Class A common stock at the end of that quarter is equal to the mid-point of the range shown on the cover of this prospectus and the value of our Class B shares included in the option remains unchanged from the values at September 30, 2002. Stock-based compensation expense totaled $1.0 million in 2000 and $17.6 million in 2001 and did not occur prior to 2000. The expense related to our CEO's options was $16.6 million for the year ended December 31, 2001 and $5.1 million for the nine months ended September 30, 2002. In the second quarter of 2001, restricted stock grants were awarded to certain employees and fixed accounting treatment was adopted for these grants. The portion of stock-based compensation expense related to stock grants awarded to employees was $1.0 million for the year ended December 31, 2001 and $0.6 million for the nine months ended September 30, 2002.

Occupancy costs consist primarily of rent, maintenance and utilities for our offices, trading facilities and remote data center. Our office space is primarily in Chicago, and we have smaller offices in Washington, D.C., London and Tokyo. Occupancy costs are relatively stable, although our trading floor rent fluctuates to a limited extent based on open outcry trading volume.

Professional fees, outside services and licenses expense consists primarily of consulting services provided for major technology initiatives, license fees paid as a result of trading volume in stock index products and legal and accounting fees. This expense fluctuates primarily as a result of changes in requirements for consultants to complete technology initiatives, stock index product trading volume changes that impact license fees and other undertakings that require the use of professional services.

Communications and computer and software maintenance expense consists primarily of costs for network connections with our GLOBEX customers; maintenance of the hardware and software required to support our technology; telecommunications costs of our exchange; and fees paid for access to market data. This expense is affected primarily by the growth of electronic trading. Our computer and software maintenance costs are driven by the number of transactions processed, not the volume of contracts traded. We processed approximately 75% of total transactions electronically in the first nine months of 2002 compared to approximately 65% for the year 2001, which represented approximately 32% and 20%, respectively, of total contracts traded.

Depreciation and amortization expense results from the depreciation of fixed assets purchased, as well as amortization of purchased and internally developed software. This expense increased as a result of significant technology investments in equipment and software that began in late 1998 and led to additional depreciation and amortization in the following years.

Public relations and promotion expense consists primarily of media, print and other advertising expenses, as well as expenses incurred to introduce new products and promote our existing products and services. Also included are seminar, conference and convention expenses for attending trade shows. Expenses of this nature have decreased from $11.2 million in 1997 to $6.3 million in 2001. During this time period the emphasis of our promotion efforts shifted from print advertising and brochures to direct contact with our primary customers and Internet availability of our promotional materials, and we discontinued certain incentive programs. In 1997 and 1999, additional expenses were incurred to promote the introduction of our E-mini stock index products. Also, we introduced daytime electronic trading in our Eurodollar contracts on a limited basis in 1999. These products were introduced to increase our trading volume as well as to respond to increased competition. We expect these expenses to increase in the near term after our initial public offering.

Other expense consists primarily of travel, staff training, fees incurred in providing product delivery services to customers, stipends for the board of directors, interest for equipment purchased under capital leases, meals and entertainment, fees for our credit facility, supplies, postage and various state and local

taxes. Other expense fluctuates, in part, due to changes in demand for our product delivery services and decisions regarding the manner in which to purchase capital equipment. Certain expenses, such as those for travel and entertainment, are more discretionary in nature and can fluctuate from year to year as a result of management decisions.

Net Income

Net income for 1997 was $8.7 million, declined in the next three years to a loss of $5.9 million in 2000 and rebounded to net income of $68.3 million in 2001. The decline from 1997 through 2000 resulted from a variety of factors. In 1998, we paid clearing firms a rebate on clearing and transaction fees that totaled $17.6 million, thus reducing our net income for that year. Trading volume declined from 1998 to 1999, but the percentage of trades executed through GLOBEX continued to increase. A significant portion of the expense increase in 1999 was for depreciation and amortization that resulted from capital expenditures related to our technology. The net loss in 2000 resulted primarily from our management restructuring, demutualization and the write-off of certain internally developed software that could not be used as intended. Increased volume combined with the change in our pricing structure following our demutualization drove the change in operating results in 2001.

Net operating results for 1998 through 2000 were adversely affected by the limited partners' interest in the earnings of PMT. Prior to our demutualization, PMT owned all rights to electronic trading of our products, received the revenue generated from electronic trading and was charged for our services to support electronic trading. The limited partners were entitled to a portion of the income of PMT which totaled $2.8 million in 1998, $2.1 million in 1999 and $1.2 million 2000. We purchased PMT's net assets as part of our demutualization.

Critical Accounting Policies

The notes to our audited consolidated financial statements include disclosure of our significant accounting policies. In establishing these policies within the framework of U.S. generally accepted accounting principles, management must make certain assessments, estimates and choices that will result in the application of these principles in a manner that appropriately reflects our financial condition and results of operations. Critical accounting policies are those policies that we believe present the most complex or subjective measurements and have the most potential to impact our financial position and operating results. While all decisions regarding accounting policies are important, we believe there are three accounting policies that could be considered critical. These three critical policies, which are presented in detail in the notes to our audited consolidated financial statements, relate to securities lending; stock-based compensation; and clearing and transaction fees.

With respect to securities lending, we have elected to present the interest expense associated with this activity as a reduction of total revenues, and present net revenues in the consolidated statements of income. Due to the nature of securities lending transactions, a substantial amount of interest expense is incurred in relation to the total interest income from this activity. While U.S. generally accepted accounting principles require that interest income and interest expense be disclosed separately, we believe the income statement presentation adopted provides the best insight into our revenues and expenses.

The accounting for stock-based compensation is complex, and under certain circumstances, accounting principles generally accepted in the United States allow for alternative methods. As permitted, we have elected to account for stock-based compensation using the intrinsic value method in accordance with APB Opinion No. 25 rather than the alternative fair value method prescribed in Statement of Financial Accounting Standards (SFAS) No. 123 "Accounting for Stock Based Compensation." Variable accounting was required for the options granted to our CEO as a result of certain provisions of the option agreement. In addition, this option includes both Class A and Class B common stock. The expense related to this option has fluctuated based on the change in the value of our Class A shares and the underlying

trading rights on our exchange associated with our Class B common stock. Since our demutualization, there has not been an independent trading market for our Class A shares, and shares of our Class A common stock can only be sold or acquired as part of a bundle with the trading rights on our exchange and the related Class B shares. Therefore, the value of the Class A shares at the end of each reporting period is imputed based on the recent prices for the bundle and recent prices relating to the trading rights only. Fixed accounting has been adopted for all other stock option and restricted stock grants. We have elected the accelerated method for recognizing the expense related to stock options. As a result of this election and the vesting provisions of our stock grants, a greater percentage of the total expense for all options is recognized in the first years of the vesting period than would be recorded if we elected the straight-line method.

Clearing and transaction fees are recorded as revenue and collected from clearing firms on a monthly basis. Several factors affect the fees charged for a trade, including whether the individual making the trade has trading privileges on our exchange. In the event inaccurate information has resulted in an incorrect fee, the clearing firm has a period of three months following the month in which the trade occurred to submit the correction and have the fee adjusted. When preparing financial statements for a reporting period, an estimate of anticipated fee adjustments applicable to that period is recorded as a liability with a corresponding reduction to clearing and transaction fees revenue. This estimate is based on historical trends for such adjustments. Our estimate of anticipated fee adjustments at year-end 2001 was $2.2 million.

Key Statistical Information

The following table presents key information on volume of contracts traded, expressed in round turn contracts, as well as information on open interest and notional value of contracts traded.

	Year Ended December 31,					Nine Months Ended September 30,	
	1997	1998	1999	2000	2001	2001	2002
Average Daily Volume:							
Product Area							
Interest Rate	522,835	574,829	475,023	550,810	1,091,846	1,053,593	1,293,202
Equity	116,801	174,840	189,984	258,120	425,149	402,644	779,958
Foreign Exchange	119,429	113,948	94,747	76,615	89,290	89,314	97,351
Commodity	34,562	35,664	33,671	31,575	34,003	34,466	30,502
Total Average Daily Volume	793,627	899,281	793,425	917,120	1,640,288	1,580,017	2,201,013
Method of Trade							
Open Outcry	752,273	830,687	698,011	754,049	1,282,147	1,248,824	1,469,037
GLOBEX	17,343	38,668	63,782	136,928	326,274	299,459	700,454
Privately Negotiated	24,011	29,926	31,632	26,143	31,867	31,734	31,522
Total Average Daily Volume	793,627	899,281	793,425	917,120	1,640,288	1,580,017	2,201,013
Largest Open Interest (contracts)	8,305,804	10,174,734	8,799,641	9,324,154	18,900,911	15,791,353	20,268,225
Total Notional Value (in trillions)	$184.6	$161.7	$138.3	$155.0	$293.9	$210.2	$257.8

The following table sets forth key information on volume of contracts traded, measured based on the number of round turn contracts, by product area presented as a percentage of the total average daily volume for all product areas and by method of trade presented as a percentage of the total average daily volume for all methods of trade.

	Year Ended December 31,					Nine Months Ended	

	1997	1998	1999	2000	2001	September 30, 2001	2002
Average Daily Volume:							
Product Area							
Interest Rate	65.9%	63.9%	59.9%	60.1%	66.6%	66.7%	58.8%
Equity	14.7	19.4	24.0	28.1	25.9	25.5	35.4
Foreign Exchange	15.0	12.7	11.9	8.4	5.5	5.6	4.4
Commodity	4.4	4.0	4.2	3.4	2.0	2.2	1.4
Total Average Daily Volume	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Method of Trade:							
Open Outcry	94.8%	92.4%	88.0%	82.2%	78.2%	79.0%	66.8%
GLOBEX	2.2	4.3	8.0	14.9	19.9	19.0	31.8
Privately Negotiated	3.0	3.3	4.0	2.9	1.9	2.0	1.4
Total Average Daily Volume	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Results of Operations

The following tables set forth our consolidated statements of income for the periods presented both in dollar amounts and as a percentage of net revenues:

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	2000	2001	2001	2002
				(unaudited)	
			(in thousands)		
Revenues:					
Clearing and transaction fees	$ 140,305	$ 156,649	$ 292,459	$ 211,894	$ 261,414
Quotation data fees	43,005	36,285	48,250	35,810	36,507
GLOBEX access fees	1,899	3,971	11,987	8,908	9,770
Communication fees	8,165	9,391	9,330	6,905	7,364
Investment income	9,091	9,736	8,956	6,796	6,098
Securities lending interest income	—	—	10,744	7,490	14,702
Other	8,137	10,520	14,904	11,494	10,943
Total revenues	210,602	226,552	396,630	289,297	346,798
Securities lending interest expense	—	—	(9,477)	(7,100)	(13,009)
Net revenues	210,602	226,552	387,153	282,197	333,789
Expenses:					
Salaries and benefits	80,957	94,067	105,227	78,338	85,222
Stock-based compensation	—	1,032	17,639	6,643	5,748
Occupancy	17,773	19,629	20,420	15,145	16,970
Professional fees, outside services and licenses	28,319	23,131	27,289	18,372	24,747
Communications and computer and software maintenance	28,443	41,920	43,598	31,365	33,816
Depreciation and amortization	25,274	33,489	37,639	27,279	35,504
Patent litigation settlement	—	—	—	—	13,695
Public relations and promotion	7,702	5,219	6,326	3,424	4,398
Other	15,490	16,148	14,650	10,656	12,441
Total expenses	203,958	234,635	272,788	191,222	232,541
Income (loss) before limited partners' interest in PMT and income taxes	6,644	(8,083)	114,365	90,975	101,248
Limited partners' interest in earnings of PMT	(2,126)	(1,165)	—	—	—
Income tax (provision) benefit	(1,855)	3,339	(46,063)	(36,494)	(40,230)
Net income (loss)	$ 2,663	$ (5,909)	$ 68,302	$ 54,481	$ 61,018

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	2000	2001	2001	2002
Revenues:					
Clearing and transaction fees	66.6%	69.1%	75.5%	75.1%	78.3%
Quotation data fees	20.4	16.0	12.5	12.7	11.0
GLOBEX access fees	0.9	1.8	3.1	3.2	2.9
Communication fees	3.9	4.2	2.4	2.4	2.2
Investment income	4.3	4.3	2.3	2.4	1.8

Securities lending interest income	—	—	2.8	2.6	4.4
Other	3.9	4.6	3.8	4.1	3.3
Total revenues	100.0	100.0	102.4	102.5	103.9
Securities lending interest expense	—	—	(2.4)	(2.5)	(3.9)
Net revenues	100.0	100.0	100.0	100.0	100.0
Expenses:					
Salaries and benefits	38.4	41.5	27.2	27.8	25.6
Stock-based compensation	—	0.5	4.6	2.3	1.7
Occupancy	8.4	8.7	5.3	5.4	5.1
Professional fees, outside services and licenses	13.4	10.2	7.0	6.5	7.4
Communications and computer and software maintenance	13.5	18.5	11.3	11.1	10.1
Depreciation and amortization	12.0	14.8	9.7	9.7	10.7
Patent litigation settlement	—	—	—	—	4.1
Public relations and promotion	3.7	2.3	1.6	1.2	1.3
Other	7.4	7.1	3.8	3.8	3.7
Total expenses	96.8	103.6	70.5	67.8	69.7
Income (loss) before limited partners' interest in PMT and income taxes	3.2	(3.6)	29.5	32.2	30.3
Limited partners' interest in earnings of PMT	(1.0)	(0.5)	—	—	—
Income tax (provision) benefit	(0.9)	1.5	(11.9)	(12.9)	(12.0)
Net income (loss)	1.3%	(2.6)%	17.6%	19.3%	18.3%

Nine Months Ended September 30, 2002 Compared to Nine Months Ended September 30, 2001

Overview

Our operations for the nine months ended September 30, 2002 resulted in net income of $61.0 million compared to net income of $54.5 million for the nine months ended September 30, 2001. Our improved operating results were driven by a $51.6 million, or 18.3%, increase in net revenues that was partially offset by a $41.3 million, or 21.6%, increase in expenses for the nine months ended September 30, 2002 compared to the nine months ended September 30, 2001. The growth in revenue resulted primarily from a 40.0% increase in total trading volume during the first nine months of 2002 when compared to the same time period in 2001. However, the percentage growth in volume did not result in an equal percentage growth in revenue as volume incentive programs, which include limits on GLOBEX fees for E-mini contracts and volume discounts to benefit large customers trading our Eurodollar products, had a greater impact on clearing and transaction revenue during the first nine months of 2002. Contributing to the overall increase in expenses was the settlement of the Wagner patent litigation in August 2002, resulting in a one-time expense of $13.7 million. Partially offsetting this increase in expenses was a decrease in stock-based compensation, a non-cash expense, from $6.6 million for the nine months ended September 30, 2001

to $5.7 million for the same time period in 2002. Our operating margin was 30.3% for the first nine months of 2002 compared to 32.2% for the first nine months of 2001. Excluding stock-based compensation, our operating margin would have been 32.1% for the first nine months of 2002 compared to 34.6% for the first nine months of 2001. Excluding both the Wagner patent settlement and stock-based compensation, our operating margin for the nine months ended September 30, 2002, would have increased to 36.2%.

Trading volume for the first nine months of 2002 totaled a record 413.8 million contracts, representing an average daily trading volume of 2.2 million contracts. This was a 40.0% increase over the 295.5 million contracts traded during the first nine months of 2001, representing an average daily trading volume of 1.6 million contracts. Total trading volume through September 30, 2002 exceeded the total 2001 annual trading volume of 411.7 million contracts, which was a record. The third quarter of 2002 represented the seventh consecutive calendar quarter in which new total trading volume records have been established. In the first nine months of 2002, investors traded a record number of interest rate and stock index contracts, in part to protect portfolios against market swings and possible U.S. Federal Reserve Board policy changes. On June 27, 2002, we experienced a new single-day total trading volume record of nearly 4.3 million contracts, surpassing the previous record of 3.5 million contracts that was established on March 7, 2002. In addition, the month of July 2002 represented our busiest month ever when total trading volume was 59.3 million contracts, representing an average daily trading volume of nearly 2.7 million contracts. GLOBEX volume exceeded one million contracts for a single day for the first time on June 12, 2002 and exceeded one million contracts on 21 days through the end of the third quarter of 2002. A new GLOBEX volume record was established on July 24, 2002 when 1.5 million contracts were traded. These GLOBEX volume records exclude the initial launch of TRAKRS[sm] (Total Return Asset Contracts[sm]), a product developed with Merrill Lynch that began trading on July 31, 2002. On the launch date, this product recorded trading volume of 1.3 million contracts, which included orders taken since the product was announced on July 8, 2002. Total GLOBEX volume on July 31, 2002 was 2.2 million contracts, including the TRAKRS volume.

Revenues

Total revenues increased $57.5 million, or 19.9%, from $289.3 million for the nine months ended September 30, 2001 to $346.8 million for the nine months ended September 30, 2002. Net revenues increased $51.6 million, or 18.3%, from $282.2 million for the nine months ended September 30, 2001 to $333.8 million for the nine months ended September 30, 2002. The increase in revenues was attributable primarily to a 39.3% increase in average daily trading volume. In the first nine months of 2002, electronic trading represented 31.8% of total trading volume. Electronic trading volume grew 133.9%, to 700,454 contracts per day, when compared to the first nine months of 2001. Increased trading volume levels resulted from continued volatility in U.S. stocks and currencies; the anticipation of possible changes in interest rates; increased customer demand for the liquidity provided by our markets; product offerings that allowed customers to manage their risks; and enhanced access choices to our products. Partially offsetting these volume increases, and the related increase in clearing and transaction fees, was a decline in investment income resulting from a decrease in rates earned on our marketable securities and the short-term investment of clearing firms' cash performance bonds and security deposits; a decrease in the trading revenue generated by our foreign exchange trading subsidiary, GFX; and our share of the net loss from OneChicago, our joint venture in single stock futures and futures on narrow-based stock indexes. OneChicago had not initiated trading of single stock futures or futures on narrow-based stock indexes as of September 30, 2002.

Clearing and Transaction Fees. Clearing and transaction fees, which include clearing fees, GLOBEX electronic trading fees and other volume-related charges, increased $49.5 million, or 23.3%, from $211.9 million for the nine months ended September 30, 2001 to $261.4 million for the nine months ended September 30, 2002. A significant portion of the increase was attributable to the 39.3% increase in average daily trading volume combined with the 133.9% increase in average daily trading volume on GLOBEX

during the nine months ended September 30, 2002. For the first nine months of 2002, the additional revenue resulting from these volume increases was partially offset by a reserve of $5.0 million for a one-time payment to clearing firms relating to our fee adjustment policy and clearing firm account management errors. Finally, the first nine months of 2002 had one more business day than the first nine months of 2001.

Despite the increase in revenue from clearing and transaction fees, the average rate, or revenue, per contract decreased $0.085 from $0.717 for the nine months ended September 30, 2001 to $0.632 for the same period in 2002. Management believes that the fee limits and volume discounts offered to customers contributed to increased overall trading volume but had a negative impact on our average rate per trade. While volume discounts and limits on certain GLOBEX fees were in effect during both 2001 and 2002, the average rate per contract for the first nine months of 2002 was more adversely impacted by these programs as increased trading volume resulted in more trades being executed at the discounted levels. In addition, the volume discounts for our Eurodollar products that were implemented in January 2001 were expanded in the third quarter of 2001. While volume in Eurodollar contracts has grown, the larger volume discounts have partially offset the additional revenue generated by the increased trading volume in Eurodollars. The average rate per conract was also affected by the lower percentage of trades attributed to non-member customers. The percentage of trades for non-members decreased to approximately 22% of total trading volume during the first nine months of 2002 compared to approximately 25% during the same time period in 2001. We believe our lower fee structure for members has resulted in the acquisition of trading rights by parties intending to trade significant volumes on our exchange, creating an increase in member volume. Finally, the $5.0 million reserve in the second quarter of 2002 relating to our fee adjustment policy and clearing firm account management errors represented $0.012 of the reduction in our average rate per contract for the nine months ended September 30, 2002.

The following table shows the average daily trading volume in our four product areas, the portion that is traded electronically through the GLOBEX platform, and clearing and transaction fees revenues expressed in total dollars and as an average rate per contract:

	Nine Months Ended September 30,		
Product Area	**2002**	**2001**	**Percentage Increase/(Decrease)**
Interest Rate	1,293,202	1,053,593	22.7%
Equity	779,958	402,644	93.7
Foreign Exchange	97,351	89,314	9.0
Commodity	30,502	34,466	(11.5)
Total Volume	2,201,013	1,580,017	39.3
GLOBEX Volume	700,454	299,459	133.9
GLOBEX Volume as a Percent of Total Volume	31.8%	19.0%	
Clearing and Transaction Fees Revenue (in thousands)	$ 261,414	$ 211,894	
Average Rate per Contract	$ 0.632	$ 0.717	

During the first nine months of 2002, volatility in U.S. equity markets continued. This volatility, combined with increased access choices to our GLOBEX platform and marketing efforts to increase awareness of our product offerings, drove the growth in volume of our equity products. Approximately 80% of our stock index product volume is traded through the GLOBEX platform. While the U.S. Federal Reserve Board left interest rates unchanged during the first nine months of 2002, compared to eight interest rate reductions during the first nine months of 2001, we continued to experience increased volume in our interest rate products. Continued uncertainty over interest rates and volatility in U.S. stocks has led to increased use of interest rate products. With respect to foreign exchange products, the increase in trading volume was attributable to the impact of instituting side-by-side trading of these products on our

GLOBEX platform during open outcry trading hours in April 2001, and additional volatility in the foreign exchange markets during the first nine months of 2002. The decrease in average daily volume for commodity products was primarily the result of a decline in price levels in livestock and dairy products during the first quarter of 2002 that was partially offset by the impact of a drought in much of the United States in the second quarter of 2002.

Quotation Data Fees. Quotation data fees increased $0.7 million, or 2.0%, from $35.8 million for the nine months ended September 30, 2001 to $36.5 million for the nine months ended September 30, 2002. The increase principally reflects the effect of fee increases, implemented in March 2001, for the full nine-month period ended September 30, 2002 and an increase in the administrative fee for our quote vendor services in January 2002. In addition, these increases were partially offset by a decline in the number of users of our professional market data service that began in the second quarter of 2002, primarily as a result of recent downsizing at a number of major brokerage firms. As a result, the number of screens displaying our market data decreased from approximately 190,000 screens at December 31, 2001 to approximately 180,000 screens at September 30, 2002. This decline was partially offset by an increase in the number of subscribers from approximately 48,000 at December 31, 2001 to approximately 54,000 at September 30, 2002. The increase in subscribers occurred in our lower-priced non-professional E-mini market data service. Quotation data fees for the first nine months of 2001 were adversely impacted by $0.5 million as a result of the bankruptcy filing of a vendor that served as a large distributor of our market data. There was no similar adverse event in the first nine months of 2002.

GLOBEX Access Fees. GLOBEX access fees increased $0.9 million, or 9.7%, from $8.9 million for the nine months ended September 30, 2001 to $9.8 million for the nine months ended September 30, 2002. This increase resulted primarily from the additional monthly access fees generated from the increase in the number of GLOBEX users from September 30, 2001 to September 30, 2002. Partially offsetting this increase was a $0.5 million decrease in installation revenue during the first nine months of 2002 when compared to the same time period in 2001. When our pricing structure was changed in February 2001, we increased our installation charges for certain access choices. Many customers elected those access choices when they were first introduced. This resulted in an increase in installation revenue in the second and third quarter of 2001 that was not repeated during the comparable period of 2002. In addition, some new customers in 2002 selected access choices that do not require installation fees, such as our virtual private network access.

Communication Fees. Communication fees increased $0.5 million, or 6.7%, from $6.9 million for the nine months ended September 30, 2001 to $7.4 million for the nine months ended September 30, 2002. This increase resulted primarily from modest increases in fees for some of the wireless services we provide and an increase in telecommunication services and equipment provided on our trading floor.

Investment Income. Investment income decreased $0.7 million, or 10.3%, from $6.8 million for the nine months ended September 30, 2001 to $6.1 million for the nine months ended September 30, 2002. The decline resulted primarily from a reduction in rates earned on our marketable securities and the investment of clearing firms' cash performance bonds and security deposits. A significant portion of these investments is short-term in nature. Rates earned on these investments declined from approximately 3.2% during the first nine months of 2001 to approximately 2.3% during the first nine months of 2002, representing a decrease in investment income of approximately $5.1 million. The decrease in rates earned was primarily a result of the actions taken by the Federal Reserve Board in 2001 to lower the Fed funds rate. Another component of the decrease in investment income was a $0.5 million decrease in the investment results of our non-qualified deferred compensation plan that is included in investment income but does not affect our net income, as there is an equal decrease in our salaries and benefits expense. Partially offsetting these decreases in investment income was an increase of

approximately $2.6 million in interest income as a result of increased balances in marketable securities and cash performance bonds and security deposits. In addition, in the third quarter of 2002, we changed our investment policy and converted

our marketable securities to short-term investments, resulting in realized gains from the sale of these marketable securities of $2.7 million.

Securities Lending Interest Income and Expense. Securities lending interest income increased $7.2 million, from $7.5 million for the nine months ended September 30, 2001 to $14.7 million for the nine months ended September 30, 2002. Our securities lending activity began late in June 2001. Therefore, relatively modest revenue was generated for the nine months ended September 30, 2001. Our securities lending is limited to a portion of the securities that clearing firms deposit to satisfy their proprietary performance bond requirements. Securities lending interest expense increased $5.9 million, from $7.1 million for the nine months ended September 30, 2001 to $13.0 million for the nine months ended September 30, 2002. This expense is an integral part of our securities lending program and is required to engage in securities lending transactions. Therefore, this expense is presented in the statements of income as a reduction of total revenues.

Other Revenue. Other revenue decreased $0.6 million, or 4.8%, from $11.5 million for the nine months ended September 30, 2001 to $10.9 million for the nine months ended September 30, 2002. This decrease is attributed primarily to a $1.6 million increase in our share of the net loss of OneChicago and a $1.0 million decrease in trading revenue generated by GFX for the nine months ended September 30, 2002. OneChicago was not formed until August 2001. Therefore, the loss at September 30, 2001 only represented two months of operating results. There was also a modest decrease in revenue from the sale of our SPAN software during the first nine months of 2002 when compared to the same period in 2001. Partially offsetting these decreases was a $1.9 million increase in fees associated with managing our Interest Earning Facility.

Expenses

Total operating expenses increased $41.3 million, or 21.6%, from $191.2 million for the nine months ended September 30, 2001 to $232.5 million for the nine months ended September 30, 2002. This increase was primarily attributable to the $13.7 million expense associated with the settlement of the Wagner patent litigation as well as increases in salaries and benefits, professional fees and depreciation expense. These increases were partially offset by a $0.9 million decrease in stock-based compensation expense. Excluding stock-based compensation, expenses would have increased $42.2 million, or 22.9%. Excluding both the Wagner patent settlement and stock-based compensation, expenses would have increased $28.5 million, or 15.5%.

Salaries and Benefits Expense. Salaries and benefits expense increased $6.9 million, or 8.8%, from $78.3 million for the nine months ended September 30, 2001 to $85.2 million for the nine months ended September 30, 2002. There are two significant components to this increase. The average number of employees increased approximately 6%, or 64 employees, from the nine months ended September 30, 2001 to the nine months ended September 30, 2002. This increased headcount resulted in increased salaries and benefits of approximately $5.2 million. In addition, salaries and benefits increased approximately $3.6 million as a result of increases in salaries and the related employer taxes, pension and benefits. We had 1,118 employees at September 27, 2002. Partially offsetting these increases was an increase in the capitalization of salaries relating to internally developed software and an increase in the losses experienced in our non-qualified deferred compensation plan during the first nine months of 2002 when compared to the same time period in 2001.

Stock-Based Compensation Expense. Stock-based compensation expense decreased $0.9 million, or 13.5%, from $6.6 million for the nine months ended September 30, 2001 to $5.7 million for the nine months ended September 30, 2002. The primary component of this expense relates to the stock option granted to our CEO in February 2000, which included options for both Class A and Class B shares of common stock. The Class B share component of the option includes the value of the trading rights associated with the Class B shares subject to the option. Variable accounting treatment is required for the

option granted to our CEO. Because variable accounting reflects the change in the value of our Class A common stock and the underlying trading rights on the exchange associated with our Class B common stock, there is the possibility for significant variation in this component of stock-based compensation expense. There was a significant increase in the value of the trading rights associated with the Class B shares during the first nine months of 2001. This increase in value was partially offset by a decrease in the imputed value of the Class A shares during the first nine months of 2001. This net increase in value, when combined with the effect of vesting, resulted in $6.0 million of our stock-based compensation expense for the first nine months of 2001. In the first nine months of 2002, there was also a significant increase in the value of the trading rights associated with the Class B shares. The stock-based compensation for the CEO option was $5.1 million in the first nine months of 2002. The remainder of the expense relates to restricted stock granted to certain employees in May 2001.

Occupancy Expense. Occupancy expense increased $1.9 million, or 12.1%, from $15.1 million for the nine months ended September 30, 2001 to $17.0 million for the nine months ended September 30, 2002. This increase is directly related to additional rent expense incurred in 2002 for a remote data facility leased in the fourth quarter of 2001 and an increase in rent for our trading floors. A portion of the trading floor rent is determined based on open outcry trading volume, which increased 18.3% during the first nine months of 2002 when compared to the same time period in 2001.

Professional Fees, Outside Services and Licenses Expense. Professional fees, outside services and licenses expense increased $6.3 million, or 34.7%, from $18.4 million for the nine months ended September 30, 2001 to $24.7 million for the nine months ended September 30, 2002. This increase is attributable primarily to two factors. There was a $3.4 million increase in legal fees associated with our defense of the Wagner patent litigation during the first nine months of 2002. In the first nine months of 2002, there was also a $1.6 million increase in license fees resulting from growth in our equity product trading volume. In addition, professional fees for technology initiatives, net of the portion that relates to the development of internal use software and is capitalized rather than expensed, also increased $0.8 million. New initiatives during the first nine months of 2002 included work on capacity testing of various exchange systems, adaptation of certain systems to accommodate single stock futures transactions and technology work to prepare for our E-quotes market data offering. Additional expenses also were incurred in 2002 for building security in response to the September 11 terrorist attacks. Partially offsetting these increases was a refund for certain legal expenses incurred in 2001 and reduced expenses related to recruiting employees.

Communications and Computer and Software Maintenance Expense. Communications and computer and software maintenance expense increased $2.4 million, or 7.8%, from $31.4 million for the nine months ended September 30, 2001 to $33.8 million for the nine months ended September 30, 2002. The increase in 2002 resulted primarily from additional hardware and software maintenance associated with recent technology purchases, telecommunications expense associated with our remote data facility and additional expenses incurred in connection with our E-quotes market data service launch in March 2002. These increases were partially offset by a reduction in communication expenses associated with connections to our GLOBEX platform resulting from the renegotiation of a contract with one of our vendors in the second half of 2001.

Depreciation and Amortization Expense. Depreciation and amortization expense increased $8.2 million, or 30.2%, from $27.3 million for the nine months ended September 30, 2001 to $35.5 million for the nine months ended September 30, 2002. This increase was attributable primarily to equipment and software purchased late in 2001 as well as during the first nine months of 2002.

Patent Litigation Settlement. Patent litigation settlement expense totaled $13.7 million for the nine months ended September 30, 2002. This expense represents the August 26, 2002 settlement of the Wagner patent litigation. The settlement required a $5.0 million payment in September 2002 with five subsequent annual payments of

$2.0 million each beginning in August 2003. The expense recorded in the nine months

ended September 30, 2002 represents the present value of these payments. No similar expense occurred in the nine months ended September 30, 2001.

Public Relations and Promotions Expense. Public relations and promotions expense increased $1.0 million, or 28.5%, from $3.4 million for the nine months ended September 30, 2001 to $4.4 million for the nine months ended September 30, 2002. The increase resulted from additional print advertising expenditures in the first nine months of 2002, primarily to promote our foreign exchange and E-mini stock index products. This increase was partially offset by a decrease in charitable contributions. In response to the terrorist attacks of September 11, 2001, we established the Chicago Mercantile Exchange Foundation and made an initial contribution of $1.0 million in the third quarter of 2001. No similar expense was incurred in the first nine months of 2002.

Other Expense. Other expense increased $1.7 million, or 16.8%, from $10.7 million for the nine months ended September 30, 2001 to $12.4 million for the nine months ended September 30, 2002. Bank fees increased $0.8 million as a result of the fees associated with securities lending that began late in the second quarter of 2001. In addition, fees paid to our board of directors increased during the first nine months of 2002 when compared to the same time period in 2001 due to a change in our board fee structure that became effective July 1, 2001. Partially offsetting these increases was a decrease in fees associated with providing certain delivery services that resulted from a decrease in the utilization of these services by our customers.

Income Tax Provision

We recorded a tax provision of $40.2 million for the nine months ended September 30, 2002 compared to a tax provision of $36.5 million for the same period in 2001. The effective tax rate was 39.7% for the first nine months of 2002, a modest decline from the 40.1% effective tax rate for the first nine months of 2001.

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000

Overview

Our operations for the year ended December 31, 2001 resulted in net income of $68.3 million compared to a net loss of $5.9 million for the year ended December 31, 2000. Our improved operating results were driven by a $170.0 million, or 75.1%, increase in total revenues. Net revenues increased $160.6 million, or 70.9%. This increase in revenues was partially offset by a $38.2 million, or 16.3%, increase in expenses in 2001 when compared to 2000. Excluding stock-based compensation, which represented a non-cash expense of $17.6 million, our net income for 2001 would have been $78.8 million compared to a loss of $5.3 million for 2000.

During 2001, the U.S. Federal Reserve Board lowered the Fed funds rate on 11 occasions, resulting in a total reduction of 4.75%. The increased need for risk management instruments resulting from this interest rate volatility led to increased volume in our Eurodollar contract. Our Eurodollar contract also became a benchmark for the industry, contributing to its volume growth. Concerns and uncertainty about the global and national economy, interest rates and the performance of U.S. stocks that had resulted in increased trading volume throughout 2001 were magnified after the terrorist attacks of September 11. In addition, opening access to our electronic trading platform and improved performance of that platform, coupled with uncertainty over the economy and interest rates, resulted in increased trading volume in our stock index products.

Revenues

Total revenues increased $170.0 million, or 75.1%, from $226.6 million for 2000 to $396.6 million for 2001. Net revenues increased $160.6 million, or 70.9%, from 2000 to 2001. The increase in revenues was attributable primarily to a 78.9% increase in average daily trading volume in 2001, establishing an

exchange record and making our exchange the largest futures exchange in the United States, based on annual trading volume, for the first time. In 2001, we also experienced record levels of electronic trading that resulted in average daily GLOBEX volume of 326,274 contracts, representing 19.9% of our trading volume and an increase of 138.3% compared to 2000. These increased volume levels resulted from uncertainty over interest rates and volatility in U.S. stocks, a diverse product offering, our new open access policy for GLOBEX and volume discounts available to customers using our markets to manage their financial risk. Finally, a new pricing framework announced in December 2000 that took effect in the first quarter of 2001 resulted in additional revenue.

Clearing and Transaction Fees. Clearing and transaction fees and other volume-related charges increased $135.9 million, or 86.7%, from $156.6 million in 2000 to $292.5 million in 2001. Total trading volume increased 78.1% from 231.1 million contracts, our previous trading volume record established in 2000, to 411.7 million contracts for 2001. Many other volume records were established in 2001. Trading volume of 3.3 million contracts on November 15, 2001 established a new single-day trading volume record. Trading volume for the month of November 2001 also established a new monthly record, with 45.3 million contracts traded. This growth in total volume, and the related increase in clearing fees, was compounded by additional GLOBEX transaction fees resulting from a 138.3% increase in electronic trading volume from 2000 to 2001. In addition to increased volume, revenue was favorably impacted by changes to our pricing structure that were implemented in the first quarter of 2001.

In response to the terrorist attacks in the United States, our markets closed early on September 11, 2001, and our exchange remained closed on September 12, 2001. Trading resumed on September 13, 2001. However, equity products did not trade for an additional two business days, until September 17, 2001, when the equity markets in the United States resumed trading.

In addition to the increase in trading volume, the average rate per contract increased $0.032 from $0.678 for the year ended December 31, 2000 to $0.710 for the year ended December 31, 2001. The increase in 2001 reflects increases in pricing, which were partially offset by volume discounts for our Eurodollar products. These discounts were implemented in January 2001 and expanded in the third quarter of 2001. Also, as a result of the limits on certain GLOBEX fees, the additional trading volume generated through GLOBEX has increased clearing fees but has not necessarily resulted in additional GLOBEX fees.

The following table shows the average daily trading volume in our four product areas, the portion that was traded electronically through the GLOBEX platform, and clearing and transaction fees revenues expressed in total dollars and as an average rate per contract:

	Year Ended December 31,		
Product Area	**2001**	**2000**	**Percentage Increase**
Interest rate	1,091,846	550,810	98.2%
Equity	425,149	258,120	64.7
Foreign exchange	89,290	76,615	16.5
Commodity	34,003	31,575	7.7

Total Volume	1,640,288	917,120	78.9
GLOBEX Volume	326,274	136,928	138.3
GLOBEX Volume as a Percent of Total Volume	19.9%	14.9%	
Clearing and Transaction Fees Revenues (in thousands)	$ 292,459	$ 156,649	
Average Rate per Contract	$ 0.710	$ 0.678	

While we experienced increased volume in all products, the most significant increases occurred in interest rate and equity products. This increased volume reflected market dynamics in U.S. stocks and interest rates, as well as the effect of volume discounts and increased access to our electronic trading

platform. These measures were designed to stimulate additional activity in a time of volatility in interest rates and U.S. equities.

Quotation Data Fees. Quotation data fees increased $12.0 million, or 33.0%, from $36.3 million in 2000 to $48.3 million in 2001. On March 1, 2001, we implemented a fee increase for professional subscribers. At year-end 2001, more than 48,000 subscribers displayed our data on approximately 190,000 screens worldwide. This represented a modest decrease from year-end 2000 when we had approximately 54,000 subscribers displaying our data on more than 196,000 screens. In addition, while we maintained our non-professional market data offering, the service was changed from real-time streaming to one-minute snapshots of market data. This led some of our subscribers to convert to the higher-priced professional service. In addition, our 2000 revenue was adversely impacted by the bankruptcy filing of one of the larger resellers of our quotes.

GLOBEX Access Fees. GLOBEX access fees increased $8.0 million, or 201.9%, from $4.0 million in 2000 to $12.0 million in 2001. This increase was primarily attributable to the growth in the number of GLOBEX connections. Our FIX API connections increased from approximately 60 at December 31, 2000 to approximately 175 at December 31, 2001. These connections generally are used by clearing firms and allow multiple users to access GLOBEX. In addition, our GLOBEX Trader-Internet connections, a new access choice in 2001, grew to approximately 250 connections. Also contributing to the increase in revenue were changes to fees charged for access to GLOBEX in 2001 that were partially offset by a decrease in dedicated terminals accessing GLOBEX.

Communication Fees. Communication fees were relatively constant, experiencing a decrease of $0.1 million, from $9.4 million in 2000 to $9.3 million in 2001.

Investment Income. Investment income decreased $0.7 million, or 8.0%, from $9.7 million in 2000 to $9.0 million in 2001. The decline resulted primarily from a decrease in interest rates, which had a negative impact on the rate earned on funds invested. Also, there was a $0.2 million decrease in the investment results of our non-qualified deferred compensation plan, which did not impact our net income as there was an equal reduction to our salaries and benefits expense. Partially offsetting these decreases was investment income generated by additional funds available for investment in marketable securities as a result of our improved financial performance. Also, cash performance bonds deposited by clearing firms increased from 2000 to 2001, resulting in additional investment income in 2001.

Securities Lending Interest Income and Expense. Securities lending interest income was $10.7 million in 2001. There was no similar income for 2000, as our securities lending activity began in June 2001. Securities lending is limited to a portion of the securities that clearing firms deposit to satisfy their proprietary performance bond requirements. Securities lending interest expense was $9.5 million in 2001. There was no similar expense for 2000. This expense is an integral part of our securities lending program and is required to engage in securities lending transactions. Therefore, this expense is presented in the consolidated statements of income as a reduction of total revenues.

Other Revenue. Other revenue increased $4.4 million, or 41.7%, from $10.5 million in 2000 to $14.9 million in 2001. The majority of this increase, or $2.3 million, was attributable to increased fees associated with managing our IEF. Fees earned are directly related to amounts deposited in each IEF. In addition, the comprehensive pricing changes implemented in the first quarter of 2001 resulted in additional revenue from floor access charges, booth rental on our trading floors and order routing services. Finally, sales of our SPAN software increased by $0.3 million in 2001 compared to 2000. Partially offsetting these increases was a $0.6 million decrease in the trading revenue generated by GFX and our share of the net loss of OneChicago, the joint venture established in August 2001 for the trading of single stock futures.

Expenses

Total operating expenses increased $38.2 million, or 16.3%, from $234.6 million in 2000 to $272.8 million in 2001. The most significant components of this increase were the increase in non-cash stock-based compensation and, to a lesser extent, the increase in salaries and benefits expense. Excluding the increase resulting from stock-based compensation, expenses increased $21.5 million, or 9.2%, from 2000 to 2001.

Salaries and Benefits Expense. Salaries and benefits expense increased $11.1 million, or 11.9%, from $94.1 million in 2000 to $105.2 million in 2001. Included in this expense in 2000 were $4.3 million of one-time expenses relating to the restructuring of management that included a sign-on bonus for our new President and CEO hired in February 2000 and expenses related to severance payments to departing executives with employment contracts. Excluding these one-time charges, salaries and benefits increased $15.5 million, or 17.3%, in 2001, primarily as a result of an increase in overall compensation levels and employee bonus expense, coupled with related increases in pension expense, employment taxes and employee benefits costs. In addition, the average number of employees increased approximately 1% during 2001. This increased headcount resulted in additional salaries and benefits expense of approximately $1.4 million. These increases were compounded by a reduction in the number of technology staff utilized for internally developed software initiatives in 2001 when compared to 2000. As a result, more employee-related costs were expensed, rather than being capitalized as part of the development of internal use software.

Stock-Based Compensation Expense. Stock-based compensation, a non-cash expense, increased $16.6 million, from $1.0 million in 2000 to $17.6 million in 2001. This increase was primarily the result of the increase in value of the trading rights on our exchange associated with the Class B shares included in the stock option granted to our CEO in 2000 and vesting that occurs with the passage of time. Prior to our demutualization in November 2000, the expense relating to this option was recognized as a stock appreciation right using variable accounting as prescribed under Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related pronouncements. Since the date of demutualization, variable accounting has been required for this option. Because variable accounting reflects the change in the value of our Class A common stock and the underlying trading rights on the exchange associated with our Class B common stock, there was a significant increase in this component of stock-based compensation expense in 2001. This option represented $16.6 million of our stock-based compensation expense in 2001.

Occupancy Expense. Occupancy expense increased $0.8 million, or 4.0%, from $19.6 million in 2000 to $20.4 million in 2001. This is primarily the result of an increase in rent expense related to our trading floors, as a portion of this rent is directly related to increased open outcry trading volume.

Professional Fees, Outside Services and Licenses Expense. Professional fees, outside services and licenses increased $4.2 million, or 18.0%, from $23.1 million in 2000 to $27.3 million in 2001. Professional fees for technology-related initiatives, net of the reduction for the portion that relates to the development of internal use software and is capitalized rather than expensed, increased $4.5 million in 2001 when compared to 2000. Major initiatives in 2001 included improvements to the Application Program Interface

(API) to GLOBEX, work on enhancing the ability to execute sophisticated spread trades in GLOBEX and improvements to our Web site. In addition, there was a $0.9 million increase in license fees resulting from increased stock index product trading volume. We also incurred fees in 2001 relating to our reorganization into a holding company structure. In 2000, we completed our management restructuring and demutualization that resulted in recruiting, legal and other professional fees that were not repeated in 2001.

Communications and Computer and Software Maintenance Expense. Communications and computer and software maintenance expense increased $1.7 million, or 4.0%, from $41.9 million in 2000 to

$43.6 million in 2001. As a result of a new contract with our communications provider, communication costs related to GLOBEX connections increased modestly despite the increased number of customers utilizing our electronic trading platform. In addition, our hardware and software maintenance costs increased in 2001 as a result of technology-related purchases.

Depreciation and Amortization Expense. Depreciation and amortization expense increased $4.1 million, or 12.4%, from $33.5 million in 2000 to $37.6 million in 2001. This increase was attributable primarily to depreciation of the cost of equipment and software purchased late in 2000, as well as amortization on internally developed software completed in 2001 and the second half of 2000.

Public Relations and Promotion Expense. Public relations and promotion expense increased $1.1 million, or 21.2%, from $5.2 million in 2000 to $6.3 million in 2001. In response to the terrorist attacks on September 11, 2001, we established the Chicago Mercantile Exchange Foundation with an initial contribution of $1.0 million to be distributed to those affected by the events of September 11, 2001. In addition, in 2001 promotion expense was affected by increased spending on direct advertising offset by reduced expenditures for trade shows and specific product promotions.

Other Expense. Other expense decreased $1.4 million, or 9.3%, from $16.1 million in 2000 to $14.7 million in 2001. This decrease was due primarily to a $2.7 million write-off of previously capitalized software development costs during 2000. It was determined that the software would not be utilized as intended. A similar write-off of $0.3 million occurred in 2001. Other factors affecting these expenses in 2001 included a reduction in travel and entertainment when compared to 2000, offset by the expense associated with the settlement of certain litigation in 2001.

During 2000, the limited partners' interest in the earnings of PMT was $1.2 million. We purchased the net assets of PMT on November 13, 2000 as part of our demutualization. Therefore, there was no reduction in earnings during 2001 as a result of the sharing of profits with the limited partners of this entity.

Income Tax Provision

We recorded a tax provision of $46.1 million in 2001, compared to a tax benefit of $3.3 million in 2000. The effective tax rate was 40.3% in 2001 and 36.1% in 2000.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Overview

We experienced a net loss of $5.9 million in 2000, compared to net income of $2.7 million in 1999. The change was due primarily to expenses in 2000 relating to management restructuring, demutualization and the write-off of certain internally developed software that could not be used as intended and increased technology-related expenses. As a result, overall expense increases outpaced the growth in revenue.

Revenues

Total revenues increased $16.0 million, or 7.6%, from $210.6 million in 1999 to $226.6 million in 2000. The $16.0 million increase in revenue was the result of several factors. Clearing and transaction fees increased as a result of total volume increasing 15.1% in addition to a new pricing structure implemented in 2000. Our revenue from quotation data fees decreased due to reduced fees charged to non-professional subscribers. GLOBEX access fees increased as a result of an increase in the number of terminals of more than 30%. Our communication fees increased due to rate increases to the users of our telecommunication systems. Investment income increased due to the increase in our cash performance bonds offset by realized losses on net sales of marketable securities. Trading gains of GFX and the increase in revenue from our IEF program resulted in an increase in other revenue.

Clearing and Transaction Fees. Clearing and transaction fees accounted for 69.1% of total revenues in 2000. Clearing and transaction fees revenues increased $16.3 million, or 11.6%, from $140.3 million in 1999 to $156.6 million in 2000. This increase was due primarily to a 15.1% increase in total trading volume in 2000 over 1999, setting a new annual volume record at that time of 231.1 million contracts. The increase in trading volume was due primarily to uncertainty over interest rates and the 2000 U.S. presidential election that resulted in strong volume in our interest rate and stock index products as a way to help manage financial risk. Total electronic trading volume on our GLOBEX platform in 2000 rose 113.8% to 34.5 million contracts and accounted for 14.9% of total volume. In addition to the increase in trading volume, clearing and transaction fee revenue rose as a result of a fee increase that went into effect on October 1, 2000. The fee increase was replaced with a new, strategically designed fee structure that went into effect primarily on January 1, 2001. The new pricing structure reflects our business strategy as a for-profit corporation.

The average rate per contract decreased $0.021 from $0.699 for the year ended December 31, 1999 to $0.678 for the year ended December 31, 2000. This decrease was attributable primarily to a lower percentage of trades being executed by non-members, who are charged higher rates than members. While the number of round turn contracts traded by non-members increased from approximately 52 million in 1999 to 56 million in 2000, the percentage of total trading volume attributed to non-members decreased from approximately 26% of total trading volume in 1999 to approximately 24% of total trading volume in 2000. Also contributing to the decrease in the average rate per contract is a decline in volume for our foreign exchange products and the related delivery services.

The following table shows the average daily trading volume in our four product areas, the portion that was traded electronically through the GLOBEX platform, and clearing and transaction fees revenues expressed in total dollars and as an average rate per contract:

	Year Ended December 31,		
Product Area	**2000**	**1999**	**Percentage Increase/(Decrease)**
Interest Rate	550,810	475,023	16.0%
Equity	258,120	189,984	35.9
Foreign Exchange	76,615	94,747	(19.1)
Commodity	31,575	33,671	(6.2)

Total Volume	917,120	793,425	15.6
GLOBEX Volume	136,928	63,782	114.7
GLOBEX Volume as a Percent of Total Volume	14.9%	8.0%	
Clearing and Transaction Fees Revenues (in thousands)	$ 156,649	$ 140,305	
Average Rate per Contract	$ 0.678	$ 0.699	

Quotation Data Fees. Quotation data fees decreased $6.7 million, or 15.6%, from $43.0 million in 1999 to $36.3 million in 2000. The decrease was a result of lower promotional fees charged to non-professional subscribers. This special promotional fee was eliminated in 2001. While the total number of subscribers increased from 1999 to 2000, a portion of our existing subscribers switched to the new non-professional service at a lower monthly fee. In addition, the likelihood of collecting certain receivables outstanding at December 31, 2000 appeared questionable. The resulting reserve against receivables reduced revenue in 2000 by $1.4 million.

GLOBEX Access Fees. GLOBEX access fees increased $2.1 million, or 109.1%, from $1.9 million in 1999 to $4.0 million in 2000. The total number of GLOBEX terminals increased more than 30% during 2000, resulting in additional revenue.

Communication Fees. Communication revenue increased $1.2 million, or 15.0%, from $8.2 million in 1999 to $9.4 million in 2000. The increase was a result of rate increases to users of our telecommunications system.

Investment Income. Investment income increased $0.6 million, or 7.1%, from $9.1 million in 1999 to $9.7 million in 2000. Investment income generated by increased cash performance bonds was partially offset by realized losses on net sales of marketable securities.

Other Revenue. Other revenue increased $2.4 million, or 29.3%, from $8.1 million in 1999 to $10.5 million in 2000. Trading gains of GFX increased by $2.0 million in 2000 compared to 1999, and there was an increase in fees generated as a result of our IEF program. Partially offsetting these increases was a decline in consulting revenue generated for work completed by us for ParisBourse^{SBF}SA. Since this consulting arrangement was concluded in 1999, there was no similar revenue in 2000.

Expenses

Total operating expenses increased $30.6 million, or 15.0%, from $204.0 million in 1999 to $234.6 million in 2000. Excluding approximately $9.8 million of expenses in 2000 relating to management restructuring, demutualization and the write-off of certain internally developed software that could not be used as intended, the increase was $20.8 million, or 10.2%. Technology-related expenses of $100.1 million increased $23.2 million as we continued to invest in trading and clearing systems. In electronic trading, we made significant capacity and performance enhancements to GLOBEX to support our new open access policy approved in 2000. As a result, telecommunication, software licenses and maintenance, as well as hardware maintenance and depreciation costs, increased for our technology division. These increases were partially offset by a reduction in the use of consultants for technology initiatives in 2000 compared to 1999. We continued to upgrade our clearing technology and made advances in furthering alliances with other exchanges. Clearing infrastructure enhancements enabled us to launch the world's first cross-border, cross-margining program with the London Clearing House. Other enhancements included an upgraded real-time mutual offset system with Singapore Exchange Derivatives Trading Limited, or Singapore Derivatives Exchange, improved asset management capabilities for exchange customers and a more flexible and streamlined clearing process. Seeking new growth opportunities by leveraging our established clearing house expertise, we explored opportunities in the e-business market in 2000 and incurred $0.9 million in related expenses.

Salaries and Benefits Expense. Salaries and benefits expense increased $13.1 million, or 16.2%, from $81.0 million in 1999 to $94.1 million in 2000. There are three significant components to this increase. Salaries and benefits expense increased $8.8 million as a result of increases in overall compensation levels and the related employer taxes, pension and benefits. In January 2000, we entered into an employment agreement with our new President and CEO that stipulated payment of a sign-on bonus of $2 million. In addition, three executives with employment contracts resigned during the first quarter of 2000. The payments required by these contracts and increases in headcount accounted for the remainder of the increase in salaries and benefits.

Stock-based Compensation Expense. Stock-based compensation expense of $1.0 million resulted from the expense relating to the stock option granted to our CEO in 2000. Variable accounting treatment was required for the option under APB Opinion 25, "Accounting for Stock Issued to Employees," as of the date of demutualization.

Occupancy Expense. Occupancy costs increased $1.8 million, or 10.4%, from $17.8 million in 1999 to $19.6 million in 2000. In 1999, reductions in real estate taxes, combined with credits from the landlord for operating expenses, resulted in one-time savings and represented the majority of the variance between 1999 and 2000.

Professional Fees, Outside Services and Licenses Expense. Professional fees, outside services and licenses decreased $5.2 million, or 18.3%, from $28.3 million in 1999 to $23.1 million in 2000. The decrease resulted primarily from a $3.7 million decline in professional fees relating to some technology initiatives that were substantially completed in 1999. Additional savings resulted from a $0.8 million reduction in recruiting costs, a $0.4 million reduction in ongoing legal and accounting fees and a decrease in the use of temporary employees. Also, in 1999, certain professional fees were incurred for projects that were concluded the same year, including $0.9 million in professional fees relating to the development of our strategic plan, $0.9 million for services associated with the launch of side-by-side electronic trading of our Eurodollar products and $0.7 million in professional fees for certain enhancements to GLOBEX. These savings were partially offset by a $1.3 million increase in legal costs and professional fees associated with our demutualization and a $0.9 million increase in license fees incurred as a result of increased trading volume in our equity products in 2000 when compared to 1999.

Communication and Computer and Software Maintenance Expense. Communication and computer and software maintenance expense increased $13.5 million, or 47.4%, from $28.4 million in 1999 to $41.9 million in 2000. Communication costs rose $9.1 million, or 38.9%, as a result of additional GLOBEX electronic trading subscribers. The number of GLOBEX terminals increased more than 30.0% in 2000. In addition, software and related maintenance costs increased by $3.3 million in 2000 compared to 1999 as a result of technology initiatives.

Depreciation and Amortization Expense. Depreciation and amortization increased $8.2 million, or 32.5%, from $25.3 million in 1999 to $33.5 million in 2000. The increase was due to the amortization of completed capitalized software development, additional depreciation expense resulting from software and computer equipment purchases made in 2000 and late in 1999 and the change in depreciable lives of such software and computer equipment from five years to four years.

Public Relations and Promotion Expense. Public relations and promotion expense decreased $2.5 million, or 32.2%, from $7.7 million in 1999 to $5.2 million in 2000, due primarily to the elimination or reduction of certain incentive programs related to specific contracts offered on our exchange.

Other Expense. Other expense increased $0.6 million, or 4.2%, from $15.5 million in 1999 to $16.1 million in 2000. The increase resulted from a $2.7 million write-off during the second quarter of 2000 of previously capitalized software development costs. It was determined that the software would not be utilized as intended. Partially offsetting this were decreases in travel and entertainment expenses as well as in various state and local taxes.

The limited partners' interest in the earnings of PMT was $1.2 million for the period January 1, 2000 through November 13, 2000, the date of the sale of PMT's net assets to us as part of our demutualization, compared to $2.1 million in 1999. A decline in the operating results of PMT, and the corresponding decline in the limited partners' interest in the earnings of PMT in 2000, was due to higher operating costs associated with electronic trading. The fact that PMT operated for less than a full year also reduced its profits compared to 1999. The impact of these factors was partially offset by an increase in the net income of GFX in 2000, a portion of which was allocated to PMT.

Income Tax Provision

A benefit for income taxes of $3.3 million was recorded for the twelve months ended December 31, 2000 as a result of operating losses during this period. The effective income tax rate for the period was 36.1%. The benefit will be realized through a tax loss carryback to offset a prior year's taxable income.

Quarterly Results of Operations

Quarterly results have varied significantly as a result of the following:

- trading volume;
- changes in and limits and volume discounts on fees;
- one-time expenses, such as those relating to demutualization and the patent litigation settlement;
- changes in our business strategy and fee structure as a result of our conversion from a non-profit into a for-profit corporation;
- stock-based compensation expense resulting from stock options granted to our CEO;
- amount and timing of capital expenditures; and
- growth in GLOBEX.

The following tables set forth certain unaudited consolidated quarterly income statement data, both in dollar amounts and as a percentage of net revenues for the 11 quarters ended September 30, 2002. In our opinion, this unaudited information has been prepared on substantially the same basis as the financial statements appearing elsewhere in this prospectus and includes all adjustments (consisting of normal recurring adjustments) necessary to present fairly the unaudited quarterly data. The unaudited quarterly data should be read together with the financial statements and related notes included elsewhere in this prospectus. The results for any quarter are not necessarily indicative of results for any future period.

	Quarter Ended										
	Mar. 31, 2000	June 30, 2000	Sept. 30, 2000	Dec. 31, 2000	Mar. 31, 2001	June 30, 2001	Sept. 30, 2001	Dec. 31, 2001	Mar. 31, 2002	June 30, 2002	Sept. 30, 2002
	(in thousands, except per share amounts)										
Revenues:											
Clearing and transaction fees	$ 40,046	$ 35,643	$ 32,282	$ 48,678	$ 70,938	$ 68,266	$ 72,690	$ 80,565	$ 77,885	$ 84,274	$ 99,255
Quotation data fees	9,883	8,568	9,028	8,806	10,225	13,582	12,003	12,440	12,465	11,925	12,117
GLOBEX access fees	701	918	1,109	1,243	2,347	3,557	3,004	3,079	3,130	3,278	3,362
Communication fees	2,242	2,403	2,442	2,304	2,256	2,350	2,299	2,425	2,405	2,506	2,453
Investment income	2,148	2,236	2,296	3,056	2,573	2,496	1,727	2,160	1,617	1,304	3,177
Securities lending interest income	—	—	—	—	—	605	6,885	3,254	3,514	6,275	4,913
Other	2,569	2,560	2,324	3,067	3,831	4,411	3,252	3,410	3,053	3,518	4,372
Total revenues	57,589	52,328	49,481	67,154	92,170	95,267	101,860	107,333	104,069	113,080	129,649
Securities lending interest expense	—	—	—	—	—	(569)	(6,531)	(2,377)	(2,977)	(5,548)	(4,484)
Net revenues	57,589	52,328	49,481	67,154	92,170	94,698	95,329	104,956	101,092	107,532	125,165
Expenses:											
Salaries and benefits	26,724	22,153	22,290	22,899	25,059	25,147	28,132	26,889	29,227	28,349	27,646
Stock-based compensation	1,521	957	(370)	(1,075)	3,473	4,394	(1,224)	10,996	(5,191)	4,383	6,556
Occupancy	5,022	5,106	4,874	4,627	5,257	4,796	5,092	5,275	5,781	5,308	5,881
Professional fees, outside services and licenses	5,858	4,702	4,823	7,748	6,018	5,538	6,816	8,917	7,261	8,377	9,109
Communications and computer and software maintenance	9,417	10,675	11,147	10,681	9,988	10,141	11,236	12,233	10,308	11,325	12,183
Depreciation and amortization	8,302	8,294	8,622	8,271	8,888	9,146	9,245	10,360	10,814	12,337	12,353
Patent litigation settlement	—	—	—	—	—	—	—	—	—	—	13,695
Public relations and promotion	1,120	942	1,397	1,760	581	788	2,055	2,902	1,563	1,354	1,481
Other	3,445	6,064	2,815	3,824	2,990	3,631	4,035	3,994	3,429	5,007	4,005
Total expenses	61,409	58,893	55,598	58,735	62,254	63,581	65,387	81,566	63,192	76,440	92,909
Income (loss) before limited partners' interest in (earnings)/loss of PMT and income taxes	(3,820)	(6,565)	(6,117)	8,419	29,916	31,117	29,942	23,390	37,900	31,092	32,256
Limited partners' interest in (earnings)/loss of PMT	(988)	(194)	21	(4)	—	—	—	—	—	—	—
Income tax (provision) benefit	1,924	2,703	2,438	(3,726)	(11,975)	(12,353)	(12,166)	(9,569)	(15,178)	(12,150)	(12,902)
Net income (loss)	$ (2,884)	$ (4,056)	$ (3,658)	$ 4,689	$ 17,941	$ 18,764	$ 17,776	$ 13,821	$ 22,722	$ 18,942	$ 19,354
Earnings (loss) per share:(1)											
Basic	$ (0.10)	$ (0.14)	$ (0.13)	$ 0.16	$ 0.62	$ 0.65	$ 0.62	$ 0.48	$ 0.79	$ 0.66	$ 0.67
Diluted	—	—	—	0.16	0.62	0.64	0.60	0.46	0.76	$ 0.64	$ 0.65

(1) Earnings per share is presented as if the common stock issued on December 3, 2001 had been outstanding for all periods presented. Diluted loss per share is not presented for the first three quarters of 2000 because shares issuable for stock options, which would be included as part of the calculation, would have an anti-dilutive effect.

	Quarter Ended										
	Mar. 31, 2000	June 30, 2000	Sept. 30, 2000	Dec. 31, 2000	Mar. 31, 2001	June 30, 2001	Sept. 30, 2001	Dec. 31, 2001	Mar. 31, 2002	June 30, 2002	Sept. 30, 2002
	(as a percentage of net revenues)										
Revenues:											
Clearing and transaction fees	69.5%	68.1%	65.3%	72.5%	77.0%	72.1%	76.3%	76.8%	77.0%	78.4%	79.3%
Quotation data fees	17.2	16.4	18.3	13.1	11.1	14.3	12.6	11.9	12.3	11.1	9.7
GLOBEX access fees	1.2	1.8	2.2	1.9	2.5	3.8	3.2	2.9	3.1	3.1	2.8
Communication fees	3.9	4.6	4.9	3.4	2.4	2.5	2.4	2.3	2.4	2.3	1.9
Investment income	3.7	4.3	4.6	4.6	2.8	2.6	1.8	2.1	1.6	1.2	2.5
Securities lending interest income	—	—	—	—	—	0.6	7.2	3.1	3.5	5.8	3.9
Other	4.5	4.8	4.7	4.5	4.2	4.7	3.4	3.2	3.0	3.3	3.5
Total revenues	100.0	100.0	100.0	100.0	100.0	100.6	106.9	102.3	102.9	105.2	103.6
Securities lending interest expense	—	—	—	—	—	(0.6)	(6.9)	(2.3)	(2.9)	(5.2)	(3.6)
Net revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Expenses:											
Salaries and benefits	46.4	42.3	45.0	34.1	27.2	26.6	29.6	25.6	28.9	26.4	22.1
Stock-based compensation	2.6	1.8	(0.7)	(1.6)	3.8	4.6	(1.3)	10.5	(5.1)	4.1	5.2
Occupancy	8.7	9.8	9.9	6.9	5.7	5.1	5.3	5.0	5.7	4.9	4.7
Professional fees, outside services and licenses	10.2	9.0	9.8	11.6	6.5	5.8	7.1	8.5	7.2	7.8	7.3
Communications and computer and software maintenance	16.4	20.4	22.5	15.9	10.8	10.7	11.8	11.7	10.2	10.5	9.7
Depreciation and amortization	14.4	15.8	17.4	12.3	9.7	9.7	9.7	9.9	10.7	11.5	9.9
Patent litigation settlement	—	—	—	—	—	—	—	—	—	—	10.9
Public relations and promotion	1.9	1.8	2.8	2.6	0.6	0.8	2.2	2.8	1.5	1.3	1.2
Other	6.0	11.6	5.7	5.7	3.3	3.8	4.2	3.8	3.4	4.7	3.2
Total expenses	106.6	112.5	112.4	87.5	67.6	67.1	68.6	77.8	62.5	71.2	74.2
Income (loss) before limited partners' interest in (earnings)/loss of PMT and income taxes	(6.6)	(12.5)	(12.4)	12.5	32.4	32.9	31.4	22.2	37.5	28.8	25.8
Limited partners' interest in (earnings)/loss of PMT	(1.7)	(0.4)	—	—	—	—	—	—	—	—	—
Income tax (provision) benefit	3.3	5.2	4.9	(5.5)	(13.0)	(13.0)	(12.8)	(9.1)	(15.0)	(11.3)	(10.3)
Net income (loss)	(5.0)%	(7.7)%	(7.5)%	7.0%	19.4%	19.9%	18.6%	13.1%	22.5%	17.5%	15.5%

Although individual expense categories may vary, our total ongoing expenses, with the exception of stock-based compensation, have proven to be relatively fixed in nature. During 2000, our professional fees also fluctuated as a result of our demutualization, which resulted in $1.3 million of expense during the year and represented approximately $0.4 million of expense in each of the first three quarters of 2000. We do not expect recurring expenses of this nature. We expect that salaries and benefits expense will continue to account for the largest portion of our expenses. In addition, we expect that communications and computer and software maintenance expense will continue to increase in absolute dollars as our electronic trading volume increases. We expect that occupancy expense; professional fees, outside services and licenses; and public relations and promotions expense will remain relatively fixed.

We believe that our operating margins will also be affected by several factors including trading volume, the mix of fees generated from the trading of different products, changes in our pricing policies, migration from open outcry to electronic trading, our ability to leverage capital expenditures related to our electronic infrastructure and new product introductions. Our trading volume is directly affected by domestic and international factors that are beyond our control, including economic, political and market conditions, broad trends in industry and finance, changes in levels of trading activity, price levels and price volatility in the derivatives markets and in underlying fixed-income, equity, foreign exchange and commodity markets, legislative and regulatory changes, competition, changes in government monetary policies, foreign exchange rates, consolidation in our customer base or within our industry and inflation. Our business is also subject to seasonality. In the three years prior to 2001, we experienced relatively higher volume during the first and second quarters, and we generally expect that the third quarter will have

lower trading volume. This historical trend was not evident in 2001 or 2002 in part because of the volatility of interest rates and U.S. equities in the third quarter of each of those years.

Due to all of the foregoing factors, period-to-period comparisons of our revenues, expenses and operating results are not necessarily meaningful, and these comparisons cannot be relied upon as indicators of future performance. Also, with the exception of the most recent seven quarters, all of our results reflect operating as a mutual not-for-profit corporation.

Liquidity and Capital Resources

Cash and cash equivalents totaled $197.2 million at September 30, 2002 compared to $69.1 million at December 31, 2001 and $30.7 million at December 31, 2000. The $128.1 million increase from December 31, 2001 to September 30, 2002 resulted primarily from the change in our investment policy to convert our marketable securities to more short-term investments. Our revised investment policy, implemented in the third quarter of 2002, allows us to invest in institutional money market funds with a fund balance over $1.0 billion and certain U.S. Treasury and Government agency securities, provided these securities will mature at par value within seven days of purchase. This new policy resulted in a $128.3 million increase in the balances invested in money market funds and securities that are treated as cash equivalents. In addition, our operations for the nine months ended September 30, 2002 contributed to the increase in cash and cash equivalents since December 31, 2001. Partially offsetting these increases was the June 28, 2002 payment of a $17.3 million dividend to owners of our common stock. In addition, during the first nine months of 2002, the payment of certain short-term liabilities required the use of cash and is reflected on the consolidated balance sheets as a reduction in accounts payable during the same time period. The increase from December 31, 2000 to December 31, 2001 resulted primarily from improved operating performance. In addition, at December 31, 2001, a larger portion of our marketable securities were held in short-term instruments, and considered to be a cash equivalent, when compared to December 31, 2000. During 2000 and 2001, the balance retained in cash and cash equivalents was a function of anticipated or possible short-term cash needs, prevailing interest rates and alternative investment choices.

Other current assets readily convertible into cash include marketable securities as well as accounts receivable. When combined with cash and cash equivalents, these assets represented 62.7% of our total assets at September 30, 2002, excluding cash performance bonds and security deposits and investment of securities lending proceeds, compared to 60.9% at December 31, 2001 and 45.9% at December 31, 2000. The increase at September 30, 2002 compared to year-end 2001 resulted primarily from cash generated by operations during the nine months ended September 30, 2002 that was partially offset by purchases of capital assets and the dividend payment. The improvement in 2001 is a result of improved operating results that increased cash, receivables and marketable securities from year-end 2000 levels. Cash performance bonds and security deposits, as well as investment of securities lending proceeds, are excluded from total assets and total liabilities for purposes of this comparison.

Each clearing firm is required to deposit and maintain a specified performance bond based on the number of open contracts at the end of each trading day. Performance bond requirements can be satisfied with cash, U.S. Government securities, bank letters of credit or other approved investments. Cash performance bonds and security deposits are included in our consolidated balance sheets and fluctuate due to the investment choices available to clearing firms and the change in the amount of deposits required. Our securities lending transactions utilize a portion of the securities that clearing firms have deposited to satisfy their proprietary performance bond requirements. The balance in our securities lending activity fluctuates based on the amount of securities that clearing firms have deposited and the demand for securities lending activity in the particular securities available to us. As a result of these factors, the balances in cash performance bonds and security deposits as well as the balances in our securities lending program may fluctuate significantly over time. In general, the balance of cash performance bonds and security deposits has increased in recent years. Our securities lending program began in June 2001. Since

that time, our securities lending balances have, as of the end of each quarter, ranged from a low of approximately $131 million at September 30, 2001 to a high of $882.6 million at December 31, 2001.

Cash performance bonds and security deposits and securities lending proceeds consisted of the following at December 31, 2001 and September 30, 2002:

	December 31, 2001	September 30, 2002
	(in thousands)	
Cash Performance Bonds	$ 848,391	$ 1,913,180
Cash Security Deposits	6,836	6,853
Total Cash Performance Bonds and Security Deposits	$ 855,227	$ 1,920,033
Proceeds from Securities Lending and Payable Under Securities Lending Agreements	882,555	554,870
Total	$ 1,737,782	$ 2,474,903

As discussed above, clearing firms may also deposit U.S. Government securities and other approved investments, including deposits in our IEF program, to satisfy their performance bond and security deposit requirements. With the exception of the portion of securities deposited that are utilized in our securities lending program, assets of this nature are not included on our consolidated balance sheets. We are required under the Commodity Exchange Act to segregate cash and securities deposited by clearing firms on behalf of customers. In addition, our exchange rules require a segregation of all funds and securities deposited by clearing firms from exchange operating funds and securities. As with cash performance bonds and security deposits, these balances will fluctuate due to the investment choices available to clearing firms and the change in the amount of total deposits required. Securities, at fair market value, and IEF deposits consisted of the following at December 31, 2001 and September 30, 2002:

	December 31, 2001	September 30, 2002
	(in thousands)	
Securities and IEF Funds for:		
Performance Bonds	$ 27,208,994	$ 26,467,515
Security Deposits	694,323	852,299
Cross-margin Securities Held Jointly with Options Clearing Corporation	422,996	348,043
Total	$ 28,326,313	$ 27,667,857

Historically, we have met our funding requirements from operations. Net cash provided by operating activities was $101.6 million for the nine months ended September 30, 2002 compared to $77.4 million for the nine months ended September 30, 2001, an increase of $24.2 million. This increase resulted primarily from the increase in net income and increases in non-cash items, such as depreciation and the loss on our investment in OneChicago, as well as reduced growth in our accounts receivable during the first nine months of 2002. Partially offsetting these increases was the utilization of cash to achieve a $7.1 million reduction in accounts payable from September 30, 2001 to September 30, 2002. Net cash provided by operating activities was $120.6 million for 2001 and $33.0 million for 2000. The cash provided by operations increased in 2001 as a result of our improved operating results. The increase in net cash provided by operating activities exceeded our net income in 2001 primarily as a result of increases in non-cash expenses, such as depreciation and stock-based compensation, that do not adversely impact our cash flow. Stock-based compensation totaled $17.6 million in 2001, compared to $1.0 million in 2000.

Cash provided by investing activities was $48.1 million for the nine months ended September 30, 2002 compared to cash used in investing activities of $48.3 million for the nine months ended September 30, 2001. The increase of $96.4 million is primarily due to the $119.8 million of proceeds received from the sale

of marketable securities in excess of purchases of marketable securities as a result of the change in our investment policy to convert marketable securities to short-term investments that are considered cash equivalents. Cash used to acquire property and software increased $20.3 million, from $22.2 million for the first nine months of 2001 to $42.5 million for the same time period in 2002. Purchases of software and equipment in the first nine months of 2002 included $11.6 million for our remote data center, which became operational in September 2002, and $5.3 million to accommodate trading in single stock futures. An additional investment in OneChicago of $3.1 million was made in the first nine months of 2002. We continue to fund capital expenditures from current operating funds.

For the year ended December 31, 2001, net cash used in investing activities was $78.2 million, compared to $13.0 million for 2000. As a result of our improved operating results in 2001, purchases of marketable securities that required the use of cash exceeded sales and maturities by $46.5 million. This is in contrast to 2000, when sales and maturities of our marketable securities that generated cash exceeded purchases by $16.4 million. In addition, in 2001, purchases of property increased $5.1 million when compared to 2000. In 2000, cash used in investing activities was increased by the $4.2 million payment to the limited partners of PMT to complete the purchase of PMT.

Cash used in financing activities was $21.6 million for the nine months ended September 30, 2002 and $2.8 million for the nine months ended September 30, 2001. The 2002 increase resulted from a cash dividend of $0.60 per share on Class A and Class B shares of common stock that was declared by our board of directors on June 4, 2002 for shareholders of record on June 17, 2002. The dividend was paid on June 28, 2002 and totaled $17.3 million. In addition, cash used in financing activities for both periods includes regularly scheduled payments on long-term debt related to our capital lease obligations. Net cash used in financing activities was $3.9 million for 2001 and $3.6 million for 2000, representing scheduled payments on capital leases.

We intend to pay regular quarterly dividends to our shareholders beginning in the first quarter of 2003. The annual dividend target will be approximately 20% of prior year's cash earnings. The decision to pay a dividend, however, remains within the discretion of our board of directors and may be affected by various factors, including our earnings, financial condition, capital requirements, level of indebtedness and other considerations our board of directors deems relevant.

We maintain a $500.0 million line of credit with a consortium of banks to be used in certain situations, such as a disruption in the domestic payments system that would delay settlement between our exchange and our clearing firms or in the event of a clearing firm default. The line of credit has never been utilized. On October 18, 2002, at the annual renewal date, the line of credit was renewed for the same amount and with substantially the same terms. The credit agreement continues to be collateralized by clearing firm security deposits held by us in the form of U.S. Treasury or agency securities, as well as security deposit funds in IEF2.

In addition, as of September 30, 2002, we were contingently liable on irrevocable letters of credit totaling $68.0 million in connection with our mutual offset system with Singapore Derivatives Exchange. We also guarantee the principal for funds invested in the first IEF facility, which had a balance of $471.2 million as of September 30, 2002.

On August 26, 2002, the lawsuit relating to Wagner patent 4,903,201 entitled "Automated Futures Trade Exchange" was settled for $15.0 million. The settlement required an initial payment of $5.0 million in September 2002 and requires five subsequent annual payments of $2.0 million each beginning in August 2003. The entire expense related to this settlement was recognized in the third quarter of 2002, at its present value of $13.7 million.

Capital expenditures, which includes expenditures for purchased and internally developed software as well as equipment acquired utilizing capital leases, have varied significantly from 1999 through the first nine months of 2002, as demonstrated in the table below:

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	2000	2001	2001	2002
	(in millions, except percentages)				
Total Capital Expenditures	$ 63.2	$ 27.1	$ 36.5	$ 21.1	$ 43.1
Technology	50.8	21.6	32.3	18.7	39.0
Percent for Technology	80.2%	79.9%	88.3%	88.3%	90.4%

This highlights our commitment to continual enhancements to the technology we employ. The significant expenditures in 1999 included $31.2 million for additional equipment and upgrades to our data center, expenditures for hardware and software required for year 2000 compliance and an improvement to our back-up recovery capabilities. Capital expenditures in 1999 also were made in connection with an upgrade to GLOBEX, which represented a significant portion of the $15.3 million of capitalized costs for staff and consultants who completed work on internally developed software. In 2001, capital expenditures for technology included $13.9 million for purchased and internally developed software, as well as $17.3 million in equipment purchases for our data centers. These purchases were attributable primarily to increased capacity requirements of our electronic platform as a result of increased trading volume. This necessitated increased equipment and software licenses. Continued capital expenditures for technology are anticipated as our electronic trading platform is expanded and we continue to improve the technology utilized as part of our open outcry facilities.

Other than technology, significant expenditures in 1999 include an upgrade to our telecommunications systems at a cost of $2.4 million and exchange-wide purchases that were required in anticipation of the new millennium. Each year capital expenditures are also incurred for improvements to our trading floor facilities, offices, telecommunications capabilities and other operating equipment.

If operations do not provide sufficient funds to complete capital expenditures, our marketable securities or short-term investments can be reduced to provide the needed funds or assets can be acquired through capital leases.

We expect to use our available cash, combined with the proceeds from this offering and cash anticipated to be available from future operations, primarily for general corporate purposes. We believe these funds will enable us to meet our working capital requirements for the foreseeable future. We may also use a portion of our available cash to acquire or invest in technologies or business ventures or products that are complementary to our business. We have not determined the amounts we plan to spend on any of the uses described above or the timing of these expenditures. Our future liquidity and capital requirements will depend on numerous factors, including product development, new business opportunities and the development and maintenance of our technology systems. If capital requirements vary materially from those currently planned, we may require additional financing sooner than anticipated. Any additional equity financing may be dilutive to our stockholders and debt financing, if available, may involve restrictive covenants with respect to dividends, raising capital and other financial and operational matters that could restrict our operations.

Quantitative and Qualitative Disclosures About Market Risk

Market risk represents interest rate risk relating to the marketable securities that are available for sale, as well as derivatives trading risk associated with GFX. With respect to interest rate risk, a change in market interest rates would impact interest income from temporary cash investments, cash performance bonds and security deposits, variable rate marketable securities and new purchases of marketable

securities. Changes in market interest rates also would have an effect on the fair value of marketable securities. However, as a result of our new investment policy that was effective in the third quarter of 2002, we invest only in cash equivalents comprised primarily of money market mutual funds and obligations of the U.S. Government and its agencies with maturities of seven days or less. Prior to the recent change in our investment policy, we monitored interest rate risk by completing regular reviews of our marketable securities portfolio and its sensitivity to changes in the general level of interest rates, commonly referred to as a portfolio's duration. We controlled the duration of

the portfolio primarily through the purchase of individual marketable securities having a duration consistent with our overall investment policy. In addition, under our prior investment policy, we would generally hold marketable securities to maturity, which acted as a further mitigating factor with respect to interest rate risk. GFX engages in the purchase and sale of our foreign exchange futures contracts to promote liquidity in our products and subsequently enters into offsetting transactions using futures contracts or spot foreign exchange transactions to limit market risk. Any potential impact on earnings from a change in foreign exchange rates would not be significant. Net position limits are established for each trader and currently amount to $12.0 million in aggregate notional value.

Interest Rate Risk

Interest income from marketable securities, temporary cash investments, cash performance bonds and security deposits was $4.5 million in the first nine months of 2002. Our marketable securities experienced net realized and unrealized gains of $2.2 million in the nine months ended September 30, 2002 compared to net realized and unrealized gains of $1.4 million in the nine months ended September 30, 2001. At September 30, 2002, our marketable securities included one variable rate security for $0.1 million maturing in October 2002. As a result of a change in our investment policy, marketable securities previously owned were sold during the third quarter of 2002. The proceeds from the sale of these securities have been invested in other short-term liquid investments, primarily an institutional money market mutual fund and U.S. Government agency securities that mature within seven days of purchase. Interest income from marketable securities, temporary cash investments and cash performance bonds and security deposits was $8.9 million in 2001. Net realized and unrealized gains (losses) from our marketable securities totaled $0.7 million in 2001, $0.6 million in 2000 and ($1.4) million in 1999.

Derivatives Trading Risk

At September 30, 2002, GFX held futures positions with a notional value of $67.5 million, offset by a similar amount of spot foreign exchange positions. All positions are marked to market through a charge or credit to other revenue on a daily basis. Net trading gains were $2.3 million for the nine months ended September 30, 2002 and $3.3 million for the nine months ended September 30, 2001.

At December 31, 2001, futures positions held by GFX had a notional value of $102.3 million, offset by a similar amount of spot foreign exchange positions, resulting in a zero net position. Net trading gains were $3.8 million in 2001, $4.4 million in 2000 and $2.4 million in 1999.

Accounting Matters

Recent Accounting Pronouncements

At this time, we do not believe that any recently issued accounting standards which require adoption in the future will have a material impact on our financial condition or operating results. However, on October 4, 2002 the Financial Accounting Standards Board (FASB) issued an Exposure Draft "Accounting for Stock-Based Compensation—Transition and Disclosure" that would amend SFAS No. 123, "Accounting for Stock-Based Compensation." Currently, we account for stock options in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations, and accordingly, variable accounting is required for our CEO's option. If the Exposure Draft is adopted by the FASB as it is

currently written and this offering is completed, we intend to adopt SFAS No. 123. We believe that adoption of SFAS No. 123 would result in the application of the fair value method of accounting for our CEO's option and would result in a fixed expense for this option, instead of the current variable expense.

Change in Independent Public Accountants

On May 15, 2002, our board of directors adopted the recommendation of its audit committee that Arthur Andersen LLP be dismissed as our independent public accountants. Effective May 15, 2002, the board of directors, based upon a recommendation of its audit committee, retained Ernst & Young LLP as the independent public accountants to audit our consolidated financial statements for the year ending December 31, 2002, as well as each of the three years in the period ended December 31, 2001.

During the two most recent fiscal years ended December 31, 2001, and through May 15, 2002, there were no disagreements between us and Arthur Andersen on any matter of accounting principles, financial statement disclosure or auditing scope or procedure which, if not resolved to Arthur Andersen's satisfaction, would have caused Arthur Andersen to make reference to the matter of the disagreement in connection with their reports. The audit reports of Arthur Andersen on our consolidated financial statements as of and for the years ended December 31, 2001 and 2000 did not contain any adverse opinion or disclaimer of opinion, nor were these opinions qualified or modified as to uncertainty, audit scope or accounting principles.

During our two most recent fiscal years ended December 31, 2001, and through May 15, 2002, there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

During our two most recent fiscal years ended December 31, 2001, and during the interim period through May 15, 2002, we did not consult with Ernst & Young LLP regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

INDUSTRY OVERVIEW

Introduction

A futures contract is a derivatives product that provides the means for hedging, speculation and asset allocation and is used in nearly all sectors of the global economy. Those who trade futures essentially trade contracts to buy or sell an underlying commodity or financial instrument at a specific date in the future—usually within a few months or less. Futures contracts are generally traded through a centralized auction or computerized matching process, with all bids and offers on each contract made public. Through this process, a prevailing market price is reached for each contract, based primarily on the laws of supply and demand. Futures markets are rarely used to actually buy or sell the physical commodity or financial instrument being traded. Rather, they are used for price estimation, risk management and, for some people, investment and profit.

Dating back to the 1800s, futures initially were developed to help agricultural producers and commercial users manage the price risks they faced as a result of the various factors that affect the supply of, and demand for, crops. The futures industry still serves those markets, but has broadened beyond its agricultural origins. Today, for example, futures serve as risk management tools related to interest rates, government and other securities, stock indexes, foreign exchange and non-agricultural as well as agricultural commodities. The customer base includes professional traders, financial institutions, institutional and individual investors, as well as major corporations, manufacturers, producers, supranational entities and governments.

Notwithstanding the rapid growth and diversification of futures markets, their primary purpose remains the same—to provide an efficient mechanism for the management of price risks. Futures markets attract two kinds of market participants: hedgers, or those who seek to minimize and manage price risk, and speculators, or those who are willing to take on risk in the hope of making a profit. By buying and selling futures contracts, hedgers seek to protect themselves from adverse price changes. For example, a producer hedger wants to transfer the risk that prices will decline by the time a sale is made. By contrast, a consumer hedger wants to transfer the risk that prices will increase before a

purchase is made. Speculators buy when they anticipate rising prices and sell when they anticipate declining prices. The interaction of hedgers and speculators helps to provide active, liquid and competitive markets. Other market participants utilize futures as a method of asset allocation and a means to achieve greater diversification and a potentially higher overall rate of return on their investments. These market participants attempt to assure that at least a portion of their investment portfolio is allocated to an asset class that has the potential to perform well when other portions of the portfolio are underperforming.

A futures contract is different from a share of stock, or equity, that is traded on a stock exchange. A share of stock represents an ownership interest in a corporation. A futures contract does not itself represent a direct interest in an underlying commodity or financial instrument. Rather, it is an agreement between a buyer and a seller to consummate a transaction in that commodity or financial instrument at a predetermined time in the future at a price agreed on today. One of the main attractions of futures is the leverage they provide. With relatively little initial outlay, usually just a small percentage of the contract's value, buyers and sellers are able to participate in the price movement of the full contract. As a result, the leverage can lead to substantial returns on the original investment. However, it can also lead to substantial losses. The risks associated with futures can be significant.

Industry Growth

According to the Futures Industry Association, the total number of futures contracts traded worldwide on reporting futures exchanges grew from approximately 475 million in 1990 to approximately 1.8 billion in 2001, representing a compound annual growth rate of approximately 13%. In the United States, the total number of futures contracts traded on futures exchanges increased from approximately 277 million in 1990 to approximately 629 million in 2001. In Europe, the total number of futures contracts traded on futures

exchanges grew from approximately 76 million in 1990 to approximately 778 million in 2001, and in Asia this number grew from 109 million in 1990 to 241 million in 2001.

The substantial recent growth in global futures trading volume is attributable to a number of factors. Increasing awareness of the importance of risk management has significantly expanded the demand for risk management tools in all economic sectors. Greater price volatility in key market sectors, such as in the fixed-income sector, has increased the need for these tools. Greater access to futures markets through technological innovation and the relaxation of regulatory barriers has also expanded the market reach of futures exchanges and the customer base for these products. Growing awareness of the opportunities to obtain or hedge market exposure through the use of futures contracts at a lower cost than the cost of obtaining or hedging comparable market exposure by purchasing or selling the underlying financial instrument or commodity has also contributed to increased customer interest in the use of futures contracts.

At year-end 2001, there were 52 futures exchanges located in 27 countries, including nine futures exchanges in the United States. Major futures exchanges in the United States include us, CBOT, NYMEX and the New York Board of Trade. Major futures exchanges outside the United States include Eurex, which is a part of Deutsche Börse Group and the Swiss Exchange; Euronext N.V., which recently acquired a controlling interest in the London International Financial Futures and Options Exchange, or LIFFE, and announced plans to integrate their derivatives markets; Mercado Oficial de Futuros y Opciones Financieros in Spain, or MEFF; Singapore Derivatives Exchange; and the Tokyo Stock Exchange.

Methods of Trading

Trading in futures products at futures exchanges has traditionally occurred primarily on physical trading floors in arenas called "pits" through an auction process known as "open outcry". Open outcry trading is face-to-face trading, with each trader serving as his or her own auctioneer. The traders stand in the pit and make bids and offers to one another, via shouting or flashed hand signals, to buy and sell contracts. Only members owning or leasing a seat on the exchange may trade in the pit, and orders from individual and institutional traders are sent to these members on the trading floor, usually through a broker. The rules of many exchanges also permit block trading, which involves the private negotiation of large purchases and sales away from the trading floor, but which are settled and cleared through the exchange's clearing facilities. Futures exchanges also offer privately negotiated exchange-for-physical, or EFP, transactions and exchange basis facility, or EBF, transactions. An EFP transaction is a privately negotiated and simultaneous exchange of a futures position for a corresponding cash position, outside of the public auction market, in the context of a non-interest rate contract. An EBF is essentially an EFP trade that is transacted in the context of interest rate contracts. EFPs and EBFs are also sometimes referred to as "cash for futures transactions."

In order to expand access to their markets, most futures exchanges, either exclusively or in combination with open outcry trading facilities, provide electronic trading platforms that allow subscribing customers to obtain real-time information about bid and ask prices and trading volume and enter orders directly into the platform's centralized order book, subject to the agreement of a clearing firm to accept responsibility for clearing resulting transactions on behalf of the customer. The emergence of electronic trading has been enabled by the ongoing development of sophisticated electronic order routing and matching systems, as well as advances in communications networks and protocols. Examples of electronic trading platforms include the GLOBEX system, the a/c/e platform, LIFFE Connect™ and the eSpeed platform, which supports the Cantor Exchange.

Liquidity of Markets

Liquidity of markets is a key component to attracting customers and ensuring the success of a market. Liquidity is important because it means a contract is easy to buy or sell quickly with minimal price

disturbance. Liquidity is a function of the number of participants making a market or otherwise trading in a contract, the size, or notional value, of the positions participants are willing to accommodate and the prevailing spread between the levels at which bids and offers are quoted for the relevant contract. As a result, the volume of contracts or transactions executed on an exchange is a widely recognized indicator of liquidity on the exchange. Volume is stated in round turn trades, which represent matched buy and sell orders. In addition, the daily total of positions outstanding on an exchange, or open interest, and notional values of contracts traded are widely recognized indicators of the level of customer interest in a specific contract.

A neutral, transparent and relatively anonymous trading environment, as well as a reputation for market integrity, are critical to the establishment and maintenance of a liquid market. In addition, a successful exchange must provide cost-effective execution and have access to an advanced technology infrastructure that enables reliable and efficient trade execution as well as dependable clearing and settlement capabilities.

Clearing and Settlement

Transactions executed on futures exchanges are settled through an entity called a clearing house that acts as a central counterparty to the clearing firm on each side of the transaction. When a futures transaction has been executed in the pit or on an electronic platform and matched, the clearing house facilitates the consummation of the transaction by substituting itself as the counterparty to both the clearing firm that is or represents the buyer and the clearing firm that is or represents the seller in the transaction. By interposing itself between two transacting parties, a clearing house guarantees the contractual obligations of the transaction. A clearing house also can provide clearing services for transactions that occur outside the pit or electronic platform, such as block trades, EFPs and EBFs.

The measures used to evaluate the strength and efficiency of a clearing house include the number of transactions that are processed per day, the amount of settlement payments that are handled per day and the amount of collateral deposits managed by the clearing house. The major clearing houses for futures products include the CME Clearing House, which we own, the Board of Trade Clearing Corporation, the London Clearing House, Eurex Clearing AG, Singapore Exchange Derivatives Clearing Limited and Clearnet.

Trends in the Industry

Globalization, deregulation and recent advances in technology are changing the way both the futures and broader commodities and financial exchange markets operate.

Globalization. In recent years, the world's financial markets, as well as the exchanges and marketplaces that serve them, have experienced an accelerating pace of globalization. The emphasis on greater geographic diversification of investments, investment opportunities in emerging markets and expanded cross-border commercial activities are leading to increasing levels of cross-border trading and capital movements. In response to these trends, financial exchanges within particular geographic regions, notably in Europe, are both expanding access to their markets across borders and consolidating.

Deregulation. Deregulation of the financial services industry in the United States, Europe and Asia has increased customer access to products and markets, reduced regulatory barriers to product innovation and encouraged consolidation.

- *United States.* Many regulatory barriers to product development were largely repealed by the enactment of the Commodity Futures Modernization Act in the United States. The adoption of the Commodity Futures Modernization Act creates a more flexible regulatory framework for exchanges, clearing houses and other financial institutions. Among other developments, the Commodity Futures Modernization Act authorized the trading of new products, such as futures

contracts on individual stocks and narrow-based stock indexes, which were prohibited under prior law. The Commodity Futures Modernization Act also enabled regulated exchanges to self-certify new contracts and rules, without the delays occasioned by regulatory review and approval, permitting quicker product launch and modification.

- *Europe and Asia.* We believe deregulation and competition will continue to pressure European exchanges to consolidate across borders to gain operating efficiencies necessary to compete for customers and intermediaries. We also believe there will be continued efforts in Europe and Asia to consolidate cash markets (or markets that directly trade financial instruments, such as securities, or commodities on a current or forward basis) and derivatives markets on single exchange platforms. Singapore Derivatives Exchange, the Tokyo Stock Exchange, Deutsche Börse Group, which owns a controlling interest in Eurex, and Euronext N.V. are major securities exchanges in addition to being futures exchanges, highlighting the growing convergence between cash and derivatives markets. Euronext N.V., which resulted from the merger of the Amsterdam Exchanges N.V., Paris Bourse^{SBF} SA and Societe de la Bourse de Valeurs Mobilieres de Bruxelles S.A. (the Brussels Exchange), has recently acquired a controlling interest in LIFFE and announced plans to integrate their derivatives markets.

Technological Advances. Technological advances have led both to the decentralization of exchanges and the introduction of alternative trading systems, or ATSs.

- *Decentralization.* Exchanges are no longer required to operate in specific geographic locations, and customers no longer need to act through local financial services intermediaries in some markets. Market participants around the world are now able to trade certain products nearly 24 hours a day through electronic platforms.

- *ATSs.* Advances in electronic trading technology have also led to the emergence of ATSs. These systems bring together the orders of buyers and sellers of financial instruments and have the capacity both to route orders to exchanges as well as to internalize customer order flow within their own order book. ATSs have not yet emerged, however, in the U.S. futures markets, although a number of successful electronic trading systems offering financial derivatives that are economically similar to futures contracts operate today, particularly in the foreign exchange and fixed-income markets. It is not yet clear how these trading systems will continue to evolve in and outside the United States.

BUSINESS

Overview

We are the largest futures exchange in the United States and the second largest exchange in the world for the trading of futures and options on futures, as measured by 2001 annual trading volume. In 2001, our customers traded futures and options on futures contracts with a notional dollar value of $293.9 trillion, making us the world's largest exchange by this measure. We also have the largest futures and options on futures open interest of any exchange in the world. As of November 15, 2002, our open interest record was 23.2 million contracts, set on November 14, 2002.

We bring together buyers and sellers of derivatives products on our open outcry trading floors, on the GLOBEX electronic trading platform and through privately negotiated transactions that we clear. We offer market participants the opportunity to trade futures contracts and options on futures on interest rates, stock indexes, foreign exchange and commodities. Our key products include Eurodollar contracts and contracts based on major U.S. stock indexes, including the S&P 500 and the Nasdaq-100. We also offer foreign exchange contracts for the principal foreign currencies and contracts for a number of commodity products, including cattle, hogs and dairy. We believe several of our key products serve as global financial benchmarks. Our Eurodollar contract provides a benchmark for measuring the relative value of U.S. dollar-denominated, short-term fixed-income securities. Similarly, our S&P 500 Index and Nasdaq-100 Index contracts are closely linked to the benchmark indexes for U.S. equity performance.

Our products provide a means for hedging, speculation and asset allocation relating to the risks associated with interest rate sensitive instruments, equity ownership, changes in the value of foreign currency and changes in the prices of commodity products. Our customer base includes professional traders, financial institutions, institutional and individual investors and major corporations, manufacturers, producers, supranational entities and governments.

We own our clearing house and are able to guarantee, clear and settle every contract traded through our exchange. During the first nine months of 2002, we processed an average of more than 553,000 clearing transactions per day. We currently have the capacity to clear more than 1.5 million transactions per day. Our systems are scalable and give us the ability to substantially increase our capacity with very little lead time. As of September 30, 2002, we acted as custodian for approximately $27.7 billion in collateral. In the first nine months of 2002, we moved an average of $1.7 billion of settlement funds through our clearing system each day. In addition, 40 exchanges and clearing organizations worldwide have adopted our SPAN risk evaluation system. NYMEX and Euronext N.V. also use CLEARING 21, our state-of-the-art clearing system, although we do not generate material revenue from the adoption of these systems by other exchanges.

We have a demonstrated history of innovation in our industry. In the 1960s, we introduced the first livestock futures contract that resulted in the physical delivery of live cattle. In 1972, we introduced the world's first financial futures contracts when we launched seven foreign exchange futures contracts. That innovation fundamentally changed the nature and scope of futures markets, transforming them from agricultural hedging mechanisms to hedging and risk management markets applied to financial instruments and

financial risks. We also developed the first cash-settled futures in 1981 with the introduction of Eurodollar futures, which is now the world's most actively traded futures contract. Cash settlement also enabled us to introduce in 1982 the first successful stock index futures contract, the S&P 500 futures. In 1987, we pioneered the concept of global electronic trading of derivatives contracts, and we subsequently launched the GLOBEX platform in 1992. Today, most of our products trade electronically in addition to on our open outcry trading floors. In 1997, we introduced the first of our E-mini stock index products, which are smaller sized electronically traded versions of our successful benchmark stock index futures contracts.

CME was founded in 1898 as a not-for-profit corporation. In November 2000, we became the first U.S. financial exchange to demutualize and become a shareholder-owned corporation. As a consequence, we have adopted a for-profit approach to our business, including strategic initiatives aimed at optimizing volume, efficiency and liquidity. We posted record trading volume of more than 411.7 million contracts in 2001, an increase of 78.1% over 2000, which was previously our busiest year. During the first nine months of 2002, we posted trading volume of more than 413.8 million contracts, an increase of 40.0% over the same period in 2001.

We devote substantial resources to introducing new products based on new markets or securities. For example, last year we formed OneChicago, our joint venture with CBOE and CBOT, to trade single stock futures and futures on narrow-based stock indexes. OneChicago commenced its trading operations on November 8, 2002. We also recently entered into an agreement with NYMEX to introduce small-sized versions of key NYMEX energy futures contracts for trading on our GLOBEX electronic trading platform. The products, based on our successful E-mini stock index contracts, are called e-miNY energy futures and clear at the NYMEX clearing house.

Throughout our history, our members have conducted their trading through our open outcry trading facilities. The roots of our open outcry trading extend to the late 1800s when the Chicago Butter and Egg Board established official quotations in butter, eggs, poultry and other farm products. Membership gave the right to participate in the markets, in what was to become open outcry trading, and was expanded over the decades to accommodate new traders in new commodities and financial products. As of September 30, 2002, open outcry represented approximately 67% of our trading volume.

Trading on our open outcry trading floors is conducted exclusively by our members. Our certificate of incorporation includes a provision requiring us to maintain open outcry floor trading on our exchange for a particular traded product as long as the open outcry market is "liquid." The provisions of our certificate of incorporation require us to maintain a facility for conducting business, disseminating price information, clearing and delivery and to provide reasonable financial support for technology, marketing and research for open outcry markets. Our certificate of incorporation further provides specific tests as to whether an open outcry market will be deemed liquid, as measured on a quarterly basis. If a market is deemed illiquid as a result of a failure to meet any of these tests, our board will determine whether or not that market will be closed.

Our members are individual traders, as well as most of the world's largest banks, brokerages and investment houses. Prior to the introduction of our electronic trading platform, our members traded only on our open outcry trading floors. Today, our members are able to conduct trading on our open outcry trading floors, electronically through the GLOBEX platform and through privately negotiated transactions. Members who broker trades executed on our open outcry trading floors generally do not play a role in facilitating the execution of transactions on behalf of customers on GLOBEX.

Prior to our demutualization, direct access to our markets, whether on our open outcry trading floors or through the GLOBEX platform, was limited to members, and those with an exchange permit who met specified qualifications. In connection with our demutualization, we opened access to our markets by allowing unlimited, direct access to the GLOBEX platform for all market participants. Today, any individual or institutional customer guaranteed by a clearing firm is able to obtain direct access to the GLOBEX platform. We have further opened access to our markets by expanding the range of member and non-member customer choices for alternative execution procedures, such as block trading and privately negotiated EFP transactions. While our members benefit from market information advantages that may accrue from their proximity to activity on the trading floors, as a result of the increased access to our markets, all market participants now have the ability to view bids and offers in the market. Generally, member customers are charged lower fees than our non-member customers. In the first nine months of 2002, our members were responsible for approximately 78% of our total trading volume.

As a result of our conversion into a for-profit corporation in the fall of 2000, individuals and entities who, at the time, owned trading privileges on our exchange became the owners of all our outstanding equity. These individuals and entities continued to own substantially all of our outstanding equity following our reorganization into a holding company structure in December 2001.

Competitive Strengths

We have established ourselves as a premier global marketplace for financial risk management. We believe our principal competitive strengths are:

- highly liquid markets;
- global benchmark products;
- diverse portfolio of products and services;
- wholly owned clearing house;
- proven and scalable technology; and
- global reach.

Highly Liquid Markets. The liquidity in our markets is a key factor in attracting and retaining customers. We have the largest futures and options on futures open interest of any exchange in the world. As of November 15, 2002, our open interest record was 23.2 million contracts, set on November 14, 2002. Before 2001, our open interest record was 10.2 million positions set in 1998. During 2001, we posted record trading volume of more than 411.7 million contracts, an increase of 78.1% over 2000, making us the most active exchange in the United States and the second most active in the world for the trading of futures and options on futures during that period. During the first nine months of 2002, we posted trading volume of more than 413.8 million contracts, an increase of 40.0% over the same period in 2001. By notional value, we are the largest futures exchange in the world, with $293.9 trillion traded in 2001. Our deep and liquid markets tend to attract additional customers, which in turn further enhances our liquidity.

Global Benchmark Products. We believe our key products serve as global benchmarks for valuing and pricing risk. Our Eurodollar contract is increasingly referenced as the global benchmark for measuring the relative value of U.S. dollar-denominated short-term fixed-income securities. Similarly, the S&P 500 and Nasdaq-100 indexes are considered primary tools for benchmarking investment performance against U.S. equity market exposure. Our Eurodollar, S&P 500 and Nasdaq-100 contracts, which are based on these benchmarks, are increasingly recognized by our customers as efficient tools for managing and hedging their interest rate and equity market risks.

Diverse Portfolio of Products and Services. We differentiate ourselves from our competitors by developing and offering to our customers a diverse array of products, as well as a broad range of trade execution and clearing services. We have a long history of developing innovative interest rate, stock index, foreign exchange and commodity products designed to appeal to institutional and individual customers. We offer both open outcry auction trading and electronic order-matching services, and we provide facilities to clear privately negotiated transactions. Our markets provide important risk management tools to our customers, which include leading global and financial institutions around the world. We work closely with our customers to create markets and products that meet their needs. These relationships help us to anticipate and lead industry changes.

Wholly Owned Clearing House. We own our clearing house, which guarantees, clears and settles every contract traded through our exchange. During the first nine months of 2002, we processed an average of more than 553,000 clearing transactions per day. We currently have the capacity to clear more than 1.5 million transactions per day, and our scalable systems give us the ability to further increase our capacity substantially, with very little lead time. As of September 30, 2002, we acted as custodian for approximately

$27.7 billion in collateral and, in the first nine months of 2002, moved an average of $1.7 billion of settlement funds through our clearing system each day. We believe our performance guarantee is a major attraction of our markets, particularly compared to OTC markets, because it substantially reduces counterparty risk. Our clearing system permits more efficient use of capital for our customers by allowing netting of long and short positions in a single type of contract and providing risk offset and cross-margining arrangements with several other leading clearing houses. In addition, ownership of our clearing house enables us to more quickly and efficiently bring new products to market through coordination of our clearing functions with our product development, technology, market regulation, other risk management and additional activities. Our current capacity ensures that we are able to service peak volumes, introduce new products with high volume potential and provide clearing services to other exchanges in the future.

Proven and Scalable Technology. We believe our ability to use technology effectively has been a key factor in the successful development of our business. As a result of significant investments in our technology asset base, we possess fast, reliable and fully integrated trading and clearing systems. Our highly scalable systems are designed to accommodate additional products with relatively limited modifications and low incremental costs. The core components of our system infrastructure for trading, clearing and risk management are becoming widely adopted throughout the futures industry, resulting in common interfaces and efficiencies for intermediaries and customers. For example, our SPAN risk evaluation system, which is used to determine the appropriate performance bond requirements for trading portfolios, has been adopted by 40 exchanges and clearing organizations worldwide. In addition, CLEARING 21, our state-of-the-art clearing system, is being used by NYMEX and Euronext N.V.

Global Reach. Globalization of financial markets is expanding the customer base for futures products beyond traditional boundaries. Our electronic trading services, which are available approximately 23 hours a day and five days per week, position us to take advantage of this development. We have established strategic relationships with other exchanges and clearing houses around the world to enable our customers to gain further capital and execution efficiencies. Currently, we have or are developing strategic relationships with the leading exchanges and clearing houses in Singapore, England, France, Spain, Japan and Korea. These relationships are intended to extend the market reach of our global derivatives business. We received $5.6 million and $4.4 million in clearing and transaction fees from these relationships during the year ended December 31, 2001 and the nine months ended September 30, 2002, respectively.

Growth Strategy

Globalization, deregulation and advances in technology offer significant opportunities for expanding futures markets, and exchange markets generally. We intend to increase our trading volume, revenues and profitability by capitalizing on these opportunities through implementation of the following four strategies:

- expand our current core business;
- add new products;
- provide transaction processing services to third parties; and
- pursue select alliances and acquisitions.

Expand Our Current Core Business. We intend to advance our position as a leader in the futures industry by continually expanding customer access to our markets and services, offering additional trade execution choices and enhancing our market data and information products.

- *Expand Customer Access.* We continue to expand our customer base and trading volume by broadening the access, order routing, trading and clearing solutions we offer to existing and prospective customers. We were the first U.S. exchange to allow all customers to view the book of prices, where they can see the five best bids and offers in the central limit order book and directly execute transactions in our electronically traded products. This expanded access further increases

the transparency of our markets by giving our customers valuable trading information. We provide our customers with flexibility to access our markets in the most cost-effective manner for them. Our customers can use their own proprietary trading software or third party software connected to our trading environment through a suite of application programming interfaces, or APIs, that we have developed. We also provide front-end trading terminal software solutions for a fee, including a cost-efficient Web-based virtual private network solution, which we call GLOBEX Trader-Internet, for our lower volume customers. In addition to our standard marketing activities, we have implemented two programs to increase our customer base. We have offered promotional pricing to European users to expand our presence in Europe. We are also actively seeking to increase the number of independent software vendors that offer interfaces to our systems. Increasing the number of these vendor relationships enables us to access a broader network of customers.

- *Expand Electronic and Other Trade Execution Choices.* Our strategy is to offer our customers a broad range of trade execution choices, including increased electronic trading, enhanced facilities for privately negotiated transactions and new links with exchanges around the world. We believe offering multiple execution alternatives will enable us to attract new customers and increase our overall volume. We offer daytime electronic trading in most of our major product lines. We traded more than 81.9 million contracts electronically in 2001, an increase of 137.3% over the total electronic trading volume in 2000 of 34.5 million contracts. In the first nine months of 2002, electronic trading volume was more than 131.7 million contracts, an increase of 135.2% from the same period of 2001. We introduced daytime electronic trading in our Eurodollar contracts on a limited basis during 1999. We are developing new electronic functionality to accommodate complex trading strategies that are utilized in trading Eurodollar contracts to facilitate the expanded use of this market. In addition, we intend to capture further volume through enhancements to our privately negotiated block trading facilities in our Eurodollar, S&P 500 and Nasdaq-100 futures contracts and by allowing block trading of other contracts. Our block trading facilities enable institutional customers to trade large positions efficiently and economically and gain the benefits of our clearing house guarantee and capital efficiencies. Currently, block transactions are typically negotiated telephonically and prices are reported, also telephonically, within five minutes of execution, or 15 minutes in the case of Eurodollar futures and options transactions. The parties to these transactions then transmit the transactions to our clearing house to be cleared and settled. Some users have informed us that the block trading reporting process can be cumbersome. The enhancements we intend to make will allow users to input trade details and prices in a single electronic transmission. We believe this

will streamline the trade reporting process, thereby allowing for greater efficiencies and increased trading.

- *Enhance Our Market Data and Information Products*. Our markets and trading activities generate valuable information regarding prices and trading activity in our products. We intend to leverage the value of our market data and information capabilities by developing enhancements to our existing information products and creating new products. Revenues from the sale of our market data represented 12.5% of our net revenues during 2001. We sell our market data, which include information about bids, offers and trade size, to banks, broker-dealers, pension funds, investment companies, mutual funds, insurance companies, other financial services companies and individual investors. We believe we can enhance our market data and information product offerings by packaging the basic data we have traditionally offered with advanced, analytical data and information, and developing partnerships with other content and service providers to create information products with value-added services.

Add New Products. We develop new products and product line extensions based on research and development in collaboration with our customers and financial services firms. We have created modified versions of some of our existing products in order to attract new types of customers. For example, in 1997 and 1999, respectively, we introduced E-mini versions of our larger open outcry-traded S&P 500 and

Nasdaq-100 futures contracts. By creating smaller-sized products and offering electronic trading services in them, we have successfully expanded our customer base and overall volume. We introduced E-mini Russell 2000 futures contracts in October 2001, and in January 2002, we initiated trading in E-mini S&P MidCap 400 futures contracts, another smaller scale version of one of our larger contracts that offers exposure to small- and medium-sized capitalization company stocks. In July 2002, we launched TRAKRS, a private label index product developed with Merrill Lynch & Co., Inc. TRAKRS, which stands for Total Return Asset Contracts, are a new series of non-traditional futures contracts licensed exclusively to us for North America, and the first broad-based index product traded on a U.S. futures exchange that can be sold by securities brokers. TRAKRS are designed to enable customers to track an index of stocks, bonds, currencies or other financial instruments. Long-Short Technology TRAKRS are the first in this new product line. We subsequently introduced Select 50 TRAKRS contracts. TRAKRS differ from traditional futures contracts in that most non-institutional customers who purchase these contracts are required to post 100% of the TRAKRS market value at the time of purchase. As a result, these customers will not be subject to margin calls or any requirement to make any additional payments throughout the life of their TRAKRS positions.

In September 2002, we began to introduce futures contracts based on industry sectors within the S&P 500 Index. We also intend to continue expanding our derivatives product lines by introducing contracts based on new markets or securities, such as single stock futures and futures on narrow-based stock indexes. We believe these products offer significant opportunities to generate new business and capture business from other markets. We believe our joint venture, OneChicago, with CBOE and CBOT to trade single stock futures and futures on narrow-based stock indexes will position us to take advantage of opportunities in this market. OneChicago initiated trading of 21 single stock futures on November 8, 2002, and has announced plans to offer more than 80 single stock futures and 15 narrow-based stock index contracts. In addition, we intend to continue working with emerging cash market trading platforms to jointly develop innovative futures products.

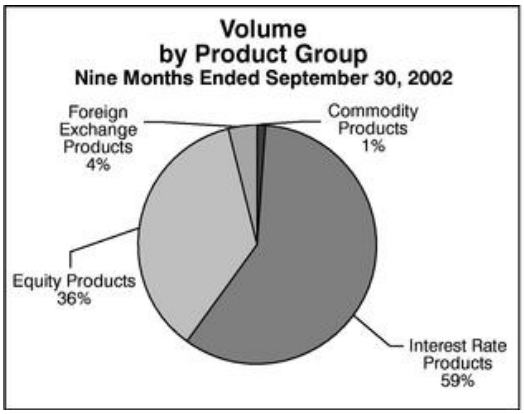
Provide Transaction Processing and Other Business Services to Third Parties. We intend to leverage our existing capacity, scalable technology and business processes to provide a broad range of services to other exchanges, clearing organizations and e-marketplaces. We intend to offer services, including clearing and settlement processing and risk management, market structuring, product structuring and trade execution platforms. We believe we can differentiate ourselves from our competitors by offering some or all of these services on a cost-effective basis in combination with the potential to access our broad distribution and customer base and to access our experienced liquidity providers. Users of our clearing services also have the potential to gain substantial capital and collateral efficiencies for their clearing firms.

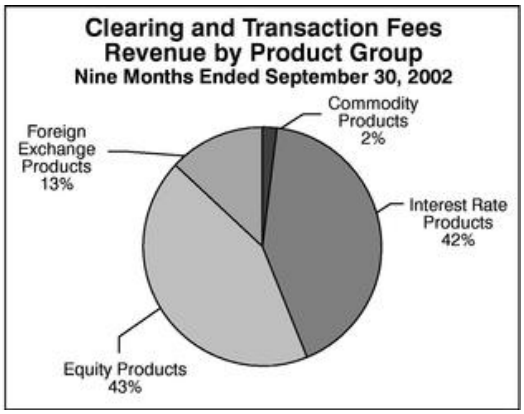
Pursue Select Alliances and Acquisitions. We plan to supplement our internal growth through the formation of joint ventures or alliances and select acquisitions of businesses or technologies. We will seek alliances and acquisitions that help us to enter new markets, provide services that we currently do not offer, open access to our markets or advance our technology. For example, we recently entered into an agreement with NYMEX to introduce small-sized versions of key NYMEX energy futures contracts for trading on our GLOBEX electronic trading platform. The products, based on our successful E-mini stock index contracts, are called e-miNY energy futures and clear at the NYMEX clearing house. The first of these products, e-miNY crude oil and natural gas futures contracts, began trading on June 17, 2002. We believe we can achieve significant potential economies of scale through the consolidation of exchange transaction processing services, either directly through acquisition, or indirectly through the provision of these services to others.

Products

Our broad range of products includes futures contracts and options on futures contracts based on interest rates, stock indexes, foreign exchange and commodities. Our products are traded through our open outcry auction markets, through the GLOBEX electronic trading platform or in privately negotiated

transactions. For the year ended December 31, 2001, we derived $292.5 million, or 75.5% of our net revenues from fees associated with trading and clearing products on or through our exchange. For the nine months ended September 30, 2002, we derived $261.4 million, or 78.3% of our net revenues, from such fees. These fees include per contract charges for trade execution, clearing and GLOBEX fees. Fees are charged at various rates based on the product traded, the method of trade and the exchange trading privileges of the customer making the trade. Generally, members are charged lower fees than non-members. Our customers benefit from volume discounts and limits on fees as part of our effort to encourage increased liquidity in our markets. Our markets also generate valuable data and information regarding pricing and trading activity in our markets. Revenues from market data products totaled $48.3 million, or 12.5% of our net revenues, in 2001 and $36.5 million, or 11.0% of our net revenues, in the nine months ended September 30, 2002. The following charts depict the percentage of our total volume represented by each product group and the percentage of our total clearing and transaction fees revenues generated from each product group, in each case for the nine months ended September 30, 2002. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract.





We identify new products by monitoring economic trends and their impact on the risk management and speculative needs of our existing and prospective customers. Historically, we have successfully introduced a variety of new futures products. We pioneered the trading of foreign exchange futures in 1972 and Eurodollar futures, the first cash-settled futures contracts listed for trading, in 1981. In 1982, we were the first to introduce a successful stock index futures contract, the S&P 500 Index futures contract, and in 1996 we introduced the Nasdaq-100 Index futures contract. We believe the S&P 500 Index and the Nasdaq-100 Index are the global benchmarks for managing exposure to the U.S. stock markets, and our futures contracts based on them are among the most successful products in our industry. The smaller, electronically traded versions of these contracts, the E-mini S&P 500 Index futures and the E-mini Nasdaq-100 futures, were introduced in 1997 and 1999, respectively, and are the fastest growing futures contracts in the history of our exchange.

The following table shows the total notional value and average daily volume of contracts traded in our four principal product groups for the years ended 2000 and 2001 and the nine months ended September 30, 2002.

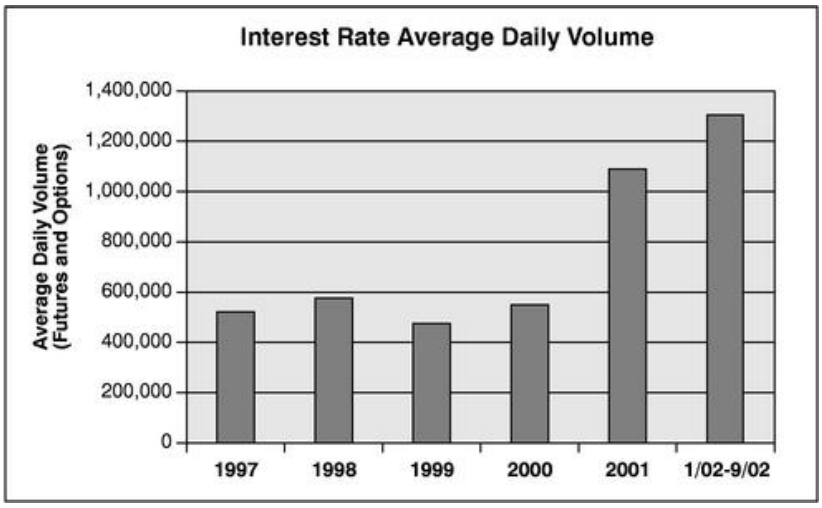
		Total Notional Value (in billions)			Average Daily Contract Volume (in thousands)		
		Year Ended December 31,		Nine Months Ended September 30,	Year Ended December 31,		Nine Months Ended September 30,
Product Group	**Principal Underlying Instruments**	**2000**	**2001**	**2002**	**2000**	**2001**	**2002**
Interest Rate	Eurodollar, LIBOR, Euroyen	$ 141,000	$ 279,100	$ 244,800	551	1,092	1,293
Equity	S&P 500, Nasdaq-100, S&P MidCap 400, S&P 500/BARRA Growth and Value Indexes, Nikkei Stock Average, Russell 2000	$ 12,000	$ 12,600	$ 11,000	258	425	780
Foreign Exchange	Euro, Japanese yen, British pound, Swiss franc, Canadian dollar	$ 1,800	$ 2,000	$ 1,900	77	89	97
Commodity	Cattle, hogs, pork bellies, lumber, dairy	$ 200	$ 200	$ 100	31	34	31

Interest Rate Products. Our interest rate products include our global benchmark Eurodollar futures contracts. Eurodollars are U.S. dollar bank deposits outside the United States. Eurodollar futures contracts are a short-term interest rate product and constitute one of the most successful products in our industry and the most actively traded futures contract in the world during 2001. Open interest on Eurodollar futures and options on futures contracts traded on our exchange was nearly 14.4 million contracts on September 30, 2002 representing a notional value of nearly $14.4 trillion. We also trade contracts based on other short-term interest rates, such as one-month LIBOR, which stands for the London Interbank Offered Rate, and Euroyen. Interest rate products represented 66.6% of our trading volume during 2001, an average of approximately 1.1 million contracts per day, and 58.8% of our trading volume during the first nine months of 2002, an average of approximately 1.3 million contracts per day.

The growth of our Eurodollar futures market has been driven by the general acceptance of the U.S. dollar as the principal reserve currency for financial institutions throughout the world. As a result, Eurodollar deposits have significance in the international capital markets. Participants in our Eurodollar futures market are generally major domestic and international banks and other financial institutions that face interest rate risks from their lending and borrowing activities, their activities as dealers in OTC interest rate swaps and structured derivatives products and their proprietary trading activities. Many of these participants use our Eurodollar and other interest rate contracts to hedge or arbitrage their money market swaps or convert their interest rate exposure from a fixed rate to a floating rate or a floating rate to a fixed rate. Asset managers also use our interest rate products to lengthen the effective maturity of short-term investment assets by buying futures contracts, or shorten the effective maturity by selling futures. Our contracts are an attractive alternative when physical restructuring of a portfolio is not possible

or when futures transaction costs are lower than the cash market transaction costs. In 1999, we initiated simultaneous, side-by-side electronic trading in our Eurodollar contracts. Trading in our Eurodollar contracts often involves complex trading strategies that we believe cannot be fully accommodated by existing electronic trading platforms. Accordingly, electronic trading in our Eurodollar contracts has achieved only limited market acceptance. We are developing new electronic functionality to accommodate trading strategies required for electronic trading of Eurodollar contracts to accelerate. For example, we intend to launch the "Eagle Project" to bring new electronic functionality to many of the complex strategies now used in trading Eurodollar contracts on our trading floor. Initially, the new functionality will allow market professionals to see new bids and offers in individual quarterly contracts and calendar spreads, as derived from outright bids and offers in monthly contracts and pre-defined calendar spreads. We intend to introduce more functionality next year that will accommodate other complex trading strategies electronically. The new technology closely replicates Eurodollar trading conventions employed in open outcry and is designed to help maintain our leadership in Eurodollar futures.

As shown below, our interest rate product trading volume has grown significantly over the last five years, with total 2001 trading volume up 97.4% over 2000. The increase is due primarily to the volatility of short-term interest rates, monetary policy of the U.S. Federal Reserve Board and a decline in the issuance of U.S. Treasury securities. With less availability of U.S. Treasury securities, swap dealers, who represent a significant group of our customers, have increasingly turned to our Eurodollar contract as a benchmark for valuing fixed-income obligations and as a tool for managing dollar-denominated interest rate exposure. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract.



We intend to increase our revenues from our interest rate product sector by increasing trading volume, optimizing pricing of existing products and introducing new products such as the swap futures we launched in April 2002. We have been active in adopting new policies and practices that are closely aligned with customer demand and designed to promote enhanced market penetration. We also increased institutional trading of Eurodollar futures by expanding privately negotiated transaction alternatives. Privately negotiated transactions include block trades, EFP transactions and EBF transactions and are executed apart from the public auction market. See the section of this prospectus entitled "Business—Execution" for a description of types of trading alternatives. These trading opportunities are particularly attractive to large-scale institutional traders. We have recently extended EBF trading to all Eurodollar futures contracts. Block trading was originally introduced in late 2000 in a limited number of Eurodollar

futures contracts. As of July 2001, block trading has been extended to all Eurodollar futures contracts using a revised and more competitive fee schedule.

Equity Products. We have been a leader in stock index futures since we began offering these products in 1982 and remain the largest exchange in the world for trading stock index futures. Stock index futures products permit investors to obtain exposure, for hedging or speculative purposes, to a change in the weighting of one or more equity market sectors more efficiently than by buying or selling the underlying securities. We offer trading in futures contracts based upon the S&P 500 and Nasdaq-100 stock indexes, as well as other small-, medium- and large-capitalization indexes based on both domestic and foreign equity markets. We currently have approximately a 95% market share in all U.S. listed stock index futures, based on the number of contracts traded.

Our trading volume for stock index products rose 64.1% in 2001, to 106.7 million contracts, from 65.0 million contracts in 2000. Trading in stock index futures products represented 25.9% of our trading volume during 2001, an average of more than 425,000 contracts per day, and 35.4% of our trading volume during the first nine months of 2002, an average of nearly 780,000 contracts per day. In 2001, 98% of our stock index product trading volume was based on the S&P 500 Index and the Nasdaq-100 Index. The total notional value of S&P 500 futures and options on futures contracts traded on our exchange was approximately $10.2 trillion during 2001, compared to the approximately $10.5 trillion value of stock traded on the New York Stock Exchange. In addition, the notional value of our stock index futures contracts is significantly larger than the comparable exchange-traded fund, which is a basket of securities designed to track an index but trade on a securities exchange or electronic communications network like a single stock. In 2001, the total notional value of our S&P 500 futures contracts was more than $8.9 trillion, compared with approximately $397.4 billion for S&P 500 Depositary Receipts, or SPDRs. In 2001, the total notional value of our Nasdaq-100 futures contracts was approximately $2.0 trillion, compared with approximately $729.5 billion for the QQQs, which is the Nasdaq-100 Index tracking stock.

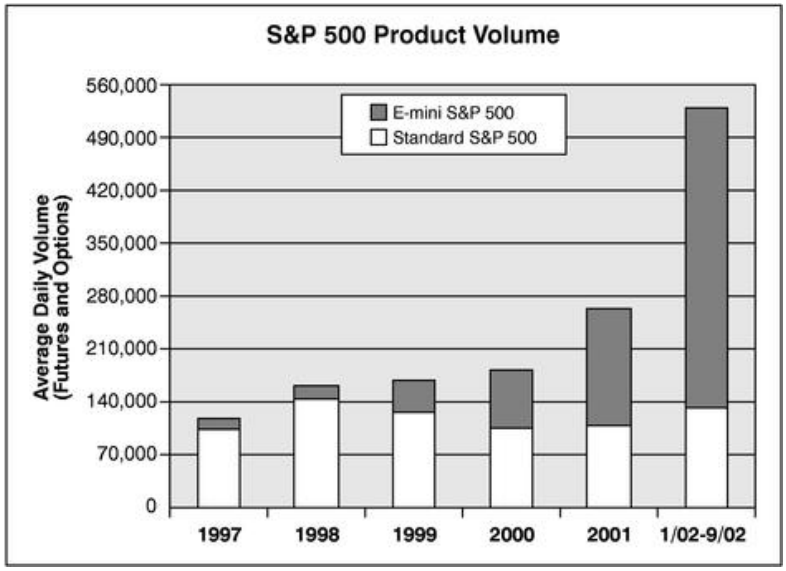
Standard & Poor's designed and maintains the S&P 500 Index to be a proxy for a diversified equity portfolio representing a broad cross-section of the U.S. equity market. The index is based on the stock prices of 500 large-capitalization companies. We have an exclusive license with Standard & Poor's Corporation until 2008. The Nasdaq-100 Index is based on the 100 largest non-financial stocks listed on the Nasdaq National Market. We have a license with Nasdaq that allows us to offer the Nasdaq-100 Index contract exclusively, other than as to Nasdaq and some of its affiliates, until 2006. For a more detailed discussion of these license agreements, see the section of this prospectus entitled "Business—Licensing Agreements." Our standard S&P and Nasdaq products are traded through our open outcry facilities during regular trading hours and on GLOBEX after the close of open outcry trading.

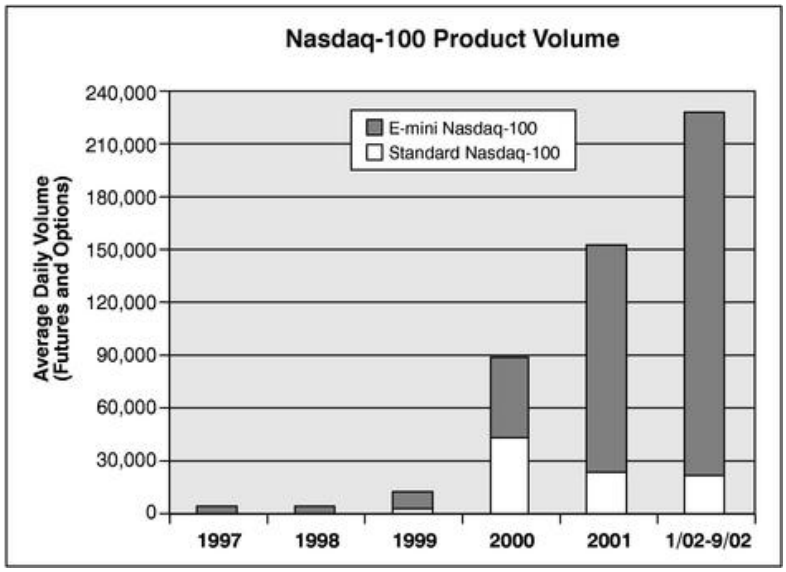
We also offer futures on the S&P MidCap 400, the S&P SmallCap 600, the S&P/BARRA Growth and Value Indexes, which are based on data compiled by S&P and BARRA, Inc., the Nikkei Stock Average, the Russell 2000 Stock Price Index and the FORTUNE e-50 Index. In July 2002, we launched TRAKRS, a private label index product developed with Merrill Lynch & Co., Inc. TRAKRS are a new series of non-traditional futures contracts licensed exclusively to us for North America, and the first broad-based index product traded on a U.S. futures exchange that can be sold by securities brokers. TRAKRS are designed to enable customers to track an index of stocks, bonds, currencies or other financial instruments. Long-Short Technology TRAKRS are the first in this new product line. We subsequently introduced Select 50 TRAKRS contracts. TRAKRS differ from traditional futures contracts in that most non-institutional customers who purchase these contracts are required to post 100% of the TRAKRS market value at the time of purchase. As a result, these customers will not be subject to margin calls or any requirement to make any additional payments throughout the life of their TRAKRS positions. In September 2002, we introduced futures contracts based on subsets of the S&P 500 Index: Technology and Financial. Each contract is sized at $125 times the respective index price, making the contract size comparable to the E-mini stock index contracts. We intend to introduce other futures contracts based on additional S&P 500 sector indexes, pursuant to an April 2002 agreement we signed with Standard & Poor's.

We believe the variety of our stock index futures products appeals to a broad group of equity investors. These investors include public and private pension funds, investment companies, mutual funds, insurance companies and other financial services companies that benchmark their investment performance to different segments of the equity markets.

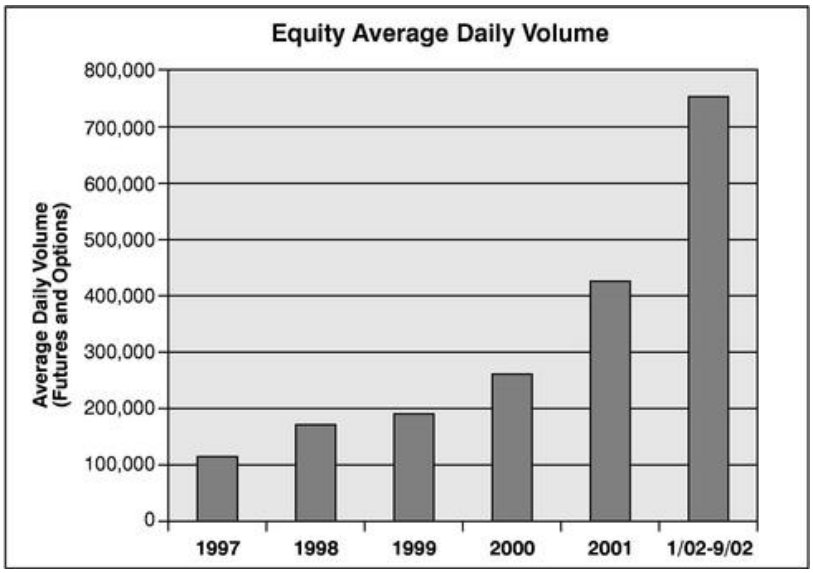
In 1997, we launched our E-mini S&P 500 futures contracts. We followed this highly successful new product offering with the introduction of E-mini Nasdaq-100 futures contracts in 1999. E-mini contracts are traded exclusively on our electronic GLOBEX platform and are one-fifth the size of our standard size S&P 500 and Nasdaq-100 futures contracts. These products are designed to address the growing demand for stock index derivatives and electronically traded products from individual traders and small institutions. Since their introduction, trading volumes in these products have grown rapidly, achieving new volume and open interest records on a regular basis during 2001 and during the first nine months of 2002. This growth is attributable to the benefits of stock index futures, electronic market access and significant volatility in the U.S. equity markets. In October 2001, we also introduced E-mini Russell 2000 Index futures. In January 2002, we introduced an E-mini version of our S&P MidCap 400 futures contract.

The following charts depict the average trading volume in our S&P 500 and Nasdaq-100 products during the five-year period ending in 2001 and the nine months ended September 30, 2002. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract. E-mini S&P 500 and E-mini Nasdaq-100 contracts are one-fifth the size of their standard-size counterparts.





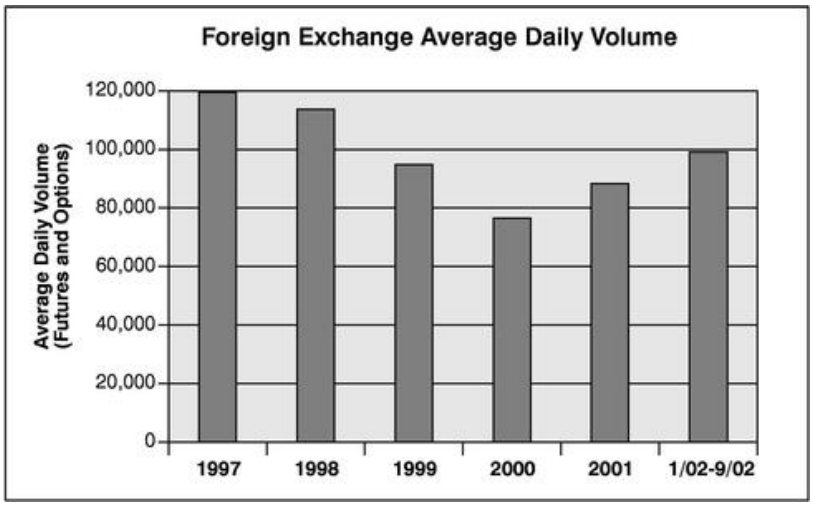
Our stock index product trading volume has increased substantially, more than doubling from 1999 to 2001. Trading volume for the five-year period ending in 2001 and the nine months ended September 30, 2002 is shown below. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract. Volume has been affected significantly by the volatility of the U.S. equity markets, particularly during the last two years. We believe our leading market position in equity products is a result of the liquidity of our markets, the status of the S&P 500 Index and the Nasdaq-100 Index as two of the principal U.S. financial standards for benchmarking stock market returns and the appeal to investors and traders of our E-mini products and GLOBEX. We believe future growth in our stock index products will come from expanding customer access to our electronic markets, as well as further educating the marketplace on the benefits of these products. For example, we expect that adding direct connections to a number of customers that provide brokerage services to day traders will contribute to continued growth of our E-mini equity products in 2003.



Other equity product growth opportunities are expected to come from the introduction of single stock futures and futures on narrow-based stock indexes. Recent industry deregulation permits futures and securities exchanges to offer single stock futures and futures contracts on narrow-based stock indexes. Single stock futures allow investors to obtain exposure, for hedging or speculative purposes, that is economically equivalent to owning or shorting an individual stock without actually buying or selling the stock. They are designed to offer leverage, ease of trading and less expensive, more customized risk management strategies than equity options, equity swaps and stock lending transactions. In 2001, we entered into an operating agreement governing OneChicago, our joint venture with CBOE and CBOT, to trade single stock futures contracts on stocks trading worldwide as well as futures on narrow-based stock indexes. Under the terms of our operating agreement, CBOE and we own a significant majority interest in OneChicago, and CBOT owns a minority interest. We believe the joint venture will reduce the costs and risks associated with the start-up of trading in a new futures product and increase our chances of success by combining the customer bases and resources of our exchanges. In particular, we believe the collective marketing and distribution channels of CME, CBOE and CBOT will create significant liquidity that will allow the joint venture to become a market leader in single stock futures. Under the terms of our operating agreement, until May 31, 2005 we are restricted from in any way, directly or indirectly, engaging in the business of trading, marketing, regulating, selling, purchasing, clearing or settling transactions in single stock futures other than in conjunction with the joint venture. This restriction on our ability to compete applies whether or not we remain part of the joint venture, but it does not apply to futures based on narrow-based stock indexes. On November 8, 2002, OneChicago commenced its trading operations.

Foreign Exchange Products. We became the first exchange to introduce financial futures when we launched foreign exchange futures in 1972. Since that time we have built a strong presence in foreign exchange futures. Institutions such as banks, hedge funds, commodity trading advisors, corporations and individual customers use these products to manage their risks associated with, or speculate on, fluctuations in foreign exchange rates. Foreign exchange products represented 5.5% of our trading volume in 2001, an average of more than 89,000 contracts per day, and 4.4% of our trading volume during the first nine months of 2002, an average of more than 97,000 contracts per day. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract. We offer futures and options on futures contracts on major currencies, including the Euro, Japanese yen, British pound, Swiss franc, Canadian dollar, Mexican peso, Australian dollar, Brazilian real, New Zealand dollar and South African rand.

As shown below, our trading volume for foreign exchange futures products rose in 2001 and the first nine months of 2002 following a decline during the four years prior to 2001 when overall industry-wide foreign exchange trading volume had been flat. During 2001, our total trading volume increased 16.1% over levels in 2000. Previously, our volume was impacted by the introduction of the Euro and subsequent phasing out of many of the major European currencies, the continuing consolidation in the financial institutions sector, increased use of internal netting mechanisms by our customers and wide use of electronic trading for foreign exchange transactions by competing markets. We have begun improving the performance of this product sector by expanding electronic trading in our foreign exchange products and permitting wider use of block trading and EFPs through our markets. We introduced side-by-side electronic and open outcry trading of foreign exchange futures in April 2001. We believe this change has helped facilitate the increase in volume in these products. In 2001, electronically traded foreign exchange futures volume increased 174.4% over 2000, from approximately 1.3 million contracts to nearly 3.5 million contracts, and open outcry trading also increased 4.8%. The growth in privately negotiated transactions that we accept, settle and guarantee through our clearing house offset a portion of the revenue impact from the lower trading volume in recent years. Our per transaction revenues for these trades are higher than other means of trade execution.

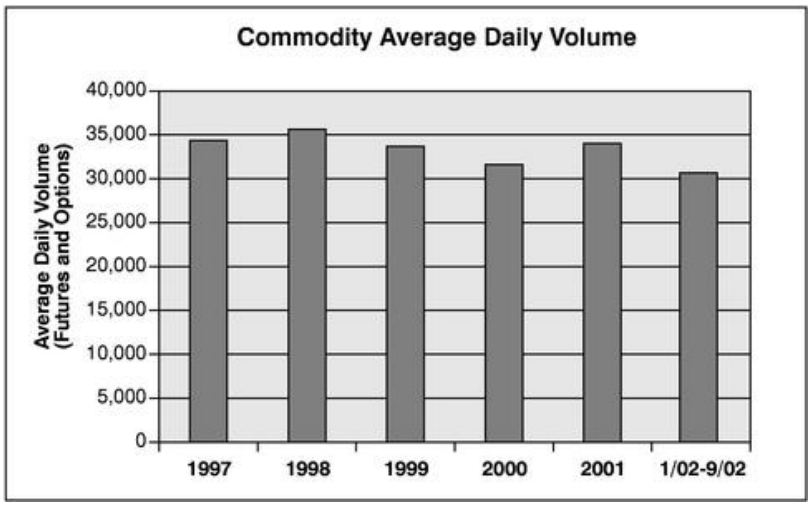


In May 2002, we introduced 13 new foreign exchange futures contracts, consisting of two U.S. dollar based contracts and 11 non-dollar based contracts.

We expect the potential for growth in our foreign exchange product line will come from further transitioning to electronic trading in this market that will allow us to compete more effectively for electronic volume. The foreign exchange spot market is heavily reliant on electronic trading, with the majority of trades estimated to be brokered online. We continue to increase both functionality and distribution and are in discussions to add electronic interfaces with OTC market electronic trading platforms. We believe these interfaces, if successfully implemented, will position us to increase our foreign exchange futures volume and expand our product offerings.

Commodity Products. Commodity products were our only products when our exchange first opened for business. We have maintained a strong franchise in our commodity products, including futures contracts based on cattle, hogs, pork bellies, lumber and dairy products. Commodity products accounted for 2.0% of our trading volume during 2001, an average of approximately 34,000 contracts per day, and 1.4% of our trading volume in the first nine months of 2002, an average of approximately 30,500 contracts per day. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract. These products provide hedging tools for our customers who deal in tangible physical commodities, including agricultural producers of commodities and food processors. Our commodity products are traded through our open outcry and electronic trading execution facilities. In the first quarter of 2002, we introduced side-by-side electronic and open outcry trading of lean hog, live cattle and feeder cattle futures and announced plans to trade dairy products side-by-side.

As shown below, trading volume for our commodity products has been relatively stable in recent years. We believe continuing consolidation and restructuring in the agricultural sector, coupled with the reduction or elimination of government subsidies and the resulting increase in demand for risk management in this sector, could create growth in our commodity markets as more producers and processors adopt formal hedging and risk management programs.



We intend to leverage our experience in trading futures on physical commodities to jointly develop new commodity products with operators of electronic, cash and derivatives trading platforms. For example, we recently entered into an agreement with NYMEX to introduce small-sized versions of key NYMEX energy futures contracts for trading on our GLOBEX electronic trading platform. The products, based on our successful E-mini stock index contracts, are called e-miNY energy futures and clear at the NYMEX clearing house. The first of these products, e-miNY crude oil and natural gas futures contracts, began trading on June 17, 2002.

Market Data and Information Products. Our markets generate valuable information regarding prices and trading activity in our products. The market data we supply are central to trading activity in our products and to trading activity in related cash and derivatives markets. We sell our market data, which include information about bids, offers, trades and trade size, to banks, broker-dealers, pension funds, investment companies, mutual funds, insurance companies, individual investors and other financial services companies or organizations that use our markets or monitor general economic conditions. We sell our market data directly to our electronic trading customers as part of their access to our markets through our electronic facilities. We also sell market data via dedicated networks to approximately 170 worldwide quote vendors who consolidate our market data with that from other exchanges, other third party data providers and news services, and then resell their consolidated data. As of September 30, 2002, nearly 54,000 of their subscribers displayed our data on approximately 180,000 screens. Revenues from market data products totaled $48.3 million, or 12.5% of our net revenues, in 2001 and $36.5 million, or 11.0% of our net revenues, in the nine months ended September 30, 2002.

We have begun enhancing our current market data and information product offerings by packaging the basic data we have traditionally offered with advanced analytical data and information. We have created marketing programs to increase the use of our market data, and we have started to develop new business relationships with companies that develop value-added computer-based applications that process our market data to provide specific insights into the dynamics of trading activity in our products. In March 2002, we expanded the scope of our market data offerings by providing CME E-quotes, direct, real-time price quotes, to the trading community over the Internet, through our Web site. The new service enables users to integrate interactive charting and news services with market data, building customized packages of data, charting and news that fit their particular needs. CME E-quotes received a 2002 European Banking Technology Award for the best use of information technology in the wholesale banking sector. In June 2002, enhancements to our market data interface software reduced customers' bandwidth requirements by 65% to 70%. In August 2002, we introduced CME E-history to automate the process of supplying users with historical price data for our futures and options on futures.

Execution

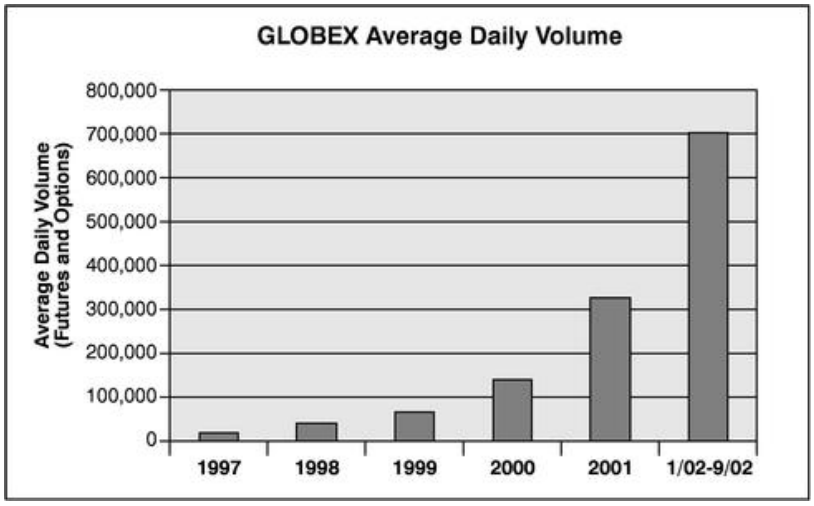
Our trade execution facilities consist of our open outcry trading pits and the GLOBEX electronic trading platform. Both of these execution facilities offer our customers immediate trade execution, anonymity and price transparency and are state-of-the-art trading environments supported by substantial infrastructure and technology for order routing, trade reporting, market data dissemination and market surveillance and regulation. In addition, trades can be executed through privately negotiated transactions that are cleared and settled through our clearing house. The chart below shows the range of trade execution choices we provide our customers in some of our key products.

Product	Open Outcry	GLOBEX Daytime	GLOBEX Nighttime	Privately Negotiated Transactions
Eurodollar	X	X	X	X
Standard S&P 500	X	—	X	X
Standard Nasdaq-100	X	—	X	X
E-mini S&P 500	—	X	X	—
E-mini Nasdaq-100	—	X	X	—
Foreign Exchange	X	X	X	X
Commodity	X	X	—	X

Open Outcry Trading. Open outcry trading represented 78.2% of our total trading volume in 2001, and 66.8% of our trading volume in the first nine months of 2002. The pits are the centralized meeting place for floor traders and floor brokers representing customer orders to trade contracts. The trading floors, covering approximately 70,000 square feet, have tiered booths surrounding the pits from which clearing firm personnel can communicate with customers regarding current market activity and prices and receive orders either electronically or by telephone. In addition, our trading floors display current market information and news on electronic wallboards hung above the pits. During 2001 and the first nine months of 2002, approximately 62% and 53%, respectively, of our clearing and transaction fee revenues were derived from open outcry trading.

GLOBEX Electronic Trading. We began electronic trading in 1992 using a system developed in partnership with Reuters. Our second generation electronic trading platform was introduced in 1998, and is based on the Nouveau Système de Cotation, or NSC, owned and licensed to us by Euronext-Paris, a subsidiary of Euronext N.V. GLOBEX maintains an electronic, centralized order book and trade execution algorithm for futures contracts and options on futures contracts and allows users to enter orders directly into the order book. Initially, these systems were used to offer our products to customers after the close of our regular daytime trading sessions. Today, however, we trade some of our most successful products on the GLOBEX platform nearly 23 hours a day, five days a week. In 2001, 19.9% of our trading volume was executed using GLOBEX, compared to 14.9% in 2000. During the first nine months of 2002, GLOBEX accounted for 31.8% of our total trading volume, compared to 19.0% during the first nine months of 2001. Our electronic volume has grown rapidly during the last five years. Electronic trading volume has increased from nearly 4.4 million contracts in 1997 to more than 81.9 million contracts in 2001 and more than 131.7 million contracts for the first nine months of 2002. In October 2002, GLOBEX volume was a record 28.2 million contracts, a 174.1% increase from October 2001 levels. GLOBEX volume exceeded one million contracts for a single day for the first time on June 12, 2002. As of November 15, 2002, GLOBEX had achieved 46 days of volume higher than one million contracts, including the volume attributable to the first-day trading volumes of TRAKRS, a product line developed with Merrill Lynch. On October 7, 2002, GLOBEX volume exceeded open outcry volume for the first time. During 2001 and the first nine months of 2002, approximately 27% and 39%, respectively, of our clearing and transaction fees revenue were derived from electonic trading.

The following chart depicts the average daily volume for electronic trading for the five-year period from 1997 to 2001 and the nine months ended September 30, 2002. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract.

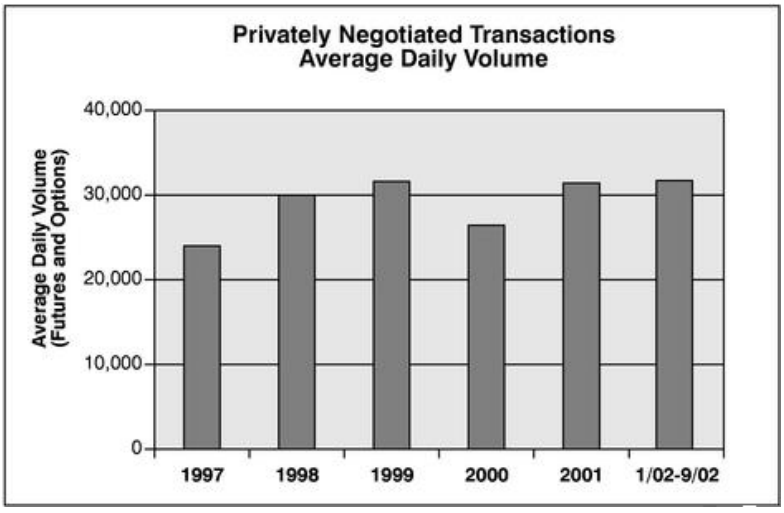


Privately Negotiated Transactions. In addition to offering traditional open outcry and electronic trading through the GLOBEX platform, we permit qualified customers to trade our products by entering into privately negotiated EFP and EBF transactions and block trades, which are reported and included in the market data we distribute. We also clear, settle and guarantee these transactions through our clearing house. Some market participants value privately negotiated transactions as a way to ensure that large transactions can be completed at a single price or in a single transaction while preserving their ability to effectively complete a hedging, risk management or other trading strategy. During 2001 and the first nine months of 2002, approximately 11% and 8%, respectively, of our clearing and transaction fees revenues were derived from this type of trading.

EFP and EBF transactions involve a privately negotiated exchange of a futures contract for a cash position or other qualified instrument. While EFP capabilities have been available for many years, and constitute a significant and profitable segment of our foreign exchange futures trading, EFPs have been offered on a restricted basis in some of our other markets. Recently, we have taken steps to liberalize our trading policies, including extending EBF capabilities to all Eurodollar futures contracts.

A block trade is the privately negotiated purchase and sale of futures contracts. Block trading was introduced on our exchange in late 2000, and volume has been limited to date. We believe block trading provides an important new source of access designed to appeal to large-scale institutional traders. Originally, these transactions were limited to a certain number of contracts and required high minimum quantity thresholds along with a fee surcharge. More recently, we implemented new pricing and trading rules designed to increase customer participation.

The following chart depicts the average daily volume for privately negotiated transactions for the five-year period ending in 2001 and the nine months ended September 30, 2002. Volume is measured based on the number of round turn contracts, with each round turn representing a matched buy and sell of one contract.



We intend to continue to enhance the utility of EFP and block transactions while maintaining an appropriate balance with the transactions conducted within the open outcry and electronic trading environments.

Clearing

We operate our own clearing house that clears, settles and guarantees the performance of all transactions matched through our execution facilities. By contrast, many derivatives exchanges, including CBOT, CBOE and LIFFE, do not provide clearing services for trades conducted using their execution facilities, relying instead on outside clearing houses to provide these services. Ownership and control of our own clearing house enables us to capture the revenue associated with both the trading and clearing of our products. This is particularly important for trade execution alternatives such as block trades, where we can derive a higher per trade clearing fee compared to other trades. By owning our clearing house, we also control the cost structure and the technology development cycle for our clearing services. We believe having an integrated clearing function provides significant competitive advantages. It helps us manage our new product initiatives without being dependent on an outside entity.

During the first nine months of 2002, we processed an average of more than 553,000 clearing transactions per day, with an average transaction size of 8.8 contracts. We maintain the largest futures and options on futures open interest of any exchange in the world. As of November 15, 2002, our open interest record was 23.2 million contracts, set on November 14, 2002. As of September 30, 2002, we acted as custodian for approximately $27.7 billion in performance bond assets deposited by our clearing firms and, during the first nine months of 2002, we moved an average of approximately $1.7 billion a day in settlement funds through our clearing system. In addition, our clearing house guarantees the performance of our contracts with a financial safeguards package of approximately $3.3 billion.

The clearing function provides three primary benefits to our markets: efficient, high-volume transaction processing; cost and capital efficiencies; and a reliable credit guarantee. The services we provide can be broadly categorized as follows:

- transaction processing and position management;
- cross-margining;
- market protection and risk management;
- settlement, collateral and delivery; and
- investment.

Transaction Processing and Position Management. We developed a state-of-the-art clearing system, CLEARING 21, in conjunction with NYMEX to provide high quality clearing services. This system processes reported trades and positions on a real-time basis, providing users with instantaneous information on trades, positions and risk exposure. CLEARING 21 is able to process trades in futures and options products, securities and cash instruments. CLEARING 21 can also support complex new product types including combinations, options on combinations, options on options, swaps, repurchase and reverse repurchase agreements, and other instruments. Through CLEARING 21 user interfaces, our clearing firms can electronically manage their positions, exercise options, enter transactions related to foreign exchange deliveries, manage collateral posted to meet performance bond requirements and access all of our other online applications. Together with our order routing and trade matching services, we offer straight-through electronic processing of transactions in which an order is electronically routed, matched, cleared and made available to the clearing firm's back-office systems for further processing.

Cross-Margining and Mutual Offset Services. We have led the derivatives industry in establishing cross-margining agreements with other leading clearing houses. Cross-margining arrangements reduce capital costs for clearing firms and our customers. These agreements permit an individual clearing house to recognize a clearing firm's open positions at other participating clearing houses, and clearing firms are able to offset risks of positions held at one clearing house against those held at other participating clearing houses. This reduces the need for collateral deposits by the clearing firm. For example, our cross-margining program with the Options Clearing Corporation reduces performance bond requirements for our members by approximately $371.2 million a day. We have implemented cross-margining arrangements with the Government Securities Clearing Corporation, the Board of Trade Clearing Corporation and the London Clearing House and LIFFE. We also will implement a cross-margining arrangement with NYMEX in connection with the agreement we entered into with that exchange to offer newly created smaller-sized versions of key NYMEX energy futures. In addition, we have a mutual offset agreement with Singapore Derivatives Exchange, which has been in place since 1984, that allows a clearing firm of either exchange initiating trades in some interest rate products on either exchange to execute after-hours trades at the other exchange in those products, then transfer them back to the originating exchange. This mutual offset system enables firms to seamlessly execute trades at either exchange virtually 24 hours per day.

Market Protection and Risk Management. Our clearing house guarantee of performance is a significant attraction, and an important part of the functioning, of our exchange. Because of this guarantee, our

customers do not need to evaluate the credit of each potential counterparty or limit themselves to a selected set of counterparties. This flexibility increases the potential liquidity available for each trade. Additionally, the substitution of our clearing house as the counterparty to every transaction allows our customers to establish a position with one party and then to offset the position with another party. This contract netting process provides our customers with significant flexibility in establishing and adjusting positions.

In order to ensure performance, we establish and monitor financial requirements for our clearing firms. We also set minimum performance bond requirements for our traded products. Our clearing house uses our proprietary SPAN software, which determines the appropriate performance bond requirements by simulating the gains and losses of complex portfolios. We typically hold performance bond collateral to cover at least 95% of price changes for a given product within a given historical period. Performance bond requirements for a clearing firm's or customer's overall portfolio are calculated using SPAN.

At each settlement cycle, our clearing house values at the market price prevailing at the time, or marks to market, all open positions and requires payments from clearing firms whose positions have lost value and makes payment to clearing firms whose positions have gained value. Our clearing house marks to market all open positions at least twice a day, and more often if market volatility warrants. Marking-to-market provides both participants in a transaction with an accounting of their financial obligations under the contract.

Conducting a mark-to-market a minimum of two times a day helps protect the financial integrity of our clearing house, our clearing firms and market participants. This allows our clearing house to identify quickly any clearing firms that may not be able to satisfy the financial obligations resulting from changes in the prices of their open contracts before those financial obligations become exceptionally large and jeopardize the ability of our clearing house to ensure performance of their open positions.

In the unlikely event of a payment default by a clearing firm, we would first apply assets of the clearing firm to cover its payment obligation. These assets include security deposits, performance bonds and any other available assets, such as the proceeds from the sale of Class A and Class B common stock and memberships of the clearing firm at our exchange owned by or assigned to the clearing firm. Thereafter, if the payment default remains unsatisfied, we would use our surplus funds, security deposits of other clearing firms and funds collected through an assessment against all other solvent clearing firms to satisfy the deficit. We have a secured, committed $500.0 million line of credit with a consortium of banks in order to provide additional liquidity to address a clearing firm payment default. The credit agreement requires us to pledge all clearing firm security deposits held by us in the form of U.S. Treasury or agency securities, as well as security deposit funds in our IEF2 program. This line of credit may also be utilized if there is a temporary disruption with the domestic payments system that would delay settlement payments between our clearing house and clearing firms.

The following shows the available assets of our clearing house at September 30, 2002 in the event of a payment default by a clearing firm:

CME Clearing House Available Assets
(in millions)

Aggregate Performance Bond Deposits by All Clearing Firms(1)	$	27,675.0
Market Value of Pledged Shares/Memberships (minimum requirement per firm)(2)	$	3.8
CME Surplus Funds(3)		149.2
Security Deposits of Clearing Firms(4)		784.8
Limited Assessment Powers(5)		2,158.2
Minimum Total Assets Available for Default	$	3,096.0

(1) Aggregate performance bond deposits by all clearing firms includes cash performance bond deposits of $1.9 billion and the value assigned by our exchange for securities deposited to satisfy performance bond requirements. This assigned value for securities is generally less than the fair market value of the securities deposited.

(2) Each clearing firm is required to pledge to the clearing house specified memberships, shares of our Class B common stock associated with those memberships and a specified number of shares of our Class A common stock. These memberships and shares become available to us in the event of a clearing firm default. The amount included in the table above represents the market value of the minimum number of memberships and shares required to be pledged. Any memberships or shares owned in excess of the minimum requirements are not included. The market value is based on the average of the bid and offer for the memberships and associated shares at September 30, 2002.

(3) CME surplus funds represent the amount of our working capital reduced by an amount necessary to support our short-term operations.

(4) Security deposits of clearing firms include security deposits required of clearing firms but do not include any excess deposits held by our exchange at the direction of the clearing firms.

(5) In the event of a clearing firm default, if a loss continues to exist after the utilization of the assets of the defaulted firm, our surplus funds and the security deposits of non-defaulting firms, we have the right to assess all non-defaulting clearing members up to 2.75 times their existing security deposit requirements.

Settlement, Collateral and Delivery Services. We manage final settlement in all of our contracts, including cash settlement, physical delivery of selected commodities, and option exercises and assignments. Because some initial and maintenance performance bonds from clearing firms, as well as mark-to-market obligations on some of our contracts, are denominated in various foreign currencies, we offer multi-currency margin and settlement services. We also offer the Moneychanger Service to our clearing firms. This service provides members with access to overnight funds in various foreign currencies at competitive bid/ask spreads free of charge to satisfy the terms of a foreign currency denominated futures contract.

Although more than 95% of all futures contracts are liquidated before the expiration of the contract, the underlying financial instruments or commodities for the remainder of the contracts must be delivered. We act as the delivery agent for all contracts, ensuring timely delivery by the seller of the exact quality and quantity specified in a contract and full and timely payment by the buyer.

In order to administer its system of financial safeguards efficiently, our clearing house has developed banking relationships with a network of major U.S. banks and banking industry infrastructure providers, such as the Society for Worldwide Interbank Financial Telecommunications, or SWIFT. Among the key

services provided to our clearing house by these banks and service providers are a variety of custody, credit and payment services that support the substantial financial commitments and processes backing the guarantee of our clearing house to market participants.

Investment Services. In order to achieve collateral efficiencies for our clearing firms, we have also established our IEF program, private money market funds managed by third party investment managers, to allow clearing firms to enhance the yields they receive on their performance bond collateral deposited with our clearing house. The first IEF was organized in 1997 as two limited liability companies. Interest earned, net of expenses, is passed on to participating clearing firms. The principal of the first IEF is guaranteed by us. The investment portfolio of these facilities is managed by two of the exchange's approved settlement banks, and eligible investments include U.S. Treasury bills and notes, U.S. Treasury strips, reverse repurchase agreements and repurchase agreements. The maximum average portfolio maturity is 90 days, and the maximum maturity for an individual security is 13 months. We believe that the market risk exposure relating to our guarantee is not material to the financial statements taken as a whole. As of September 30, 2002, clearing firms had approximately $471.2 million in balances in the first IEF. In 2001, IEF2 was organized. IEF2 offers clearing firms the opportunity to invest cash performance bonds in shares of approved money market mutual funds. Dividends earned on these shares, net of fees, are solely for the account of the clearing firm on whose behalf the shares were purchased. The principal of IEF2 is not guaranteed by us. As of September 30, 2002, clearing firms had more than $9.5 billion in balances in IEF2 funds. Our clearing house earns fee income in return for providing this value-added service to our clearing firms.

Our clearing house launched a securities lending program in 2001 using a portion of certain securities deposited to meet the proprietary performance bond requirements of our clearing firms. Under this securities lending program, we lend a security to a third party and receive collateral in the form of cash. The majority of the cash is then invested on an overnight basis to generate interest income. The related interest expense represents payment to the borrower of the security for the cash collateral retained during the duration of the lending transaction. Securities on loan are marked to market daily and compared to collateral received. The securities lending activity utilizes some of the securities deposited by clearing firms, one of which is a subsidiary of the bank used for executing this securities lending program. Proceeds from securities lending at December 31, 2001 were invested in a money market mutual fund administered by a subsidiary of this same bank or held in the form of cash.

Technology

Our operation of both trading facilities and a clearing house has influenced the design and implementation of the technologies that support our operations.

Trading Technology. We have a proven track record of operating successful open outcry and electronic markets by developing and integrating multiple, evolving technologies that support a growing and substantial trading volume. The integrated suite of technologies we employ to accomplish this has been designed to support a significant expansion of our current business and provides us with an opportunity to leverage our technology base into new markets, products and services.

As electronic trading activity expands, we continue to provide greater match engine functionality unique to various markets, market models and product types. We have adopted a modular approach to technology development and engineered an integrated set of solutions that support multiple specialized markets. We continually monitor and upgrade our capacity requirements and have designed our systems to handle at least twice our peak transactions in our highest volume products. Significant investments in production planning, quality assurance and certification processes have enhanced our ability to expedite the delivery of the system enhancements that we develop for our customers.

Speed, reliability, scalability, capacity and functionality are critical performance criteria for electronic trading platforms. A substantial portion of our operating budget is dedicated to system design,

development and operations in order to achieve high levels of overall system performance. For example, to respond to customer requests and bring down the cost of trading for our European customers, we established a telecommunications hub in London in early 2002. In late September 2002, we also launched a remote data center to provide additional system capacity and a third point of redundancy for our trading and clearing technology. The remote data center features an entirely new network to enhance data base and order routing servers and to improve overall system performance and functionality. Our data centers support our customer interfaces, trading and execution systems, as well as clearing and settlement operations.

The technology systems supporting our trading operations can be divided into four major categories:

Distribution	Technologies that support the ability of customers to access our trading systems from terminals through network access to our trading floor and/or electronic trading environments.
Order routing/ order management	Technologies that control the flow of orders to the trading floor or electronic trading systems and that monitor the status of and modify submitted orders.
Trade matching (electronic market)	Technologies that aggregate submitted orders and electronically match buy and sell orders when their trade conditions are met.
Trading floor operations	Technologies that maximize market participants' ability to capitalize on opportunities present in both the trading floor and electronic markets that we operate.

The GLOBEX electronic trading platform includes distribution, order routing, order management and trade matching technology. The modularity and functionality of GLOBEX enable us to selectively add products with unique trading characteristics onto the trading platform with minimal additional investment.

The distribution technologies we offer differentiate our platform and bring liquidity and trading volume to our execution facilities. As of September 30, 2002, more than 1,300 customers connected directly with us, and thousands more connected with us through 17 independent software vendors and data centers, as well as 25 clearing firms that have interfaces with our systems. Many of these customers connect through a dedicated private frame-relay network that is readily available, has wide distribution and provides fast connections in the Americas, Europe and Asia. Over the past year, we initiated efforts to provide additional access choices to customers, and in early 2001, implemented a Web-based, virtual private network solution, GLOBEX Trader-Internet, for our lower-volume customers. This added a low-cost alternative that was the first of its kind among major exchanges. In its first year of operations, we attracted about 275 users.

In order routing and management, we offer a range of mechanisms, and were among the first U.S. derivatives exchanges to fully implement the FIX 4.2 protocol—the standard order routing protocol used within the securities industry. In addition, our order routing and order management systems are capable of supporting multiple electronic trading match engines. This functionality gives us great latitude in the types of markets that we choose to serve.

Several key technology platforms and standards are used to support these activities, including fault-tolerant Tandem systems, IBM mainframes, Sun Microsystems servers, HP and Dell PCs, Oracle and DB2 databases, Unix, Windows NT, Novell, Unicenter TNG software systems, TIBCO middleware and multi-vendor frame relay and virtual private network solutions.

Our match engine is based upon the computerized trading and match software known as the NSC. We have a long-term license from Euronext-Paris, under which we have the ability to modify and upgrade the performance of the basic NSC system to optimize its performance to suit our needs. We have a fully trained development team that maintains, upgrades and customizes our version of the NSC system. For example, despite our dramatic increase in trading volume, we reduced the average customer response time from 2.3 seconds at the beginning of 2001 to 1.2 seconds at year-end, allowing trades to be executed more quickly and consistently. We reduced that time even further by September 30, 2002 to 0.3 seconds. The customized enhancements that we have developed address the unique trading demands of each marketplace that we serve. We continue to focus on performance features of the match engine and presently have multiple enhancements under development.

Clearing Technology. CLEARING 21, our clearing and settlement software, and SPAN, our margining and risk management software, form the core of our clearing technology.

CLEARING 21 is a system for high-volume, high-capacity clearing and settlement of exchange-based transactions that we developed jointly with NYMEX. The system offers clearing firms improved efficiency and reduced costs. CLEARING 21's modular design gives us the ability to rapidly introduce new products. The software can be customized to meet the unique needs of specialized markets.

SPAN is our sophisticated margining and risk management software. SPAN has now been adopted by 40 exchanges and clearing organizations worldwide. This software simulates the effects of changing market conditions on a complex portfolio and uses standard options pricing models to determine a portfolio's overall risk. SPAN then generates a performance bond requirement that typically covers 95% of price changes within a given historical period.

Strategic Relationships

Tokyo Stock Exchange. In October 2000, we signed a non-binding letter of intent to pursue a global alliance with the Tokyo Stock Exchange, with the goal of further developing our respective fixed-income and equity derivatives markets. In March 2002, we introduced S&P/TOPIX 150 stock index futures on our electronic GLOBEX platform during the hours they are not available on the Tokyo Stock Exchange.

Mercado Oficial de Futuros y Opciones Financieros. In 2000, we established an alliance with MEFF in an effort to expand our successful equity index franchise globally. MEFF is the futures and options Spanish official market. Through this partnership, derivatives on the European S&P index products are listed for trading on MEFF's electronic trading platform and cleared at our clearing house. By allowing MEFF to join our clearing house as a clearing firm, both CME and MEFF market participants can leverage their existing clearing relationships through participation in this product market.

New York Mercantile Exchange. We recently entered into an agreement with NYMEX to introduce small-sized versions of key NYMEX energy futures contracts for trading on our GLOBEX electronic trading platform. The products, based on our successful E-mini stock index contracts, are called e-miNY energy futures and clear at the NYMEX clearing house. The first of these products, e-miNY crude oil and natural gas futures contracts, began trading on June 17, 2002. As part of the agreement, we now offer a cross-margining program, creating capital efficiencies for market professionals and proprietary accounts by calculating performance bond requirements based on specified positions in both markets. In addition, GLOBEX terminals are available to NYMEX market participants on the NYMEX trading floor, and other market participants are able to connect to GLOBEX through a variety of access channels. During the term of the agreement and for one year thereafter, we are generally prohibited, other than in cooperation with NYMEX, from providing for or facilitating electronic trading in futures or options on futures contracts on any underlying commodity (or index of such commodities) that is also the underlying commodity for a product listed for trading by NYMEX.

Korea Futures Exchange. In October 2002, we signed a non-binding memorandum of understanding with the Korea Futures Exchange to pursue joint business development initiatives in derivatives products.

London Clearing House and LIFFE. We have implemented a cross-margining arrangement with the London Clearing House and LIFFE, which was recently acquired by Euronext N.V. This cross-margining arrangement allows an individual clearing house to recognize a clearing firm's open positions at other participating clearing houses, and clearing firms are able to offset risks of positions held at one clearing house against those held at other participating clearing houses. Through this relationship, we provide cost savings to clearing firms and their affiliates who have positions in our Eurodollar contract and LIFFE's Euribor futures and options on futures contracts.

Singapore Derivatives Exchange Ltd. In 1984, we entered into a mutual offset agreement with the Singapore Derivatives Exchange. This relationship allows a clearing firm of either exchange initiating trades in some interest rate products on either exchange to execute after-hours trades at the other exchange in those products, then transfer them back to the originating exchange.

Revenues generated from the relationships described above are or will be recorded as clearing and transaction fees.

Marketing Programs and Advertising

Our marketing programs primarily target institutional customers and, to a lesser extent, individual traders. Our marketing programs for institutional customers aim to inform traders, portfolio managers, corporate treasurers and other market professionals about novel uses of our products, such as new hedging and risk management strategies. We also strive to educate these users about changes in product design, margin requirements and new clearing services. We participate in major domestic and international trade shows and seminars regarding futures and options and other derivatives products. In addition, we sponsor educational workshops and marketing events designed to educate market users about our new products. Through these relationships and programs, we attempt to understand the needs of our customer base and use information provided by them to drive our product development efforts.

We advertise our products and our brand name to increase our trading volume. Our advertising strategy is twofold: to maintain awareness and familiarity among our institutional target customers and to generate awareness among our growing retail audience. Our primary method of advertising is through print media, using both monthly trade magazines and daily business publications.

Competition

Until the passage of the Commodity Futures Modernization Act, futures trading was generally required to take place on or subject to the rules of a federally designated contract market. The costs and difficulty of obtaining contract market designation, complying with applicable regulatory requirements, establishing efficient execution facilities and liquidity pools and attracting customers created significant barriers to entry. The Commodity Futures Modernization Act has eroded the historical dominance by the exchanges of futures trading in the United States by, among other things, permitting private transactions in most futures contracts and similar products and authorizing the use of electronic trading systems to conduct both private and public futures transactions. For a more detailed description of the regulation of our industry and the regulatory changes brought on by the Commodity Futures Modernization Act, see the section of this prospectus entitled "Business—Regulatory Matters."

These changing market dynamics have led to increasing competition in all aspects of our business and from a number of different domestic and international sources of varied size, business objectives and resources. We now face competition from other futures, securities and securities option exchanges; OTC markets and clearing organizations;

consortia formed by our members and large market participants;

alternative trade execution facilities; technology firms, including market data distributors and electronic trading system developers; and other competitors.

At year-end 2001, there were 52 futures exchanges located in 27 countries, including nine futures exchanges in the United States. Because equity futures contracts are alternatives to underlying stocks and a variety of equity option and other contracts for obtaining exposure to the equity markets, we also compete with securities and options exchanges, including the New York Stock Exchange and CBOE, dealer markets such as Nasdaq and alternative trading systems such as Instinet.

OTC markets for foreign exchange and fixed-income derivatives products also compete with us. The largest foreign exchange markets are operated primarily as electronic trading systems. Two of the largest of these, operated by Electronic Broking Services and Reuters plc, respectively, serve primarily professional foreign exchange trading firms. Additional electronic platforms designed to serve corporate foreign exchange users are beginning to emerge. Two of these are operated by consortia of interdealer and interbank market participants. A third is a proprietary trading system. These systems present significant potential competitive challenges to the growth of our foreign exchange futures markets.

The OTC fixed-income derivatives market is by far the largest fixed-income derivatives marketplace. The OTC market consists primarily of interbank and interdealer market participants. There is currently no single liquidity pool in the OTC fixed-income derivatives market that is comparable to our Eurodollar markets. The OTC market for fixed-income derivatives products has traditionally been limited to more customized products, and the large credit exposures created in this market and the absence of clearing facilities have limited participation to the most creditworthy institutional participants. However, the size of this market and technology-driven developments in electronic trading and clearing facilities, as well as regulatory changes implemented by the Commodity Futures Modernization Act, increase the likelihood that one or more substantial liquidity pools will emerge in the future in the OTC fixed-income derivatives market.

Other emerging competitors include consortia owned by firms that are members of our exchange, and large market participants also may become our competitors. For example, BrokerTec Global LLC, or BrokerTec, an electronic interdealer fixed-income broker whose members include Citigroup, Credit Suisse First Boston, Deutsche Bank AG, Goldman Sachs Group, J.P. Morgan Chase, Lehman Brothers, Merrill Lynch & Co., Morgan Stanley and UBS Warburg, is a significant intermediary in the market for U.S. Treasury securities, Euro-denominated sovereign debt and other fixed-income securities and repurchase transactions involving those securities. In addition, BrokerTec has recently launched an electronic futures exchange and clearing house for futures contracts on U.S. Treasury securities and may list futures on other fixed-income instruments in the future. All of the members of BrokerTec are currently our member firms or affiliates of our member firms and include many of the most significant participants in our Eurodollar and S&P 500 futures markets.

Alternative trade execution facilities that currently specialize in the trading of equity securities have electronic trade execution and routing systems that also can be used to trade products that compete with our products. While these firms generally may lack overall market liquidity and distribution capability, typically, they have advanced electronic and Internet technology, significant capitalization and competitive pricing. In addition, while there is currently relatively little electronic trading of OTC equity derivatives and the greatest portion of this market is conducted through privately negotiated transactions, it is likely that one or more OTC equity derivatives markets will emerge in the future.

Technology companies, market data and information vendors and front-end software vendors also represent potential competitors because, as purveyors of market data, these firms typically have substantial distribution capabilities. As technology firms, they also have access to trading engines that can be connected to their data and information networks. Additionally, technology and software firms that develop trading systems, hardware and networks that are otherwise outside of the financial services industry may be attracted to enter our markets.

We also face a threat of trading volume loss if a significant number of our traditional participants decide to trade futures or similar products among themselves without using any exchange or specific trading system. The Commodity Futures Modernization Act allows nearly all of our largest customers to transact futures or similar products directly with each other. While those transactions raise liquidity and credit concerns, they may be attractive based on execution costs, flexibility of terms, negotiability of margin or collateral deposits, or other considerations. Additionally, changes under the Commodity Futures Modernization Act permitting the establishment of stand-alone clearing facilities for futures and OTC derivatives transactions will facilitate the mitigation of credit-risk concentrations arising from such transactions.

We believe competition in the derivatives and securities businesses is based on a number of factors, including, among others:

- depth and liquidity of markets and related benefits;
- transaction costs;
- breadth of product offerings and rate and quality of new product development;
- transparency, reliability and anonymity in transaction processing;
- connectivity;
- technological capability and innovation;
- efficient and secure settlement, clearing and support services; and
- reputation.

We believe that we compete favorably with respect to these factors, and that our deep, liquid markets; breadth of product offerings; rate and quality of new product development; and efficient, secure settlement, clearing and support services distinguish us from our competitors. We believe in order to maintain our competitive position, we must continue to develop new and innovative products; enhance our technology infrastructure, including its reliability; and maintain liquidity and low transaction costs.

We expect competition in our businesses to intensify as potential competitors expand into our markets, particularly as a result of technological advances and the Commodity Futures Modernization Act and other changes introduced by the CFTC that have reduced the regulatory requirements for the development and entry of products and markets that are competitive with our own. Additional factors that may intensify competition in the future include: an increase in the number of for-profit exchanges; the consolidation of our customer base or intermediary base; an increased acceptance of electronic trading and electronic order routing by our customer base; and the increasing ease and falling cost of other exchanges leveraging their technology investment and electronic distribution to enter new markets and list the products of other exchanges.

In addition to the competition we face in our derivatives business, we face a number of competitors in our business services and transaction processing business, including:

- other exchanges and clearing houses seeking to leverage their infrastructure; and
- technology firms, including front-end developers, back-office processing systems firms and match engine developers.

We believe competition in the business service and transaction processing market is based on, among other things, the cost of the services provided, quality and reliability of the services, timely delivery of the services, reputation and value of linking with existing products, markets and distribution.

Regulatory Matters

The Commodity Exchange Act the scope of which was significantly expanded in 1974, subjected us to comprehensive regulation by the CFTC. Under the 1974 amendments, the CFTC was granted exclusive jurisdiction over futures contracts (and options on such contracts and on commodities). Such contracts were generally required to be traded on regulated exchanges known as contract markets. The Commodity Exchange Act placed our business in a heavily regulated environment but imposed significant barriers to unregulated competition.

Between 1974 and December 2000, the barriers against unregulated competitors were eroded. The Commodity Exchange Act's exchange trading requirement was modified by CFTC regulations and interpretations to permit privately negotiated swap contracts meeting specified requirements to be transacted in the OTC market. At December 31, 2001, according to data from the Bank for International Settlements, the total estimated notional amount of outstanding OTC derivatives contracts was nearly $111.0 trillion compared to nearly $23.5 trillion for exchange-traded futures and options contracts. The CFTC exemption and interpretations under which the OTC derivatives market operated precluded the OTC market from using exchange-like electronic transaction systems and clearing facilities.

The Commodity Futures Modernization Act, which became effective on December 21, 2000, significantly altered the regulatory landscape and may have important competitive consequences. This legislation greatly expanded the freedom of regulated markets, like ours, to innovate and respond to competition. It also permits us to offer a previously prohibited set of products—single stock futures and futures on narrow-based indexes of securities. The provisions that permit us to trade these security futures products require a novel sharing of jurisdiction between the CFTC and the SEC. Exchange trading of these security futures products is subject to more burdensome regulation than our other futures products. For example, in order to trade these products, we are required to "notice register" with the SEC as a special purpose national securities exchange solely for the purpose of trading security futures products, and the SEC is authorized to review some of our rules relating to these security futures products. Our members trading those products are subject to registration requirements and duties and obligations to customers under the securities laws that do not pertain to their other futures business.

The Commodity Futures Modernization Act excluded or exempted many of the activities of our non-exchange competitors from regulation under the Commodity Exchange Act. The Commodity Futures Modernization Act created broad exclusions and exemptions from the Commodity Exchange Act that permit derivatives contracts, which may serve the same or similar functions as the contracts we offer, to be sold in the largely unregulated OTC market, including through electronic trading facilities.

Additionally, the Commodity Futures Modernization Act permits SEC-regulated and bank clearing organizations to clear a broad array of derivatives products in addition to the products that such clearing organizations have traditionally cleared. The Commodity Futures Modernization Act also permits banks and broker-dealers, and some of their affiliates, to offer and sell foreign exchange futures to retail customers without being subject to regulation under the Commodity Exchange Act.

The Commodity Futures Modernization Act created a new flexible regulatory framework for us in our capacity as a CFTC registrant, and eliminated many prescriptive requirements of the Commodity Exchange Act and CFTC in favor of more flexible core principles. For instance, CFTC-regulated exchanges may now list new contracts and adopt new rules without prior CFTC approval under self-certification procedures, permitting more timely product launch and modification.

For regulated markets, the Commodity Futures Modernization Act creates a new three-tiered regulatory structure. The degree of regulation is related to the characteristics of the product and the type

of customer that has direct or indirect access to the market, with retail customer markets being subject to greater regulation. The new three-tiered regulatory structure is as follows:

- designated contract markets with retail customer participation are subject to the highest level of regulation;
- derivatives transaction execution facilities with access limited to institutional traders and others trading through members that meet specified capital and other requirements and products limited to contracts that are less susceptible to manipulation (including single stock futures) will be subject to a lesser degree of regulation; and
- exempt boards of trade subject to the least regulation are characterized by products without cash markets or that are highly unlikely to be susceptible to manipulation and by the participation only of institutional traders and others that meet specified asset requirements.

Our existing market, which trades a broad range of products and permits intermediaries to represent unsophisticated customers, is subject to the most thorough oversight as a designated contract market. The Commodity Futures Modernization Act permits us to organize markets that are subject to lesser regulation depending on the types of products traded and the types of traders. Markets can be organized that trade only products that are unlikely to be susceptible to manipulation and permit direct trading only among institutional participants in order to achieve a less intrusive degree of oversight.

The Commodity Futures Modernization Act also provides for regulation of derivatives clearing organizations (DCOs), like our clearing house, separately from the exchanges for which they clear contracts and permits DCOs to clear a range of OTC-traded products in addition to products traded on an exchange. The Commodity Futures Modernization Act requires a DCO that clears for a registered futures exchange to register with the CFTC. However, our clearing house was deemed to be registered by reason of its activities prior to enactment of the Commodity Futures Modernization Act. A DCO may accept for clearing any new contract or may adopt any new rule or rule amendment by providing to the CFTC a written certification that the new contract, rule or rule amendment complies with the Commodity Exchange Act. Alternatively, the DCO may request that the CFTC grant prior approval to any contract, rule or rule amendment, and the CFTC must grant approval within 75 days unless the CFTC finds that the proposed contract, rule, or rule amendment would violate the Commodity Exchange Act.

From time to time it is proposed in Congress that federal financial markets regulators should be consolidated, including a possible merger between the CFTC and the SEC. While those proposals have not been adopted to date, the perceived convergence of product lines offered on the securities and commodity exchanges could make adoption more

likely. To the extent the regulatory environment following such consolidation is less beneficial for us, our business, financial condition and operating results could be negatively affected.

From time to time it is proposed in the President's budget that a transaction tax be imposed on futures and options on futures transactions. While those proposals have not been adopted to date, except for a per-contract fee on single stock futures and futures on narrow-based stock indexes, the imposition of any such tax could increase the cost of using our products and, consequently, our business, financial condition and operating results could be negatively affected.

Our Shareholders and Members

As a result of our conversion into a for-profit corporation in the fall of 2000, individuals and entities who, at the time, owned trading privileges on our exchange became the owners of all of the outstanding equity of CME. In our reorganization into a holding company structure, CME shareholders exchanged their shares for shares of CME Holdings. CME shareholders with memberships and trading privileges in CME retained them after the merger. Owners of memberships on our exchange currently own, of record, substantially all of our outstanding Class A common stock. CME members can execute trades for their own

accounts or for the accounts of customers of clearing firms. Members who trade for their own account, including those who lease trading privileges, qualify for lower transaction fees in recognition of the market liquidity that their trading activity provides. These members also benefit from market information advantages that may accrue from their proximity to activity on the trading floors. Generally, member customers are charged lower fees than our non-member customers. In the first nine months of 2002, our members were responsible for approximately 78% of our total trading volume. There are four divisions of membership at our exchange: the Chicago Mercantile Exchange, or CME, division; the International Monetary Market, or IMM, division; the Index and Option Market, or IOM, division; and the Growth and Emerging Markets, or GEM, division. Each membership division has different trading privileges. Membership applicants planning to access the trading floor are subject to a review and approval process prior to obtaining trading privileges. We also have individual trading members and clearing firms. For a more detailed discussion of our exchange membership interests, see the section of this prospectus entitled "Description of Capital Stock."

Membership in our exchange entitles members to appear on the floor of the exchange during business days and act as a floor broker and/or floor trader executing trades in the appropriate contracts that correlate with their membership division. Applicants for membership on our exchange are required to be of good moral character, reputation and business integrity. They must also have adequate financial resources and credit to assume the responsibilities and privileges of membership. All members must understand the rules and regulations of our exchange and agree to abide by them. Additionally, they must comply with the provisions of the Commodity Exchange Act and the rules and regulations issued by the CFTC.

Our exchange is a self-regulatory organization subject to the oversight of the CFTC. Members submit to the jurisdiction of our exchange rules. Our Division of Market Regulation is the investigative and enforcement arm of our exchange with regard to our exchange rules. Members who are found to have violated a rule can be subject to sanctions such as fines, trading suspensions and/or expulsion from our exchange. Changes to our rules must be approved by our board of directors. Some rule changes are subject to CFTC approval prior to their implementation. In addition, members receive prior notice of a new rule or amendment before it becomes effective through various publications.

Under the terms of our certificate of incorporation, our members, as Class B shareholders, have the ability to protect their rights to trade on our exchange by means of special approval rights over changes to the operation of our markets and are entitled to elect six of the 20 directors on our board. In particular, our certificate of incorporation includes a grant to the holders of our Class B common stock of the right to approve any changes to the trading floor rights, access rights and privileges that a member has, the number of memberships in each membership class and the related number of authorized shares in each class of Class B common stock and the eligibility requirements to exercise trading rights or privileges. Class B shareholders must approve any changes to these special rights.

Our Shareholder Relations and Membership Services Department maintains an auction market for individual membership interests and for membership interests bundled with their associated Class A shares. Prospective purchasers sign and file with the department a "Bid to Purchase" form which must be guaranteed by either a clearing firm or accompanied by a certified or cashier's check. The department posts bids, offers and last trade prices for purchase of membership interests and for membership interests bundled with their associated Class A shares. The department then matches the highest bid to buy with the lowest offer to sell.

Other Business Relationships and Subsidiaries

GFX Corporation. GFX Corporation, a wholly owned subsidiary of CME, was established in 1997 for the purpose of maintaining and creating liquidity in our foreign exchange futures contracts. GFX accounted for 2.4%, 1.0% and 0.7% of our consolidated net revenues in 2000, 2001 and the nine months

ended September 30, 2002, respectively. Experienced foreign exchange traders employed by GFX buy and sell our foreign exchange futures contracts using our GLOBEX system. They limit risk from these transactions through offsetting transactions using futures contracts or spot foreign exchange transactions with approved counterparties in the interbank market.

CME Trust. The Chicago Mercantile Exchange Trust, or the CME Trust, was established in 1969 to provide financial assistance, on a discretionary basis, to customers of any clearing firm that becomes insolvent. We funded the CME Trust through tax-deductible contributions until June 1996. The CME Trust had approximately $57.5 million, $55.4 million and $52.0 million in net assets as of September 30, 2002, December 31, 2001 and 2000, respectively, as a result of contributions, investment income and the absence of any distributions. Trustees of the CME Trust, who are also members of our board of directors, have discretion to use the CME Trust to satisfy customer losses in the event a clearing firm fails to or is in such severe financial condition that it cannot meet a customer's obligations, provided that the customer's losses are related to transactions in our contracts. No outside parties have any residual interest in the assets of the CME Trust.

Licensing Agreements

Standard & Poor's. We have had a licensing arrangement with Standard & Poor's Corporation since 1980. In 1997, all of our previous licensing agreements with Standard & Poor's were consolidated into one agreement that terminates on December 31, 2013 and includes a clause to renegotiate potential extensions in good faith. Under the terms of the agreement, S&P granted us a license to use certain S&P stock indexes and the related trade names, trademarks and service marks in connection with the creation, marketing, trading, clearing and promoting of futures and/or options contracts that are indexed to certain S&P stock indexes. The license is exclusive until December 31, 2008 for S&P stock indexes licensed to us and listed by us prior to September 24, 1997. For contracts granted before September 24, 1997 but not listed before September 24, 1997, the licenses are exclusive for one year with possible extensions, and, once listed, the license will be exclusive upon meeting a certain minimum average trading volume or payment of a fee by us. For contracts granted and listed after September 24, 1997, and upon which we have listed indexed contracts for trading within one year of the grant date, the licenses are exclusive for two years after listing, after which they may be made exclusive for the remainder of the term of the agreement upon meeting a certain minimum average trading volume or payment of a fee by us. These licenses become non-exclusive in the event we and S&P do not agree on an extension or we list certain competitive contracts. We have a right of first refusal for stock indexes not licensed under the license agreement as of September 24, 1997 and that are developed solely by S&P before and during the term of the license agreement. We pay S&P a per trade fee and have made certain lump sum payments in accordance with the terms of our agreement. If S&P

discontinues compilation and publication of any license or index, we may license, on a non-exclusive and royalty-free basis, the information regarding the list of companies, shares outstanding and divisors for that index or terminate the obligations regarding the index.

Nasdaq. We have had a licensing arrangement with The Nasdaq Stock Market, Inc. since 1996 to license the Nasdaq-100 Index and related trade names, trademarks and service marks. The license was exclusive for the first three-and-a-half years after trading of the Nasdaq-100 futures contracts began on April 10, 1996, and remains exclusive subject to the maintenance of certain trading volumes in the Nasdaq-100 futures contracts and options on those contracts. The exclusivity of the license means that Nasdaq will not grant a license to use the Nasdaq-100 Index in connection with the trading, marketing and promotion of futures contracts and options on those contracts that would be traded on any commodity exchange between 9:30 a.m. and 4:15 p.m. Eastern Standard Time or any time during the day on a commodity exchange located in the Western Hemisphere. The exclusivity is also subject to the ability of Nasdaq to allow Nasdaq-100 futures contracts to be traded on any markets that it owns or operates. We have paid a lump sum fee to Nasdaq and pay per trade fees as well. Our Nasdaq-100 license agreement will

continue until April 10, 2006, with five-year extensions unless either party gives notice of termination at least 120 days prior to the end of the current period.

NSC. Our license agreement for the NSC software was signed with Paris Bourse^{SBF} SA in 1997, and it continues until 2022. The agreement was assigned by Paris Bourse^{SBF} SA to Euronext N.V. in 1997. Under the terms of the agreement, Euronext N.V. granted us a nonexclusive license to use the NSC software for the trading of our products and the products of certain other exchanges. The agreement also allows us to specify modifications and enhancements to the NSC software prior to delivery to be made by Paris Bourse^{SBF} SA. In addition, we have the right to use our GLOBEX trademark in conjunction with our operation of the electronic trading system based on NSC software. In consideration for the license of the NSC software, we granted Euronext N.V. a license to use and modify CLEARING 21. We also had a maintenance and development agreement with Euronext N.V., which expired at the end of 2001, under which we paid annual amounts and per day fees for certain services.

Intellectual Property

We regard substantial elements of our brand name, marketing elements and logos, products, market data, software and technology as proprietary. We attempt to protect these elements by relying on trademark, service mark, copyright and trade secret laws, restrictions on disclosure and other methods. For example, with respect to trademarks, we have registered marks in more than 20 countries. We have not filed any patent applications to protect our technology. Our rights to stock indexes for our futures products principally derive from license agreements that we have obtained from Standard & Poor's, Nasdaq, and other exchanges and institutions. For a more detailed discussion of these licenses, see the section of this prospectus entitled "Business—Licensing Agreements."

We regularly review our intellectual property to identify property that should be protected, the extent of current protection for that property and the availability of additional protection. We believe our various trademarks and service marks have been registered or applied for where needed. We also seek to protect our software and databases as trade secrets and under copyright law. We have copyright registrations for certain of our software, user manuals, and databases. Recent legal developments allowing patent protection for methods of doing business hold the possibility of additional protection, which we are examining.

Patents of third parties may have an important bearing on our ability to offer certain of our products and services. It is possible that, from time to time, we may face claims of infringement that could interfere with our ability to use technology or other intellectual property that is material to our business.

Legal Proceedings

From time to time, we are involved in legal proceedings and litigation arising in the ordinary course of business. As of the date of this prospectus, we are not a party to or threatened with any litigation or other legal proceeding that, in our opinion, could have a material adverse effect on our business, operating results or financial condition.

On May 5, 1999, we, CBOT, NYMEX and Cantor Fitzgerald, L.P. were sued by Electronic Trading Systems, Inc. in the U.S. District Court for the Northern District of Texas (Dallas Division) for alleged infringement of Wagner U.S. patent 4,903,201, entitled "Automated Futures Trade Exchange." The patent relates to a computerized exchange system for transacting sales of a futures contract wherein bids to purchase or offers to sell the contract are made through remote terminals and a computer automatically matches offers and bids to complete the transaction. On March 29, 2001, eSpeed, Inc., an affiliate of Cantor Fitzgerald, acquired certain rights to the patent. On August 26, 2002, we, along with CBOT, entered into a settlement agreement to resolve the litigation. Although we do not believe that our current electronic trading system infringes the Wagner patent, the settlement was structured as a license in order to facilitate final disposition of the litigation. Under the terms of the settlement agreement, eSpeed granted

us a worldwide, non-exclusive, non-transferable paid-up license to make, have made and use an electronic marketplace matching bids and offers, together with associated clearing and compliance functions, in each case as defined in the Wagner patent, for the life of the patent. As a condition to the license, we must pay $15 million to eSpeed over a five year period. Under the terms of the agreement, we were required to make an initial payment of $5 million within thirty days of the effective date of the settlement and we are required to make five subsequent annual payments of $2 million. Except for the e-miNY energy futures contracts that are traded on the GLOBEX electronic trading platform as of the date of the settlement agreement plus one additional e-miNY energy futures offering, the license does not allow us to process trades for any third party futures exchange unless eSpeed has granted a license to the third party futures exchange. As part of the agreement, all companies are released from the legal claims brought against each other without admitting liability on the part of any company.

We are currently engaged in a dispute with Euronext-Paris, our licensor of the NSC software, regarding indemnification for our costs, fees and settlement payment associated with the litigation described above. In connection with the litigation, we invoked the indemnification provision of our license agreement with Euronext-Paris. While Euronext-Paris initially hired and paid the fees and expenses of a law firm to defend and contest the litigation, it reserved its rights under the license agreement in the event that any modifications we made to the licensed system were the cause of the alleged infringement. On June 25, 2001, Euronext-Paris wrote to disclaim responsibility for defense of the litigation, requested that we reimburse it for all legal expenses and other costs incurred to date and asked that we assume full responsibility for defending the litigation and all costs associated with our defense. Though we rejected that demand, we subsequently agreed with Euronext-Paris to share responsibility for defense of the litigation, utilizing new lead defense counsel selected by us, and to share equally the costs and expenses of the new counsel as of January 1, 2002. Neither we nor Euronext-Paris waived any rights with respect to the indemnification provision of the license agreement. We have requested that Euronext-Paris reimburse us for all litigation expenses, including the settlement amount, totaling an estimated $18.5 million. On September 11, 2002, Euronext-Paris again disclaimed any indemnification obligation and gave notice that it was seeking reimbursement of its expenses in the litigation, totaling an estimated $5.5 million. If we are unable to resolve our dispute, we expect the matter will be submitted to arbitration in accordance with the terms of the license agreement.

Properties and Facilities

Our trading facilities and corporate headquarters are located at 30 South Wacker Drive in Chicago, Illinois. We occupy approximately 445,000 square feet of office space under two leases. The term of the first lease expires in November 2003. The term of the second lease has recently been amended and expires in November 2008. Upon the

expiration of the first lease in November 2003, all of the office space will be governed by the second lease, under which we have an option on three extensions that will allow us to continue to occupy this office space until November 2026. We also occupy 70,000 square feet of trading floor space under a lease with the CME Trust that expires in 2005. We have an option on three extensions that will allow us to continue to occupy this trading facility until October 2026. We maintain backup facilities for our electronic systems in separate office towers at 10 and 30 South Wacker Drive, and we opened a remote data center in a Chicago suburb that became operational in the third quarter of 2002. We also lease administrative office space in Washington, D.C., and Tokyo, Japan and both administrative and communication equipment space in London, England. We believe our facilities are adequate for our current operations and that additional space can be obtained if needed.

Employees

As of September 27, 2002, we had 1,118 employees. We consider relations with our employees to be good. We have never experienced a work stoppage. None of our employees are represented by a collective bargaining agreement. However, since 1982, we have had an understanding with the International Union of Operating Engineers, Local 399, AFL-CIO, relating to building engineers at our corporate headquarters building. Currently, there are seven employees to whom this understanding applies.

MANAGEMENT

Directors, Executive Officers and Key Advisors

The following table sets forth the directors, executive officers and key advisors of CME Holdings and CME and their ages and positions as of December 1, 2002:

Name	Age	Position
James J. McNulty(1)	51	President, Chief Executive Officer and Director
Terrence A. Duffy(1)(2)	44	Director and Chairman of the Board
Craig S. Donohue	41	Executive Vice President and Chief Administrative Officer
Phupinder Gill	42	Managing Director and President, Clearing House Division
David G. Gomach	44	Managing Director and Chief Financial Officer
Scott L. Johnston	39	Managing Director and Chief Information Officer
Eileen Keeve	49	Managing Director, Organizational Development
James R. Krause	54	Managing Director, Operations and Enterprise Computing
Satish Nandapurkar	39	Managing Director, Products and Services
Nancy W. Goble	49	Managing Director and Chief Accounting Officer
Timothy R. Brennan	61	Director
John W. Croghan(3)	72	Director
Martin J. Gepsman(1)(2)	50	Director and Secretary of the Board
Daniel R. Glickman(2)	58	Director
Scott Gordon(1)	50	Director
Yra G. Harris	49	Director
Bruce F. Johnson	60	Director
Gary M. Katler	56	Director
Patrick B. Lynch(1)(3)	36	Director and Treasurer of the Board
Leo Melamed(1)	70	Director, Chairman Emeritus and Senior Policy Advisor
John D. Newhouse	57	Director
James E. Oliff(1)	54	Director and Vice Chairman of the Board
William G. Salatich, Jr.	51	Director
John F. Sandner(1)(3)	61	Director and Special Policy Advisor
Myron S. Scholes	61	Director
Verne O. Sedlacek(3)	48	Director
William R. Shepard(1)(2)	56	Director and Second Vice Chairman of the Board
Howard J. Siegel	46	Director

(1) Member of the executive committee.

(2) Member of the compensation committee.

(3) Member of the audit committee.

James J. McNulty has served as President and Chief Executive Officer of CME since February 2000 and of CME Holdings since its formation on August 2, 2001. He has served as an appointed director of the boards of CME Holdings and CME since April 2002 and previously served as a non-voting member of the board of CME from February 2000 to April 2002 and of CME Holdings from its inception on August 2, 2001 to April 2002. Mr. McNulty has over 26 years of experience in global financial markets. Prior to joining us, he served as Managing Director and Co-Head of the Corporate Analysis and Structuring Team in the Corporate Finance Division at Warburg Dillon Read, an investment banking firm now known as UBS Warburg. He was a General Partner with O'Connor and Associates, a futures and options trading organization and a pioneer in sophisticated risk management technology, from 1987 to 1992. From 1984 to 1987 he was the founder and President of Hayes & Griffith Futures, Inc. He is currently on the boards of directors of OneChicago, the National Futures Association and World Business Chicago. Mr. McNulty is also a member of the board of visitors of the University of Illinois at Chicago College of Liberal Arts and Sciences. Mr. McNulty's terms on the CME Holdings and CME boards expire in April 2003.

Terrence A. Duffy has served as Chairman of CME Holdings' and CME's boards since April 2002, has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1995 and has been a member of our exchange for more than 20 years. Mr. Duffy served as Vice Chairman of CME Holdings' board from its formation on August 2, 2001 until April 2002 and of CME's board from 1998 until April 2002. Mr. Duffy has served as President of T.D.A. Trading, Inc. since 1981. Mr. Duffy's terms on the CME Holdings and CME boards expire in April 2003.

Craig S. Donohue has served as Executive Vice President and Chief Administrative Officer, Office of the CEO, of CME Holdings and of CME since October 9, 2002. Prior to that, he served as Managing Director and Chief Administrative Officer of CME Holdings from its formation on August 2, 2001 and of CME from April 2001, when his title was changed from Managing Director, Business Development and Corporate/Legal Affairs of CME, which he had held since March 2000. He also previously served as Senior Vice President and General Counsel from October 1998 to March 2000. Prior to that, Mr. Donohue served as Vice President of the Division of Market Regulation from 1997 to 1998 and Vice President and Associate General Counsel from 1995 to 1997.

Phupinder Gill has served as Managing Director and President of CME's Clearing House Division and GFX since March 2000. Prior to that, he served as President of CME's Clearing House Division from July 1998 to March 2000, Senior Vice President of the Clearing House Division from May 1997 to July 1998 and Vice President from May 1994 to May 1997. Mr. Gill has held numerous other positions with us since 1988.

David G. Gomach has served as Managing Director and Chief Financial Officer of CME Holdings since its formation on August 2, 2001 and of CME since March 2000. He previously served as Senior Vice President and Chief Financial Officer of CME from December 1997 to March 2000, as Vice President, Administration and Finance and Chief Financial Officer of CME from June 1997 to December 1997 and as Vice President, Administration and Finance of CME from December 1996 to June 1997. Mr. Gomach is a certified public accountant.

Scott L. Johnston has served as Managing Director and Chief Information Officer of CME since April 2000. Prior to joining us, he served as Managing Director in the Information Technology Division at UBS Warburg, an investment banking firm, from 1998 to 2000. Mr. Johnston also served as that firm's Executive Director in the Foreign Exchange/Interest Rate Technology Division from 1996 to 1997 and as Director in the Foreign Exchange Division from 1994 to 1996.

Eileen Keeve has served as Managing Director, Organizational Development of CME since November 2002. She previously served as our Director, Human Resources from March 2000 to November 2002 and as our Vice President of Human Resources from July 1994 to March 2000.

James R. Krause has served as Managing Director, Operations and Enterprise Computing of CME since April 2001. He previously served as Managing Director, Enterprise Computing from March 2000 to April 2001. Prior to that, he served as Senior Vice President, Enterprise Computing from January 1999 to March 2000, Senior Vice President, Systems Development from May 1998 to January 1999 and Vice President, Systems Development from August 1990 to May 1998.

Satish Nandapurkar has served as Managing Director, Products and Services of CME since April 2001, when his title was changed from Managing Director, e-Business of CME, which he had held since March 2000. Prior to joining us, Mr. Nandapurkar served as Head of Strategic Solutions for OptiMark Technologies. He also served as Managing Director and Global Head of Foreign Exchange Options for the Bank of America in Chicago from 1997 to 1999, Managing Director and Head of Structured Equity Products Trading at Deutsche Bank Morgan Grenfell from 1996 to 1997, and Managing Director and Global Head of Exotic Options and Quantitative Methodologies for Swiss Bank Corporation in London from 1994 to 1996.

Nancy W. Goble has served as Managing Director and Chief Accounting Officer of CME Holdings and CME since February 2002. She previously served as Director and Controller of CME Holdings from its formation on August 2, 2001 to February 2002, Director and Controller of CME from July 2000 to February 2002 and as Associate Director and Assistant Controller of CME from October 1997 to July 2000. Prior to that, she served as Senior Vice President and Chief Financial Officer with Richard Ellis Inc., a commercial real estate firm, from 1993 until 1997. Ms. Goble is a certified public accountant.

Timothy R. Brennan has served as a director of CME Holdings since its formation on August 2, 2001, a director of CME since 1990 and has been a member of our exchange for more than 26 years. Mr. Brennan has been a floor broker and trader since 1974 and has also served as Executive Vice President of RB&H Financial Services, L.P., one of our clearing firms, for more than six years. Mr. Brennan's terms on the CME Holdings and CME boards expire in April 2004.

John W. Croghan has served as a director of CME Holdings since its formation on August 2, 2001, a director of CME since 2001 and has been a member of our exchange for more than one year. He is also a director of Republic Services, Inc. and Schwarz Paper Co. Previously, Mr. Croghan was founder and Chairman of Lincoln Capital Management and President of Lincoln Partners. Mr. Croghan's terms on the CME Holdings and CME boards expire in April 2003.

Martin J. Gepsman has served as Secretary of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1998, has served as a director of CME since 1994 and has been a member of our exchange for more than 17 years. Mr. Gepsman has also been an independent floor broker and trader since 1985. Mr. Gepsman's terms on the CME Holdings and CME boards expire in April 2004.

Daniel R. Glickman has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 2001. Since August 5, 2002, Mr. Glickman has served as Director of the Institute of Politics at Harvard University's John F. Kennedy School of Government and has been a Senior Advisor and Consultant in the law firm of Akin, Gump, Strauss, Hauer & Feld, where he was a Partner from February 2001. Mr. Glickman previously served as U.S. Secretary of Agriculture from March 1995 through January 2001 and as a member of the U.S. Congress, representing a district in Kansas, from January 1977 through January 1995. Mr. Glickman's terms on the CME Holdings and CME boards expire in April 2003.

Scott Gordon has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1982 and has been a member of our exchange for more than 24 years. Mr. Gordon served as Chairman of CME Holdings from its formation on August 2, 2001 until April 2002 and as Chairman of CME from 1998 to April 2002, as Vice Chairman from 1995 to 1997 and as Secretary from 1984 to 1985 and 1988 to 1994. Mr. Gordon served as CME's acting Chief Executive Officer from

April 1999 until February 2000. He has been President, Chief Operating Officer and director since 1999 of Tokyo-Mitsubishi Futures (USA), Inc., a clearing firm of our exchange, wholly owned by The Bank of Tokyo-Mitsubishi, Ltd. He previously served as that firm's Executive Vice President and director. He is also a member of the CFTC's Global Markets Advisory Committee and the Advisory Committee to the Illinois Institute of Technology Center for the Study of Law and Financial Markets. Mr. Gordon is a director of the Institute for Financial Markets. Mr. Gordon's terms on the CME Holdings and CME boards expire in April 2004.

Yra G. Harris has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1997 and has been a member of our exchange for more than 23 years. Mr. Harris has been an independent floor trader since 1977. Mr. Harris' terms on the CME Holdings and CME boards expire in April 2003.

Bruce F. Johnson has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1998 and has been a member of our exchange for more than 30 years. Mr. Johnson has served as President, Director and part owner of Packers Trading Company, Inc., a futures commission merchant and former clearing firm, since 1969. He is also a director of Eco Technology Inc., Nettle Creek Standard Bred Farm, Inc. and Smoke Rise Ranch Co. Mr. Johnson's terms on the CME Holdings and CME boards expire in April 2004.

Gary M. Katler has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1993 and has been a member of our exchange for more than 14 years. He is currently Vice President of O'Connor & Company LLC. Previously, Mr. Katler was Head of the Professional Trading Group of Fimat USA from November 2000 to April 2002. Prior to that, Mr. Katler served as Senior Vice President of ING Barings Futures and Options Inc. Mr. Katler's terms on the CME Holdings and CME boards expire in April 2003.

Patrick B. Lynch has served as Treasurer of CME Holdings' and CME's boards since April 2002 and as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 2000. He has been a member of our exchange for more than 12 years and has been an independent floor trader since 1990. Mr. Lynch's terms on

the CME Holdings and CME boards expire in April 2004.

Leo Melamed has served as an elected director of CME Holdings' and CME's boards since April 2002. Mr. Melamed previously served as a non-voting director and Senior Policy Advisor of CME Holdings' board since its formation on August 2, 2001 and as Chairman Emeritus, Senior Policy Advisor and a non-voting director of CME. Mr. Melamed previously served as an elected and appointed board member for 26 years. He served as Chairman of CME from 1969 until 1972 and founding Chairman of the International Monetary Market from 1972 until its merger with our exchange in 1977. Mr. Melamed served as Special Counsel to CME's board from 1977 until 1991 and Chairman of our exchange's Executive Committee from 1985 until 1991. He has been a member of our exchange for more than 45 years. From 1993 to 2001, he served as Chairman and Chief Executive Officer of Sakura Dellsher, Inc., a clearing firm of our exchange, and he currently serves as Chairman and Chief Executive Officer of Melamed & Associates, a global consulting group. Mr. Melamed currently serves on the board of directors of OneChicago. He is also a member of the CFTC's Global Markets Advisory Committee. Mr. Melamed's terms on the CME Holdings and CME boards expire in April 2004.

John D. Newhouse has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1996 and also previously served as a director of CME from 1980 to 1985 and 1987 to 1988. Mr. Newhouse has been a member of our exchange for more than 26 years and a floor broker and trader since 1975. He is currently President of John F. Newhouse & Company, and he also served as President of Euro Spread Brokers, a broker association filling orders in Eurodollars, from 1981 to 2000. He currently trades for his own account. He is a director of John F. Newhouse & Company and

Gator Trading Company. Mr. Newhouse's terms on the CME Holdings and CME boards expire in April 2004.

James E. Oliff has served as Vice Chairman of CME Holdings' and CME's boards since April 2002, as a director of CME since 1994 and has been a member of our exchange for more than 24 years. Mr. Oliff served as Second Vice Chairman of CME Holdings' board from its formation on August 2, 2001 until April 2002 and of CME's board from 1998 until April 2002. He previously served on CME's board from 1982 to 1992. Mr. Oliff has served as President and Chief Executive Officer of FFast Trade U.S., LLC, since December 2001, as Chief Operating Officer of FFastFill Inc., an organization that provides trading and risk management software solutions, since December 2001, as Executive Director of International Futures and Options Associates since 1996 and as President of FILO Corp., a floor brokerage business, since 1982. He also served as President of LST Commodities, LLC (an introducing broker), now known as FFast Trade U.S. LLC, from 1999 until January 2002. He currently serves on the board of directors of OneChicago. Mr. Oliff is a visiting lecturer in financial market ethics at the Lemberg School of International Finance and Economics at Brandeis University, Waltham, Massachusetts. Mr. Oliff's terms on the CME Holdings and CME boards expire in April 2003.

William G. Salatich, Jr. has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1997 and has been a member of our exchange for more than 26 years. Mr. Salatich has been an independent floor broker and trader since 1975. Mr. Salatich's terms on the CME Holdings and CME boards expire in April 2003.

John F. Sandner has served as Special Policy Advisor and as a director of CME Holdings' board since its formation on August 2, 2001. Mr. Sandner has been Special Policy Advisor to CME since 1998, a member of CME's board since 1978 and a member of our exchange for more than 28 years. Previously, he served as Chairman of CME's board for 13 years. Mr. Sandner has served as President and Chief Executive Officer of RB&H Financial Services, L.P., a futures commission merchant and one of our clearing firms, since 1985. He was also Chairman and Chief Executive Officer of FreeDrive.com, an Internet business, from 1998 until 2001. Mr. Sandner currently serves on the board of directors of Click Commerce, Inc. and as a member of that company's audit committee. He also currently serves on the board of directors of the National Futures Association. Mr. Sandner's terms on the CME Holdings and CME boards expire in April 2003.

Myron S. Scholes has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 2000. He is Chairman of Oak Hill Platinum Partners and Managing Partner of Oak Hill Capital Management. Mr. Scholes is the Frank E. Buck Professor of Finance, Emeritus, at Stanford University's Graduate School of Business and a 1997 Nobel Laureate in Economics. He was formerly a limited partner and principal of Long Term Capital Management from 1993 until 1998. Currently, Mr. Scholes is also a director of Dimensional Fund Advisors Mutual Funds, the American Century Mutual Funds and Intelligent Markets. Mr. Scholes' terms on the CME Holdings and CME boards expire in April 2004.

Verne O. Sedlacek has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1997. Mr. Sedlacek also has been Executive Vice President and Chief Operating Officer of Commonfund Group since January 2002. Mr. Sedlacek served as President and Chief Operating Officer of John W. Henry & Company, Inc., a commodity trading advisor, from 1998 through January 2002 and as Executive Vice President and Chief Financial Officer of the Harvard Management Company, Inc., a 501(c)(3) investment advisor and a wholly owned subsidiary of Harvard University from 1983 to 1998. He is currently a director of the Futures Industry Association and Common Fund Capital Inc. He is also a member of the Global Markets Advisory Committee of the CFTC. Mr. Sedlacek's terms on the CME Holdings and CME boards expire in April 2003.

William R. Shepard has served as Second Vice Chairman of CME Holdings' and CME's boards since April 2002 and as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 1997 and has been a member of our exchange for more than 28 years. Mr. Shepard is founder and President of Shepard International, Inc., a futures commission merchant. Mr. Shepard's terms on the CME Holdings and CME boards expire in April 2004.

Howard J. Siegel has served as a director of CME Holdings' board since its formation on August 2, 2001 and of CME's board since 2000 and has been a member of our exchange for more than 24 years. Mr. Siegel has been a floor trader since 1977. Mr. Siegel's terms on the CME Holdings and CME boards expire in April 2004.

Election of Directors

Our certificate of incorporation provides that our board of directors be composed of 20 members. The board of directors is divided into two classes, each of whose members serve for a staggered two-year term. Messrs. Duffy, Croghan, Glickman, Harris, Katler, McNulty, Oliff, Salatich, Sandner and Sedlacek serve in the class whose term expires at the annual meeting of shareholders in 2003, and Messrs. Brennan, Gepsman, Gordon, Johnson, Lynch, Melamed, Newhouse, Scholes, Shepard and Siegel serve in the class whose term expires at the annual meeting of shareholders in 2004. Upon the expiration of the term of a class of directors, directors in that class will be elected for two-year terms at the annual meeting of shareholders in the year in which that term expires.

Holders of our Class B-1, B-2 and B-3 common stock have the right to elect six directors to the board. The remaining directors are elected by the holders of the Class A and Class B common stock, voting together as a class. The nominating committee, composed of members of the board of directors, nominates the slate of candidates to be elected by the holders of the Class A common stock and Class B common stock, voting together. This committee is responsible for assessing the qualifications of candidates as well as ensuring that regulatory requirements with respect to the composition of the board are met. The holders of the Class B-1, B-2 and B-3 common stock have the right to elect members of nominating committees for their respective class, which are responsible for nominating candidates for election by their class. Each committee is responsible for assessing the qualifications of candidates to serve as directors to be elected by that class. Our certificate of incorporation requires that director candidates for election by a class of Class B common stock own, or be recognized under our rules as a permitted transferee of, at least one share of that class.

CME's certificate of incorporation requires that the board of directors of CME be the same as the board of directors of CME Holdings.

Board Committees

The following are the six principal committees of the board of directors:

Audit committee. The audit committee of our board consists of Messrs. Croghan, Lynch, Sandner and Sedlacek. The audit committee's primary responsibilities include engaging independent accountants; appointing the chief internal auditor; approving independent audit fees; reviewing quarterly and annual financial statements; reviewing audit results and reports, including management comments and recommendations; reviewing our system of controls and policies, including those covering conflicts of interest and business ethics; evaluating reports of actual or threatened litigation; considering significant changes in accounting practices and examining improprieties or suspected improprieties. Mr. Croghan is Chairman of the audit committee.

Compensation committee. The compensation committee of our board consists of Messrs. Duffy, Gepsman, Glickman and Shepard. The compensation committee's primary responsibilities include making recommendations to the board concerning salaries and incentive compensation for our officers,

determining employee compensation policy and administering our employee benefit plans. Mr. Shepard is Chairman of the compensation committee.

Executive committee. The executive committee of our board consists of Messrs. Duffy, Gepsman, Gordon, Lynch, McNulty, Melamed, Oliff, Sandner and Shepard. The executive committee of our board has and may exercise the authority of the board of directors, when the board is not in session, except in cases where action of the entire board is required by the charter, the bylaws or applicable law. Mr. Duffy is chairman of the executive committee.

Nominating committee. The nominating committee of our board consists of Messrs. Gepsman, Melamed, Scholes, Shepard and Siegel. The nominating committee reviews the qualifications of potential candidates and proposes nominees for the 14 positions on the board of directors that are nominated by the board. This committee is composed of five directors selected by the board. The board strives to have a nominating committee that reflects the diversity of the board. This committee will consider nominees recommended by shareholders if the recommendations are submitted in writing and accompanied by a description of the proposed nominee's qualifications and other relevant biographical information and evidence of the consent of the proposed nominee. Under our bylaws, nominations may not be made at the annual meeting.

Board steering committee. The board steering committee of our board consists of Messrs. Duffy, Gepsman, Gordon, Harris, Lynch, McNulty, Melamed, Oliff, Sandner and Shepard. The board steering committee reviews management recommendations regarding strategic, business, legislative and regulatory policy determinations, reviews goals and priorities for the Chief Executive Officer and Executive Vice President and Chief Administrative Officer, monitors performance against previously set objectives.

Governance committee. The governance committee of our board consists of Messrs. Duffy, Gepsman, Glickman, Gordon, Katler, Melamed and Sandner. The governance committee develops and recommends to the board of directors a set of governance principles and oversees our policies, practices and procedures in the area of corporate governance. On November 7, 2002, the board of directors adopted corporate governance principles based on the recommendations of the governance committee.

The board also has the following committees: electronic transition committee; marketing and public relations advisory committee; and strategic implementation committee.

Director Compensation

Each director receives an annual stipend of $25,000, plus a meeting attendance fee of $1,500 for each regular meeting of the board that he or she attends, excluding special administrative meetings. Directors also receive an attendance fee of $1,000 for each committee meeting. In addition, directors receive an attendance fee of $1,000 for each meeting of special board hearing committees which are appointed as needed. Directors also receive a $1,000 fee for attendance at each functional committee meeting, including the arbitration, business conduct, market regulation oversight, membership, probable cause, pit supervision and trading floor operations committees. Directors also receive reimbursement of expenses for travel to board meetings. Our Chairman, Mr. Duffy, receives an annual stipend of $350,000, plus reimbursement of other board-related expenses. Our Chairman Emeritus and Senior Policy Advisor, Mr. Melamed, and our Special Policy Advisor, Mr. Sandner, each receive an annual stipend of $200,000, plus reimbursement of other board-related expenses. Our Chairman Emeritus and Senior Policy Advisor is also entitled to reimbursement of up to $150,000 annually for non-travel expenses. These expenses relate to his duties as a director and advisor, such as office and secretarial expenses. The stipends and expense reimbursement paid to our Senior Policy Advisor and Special Policy Advisor are paid in respect of the significant time and effort these advisors devote to their work as directors above that demanded of other directors who do not serve a similar role.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is an executive officer or employee of our company. With the exception of Mr. McNulty, none of our executive officers serves as a current member of our board of directors or as a member of the compensation committee of any entity that has one or more executive officers serving on our compensation committee.

Compensation of Executive Officers

The following table sets forth information on compensation earned by our Chief Executive Officer and each of the next four most highly compensated executive officers during the year ended December 31, 2001.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation Salary	Annual Compensation Bonus	Long-Term Compensation Awards-Securities Underlying Options/SARs(#)	All Other Compensation(1)
James J. McNulty	2001	$ 1,000,000	$ 892,500	0	$ 268,462
President and Chief	2000	865,385	1,000,000	1,438,734(2)	2,100,500
Executive Officer	1999	—	—	—	—
Phupinder S. Gill	2001	417,600	700,000	100,000	107,344

Managing Director and President,	2000	416,923	200,000	0	101,616
Clearing House Division	1999	400,000	160,000	0	80,914
Scott L. Johnston	2001	250,000	775,000	100,000	102,751
Managing Director and	2000	162,185	800,000	0	16,904
Chief Information Officer	1999	—	—	—	—
Craig S. Donohue	2001	250,000(3)	500,000	100,000	96,500
Executive Vice President and	2000	249,654	350,000	0	67,473
Chief Administrative Officer	1999	210,622	175,000	0	43,938
James R. Krause	2001	224,500	500,000	100,000	68,757
Managing Director, Operations	2000	211,538	135,000	0	59,783
and Enterprise Computing	1999	198,846	96,000	0	49,153

(1) All Other Compensation details for 2001:

	401 (k) Contribution	Pension Contribution	Supplemental Plan(4)	SERP Contribution(5)	Total
Mr. McNulty	$ 8,500	$ 13,600	$ 86,362	$ 160,000	$ 268,462
Mr. Gill	8,500	10,200	39,236	49,408	107,344
Mr. Johnston	8,500	5,263	4,988	84,000	102,751
Mr. Donohue	8,500	10,200	29,800	48,000	96,500
Mr. Krause	8,500	13,600	17,897	28,760	68,757

(2) Gives effect to our reorganization as if it occurred on December 31, 2000. As a result of the reorganization, we issued additional Class A shares in an amount approximately equal to the Class A share equivalents previously embedded in the Class B shares. Accordingly, the number of Class A shares included in the option was increased.

(3) Effective October 9, 2002, Mr. Donohue's annual salary was increased to $550,000.

(4) The items included under "Supplemental Plan" are: a 401(k) make-whole; a pension make-whole; and a discretionary bonus make-whole. A 401(k) make-whole is a company paid contribution for highly compensated individuals who have exceeded statutory contribution limits imposed by the provisions of our qualified 401(k) savings plan. A pension make-whole is a company paid contribution for highly compensated individuals who have exceeded statutory contribution limits imposed by our qualified pension plan. A discretionary bonus make-whole is a company paid contribution of up to 2% of the employee's annual salary, for highly compensated individuals who have exceeded the compensation limit identified in Section 401A of the Internal Revenue Code.

(5) SERP Contribution refers to our Supplemental Executive Retirement Plan, a non-qualified defined contribution plan for highly compensated senior officers.

Option/SAR Grants in 2001

Name	Number of Securities Underlying Options/SARs Granted(#)	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price Per Share	Expiration Date	Potential Realizable Value at Assumed Rates of Stock Price Appreciation for Option Term (10 Years)(1) 5%	10%
Mr. Gill	100,000	8.5%	$22	May 7, 2011	$1,147,378	$3,130,141
Mr. Johnston	100,000	8.5	22	May 7, 2011	1,147,378	3,130,141
Mr. Donohue	100,000	8.5	22	May 7, 2011	1,147,378	3,130,141
Mr. Krause	100,000	8.5	22	May 7, 2011	1,147,378	3,130,141

(1) These amounts represent assumed rates of appreciation required to be shown under Securities and Exchange Commission rules. Actual gains, if any, on stock option exercises are dependent on the future performance of our stock. We cannot assure you that the amounts reflected in these columns will be achieved or, if achieved, will exist at the time of any option exercise.

Option Values at December 31, 2001(1)

		Number of Securities Underlying Unexercised Options at Fiscal Year End Exercisable/Unexercisable(#)	Value of Unexercised In-the-Money Options at Fiscal Year End Exercisable/Unexercisable(4)
Mr. McNulty(2)	Tranche A	287,747/431,620	$6,151,890/$9,227,836
	Tranche B	287,747/431,620	$1,751,785/$2,627,677
Mr. Gill(3)		0/100,000	$0/$50,000
Mr. Johnston(3)		0/100,000	$0/$50,000
Mr. Donohue(3)		0/100,000	$0/$50,000
Mr. Krause(3)		0/100,000	$0/$50,000

(1) No options were exercised during 2001.

(2) Mr. McNulty's stock option is divided into two tranches. Each tranche of the option entitles Mr. McNulty to purchase up to 2.5% of all classes of our common stock that were issued upon our demutualization. Mr. McNulty's option was vested with respect to 40% and 60% of the shares covered by the option as of December 31, 2001 and September 30, 2002, respectively. On February 7 in each of 2003 and 2004, Mr. McNulty's option will vest with respect to an additional 20% of the shares covered by the option, subject to acceleration or termination in certain circumstances. For more information regarding the terms of Mr. McNulty's stock option, please see the section of this prospectus entitled "Management—McNulty Compensation."

(3) Messrs. Gill, Johnston, Donohue and Krause were granted their options on May 7, 2001. These options vest over a four-year period, with 40% vesting one year after the grant date and 20% vesting on that same date in each of the following three years, subject to acceleration or termination in certain circumstances. As of September 30, 2002, these options were each 40% vested.

(4) Mr. McNulty's option value at December 31, 2002 was based on the excess of the estimated value of the option over the option exercise price for each tranche of the option. The estimated value of the Class B shares included in Mr. McNulty's option generally represents the last sales price of each Class B share, if a sale occurred within the last 15 business days preceding December 31, 2001. If no sale occurred within that time period, the average of the bid and offer at December 31, 2001 was used to value each of the Class B shares. Since our demutualization, there has not been an independent trading market for the Class A shares, and shares of our Class A common stock can only be sold or acquired as part of a bundle with the trading rights on our exchange and the related Class B shares. Therefore, the value of the Class A shares at December 31, 2001 was imputed based on the recent prices for the bundle and recent prices relating to the trading rights only. The value of the Class A shares included in the options for Messrs. Gill, Johnston, Donohue and Krause was imputed at December 31, 2001 using this same methodology.

McNulty Compensation

In February 2000, we entered into an employment agreement with Mr. McNulty to serve as our President and Chief Executive Officer. The agreement terminates on December 31, 2003, unless sooner terminated by us or Mr. McNulty. Under the agreement, Mr. McNulty will receive a minimum annual base salary of $1.0 million. He is also eligible for an annual incentive bonus based upon the achievement of goals set by our board of directors, which bonus may not exceed the lesser of $1.5 million or 10% of our net income. The agreement provides that Mr. McNulty will be eligible to participate in the benefit plans

available generally to our senior officers, including our senior management supplemental deferred savings plan and Supplemental Executive Retirement Plan and certain other non-qualified benefit plans as disclosed in the Summary Compensation Table. We paid Mr. McNulty an aggregate of $3,965,885 and $2,160,962 in compensation for 2000 and 2001, respectively. Mr. McNulty's compensation for 2000 includes a $2,000,000 sign-on bonus to compensate Mr. McNulty for compensation he forfeited at his previous employer. In addition to Mr. McNulty's salary and bonuses, these figures include amounts received as contributions from us under our 401(k) plan, pension plan and Supplemental Executive Retirement Plan. These compensation amounts do not include the value of health benefits and other similar group benefits available generally to employees. For the nine months ended September 30, 2002, Mr. McNulty has received $769,231 in salary and $134,015 in benefits. Excluded from this 2002 compensation is any cash bonus and any contributions for discretionary bonus make-whole and for the Supplemental Executive Retirement Plan that may occur after September 30, 2002, as these amounts have not yet been determined.

Mr. McNulty also has been granted a non-qualified stock option, which is designed to reward him for increasing our value after the commencement of his employment. At September 30, 2002, the Class A and Class B common stock included in the option had an aggregate value of $93.5 million, assuming the option was fully vested and the value of each class of Class A common stock included in the option was $32.50 per share, the mid-point of the range shown on the cover of this prospectus.

The exercise price of the option is fixed at an aggregate of $54.6 million, based on the estimated value of the exchange on February 7, 2000, the date of grant, which was estimated to be approximately $874 million. The option was granted prior to the time of the demutualization when the company had no shares of common stock outstanding. The value of the company was determined by multiplying the average sale price in the previous six months for each membership class by the number of memberships in each class. Exchange memberships were used to determine the value of the exchange as it was anticipated that these memberships would be converted to common stock as part of the planned demutualization. Mr. McNulty's option is divided into two tranches, each representing 2.5% of each class of our common stock at the time of our demutualization on November 13, 2000 and adjusted for our holding company reorganization on December 3, 2001, representing an aggregate of 5.0% of each class of common stock outstanding. Upon exercise, Tranche A of the option would enable Mr. McNulty to realize 2.5% of the increase above our valuation on February 7, 2000, and Tranche B would enable him to realize 2.5% of any increase in excess of 150% of our valuation on February 7, 2000. Mr. McNulty may exercise one tranche independent of the other. However, Mr. McNulty may only exercise for a percentage of all shares in a tranche. The components of the option and the allocated exercise prices are indicated below. Our board of directors currently has the discretion to settle the exercise of the option with any combination of shares of Class A or Class B common stock or cash having a value equal to the value of the option at the date of

exercise. Following the offering, we do not expect that the option will be settled using Class B common stock.

	Number of Shares Included in the Option	Exercise Price per Share
Tranche A:		
Class A-1	179,844.400	$ 18.47
Class A-2	179,844.400	18.47
Class A-3	179,839.400	18.47
Class A-4	179,760.875	18.47
Class B-1	15.625	143,850
Class B-2	20.325	138,244
Class B-3	32.175	104,990
Class B-4	10.300	18,717
Tranche B:		
Class A-1	179,844.400	$ 27.71
Class A-2	179,844.400	27.71
Class A-3	179,839.400	27.71
Class A-4	179,760.875	27.71
Class B-1	15.625	215,775
Class B-2	20.325	207,366
Class B-3	32.175	157,485
Class B-4	10.300	28,075

The agreement provides that the number of shares and exercise price of a class of common stock subject to the option must be adjusted as a result of an equity restructuring, such as a stock dividend, spin-off, stock split, rights offering or recapitalization through a special, large nonrecurring dividend that causes the market value per share of the stock underlying the option to decrease or increase. The agreement further provides that a large nonrecurring dividend will be deemed to have been paid in the event that a nonrecurring cash dividend has been paid that is 1.5 or more times the prior calendar year's S&P 500 average dividend yield. The amount of the adjustment will equal the excess of the amount of the nonrecurring dividend less such 1.5 times measure. The option was adjusted to include 5% of the additional Class A shares issued in connection with our reorganization. Neither the special dividend we paid in June 2002 nor this offering is deemed an equity restructuring under the terms of the agreement.

At September 30, 2002, the estimated value of Mr. McNulty's option, assuming the option was fully vested and the value of a Class A share included in the option is equal to $32.50, the mid-point of the range shown on the cover of this prospectus, is calculated as follows:

Class of Stock	Number of Shares	Estimated Value per Share	Total Estimated Value	Estimated Value in Excess of Exercise Price
		(dollars in thousands, except per share amounts)		
Tranche A(1):				
Class A - all classes	719,289.075	$ 32.50	$ 23,377	
Class B-1	15.625	405,000	6,328	
Class B-2	20.325	387,500	7,876	

Class B-3	32.175	275,000	8,848		
Class B-4	10.300	29,500	304		
			$ 46,733		
Less: Exercise Price			(21,841)		
				$	24,892
Tranche B(1):					
Class A - all classes	719,289.075	$ 32.50	$ 23,377		
Class B-1	15.625	405,000	6,328		
Class B-2	20.325	387,500	7,876		
Class B-3	32.175	275,000	8,848		
Class B-4	10.300	29,500	304		
			$ 46,733		
Less: Exercise Price			(32,761)		
					13,972
Total	1,438,735			$	38,864

(1) The value of each Class B share generally represents the last sales price of a share of that class, if such a sale occurred within 15 business days of the valuation date. If no sale occurred within that time period, the average of the bid and offer at the valuation date is used to value the Class B share. Each class of Class B shares represents the value of the trading rights associated with that class.

The basket of stock subject to the option is used to determine the aggregate value of the option. In the event the option was exercised on September 30, 2002 and settled with cash, Mr. McNulty would have received $38.9 million, based on the value of the option at September 30, 2002, as calculated in the table above. Settlement of the option with cash would have no impact on our net income. However, the number of shares used to calculate diluted earnings per share would decline, as the option would no longer be included in the number of diluted shares. If the option was fully vested and was exercised on September 30, 2002 and settled solely in Class A common stock, we would have been required to issue 2,875,873 shares, based on the value of the option at September 30, 2002, as calculated in the table above, and assuming that the exercise price was paid in cash.

The option expires and is no longer exercisable following the date that is the earlier of (a) the ten-year anniversary of the grant date, (b) the date on which Mr. McNulty is notified of his termination for cause, (c) in the event of death, following payment to Mr. McNulty's estate in accordance with the terms of the employment agreement, or (d) 180 days after Mr. McNulty terminates his employment without good reason. The option may be exercised only as to the portion of the option that has vested. The option vested with respect to 40% of the shares subject thereto on February 7, 2001 and with respect to an additional 20% on February 7, 2002. The option will vest with respect to an additional 20% on February 7, 2003, and will be completely vested on February 7, 2004, subject to acceleration in the event of the following: (i) a

termination by us of his agreement without cause or due to Mr. McNulty's death or permanent disability, (ii) a termination of the agreement by Mr. McNulty for "good reason", (iii) upon the expiration of the original term of the agreement or (iv) upon a change in control and termination as described below. The option is non-transferable except with the written consent of the compensation committee of our board of directors.

Mr. McNulty may exercise the option by delivering to us written notice of the percentage of shares covered by the option with respect to which the option is being exercised, accompanied by full payment of the exercise price of such shares. The exercise price of the shares purchased must be paid in full by any of the following methods, or any combination thereof, selected by Mr. McNulty: (i) in cash; (ii) in Class A common stock valued at its fair market value on the date of exercise; (iii) in Class B common stock valued at its fair market value on the date of exercise; (iv) in cash by a broker-dealer to whom Mr. McNulty has submitted an exercise notice consisting of a fully-endorsed option (in which case, we will pay up to $50,000 of brokerage fees in connection with the exercise); (v) by agreeing to surrender a portion of the option then exercisable, valued at the fair market value of the shares covered by the option, minus the exercise price for such shares; or (vi) by directing us to withhold such number of shares otherwise issuable upon exercise of the option having an aggregate fair market value on the date of exercise equal to the exercise price of the option. Shares of Class A common stock distributed pursuant to exercise of the option are transferable by Mr. McNulty, subject to his being required to hold shares of Class A common stock with a fair market value equal to not less than three times his annual base salary while he remains employed by us as CEO.

On November 13, 2002, Mr. McNulty's employment agreement was amended. This amendment becomes effective upon the occurrence of three events: (i) this offering is completed; (ii) the Financial Accounting Standards Board adopts the amendment to Statement of Financial Accounting Standards No. 123 as proposed in the Exposure Draft, dated October 4, 2002; and (iii) we adopt SFAS No. 123, as amended, as the method for accounting for all employee stock options. If the amendment to the employment agreement becomes effective, the terms of the option will be amended as follows: (i) the provision that in the event of Mr. McNulty's death, the value of the option is paid in cash will be eliminated; (ii) the $50,000 reimbursement of brokerage fees in the event the option is exercised through a broker-dealer will be eliminated; and (iii) our ability to deliver Class B shares to satisfy the option will be eliminated. If the amendment to the employment agreement becomes effective, the exercise of the option may only be satisfied through the delivery of cash, Class A shares or any combination in an amount equal to the value of the option at the date of exercise. No Class B shares could be used to satisfy the option in the event it is exercised. This amendment does not change the basis for calculating the value of the option. Even if the amendment does not become effective, we do not expect that, following the offering, we would settle the option using Class B shares.

The agreement terminates on December 31, 2003, unless sooner terminated by us or Mr. McNulty. We may terminate the agreement pursuant to its terms due to Mr. McNulty's death or disability, or with or without cause. In addition, Mr. McNulty may terminate the agreement at any time after one year upon 90 days written notice. He may also terminate the agreement for "good reason" if our principal place of business is relocated outside of the Chicago metropolitan area, if we fail, after notice, to pay the agreed-upon compensation or benefits or if he is demoted or his responsibilities are significantly diminished. The agreement provides that, in the event of a termination without cause by us, Mr. McNulty shall be entitled to receive his base salary for the remainder of the original term plus one-third of the maximum annual incentive bonus he would have received during such time. The agreement also provides that, in the event that Mr. McNulty terminates his employment after the first year on less than 90 days written notice, other than following one of the matters previously described as "good reason," we may set off against any amounts otherwise owed to him a sum equal to his daily salary for each day his notice of termination is less than 90 days. If Mr. McNulty's employment is terminated because of his death or disability, he or his beneficiary will continue to receive the base salary for six months following that

termination. In the event of his death or disability, his option will vest and, in the event of his death, be paid in cash.

The agreement also provides that, if within two years of a "change in control" (as defined in the agreement), Mr. McNulty is terminated by us or he terminates the agreement as a result of the occurrence of one of the matters described previously as "good reason," any unvested portion of his non-qualified stock option would immediately vest and generally become exercisable for a one-year period following termination of employment. In addition, in such event, Mr. McNulty will be entitled to a payment equal to two times his base salary plus one and one-third times the maximum incentive bonus for which he would have been eligible for the remaining term of the agreement, provided that the severance payments may not exceed $8 million. The payments due to Mr. McNulty would be subject to reduction to the extent that a reduction would increase the net, after-tax amount of the payment retained by Mr. McNulty giving effect to the application of the excess parachute excise tax imposed by Section 4999 of the Internal Revenue Code.

In reaching the agreement with Mr. McNulty, we considered information drawn from a variety of sources, such as published survey data, information supplied by consultants and our own experience in recruiting and retaining executives. Mr. McNulty's base pay and bonus awards are designed to provide a competitive market salary and rewards based on his level of responsibility and performance. The option awarded to Mr. McNulty, like all of our long-term, equity-based compensation awards, is designed to align Mr. McNulty's interests with shareholder interests and to balance short- and long-term rewards.

Benefit Plans with Change in Control Provisions

Omnibus Stock Plan

We have adopted an Omnibus Stock Plan under which awards of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock and other equity-based awards may be made to our employees and those of our affiliates. A total of approximately 2.7 million shares of our common stock are authorized for issuance under the Omnibus Stock Plan (subject to adjustment in the event of a merger, reorganization or similar corporate event involving us) of which approximately 2.7 million are subject to outstanding options or restricted share awards. The plan is administered by a committee of our board of directors, which has the responsibility for selecting recipients of awards under the plan, determining the terms and conditions of these awards and interpreting the provisions of the plan.

The Omnibus Stock Plan contains a change in control provision. A change of control generally occurs under the plan upon the occurrence of the following events:

- any person acquires more than 50% of our then outstanding shares of Class A common stock or more than 50% of the combined voting power of the then outstanding shares of common stock;
- individuals who comprised our board of directors on February 7, 2000 (generally including any person becoming a director who was nominated or approved by those persons), cease to constitute at least a majority of our board of directors;
- a reorganization, merger, consolidation, or sale of all or substantially all of our assets under circumstances where (i) our shareholders prior to the transaction own less than 50% of the then outstanding shares or less than 50% of the combined voting power of the surviving or resulting corporation, (ii) the members of our board of directors immediately prior to the transaction do not constitute a majority of the board of directors of the resulting or surviving corporation or (iii) an individual or entity acquires 50% or more of the common stock or combined voting power of the surviving or resulting entity; or
- the approval by our shareholders of a complete liquidation or dissolution of CME Holdings.

The Omnibus Stock Plan generally provides that, in the event of a change in control as a result of which our shareholders receive registered common stock, all unvested options issued under the plan shall become vested and exercisable, restrictions shall lapse with respect to any restricted stock issued under the plan and performance goals applicable to outstanding awards shall be deemed to have been achieved. If the consideration to be received by our shareholders pursuant to the change in control is not registered common stock, outstanding awards will be cancelled in exchange for a cash payment equal to the value of such award (as defined in the Omnibus Stock Plan).

Pension Plan

We maintain a non-contributory defined benefit cash balance pension plan for eligible employees. To be eligible, an employee must be 21 years of age and have been employed with us for a continuous 12-month period. Participants become vested in their accounts after five years of service. An individual pension account is maintained for each plan participant. During employment, each individual pension account is credited with an amount equal to an age-based percentage of that individual's earnings plus the greater of 4% or the December yield on one-year Treasury maturities. Effective January 15, 1995, we amended our pension plan to provide for any age-based contribution to a cash balance account, and to include cash bonuses in the definition of earnings. Our policy is to fund at least those pension costs that are currently required by law. Vested balances may be paid out when participants end their employment with us. Alternatively, a participant may elect to receive the balance in the account in the form of one of various monthly annuities. The following is the schedule of the employer contributions based on age:

Age	Employer Contribution Percentage
Under 30	3%
30-34	4
35-39	5
40-44	6
45-49	7
50-54	8
Over 54	9

The individuals named below have projected annual retirement benefits, based on current accumulated balances, a future annual interest credit rate of 6% and future service to age 65 at current salary levels, as follows: Mr. McNulty, $40,702; Mr. Gill, $103,662; Mr. Johnston, $95,684; Mr. Donohue, $109,078; and Mr. Krause, $52,770.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

UBS Warburg LLC, one of the lead underwriters of this offering, has provided financial advisory services to us. Prior to becoming President and Chief Executive Officer of the company, Mr. McNulty was an executive at Warburg Dillon Read, predecessor of UBS Warburg LLC.

Of our 20 directors, 17 directors own or are officers or directors of others who own memberships on our exchange, including several directors who serve as officers or directors of clearing firms. Clearing firms pay substantial fees to us in connection with services we provide. We believe that the services provided to these clearing firms are on

terms no more favorable to those firms than terms given to clearing firms not affiliated with directors. Several of our directors are floor traders, floor brokers or otherwise trade on our exchange. Directors who trade on our exchange pay the same fees as all comparable members.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information regarding beneficial ownership of CME Holdings' common stock as of October 23, 2002 by:

- each of our directors;
- each of our named executive officers;
- all directors and executive officers as a group;
- each selling shareholder; and
- all selling shareholders as a group.

Beneficial ownership is determined according to the rules of the SEC, and generally means that person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security, and includes options that are currently exercisable or exercisable within 60 days. Each director, officer or 5% or more shareholder, as the case may be, has furnished us with information with respect to beneficial ownership. Except as otherwise indicated, we believe that the beneficial owners of common stock listed below, based on the information each of them has given to us, have sole investment and voting power with respect to their shares, except where community property laws may apply.

This table lists applicable percentage ownership based on 28,817,662 shares of Class A common stock (not including 68,400 shares of Class A common stock subject to restricted stock awards as of October 23, 2002) and 3,138 shares of Class B common stock outstanding as of October 23, 2002, and also lists applicable percentage ownership based on 31,817,662 shares of Class A common stock outstanding after completion of this offering. Options to purchase shares of our Class A common stock that are exercisable within 60 days of October 23, 2002, are deemed to be beneficially owned by the persons holding these options for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Directors & Officers:													
James J. McNulty(1)	215,813	A-1	2.91%	19	B-1	2.91%	—	A-1	215,813	A-1	3.00%	863,146	2.71%
	215,813	A-2	2.91	24	B-2	2.91	—	A-2	215,813	A-2	3.01		
	215,807	A-3	2.91	39	B-3	2.91	—	A-3	215,807	A-3	3.10		
	215,713	A-4	2.91	12	B-4	2.91	—	A-4	215,713	A-4	3.27		
Terrence A. Duffy(2)	4,525	A-1	*	1	B-1	*	—	A-1	4,525	A-1	*	18,098	*
	4,525	A-2	*	—	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	—	B-3	*	—	A-3	4,525	A-3	*		
	4,523	A-4	*	1	B-4	*	—	A-4	4,523	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(1) Mr. McNulty's total represents the shares of each class of common stock subject to the option granted to Mr. McNulty that are exercisable within 60 days of October 23, 2002.

(2) Includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Duffy shares joint ownership and has voting power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Timothy R. Brennan(3)	6,025	A-1	*	1	B-1	*	—	A-1	6,025	A-1	*	24,097	*
	6,025	A-2	*	—	B-2	*	—	A-2	6,025	A-2	*		
	6,025	A-3	*	1	B-3	*	—	A-3	6,025	A-3	*		
	6,022	A-4	*	1	B-4	*	—	A-4	6,022	A-4	*		
John W. Croghan(4)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	17,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	—	A-4	4,499	A-4	*		
Martin J. Gepsman(5)	1,525	A-1	*	—	B-1	*	—	A-1	1,525	A-1	*	6,098	*
	1,525	A-2	*	—	B-2	*	—	A-2	1,525	A-2	*		
	1,525	A-3	*	1	B-3	*	—	A-3	1,525	A-3	*		
	1,523	A-4	*	1	B-4	*	—	A-4	1,523	A-4	*		
Daniel R. Glickman	—	A-1	*	—	B-1	*	—	A-1	—	A-1	*	—	*
	—	A-2	*	—	B-2	*	—	A-2	—	A-2	*		
	—	A-3	*	—	B-3	*	—	A-3	—	A-3	*		
	—	A-4	*	—	B-4	*	—	A-4	—	A-4	*		
Scott Gordon(6)	21,025	A-1	*	2	B-1	*	—	A-1	21,025	A-1	*	84,092	*
	21,025	A-2	*	2	B-2	*	—	A-2	21,025	A-2	*		
	21,025	A-3	*	2	B-3	*	—	A-3	21,025	A-3	*		

	21,017	A-4	*	1	B-4	*	—	A-4	21,017	A-4	*		
Yra G. Harris(7)	7,500	A-1	*	—	B-1	*	—	A-1	7,500	A-1	*	29,997	*
	7,500	A-2	*	2	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	1	B-3	*	—	A-3	7,500	A-3	*		
	7,497	A-4	*	—	B-4	*	—	A-4	7,497	A-4	*		
Bruce F. Johnson	4,525	A-1	*	1	B-1	*	—	A-1	4,525	A-1	*	18,098	*
	4,525	A-2	*	—	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	—	B-3	*	—	A-3	4,525	A-3	*		
	4,523	A-4	*	1	B-4	*	—	A-4	4,523	A-4	*		
Gary M. Katler(8)	1,525	A-1	*	—	B-1	*	—	A-1	1,525	A-1	*	6,098	*
	1,525	A-2	*	—	B-2	*	—	A-2	1,525	A-2	*		
	1,525	A-3	*	1	B-3	*	—	A-3	1,525	A-3	*		
	1,523	A-4	*	1	B-4	*	—	A-4	1,523	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(3) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held through Brennan Enterprises, an S Corporation of which Mr. Brennan is the owner. Also includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Brennan shares joint ownership, but over which he does not have voting power.

(4) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Mr. Croghan exercises voting and investment power.

(5) Includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Gepsman shares joint ownership and has voting power.

(6) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares held in a trust over which Mr. Gordon has investment and voting power. Also includes 18,025 Class A-1, 18,025 Class A-2, 18,025 Class A-3, 18,018 Class A-4, two Class B-1, two Class B-2 and two Class B-3 shares and one Class B-4 share which are owned by Tokyo-Mitsubishi Futures (USA), Inc. over which he exercises voting power. Mr. Gordon disclaims beneficial ownership of the shares owned by Tokyo-Mitsubishi Futures (USA), Inc.

(7) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3, and 2,999 Class A-4 shares and one Class B-2 share which are not owned by Mr. Harris, but which are held in his name and over which he exercises voting power.

(8) Includes 1,525 Class A-1, 1,525 Class A-2, 1,525 Class A-3 and 1,523 Class A-4 shares and one Class B-3 share owned by O'Connor & Company LLC as to which Mr. Katler has no voting power. Mr. Katler disclaims beneficial ownership of the shares owned by O'Connor & Company LLC.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Patrick B. Lynch	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	11,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	—	A-4	2,999	A-4	*		
Leo Melamed	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	11,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	—	A-4	2,999	A-4	*		
John D. Newhouse(9)	10,525	A-1	*	—	B-1	*	—	A-1	10,525	A-1	*	42,095	*
	10,525	A-2	*	3	B-2	*	—	A-2	10,525	A-2	*		
	10,525	A-3	*	1	B-3	*	—	A-3	10,525	A-3	*		
	10,520	A-4	*	1	B-4	*	—	A-4	10,520	A-4	*		
James E. Oliff(10)	3,025	A-1	*	—	B-1	*	—	A-1	3,025	A-1	*	12,098	*
	3,025	A-2	*	1	B-2	*	—	A-2	3,025	A-2	*		
	3,025	A-3	*	—	B-3	*	—	A-3	3,025	A-3	*		
	3,023	A-4	*	1	B-4	*	—	A-4	3,023	A-4	*		
William G. Salatich, Jr.(11)	4,525	A-1	*	1	B-1	*	—	A-1	4,525	A-1	*	18,098	*
	4,525	A-2	*	—	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	—	B-3	*	—	A-3	4,525	A-3	*		
	4,523	A-4	*	1	B-4	*	—	A-4	4,523	A-4	*		
John F. Sandner	25,525	A-1	*	3	B-1	*	—	A-1	25,525	A-1	*	102,090	*
	25,525	A-2	*	2	B-2	*	—	A-2	25,525	A-2	*		
	25,525	A-3	*	4	B-3	*	—	A-3	25,525	A-3	*		
	25,515	A-4	*	1	B-4	*	—	A-4	25,515	A-4	*		
Myron S. Scholes	—	A-1	*	—	B-1	*	—	A-1	—	A-1	*	—	*
	—	A-2	*	—	B-2	*	—	A-2	—	A-2	*		
	—	A-3	*	—	B-3	*	—	A-3	—	A-3	*		
	—	A-4	*	—	B-4	*	—	A-4	—	A-4	*		
Verne O. Sedlacek	—	A-1	*	—	B-1	*	—	A-1	—	A-1	*	—	*
	—	A-2	*	—	B-2	*	—	A-2	—	A-2	*		
	—	A-3	*	—	B-3	*	—	A-3	—	A-3	*		
	—	A-4	*	—	B-4	*	—	A-4	—	A-4	*		
William R. Shepard(12)	9,025	A-1	*	1	B-1	*	—	A-1	9,025	A-1	*	36,096	*
	9,025	A-2	*	1	B-2	*	—	A-2	9,025	A-2	*		
	9,025	A-3	*	1	B-3	*	—	A-3	9,025	A-3	*		
	9,021	A-4	*	1	B-4	*	—	A-4	9,021	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(9) Includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Newhouse shares joint ownership and has voting power. Also includes 10,500 Class A-1, 10,500 Class A-2, 10,500 Class A-3 and 10,496 Class A-4 shares, three Class B-2 shares and one Class B-3 share owned by John F. Newhouse & Company, which is owned by Mr. Newhouse.

(10) Includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Oliff shares joint ownership, but over which he does not have voting power. Excludes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share and 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held through two trusts in the names of each of his parents. Mr. Oliff has no voting or ownership power over these trusts, and he disclaims beneficial ownership for the shares held in trust.

(11) Includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Salatich shares joint ownership, but over which he does not have voting power.

(12) Includes 25 Class A-1, 25 Class A-2, 25 Class A-3, and 24 Class A-4 shares and one Class B-4 share as to which Mr. Shepard shares joint ownership and has voting power.

	Shares of Common Stock Beneficially Owned Prior to This Offering	Shares of Class A Common Stock Beneficially Owned After This Offering

Beneficial Owner	Class A # of Shares	Class A Class	Class A % of Class	Class B # of Shares	Class B Class	Class B % of Class	Shares of Class A Common Stock Offered Hereby # of Shares	Shares of Class A Common Stock Offered Hereby Class	Shares of Class A Common Stock Beneficially Owned After This Offering # of Shares	Shares of Class A Common Stock Beneficially Owned After This Offering Class	Shares of Class A Common Stock Beneficially Owned After This Offering % of Class	Aggregate # of Class A # of Shares	Aggregate # of Class A % of Class
Howard J. Siegel	10,500	A-1	*	2	B-1	*	—	A-1	10,500	A-1	*	41,997	*
	10,500	A-2	*	—	B-2	*	—	A-2	10,500	A-2	*		
	10,500	A-3	*	1	B-3	*	—	A-3	10,500	A-3	*		
	10,497	A-4	*	—	B-4	*	—	A-4	10,497	A-4	*		
Craig Donohue(13)	10,000	A-1	*	—	B-1	*	—	A-1	10,000	A-1	*	40,000	*
	10,000	A-2	*	—	B-2	*	—	A-2	10,000	A-2	*		
	10,000	A-3	*	—	B-3	*	—	A-3	10,000	A-3	*		
	10,000	A-4	*	—	B-4	*	—	A-4	10,000	A-4	*		
Phupinder Gill(13)	10,000	A-1	*	—	B-1	*	—	A-1	10,000	A-1	*	40,000	*
	10,000	A-2	*	—	B-2	*	—	A-2	10,000	A-2	*		
	10,000	A-3	*	—	B-3	*	—	A-3	10,000	A-3	*		
	10,000	A-4	*	—	B-4	*	—	A-4	10,000	A-4	*		
Scott Johnston(13)	10,000	A-1	*	—	B-1	*	—	A-1	10,000	A-1	*	40,000	*
	10,000	A-2	*	—	B-2	*	—	A-2	10,000	A-2	*		
	10,000	A-3	*	—	B-3	*	—	A-3	10,000	A-3	*		
	10,000	A-4	*	—	B-4	*	—	A-4	10,000	A-4	*		
James Krause(13)	10,000	A-1	*	—	B-1	*	—	A-1	10,000	A-1	*	40,000	*
	10,000	A-2	*	—	B-2	*	—	A-2	10,000	A-2	*		
	10,000	A-3	*	—	B-3	*	—	A-3	10,000	A-3	*		
	10,000	A-4	*	—	B-4	*	—	A-4	10,000	A-4	*		
Directors and Executive Officers as a group (27 persons)(14)	396,888	A-1	5.30%	32	B-1	4.93%	—	A-1	396,888	A-1	5.47%	1,587,395	4.82%
	396,888	A-2	5.30	37	B-2	4.47	—	A-2	396,888	A-2	5.50		
	396,882	A-3	5.30	52	B-3	3.89	—	A-3	396,882	A-3	5.65		
	396,737	A-4	5.31	23	B-4	5.50	—	A-4	396,737	A-4	5.95		
Selling Shareholders(15):													
Robert S. Alpert(16)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Steven Y. Amiel	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Edwin L. Apel	4,525	A-1	*	1	B-1	*	—	A-1	4,525	A-1	*	14,098	*
	4,525	A-2	*	—	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	—	B-3	*	—	A-3	4,525	A-3	*		
	4,523	A-4	*	1	B-4	*	4,000	A-4	523	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(13) Messrs. Donohue's, Gill's, Johnston's and Krause's totals represent shares that each of them could acquire if they exercised the vested portion of the option each of them received in May 2001.

(14) Includes an aggregate of 276,413 Class A-1 shares, 276,413 Class A-2 shares, 276,407 Class A-3 shares, 276,313 Class A-4 shares, 19 Class B-1 shares, 24 Class B-2 shares, 39 Class B-3 shares and 12 Class B-4 shares that could be acquired upon the exercise of the vested portions of options held by members of the group and 200 restricted Class A-1 shares, 200 restricted Class A-2 shares, 200 restricted Class A-3 shares and 200 restricted Class A-4 shares held by a member of the group.

(15) As indicated in the table, almost all of the selling shareholders own shares of Class B common stock, which are associated with trading privileges on our exchange. These shareholders may derive a substantial portion of their income from trading and clearing activities on our exchange and pay substantial fees, directly or indirectly, to us.

(16) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Alpert exercises voting and investment power.

Beneficial Owner	Shares of Common Stock Beneficially Owned Prior to This Offering — Class A # of Shares	Class A Class	Class A % of Class	Class B # of Shares	Class B Class	Class B % of Class	Shares of Class A Common Stock Offered Hereby # of Shares	Shares of Class A Common Stock Offered Hereby Class	Shares of Class A Common Stock Beneficially Owned After This Offering # of Shares	Shares of Class A Common Stock Beneficially Owned After This Offering Class	Shares of Class A Common Stock Beneficially Owned After This Offering % of Class	Aggregate # of Class A # of Shares	Aggregate # of Class A % of Class
Burton Arenson(17)	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Michael S. Arenson	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,000	A-4	499	A-4	*		
Jerome D. Arkin	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,999	*
	1,500	A-2	*	—	B-2	*	1	A-2	1,499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Gregory W. Baird	33,725	A-1	*	2	B-1	*	33,725	A-1	—	A-1	*	—	*
	33,725	A-2	*	2	B-2	*	33,725	A-2	—	A-2	*		
	33,725	A-3	*	1	B-3	*	33,725	A-3	—	A-3	*		
	33,712	A-4	*	1	B-4	*	33,712	A-4	—	A-4	*		
Arnold I. Bakal(18)	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	2	B-3	*	3,000	A-3	—	A-3	*		
	2,998	A-4	*	—	B-4	*	2,998	A-4	—	A-4	*		
Sara Barach(19)	10,515	A-1	*	1	B-1	*	—	A-1	10,515	A-1	*	21,028	*
	10,515	A-2	*	1	B-2	*	2	A-2	10,513	A-2	*		
	10,515	A-3	*	2	B-3	*	10,515	A-3	—	A-3	*		
	10,511	A-4	*	—	B-4	*	10,511	A-4	—	A-4	*		
Kevin G. Battle	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,500	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

Larry C. Beck	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Phillip H. Becker	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	5,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	999	A-4	500	A-4	*		
Tyler K. Belnap(20)	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	13,500	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
David M. Berg	1,500	A-1	*	—	B-1	*	1	A-1	1,499	A-1	*	1,499	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(17) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Arenson exercises voting and investment power.

(18) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,998 Class A-4 shares and two Class B-3 shares held in a trust over which Mr. Bakal exercises voting and investment power.

(19) Includes 10,515 Class A-1, 10,515 Class A-2, 10,515 Class A-3 and 10,511 Class A-4 shares and one Class B-1, one Class B-2 and two Class B-3 shares held in a trust over which Ms. Barach exercises voting and investment power.

(20) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares held in a trust over which Mr. Belnap exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Lawrence Berland	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	11,998	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	3	B-3	*	1,502	A-3	2,998	A-3	*		
	4,497	A-4	*	—	B-4	*	4,497	A-4	—	A-4	*		
Robert L. Berland	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Joseph M. Bertucci(21)	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,999	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	1	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,000	A-4	1,999	A-4	*		
Judith K. Block & Stanley N. Katz(22)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	9,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Steven R. Block	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	500	A-3	1,000	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Alan M. Booge	1,503	A-1	*	—	B-1	*	1,503	A-1	—	A-1	*	—	*
	1,503	A-2	*	—	B-2	*	1,503	A-2	—	A-2	*		
	1,502	A-3	*	1	B-3	*	1,502	A-3	—	A-3	*		
	1,501	A-4	*	—	B-4	*	1,501	A-4	—	A-4	*		
Judd E. Brody	3,025	A-1	*	—	B-1	*	—	A-1	3,025	A-1	*	6,050	*
	3,025	A-2	*	1	B-2	*	—	A-2	3,025	A-2	*		
	3,025	A-3	*	—	B-3	*	3,025	A-3	—	A-3	*		
	3,023	A-4	*	1	B-4	*	3,023	A-4	—	A-4	*		
Timothy J. Bromagen	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,799	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,200	A-4	299	A-4	*		
Rick E. Brooks	2,850	A-1	*	—	B-1	*	2,850	A-1	—	A-1	*	—	*
	2,850	A-2	*	—	B-2	*	2,850	A-2	—	A-2	*		
	2,850	A-3	*	1	B-3	*	2,850	A-3	—	A-3	*		
	2,849	A-4	*	—	B-4	*	2,849	A-4	—	A-4	*		
Jeffrey J. Bryk	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	—	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Raymond H. Burchett	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Norman B. Byster	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	5,999	*
	3,000	A-2	*	1	B-2	*	1	A-2	2,999	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(21) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Bertucci exercises voting and investment power.

(22) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share that Ms. Block and Mr. Katz own as tenants-in-common.

Beneficial Owner	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Charles J. Campbell	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,000	A-4	499	A-4	*		
Robert J. Caras	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	5,299	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	700	A-4	799	A-4	*		
Jack J. Carl	5,625	A-1	*	1	B-1	*	—	A-1	5,625	A-1	*	17,498	*
	5,625	A-2	*	1	B-2	*	—	A-2	5,625	A-2	*		
	5,625	A-3	*	—	B-3	*	—	A-3	5,625	A-3	*		
	5,623	A-4	*	—	B-4	*	5,000	A-4	623	A-4	*		
Carr Futures, Inc.	42,050	A-1	*	2	B-1	*	—	A-1	42,050	A-1	*	118,000	*
	42,050	A-2	*	6	B-2	*	2,143	A-2	39,907	A-2	*		
	42,050	A-3	*	10	B-3	*	24,025	A-3	18,025	A-3	*		
	42,030	A-4	*	2	B-4	*	24,012	A-4	18,018	A-4	*		
Mark D. Carriere	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,999	*
	1,500	A-2	*	—	B-2	*	1	A-2	1,499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Lee S. Casty	3,000	A-1	*	—	B-1	*	3,000	A-1	—	A-1	*	—	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Frank D. Catizone	3,005	A-1	*	—	B-1	*	—	A-1	3,005	A-1	*	7,519	*
	3,005	A-2	*	—	B-2	*	—	A-2	3,005	A-2	*		
	3,005	A-3	*	1	B-3	*	1,496	A-3	1,509	A-3	*		
	3,004	A-4	*	—	B-4	*	3,004	A-4	—	A-4	*		
Estate of William Chapman(23)	10	A-1	*	—	B-1	*	10	A-1	—	A-1	*	—	*
	10	A-2	*	—	B-2	*	10	A-2	—	A-2	*		
	10	A-3	*	—	B-3	*	10	A-3	—	A-3	*		
	10	A-4	*	—	B-4	*	10	A-4	—	A-4	*		
Seymour Chelemsky	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,999	A-4	1,000	A-4	*		
Bradley P. Cohen	1,528	A-1	*	—	B-1	*	—	A-1	1,528	A-1	*	4,585	*
	1,528	A-2	*	—	B-2	*	—	A-2	1,528	A-2	*		
	1,527	A-3	*	1	B-3	*	—	A-3	1,527	A-3	*		
	1,525	A-4	*	1	B-4	*	1,523	A-4	2	A-4	*		
Richard C. Cohen	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	9,000	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	4,500	A-3	—	A-3	*		
	4,498	A-4	*	—	B-4	*	4,498	A-4	—	A-4	*		
Peter J. Corrigan	3,025	A-1	*	1	B-1	*	—	A-1	3,025	A-1	*	6,098	*
	3,025	A-2	*	—	B-2	*	—	A-2	3,025	A-2	*		
	3,025	A-3	*	—	B-3	*	2,977	A-3	48	A-3	*		
	3,023	A-4	*	1	B-4	*	3,023	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(23) The Estate of William Chapman is controlled by Bruce Rohde and P.J. Morgan as co-personal representatives.

Beneficial Owner	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Benjamin H. Cox	3,000	A-1	*	—	B-1	*	2,001	A-1	999	A-1	*	999	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Credit Agricole Indosuez	3,005	A-1	*	—	B-1	*	—	A-1	3,005	A-1	*	6,000	*
	3,005	A-2	*	1	B-2	*	10	A-2	2,995	A-2	*		
	3,005	A-3	*	—	B-3	*	3,005	A-3	—	A-3	*		
	3,004	A-4	*	—	B-4	*	3,004	A-4	—	A-4	*		
Lorraina O. Daker	1,503	A-1	*	—	B-1	*	1,503	A-1	—	A-1	*	—	*
	1,503	A-2	*	—	B-2	*	1,503	A-2	—	A-2	*		
	1,502	A-3	*	1	B-3	*	1,502	A-3	—	A-3	*		
	1,501	A-4	*	—	B-4	*	1,501	A-4	—	A-4	*		
Scott L. Davis	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Dennis T. Davoren	3,000	A-1	*	1	B-1	*	—	A-1	3,000	A-1	*	9,999	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,000	A-4	999	A-4	*		

Robert Decker	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,999	A-4	1,000	A-4	*		
Henry C. DeGroh, Jr.	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Richard R. Dempsey	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
William L. Denicolo	1,503	A-1	*	—	B-1	*	1,503	A-1	—	A-1	*	—	*
	1,503	A-2	*	—	B-2	*	1,503	A-2	—	A-2	*		
	1,502	A-3	*	1	B-3	*	1,502	A-3	—	A-3	*		
	1,501	A-4	*	—	B-4	*	1,501	A-4	—	A-4	*		
Philip S. Derkacy	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,000	A-4	499	A-4	*		
Deutsche Bank AG	4,505	A-1	*	1	B-1	*	4,505	A-1	—	A-1	*	—	*
	4,505	A-2	*	—	B-2	*	4,505	A-2	—	A-2	*		
	4,505	A-3	*	—	B-3	*	4,505	A-3	—	A-3	*		
	4,504	A-4	*	—	B-4	*	4,504	A-4	—	A-4	*		
Deutsche Bank Futures, Inc.	37,550	A-1	*	3	B-1	*	19,525	A-1	18,025	A-1	*	72,093	*
	37,550	A-2	*	6	B-2	*	19,525	A-2	18,025	A-2	*		
	37,550	A-3	*	4	B-3	*	19,525	A-3	18,025	A-3	*		
	37,535	A-4	*	2	B-4	*	19,517	A-4	18,018	A-4	*		
Robert S. Dickey	3,000	A-1	*	—	B-1	*	1,001	A-1	1,999	A-1	*	1,999	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**Class**	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**% of Class**
Lane S. Dickinson, Jr.	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	2	B-3	*	—	A-3	3,000	A-3	*		
	2,998	A-4	*	—	B-4	*	2,998	A-4	—	A-4	*		
Daryl E. Dinkla	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	13,500	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Janet A. Disteldorf, Ltd.	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	9,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Stephen T. Divito	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Andrea R. Dorn	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,499	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1	A-3	1,499	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Howard B. Dubnow	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	13,500	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	—	A-3	4,500	A-3	*		
	4,498	A-4	*	—	B-4	*	4,498	A-4	—	A-4	*		
Denis P. Duffey	4,500	A-1	*	—	B-1	*	3,000	A-1	1,500	A-1	*	5,999	*
	4,500	A-2	*	1	B-2	*	3,000	A-2	1,500	A-2	*		
	4,500	A-3	*	1	B-3	*	3,000	A-3	1,500	A-3	*		
	4,498	A-4	*	—	B-4	*	2,999	A-4	1,499	A-4	*		
Peter D. Dunne	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	13,998	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	—	A-3	4,500	A-3	*		
	4,498	A-4	*	—	B-4	*	4,000	A-4	498	A-4	*		
Calvin Eisenberg(24)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	5,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	999	A-4	500	A-4	*		
Gerald H. Elbin	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,999	*
	1,500	A-2	*	—	B-2	*	1	A-2	1,499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Bruce S. Elman	3,000	A-1	*	—	B-1	*	2,900	A-1	100	A-1	*	100	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(24) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Eisenberg exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Raymond L. Elster Trust(25)	4,503	A-1	*	1	B-1	*	4,503	A-1	—	A-1	*	—	*
	4,503	A-2	*	—	B-2	*	4,503	A-2	—	A-2	*		
	4,502	A-3	*	—	B-3	*	4,502	A-3	—	A-3	*		
	4,501	A-4	*	—	B-4	*	4,501	A-4	—	A-4	*		
Todd R. Emoff	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,000	A-4	499	A-4	*		
Marc B. Fine	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	7,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	2,000	A-3	1,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Paul J. Finkel	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Steven C. Firestone	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
First Options of Chicago, Inc.	10,525	A-1	*	1	B-1	*	1,500	A-1	9,025	A-1	*	36,096	*
	10,525	A-2	*	1	B-2	*	1,500	A-2	9,025	A-2	*		
	10,525	A-3	*	2	B-3	*	1,500	A-3	9,025	A-3	*		
	10,520	A-4	*	1	B-4	*	1,499	A-4	9,021	A-4	*		
Ted Lee Fisher	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	10,699	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	2,801	A-3	1,699	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Ronald J. Fishman	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,500	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,499	A-4	500	A-4	*		
Richard D. Fowler	2,700	A-1	*	—	B-1	*	—	A-1	2,700	A-1	*	7,800	*
	2,700	A-2	*	—	B-2	*	—	A-2	2,700	A-2	*		
	2,700	A-3	*	—	B-3	*	300	A-3	2,400	A-3	*		
	2,700	A-4	*	—	B-4	*	2,700	A-4	—	A-4	*		
Sidney S. Frank	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	501	A-3	999	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Gerald E. Franks(26)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(25) Includes 4,503 Class A-1, 4,503 Class A-2, 4,502 Class A-3 and 4,501 Class A-4 shares and one Class B-1 share held in a trust controlled by Raymond E. Elster as a successor trustee.

(26) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Franks exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Jerrold Friedman(27)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Christopher P. Gaffney	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Charles G. Gallo	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,000	*
	1,500	A-2	*	—	B-2	*	1,000	A-2	500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Howard B. Garber	25	A-1	*	—	B-1	*	25	A-1	—	A-1	*	—	*
	25	A-2	*	—	B-2	*	25	A-2	—	A-2	*		
	25	A-3	*	—	B-3	*	25	A-3	—	A-3	*		
	24	A-4	*	1	B-4	*	24	A-4	—	A-4	*		

Thomas V. Gariti	3,000	A-1	*	—	B-1	*	3,000	A-1	—	A-1	*	—	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
John C. Garrity(28)	9,025	A-1	*	1	B-1	*	1,500	A-1	7,525	A-1	*	25,096	*
	9,025	A-2	*	—	B-2	*	1,500	A-2	7,525	A-2	*		
	9,025	A-3	*	3	B-3	*	1,500	A-3	7,525	A-3	*		
	9,020	A-4	*	1	B-4	*	6,499	A-4	2,521	A-4	*		
Howard H. Gartzman	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	2,001	A-3	999	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
G. C. George	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,799	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,200	A-4	1,799	A-4	*		
Steve G. Gersten(29)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	14,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	3,000	A-4	1,499	A-4	*		
Joseph H. Gibbons	4,525	A-1	*	1	B-1	*	—	A-1	4,525	A-1	*	13,599	*
	4,525	A-2	*	—	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	—	B-3	*	—	A-3	4,525	A-3	*		
	4,523	A-4	*	1	B-4	*	4,499	A-4	24	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(27) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Friedman exercises voting and investment power.

(28) Includes 7,525 Class A-1, 7,525 Class A-2, 7,525 Class A-3 and 7,521 Class A-4 shares and one Class B-1, two Class B-3 and one Class B-4 shares held in a trust over which Mr. Garrity exercises voting and investment power. Also includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held by the John C. Garrity Pension Plan over which Mr. Garrity exercises voting and investment power.

(29) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class of B-1 share held in a trust over which Mr. Gersten exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**Class**	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**% of Class**
Charles E. Gilchrist	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	14,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	3,000	A-4	1,499	A-4	*		
Joel P. Glickman	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Lionel M. Godow, Inc.	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	17,099	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	900	A-4	3,599	A-4	*		
Teri A. Goldberg	1,525	A-1	*	—	B-1	*	1,426	A-1	99	A-1	*	99	*
	1,525	A-2	*	—	B-2	*	1,525	A-2	—	A-2	*		
	1,525	A-3	*	1	B-3	*	1,525	A-3	—	A-3	*		
	1,523	A-4	*	1	B-4	*	1,523	A-4	—	A-4	*		
Goldman Sachs & Co.	57,090	A-1	*	2	B-1	*	39,065	A-1	18,025	A-1	*	72,093	*
	57,090	A-2	*	14	B-2	1.72%	39,065	A-2	18,025	A-2	*		
	57,090	A-3	*	4	B-3	*	39,065	A-3	18,025	A-3	*		
	57,067	A-4	*	3	B-4	*	39,049	A-4	18,018	A-4	*		
Alan S. Gould	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,499	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1	A-3	1,499	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Charles H. Granat	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	5,499	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	500	A-4	999	A-4	*		
Victor Grevious	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
George Groner	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Mark C. Groover	6,000	A-1	*	1	B-1	*	—	A-1	6,000	A-1	*	19,999	*
	6,000	A-2	*	—	B-2	*	—	A-2	6,000	A-2	*		
	6,000	A-3	*	1	B-3	*	—	A-3	6,000	A-3	*		
	5,998	A-4	*	—	B-4	*	3,999	A-4	1,999	A-4	*		
Richard E. Groover	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Jeremiah A. Hallahan	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Eugene F. Halleran	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*

	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Matthew T. Halverson	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	501	A-3	999	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Barry J. Hammer	4,350	A-1	*	—	B-1	*	1,350	A-1	3,000	A-1	*	11,999	*
	4,350	A-2	*	1	B-2	*	1,350	A-2	3,000	A-2	*		
	4,350	A-3	*	—	B-3	*	1,350	A-3	3,000	A-3	*		
	4,349	A-4	*	—	B-4	*	1,350	A-4	2,999	A-4	*		
George P. Hanley	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	11,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	1,501	A-3	2,999	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
David E. Harris	4,508	A-1	*	—	B-1	*	—	A-1	4,508	A-1	*	11,028	*
	4,508	A-2	*	1	B-2	*	—	A-2	4,508	A-2	*		
	4,507	A-3	*	1	B-3	*	2,495	A-3	2,012	A-3	*		
	4,505	A-4	*	—	B-4	*	4,505	A-4	—	A-4	*		
Kenneth L. Hase Living Trust(30)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	17,249	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	750	A-4	3,749	A-4	*		
Christopher J. Heeren	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,613	*
	1,500	A-2	*	—	B-2	*	1,387	A-2	113	A-2	*		
	1,500	A-3	*	—	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Gregory J. Heraty	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Allen E. Hilder	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,000	A-4	499	A-4	*		
Allan J. Hirsch	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	15,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	2,000	A-4	2,499	A-4	*		
Gerald Hirsch	9,000	A-1	*	2	B-1	*	—	A-1	9,000	A-1	*	17,999	*
	9,000	A-2	*	—	B-2	*	1	A-2	8,999	A-2	*		
	9,000	A-3	*	—	B-3	*	9,000	A-3	—	A-3	*		
	8,998	A-4	*	—	B-4	*	8,998	A-4	—	A-4	*		
Mitchel Hirsh	1,350	A-1	*	—	B-1	*	—	A-1	1,350	A-1	*	4,050	*
	1,350	A-2	*	—	B-2	*	—	A-2	1,350	A-2	*		
	1,350	A-3	*	—	B-3	*	—	A-3	1,350	A-3	*		
	1,350	A-4	*	—	B-4	*	1,350	A-4	—	A-4	*		
William B. Holway	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(30) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust controlled by Charlotte F. Hase as a successor trustee.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Howard T. Horberg	6,000	A-1	*	1	B-1	*	—	A-1	6,000	A-1	*	18,000	*
	6,000	A-2	*	—	B-2	*	—	A-2	6,000	A-2	*		
	6,000	A-3	*	—	B-3	*	—	A-3	6,000	A-3	*		
	5,998	A-4	*	—	B-4	*	5,998	A-4	—	A-4	*		
Wilfred Horn	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Intrade, LLC	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		

	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Patrick V. Italia	1,650	A-1	*	—	B-1	*	—	A-1	1,650	A-1	*	5,600	*
	1,650	A-2	*	1	B-2	*	—	A-2	1,650	A-2	*		
	1,650	A-3	*	—	B-3	*	—	A-3	1,650	A-3	*		
	1,649	A-4	*	—	B-4	*	999	A-4	650	A-4	*		
Mark A. Jackson	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Daniel R. Jesser(31)	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	13,998	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	—	A-3	4,500	A-3	*		
	4,498	A-4	*	—	B-4	*	4,000	A-4	498	A-4	*		
Patrick G. Jones	1,500	A-1	*	—	B-1	*	500	A-1	1,000	A-1	*	1,000	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Martin I. Julius	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	7,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	2,000	A-3	1,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Jeffrey Holden Kaplan	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	8,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	1,000	A-3	2,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Margaret M. Kaspar	4,508	A-1	*	—	B-1	*	—	A-1	4,508	A-1	*	13,523	*
	4,508	A-2	*	1	B-2	*	—	A-2	4,508	A-2	*		
	4,507	A-3	*	1	B-3	*	—	A-3	4,507	A-3	*		
	4,505	A-4	*	—	B-4	*	4,505	A-4	—	A-4	*		
Richard W. Kasper	7,510	A-1	*	1	B-1	*	—	A-1	7,510	A-1	*	22,530	*
	7,510	A-2	*	—	B-2	*	—	A-2	7,510	A-2	*		
	7,510	A-3	*	2	B-3	*	—	A-3	7,510	A-3	*		
	7,507	A-4	*	—	B-4	*	7,507	A-4	—	A-4	*		
Etta Katz(32)	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(31) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,498 Class A-4 shares and one Class B-2 share and one Class B-3 share held in a trust over which Mr. Jesser exercises voting and investment power.

(32) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Ms. Katz shares with Ernest Katz voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Andrew H. Katznelson	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	13,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	4,000	A-4	499	A-4	*		
Carl Keeshin	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	12,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	501	A-3	3,999	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Lonnie Klein	9,025	A-1	*	1	B-1	*	—	A-1	9,025	A-1	*	34,096	*
	9,025	A-2	*	1	B-2	*	—	A-2	9,025	A-2	*		
	9,025	A-3	*	1	B-3	*	—	A-3	9,025	A-3	*		
	9,021	A-4	*	1	B-4	*	2,000	A-4	7,021	A-4	*		
Knight Financial Products, LLC	4,500	A-1	*	—	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	1	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	1	B-3	*	4,500	A-3	—	A-3	*		
	4,498	A-4	*	—	B-4	*	4,498	A-4	—	A-4	*		
Richard D. Kohn	10,525	A-1	*	1	B-1	*	10,525	A-1	—	A-1	*	—	*
	10,525	A-2	*	2	B-2	*	10,525	A-2	—	A-2	*		
	10,525	A-3	*	—	B-3	*	10,525	A-3	—	A-3	*		
	10,521	A-4	*	1	B-4	*	10,521	A-4	—	A-4	*		
Victoria M. Kohn	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Patrick H. Kulisek	8,625	A-1	*	1	B-1	*	—	A-1	8,625	A-1	*	32,498	*
	8,625	A-2	*	—	B-2	*	—	A-2	8,625	A-2	*		
	8,625	A-3	*	—	B-3	*	—	A-3	8,625	A-3	*		
	8,623	A-4	*	—	B-4	*	2,000	A-4	6,623	A-4	*		
Sheldon Langer	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Donald J. Lanphere Jr.	7,500	A-1	*	1	B-1	*	—	A-1	7,500	A-1	*	21,998	*
	7,500	A-2	*	1	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	—	B-3	*	502	A-3	6,998	A-3	*		
	7,498	A-4	*	—	B-4	*	7,498	A-4	—	A-4	*		
Gary T. Lark	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	13,799	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		

	4,499	A-4	*	—	B-4	*	4,200	A-4	299	A-4	*		
Robert F. Lassandrello	4,525	A-1	*	1	B-1	*	—	A-1	4,525	A-1	*	14,098	*
	4,525	A-2	*	—	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	—	B-3	*	—	A-3	4,525	A-3	*		
	4,523	A-4	*	1	B-4	*	4,000	A-4	523	A-4	*		
John F. Lawler	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	15,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	2,000	A-4	2,499	A-4	*		
Michael A. Lazarus	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	8,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	1,000	A-3	2,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Carl D. Leaven	7,500	A-1	*	1	B-1	*	—	A-1	7,500	A-1	*	28,498	*
	7,500	A-2	*	1	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	—	B-3	*	—	A-3	7,500	A-3	*		
	7,498	A-4	*	—	B-4	*	1,500	A-4	5,998	A-4	*		
Marc D. Leibovitz	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Fred H. Leinweber, Jr.	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
William G. Lerch	4,375	A-1	*	—	B-1	*	—	A-1	4,375	A-1	*	14,498	*
	4,375	A-2	*	1	B-2	*	251	A-2	4,124	A-2	*		
	4,375	A-3	*	—	B-3	*	1,375	A-3	3,000	A-3	*		
	4,373	A-4	*	1	B-4	*	1,374	A-4	2,999	A-4	*		
Jeffrey N. Levant	3,003	A-1	*	—	B-1	*	—	A-1	3,003	A-1	*	9,509	*
	3,003	A-2	*	1	B-2	*	—	A-2	3,003	A-2	*		
	3,002	A-3	*	—	B-3	*	—	A-3	3,002	A-3	*		
	3,001	A-4	*	—	B-4	*	2,500	A-4	501	A-4	*		
Sander D. Levin	4,525	A-1	*	—	B-1	*	—	A-1	4,525	A-1	*	17,998	*
	4,525	A-2	*	1	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	1	B-3	*	—	A-3	4,525	A-3	*		
	4,522	A-4	*	1	B-4	*	99	A-4	4,423	A-4	*		
Mark A. Levy	300	A-1	*	—	B-1	*	300	A-1	—	A-1	*	—	*
	300	A-2	*	1	B-2	*	300	A-2	—	A-2	*		
	300	A-3	*	—	B-3	*	300	A-3	—	A-3	*		
	299	A-4	*	—	B-4	*	299	A-4	—	A-4	*		
Stephan R. Levy	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Cort I. Lewis	6,000	A-1	*	1	B-1	*	—	A-1	6,000	A-1	*	15,998	*
	6,000	A-2	*	—	B-2	*	—	A-2	6,000	A-2	*		
	6,000	A-3	*	1	B-3	*	2,002	A-3	3,998	A-3	*		
	5,998	A-4	*	—	B-4	*	5,998	A-4	—	A-4	*		
Barry J. Lind(33)	10,550	A-1	*	—	B-1	*	—	A-1	10,550	A-1	*	30,195	*
	10,550	A-2	*	1	B-2	*	—	A-2	10,550	A-2	*		
	10,550	A-3	*	2	B-3	*	1,455	A-3	9,095	A-3	*		
	10,544	A-4	*	2	B-4	*	10,544	A-4	—	A-4	*		
Robert S. Lisberg	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,999	*
	1,500	A-2	*	—	B-2	*	1,001	A-2	499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Jordan R. Lisitza	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	500	A-3	1,000	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(33) Includes 6,050 Class A-1, 6,050 Class A-2, 6,050 Class A-3 and 6,045 Class A-4 shares and one Class B-2, two Class B-3 and two Class B-4 shares held in a trust over which Mr. Lind exercises voting and investment power. Also includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share owned by Lind Family Investments LP, of which Mr. Lind is general partner.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class

Philip Mayster(34)	4,500	A-1	*	—	B-1	*	1,500	A-1	3,000	A-1	*	3,000	*
	4,500	A-2	*	1	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	1	B-3	*	4,500	A-3	—	A-3	*		
	4,498	A-4	*	—	B-4	*	4,498	A-4	—	A-4	*		
J. Carey McDonald	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Peter S. McDonnell	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,999	*
	1,500	A-2	*	—	B-2	*	1,001	A-2	499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Mitchell A. McKay	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	15,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	2,000	A-4	2,499	A-4	*		
Trust A Marital Fund Under the Will of John F. McKerr D/T/D 12/22/91(35)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,999	*
	1,500	A-2	*	—	B-2	*	1,001	A-2	499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Norma G. Means(36)	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,999	A-4	1,000	A-4	*		
Paul S. Mermel(37)	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Lawrence Mermelstein	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	16,200	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	1,799	A-4	2,700	A-4	*		
Richard A. Mesirow	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,500	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,499	A-4	1,500	A-4	*		
Lester A. Messinger	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	14,500	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	3,499	A-4	1,000	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(34) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Mr. Mayster exercises voting and investment power.

(35) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust controlled by Helen J. McKerr.

(36) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Ms. Means exercises voting and investment power.

(37) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Mr. Mermel shares with Donna A. Mermel voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Harry Michas	1,350	A-1	*	—	B-1	*	—	A-1	1,350	A-1	*	4,800	*
	1,350	A-2	*	—	B-2	*	—	A-2	1,350	A-2	*		
	1,350	A-3	*	—	B-3	*	—	A-3	1,350	A-3	*		
	1,350	A-4	*	—	B-4	*	600	A-4	750	A-4	*		
Joseph Morris Miller(38)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	13,500	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Kathryn Kent Miller(39)	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Mary C. Miller	1,503	A-1	*	—	B-1	*	1,503	A-1	—	A-1	*	—	*
	1,503	A-2	*	—	B-2	*	1,503	A-2	—	A-2	*		
	1,502	A-3	*	1	B-3	*	1,502	A-3	—	A-3	*		
	1,501	A-4	*	—	B-4	*	1,501	A-4	—	A-4	*		
Mizuho Securities USA, Inc.	27,025	A-1	*	3	B-1	*	9,000	A-1	18,025	A-1	*	72,093	*
	27,025	A-2	*	5	B-2	*	9,000	A-2	18,025	A-2	*		
	27,025	A-3	*	4	B-3	*	9,000	A-3	18,025	A-3	*		
	27,014	A-4	*	1	B-4	*	8,996	A-4	18,018	A-4	*		
Gary S. Morrow	3,003	A-1	*	—	B-1	*	—	A-1	3,003	A-1	*	9,009	*
	3,003	A-2	*	1	B-2	*	—	A-2	3,003	A-2	*		
	3,002	A-3	*	—	B-3	*	—	A-3	3,002	A-3	*		
	3,001	A-4	*	—	B-4	*	3,000	A-4	1	A-4	*		
Jonathan G. Murlas	6,000	A-1	*	1	B-1	*	—	A-1	6,000	A-1	*	22,598	*
	6,000	A-2	*	—	B-2	*	—	A-2	6,000	A-2	*		
	6,000	A-3	*	1	B-3	*	—	A-3	6,000	A-3	*		
	5,998	A-4	*	—	B-4	*	1,400	A-4	4,598	A-4	*		
Sy Nagorsky	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*		B-4	*	1,499	A-4		A-4	*		

Myron A. Neims	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,799	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,200	A-4	1,799	A-4	*		
Steven G. Newcom	9,025	A-1	*	2	B-1	*	—	A-1	9,025	A-1	*	18,050	*
	9,025	A-2	*	—	B-2	*	—	A-2	9,025	A-2	*		
	9,025	A-3	*	—	B-3	*	9,025	A-3	—	A-3	*		
	9,022	A-4	*	1	B-4	*	9,022	A-4	—	A-4	*		
Carol P. Norton(40)	7,525	A-1	*	1	B-1	*	—	A-1	7,525	A-1	*	27,097	*
	7,525	A-2	*	—	B-2	*	—	A-2	7,525	A-2	*		
	7,525	A-3	*	2	B-3	*	—	A-3	7,525	A-3	*		
	7,521	A-4	*	—	B-4	*	2,999	A-4	4,522	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(38) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Mr. Miller exercises voting and investment power.

(39) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-1 shares and one Class B-2 share held in a trust over which Ms. Miller exercises voting and investment power.

(40) Includes 7,525 Class A-1, 7,525 Class A-2, 7,525 Class A-3, 7,521 Class A-4 shares and one Class B-1 and two Class B-3 shares held in a trust over which Ms. Norton exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Scott Norton	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Barbara Pielet Odner(41)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,000	*
	1,500	A-2	*	—	B-2	*	1,000	A-2	500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
William C. O'Donnell Jr.	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Adelle R. Oliff(42)	7,500	A-1	*	1	B-1	*	—	A-1	7,500	A-1	*	9,599	*
	7,500	A-2	*	1	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	—	B-3	*	—	A-3	7,500	A-3	*		
	7,498	A-4	*	—	B-4	*	6,000	A-4	1,498	A-4	*		
Hershel Oliff(43)	7,500	A-1	*	1	B-1	*	—	A-1	7,500	A-1	*	14,399	*
	7,500	A-2	*	1	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	—	B-3	*	—	A-3	7,500	A-3	*		
	7,498	A-4	*	—	B-4	*	6,000	A-4	1,498	A-4	*		
Gerald Ordman Declaration of Trust Dated 8/2/99(44)	7,500	A-1	*	1	B-1	*	—	A-1	7,500	A-1	*	19,997	*
	7,500	A-2	*	1	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	2	B-3	*	2,503	A-3	4,997	A-3	*		
	7,497	A-4	*	—	B-4	*	7,497	A-4	—	A-4	*		
Thomas A. Owens(45)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,000	A-4	499	A-4	*		
Thomas F. Pace	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	13,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	3	B-3	*	500	A-3	4,000	A-3	*		
	4,497	A-4	*	—	B-4	*	4,497	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(41) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Ms. Odner has voting and investment power.

(42) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Ms. Oliff exercises voting and investment power. Also includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Hershel Oliff, Ms. Oliff's husband, exercises voting and investment power. The number of shares offered by Ms. Oliff includes 2,400 Class A-4 shares held in the trust over which she exercises voting and investment power and 3,600 Class A-4 shares being offered by Mr. Oliff. Ms. Oliff is the mother of James Oliff, a member of our board of directors.

(43) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Mr. Oliff exercises voting and investment power. Also includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Adelle Oliff, Mr. Oliff's wife, exercises voting and investment power. The number of shares offered by Mr. Oliff includes 3,600 Class A-4 shares held in the trust over which he exercises voting and investment power and 2,400 Class A-4 shares being offered by Ms. Oliff. Mr. Oliff is the father of James Oliff, a member of our board of directors.

(44) Includes 7,500 Class A-1, 7,500 Class A-2, 7,500 Class A-3 and 7,497 Class A-4 shares and one Class B-1, one Class B-2 and two Class B-3 shares held in a trust over which Burton Kaplan exercises voting and investment power.

(45) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3, and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Owens has voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Raymond E. Page(46)	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,000	*

	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,999	A-4	1,000	A-4	*		
Ford H. Palmer	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,999	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,000	A-4	999	A-4	*		
Lesley A. Palmer	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,798	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	2	B-3	*	—	A-3	3,000	A-3	*		
	2,998	A-4	*	—	B-4	*	2,200	A-4	798	A-4	*		
Mark L. Palmer	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	15,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	2,000	A-4	2,499	A-4	*		
Thomas G. Pandola	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,799	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,200	A-4	299	A-4	*		
Mark G. Papadopoulos(47)	50	A-1	*	—	B-1	*	50	A-1	—	A-1	*	—	*
	50	A-2	*	—	B-2	*	50	A-2	—	A-2	*		
	50	A-3	*	—	B-3	*	50	A-3	—	A-3	*		
	48	A-4	*	2	B-4	*	48	A-4	—	A-4	*		
Angelo G. Papadourakis	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Stella W. Parz(48)	4,505	A-1	*	1	B-1	*	—	A-1	4,505	A-1	*	14,019	*
	4,505	A-2	*	—	B-2	*	—	A-2	4,505	A-2	*		
	4,505	A-3	*	—	B-3	*	—	A-3	4,505	A-3	*		
	4,504	A-4	*	—	B-4	*	4,000	A-4	504	A-4	*		
Terry Pasquale	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,000	A-4	999	A-4	*		
Bradford I. Pearl(49)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,999	*
	1,500	A-2	*	—	B-2	*	1,001	A-2	499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(46) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Mr. Page exercises voting and investment power.

(47) Mr. Papadopoulos served as a member of CME Holdings' board from its formation on August 2, 2001 until April 2002 and of CME's board from 2000 until April 2002.

(48) Includes 4,505 Class A-1, 4,505 Class A-2, 4,505 Class A-3 and 4,504 Class A-4 shares and one Class B-1 share held in a trust controlled by Paula J. Golembiewski and Arthur Parz as co-trustees.

(49) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Pearl exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Timothy J. Peters	2,725	A-1	*	—	B-1	*	—	A-1	2,725	A-1	*	5,000	*
	2,725	A-2	*	1	B-2	*	450	A-2	2,275	A-2	*		
	2,725	A-3	*	—	B-3	*	2,725	A-3	—	A-3	*		
	2,724	A-4	*	1	B-4	*	2,724	A-4	—	A-4	*		
Michael J. Pietrzak	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Robert J. Prosi(50)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	1,999	*
	1,500	A-2	*	—	B-2	*	1,001	A-2	499	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Steven R. Prosniewski	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	13,500	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Michael W. Pure	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	15,998	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	—	A-3	4,500	A-3	*		
	4,498	A-4	*	—	B-4	*	2,000	A-4	2,498	A-4	*		
R.C.G. Investments, LP	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	12,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	1,500	A-3	3,000	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Ravinia Investors, LLC	12,000	A-1	*	1	B-1	*	3,000	A-1	9,000	A-1	*	35,997	*
	12,000	A-2	*	2	B-2	*	3,000	A-2	9,000	A-2	*		
	12,000	A-3	*	1	B-3	*	3,000	A-3	9,000	A-3	*		
	11,996	A-4	*	—	B-4	*	2,999	A-4	8,997	A-4	*		
Raymond Resnick	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Polly J. Richter	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	500	A-3	1,000	A-3	*		
	1,499	A-4	*		B-4	*	1,499	A-4		A-4	*		

	1,499	A-4		—	B-4		1,499	A-4	—	A-4			
Barry R. Rifkin	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	9,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Diane P. Robinson	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Bernard Rosenberg Trust(51)	1,503	A-1	*	—	B-1	*	—	A-1	1,503	A-1	*	3,006	*
	1,503	A-2	*	—	B-2	*	—	A-2	1,503	A-2	*		
	1,502	A-3	*	1	B-3	*	1,502	A-3	—	A-3	*		
	1,501	A-4	*	—	B-4	*	1,501	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(50) Mr. Prosi served as a member of CME Holdings' board from its formation on August 2, 2001 until April 2002 and of CME's board from 1988 until April 2002.

(51) Includes 1,503 Class A-1, 1,503 Class A-2, 1,502 Class A-3 and 1,501 Class A-4 shares and one Class B-3 share held in a trust over which Elaine Rosenberg and Alan Garland exercise voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Michael H. Rosenbloom	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	9,998	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	3,502	A-3	998	A-3	*		
	4,498	A-4	*	—	B-4	*	4,498	A-4	—	A-4	*		
Richard Rovnick	675	A-1	*	1	B-1	*	—	A-1	675	A-1	*	1,350	*
	675	A-2	*	—	B-2	*	—	A-2	675	A-2	*		
	675	A-3	*	—	B-3	*	675	A-3	—	A-3	*		
	675	A-4	*	—	B-4	*	675	A-4	—	A-4	*		
Holly S. Rozner	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	501	A-3	999	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Ben Rubin	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Richard A. Rumick(52)	6,000	A-1	*	1	B-1	*	—	A-1	6,000	A-1	*	20,998	*
	6,000	A-2	*	—	B-2	*	—	A-2	6,000	A-2	*		
	6,000	A-3	*	1	B-3	*	—	A-3	6,000	A-3	*		
	5,998	A-4	*	—	B-4	*	3,000	A-4	2,998	A-4	*		
Bonnie Sacks	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	15,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	2,999	A-4	1,500	A-4	*		
Michael P. Savoca	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	16,199	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	1,800	A-4	2,699	A-4	*		
J. Brian Schaer	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Joy Scher(53)	4,500	A-1	*	—	B-1	*	—	A-1	4,500	A-1	*	9,498	*
	4,500	A-2	*	1	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	1	B-3	*	4,002	A-3	498	A-3	*		
	4,498	A-4	*	—	B-4	*	4,498	A-4	—	A-4	*		
James S. Schmitt	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,750	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	750	A-3	750	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Andrew J. Schreiber	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,799	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,200	A-4	1,799	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(52) Includes 6,000 Class A-1, 6,000 Class A-2, 6,000 Class A-3 and 5,998 Class A-4 shares and one Class B-1 and one Class B-3 share held in a trust over which Mr. Rumick exercises voting and investment power.

(53) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,498 Class A-4 shares and one Class B-2 and one Class B-3 share held in a trust over which Ms. Scher exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class

Jack Schulte(54)	9,000	A-1	*	2	B-1	*	—	A-1	9,000	A-1	*	29,998	*
	9,000	A-2	*	—	B-2	*	—	A-2	9,000	A-2	*		
	9,000	A-3	*	—	B-3	*	—	A-3	9,000	A-3	*		
	8,998	A-4	*	—	B-4	*	6,000	A-4	2,998	A-4	*		
Robert L. and Elizabeth J. Schulte(55)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	17,099	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	900	A-4	3,599	A-4	*		
Harold A. Schwartz(56)	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	16,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	1,999	A-4	2,500	A-4	*		
Gary M. Segal	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,799	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,200	A-4	1,799	A-4	*		
Susan M. Serota(57)	10,525	A-1	*	1	B-1	*	—	A-1	10,525	A-1	*	32,095	*
	10,525	A-2	*	1	B-2	*	—	A-2	10,525	A-2	*		
	10,525	A-3	*	2	B-3	*	—	A-3	10,525	A-3	*		
	10,520	A-4	*	1	B-4	*	10,000	A-4	520	A-4	*		
Kevin M. Shape	1,500	A-1	*	—	B-1	*	1,500	A-1	—	A-1	*	—	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Merry N. Sharp	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,800	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,199	A-4	1,800	A-4	*		
Burton L. Shender(58)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Michael L. Sidel	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(54) Includes 9,000 Class A-1, 9,000 Class A-2, 9,000 Class A-3 and 8,998 Class A-4 shares and two Class B-1 shares held in a trust over which Mr. Schulte exercises voting and investment power.

(55) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Mr. Schulte and Ms. Schulte share voting and investment power.

(56) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Mr. Schwartz exercises voting and investment power.

(57) Includes 10,525 Class A-1, 10,525 Class A-2, 10,525 Class A-3 and 10,520 Class A-4 shares and one Class B-1, one Class B-2, two Class B-3 and one Class B-4 shares held in a trust over which Ms. Serota exercises voting and investment power.

(58) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust controlled by Marjorie A. Shender as trustee.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Jerald H. Siegel	3,000	A-1	*	—	B-1	*	3,000	A-1	—	A-1	*	—	*
	3,000	A-2	*	—	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	1	B-3	*	3,000	A-3	—	A-3	*		
	2,998	A-4	*	—	B-4	*	2,998	A-4	—	A-4	*		
Brian P. Sindler	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	2	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Donald J. Skrzymowksi	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,500	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
SLS Securities, Co.	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Nathan H. Slutsky	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	13,500	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Scott Slutsky	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	7,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	1,001	A-3	1,999	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Michael J. Small	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	10,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	3,500	A-3	1,000	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
B. Perry Smith	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Scott Sohn(59)	1,503	A-1	*	—	B-1	*	—	A-1	1,503	A-1	*	4,510	*
	1,503	A-2	*	—	B-2	*	—	A-2	1,503	A-2	*		
	1,502	A-3	*	1	B-3	*	—	A-3	1,502	A-3	*		
	1,501	A-4	*	—	B-4	*	1,499	A-4	2	A-4	*		

Robert L. Solomon	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	9,000	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Robert L. Sonshine	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	6,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	2,001	A-3	999	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Spear Leeds & Kellogg	3,005	A-1	*	—	B-1	*	3,005	A-1	—	A-1	*	—	*
	3,005	A-2	*	1	B-2	*	3,005	A-2	—	A-2	*		
	3,005	A-3	*	—	B-3	*	3,005	A-3	—	A-3	*		
	3,004	A-4	*	—	B-4	*	3,004	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(59) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Sohn exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Peter S. Stavros Jr.(60)	4,525	A-1	*	—	B-1	*	—	A-1	4,525	A-1	*	14,097	*
	4,525	A-2	*	1	B-2	*	—	A-2	4,525	A-2	*		
	4,525	A-3	*	1	B-3	*	—	A-3	4,525	A-3	*		
	4,522	A-4	*	1	B-4	*	4,000	A-4	522	A-4	*		
Jeremiah S. Steinberger(61)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,300	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	200	A-3	1,300	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Stephen R. Stewart	3,000	A-1	*	—	B-1	*	1	A-1	2,999	A-1	*	2,999	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Todd T. Stewart	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	501	A-3	999	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Steven R. Sukenik(62)	3,275	A-1	*	—	B-1	*	—	A-1	3,275	A-1	*	10,099	*
	3,275	A-2	*	1	B-2	*	—	A-2	3,275	A-2	*		
	3,275	A-3	*	—	B-3	*	—	A-3	3,275	A-3	*		
	3,274	A-4	*	—	B-4	*	3,000	A-4	274	A-4	*		
Steven Sylvan(63)	3,000	A-1	*	—	B-1	*	3,000	A-1	—	A-1	*	—	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
R. Todd Tabachka	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	7,499	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	1,501	A-3	1,499	A-3	*		
	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
Marlene K. Tambourine	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	4,799	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	—	A-3	1,500	A-3	*		
	1,499	A-4	*	—	B-4	*	1,200	A-4	299	A-4	*		
Marsha Temple	4,505	A-1	*	1	B-1	*	—	A-1	4,505	A-1	*	4,505	*
	4,505	A-2	*	—	B-2	*	4,505	A-2	—	A-2	*		
	4,505	A-3	*	—	B-3	*	4,505	A-3	—	A-3	*		
	4,504	A-4	*	—	B-4	*	4,504	A-4	—	A-4	*		
Mark S. Van Keirsbilck	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(60) Includes 4,525 Class A-1, 4,525 Class A-2, 4,525 Class A-3 and 4,522 Class A-4 and one Class B-2, one Class B-3 and one Class B-4 share held in a trust over which Mr. Stavros exercises voting and investment power.

(61) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Steinberger exercises voting and investment power.

(62) Includes 3,275 Class A-1, 3,275 Class A-2, 3,275 Class A-3 and 3,274 Class A-4 shares and one Class B-2 share held in a trust over which Mr. Sukenik exercises voting and investment power.

(63) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Mr. Sylvan exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	# of Shares	Class	% of Class	# of Shares	Class	% of Class	# of Shares	Class	# of Shares	Class	% of Class	# of Shares	% of Class
Jeffrey Walden(64)	3,000	A-1	*	—	B-1	*	2,000	A-1	1,000	A-1	*	1,000	*
	3,000	A-2	*	1	B-2	*	3,000	A-2	—	A-2	*		
	3,000	A-3	*	—	B-3	*	3,000	A-3	—	A-3	*		

	2,999	A-4	*	—	B-4	*	2,999	A-4	—	A-4	*		
John H. Waldock(65)	7,500	A-1	*	1	B-1	*	—	A-1	7,500	A-1	*	25,500	*
	7,500	A-2	*	—	B-2	*	—	A-2	7,500	A-2	*		
	7,500	A-3	*	2	B-3	*	—	A-3	7,500	A-3	*		
	7,497	A-4	*	—	B-4	*	4,497	A-4	3,000	A-4	*		
J. Walsh, Inc.	1,503	A-1	*	—	B-1	*	—	A-1	1,503	A-1	*	2,400	*
	1,503	A-2	*	—	B-2	*	606	A-2	897	A-2	*		
	1,502	A-3	*	1	B-3	*	1,502	A-3	—	A-3	*		
	1,501	A-4	*	—	B-4	*	1,501	A-4	—	A-4	*		
Patrick J. Weber(66)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,500	*
	1,500	A-2	*	—	B-2	*	500	A-2	1,000	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Donald J. Weil	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,999	*
	3,000	A-2	*	1	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	—	B-3	*	—	A-3	3,000	A-3	*		
	2,999	A-4	*	—	B-4	*	1,000	A-4	1,999	A-4	*		
Lawrence P. Weinberg	3,005	A-1	*	—	B-1	*	—	A-1	3,005	A-1	*	6,010	*
	3,005	A-2	*	1	B-2	*	—	A-2	3,005	A-2	*		
	3,005	A-3	*	—	B-3	*	3,005	A-3	—	A-3	*		
	3,004	A-4	*	—	B-4	*	3,004	A-4	—	A-4	*		
Norman M. Weitzman	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	14,999	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	—	A-3	4,500	A-3	*		
	4,499	A-4	*	—	B-4	*	3,000	A-4	1,499	A-4	*		
Eugene S. Werman	1,500	A-1	*	—	B-1	*	300	A-1	1,200	A-1	*	1,200	*
	1,500	A-2	*	—	B-2	*	1,500	A-2	—	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Donald L. Wheeler	4,500	A-1	*	1	B-1	*	4,500	A-1	—	A-1	*	—	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
James A. White, Jr.	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	2,500	*
	1,500	A-2	*	—	B-2	*	500	A-2	1,000	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		

(continued on following page)

* Represents beneficial ownership of less than 1%.

(64) Includes 3,000 Class A-1, 3,000 Class A-2, 3,000 Class A-3 and 2,999 Class A-4 shares and one Class B-2 share held in a trust over which Mr. Walden shares joint ownership and has voting power.

(65) Includes 7,500 Class A-1, 7,500 Class A-2, 7,500 Class A-3 and 7,497 Class A-4 shares and one Class B-1 and two Class B-3 shares held in a trust over which Mr. Waldock exercises voting and investment power.

(66) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Weber exercises voting and investment power.

	Shares of Common Stock Beneficially Owned Prior to This Offering						Shares of Class A Common Stock Offered Hereby		Shares of Class A Common Stock Beneficially Owned After This Offering				
	Class A			Class B								Aggregate # of Class A	
Beneficial Owner	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**Class**	**# of Shares**	**Class**	**% of Class**	**# of Shares**	**% of Class**
Stuart Roger Wilk(67)	6,000	A-1	*	1	B-1	*	—	A-1	6,000	A-1	*	20,998	*
	6,000	A-2	*	—	B-2	*	—	A-2	6,000	A-2	*		
	6,000	A-3	*	1	B-3	*	—	A-3	6,000	A-3	*		
	5,998	A-4	*	—	B-4	*	3,000	A-4	2,998	A-4	*		
Steven E. Wollack	3,000	A-1	*	—	B-1	*	—	A-1	3,000	A-1	*	10,000	*
	3,000	A-2	*	—	B-2	*	—	A-2	3,000	A-2	*		
	3,000	A-3	*	2	B-3	*	—	A-3	3,000	A-3	*		
	2,998	A-4	*	—	B-4	*	1,998	A-4	1,000	A-4	*		
Laurence B. Woznicki	5,850	A-1	*	1	B-1	*	2,452	A-1	3,398	A-1	*	3,398	*
	5,850	A-2	*	—	B-2	*	5,850	A-2	—	A-2	*		
	5,850	A-3	*	—	B-3	*	5,850	A-3	—	A-3	*		
	5,848	A-4	*	1	B-4	*	5,848	A-4	—	A-4	*		
Jerome I. Wright	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,000	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	1,500	A-3	—	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Ralph Wysocki	4,500	A-1	*	1	B-1	*	3,500	A-1	1,000	A-1	*	1,000	*
	4,500	A-2	*	—	B-2	*	4,500	A-2	—	A-2	*		
	4,500	A-3	*	—	B-3	*	4,500	A-3	—	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Ronald M. Yermack Revocable Trust Dated 8/29/91(68)	9,000	A-1	*	2	B-1	*	—	A-1	9,000	A-1	*	32,398	*
	9,000	A-2	*	—	B-2	*	—	A-2	9,000	A-2	*		
	9,000	A-3	*	—	B-3	*	—	A-3	9,000	A-3	*		
	8,998	A-4	*	—	B-4	*	3,600	A-4	5,398	A-4	*		
Arnold Yusim(69)	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	501	A-3	999	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Mitchell J. Zale	1,500	A-1	*	—	B-1	*	—	A-1	1,500	A-1	*	3,999	*
	1,500	A-2	*	—	B-2	*	—	A-2	1,500	A-2	*		
	1,500	A-3	*	1	B-3	*	501	A-3	999	A-3	*		
	1,499	A-4	*	—	B-4	*	1,499	A-4	—	A-4	*		
Michael S. Zimmerman	4,500	A-1	*	1	B-1	*	—	A-1	4,500	A-1	*	10,000	*
	4,500	A-2	*	—	B-2	*	—	A-2	4,500	A-2	*		
	4,500	A-3	*	—	B-3	*	3,500	A-3	1,000	A-3	*		
	4,499	A-4	*	—	B-4	*	4,499	A-4	—	A-4	*		
Selling Shareholders as a group (257 persons)	1,043,284	A-1	14.48%	90	B-1	14.4%	224,032	A-1	819,252	A-1	11.73%	2,421,623	7.61%

1,043,284	A-2	14.48	119	B-2	14.6	261,189	A-2	782,095	A-2	11.26
1,043,271	A-3	14.48	165	B-3	12.8	453,205	A-3	590,066	A-3	8.74
1,042,854	A-4	14.48	32	B-4	7.8	812,644	A-4	230,210	A-4	3.60

* Represents beneficial ownership of less than 1%.

(67) Includes 6,000 Class A-1, 6,000 Class A-2, 6,000 Class A-3 and 5,998 Class A-4 shares and one Class B-1 and one Class B-3 share held in a trust over which Mr. Wilk exercises voting and investment power.

(68) Includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust over which Mr. Yermack exercises voting and investment power. Also includes 4,500 Class A-1, 4,500 Class A-2, 4,500 Class A-3 and 4,499 Class A-4 shares and one Class B-1 share held in a trust controlled by Mr. Yermack.

(69) Includes 1,500 Class A-1, 1,500 Class A-2, 1,500 Class A-3 and 1,499 Class A-4 shares and one Class B-3 share held in a trust over which Mr. Yusim exercises voting and investment power.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital structure consists of

- 100,000,000 authorized shares of Class A common stock;
- 9,500,000 authorized shares of Class A-1 common stock;
- 9,500,000 authorized shares of Class A-2 common stock;
- 9,500,000 authorized shares of Class A-3 common stock;
- 9,500,000 authorized shares of Class A-4 common stock;
- 625 authorized shares of Class B-1 common stock;
- 813 authorized shares of Class B-2 common stock;
- 1,287 authorized shares of Class B-3 common stock;
- 413 authorized shares of Class B-4 common stock; and
- 10,000,000 authorized shares of preferred stock, including 140,000 authorized shares of Series A Junior Participating Preferred Stock.

Upon the closing of this offering, there will be 4,751,070 shares of Class A common stock, 6,981,394 shares of Class A-1, 6,944,087 shares of Class A-2, 6,751,869 shares of Class A-3, 6,389,292 shares of Class A-4, 625 shares of Class B-1, 813 shares of Class B-2, 1,287 shares of Class B-3 and 413 shares of Class B-4 issued and outstanding. We have no shares of our preferred stock issued and outstanding, nor will any shares of our preferred stock be issued and outstanding upon the closing of this offering.

Common Stock

With the exception of the matters reserved to holders of our Class B common stock, holders of common stock vote together on all matters for which a vote of common shareholders is required. In these votes, each holder of shares of our Class A or Class B common stock has one vote per share. Matters reserved to the holders of our Class B common stock, votes applicable to each class of Class B common stock in these matters and certain voting restrictions on holders of our Class B common stock are described below under "Additional Provisions of Class B Common Stock."

Holders of our common stock are entitled to receive proportionately such dividends, if any, as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock. Holders of our common stock have no conversion, preemptive or subscription rights. All outstanding shares of our common stock are, and the shares of our Class A common stock to be sold in this offering when issued and paid for will be, validly issued, fully paid and nonassessable. In the event of any liquidation, dissolution or winding-up of our affairs, and subject to the rights of any outstanding series of our preferred stock, holders of our Class A and Class B common stock are entitled to receive a distribution of the remaining assets on a pro rata basis.

Preferred Stock

We are authorized to issue up to 10 million shares of preferred stock. Our certificate of incorporation authorizes our board to issue these shares in one or more series; to establish from time to time the number of shares to be included in each series; and to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations or restrictions. Our board may increase or decrease the number of shares of any series, but not below the number of shares of that series then outstanding, without any further vote or action by our shareholders. Our board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other

rights of the holders of our common stock. We currently have no plans to issue any shares of preferred stock other than pursuant to the rights plan described below.

Additional Provisions of Class B Common Stock

Our authorized shares of Class B common stock are divided into four classes, with the following characteristics:

Class	Maximum Number of Shares	Associated Exchange Membership	Number of Directors Class Can Elect	Number of Votes Per Share on "Core Rights"
B-1	625	Chicago Mercantile Exchange ("CME") Division	3	6
B-2	813	International Monetary Market ("IMM") Division	2	2
B-3	1,287	Index and Option Market ("IOM") Division	1	1
B-4	413	Growth and Emerging Markets ("GEM") Division	0	1/6

Associated Exchange Membership. Each series of CME Class B common stock was issued in conjunction with a membership in a specific division of the exchange. CME's rules provide exchange members with access to the trading floor of the exchange and the GLOBEX platform for the contracts assigned to that membership and the ability to use or lease their trading privileges. In CME's demutualization, shares of Class B common stock were issued to members of the exchange in order to provide those members with representation on CME's board of directors and provide for an orderly transition to a for-profit company. Membership interests are maintained at CME and are not part of or evidenced by the Class B common stock of CME Holdings. The Class B common stock of CME Holdings is intended only to ensure that the former Class B shareholders of CME retain board representation rights and approval rights with respect to Core Rights described below.

Commitment to Open Outcry. Our certificate of incorporation includes a commitment to maintain open outcry floor trading on our exchange for a particular traded product as long as the open outcry market is "liquid." The commitment requires us to maintain a facility for conducting business, for disseminating price information, for clearing and delivery and to provide reasonable financial support for technology, marketing and research for open outcry markets. An open outcry market will be deemed liquid for these purposes if it meets any of the following tests on a quarterly basis:

- if a comparable product is traded on an exchange other than ours, our open outcry market has maintained at least 30% of the average daily volume of the comparable product (including, for calculation purposes, volume from EFPs in the open outcry market);
- if a comparable product is traded on an exchange other than ours, and our product trades exclusively by open outcry, our open outcry market has maintained at least 30% of the open interest, or the daily total of positions outstanding, of the comparable product;
- if no comparable product is traded on an exchange other than ours, our open outcry market has maintained at least 40% of the average quarterly volume in that market in 1999 (including, for calculation purposes, volume from EFPs in the open outcry market); or
- if no comparable product is traded on an exchange other than ours and our product trades exclusively by open outcry, our open outcry market has maintained at least 40% of the average open interest in that market in 1999.

If a market is deemed illiquid as a result of a failure to meet any of the foregoing tests, our board will determine whether or not that market will be closed.

Voting on Core Rights. Holders of shares of our Class B common stock have the right to approve changes to specified "rights" relating to the trading privileges associated with those shares. These "Core Rights" consist of:

- the allocation of products which a membership class is permitted to trade on our exchange facilities;
- the trading floor access rights and privileges which a member has;
- the number of memberships in each membership class and the number of authorized and issued shares of Class B common stock associated with that class; and
- the eligibility requirements to exercise trading rights or privileges.

Votes on changes to Core Rights are weighted by class. Each class of Class B common stock has the following number of votes on matters relating to Core Rights: Class B-1, six votes per share; Class B-2, two votes per share; Class B-3, one vote per share, and Class B-4, 1/6th of one vote per share. The approval of a majority of the votes cast by the holders of shares of Class B common stock is required in order to approve any changes to Core Rights. Holders of shares of Class A common stock do not have the right to vote on changes to Core Rights.

Under Delaware law, changes to the number of authorized shares of a class also require the approval of the holders of a majority of the outstanding shares of that class. Otherwise, changes may be effected upon the approval of a majority of the votes cast by the holders of shares of our Class B common stock. This means that, because of our weighted voting mechanism, a change to Core Rights may be effected by the approval of the holders of the Class B-1 shares, even though the holders of the other classes voted against the change.

Election of Directors. Our certificate of incorporation provides for a board composed of 20 members. Holders of Class B-1, Class B-2 and Class B-3 common stock have the right to elect six directors to our board, of which three are elected by Class B-1 shareholders, two are elected by Class B-2 shareholders and one is elected by Class B-3 shareholders. The remaining 14 directors are elected by the holders of the Class A and Class B common stock, voting together as a class. The nominating committee, composed of members of our board of directors, nominates the slate of candidates to be elected by the holders of the Class A and Class B common stock, voting together. This committee is responsible for assessing the qualifications of candidates, as well as ensuring that any regulatory requirements for the composition of our board are met. The holders of the Class B-1, Class B-2 and Class B-3 common stock have the right to elect members of nominating committees for their respective class, which are responsible for nominating candidates for election by their class. Each committee is responsible for assessing the qualifications of candidates to serve as directors to be elected by that class. Our certificate of incorporation requires that director candidates for election by a class of Class B common stock own, or be recognized under our rules as a permitted transferee of, at least one share of that class.

Voting Restrictions. Our certificate of incorporation provides that, with respect to any election of directors or Core Rights, any person or group that beneficially owns 15% or more of any class of Class B common stock may, for so long as such person or group owns such percentage, vote only the number of shares of that class of Class B common stock for which it owns an equivalent percentage of Class A common stock.

Transfer Restrictions

Class A Common Stock

Currently issued and outstanding shares of our Class A common stock have been issued in four classes: Class A-1, Class A-2, Class A-3 and Class A-4. Each class is subject to significant transfer restrictions pursuant to our certificate of incorporation. The Class A common stock being sold in this offering is identical to the other classes of Class A common stock except that it is not subject to transfer

restrictions. The periods during which sales or transfers of shares of Class A-1, Class A-2, Class A-3 and Class A-4 common stock are not permitted vary depending on the class of common stock. Transfers include sales, pledges and other transfers of ownership.

The transfer restriction periods will expire:

- 180 days after we close our IPO in the case of Class A-1 common stock;
- 360 days after we close our IPO in the case of Class A-2 common stock; and
- 540 days after we close our IPO in the case of Class A-3 and Class A-4 common stock.

Subject to our right to engage in the guided selling process and the related provisions described below, when the restriction period applicable to a class of shares expires, the class of shares will automatically convert into unrestricted Class A common stock. See the section of this prospectus entitled "Shares Eligible for Future Sale" below for limitations on sales by affiliates under the securities laws. Holders of restricted Class A common stock are also able to transfer their shares prior to such expiration and conversion in connection with a "permitted transfer."

"Permitted transfers" include:

- conversion transfers, which have the effect of allowing the shares transferred to convert into shares of unrestricted Class A common stock; and
- non-conversion transfers, which have the effect of retaining the transfer restrictions for the shares transferred.

In conversion transfers, shares of restricted Class A common stock, regardless of whether they represent Class A-1, Class A-2, Class A-3 or Class A-4 common stock, will be converted into shares of unrestricted Class A common stock. Conversion transfers include:

- transfers to us;
- shares sold in a guided sale process or in our IPO;
- transfers to satisfy exchange claims or under exchange rules; and
- transfers approved as conversion transfers by our board of directors.

In non-conversion transfers, shares of restricted Class A common stock, regardless of whether they represent Class A-1, Class A-2, Class A-3 or Class A-4 common stock, will not convert into shares of unrestricted Class A common stock, and the transferred shares will remain subject to the transfer restrictions. Non-conversion transfers include:

- transfers in connection with a transfer of a share of Class B common stock;
- transfers to and among family members of a holder and entities (including trusts, partnerships and limited liability companies) established for estate planning or education purposes for the holder or the holder's immediate family;
- bona fide pledges to a commercial bank, a savings and loan institution or any other lending or financial institution as security for indebtedness of the holder incurred to acquire a membership interest in our exchange;
- pledges as collateral to clearing firms; and
- transfers approved as non-conversion transfers by the board of directors of CME Holdings.

The number of shares of restricted Class A common stock that may be transferred with an associated share of Class B common stock in a permitted transfer is limited to the amounts set forth below, with respect to each class of restricted Class A common stock.

	Number of Class A Shares That May Be Transferred By Class			
Class B Share	**Class A-1**	**Class A-2**	**Class A-3**	**Class A-4**
Class B-1	4,500	4,500	4,500	4,499
Class B-2	3,000	3,000	3,000	2,999
Class B-3	1,500	1,500	1,500	1,499
Class B-4	25	25	25	24

Guided Selling Process

Our certificate of incorporation grants us the right to guide secondary sales of each class of Class A common stock when the transfer restriction period applicable to that class is scheduled to expire. The purpose of this right is to promote a more orderly distribution of our Class A shares into the market, taking into account current market conditions and the desire of existing holders to sell. If we elect to guide the sale process, no shares of the class that is scheduled for release or of any other class that is subject to transfer restrictions may be sold during the applicable transfer restriction period, except as part of the guided sale process or in a permitted transfer.

We must provide holders of restricted shares with a written notice of our election to guide the sale of the class of stock that is scheduled for release at least 60 days prior to the expiration of the applicable transfer restriction period. A holder has 20 days following receipt of that notice to provide us with written notice of his or her intent to participate in the guided sale process. Holders of restricted shares may request that all or a portion of their shares of the class scheduled for release plus any other shares which remain subject to transfer restrictions be included in the guided sale process. The actual number of shares that holders of restricted shares may sell in a guided sale will depend on market conditions, investor demand and the requirements of any underwriters or placement agents and may be fewer than the aggregate number requested by shareholders to be included in the sale. In that event, there will be a reduction in the number of shares that individual holders may sell based on a "cut-back" formula to be adopted by our board. In the event of a "cut back," priority will be given to shares of the class then scheduled to be released. The guided selling process may take the form of an underwritten secondary offering, a private placement of shares to one or more purchasers, a repurchase of shares by us or a similar process selected by our board. If a holder of restricted shares elects not to include all of his or her shares of the class that is scheduled to expire in the related guided sale process, the shares that he or she does not elect to include will remain subject to transfer restrictions and may not be transferred, other than in a permitted transfer (as described above), until the expiration of the final transfer restriction period unless:

- we elect not to guide the selling process applicable to the expiration of a later transfer restriction period;
- we do not complete a guided sale process within the applicable time period; or
-

we do not sell in any subsequent guided selling process the number of shares of the class scheduled to be released that were requested to be included in the sale process.

We may proceed with the sale of fewer than all of the shares that had been requested to be included in a guided sale process, including less than all of the shares of the class scheduled for release at the expiration of the related transfer restriction period. Additionally, there is no obligation on us to complete the selling process.

However, if we sell less than all of the shares of the class scheduled to be released that a holder requested be sold in the related guided sale process, that holder will be able to sell, on the 61st day after

the expiration of the related transfer restriction period (or the last day of the transfer restriction period, if it relates to the final transfer period), those shares that were not sold. In addition, on such date, any shares of any class that were scheduled for release at the expiration of an earlier transfer restriction period, but that remain subject to the transfer restrictions because a shareholder elected not to include them in the related guided sale process, will become freely transferable.

Our certificate of incorporation requires that any guided selling process must be completed no later than 60 days after the expiration date of the related transfer restriction period. However, any guided selling process undertaken in conjunction with the final release date must be completed no later than the final expiration date (*i.e.*, 540 days after the IPO). If the guided sale process is not completed within those time frames, any shares of the class that would have been released at the expiration of the related transfer restriction period, but for the guided sale process, will automatically convert into unrestricted Class A common stock on the 61st day after the expiration of the related transfer restriction period, except with respect to the last transfer restriction period, in which case the conversion will take place on the last day of the period. In addition, any shares of any class that remain subject to transfer restrictions because a shareholder elected not to include those shares in the guided sale process when those shares were scheduled to be released also will convert on that day.

If we elect not to guide the sale process at the time of any scheduled release date for a class of stock, the shares of that class scheduled to be released will convert into unrestricted Class A common stock at the expiration of the applicable transfer restriction period. In addition, any shares of any class that remain subject to transfer restrictions because a shareholder elected not to include those shares in the guided sale process when those shares were scheduled to be released also will convert on that date.

Class B Common Stock

Shares of Class B common stock are also subject to transfer restrictions contained in our certificate of incorporation. These transfer restrictions prohibit the sale or transfer of any shares of our Class B common stock separate from the sale of the associated membership interest in our exchange. No membership in our exchange may be sold unless the purchaser also acquires the associated share of Class B common stock.

Indemnification of Directors and Executive Officers and Limitation of Liability

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act.

As permitted by Delaware law, our certificate of incorporation includes a provision that eliminates the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our shareholders; (2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (3) under Section 174 of the Delaware General Corporation Law regarding unlawful dividends and stock purchases; or (4) for any transaction from which the director derived an improper personal benefit.

As permitted by Delaware law, our certificate of incorporation and our bylaws provide that (1) we are permitted to indemnify our directors, officers and other employees to the fullest extent permitted by Delaware law; (2) we are permitted to advance expenses, as incurred, to our directors, officers and other employees in connection with defending a legal proceeding if we have received an undertaking by the person receiving such advance to repay all amounts advanced if it should be determined that he or she is not entitled to be indemnified by us; and (3) the rights conferred in the certificate of incorporation are not exclusive.

Other Certificate of Incorporation and Bylaw Provisions

Our certificate of incorporation and bylaws include a number of anti-takeover provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include:

Classified Board of Directors; Removal for Cause; Filling Vacancies. Our certificate of incorporation provides for a board of directors divided into two classes, with one class to be elected each year to serve for a two-year term. The terms of the classes of directors will terminate on the date of the annual meetings of shareholders in April 2003 and 2004. As a result, two annual meetings of shareholders could be required for the shareholders to change a majority of the board. Directors elected by Class A and Class B shareholders may be removed for cause only by the affirmative vote of the holders of not less than two-thirds of the outstanding votes entitled to vote in the election of the director to be removed. Vacancies resulting from that removal or for any other reason shall be filled by the board of directors, but any Class B vacancies must be filled from the candidates who ran in the previous election for the directorship with the candidates being selected to fill the vacancy in the order of the aggregate number of votes received in the previous election. The classification of directors and the inability of shareholders to remove directors without cause and to fill vacancies on the board will make it more difficult to change the composition of the board, but will promote a continuity of existing management.

Advance Notice Requirements. Our bylaws establish advance notice procedures with regard to shareholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of shareholders. These procedures provide that notice of shareholder proposals must be timely and given in writing to the Secretary of our company prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not fewer than 90 days nor more than 120 days prior to the meeting. The notice must contain the information required by the bylaws, including information regarding the proposal and the proponent.

Special Meetings of Shareholders. Our certificate of incorporation and bylaws deny shareholders the right to call a special meeting of shareholders. Our certificate of incorporation and bylaws provide that only the chairman of our board or a majority of the board of directors may call special meetings of the shareholders.

No Written Consent of Shareholders. Our certificate of incorporation requires all shareholder actions to be taken by a vote of the shareholders at an annual or special meeting, and does not permit the shareholders to act by written consent, without a meeting.

Amendment of Bylaws and Certificate of Incorporation. Our certificate of incorporation generally requires the approval of not less than two-thirds of the voting power of all outstanding shares of common stock entitled to vote to amend any bylaws by shareholder action or the certificate of incorporation provisions described in this section. Only our Class B shareholders may amend provisions of our certificate of incorporation relating to the Core Rights described above.

Rights Plan Provisions. Our certificate of incorporation authorizes our board of directors to create and issue rights entitling our shareholders to purchase shares of our stock or other securities. Those rights might be used to affect the ability of a third party to initiate a transaction designed to take over our company. Our board has adopted a plan creating these rights.

From and after the effective date of the merger consummated to effect our reorganization, one right attached to each share of our common stock issued in the merger and, except in certain circumstances, will attach to each share issued after the merger. Each right entitles the registered holder to purchase from us a unit consisting of one one-thousandth of a share of Series A Junior

Participating Preferred Stock, par value $.01 per share, at a purchase price of $105 per unit, subject to adjustment. The description and terms of the rights are set forth in the rights agreement, dated November 30, 2001, between us and Computershare Investor Services, LLC, a national banking association, as rights agent.

Initially, the rights attached to all our outstanding shares of common stock, and no separate rights certificates were distributed. The rights will separate from our common stock upon the earlier of (i) 10 days following a public announcement that a person or group of affiliated or associated persons, referred to as an acquiring person, has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of either (a) our common stock or (b) our Class A common stock (this date is referred to as the stock acquisition date) or (ii) 10 business days following the commencement of a tender offer or exchange offer for our common stock that would result in a person or group becoming an acquiring person (the earlier of (i) and (ii) is referred to as the distribution date). Until the distribution date, (i) the rights will be evidenced by shares of our common stock and will be transferred with and only with our shares of common stock, (ii) shares of our common stock issued in the merger or new shares issued after the effective date of the merger will contain a notation incorporating the rights agreement by reference and (iii) the surrender for transfer of any of our outstanding shares of common stock will also constitute the transfer of the rights associated with the common stock.

The rights are not exercisable until the distribution date and will expire at the close of business on December 3, 2011 unless earlier redeemed or exchanged by us as described below. At no time will the rights have any voting power.

As soon as practicable after the distribution date, our rights agent will adjust the book-entry accounts of each holder of record of the common stock as of the close of business on the distribution date and, thereafter, the rights will be independently evidenced. Except as otherwise determined by the board of directors, only shares of common stock outstanding prior to the distribution date will be issued with rights.

In the event that a person becomes an acquiring person (unless such acquisition is made pursuant to a tender or exchange offer for all of our outstanding shares, at a price and on terms determined by a majority of the independent directors who are not representatives, nominees, affiliates or associates of an acquiring person, with advice from one or more investment banking firms, determined to be fair to and otherwise in the best interests of our company and our shareholders, which is referred to as a qualifying offer), each holder of a right will thereafter have the right to receive, upon exercise, Class A common stock (or, in certain circumstances, cash, property or other securities of our company), having a value equal to two times the exercise price of the right. The exercise price is the purchase price times the number of shares of Class A common stock associated with each right (initially, one). Notwithstanding this, following the occurrence of any of the events set forth in this paragraph, referred to as the flip-in events, all rights that are, or (under certain circumstances specified in the rights agreement) were, beneficially owned by any acquiring person will be null and void. However, rights are not exercisable following the occurrence of any of the flip-in events set forth above until such time as the rights are no longer redeemable by us as set forth below.

In the event that following the stock acquisition date, (i) we engage in a merger or business combination transaction in which we are not the surviving corporation, (ii) we engage in a merger or business combination transaction in which we are the surviving corporation and our common stock is changed or exchanged, or (iii) 50% or more of our assets or earning power is sold or transferred ((i), (ii) and (iii) are referred to as flip-over events), each holder of a right (except rights which have previously been voided as set described above) shall thereafter have the right to receive, upon exercise of the right, Class A common stock of the acquiring company having a value equal to two times the exercise price of the right. A flip-over event will not be deemed to have occurred if the transaction is

consummated pursuant to a qualifying offer, the price offered in the transaction is not less than that paid in the tender or exchange offer and the type of consideration paid in the transaction is the same as in the tender or exchange offer.

The purchase price payable, and the number of units of preferred stock or other securities or property issuable upon exercise of the rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the preferred stock, (ii) if holders of the preferred stock are granted certain rights or warrants to subscribe for preferred stock or convertible securities at less than the current market price of the preferred stock, or (iii) upon the distribution to holders of the preferred stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustments in the purchase price will be required until cumulative adjustments amount to at least 1% of the purchase price. No fractional units will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the preferred stock on the last trading date prior to the date of exercise.

At any time until 10 days following the stock acquisition date, we may redeem the rights in whole, but not in part, at a price of $.01 per right. Immediately upon the action of the board of directors ordering redemption of the rights, the rights will terminate and the only right of the holders of rights will be to receive the $.01 redemption price.

Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder of our company, including, without limitation, the right to vote or to receive dividends. While the distribution of the rights will not be taxable to shareholders or to us, shareholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable for Class A common stock (or other consideration) of our company as set forth above.

Any of the provisions of the rights agreement may be amended by our board of directors prior to the distribution date. After the distribution date, the provisions of the rights agreement may be amended by the board of directors in order to cure any ambiguity, to correct or supplement any defective or inconsistent provision, to make changes which do not adversely affect the interests of holders of rights (excluding the interest of any acquiring person), or to shorten or lengthen any time period under

the rights agreement; provided, however, among other things, that no amendment to adjust the time period governing redemption may be made when as the rights are not redeemable.

The rights have certain anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire our company in certain circumstances. Accordingly, the existence of the rights may deter certain acquirors from making takeover proposals or tender offers. However, the rights are not intended to prevent a takeover, but rather are designed to enhance the ability of the board of directors to negotiate with a potential acquiror on behalf of all of the shareholders.

Delaware Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law. Subject to exceptions set forth in that section, Section 203 prohibits a Delaware corporation from engaging in any business combination with any interested shareholder for a period of three years following the time that such shareholder became an interested shareholder, unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;

- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (x) by persons who are directors and also officers and (y) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least $66^2/_3$% of the outstanding voting stock that is not owned by the interested shareholder.

Section 203 defines a business combination to include generally:

- any merger or consolidation involving the corporation and the interested shareholder;

- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested shareholder;

- any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested shareholder except upon the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such composition, upon a merger of a parent and a subsidiary, or upon an exchange offer by the corporation to purchase stock made on the same terms to all holders of said stock;

- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested shareholder; or

- the receipt by the interested shareholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested shareholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by such entity or person.

Transfer Agent

The Transfer Agent and Registrar for our Class A common stock is Computershare Investor Services, LLC.

SHARES ELIGIBLE FOR FUTURE SALE

Future sales of substantial amounts of our Class A common stock, including shares issued upon exercise of outstanding options, in the public market after this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities.

Upon completion of this offering, we will have outstanding 31,817,712 shares of Class A common stock, consisting of 4,751,070 shares of Class A common stock, 6,981,394 shares of Class A-1 common stock, 6,944,087 shares of Class A-2 common stock, 6,751,869 shares of Class A-3 common stock and 6,389,292 shares of Class A-4 common stock. The amount of shares outstanding upon completion of this offering assumes no exercise of the underwriters' over-allotment option and no exercise of outstanding options. All of the shares sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by one of our affiliates as that term is defined in Rule 144 under the Securities Act, which generally includes directors, officers or 10% shareholders.

Our currently issued and outstanding shares of Class A common stock are registered under the Securities Act but are subject to significant transfer restrictions. The transfer restriction periods will expire:

- 180 days after we close our IPO in the case of Class A-1 common stock;

- 360 days after we close our IPO in the case of Class A-2 common stock; and

- 540 days after we close our IPO in the case of Class A-3 and Class A-4 common stock.

These transfer restrictions do not restrict the bundled sale of shares of each series of Class A common stock together with a share of Class B common stock. For a more detailed discussion of these transfer restrictions, see the section of this prospectus entitled "Description of Capital Stock."

We and our directors and officers have agreed not to offer or sell any shares of our Class A common stock, subject to exceptions, for a period of 180 days after the date of this prospectus, without the prior written consent of the representatives of the underwriters. For more information relating to these restrictions, please see the section of this prospectus entitled "Underwriters."

Rule 144

In general, under Rule 144 as currently in effect, a person, or persons whose shares are aggregated, who has beneficially owned restricted shares for at least one year, including the holding period of any prior owner except an affiliate, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately 318,176 shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a Form 144 with respect to the sale.

Sales under Rule 144 also are subject to manner of sale provisions and notice requirements and to the availability of current public information about us. Under Rule 144(k), a person who is not deemed to have been our affiliate at any time during the three months preceding a sale and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner except an affiliate, is entitled to sell those shares without complying with the manner of sale, public information, volume limitation and notice provisions of Rule 144.

MATERIAL U.S. FEDERAL TAX CONSEQUENCES TO NON-U.S. SHAREHOLDERS

The following is a general summary of some United States federal income and estate tax consequences expected to result under current law from the purchase, ownership and taxable disposition of shares of our Class A common stock by a Non-U.S. Shareholder, which for the purpose of this discussion is a person or entity who is not

- an individual who is a citizen or resident of the United States;
- a corporation or partnership created or organized under the laws of the United States or any state or political subdivision thereof;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary does not address all of the United States federal income tax and estate tax considerations that may be relevant to a Non-U.S. Shareholder in light of its particular circumstances or to Non-U.S. Shareholders that may be subject to special treatment under United States federal income tax laws. Furthermore, this summary does not discuss any aspects of state, local or foreign taxation. This summary is based on current provisions of the Internal Revenue Code of 1986, as amended, Treasury regulations, judicial opinions, published positions of the Internal Revenue Service and other applicable authorities, all of which are subject to change, possibly with retroactive effect. Each prospective purchaser of our Class A common stock is advised to consult its tax adviser with respect to the tax consequences of acquiring, holding and disposing of our Class A common stock.

Dividends

If we pay a dividend, any dividend paid to a Non-U.S. Shareholder of our Class A common stock generally will be subject to withholding of United States federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) unless the dividend is effectively connected with the conduct of a trade or business of the Non-U.S. Shareholder within the United States, in which case the dividend will be taxed at ordinary United States federal income tax rates. If the Non-U.S. Shareholder is a corporation, such effectively connected income may also be subject to an additional "branch profits tax."

Sale or Disposition of Common Stock

A Non-U.S. Shareholder generally will not be subject to United States federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless (i) such gain is effectively connected with a United States trade or business of the Non-U.S. Shareholder, (ii) the Non-U.S. Shareholder is an individual who holds our Class A common stock as a capital asset and who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which such sale or disposition occurs and certain other conditions are met or (iii) the Non-U.S. Shareholder is subject to tax under the provisions of United States federal income tax law applicable to certain United States expatriates. In addition, if we are or have been a "United States real property holding corporation" for United States federal income tax purposes, a Non-U.S. Shareholder who is otherwise not subject to United States federal income tax on gain realized on a sale or other disposition of our Class A common stock would not be subject to such taxation, but only if our common stock continues to be "regularly traded on an established securities market" for United States federal income tax purposes and such Non-U.S. Shareholder does not own, directly or indirectly, at any time during the five-year period ending on the date

of disposition or such shorter period the shares were held, more than 5% of the outstanding shares of our Class A common stock. We do not believe that we are or will become a United States real property holding corporation for United States federal income tax purposes.

Backup Withholding and Information Reporting

Generally, dividends paid to Non-U.S. Shareholders that are subject to the 30% federal income tax withholding described above under "Dividends" are not subject to backup withholding. We must report annually to the Internal Revenue Service and to each Non-U.S. Shareholder the amount of dividends paid to such shareholder and the amount, if any, of tax withheld with respect to such dividends. This information may also be made available to the tax authorities in the Non-U.S. Shareholder's country of residence.

The payment of the proceeds of the sale or other taxable disposition of our Class A common stock to or through the United States office of a broker is subject to information reporting and backup withholding unless the Non-U.S. Shareholder properly certifies its non-United States status under penalties of perjury or otherwise establishes an exemption. Generally, a Non-U.S. Shareholder will provide such certification on Internal Revenue Service Form W-8BEN. Information reporting requirements, but not

backup withholding, will also generally apply to payments of the proceeds of a sale of our Class A common stock by foreign offices of United States brokers or foreign brokers with certain types of relationships to the United States unless the Non-U.S. Shareholder establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from payments made to a shareholder may be refunded or credited against such shareholder's United States federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service.

Estate Tax

An individual Non-U.S. Shareholder who owns shares of our Class A common stock at the time of his death or who made certain lifetime transfers of an interest in our Class A common stock will be required to include the value of such Class A common stock in his gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below for whom Morgan Stanley & Co. Incorporated, UBS Warburg LLC, Salomon Smith Barney Inc., J.P. Morgan Securities Inc. and William Blair & Company, L.L.C. are acting as representatives, have severally agreed to purchase and we and the selling shareholders have agreed to sell to them severally, the number of shares of our Class A common stock indicated below:

Name	Number of Shares
Morgan Stanley & Co. Incorporated	
UBS Warburg LLC	
Salomon Smith Barney Inc.	
J.P. Morgan Securities Inc.	
William Blair & Company, L.L.C.	
Total	4,751,070

The underwriters are offering the shares of Class A common stock subject to their acceptance of the shares from us and the selling shareholders and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of our Class A common stock offered by this prospectus are subject to the approval of legal matters by their counsel and to some other conditions. The underwriters are obligated to take and pay for all of the shares of our Class A common stock offered by this prospectus, if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of Class A common stock directly to the public at the public offering price listed on the cover page of this prospectus and part to securities dealers at a price that represents a concession not in excess of $ a share under the public offering price. After the initial offering of the shares of our Class A common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 712,660 additional shares of our Class A common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of our Class A common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to limited conditions, to purchase about the same percentage of the additional shares of our Class A common stock as the number listed opposite the underwriter's name in the preceding table bears to the total number of shares of our Class A common stock listed opposite the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public would be $, the total underwriters' discounts and commissions would be $, the total proceeds to us would be $ and the total proceeds to the selling shareholders would be $.

The following table shows the per share and total underwriting discounts and commissions to be paid by us and the selling shareholders assuming no exercise and full exercise of the over-allotment option.

	Per Share		Total	
Underwriting discounts and commissions to be paid by	No Exercise	Full Exercise	No Exercise	Full Exercise
Us	$	$	$	$
Selling shareholders	$	$	$	$

We and our directors and officers have agreed, subject to certain exceptions, that, without the prior written consent of the representatives, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, our Class A common stock or any security convertible into or exercisable or exchangeable for our

Class A common stock or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Class A common stock,

whether any such transaction described above is to be settled by delivery of Class A common stock or such other securities, in cash or otherwise.

The restrictions described in the previous paragraph do not apply to:

- the sale of the shares of our Class A common stock to the underwriters;
- the issuance of options under our stock option plans;
- the issuance of shares in connection with any acquisitions, mergers or strategic investments that we enter into, subject to the requirement that parties receiving shares in such transactions agree to be bound by the same restrictions as those set forth in the previous paragraph for the remainder of the 180-day period; or
- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing.

We have applied to have our Class A common stock approved for listing on the New York Stock Exchange under the trading symbol "CME." In order to meet one of the requirements for listing our Class A common stock on the New York Stock Exchange, the underwriters have undertaken to sell a sufficient number of lots of 100 or more shares so that there are a minimum of 2,000 beneficial holders of such lots.

In order to facilitate the offering of our Class A common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our Class A common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position in our Class A common stock for their own account. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are convinced that there may be downward

pressure on the price of our Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. In addition, in order to cover any over-allotments or to stabilize the price of our Class A common stock, the underwriters may bid for, and purchase, shares of our Class A common stock in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing our Class A common stock in this offering, if the syndicate repurchases previously distributed shares of our Class A common stock to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of our Class A common stock above independent market levels. The underwriters are not required to engage in these activities and may end any of these activities at any time.

From time to time, some of the underwriters and their affiliates have provided, and may continue to provide, investment banking and general financing and banking services to us and our affiliates, including advice in connection with our demutualization and rights plan, for which they have in the past received, and may in the future receive, customary fees. Some of the underwriters or their affiliates also own memberships on our exchange and, as part of their exchange membership, own shares of our Class A and Class B common stock in amounts that do not exceed, individually, 5% of the outstanding shares of such common stock.

We, the selling shareholders and the underwriters, have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial offering price, up to 300,000 shares of our Class A common stock for our directors, employees and shareholders. The number of shares of our Class A common stock available for sale to the general public will be reduced to the extent our directors, employees and shareholders purchase such reserved shares. Any reserved shares which are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

Pricing of the Offering

Prior to this offering, there has been no organized public market for our Class A common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors to be considered in determining the initial public offering price will be our future prospects and those of our industry in general, our sales, operating income and other financial and operating information in recent periods, and the price-earnings ratios, price-revenues ratios, market prices of securities and financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors.

LEGAL MATTERS

The validity of the shares of our Class A common stock offered by this prospectus will be passed upon for Chicago Mercantile Exchange Holdings Inc. by Skadden, Arps, Slate, Meagher & Flom (Illinois), Chicago, Illinois, and for the underwriters by Cleary, Gottlieb, Steen & Hamilton, New York, New York.

EXPERTS

The consolidated financial statements of CME Holdings and its subsidiaries at December 31, 2001 and 2000, and for each of the three years in the period ended December 31, 2001, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act for the shares of our Class A common stock being offered by this prospectus. This prospectus, which is part of the registration statement, does not contain all of the information included in the registration statement and the exhibits. For further information about us and the Class A common stock offered by this prospectus, you should refer to the registration statement and its exhibits. References in this prospectus to any of our contracts or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. Prior to our reorganization, CME filed reports and other information with the SEC. You may read and copy the registration statement, the related exhibits, reports and other information that we and CME have filed or will file with the SEC at the SEC's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also request copies of those documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file with the SEC. That site is www.sec.gov. You may also request a copy of these filings, at no cost, by writing or telephoning us as follows: Shareholder Relations and Membership Services, Chicago Mercantile Exchange Holdings Inc., 30 South Wacker Drive, Chicago, Illinois 60606, Attention: Shareholder Relations and Membership Services, (312) 930-1000. Upon our listing with the New York Stock Exchange, reports, proxy and information statements and other information about us may be inspected at the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF
CHICAGO MERCANTILE EXCHANGE HOLDINGS INC.:

We have audited the accompanying consolidated balance sheets of Chicago Mercantile Exchange Holdings Inc. (a Delaware corporation) and subsidiaries (the Company), as of December 31, 2001 and 2000, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedules listed in the index at Item 16(b). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chicago Mercantile Exchange Holdings Inc. and subsidiaries at December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
August 30, 2002

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	At December 31,	
	2001	2000
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 69,101	$ 30,655
Proceeds from securities lending activities	882,555	—

Marketable securities	91,570	44,326
Accounts receivable, net of allowance of $962 and $1,700	40,986	28,526
Other current assets	6,671	7,877
Cash performance bonds and security deposits	855,227	156,048
Total current assets	1,946,110	267,432
Property, net of accumulated depreciation and amortization	100,991	102,626
Other assets	21,780	11,386
TOTAL ASSETS	$ 2,068,881	$ 381,444
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 23,834	$ 11,897
Payable under securities lending agreements	882,555	—
Other current liabilities	40,229	30,349
Cash performance bonds and security deposits	855,227	156,048
Total current liabilities	1,801,845	198,294
Long-term debt	6,650	6,063
Other liabilities	10,017	13,416
Total liabilities	1,818,512	217,773
Shareholders' Equity:		
Preferred stock, $0.01 par value, 9,860,000 shares authorized, none issued and outstanding	—	—
Series A junior participating preferred stock, $0.01 par value, 140,000 shares authorized, none issued and outstanding	—	—
Class A common stock, $0.01 par value, 138,000,000 shares authorized, 28,771,562 shares issued and outstanding	288	288
Class B common stock, $0.01 par value, 3,138 shares authorized, issued and outstanding	—	—
Additional paid-in capital	63,451	43,882
Unearned restricted stock compensation	(1,461)	—
Retained earnings	187,814	119,512
Accumulated net unrealized gains (losses) on securities	277	(11)
Total shareholders' equity	250,369	163,671
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,068,881	$ 381,444

See accompanying notes to audited consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share data)

	Year Ended December 31,		
	2001	2000	1999
REVENUES			
Clearing and transaction fees	$ 292,459	$ 156,649	$ 140,305
Quotation data fees	48,250	36,285	43,005
GLOBEX access fees	11,987	3,971	1,899
Communication fees	9,330	9,391	8,165
Investment income	8,956	9,736	9,091
Securities lending interest income	10,744	—	—
Other	14,904	10,520	8,137
TOTAL REVENUES	396,630	226,552	210,602
Securities lending interest expense	(9,477)	—	—
NET REVENUES	387,153	226,552	210,602
EXPENSES			
Salaries and benefits	105,227	94,067	80,957
Stock-based compensation	17,639	1,032	—
Occupancy	20,420	19,629	17,773
Professional fees, outside services and licenses	27,289	23,131	28,319
Communications and computer and software maintenance	43,598	41,920	28,443
Depreciation and amortization	37,639	33,489	25,274
Public relations and promotion	6,326	5,219	7,702
Other	14,650	16,148	15,490
TOTAL EXPENSES	272,788	234,635	203,958

Income (loss) before limited partners' interest in PMT and income taxes	114,365	(8,083)	6,644
Limited partners' interest in earnings of PMT	—	(1,165)	(2,126)
Income tax (provision) benefit	(46,063)	3,339	(1,855)
NET INCOME (LOSS)	$ 68,302	$ (5,909)	$ 2,663
EARNINGS (LOSS) PER COMMON SHARE:			
Basic	$ 2.37	$ (0.21)	$ 0.09
Diluted	$ 2.33	—	$ 0.09
Weighted average number of common shares outstanding:			
Basic	28,774,700	28,774,700	28,774,700
Diluted	29,330,320	—	28,774,700

See accompanying notes to audited consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share and per share data)

	Class A Common Stock	Class B Common Stock	Common Stock and Additional Paid-In Capital	Unearned Restricted Stock Compensation	Retained Earnings	Accumulated Net Unrealized Securities Gains (Losses)	
	Shares	Shares	Amount				
BALANCE, DECEMBER 31, 1998	—	—	$ 43,605	$ —	$ 122,758	$ 534	$
Comprehensive income:							
Net income					2,663		
Change in net unrealized loss on securities, net of tax benefit of $597						(897)	
Total comprehensive income							
BALANCE, DECEMBER 31, 1999	—	—	$ 43,605	$ —	$ 125,421	$ (363)	$
Comprehensive income:							
Net loss					(5,909)		
Change in net unrealized gain on securities, net of tax of $234						352	
Total comprehensive income							
Stock-based compensation			565				
Issuance of Class A common stock	28,771,562						
Issuance of Class B common stock		3,138					
BALANCE, DECEMBER 31, 2000	28,771,562	3,138	$ 44,170	$ —	$ 119,512	$ (11)	$
Comprehensive income:							
Net income					68,302		
Change in net unrealized gain on securities, net of tax of $192						288	
Total comprehensive income							
Stock-based compensation			17,134				
Grant of 117,000 shares of restricted Class A common stock			2,435	(2,435)			
Amortization of unearned restricted Class A common stock				974			
BALANCE, DECEMBER 31, 2001	28,771,562	3,138	$ 63,739	$ (1,461)	$ 187,814	$ 277	$

See accompanying notes to audited consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 68,302	$ (5,909)	$ 2,663
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			

Loss on investment in joint venture	281	—	—
Limited partners' interest in earnings of PMT	—	1,165	2,126
Deferred income tax provision (benefit)	(8,878)	811	5,087
Stock-based compensation	17,639	1,032	—
Depreciation and amortization	37,639	33,489	25,274
Loss (gain) on sale of marketable securities	(226)	14	(135)
Loss on disposal of fixed assets	—	—	7
Write-off of internally developed software	262	2,739	—
Increase (decrease) in allowance for doubtful accounts	(738)	1,350	215
Decrease (increase) in accounts receivable	(11,722)	(8,307)	3,468
Decrease (increase) in other current assets	1,206	1,416	(3,227)
Decrease (increase) in other assets	(415)	859	(1,563)
Increase (decrease) in accounts payable	11,937	(3,821)	(3,983)
Increase (decrease) in other current liabilities	8,213	7,120	(931)
Increase (decrease) in other liabilities	(2,931)	1,011	2,160
NET CASH PROVIDED BY OPERATING ACTIVITIES	120,569	32,969	31,161
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, net	(30,367)	(25,171)	(55,295)
Capital contributions to joint venture	(1,316)	—	—
Purchases of marketable securities	(94,008)	(43,116)	(41,938)
Proceeds from sales and maturities of marketable securities	47,470	59,518	68,144
Purchase of limited partners' interest in PMT	—	(4,183)	—
NET CASH USED IN INVESTING ACTIVITIES	(78,221)	(12,952)	(29,089)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on long-term debt	(3,902)	(3,611)	(2,664)
NET CASH USED IN FINANCING ACTIVITIES	(3,902)	(3,611)	(2,664)
Net increase (decrease) in cash and cash equivalents	38,446	16,406	(592)
Cash and cash equivalents, beginning of year	30,655	14,249	14,841
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 69,101	$ 30,655	$ 14,249
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ 627	$ 892	$ 705
Income taxes paid (refunded)	49,062	(5,471)	(265)
Capital leases—asset additions and related obligations	6,156	1,907	7,940

See accompanying notes to audited consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Description of Business

Chicago Mercantile Exchange Holdings Inc. (CME Holdings) is a Delaware stock corporation organized in August 2001 to be the holding company for Chicago Mercantile Exchange Inc. and its subsidiaries (CME or the exchange). CME became a wholly owned subsidiary of CME Holdings through a merger of a subsidiary of CME Holdings with and into CME that was completed on December 3, 2001. At that time, existing shareholders received stock in CME Holdings for stock in CME (note 14). The consolidated financial statements include Chicago Mercantile Exchange Inc. and its controlled subsidiaries, which include P-M-T Limited Partnership (PMT) and GFX Corporation (GFX) as well as the holding company, CME Holdings (collectively, the company). All intercompany transactions have been eliminated in consolidation.

The merger of CME into CME Holdings was accounted for as a pooling of interests because of the common owners before and after the transaction. These financial statements have been prepared as if the current holding company structure had been in place for all periods presented. CME Holdings has no assets or liabilities, other than its investment in CME.

CME is a designated contract market for the trading of futures and options on futures contracts. Trades are executed through open outcry, an electronic trading platform and privately negotiated transactions. Through its in-house Clearing House Division, CME clears, settles, nets and guarantees performance of all matched transactions in its products.

CME resulted from the completion of a demutualization process whereby Chicago Mercantile Exchange, an Illinois not-for-profit membership organization, became a Delaware for-profit stock corporation. The transaction resulted in the conversion of membership interests in the Illinois corporation into stock ownership in the Delaware corporation and was completed on November 13, 2000. When the membership of the exchange approved the demutualization process, the holders of the units of PMT also approved the cash purchase of the assets and business of PMT by the exchange (note 16).

In the ordinary course of business, a significant portion of accounts receivable and revenues are from the shareholders of CME Holdings.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents. Cash equivalents consist of highly liquid investments with maturities of three months or less when purchased.

Marketable Securities. Marketable securities generally have been classified as available for sale and are carried at fair value based on quoted market prices, with net unrealized gains and losses reported net of tax as a component of shareholders' equity. Interest on marketable securities is recognized as income when earned and includes accreted discount less amortized premium. Realized gains and losses are calculated using specific identification.

Additional securities held in connection with non-qualified deferred compensation plans have been classified as trading securities. These securities are included in other assets in the accompanying consolidated balance sheets at fair value, and net unrealized gains and losses are reflected in investment income.

Fair Value of Financial Instruments. Statement of Financial Accounting Standards (SFAS) No. 107, "Disclosures about Fair Value of Financial Instruments," requires disclosure of the fair value of financial instruments. The carrying values of financial instruments included in assets and liabilities in the accompanying consolidated balance sheets are reasonable estimates of their fair values.

Performance Bonds and Security Deposits. Performance bonds and security deposits held by the exchange for clearing firms may be in the form of cash or securities. Cash performance bonds and security deposits are reflected in the accompanying consolidated balance sheets. Cash received may be invested, and any interest received accrues to the exchange. These investments are overnight transactions in U.S. Government securities acquired through and held by a broker-dealer of a subsidiary of a bank.

Securities deposited by clearing firms consist primarily of short-term U.S. Treasury securities and are not reflected in the accompanying consolidated balance sheets. These securities are held in safekeeping, although a portion of the clearing firms' proprietary performance bond deposits may be utilized in securities lending transactions. Interest and gain or loss on securities deposited to satisfy performance bond and security deposit requirements accrues to the clearing firm.

Property. Property is stated at cost less accumulated depreciation and amortization. Depreciation on furniture, fixtures and equipment is provided on the straight-line method over the estimated useful lives of the assets, generally three to seven years. In 2000, the company reduced the depreciable lives of newly purchased equipment from five years to four years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining term of the applicable leases. Maintenance and repair items as well as certain minor purchases are charged to expense as incurred. Renewals and betterments are capitalized.

Software. The company adopted the American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" (SOP 98-1) on January 1, 1999, and accordingly, began capitalizing certain costs of developing internal use software that otherwise would have been expensed under its previous accounting policy. Capitalized costs generally are amortized over three years, commencing with the completion of the project. In 2000, the depreciable life for newly purchased software was reduced from five years to four years.

Impairment of Assets. The company reviews its long-lived assets and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Revenue Recognition. The Securities and Exchange Commission has issued Staff Accounting Bulletin No. 101 on revenue recognition. The company's revenue recognition policies comply with the requirements of that Bulletin.

Clearing and Transaction Fees. Clearing and transaction fees include per contract charges for trade execution, clearing and GLOBEX fees. Fees are charged at various rates based on the product traded, the method of trade and the exchange trading privileges of the customer making the trade. Clearing and transaction fees are recognized as revenue when a buy and sell order are matched and the trade is cleared. Therefore, cancelled buy and sell orders have no impact on revenue recognition. On occasion, the customer's exchange trading privileges may not be properly entered by the clearing firm and incorrect fees are charged for the transactions in the affected accounts. When this information is corrected within the time period allowed by the exchange, a fee adjustment is provided to the clearing firm. An accrual is established for estimated fee adjustments to reflect corrections to customer exchange trading privileges. The accrual is based on the historical pattern of adjustments processed. CME believes the allowances are adequate to cover potential adjustments. Exposure to losses on receivables for clearing and transaction fees is principally dependent on each clearing firm's financial condition as Class B shares collateralize fees owed to the exchange. The exchange retains the right to liquidate a Class B share to satisfy its receivable.

Quotation Data Fees. Quotation data fees represent revenue received for the dissemination of market information. Revenues are accrued each month based on the number of subscribers reported by vendors. CME conducts periodic audits of the information provided. An allowance is established to cover uncollectible receivables from the market data vendors.

GLOBEX Access Fees. GLOBEX access fees represent fees for connections to the electronic trading platform and include line charges, license fees for GLOBEX software and hardware rental charges. The fees vary depending on the type of connection provided. An additional installation fee may be charged depending on the type of service requested and a disconnection fee may also be charged if certain conditions are met. Revenue is recognized monthly as the service is provided. An allowance is established to cover uncollectible receivables relating to GLOBEX access fees.

Communication Fees. Communication fees consist of equipment rental and usage charges to members and firms that utilize the various telecommunications networks and services in the Chicago facility. Revenue is billed and recognized on a monthly basis.

Stock-Based Compensation. As permitted by SFAS No. 123, "Accounting for Stock Based Compensation," the company accounts for its stock-based compensation using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. As required, pro forma disclosure of net income (loss) under SFAS No. 123 is presented. The company has elected to recognize expense relating to stock-based compensation on an accelerated basis. As a result, the expense associated with each vesting date within a stock grant is recognized over the period of time that each portion of the grant vests.

Marketing Costs. Marketing costs are incurred for production and communication of advertising as well as other marketing activities. These costs are expensed when incurred.

Income Taxes. Deferred income taxes are determined in accordance with SFAS No. 109, "Accounting for Income Taxes," and arise from temporary differences between amounts reported for income tax and financial statement purposes. A valuation allowance is recognized if it is anticipated that some or all of a deferred tax asset may not be realized.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements, as well as the amounts of revenues and expenses reported during the period, and to disclose contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Reclassifications. Certain reclassifications have been made to the consolidated financial statements to provide consistent presentation for all periods presented.

3. Securities Lending

Securities lending transactions utilize a portion of the securities that clearing firms have deposited to satisfy their proprietary performance bond requirements. Under this securities lending program, CME lends a security to a third party and receives collateral in the form of cash. The majority of the cash is then invested on an overnight basis to generate interest income. The related interest expense represents payment to the borrower of the security for the cash collateral retained during the duration of the lending transaction. Securities on loan are marked to market daily and compared to collateral received. At December 31, 2001, the fair value of securities on loan was $882.6 million. The average daily amount of securities on loan from commencement of the program on June 18, 2001 to December 31, 2001 was $632.6 million.

The securities lending activity utilized some of the securities deposited by one clearing firm, which is a subsidiary of the bank used for executing this securities lending program. Proceeds from securities lending at December 31, 2001 were invested in a money market mutual fund administered by a subsidiary of this same bank or held in the form of cash.

4. Marketable Securities

Marketable securities included in current assets have been classified as available for sale. The amortized cost and fair value of these securities at December 31, 2001 and 2000, were as follows:

	2001		2000	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in thousands)			
U.S. Treasury	$ —	$ —	$ 109	$ 109
U.S. Government agency	26,507	26,818	13,284	13,286
State and municipal	57,231	57,390	30,952	30,931
Corporate debt	7,371	7,362	—	—
TOTAL	$ 91,109	$ 91,570	$ 44,345	$ 44,326

Net unrealized gains (losses) on marketable securities classified as available for sale are reported as a component of comprehensive income and included in the accompanying consolidated statements of shareholders' equity. The amortized cost and fair value of these marketable securities at December 31, 2001, by contractual maturity, were as follows:

	Amortized Cost	Fair Value
	(in thousands)	
Maturity of one year or less	$ 7,414	$ 7,432
Maturity between one and five years	75,822	76,265
Maturity greater than five years	7,873	7,873
TOTAL	$ 91,109	$ 91,570

5. Other Current Assets

Other current assets consisted of the following at December 31:

	2001	2000
	(in thousands)	
Refundable income taxes	$ 1,215	$ 4,568
Prepaid expenses	3,226	1,806
Accrued interest receivable	1,637	1,503
Other	593	—
TOTAL	$ 6,671	$ 7,877

6. Performance Bonds and Security Deposits

The exchange is a designated contract market for futures and options on futures, and clears and guarantees the settlement of all contracts traded in its markets. In its guarantor role, the exchange has precisely equal and offsetting claims to and from clearing firms on opposite sides of each contract. CME bears counterparty credit risk in the event that future market movements create conditions that could lead to clearing firms failing to meet their obligations to the exchange. CME reduces its exposure through a risk management program that includes rigorous initial and ongoing financial standards for designation as a clearing firm, initial and maintenance performance bond requirements and mandatory security deposits. Each clearing firm is required to deposit and maintain specified margin in the form of cash, U.S. Government securities, bank letters of credit or other approved investments. All obligations and non-cash margin deposits are marked to market on a daily basis, and haircuts are applied for margin and risk management purposes. Cash performance bonds and security deposits are included in the consolidated balance sheets and may fluctuate due to the investment choices available to clearing firms and the change in the amount of deposits required. As a result, these assets may vary significantly over time.

The exchange maintains a line of credit with a consortium of banks to provide liquidity and capacity to pay settlement variation to all clearing firms, even if a clearing firm may have failed to meet its financial obligations to CME, or in the event of a temporary disruption with the domestic payments system that would delay payment of settlement

variation between the exchange and its clearing firms. Prior to October 19, 2001, the line of credit was in the amount of $350.0 million and was unsecured. On October 19, 2001, the time of the annual renewal, the facility was increased to $500.0 million and it became a secured line of credit (note 17).

Clearing firms, at their option, may instruct CME to invest cash on deposit for performance bond purposes in a portfolio of securities that is part of the Interest Earning Facility (IEF) program. The first IEF was organized in 1997 as two limited liability companies. Interest earned, net of expenses, is passed on to participating clearing firms. The principal of the first IEF totaled $739.5 million at December 31, 2001 and is guaranteed by the exchange. The investment portfolio of these facilities is managed by two of the exchange's approved settlement banks, and eligible investments include U.S. Treasury bills and notes, U.S. Treasury strips and reverse repurchase agreements. The maximum average portfolio maturity is 90 days, and the maximum maturity for an individual security is 13 months. Management believes that the market risk exposure relating to its guarantee is not material to the consolidated financial statements taken as a whole. In 2001, IEF2 was organized. IEF2 offers clearing firms the opportunity to invest cash performance bonds in shares of CME-approved money market mutual funds. Dividends earned on these shares, net of fees, are solely for the account of the clearing firm on whose behalf the shares were purchased. The principal of IEF2 funds is not guaranteed by the exchange. The total principal in all IEF programs was approximately $8.3 billion and $1.8 billion at December 31, 2001 and 2000, respectively. The exchange earned fees under the IEF program in the amount of $3,289,000, $946,000 and $932,000 during 2001, 2000 and 1999, respectively. These fees are included as other revenue.

Under an agreement between CME and the Board of Trade Clearing Corporation (BOTCC), firms that are clearing members of both CME and BOTCC may place required performance bonds in one common bank account and designate the portion allocable to each clearing organization. CME and Options Clearing Corporation (OCC) have a cross-margin arrangement, whereby a common clearing firm may maintain a cross-margin account in which the clearing firm's positions in certain CME futures and options on futures are combined with certain positions cleared by OCC for purposes of calculating performance bond requirements. The performance bond deposits are held jointly by CME and OCC. In addition, a cross-margin agreement with the London Clearing House (LCH) became effective in March 2000, whereby offsetting positions with CME and LCH are subject to reduced margin requirements.

Each clearing firm also is required to deposit and maintain specified security deposits in the form of cash or approved securities. In the event that performance bonds and security deposits of a defaulting clearing firm are inadequate to fulfill that clearing firm's outstanding financial obligation, the entire security deposit fund is available to cover potential losses after first utilizing operating funds of the exchange in excess of amounts needed for normal operations (surplus funds). Clearing firm security deposits received in the form of U.S. Treasury or agency securities, or in money market funds purchased through IEF2, are used to collateralize the secured line of credit.

The exchange is required under the Commodity Exchange Act to segregate cash and securities deposited by clearing firms on behalf of their customers. In addition, exchange rules require a segregation of all funds deposited by clearing firms from exchange operating funds.

Cash and securities held as performance bonds and security deposits at December 31 were as follows:

	2001		2000	
	Cash	Securities and IEF Funds	Cash	Securities and IEF Funds
	(in thousands)			
Performance bonds	$ 848,391	$ 27,208,994	$ 150,051	$ 25,271,341
Security deposits	6,836	694,323	5,997	398,786
Cross-margin securities, held jointly with OCC	—	422,996	—	1,012,515
TOTAL	$ 855,227	$ 28,326,313	$ 156,048	$ 26,682,642

With the exception of amounts jointly held with OCC under cross-margin agreements, these performance bonds are available to meet only the financial obligations of that clearing firm to the exchange.

In addition to cash and securities, irrevocable letters of credit may be used as performance bond deposits. At December 31, these letters of credit, which are not included in the accompanying consolidated balance sheets, were as follows:

	2001	2000
	(in thousands)	
Performance bonds	$ 908,250	$ 1,335,000
Cross-margin accounts	144,000	151,700
TOTAL LETTERS OF CREDIT	$ 1,052,250	$ 1,486,700

7. Property

A summary of the property accounts as of December 31 is presented below:

	2001	2000
	(in thousands)	
Furniture, fixtures and equipment	$ 157,997	$ 148,846
Leasehold improvements	90,174	88,530
Software and software development costs	49,691	35,888
Total property	297,862	273,264
Less accumulated depreciation and amortization	(196,871)	(170,638)
PROPERTY, net	$ 100,991	$ 102,626

Included in property are assets that were acquired through capital leases in the amount of $22.1 million and $16.0 million (net of accumulated amortization of $8.9 million and $4.9 million) at December 31, 2001 and 2000, respectively. Depreciation for these assets is included in depreciation and amortization expense.

8. Other Assets

Other assets consisted of the following at December 31:

	2001	2000
	(in thousands)	
Deferred compensation assets	$ 6,574	$ 5,910
Net deferred tax asset	13,509	4,823
Investment in OneChicago, LLC	1,035	—
Other	662	653
TOTAL	$ 21,780	$ 11,386

On August 28, 2001, CME entered into a joint venture, OneChicago, LLC, with the Chicago Board Options Exchange and the Chicago Board of Trade (CBOT) to trade single stock futures and futures on narrow-based stock indexes. As of December 31, 2001, CME owns a 42% interest in the joint venture, and the investment is reflected in the consolidated financial statements using the equity method of accounting. The investment balance at December 31, 2001 represents CME's initial capital contribution of $1.3 million reduced by its proportionate share of the joint venture's net loss for the period from August 28, 2001 to December 31, 2001. The net loss is included in other revenue. The maximum total capital contributions CME is obligated to fund by the operating agreement, without dilution of its ownership interest, are approximately $4.4 million and may be requested periodically at the discretion of the joint venture.

Deferred compensation assets consist primarily of trading securities held in connection with a non-qualified deferred compensation plan. The net unrealized gains (losses) relating to the non-qualified deferred compensation plans' trading securities are included in investment income and totaled $(304,000), $(723,000) and $469,000 for the years ended December 31, 2001, 2000 and 1999, respectively.

9. Income Taxes

The provision (benefit) for income taxes is composed of the following:

	2001	2000	1999
		(in thousands)	
Current:			
Federal	$ 45,031	$ (3,544)	$ (2,721)
State	9,910	(606)	(511)
Total	54,941	(4,150)	(3,232)
Deferred:			
Federal	(7,316)	784	4,166
State	(1,562)	27	921
Total	(8,878)	811	5,087
TOTAL PROVISION (BENEFIT) FOR INCOME TAXES	$ 46,063	$ (3,339)	$ 1,855

Reconciliation of the statutory U.S. federal income tax rate to the effective tax rate is as follows:

	2001	2000	1999
Statutory U.S. federal tax rate	35.0%	(35.0)%	35.0%
State taxes, net of federal benefit	4.7	(3.8)	5.9
Tax-exempt interest income	(0.6)	(5.3)	(15.0)
Nondeductible expenses	0.7	12.1	21.1
Other, net	0.5	(4.1)	(5.9)
EFFECTIVE TAX RATE—PROVISION (BENEFIT)	40.3%	(36.1)%	41.1%

At December 31, the components of deferred tax assets (liabilities) were as follows:

	2001	2000
	(in thousands)	
Deferred Tax Assets:		
Depreciation and amortization	$ 7,730	$ 5,724
Deferred compensation	2,678	2,331
Accrued expenses	1,755	3,622
Stock-based compensation	7,407	410

Other	218	—
Net unrealized losses on securities	—	7
Subtotal	19,788	12,094
Valuation allowance	—	—
Deferred Tax Assets	19,788	12,094
Deferred Tax Liabilities:		
Software development costs	(5,664)	(6,593)
Net unrealized gains on securities	(184)	—
Other	(431)	(678)
Deferred Tax Liabilities	(6,279)	(7,271)
NET DEFERRED TAX ASSET	$ 13,509	$ 4,823

10. Other Current Liabilities

Other current liabilities consisted of the following at December 31:

	2001	2000
	(in thousands)	
Accrued salaries and benefits	$ 23,331	$ 16,550
Accrued fee adjustments	2,241	5,215
Current portion of long-term debt	5,294	3,627
Accrued operating expenses	4,413	2,526
Accrued federal and state income taxes	4,943	—
Other	7	2,431
TOTAL	$ 40,229	$ 30,349

11. Commitments

The exchange has commitments under operating and capital leases for certain facilities and equipment that are accounted for in accordance with SFAS No. 13, "Accounting for Leases." Lease commitments for office space at the main location in Chicago expire in the year 2003, with annual minimum rentals of approximately $7.9 million. The exchange leases trading facilities from the Chicago Mercantile Exchange Trust through October 2005, with annual minimum rentals of approximately $1.3 million, and has an option to extend the term of the lease through October 2026 with three successive seven-year extensions. Minimum annual rent for these extensions begins at $738,000 for the period from November 2005 through October 2012 and declines to $202,000 for the last extension from November 2019 through October 2026. Additional rental expense is incurred in connection with the trading facilities based on annual trading volume. This expense totaled $1,016,000, $560,000 and $565,000 for the years ended December 31, 2001, 2000 and 1999, respectively. Leases for other locations where the exchange maintains offices expire at various times through the year 2012 with annual minimum rentals that will not exceed $772,000 in any year. Total rental expense was approximately $18.5 million in 2001, $17.4 million in 2000 and $15.1 million in 1999.

Future obligations under commitments in effect at December 31, 2001, including the minimum for operating leases, were as follows:

	Capitalized Leases	Operating Leases
	(in thousands)	
2002	$ 5,907	$ 10,772
2003	4,782	9,873
2004	2,206	2,245
2005	—	1,712
2006	—	621
Thereafter	—	3,906
Total minimum payments	12,895	29,129
Less sublease commitments	—	(531)
Less amount representing interest	(950)	—
TOTAL	$ 11,945	$ 28,598

12. Long-Term Debt

Long-term debt consists of the long-term portion of capitalized lease obligations.

13. Employee Benefit Plans

Pension Plan. The exchange maintains a noncontributory defined benefit cash balance pension plan for eligible employees. Employees who have completed a continuous twelve-month period of employment and have reached the age of 21 are eligible to participate. The plan provides for an age-based contribution to the cash balance account and includes salary and cash bonuses in the definition of earnings. Participant cash balance accounts receive an interest credit equal to the greater of the one-year U.S. Treasury bill rate or 4%. Participants become vested in their accounts after five years. The exchange's policy is to currently fund required pension costs by the due dates specified under the Employee Retirement Income Security Act.

A reconciliation of beginning and ending balances of the benefit obligation and fair value of plan assets, the funded status of the plan, certain actuarial assumptions and the components of pension cost are indicated below:

	2001	2000
	(in thousands)	
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	$ 16,101	$ 13,468
Service cost	2,483	2,235
Interest cost	1,393	1,207
Actuarial loss	1,080	748
Benefits paid	(1,491)	(1,557)
BENEFIT OBLIGATION AT END OF YEAR	$ 19,566	$ 16,101
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	$ 13,968	$ 15,168
Actual return on plan assets	(708)	357
Employer contribution	6,129	—
Benefits paid	(1,491)	(1,557)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	$ 17,898	$ 13,968
FUNDED STATUS AT DECEMBER 31:		
Plan assets less than benefit obligation	$ (1,668)	$ (2,133)
Unrecognized transition asset	(187)	(261)
Unrecognized prior service cost (credit)	(125)	(176)
Unrecognized net actuarial loss (gain)	1,265	(1,674)
ACCRUED BENEFIT COST	$ (715)	$ (4,244)

	2001	2000	1999
ACTUARIAL ASSUMPTIONS AS OF DECEMBER 31:			
Discount rate	7.25%	7.50%	7.75%
Rate of compensation increase	5.00%	5.00%	5.00%
Expected return on plan assets	9.00%	8.00%	8.00%
COMPONENTS OF PENSION COST:			
Service cost	$ 2,483	$ 2,235	$ 2,052
Interest cost	1,393	1,207	988
Expected return on plan assets	(1,145)	(1,017)	(925)
Amortization of prior service cost	(51)	(51)	(51)
Amortization of transition asset	(74)	(74)	(74)
NET PENSION COST	$ 2,606	$ 2,300	$ 1,990

Savings Plan. The exchange maintains a savings plan pursuant to Section 401(k) of the Internal Revenue Code, whereby all employees are participants and have the option to contribute to this plan. The exchange matches employee contributions up to 3% of the employee's base salary and makes an additional discretionary contribution of up to 2% of salary. Prior to 2001, this additional contribution was based on increases in annual trading volume. Total expense for the savings plan amounted to $2.6 million, $2.1 million and $1.3 million in 2001, 2000 and 1999, respectively.

Non-Qualified Plans. The following non-qualified plans, under which participants may make assumed investment choices with respect to amounts contributed on their behalf, are maintained by the exchange. Although not required to do so, the exchange invests such contributions in assets which mirror the assumed investment choices. The balances in these plans are subject to the claims of general creditors of the exchange, and totaled approximately $6.6 million and $5.9 million at December 31, 2001 and 2000, respectively.

Supplemental Plan—The exchange maintains a non-qualified supplemental plan to provide benefits for certain officers who have been impacted by statutory limits under the provisions of the qualified pension and savings plans. Total expense for the supplemental plan was $333,000, $267,000 and $319,000 in 2001, 2000 and 1999, respectively.

Deferred Compensation Plan—A deferred compensation plan is maintained by the exchange, under which eligible officers and members of the Board of Directors may contribute a percentage of their compensation and defer income taxes thereon until the time of distribution.

Supplemental Executive Retirement Plan—The exchange maintains a non-qualified defined contribution plan for senior officers. Under this plan, the exchange makes an annual contribution of 8% of salary and bonus for eligible employees. Contributions made after 1996 are subject to a vesting schedule, under which each annual contribution begins to vest after three years and is fully vested after five years. Unvested contributions are returned to the exchange if a participant

leaves the employment of the exchange. Total expense for the plan, net of any forfeitures, was $545,000, $42,000 and $461,000 in 2001, 2000 and 1999, respectively.

14. Capital Stock

On November 7, 2001, a special meeting of the shareholders of Chicago Mercantile Exchange Inc. was held. At that time, the shareholders approved the reorganization of CME into a holding company structure. The reorganization was accomplished through a merger of CME into a subsidiary of a newly formed holding company, CME Holdings. The merger was completed on December 3, 2001. As a result, CME became a wholly owned subsidiary of CME Holdings, and CME shareholders became shareholders of CME Holdings.

In the merger, shares of Class A common stock of CME were converted into four classes of Class A common stock of CME Holdings, with each class representing approximately 25% of the previously issued number of shares of Class A common stock of CME. In addition, each outstanding share of Class B common stock of CME was converted into two pieces: (1) Class A common stock of CME Holdings in an amount of shares essentially the same as the Class A share equivalents that were embedded in the Class B share of CME, and (2) one share of Class B common stock of CME Holdings that corresponds to the series of Class B share of CME surrendered in the merger, as shown below:

	Converted into Shares of CME Holdings Common Stock Post-Merger			
Share of CME Common Stock Pre-Merger	Class A common stock, by class	Class B common stock, by class	Total shares of common stock in CME Holdings	Number of Votes on "Core Rights" Per Class B Share
Series B-1 common stock (included 1,800 Class A share equivalents)	450 Class A-1 shares 450 Class A-2 shares 450 Class A-3 shares 449 Class A-4 shares	1 Class B-1 share	1,800 shares	6
Series B-2 common stock (included 1,200 Class A share equivalents)	300 Class A-1 shares 300 Class A-2 shares 300 Class A-3 shares 299 Class A-4 shares	1 Class B-2 share	1,200 shares	3
Series B-3 common stock (included 600 Class A share equivalents)	150 Class A-1 shares 150 Class A-2 shares 150 Class A-3 shares 149 Class A-4 shares	1 Class B-3 share	600 shares	1
Series B-4 common stock (included 100 Class A share equivalents)	25 Class A-1 shares 25 Class A-2 shares 25 Class A-3 shares 24 Class A-4 shares	1 Class B-4 share	100 shares	1/6

The trading rights associated with the Class B shares of CME were retained by the holders of the Class B shares of CME Holdings. Holders of Class A and Class B common stock of CME Holdings participate equally in dividends based on the number of shares outstanding.

As part of the demutualization of CME, the Board of Directors has been reduced from the original composition of 39 directors in 1999 to 20 in 2002. Following the completion of the reduction to 20 directors, the holders of Class A and B shares have the right to vote together in the election of 14 directors to the 20-member Board of Directors of CME Holdings. The remaining six directors are elected by the holders of shares of Class B-1, B-2 and B-3 common stock.

Core Rights. Holders of Class B shares have the right to approve changes in specified rights relating to the trading privileges associated with those shares. These core rights include allocation of products which a holder of a class of Class B shares is permitted to trade through the exchange; the circumstances under which CME can determine that an existing open outcry product will no longer be traded by means of open outcry; the number of authorized and issued shares of any class of Class B shares; and eligibility requirements to exercise trading rights associated with Class B shares. Votes on changes to these core rights are weighted by class, as indicated in the table above. Holders of Class A shares do not have the right to vote on changes to these core rights.

Shares Outstanding and Transfer Restrictions. Upon the completion of the reorganization, four series of Class A common stock of CME Holdings were outstanding, representing a total of 28,771,562 shares. Classes A-1, A-2, A-3 and A-4 of common stock are subject to transfer restrictions, as summarized in the table below. The timing of the expiration of the transfer restrictions is determined by the possible completion of an initial public offering (IPO) by CME Holdings, but will begin to expire no later than December 16, 2002 if an IPO is not completed by December 15, 2002. Until these transfer restrictions lapse, the Class A-1, A-2, A-3 and A-4 common stock may not be sold or transferred separately from a share of Class B common stock, subject to limited exceptions specified in the Certificate of Incorporation of CME Holdings.

		Transfer Restrictions Expire:	
	Shares Outstanding	After IPO	If No IPO by December 15, 2002
Class A-1	7,193,776	180 days	December 16, 2002
Class A-2	7,193,776	360 days	March 16, 2003
Class A-3	7,193,574	540 days	June 16, 2003
Class A-4	7,190,436	540 days	September 16, 2003
TOTAL SHARES OUTSTANDING	28,771,562		

If an IPO is completed, the expiration of the transfer restrictions on Class A-1 and A-2 stock may be extended an additional 60 days to allow for the completion of a secondary sale of company stock, provided notice is given within the required time period. Under certain circumstances, transfer restrictions for Class A-1 and A-2 stock may continue until the final expiration date if a shareholder elects not to participate in a successful secondary sale.

As part of the reorganization, four classes of Class B common stock were issued. Upon completion of the reorganization, a total of 3,138 Class B common shares of CME Holdings were outstanding as indicated in the table below. The shares of Class B common stock received in the reorganization may only be transferred in connection with the transfer of the associated CME trading right.

	Shares Outstanding
Class B-1	625
Class B-2	813
Class B-3	1,287
Class B-4	413
TOTAL SHARES OUTSTANDING	3,138

Shareholder Rights Provisions. The Board of Directors of CME Holdings has adopted a plan creating rights that entitle CME Holdings' shareholders to purchase shares of CME Holdings stock in the event that a third party initiates a transaction designed to take over the company. This rights plan is intended to encourage persons seeking to acquire control of CME Holdings to engage in arms-length negotiations with the Board of Directors and management. The rights are attached to all outstanding shares of CME Holdings common stock, and each right entitles the shareholder to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock at a purchase price of $105 per unit. The rights will separate from the common stock of the company (1) 10 days after a person or group seeks to acquire CME Holdings through a public announcement by such person or group that they have acquired 15% or more of the outstanding shares of CME Holdings; or (2) 10 business days after the commencement of a tender offer by such person or group. If either of these two events occur, each holder of a right shall receive, upon exercise, Class A common stock having a value equal to two times the exercise price of the right.

Omnibus Stock Plan. An Omnibus Stock Plan has been adopted under which stock-based awards may be made to employees. A total of 2.7 million Class A shares have been reserved for awards under the plan. Awards totaling 2.7 million shares have been made under this plan (note 15).

15. Stock Options

On February 7, 2000, an option was granted to the President and Chief Executive Officer, James J. McNulty, to purchase 5% of the common stock of the company, as represented by an equivalent percentage of all Class A and Class B common stock issued at the date of demutualization. One-half of the option (Tranche A), or 2.5% of all common stock, has an aggregate exercise price of $21.8 million, which was estimated to be 2.5% of the fair value of the exchange at the grant date. Since demutualization had not been completed at the grant date, the fair value of CME was calculated based on the average value of all exchange memberships. The option for the remaining 2.5% of all common stock (Tranche B) has an aggregate exercise price of $32.8 million, or 3.75% of the fair value of the exchange at the grant date. As a result of the reorganization into a holding company structure, the Class A share equivalents previously embedded in the Class B shares of CME were converted into Class A shares of CME Holdings. Since the stock option for the CEO is for 5% of all classes of stock outstanding and additional Class A shares were issued in the reorganization, the total number of Class A shares in the CEO option increased by 145,453 shares. At December 31, 2001, the CEO's option includes 1,438,578 Class A and 156 Class B shares with a total exercise price of $54.6 million.

The CEO option vests over a four-year period, with 40% vesting one year after the grant date and 20% vesting on that same date in each of the following three years. The term of the option is 10 years. As of December 31, 2001, all of the option remains outstanding. Under the option agreement, the exercise of the option can be settled with any combination of shares of Class A or Class B common stock or cash, at the discretion of the company. Although the option is for all classes of common stock outstanding, any exercise of the option must be for all or a portion of the option that is vested at the date of exercise. The CEO cannot elect to exercise the option for only certain classes of stock included in the option. In the event of the CEO's death or disability, the option will vest and, in the event of his death, be paid in cash.

Pursuant to SFAS Statement No. 123, the exchange has elected to account for stock options under APB Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations. From the grant date until the date of demutualization, or November 13, 2000, CME accounted for the option to the CEO in a manner similar to a stock appreciation right in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 28, "Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans (An Interpretation of APB Opinions No. 15 and 25)." Since the date of demutualization, variable accounting has been required for the option. As a result, the expense related to the option has fluctuated based on the change in the value of the Class A shares and the underlying trading rights on the exchange associated with Class B common stock. Since demutualization there has not been an independent established trading market for Class A shares, and shares of Class A common stock can only be sold or acquired as part of a bundle with the trading rights in CME and the related Class B share. Therefore, the value of the Class A shares at the end of each reporting period is imputed based on the recent prices for the bundle and recent prices relating to the trading rights only. The CEO option represented $16.6 million of stock-based compensation expense in 2001.

In 2001, CME granted stock options to various employees under the Omnibus Stock Plan. The options vest over a four-year period, with 40% vesting one year after the grant date and 20% vesting on that same date in each of the following three years. The options have a 10-year term. No compensation expense has been recognized on these stock options, as the exercise price exceeded the value of the stock at the date of grant. Restricted stock grants of 117,000 shares were also awarded to certain executives in 2001 that have the same vesting provisions as the stock options. Compensation expense relating to restricted stock of $2.4 million will be recognized over the vesting period.

With the exception of the option granted to the CEO, fixed accounting treatment has been elected under the provisions of APB Opinion No. 25 and related interpretations for all eligible stock options and awards. Had compensation cost for all stock options been recognized using the minimum value approach to the fair value method prescribed by SFAS No. 123, net income for the year ended December 31, 2001 would have increased by approximately $2.7 million (or a basic earnings per share increase of $0.09) and the net loss for the year ended December 31, 2000 would have increased by approximately $133,000 (with no effect on the basic loss per share). The fair value of the Chief Executive Officer's option was $14.4 million, measured at the demutualization date under the minimum value method. Significant assumptions used to calculate fair value included: risk-free interest rate of 5.11%, expected life equal to the maximum term of the option and no expected dividends. The fair value of the option granted to employees was $4.2 million, measured at the grant date under the minimum value method. A risk-free interest rate of 5.40% was used over a period of five years with no expected dividends.

The following table summarizes stock option activity for the two-year period ended December 31, 2001:

	Number of Shares	
	Class A	Class B
BALANCE AT DECEMBER 31, 1999	—	—
Granted	1,293,035	156
Exercised	—	—

Cancelled	—	—
BALANCE AT DECEMBER 31, 2000	1,293,035	156
Granted	1,176,500	—
Adjustment for reorganization	145,543	—
Exercised	—	—
Cancelled	(3,750)	—
BALANCE AT DECEMBER 31, 2001	2,611,328	156

Total stock options outstanding and the portion of each option that can be exercised at December 31, 2001 are as follows:

		Total Options Outstanding	Exercisable Shares	Date Shares Exercisable
CEO Option:				
Tranche A:	Class A shares	719,289	287,716	February 7, 2001
	Class B shares	78	31	
Tranche B:	Class A shares	719,289	287,716	February 7, 2001
	Class B shares	78	31	
Employee Options:				
Class A shares		1,172,750	0	
TOTAL STOCK OPTIONS		2,611,484	575,494	

Employee options all have an exercise price of $22.00 per share. The CEO option has a total exercise price of $54.6 million for 5% of all classes of CME Holdings common stock outstanding. The CEO option was 40% vested at December 31, 2001 at a total exercise price of $21.8 million.

16. P-M-T Limited Partnership

CME was the general partner, and members and clearing firms of CME were limited partners, in P-M-T Limited Partnership, an Illinois limited partnership. PMT was formed in 1987 to initiate the development of the GLOBEX global electronic trading platform. Since December 1998, the current version of this system has been operated by the exchange using electronic trading software licensed from ParisBourse^{SBF}SA (now Euronext-Paris). CME charged PMT for services provided.

The limited partners of PMT approved the sale of all of the assets and business of PMT to the exchange as part of the demutualization process. The sale was effective November 13, 2000. The purchase price was $5.1 million and was based on an independent appraisal of PMT. Total distribution to the partners of PMT was the purchase price plus interest of 1% over prime from the date of sale to the date of distribution, and included a payment to CME as general partner of $1.1 million. The transaction was recorded using the purchase method of accounting and was effected at an amount approximately equal to the net assets of PMT. As a result, no goodwill or adjustment to the carrying value of assets was required.

PMT reported net income of $1.4 million for the period from January 1, 2000 to November 13, 2000 and $2.6 million for the year ended December 31, 1999. If the assets and business of PMT had been purchased by the exchange as of January 1, 2000, the net operating loss of CME for 2000 would have been reduced by approximately $615,000, or a reduction of the basic loss per share of $0.02.

17. Credit Facility

On October 19, 2001, the exchange renewed its committed line of credit with a consortium of banks. The line of credit was increased to $500.0 million and became a secured credit facility. This new line of credit replaced the $350.0 million unsecured line of credit that had been in place since 1988. The secured credit agreement is collateralized by clearing firm security deposits held by CME in the form of U.S. Treasury or agency securities, as well as security deposit funds in IEF2. The amount held as collateral at December 31, 2001 was $620.7 million. The facility, which has never been used, may be utilized in certain situations, such as a temporary disruption of the domestic payments system that would delay settlement between the exchange and its clearing firms, or in the event of a clearing firm default. Under the terms of the credit agreement, there are a number of covenants with which CME must comply. Among these covenants, CME is required to submit quarterly reports to the participating banks and maintain at all times a tangible net worth of not less than $90.0 million. Interest on amounts borrowed is calculated at the Fed Funds Rate plus 45/100 of 1% per annum. Commitment fees for the line of credit were $521,000, $519,000 and $516,000 for the years ended December 31, 2001, 2000 and 1999, respectively.

18. Contingencies

Legal Matters. In May 1999, a suit for alleged infringement of Wagner patent 4,903,201 entitled "Automated Futures Trade Exchange" was brought against CME, CBOT, New York Mercantile Exchange (NYMEX) and Cantor Fitzgerald LP by Electronic Trading Systems, Inc. The patent relates to a system and method for implementing a computer-automated futures exchange. CME informed Euronext-Paris, the licensor of the software utilized in the GLOBEX electronic trading system, in conformity with the indemnification provision of the license agreement, of the receipt of a summons in that proceeding. Through December 31, 2001, Euronext-Paris hired and paid the fees and expenses of a law firm to defend and contest this litigation. Euronext-Paris reserved its rights under that agreement in the event that any modifications to the licensed system made by the exchange result in liability. On June 25, 2001, Euronext-Paris wrote to disclaim responsibility for defense of this litigation and requested that CME reimburse it for all legal expenses and other costs incurred to date. It asked that the exchange take over full responsibility for defense of this litigation and assume all costs associated with CME's defense. CME rejected this demand. Subsequently, CME and Euronext-Paris have agreed to share responsibility for defense of this litigation, utilizing new lead defense counsel selected by CME, and to share equally the costs and expenses of such new lead defense counsel as of January 1, 2002. As part of this agreement, neither CME nor Euronext-Paris has waived any rights with respect to the indemnification provision of the license agreement.

On August 26, 2002, the lawsuit relating to the Wagner patent was settled for $15 million. The settlement requires an initial payment of $5 million in September 2002 and five subsequent annual payments of $2 million each.

In addition, the exchange is a defendant in, and is threatened with, various other legal proceedings arising from its regular business activities. While the ultimate results of such proceedings against the exchange cannot be predicted with certainty, management believes that the resolution of these matters will not have a material adverse effect on the

consolidated financial position or results of operations.

Employment-Related Agreement. The exchange has an employment agreement with James J. McNulty, as its President and Chief Executive Officer, through December 31, 2003, subject to renewal by mutual agreement of the parties. In the event of a termination without cause by the exchange, Mr. McNulty shall be entitled to receive his base salary plus one-third of the maximum annual incentive bonus for the remainder of the original term. Mr. McNulty's base salary for the year ended December 31, 2001 was $1.0 million. The annual bonus may not exceed the lesser of $1.5 million or 10% of CME's net income. In addition, the unvested portion of the stock options granted to Mr. McNulty would become fully vested.

If, within two years of a "change in control" of the exchange, Mr. McNulty is terminated by the exchange or he terminates the agreement as a result of the occurrence of one of the matters defined in the agreement as "good reason," he shall be entitled to two times his base salary plus one and one-third times the maximum annual incentive bonus for which he would have been eligible, provided that the severance payments do not exceed $8.0 million. The payment would be subject to reduction to the extent that it would otherwise result in the payment of tax under Section 4999 of the Internal Revenue Code. Also, the unvested portion of Mr. McNulty's stock options would become fully vested.

Mutual Offset System. At December 31, 2001, CME was contingently liable on irrevocable letters of credit totaling $41.0 million that relate to the mutual offset agreement between CME and Singapore Exchange Derivatives Trading Ltd. (SGX). This mutual offset agreement allows a clearing firm of either exchange to execute after-hours trades at the other exchange. When a clearing firm of CME executes an after-hours trade at SGX, the resulting trade is transferred from SGX to CME and CME assumes the financial obligation to SGX for the transferred trade. A similar obligation occurs when a clearing firm of SGX executes a trade at CME. The net position of each exchange to the other is marked-to-market daily based on the settlement prices of the applicable exchange and settlement is made between the exchanges in cash. Since settlement prices at each exchange may differ on any given day and Singapore is 13 to 14 hours ahead of Chicago, there may be a difference between the two settlement amounts and there will be a difference in the timing of the settlement. To allow for adequate and timely funding of the settlement, CME and SGX each maintain irrevocable standby letters of credit payable to the other exchange.

GFX Letter of Credit. CME guarantees a $2.5 million standby letter of credit for GFX. The beneficiaries of the letter of credit are the clearing firm that is used by GFX to execute and maintain its foreign currency futures position. The letter of credit will be drawn on in the event that GFX defaults in meeting requirements to its clearing firm.

19. GFX Derivatives Transactions

GFX Corporation engages in the purchase and sale of CME foreign exchange futures contracts. GFX posts bids and offers in these products on the GLOBEX electronic trading platform to maintain a market and promote liquidity in CME's foreign exchange futures products. It limits risk from these transactions through offsetting transactions using futures contracts or spot foreign exchange transactions with approved counterparties in the interbank market. Formal trading limits have been established. Futures transactions are cleared by an independent clearing member. Any residual open positions are marked to market on a daily basis, and all net realized and unrealized gains (losses) are included in other revenue in the accompanying consolidated statements of income. Net trading gains amounted to $3.8 million in 2001, $4.4 million in 2000 and $2.4 million in 1999. At December 31, 2001, futures positions held by GFX had a notional value of $102.3 million, offset by a similar amount of spot foreign exchange positions, resulting in a zero net position.

20. Earnings per Share

Basic earnings per share is computed by dividing net income (loss) by the weighted average number of all classes of common stock outstanding each year. Shares outstanding are calculated as if the current holding company structure was in place for all periods presented. Diluted earnings per share is computed in a manner similar to basic earnings per share, except that the weighted average shares outstanding is increased to include additional shares from restricted stock grants and the assumed exercise of stock options, if dilutive. The number of additional shares is calculated assuming that outstanding stock options with an exercise price less than the current market price of that class of stock would be exercised, and that proceeds from such exercises would be used to acquire shares of common stock at the average market price during the reporting period. At December 31, 2001, only the option granted to the CEO had an exercise price less than the current value of the option. The dilutive effect of this option was calculated as if the entire CEO option, including the Class A share and Class B share portions of the option, was satisfied through the issuance of Class A shares.

	2001	2000	1999
	(in thousands, except share and per share data)		
Net Income (Loss)	$ 68,302	$ (5,909)	$ 2,663
Weighted Average Common Shares Outstanding:			
Basic	28,774,700	28,774,700	28,774,700
Effect of stock options	534,523	—	—
Effect of restricted stock grants	21,097	—	—
Diluted	29,330,320	—	28,774,700
Earnings (Loss) per Share:			
Basic	$ 2.37	$ (0.21)	$ 0.09
Diluted	$ 2.33	—	$ 0.09

21. Segment Reporting

The company has two reportable operating segments: Chicago Mercantile Exchange Inc. (a designated contract market and clearing house), and GFX Corporation (a wholly owned trading subsidiary). A summary by business segment follows:

	CME	GFX	Eliminations	Total
	(in thousands)			
Year Ended December 31, 2001:				
Total revenues from external customers	$ 373,171	$ 3,759	$ —	$ 376,930
Investment and securities lending income	19,603	97	—	19,700
Depreciation and amortization	37,487	152	—	37,639
Operating profit (loss)	114,740	(375)	—	114,365

Total assets	2,066,358	5,320	(2,797)	2,068,881
Capital expenditures	30,340	27	—	30,367
Year Ended December 31, 2000:				
Total revenues from external customers	$ 212,385	$ 4,431	$ —	$ 216,816
Intersegment revenues	57	700	(757)	—
Investment income	9,540	196	—	9,736
Depreciation and amortization	33,338	151	—	33,489
Operating profit (loss)	(8,110)	608	(581)	(8,083)
Total assets	380,125	6,535	(5,216)	381,444
Capital expenditures	25,138	33	—	25,171
Year Ended December 31, 1999:				
Total revenues from external customers	$ 199,119	$ 2,392	$ —	$ 201,511
Intersegment revenues	139	1,190	(1,329)	—
Investment income	8,781	310	—	9,091
Depreciation and amortization	25,141	133	—	25,274
Operating profit (loss)	6,674	(675)	645	6,644
Total assets	302,814	8,139	(7,486)	303,467
Capital expenditures	55,194	101	—	55,295

CME considers and manages its open outcry and electronic trading of its various products as a reportable segment. PMT was previously reported as a segment for the year ending December 31, 1999. As a result of the purchase of the partnership in 2000, PMT is no longer a reportable operating segment. Information for 1999 has been reclassified to include PMT in the CME segment.

22. Quarterly Information (restated and unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	(in thousands, except per share data)				
YEAR ENDED DECEMBER 31, 2001:					
Net revenues	$ 92,170	$ 94,698	$ 95,329	$ 104,956	$ 387,153
Income before income taxes	29,916	31,117	29,942	23,390	114,365
Net income	17,941	18,764	17,776	13,821	68,302
Earnings per share:					
Basic	0.62	0.65	0.62	0.48	2.37
Diluted	0.62	0.64	0.60	0.46	2.33
YEAR ENDED DECEMBER 31, 2000:					
Net revenues	$ 57,589	$ 52,328	$ 49,481	$ 67,154	$ 226,552
Income (loss) before income taxes	(4,808)	(6,759)	(6,096)	8,415	(9,248)
Net income (loss)	(2,884)	(4,056)	(3,658)	4,689	(5,909)
Earnings (loss) per share:					
Basic	(0.10)	(0.14)	(0.13)	0.16	(0.21)
Diluted(1)	—	—	—	0.16	—

(1) For the first three quarters of 2000, diluted loss per share is not presented since shares issuable for stock options would be anti-dilutive.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
(in thousands, except share data)

	September 30, 2002
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 197,164
Proceeds from securities lending activities	554,870
Marketable securities	100
Accounts receivable, net of allowance of $1,189	46,691
Other current assets	4,889
Cash performance bonds and security deposits	1,920,033
Total current assets	2,723,747
Property, net of accumulated depreciation and amortization	108,839
Other assets	31,244
TOTAL ASSETS	$ 2,863,830
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current Liabilities:	

Accounts payable	$	16,218
Payable under securities lending agreements		554,870
Other current liabilities		52,872
Cash performance bonds and security deposits		1,920,033
Total current liabilities		2,543,993
Long-term debt		3,232
Other liabilities		17,035
Total liabilities		2,564,260
Shareholders' Equity:		
Preferred stock, $0.01 par value, 9,860,000 shares authorized, none issued and outstanding		—
Series A junior participating preferred stock, $0.01 par value, 140,000 shares authorized, none issued and outstanding		—
Class A common stock, $0.01 par value, 138,000,000 shares authorized, 28,817,662 shares issued and outstanding		288
Class B common stock, $0.01 par value, 3,138 shares authorized, issued and outstanding		—
Additional paid-in capital		68,515
Unearned restricted stock compensation		(775)
Retained earnings		231,542
Accumulated net unrealized gains on securities		—
Total shareholders' equity		299,570
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	2,863,830

See accompanying notes to unaudited interim consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share data)

	Nine Months Ended September 30,	
	2002	2001
REVENUES		
Clearing and transaction fees	$ 261,414	$ 211,894
Quotation data fees	36,507	35,810
GLOBEX access fees	9,770	8,908
Communication fees	7,364	6,905
Investment income	6,098	6,796
Securities lending interest income	14,702	7,490
Other	10,943	11,494
TOTAL REVENUES	346,798	289,297
Securities lending interest expense	(13,009)	(7,100)
NET REVENUES	333,789	282,197
EXPENSES		
Salaries and benefits	85,222	78,338
Stock-based compensation	5,748	6,643
Occupancy	16,970	15,145
Professional fees, outside services and licenses	24,747	18,372
Communications and computer and software maintenance	33,816	31,365
Depreciation and amortization	35,504	27,279
Patent litigation settlement	13,695	—
Public relations and promotion	4,398	3,424
Other	12,441	10,656
TOTAL EXPENSES	232,541	191,222
Income before income taxes	101,248	90,975
Income tax provision	(40,230)	(36,494)
NET INCOME	$ 61,018	$ 54,481
EARNINGS PER SHARE:		
Basic	$ 2.12	$ 1.89
Diluted	$ 2.04	$ 1.86
Weighted average number of common shares:		

Basic	28,798,301	28,774,700
Diluted	29,838,181	29,254,085

See accompanying notes to unaudited interim consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands, except share and per share data)

	Class A Common Stock	Class B Common Stock	Common Stock and Additional Paid-in Capital	Unearned Restricted Stock Compensation	Retained Earnings	Accumulated Net Unrealized Securities Gains (Losses)	Total Shareholders' Equity
	Shares	Shares	Amount				
BALANCE, DECEMBER 31, 2001	28,771,562	3,138	$ 63,739	$ (1,461)	$ 187,814	$ 277	$ 250,369
Comprehensive income:							
Net income					61,018		61,018
Change in net unrealized gain on securities net of tax of $184						(277)	(277)
Total comprehensive income							60,741
Exercise of stock options	100		2				2
Cash dividend on common stock of $0.60 per share					(17,290)		(17,290)
Vesting of issued restricted Class A common stock	46,000						
Stock-based compensation			5,062				5,062
Amortization of unearned restricted stock compensation				686			686
BALANCE, SEPTEMBER 30, 2002	28,817,662	3,138	$ 68,803	$ (775)	$ 231,542	$ 0	$ 299,570
BALANCE, DECEMBER 31, 2000	28,771,562	3,138	$ 44,170	$ —	$ 119,512	$ (11)	$ 163,671
Comprehensive income:							
Net income					54,481		54,481
Change in net unrealized gain on securities, net of tax of $493						739	739
Total comprehensive income							55,220
Stock-based compensation			6,509				6,509
Issuance of 119,000 shares of restricted Class A common stock			2,435	(2,435)			0
Amortization of unearned restricted stock compensation				603			603
BALANCE, SEPTEMBER 30, 2001	28,771,562	3,138	$ 53,114	$ (1,832)	$ 173,993	$ 728	$ 226,003

See accompanying notes to unaudited interim consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 61,018	$ 54,481
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on investment in joint venture	1,710	92
Deferred income tax benefit	(6,786)	(2,398)
Stock-based compensation	5,748	6,643
Depreciation and amortization	35,504	27,279
Gain on sale of marketable securities	(2,658)	(147)
Increase in allowance for doubtful accounts	227	1,572
Increase in accounts receivable	(5,932)	(16,523)
Decrease (increase) in other current assets	1,781	(2,610)

Increase in other assets	(1,397)	(1,467)
Decrease in accounts payable	(7,616)	(501)
Increase in other current liabilities	12,949	13,911
Increase (decrease) in other liabilities	7,018	(2,905)
NET CASH PROVIDED BY OPERATING ACTIVITIES	101,566	77,427
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, net	(42,529)	(22,166)
Capital contribution to joint venture	(3,071)	—
Purchases of marketable securities	(43,956)	(114,108)
Proceeds from sales and maturities of marketable securities	137,623	88,000
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	48,067	(48,274)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(4,282)	(2,813)
Cash dividends	(17,290)	—
Proceeds from exercised stock options	2	—
NET CASH USED IN FINANCING ACTIVITIES	(21,570)	(2,813)
Net increase (decrease) in cash and cash equivalents	128,063	26,340
Cash and cash equivalents, beginning of period	69,101	30,655
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 197,164	$ 56,995
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 474	$ 472
Income taxes paid	$ 46,140	$ 33,673
Capital leases—asset additions and related obligations	$ 558	$ —

See accompanying notes to unaudited interim consolidated financial statements.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying interim consolidated financial statements have been prepared by Chicago Mercantile Exchange Holdings Inc. (CME Holdings) without audit. Certain notes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, the accompanying consolidated financial statements include all adjustments necessary to present fairly the financial position of CME Holdings as of September 30, 2002 and the results of its operations and cash flows for the periods indicated.

On December 3, 2001, the reorganization of Chicago Mercantile Exchange Inc. (CME) into a holding company structure was completed. The reorganization was completed by merging CME into a wholly owned subsidiary of a newly formed holding company, Chicago Mercantile Exchange Holdings Inc. In the merger, CME shareholders exchanged their equity interests in CME for similar equity interests in CME Holdings. Prior to the reorganization, CME Holdings had no significant assets or liabilities. These consolidated financial statements have been prepared as if the holding company structure had been in place for all periods presented.

The accompanying unaudited interim consolidated financial statements should be read in connection with the audited consolidated financial statements and notes thereto included in this prospectus. Quarterly results are not necessarily indicative of results for any subsequent period.

Certain reclassifications have been made to the 2001 financial statements to conform to the presentation in 2002.

2. Performance Bonds and Security Deposits

Each firm that clears futures and options on futures contracts traded on the exchange is required to deposit and maintain specified performance bonds in the form of cash, U.S. Government securities or bank letters of credit. These performance bonds are available only to meet the financial obligations of that clearing firm to the exchange. Cash performance bonds and security deposits may fluctuate due to the investment choices available to clearing firms and the change in the amount of deposits required. As a result, these assets may vary significantly over time. See Note 6 of Notes to Audited Consolidated Financial Statements included in this prospectus.

3. Wagner Patent Litigation

On August 26, 2002, the lawsuit relating to the Wagner patent was settled for $15.0 million. The settlement required CME to make an initial $5.0 million payment in September 2002 and five subsequent annual payments of $2.0 million each beginning in August 2003. The present value of the settlement, or $13.7 million, was recorded as an expense in the third quarter of 2002.

CME is currently engaged in a dispute with Euronext-Paris, the licensor of the software utilized in the GLOBEX electronic trading system that was the subject of the Wagner patent litigation, regarding indemnification for the costs, fees and settlement payment associated with the litigation. In connection with the litigation, CME invoked the indemnification provision of the license agreement with Euronext-Paris, and through December 31, 2001, Euronext-Paris hired and paid the fees and expenses of a law firm to defend and contest the litigation. Euronext-Paris reserved its rights under that agreement in the event that any modifications to the licensed system made by the exchange resulted in liability. On June 25, 2001, Euronext-Paris wrote to disclaim responsibility for defense of this litigation and requested that CME reimburse it for all legal expenses and other costs incurred to date. It asked that CME take over full

responsibility for defense of the litigation and assume all costs associated with CME's defense. Though the demand was rejected, CME subsequently agreed with Euronext-Paris to share responsibility for defense of the litigation, utilizing new lead defense counsel selected by CME, and to share equally the costs and expenses of the new counsel as of January 1, 2002. As part of this agreement, neither CME nor Euronext-Paris waived any rights with respect to the indemnification provision of the license agreement. CME has requested that Euronext-Paris reimburse the exchange for all litigation expenses, including the settlement amount, totaling an estimated $18.5 million. On September 11, 2002, Euronext-Paris again disclaimed any indemnification obligation and gave notice that it is seeking reimbursement of its expenses in the litigation, totaling an estimated $5.5 million. If CME is unable to resolve the dispute, it is expected that the matter will be submitted to arbitration in accordance with the terms of the license agreement.

4. Subsequent Event

On October 18, 2002, the secured committed line of credit with a consortium of banks was renewed by CME at the annual renewal date. The credit facility remained at $500.0 million and was renewed on terms similar to the expiring line of credit.

[INSIDE BACK COVER]

[Exterior photograph of our Chicago headquarters, a building complex that also houses the exchange's two trading floors. The photograph is captioned "Chicago Mercantile Exchange Holdings Inc., 30 South Wacker Drive, Chicago, Illinois."]

Chicago Mercantile Exchange Holdings Inc.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts, other than the SEC registration fee and the NASD filing fee, are estimates.

SEC registration fee	$	17,091
NASD filing fee		19,077
New York Stock Exchange listing fee		186,000
Printing and engraving expenses		300,000
Legal fees and expenses		890,000
Accounting fees and expenses		417,000
Blue sky fees and expenses		0
Transfer agent and registrar fees and expenses		70,000
Miscellaneous fees and expenses		209,132
Total	$	2,108,300

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of Delaware General Corporation Law authorizes a court to award or a corporation's board of directors to grant indemnity to directors and officers in terms sufficiently broad to permit such indemnification under some circumstances for liabilities arising under the Securities Act and to provide for the reimbursement of expenses incurred.

As permitted by the Delaware law, Article XI of our certificate of incorporation and Article IX of our bylaws provide that (1) we are permitted to indemnify our directors, officers and other employees to the fullest extent permitted by Delaware law; (2) we are permitted to advance expenses, as incurred, to our directors, officers and other employees in connection with defending a legal proceeding if we have received in advance an undertaking by the person receiving such advance to repay all amounts advanced if it should be determined that he or she is not entitled to be indemnified by us; and (3) the rights conferred in the bylaws are not exclusive. As permitted by the Delaware General Corporation Law, our certificate of incorporation includes a provision that eliminates the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our shareholders; (2) for acts of omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (3) under Section 174 of the Delaware General Corporation Law (regarding payments of dividends; stock purchases or redemptions which are unlawful); or (4) for any transaction from which the director derived an improper personal benefit. This provision in the certificate of incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available

under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

The Underwriting Agreement, contained in Exhibit 1.1 hereto, contains provisions indemnifying our officers and directors against some types of liabilities.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

None.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are exhibits to the Registration Statement.

Exhibit Number	Description of Exhibit
1.1	Form of Underwriting Agreement.
2.1	Agreement and Plan of Merger, dated as of October 1, 2001, between Chicago Mercantile Exchange Inc., Chicago Mercantile Exchange Holdings Inc. and CME Merger Subsidiary Inc. (incorporated by reference to Exhibit 2.1 to Chicago Mercantile Exchange Holdings Inc.'s Form S-4, filed with the SEC on August 7, 2001, File No. 33-66988).
3.1	Amended and Restated Certificate of Incorporation of Chicago Mercantile Exchange Holdings Inc. (incorporated by reference to Exhibit 3.1 to Chicago Mercantile Exchange Holdings Inc.'s Current Report on Form 8-K, filed with the SEC on December 4, 2001, File No. 0-33379).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Chicago Mercantile Exchange Holdings Inc. (incorporated by reference to Exhibit 3.2 to Chicago Mercantile Exchange Holdings Inc.'s Current Report on Form 8-K, filed with the SEC on May 16, 2002, File No. 0-33379).
3.3	Second Amended and Restated Bylaws of Chicago Mercantile Exchange Holdings Inc. (incorporated by reference to Exhibit 3.3 to Chicago Mercantile Exchange Holdings Inc.'s Current Report on Form 8-K, filed with the SEC on May 16, 2002, File No. 0-33379).
4.1	Rights Agreement, dated as of November 30, 2001, between Chicago Mercantile Exchange Holdings Inc. and Mellon Investor Services LLC (incorporated by reference to Exhibit 4.1 to Chicago Mercantile Exchange Holdings Inc.'s Form 8-A, filed with the SEC on December 4, 2001).
4.2	First Amendment to Rights Agreement, dated as of November 13, 2002, between Chicago Mercantile Exchange Holdings Inc., Mellon Investor Services, LLC and Computershare Investor Services, LLC (incorporated by reference to Exhibit 5 to Chicago Mercantile Exchange Holdings Inc.'s Form 8-A, filed with the SEC on November 29, 2002).
5.1*	Opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), special counsel to Chicago Mercantile Exchange Holdings Inc.
10.1	Chicago Mercantile Exchange Holdings Inc. Amended and Restated Omnibus Stock Plan, amended and restated effective as of April 23, 2002 (incorporated by reference to Exhibit 10.1 to Chicago Mercantile Exchange Holdings Inc.'s Post-Effective Amendment No. 1 to Form S-8, filed with the SEC on July 31, 2002, File No. 33-60266).
10.2	Chicago Mercantile Exchange Inc. Senior Management Supplemental Deferred Savings Plan, including First Amendment thereto, dated December 14, 1994, Second Amendment thereto, dated December 8, 1998 and Administrative Guidelines thereto (incorporated by reference to Exhibit 10.2 to Chicago Mercantile Exchange Inc.'s Form S-4, filed with the SEC on February 24, 2000, File No. 33-95561).

10.3	Chicago Mercantile Exchange Inc. Directors' Deferred Compensation Plan, including First Amendment thereto, dated December 8, 1998 (incorporated by reference to Exhibit 10.3 to Chicago Mercantile Exchange Inc.'s Form S-4, filed with the SEC on February 24, 2000, File No. 33-95561).
10.4	Chicago Mercantile Exchange Inc. Supplemental Executive Retirement Plan, including First Amendment thereto, dated December 31, 1996, Second Amendment thereto, dated January 14, 1998 and Third Amendment thereto, dated December 1998 (incorporated by reference to Exhibit 10.4 to Chicago Mercantile Exchange Inc.'s Form S-4, filed with the SEC on February 24, 2000, File No. 33-95561).
10.5	Chicago Mercantile Exchange Inc. Supplemental Executive Retirement Trust, including First Amendment thereto, dated September 7, 1993 (incorporated by reference to Exhibit 10.5 to Chicago Mercantile Exchange Inc.'s Form S-4, filed with the SEC on February 24, 2000, File No. 33-95561).
10.6	Agreement, dated February 7, 2000, between Chicago Mercantile Exchange Holdings Inc. and James J. McNulty, including First Amendment thereto, dated November 28, 2000 and Second Amendment thereto, dated November 13, 2002.
10.7**	License Agreement, effective as of September 24, 1997, between Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., and Chicago Mercantile Exchange Inc. (incorporated by reference to Exhibit 10.13 to Chicago Mercantile Exchange Inc.'s Form S-4, filed with the SEC on March 10, 2000, File No. 33-95561).
10.8**	License Agreement, effective as of April 3, 1996, including First Amendment thereto, dated May 5, 1996, between The Nasdaq Stock Market, Inc., a

subsidiary of National Association of Securities Dealers, Inc., and Chicago Mercantile Exchange Inc. (incorporated by reference to Exhibit 10.9 to Chicago Mercantile Exchange Holdings Inc.'s Form S-4, filed with the SEC on August 7, 2001, File No. 33-66988).

10.9** Central Services System (NSC) Software License and Development Agreement, effective June 5, 1997, including First Amendment thereto, effective February 24, 1998, Second Amendment thereto, effective July 13, 1998, and Third Amendment thereto, effective January 30, 2001, between SBF Bourse de Paris and Chicago Mercantile Exchange Inc. (incorporated by reference to Exhibit 10.10 to Chicago Mercantile Exchange Holdings Inc.'s Form S-4, filed with the SEC on August 7, 2001, File No. 33-66988).

10.10** CLEARING 21 Software Marketing and Distribution Agreement Restatement, effective January 30, 2001, between Societe Des Bourses Francaises, and its successor, Euronext-Paris, and Chicago Mercantile Exchange Inc. and New York Mercantile Exchange Inc. (incorporated by reference to Exhibit 10.12 to Chicago Mercantile Exchange Holdings Inc.'s Form S-4, filed with the SEC on August 7, 2001, File No. 33-66988).

10.11 Lease, dated as of November 11, 1983, between Chicago Mercantile Exchange Trust (successor to CME Real Estate Co. of Chicago, Illinois) and Chicago Mercantile Exchange Inc., including amendment thereto, dated as of December 6, 1989 (incorporated by reference to Exhibit 10.14 to Chicago Mercantile Exchange Inc.'s Form S-4 dated February 24, 2000, File No. 33-95561).

10.12 Lease, dated March 31, 1988, between EOP—10 & 30 South Wacker, L.L.C., as beneficiary of a land trust, dated October 1, 1997, and known as American National Bank and Trust Company of Chicago Trust No. 123434 (as successor in interest to American National Bank and Trust Company of Chicago, not individually but solely as trustee under Trust Agreement dated June 2, 1981 and known as Trust No. 51234) and Chicago Mercantile Exchange Inc. relating to 10 South Wacker Drive, including First Amendment thereto, dated as of November 1, 1999, Second Amendment thereto, dated January 7, 2002, Third Amendment thereto, dated May 3, 2002, Fourth Amendment thereto, dated August 22, 2002, and Fifth Amendment thereto, dated October 1, 2002.

10.13 Lease, dated May 11, 1981, between EOP—10 & 30 South Wacker, L.L.C., as beneficiary of a land trust, dated October 1, 1997, and known as American National Bank and Trust Company of Chicago Trust No. 123434-06 (as successor in interest to American National Bank and Trust Company of Chicago, not individually but solely as trustee under Trust Agreement dated March 20, 1980 and known as Trust No. 48268) and Chicago Mercantile Exchange Inc. relating to 30 South Wacker Drive, including First Amendment thereto, dated as of February 1, 1982, Second Amendment thereto, dated as of April 26, 1982, Third Amendment thereto, dated as of June 29, 1982, Fourth Amendment thereto, dated as of July 28, 1982, Fifth Amendment thereto, dated as of October 7, 1982, Sixth Amendment thereto, dated as of July 5, 1983, Seventh Amendment thereto, dated as of September 19, 1983, Eighth Amendment thereto, dated as of October 17, 1983, Ninth Amendment thereto, dated as of December 3, 1984, Tenth Amendment thereto, dated as of March 16, 1987, Eleventh Amendment thereto, dated as of January 1, 1999, Twelfth Amendment thereto, dated as of June 30, 1999 (incorporated by reference to Exhibit 10.16 to Chicago Mercantile Exchange Inc.'s Form S-4, filed with the SEC on February 24, 2000, File No. 33-95561).

10.14*** Credit Agreement, dated as of October 18, 2002, among Chicago Mercantile Exchange Inc., each of the banks from time to time party thereto and the Bank of New York, as collateral agent.

16.1 Letter from Arthur Andersen to the SEC dated May 17, 2002 (incorporated by reference to Exhibit 16.1 to Chicago Mercantile Exchange Holdings Inc.'s Current Report on Form 8-K, filed with the SEC on May 17, 2002, File No. 0-33379).

21.1 List of Subsidiaries of Chicago Mercantile Exchange Holdings Inc. (incorporated by reference to Exhibit 21.1 to Chicago Mercantile Exchange Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2001).

23.1 Consent of Ernst & Young LLP.

23.2* Consent of Skadden, Arps, Slate, Meagher & Flom (Illinois) (included in Exhibit 5.1).

* To be filed by amendment.

** Confidential treatment pursuant to Rule 406 of the Securities Act has been previously granted by the SEC.

*** Previously filed.

(b) The following financial statement schedules are filed as part of the Registration Statement:

All other schedules have been omitted because the information required to be set forth in those schedules is not applicable or is shown in the consolidated financial statements or notes thereto.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its

counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 6 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago, State of Illinois, on December 2, 2002.

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC.

By: /s/ JAMES J. MCNULTY

James J. McNulty
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 6 to Registration Statement has been signed by the following persons in the capacities indicated below on December 2, 2002.

Signature	Title
*	
James J. McNulty	President and Chief Executive Officer and Director
*	
Terrence A. Duffy	Chairman of the Board and Director
*	
David G. Gomach	Managing Director and Chief Financial Officer
*	
Nancy W. Goble	Managing Director and Chief Accounting Officer
*	
Timothy R. Brennan	Director
*	
John W. Croghan	Director
*	
Martin J. Gepsman	Director
*	
Daniel R. Glickman	Director
*	
Scott Gordon	Director
*	
Yra G. Harris	Director

*	Director
Bruce F. Johnson	
*	
Gary M. Katler	Director
*	
Patrick B. Lynch	Director
*	
Leo Melamed	Director
*	
John D. Newhouse	Director
*	
James E. Oliff	Director
*	
William G. Salatich, Jr.	Director
*	
John F. Sandner	Director
Myron S. Scholes	Director
Verne O. Sedlacek	Director
*	
William R. Shepard	Director
*	
Howard J. Siegel	Director

/s/ CRAIG S. DONOHUE

*By: Craig S. Donohue as attorney-in-fact

Chicago Mercantile Exchange Holdings Inc. and Subsidiaries
Schedule I—Condensed Financial Information of Registrant
For the Year Ended December 31, 2001

Chicago Mercantile Exchange Holdings Inc., the registrant, has only one asset, its investment in its wholly owned subsidiary, Chicago Mercantile Exchange Inc., or CME, in the amount of $250,369,000 at December 31, 2001. Net income from this investment on the equity basis of accounting amounted to $68,302,000 for the year ended December 31, 2001. Net income is reflected as if the registrant had been in existence for the entire year even though it was formed during the year and became the parent of CME through a reorganization of entities under common control as described in Note 1 to the audited annual consolidated financial statements. The registrant has no liabilities, material contingencies or guarantees. The registrant has received no cash dividends from CME.

CME renewed its committed line of credit with a consortium of banks on October 19, 2001. The line of credit is a secured credit facility in the amount of $500.0 million. Under the terms of the credit agreement, CME is required to maintain at all times a tangible net worth of not less than $90.0 million, which is 35.9% of the net assets of CME.

Chicago Mercantile Exchange Holdings Inc. and Subsidiaries
Schedule II—Valuation and Qualifying Accounts
For the Years Ended December 31, 2001, 2000 and 1999
(in thousands)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Revenues	Deductions(1)	Balance at End of Period
Year ended December 31, 2001:					
Allowance for doubtful accounts	$ 1,700	$ 1,733	$ —	$ (2,471)	$ 962
Accrued fee adjustments	5,215	—	12,149	(15,123)	2,241
Year ended December 31, 2000:					
Allowance for doubtful accounts	$ 350	—	$ 1,350	$ —	$ 1,700

Accrued fee adjustments	1,615	—	9,494	(5,894)	5,215
Year ended December 31, 1999:					
Allowance for doubtful accounts	$ 135	—	$ 326	$ (111)	$ 350
Accrued fee adjustments	1,885	—	5,343	(5,613)	1,615

(1) Includes write-offs of doubtful accounts and payments for fee adjustments.

EXHIBIT INDEX

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10.1	Chicago Mercantile Exchange Holdings Inc. Amended and Restated Omnibus Stock Plan, amended and restated effective as of April 23, 2002 (incorporated by reference to Exhibit 10.1 to Chicago Mercantile Exchange Holdings Inc.'s Post-Effective Amendment No. 1 to Form S-8, filed with the SEC on July 31, 2002, File No. 33-60266).
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	and its successor, Euronext-Paris, and Chicago Mercantile Exchange Inc. and New York Mercantile Exchange Inc. (incorporated by reference to Exhibit 10.12 to Chicago Mercantile Exchange Holdings Inc.'s Form S-4, filed with the SEC on August 7, 2001, File No. 33-66988).
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16.1	Letter from Arthur Andersen to the SEC dated May 17, 2002 (incorporated by reference to Exhibit 16.1 to Chicago Mercantile Exchange Holdings Inc.'s Current Report on Form 8-K, filed with the SEC on May 17, 2002, File No. 0-33379).
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23.1	Consent of Ernst & Young LLP.
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* To be filed by amendment.

** Confidential treatment pursuant to Rule 406 of the Securities Act has been previously granted by the SEC.

*** Previously filed.

QuickLinks

Exhibit 1.1

_____ SHARES

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC.

CLASS A COMMON STOCK $ .01 PAR VALUE

UNDERWRITING AGREEMENT

December ___, 2002

December ___, 2002

Morgan Stanley & Co. Incorporated
UBS Warburg LLC
J.P. Morgan Securities Inc.
Salomon Smith Barney Inc.
William Blair & Company, L.L.C.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs and Mesdames:

Chicago Mercantile Exchange Holdings Inc., a Delaware corporation (the "COMPANY"), proposes to issue and sell to the several Underwriters named in Schedule II hereto (the "UNDERWRITERS"), and certain shareholders of the Company (the "SELLING SHAREHOLDERS") named in Schedule I hereto severally propose to sell to the several Underwriters, an aggregate of _____ shares of the Class A Common Stock, $ .01 par value, of the Company (the "FIRM SHARES"), of which _____ shares are to be issued and sold by the Company and _____ shares are to be sold by the Selling Shareholders, each Selling Shareholder selling the amount set forth opposite such Selling Shareholder's name in Schedule I hereto. Morgan Stanley & Co. Incorporated ("MORGAN STANLEY"), UBS Warburg LLC ("UBS WARBURG"), J.P. Morgan Securities Inc., Salomon Smith Barney Inc. and William Blair & Company, L.L.C. shall act as representatives (the "REPRESENTATIVES") of the several Underwriters.

The Company also proposes to issue and sell to the several Underwriters not more than an additional _____ shares of the Class A Common Stock, $ .01 par value, of the Company (the "ADDITIONAL SHARES") if and to the extent that the Representatives shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 3 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "SHARES". The shares of the Class A Common Stock, $ .01 par value, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "COMMON STOCK". The Company and the Selling Shareholders are hereinafter sometimes collectively referred to as the "SELLERS".

The Company has filed with the Securities and Exchange Commission (the "COMMISSION") a registration statement (File No. 333-90106), including a prospectus, relating to

the Shares. The registration statement as amended at the time it becomes effective, including the information deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "SECURITIES ACT"), is hereinafter referred to as the "REGISTRATION STATEMENT"; the prospectus in the form first used to confirm sales of Shares is hereinafter referred to as the "PROSPECTUS". If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "RULE 462 REGISTRATION STATEMENT"), then any reference herein to the term "REGISTRATION STATEMENT" shall be deemed to include such Rule 462 Registration Statement.

UBS Warburg has agreed to reserve a portion of the Shares to be purchased by it under this Agreement for sale to directors, employees and shareholders of the Company and employees of Chicago Mercantile Exchange Inc., a Delaware corporation ("CME") (collectively, the "PARTICIPANTS"), as set forth in the Prospectus under the heading "Underwriters" (the "DIRECTED SHARE PROGRAM"). The Shares to be sold by UBS Warburg and its affiliates pursuant to the Directed Share Program are referred to hereinafter as the "DIRECTED SHARES". Any Directed Shares not confirmed for purchase by any Participants by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND CME. (I) The

Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the knowledge of the Company, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (iii) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement or the Prospectus (1) based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein or (2) based upon information relating to any Selling Shareholder furnished to the Company in writing by such Selling Shareholder expressly for use therein other than information with respect to any position, office or other relationship

which any Selling Shareholder has had with, and which is material to, the Company or any of its predecessors or affiliates within three years prior to the date of the Prospectus.

(c) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company, CME and the subsidiaries of CME (collectively, the "CME GROUP"), taken as a whole.

(d) Each of CME and each subsidiary of CME has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the CME Group, taken as a whole; all of the issued shares of capital stock of CME have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims; and the Company has no direct subsidiaries other than CME.

(e) This Agreement has been duly authorized, executed and delivered by the Company and CME.

(f) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus; the transfer restrictions in Article Four of the Company's certificate of incorporation are valid, binding and enforceable; and except as disclosed in the Prospectus, there are no outstanding securities convertible into or exchangeable for, or warrants, rights or options to subscribe to or purchase from the Company or CME, or obligation of the Company or CME to issue, shares of the Company or CME.

(g) The shares of Class A Common Stock of the Company (including the Shares to be sold by the Selling Shareholders) outstanding prior to the issuance of the Shares to be sold by the Company have been duly authorized and are validly issued, fully paid and non-assessable; upon the closing of the sale of the Shares to the Underwriters in accordance with the terms of this Agreement, each of the Shares to be sold by a Selling Shareholder pursuant to this Agreement will be duly converted from the Company's Class A-1, Class A-2, Class A-3 or Class A-4 Common Stock, as the case may be, to Class A Common Stock, and there will be no restrictions on transfer of or encumbrances on such Shares under the certificate of incorporation or by-laws of the Company.

(h) The Shares to be sold by the Company have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(i) The execution and delivery by the Company and CME of, and the performance by the Company and CME of their respective obligations under, this Agreement will not contravene (i) any provision of applicable law, (ii) the certificate of incorporation or by-laws of the Company, CME or any of CME's subsidiaries, (iii) any indenture, mortgage, deed of trust, credit agreement, lease or other agreement or instrument binding upon the Company, CME or any of CME's subsidiaries that is material to the CME Group, taken as a whole, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company, CME or any of CME's subsidiaries, except for any breach or contravention described in clause (i), (iii) or (iv) which would not, singly or in the aggregate, have a material adverse effect on the CME Group, taken as a whole; and no consent, approval, authorization or order of, or qualification with, any governmental body or agency, including but not limited to the Commodity Futures Trading Commission ("CFTC"), is required for the performance by the Company or by CME of their respective obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states or any applicable law, rule or regulation of any foreign jurisdiction in connection with the offer and sale of the Shares and except, in each case, as would not singly or in the aggregate have a material adverse effect on the CME Group, taken as a whole.

(j) There has not occurred any material adverse change, or any development reasonably likely to result in a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the CME Group, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(k) There are no legal or governmental proceedings pending or, to the knowledge of the Company or CME, threatened to which the Company or CME or any of CME's subsidiaries is a party or to which any of the properties of the Company or CME or any of CME's subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required; and there are no legal or governmental proceedings challenging the offering of the Shares by the Underwriters.

(l) The preliminary prospectus dated November 18, 2002, or any amendment thereto, complied in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(m) Neither the Company nor CME is, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus neither of them will be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(n) The Company, CME and CME's subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("ENVIRONMENTAL LAWS"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the CME Group, taken as a whole.

(o) Except as described in the Prospectus, there are no contracts, agreements or understandings between the Company or CME and any person granting such person the right to require the Company or CME to file a registration statement under the Securities Act with respect to any securities of the Company or CME or to require the Company to include any securities of the Company with the Shares registered pursuant to the Registration Statement.

(p) No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividend to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company.

(q) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, (i) each of the Company, CME and CME's subsidiaries has not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction not in the ordinary course of business; (ii) each of the Company, CME and CME's subsidiaries has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company, CME and CME's subsidiaries, except in each case as

described in the Prospectus.

(r) The Company, CME and CME's subsidiaries (i) do not own any real property and (ii) have good and marketable title to all personal property owned by them which is material to the business of the CME Group, taken as a whole, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed

to be made of such property by the CME Group, taken as a whole; and any real property and buildings held under lease by the Company, CME or CME's subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company, CME and CME's subsidiaries, in each case except as described in the Prospectus.

(s) The Company, CME and CME's subsidiaries own or possess, or can acquire on reasonable terms, all material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names currently employed by them in connection with the business now operated by them, and, except as described in the Prospectus, none of the Company, CME nor any of CME's subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse affect on the CME Group, taken as a whole.

(t) No labor dispute with the employees of the Company, CME or any of CME's subsidiaries exists, except as described in the Prospectus, or, to the knowledge of the Company or CME, is imminent, except such disputes that would not have a material adverse effect on the CME Group, taken as a whole.

(u) The Company, CME and CME's subsidiaries have fulfilled their obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974 ("ERISA") and the regulations and published interpretations thereunder with respect to each "plan" (as defined in Section 3(3) of ERISA and such regulations and published interpretations) in which employees of the Company, CME and CME's subsidiaries are eligible to participate, except such as would not, individually or in the aggregate, have a material adverse effect on the CME Group, taken as a whole; the Company, CME and CME's subsidiaries have not incurred and do not expect to incur any material liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan for which the Company, CME or any of CME's subsidiaries would have any liability.

(v) None of the Company, CME nor any of CME's subsidiaries has any reason to believe that it will not be able to renew any existing insurance coverage (which is material to the operations of the CME Group, taken as a whole) as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the CME Group, taken as a whole, except as described in the Prospectus.

(w) Each of the Company, CME and CME's subsidiaries has all necessary consents, licenses, authorizations, approvals, exemptions, orders, certificates and permits (collectively, the "CONSENTS") of and from, and has made all filings and declarations

(collectively, the "FILINGS") with, all federal, state, local and foreign governmental and regulatory authorities, all self-regulatory organizations and all courts and other tribunals, necessary to own, lease, license and use its properties and assets and to conduct its business in the manner described in the Prospectus, except where the failure to have such Consents or to make such Filings would not, individually or in the aggregate, have a material adverse effect on the CME Group, taken as a whole; all such Consents and Filings are in full force and effect, the Company, CME and CME's subsidiaries are in compliance with such Consents and none of the Company, CME nor any of CME's subsidiaries has received any notice of any inquiry, investigation or proceeding that would reasonably be expected to result in the suspension, revocation or limitation of any such Consent or otherwise impose any limitation on the conduct of the business of the Company, CME or any of CME's subsidiaries, except as set forth in the Prospectus or any such failure to be in full force and effect, failure to be in compliance with, suspension, revocation or limitation which would not, singly or in the aggregate, have a material adverse effect on the CME Group, taken as a whole; the Company, CME and CME's subsidiaries are in compliance with, and conduct their businesses in conformity with, all applicable laws and regulations, except where the failure to so comply or conform would not have a material adverse effect on the CME Group, taken as a whole.

(x) None of the Company, CME or CME's subsidiaries is (i) in violation of its certificate of incorporation or by-laws or (ii) in default in any material respect, and no event has occurred which, with notice or lapse of

time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, credit agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject, except for any default described in clause (ii) which would not have a material adverse effect on the CME Group, taken as a whole.

(y) The Company, CME and each of CME's subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or has requested extensions thereof (except for cases in which the failure to file would not have a material adverse effect on the CME Group, taken as a whole) and have paid all taxes required to be paid thereon, and, except as currently being contested in good faith and for which reserves required by generally accepted accounting principles have been created on the financial statements of the Company, no tax deficiency has been determined adversely to the Company, CME or any of CME's subsidiaries which has had (nor does the Company, CME and each of CME's subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company, CME or CME's subsidiary and which could reasonably be expected to have) a material adverse effect on the CME Group, taken as a whole.

(z) The Company, CME and each of CME's subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions

are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(aa) The Shares have been approved for listing on the New York Stock Exchange, Inc. (the "EXCHANGE"), subject to notice of issuance, and, at the Closing Date and the Option Closing Date (as defined in Section 3 hereunder), the Shares issued at or prior to the time of delivery on such closing date will be listed thereon.

(bb) The Company and CME have not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company or CME to facilitate the sale or resale of the Shares.

(cc) The Registration Statement, the Prospectus and any preliminary prospectus comply, and any amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program.

(dd) No consent, approval, authorization or order of, or qualification with, any governmental body or agency, other than those obtained, is required in connection with the offering of the Directed Shares in any jurisdiction where the Directed Shares are being offered.

(ee) The Company has not offered, or caused UBS Warburg or its affiliates to offer, Shares to any person pursuant to the Directed Share Program with the intent to influence unlawfully (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(ff) Ernst & Young LLP, who have certified certain financial statements of CME and its subsidiaries, are independent public accountants as required by the Securities Act and the rules and regulations of the Commission thereunder.

(II) CME represents and warrants to and agrees with each of the Underwriters as to the matters in clauses (a), (b), (d), (e), (f), (g), (h), (i), (j), (l), (cc), (dd) and (ee) of Section 1(I) above.

2. REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDERS. Each Selling Shareholder severally represents and warrants to and agrees with each of the Underwriters that:

(a) This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(b) The execution and delivery by such Selling Shareholder of, and the performance by such Selling Shareholder of its obligations under, this Agreement and the Agreement and Power of Attorney appointing certain individuals

as such Selling Shareholder's attorneys-in-fact to the extent set forth therein, relating to the transactions contemplated hereby and by the Registration Statement (the "POWER OF ATTORNEY") will not contravene any provision of applicable law, or the certificate of incorporation or by-laws of such Selling Shareholder (if such Selling Shareholder is a corporation), or any agreement or other instrument binding upon such Selling Shareholder or any judgment, order or decree of any governmental body, agency or court having jurisdiction over such Selling Shareholder, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by such Selling Shareholder of its obligations under this Agreement or the Power of Attorney of such Selling Shareholder, except such as may be required by the securities or Blue Sky laws of the various states or any applicable law, rule or regulation of any foreign jurisdiction in connection with the offer and sale of the Shares.

(c) Such Selling Shareholder has, and on the Closing Date will have, valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code (the "UCC") in respect of, the Shares to be sold by such Selling Shareholder free and clear of all security interests, claims, liens, equities or other encumbrances and the legal right and power, and all authorization and approval required by law or the certificate of incorporation or by-laws or other organizational documents of such Selling Shareholder (if such Selling Shareholder is not a natural person), to enter into this Agreement and the Power of Attorney and to sell, transfer and deliver the Shares to be sold by such Selling Shareholder or a security entitlement in respect of such Shares.

(d) The Power of Attorney has been duly authorized, executed and delivered by such Selling Shareholder.

(e) Upon payment for the Shares to be sold by such Selling Shareholder pursuant to this Agreement, delivery of such Shares, as directed by the Underwriters, to Cede & Co. ("CEDE") or such other nominee as may be designated by The Depository Trust Company ("DTC"), registration of such Shares in the name of Cede or such other nominee and the crediting of such Shares on the books of DTC to securities accounts of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any adverse claim (within the meaning of Section 8-105 of the UCC) to such Shares), (A) DTC shall be a "protected purchaser" of such Shares within the meaning of Section 8-303 of the UCC, (B) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Shares and (C) no action based on any "adverse claim", within the meaning of Section 8-102 of the UCC, to such Shares may be asserted against the Underwriters with respect to such security entitlement; for purposes of this representation, such Selling Shareholder may assume that when

such payment, delivery and crediting occur, (x) such Shares will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(f) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED that the representations and warranties set forth in this paragraph 2(f) are limited to statements or omissions made in reliance upon information relating to such Selling Shareholder furnished to the Company in writing by such Selling Shareholder expressly for use in the Registration Statement, the Prospectus or any amendments or supplements thereto.

(g) Such Selling Shareholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company or CME to facilitate the sale or resale of the Shares.

(h) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Shareholder will deliver to the Representatives prior to or at the Closing Date a properly completed and executed U.S. Treasury Department Form W-9 (or other applicable form or statement specified by the U.S. Treasury Department regulations in lieu thereof).

(i) Except as disclosed by such Selling Shareholder in writing to the Representatives, neither such Selling Shareholder nor any of his, her or its affiliates directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, or has any other

association with (within the meaning of Article 1(q) of the By-laws of the National Association of Securities Dealers, Inc. (the "NASD")), any member firm of the NASD.

3. AGREEMENTS TO SELL AND PURCHASE. Each Seller, severally and not jointly, hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from such Seller at $_____ a share (the "PURCHASE PRICE") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as

you may determine) that bears the same proportion to the number of Firm Shares to be sold by such Seller as the number of Firm Shares set forth in Schedule II hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to issue and sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to _____ Additional Shares at the Purchase Price. You may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice of each election to exercise the option not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 5 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "OPTION CLOSING DATE"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule II hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

The Company hereby agrees that, without the prior written consent of Morgan Stanley and UBS Warburg on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. In addition, the board of directors of the Company shall not, without the prior written consent of Morgan Stanley and UBS Warburg on behalf of the Underwriters, approve any transfer of Common Stock as a "Conversion Transfer" (as defined in the Company's certificate of incorporation) during such 180-day period.

The restrictions contained in the preceding paragraph shall not apply to (A) the Shares to be sold hereunder, (B) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof of which the Underwriters have been advised in writing, (C) the issuance by the Company of options under the Company's stock option plan, and (D) the issuance by the Company of shares of Common Stock in connection with any acquisitions, mergers or strategic investments that the

Company enters into, subject to the requirement that parties receiving shares of Common Stock in such transactions agree to be bound by the same restrictions as those set forth in the preceding paragraph for the remainder of the 180-day period.

4. TERMS OF PUBLIC OFFERING. The Sellers are advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Sellers are further advised by you that the Shares are to be offered to the public initially at $_____ a share (the "PUBLIC OFFERING PRICE") and to certain dealers selected by you at a price that represents a concession not in excess of $_____ a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $_____ a share, to any Underwriter or to certain other dealers.

5. PAYMENT AND DELIVERY. Payment for the Firm Shares to be sold by each Seller shall be made to such Seller in Federal or other funds immediately

available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on December ___, 2002, or at such other time on the same or such other date, not later than December ___, 2002, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "CLOSING DATE".

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the notice described in Section 3 or at such other time on the same or on such other date, in any event not later than January __, 2003, as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, unless the Representatives shall otherwise instruct, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

6. CONDITIONS TO THE UNDERWRITERS' OBLIGATIONS. The obligations of the Sellers to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than _____ (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the Company's or CME's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and

(ii) there shall not have occurred any change, or any development reasonably likely to result in a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the CME Group, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company and CME, to the effect set forth in Section 6(a)(i) above and to the effect that the representations and warranties of the Company and CME contained in this Agreement are true and correct as of the Closing Date, that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's and CME's knowledge, threatened, and that the Company and CME, as the case may be, has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

(c) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by Craig S. Donohue, Executive Vice President and Chief Administrative Officer of the Company, to the effect that he has no reason to believe that (except for the financial statements and financial schedules and other financial and statistical data included therein or excluded therefrom or the exhibits thereto as to which he need not express any belief) the Registration Statement at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading and has no reason to believe that (except for the financial statements and financial schedules and other financial and statistical data included therein or excluded therefrom as to which he need not express any belief) the Prospectus as of its date or as of the Closing Date contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order

to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The officers signing and delivering such certificate may rely upon the best of their knowledge as to proceedings threatened.

(d) The Underwriters shall have received on the Closing Date an opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), outside counsel for the Company, dated the Closing Date, to the effect of the following and otherwise in form and substance satisfactory to you:

(i) the Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware, with the corporate power and corporate authority to own its property and to conduct its business as described in the Prospectus (with such exceptions as would not have a material adverse effect on the CME Group, taken as a whole); and based solely upon a review of "good standing" certificates of such states, the Company is qualified to transact business and is in good standing in each jurisdiction set forth in Exhibit A to such counsel's opinion;

(ii) CME is validly existing and in good standing under the laws of the State of Delaware, with the corporate power and corporate authority to own its property and to conduct its business as described in the Prospectus (with such exceptions as would not have a material adverse effect on the CME Group, taken as a whole); and based solely upon a review of "good standing" certificates of such states, CME is qualified to transact business and is in good standing in each jurisdiction set forth in Exhibit A to such counsel's opinion;

(iii) the authorized capital stock of the Company conforms, in all material respects, as to legal matters to the description thereof contained in the Prospectus under the heading "Description of Capital Stock";

(iv) the shares of Class A Common Stock of the Company (including the Shares to be sold by the Selling Shareholders) outstanding prior to the issuance of the Shares to be sold by the Company have been duly authorized and are validly issued, fully paid and non-assessable; based solely on their review of the certificate of incorporation and by-laws of the Company, and assuming that, at the Closing Date, the Shares are listed on the New York Stock Exchange, each share of Class A-1 Common Stock, Class A-2 Common Stock, Class A-3 Common Stock and Class A-4 Common Stock, as applicable, to be sold by a Selling Shareholder pursuant to this Agreement shall automatically convert (without any action by the holder) into one Share of Class A Common Stock, upon the sale of such Share pursuant to this Agreement; and, upon the sale of such

Share pursuant to this Agreement, there shall be no restriction on transfer of such Share under the certificate of incorporation or by-laws of the Company;

(v) all of the issued shares of capital stock of CME have been duly authorized and validly issued, are fully paid and non-assessable and, to such counsel's knowledge, are owned of record by the Company, free and clear of all liens, encumbrances, equities or claims;

(vi) the issuance and sale of Shares to be sold by the Company have been duly authorized by the Company for sale to the Underwriters under this Agreement and such Shares, when delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not, to such counsel's knowledge, be subject to any preemptive or similar rights to subscribe for the Shares under the certificate of incorporation or by-laws of the Company or under the laws of the State of Delaware;

(vii) this Agreement has been duly authorized, executed and delivered by the Company and CME;

(viii) the execution and delivery by the Company and CME of, and the performance by the Company and CME of their respective obligations under, this Agreement will not violate or breach any provision of the certificate of incorporation or by-laws of the Company or CME or any agreement or instrument of the Company or CME set forth as an exhibit to the Registration Statement (except for such violations or breaches which would not materially impair the performance of the Company or CME of its obligations under this Agreement);

(ix) Except as would not have a material adverse effect on the CME Group, taken as a whole: (A) the compliance by the Company or by CME with all of the provisions of this Agreement will not contravene any provision of any Applicable Laws or Applicable Orders (it being understood that, for purposes of this opinion, (1) the term

"Applicable Laws" means those laws, rules and regulations of the State of Illinois and the United States of America that, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement, including the U.S. federal commodities laws and the rules and regulations of the CFTC, all as of the date hereof; (2) the term "Applicable Orders" means those judgments, orders or decrees of Governmental Authorities (as such term is hereinafter defined) by which the Company or CME is bound, the existence of which is known to such counsel or has been specifically disclosed to such counsel in writing by the Company or CME; and (3) the term "Governmental Authorities" means any Illinois or federal executive, legislative, judicial, administrative or regulatory body established under Applicable Laws),

PROVIDED that, in rendering such opinions, such counsel need not express any opinion with respect to (x) any securities or Blue Sky laws of the various states or the securities laws of foreign jurisdictions or (y) the information contained in, or the accuracy, completeness or correctness of, the Prospectus or the Registration Statement or the compliance thereof as to form with the Securities Act and the rules and regulations promulgated thereunder; and (B) no Governmental Approval is required for the execution, delivery and performance of this Agreement by the Company or CME (it being understood that, for purposes of such opinion, the term "Governmental Approval" means any consent, approval, license, authorization or validation of, or notice to, or filing, recording or registration with, any Governmental Authority pursuant to Applicable Laws), PROVIDED that, in rendering such opinions, such counsel does not express any opinion with respect to (x) any securities or Blue Sky laws of the various states or the securities laws of foreign jurisdictions, (y) such Governmental Approvals as have been obtained or made or (z) the rules and regulations of the National Association of Securities Dealers, Inc. (the "NASD").

(x) the statements (A) in the Prospectus under the captions "Description of Capital Stock" and "Material U.S. Federal Tax Consequences to Non-U.S. Holders," "Business--Regulatory Matters," "Business--Licensing Agreements," "Business--Legal Proceedings" and "Underwriters" and (B) in the Registration Statement in Items 14 and 15, in each case insofar as such statements purport to summarize certain provisions of the specific agreements, statutes or regulations referred to therein, fairly summarize such provisions in all material respects;

(xi) to such counsel's knowledge, there are no (A) legal or governmental proceedings pending or threatened to which the Company, CME or any of CME's subsidiaries is a party that are required to be described in the Registration Statement or the Prospectus and are not so described or (B) contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required;

(xii) neither the Company nor CME is, and solely after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus neither of them will be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(xiii) the Registration Statement, at the time it became effective, and the Prospectus as of its date (in each case except for financial statements and financial schedules and other financial and statistical data included therein or excluded therefrom or the exhibits thereto as to which such counsel need not express any

opinion) appeared on their face to be appropriately responsive, in all material respects, to the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder, and, except to the extent expressly stated in paragraph (x) above, such counsel need not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus.

In addition, such counsel shall state that it has no reason to believe that (except for the financial statements and financial schedules and other financial and statistical data included therein or excluded therefrom or the exhibits thereto as to which such counsel need not express any belief) the Registration Statement at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading and has no reason to believe that (except for the financial statements and financial schedules and other financial

and statistical data included therein or excluded therefrom or the exhibits thereto as to which such counsel need not express any belief) the Prospectus as of its date or as of the Closing Date contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The Underwriters shall have received on the Closing Date an opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), counsel for the Selling Shareholders, dated the Closing Date, to the effect of the following and otherwise in form and substance satisfactory to you:

(i) this Agreement has been duly authorized, executed and delivered by or on behalf of each of the Selling Shareholders;

(ii) the Power of Attorney of each Selling Shareholder has been duly authorized, executed and delivered by such Selling Shareholder; and

(iii) an action based on an adverse claim to the financial asset consisting of the Shares sold by the Selling Shareholders deposited in or held by DTC, whether such action is framed in conversion, replevin, constructive trust, equitable lien or other theory, may not be asserted successfully against the Representatives assuming that neither the Representatives nor any Underwriter has notice of any adverse claims with respect to such financial asset.

In addition, (I) such counsel or other counsel for the Selling Shareholders named in Schedule III hereto (which may be an in-house counsel) reasonably acceptable to the Underwriters shall provide an opinion to the effect that the

execution and delivery by each Selling Shareholder named in Schedule III hereto of, and the performance by such Selling Shareholder of its obligations under, this Agreement and the Power of Attorney of such Selling Shareholder will not contravene any provision of the certificate of incorporation or by-laws or similar organizational documents of such Selling Shareholder; and (II) such counsel shall state that it (A) has no reason to believe that (except for the financial statements and financial schedules and other financial and statistical data included therein or excluded therefrom or the exhibits thereto as to which such counsel need not express any belief) the Registration Statement and the prospectus included therein at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (B) has no reason to believe that (except for the financial statements and financial schedules and other financial and statistical data included therein or excluded therefrom or the exhibits thereto as to which such counsel need not express any belief) the Prospectus as of its date or as of the Closing Date contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that such statement relates only to statements or omissions in the Registration Statement or the Prospectus based upon information relating to each Selling Shareholder furnished in writing by or on behalf of such Selling Shareholder expressly for use in the Registration Statement, the Prospectus or any amendments or supplements thereto.

(f) The Underwriters shall have received on the Closing Date an opinion of Cleary, Gottlieb, Steen & Hamilton, counsel for the Underwriters, dated the Closing Date, covering the matters referred to in Sections 6(d)(vi), 6(d)(vii) and 6(d)(x) (but only as to the statements in the Prospectus under "Description of Capital Stock" and "Underwriters") and a letter covering the matters referred to in Section 6(d)(xiii) and in the last paragraph of Section 6(d) above.

With respect to the last paragraph of Section 6(d) above, Skadden, Arps, Slate, Meagher & Flom (Illinois) and Cleary, Gottlieb, Steen & Hamilton and with respect to clause (II) of the last paragraph of Section 6(e) above, Skadden, Arps, Slate, Meagher & Flom (Illinois), may state that their beliefs are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified. With respect to Section 6(e) above, Skadden, Arps, Slate, Meagher & Flom (Illinois) may rely upon an opinion or opinions of counsel for any Selling Shareholders and, with respect to factual matters and to the extent such counsel deems appropriate, upon the representations of each Selling Shareholder contained herein and in the Power of Attorney of such Selling Shareholder

and in other documents and instruments; PROVIDED that a copy of each opinion so relied upon is delivered to you and is in form and substance satisfactory to your counsel and copies of such Powers of Attorney and of any such other documents and instruments shall be delivered to you and shall be in form and substance satisfactory to your counsel.

The opinions of Skadden, Arps, Slate, Meagher & Flom (Illinois) described in Sections 6(d) and 6(e) above (and any opinions of counsel for any Selling Shareholder referred to in the immediately preceding paragraph) shall be rendered to the Underwriters at the request of the Company or one or more of the Selling Shareholders, as the case may be, and shall so state therein.

(g) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Ernst & Young LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus; PROVIDED that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(h) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(i) The Shares shall have been approved for listing on the Exchange, subject only to official notice of issuance.

(j) Prior to the Closing Date, the Company, CME and each of the Selling Shareholders shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company and CME, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

7. COVENANTS OF THE COMPANY. In further consideration of the agreements of the Underwriters herein contained, the Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, six signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a

conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 7(c) below, as many copies of the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with law.

(d) To endeavor to qualify the Shares for offer and sale under the

securities or Blue Sky laws of such jurisdictions as you shall reasonably request, PROVIDED, however, that in connection therewith, the Company shall not be required to qualify as a foreign corporation or consent to service of process in any jurisdiction where it has not already so qualified or consented.

(e) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering the twelve-month period ending December 31, 2003 that satisfies the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(f) To place stop transfer orders on any Directed Shares that have been sold to Participants subject to the three month restriction on sale, transfer, assignment, pledge or hypothecation imposed by NASD Regulation, Inc. under its Interpretative Material 2110-1

on free-riding and withholding to the extent necessary to ensure compliance with the three month restrictions.

(g) To comply in all material respects with all applicable securities and other applicable laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

8. EXPENSES. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Sellers agree to pay or cause to be paid all expenses incident to the performance of their obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel, the Company's accountants and counsel for the Selling Shareholders (provided that each Selling Shareholder shall pay a proportionate share of the fees and expenses of Skadden, Arps, Slate, Meagher & Flom (Illinois), counsel for the Selling Shareholders, incurred in connection with delivering its opinion required under Section 6(e) in an amount not to exceed $1,000 per Selling Shareholder) in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 7(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the NASD, (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the Exchange, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company or CME and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) the document production charges and expenses associated with printing this Agreement, (x) all fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program, (xi) all expenses of the Company

and CME in connection with any offer and sale of the Shares outside of the United States, and filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with offers and sales outside of the United States, and (xii) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 9 entitled "Indemnity and Contribution", and the last paragraph of Section 12 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

The provisions of this Section shall not supersede or otherwise affect

any agreement that the Sellers may otherwise have for the allocation of such expenses among themselves.

9. INDEMNITY AND CONTRIBUTION. (a) The Company and CME agree to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company or CME shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to (i) any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein or (ii) any Selling Shareholder furnished to the Company in writing by the Selling Shareholder expressly for use therein other than information with respect to any position, office or other relationship which any Selling Shareholder has had with, and which is material to, the Company or any of its predecessors or affiliates within three years prior to the date of the Prospectus; PROVIDED, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased Shares, or any person controlling such Underwriter, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Shares to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities, unless such failure is the result of noncompliance by the Company with Section 7(a) hereof.

Notwithstanding the foregoing, and subject to Section 9(b), the parties hereto agree that CME shall only be liable for amounts payable under Section 9(a) in the event that (i) the Company is bankrupt or insolvent or (ii) an indemnified party (as defined below) shall have obtained a judicial judgment, order or decree (in each case which has not been appealed) for amounts payable to such indemnified party under this Section 9(a) (including reimbursement of reasonable legal fees or other expenses) and such indemnified party shall have made a demand upon the Company for payment of such amounts following such judgment, order or decree, which demand remains unsatisfied for 60 days or more.

(b) Each Selling Shareholder agrees, severally and not jointly, to indemnify and hold harmless the Company, the directors of the Company and the officers of the Company who sign the Registration Statement, each Underwriter, each person, if any, who controls the Company or any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Selling Shareholder furnished in writing to the Company by or on behalf of such Selling Shareholder expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto. The liability of each Selling Shareholder under the indemnity agreement contained in this paragraph shall be limited to an amount equal to the aggregate Public Offering Price of the Shares sold by such Selling Shareholder under this Agreement.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the Selling Shareholders, the directors and officers of the Company who sign the Registration Statement and each person, if any, who controls the Company or any Selling Shareholder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Underwriter furnished to the Company

in writing by such Underwriter through

you expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto.

(d) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(a), 9(b) or 9(c), such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing, and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act, (ii) the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either such Section and (iii) the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for all Selling Shareholders and all persons, if any, who control any Selling Shareholder within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be designated in writing by Morgan Stanley. In the case of any such separate firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. In the case of any such separate firm for the Selling Shareholders and such control persons of any Selling Shareholders, such firm shall be designated in writing by the persons named as attorneys-in-fact for the Selling Shareholders under the Powers of Attorney. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such

settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(e) To the extent the indemnification provided for in Section 9(a), 9(b) or 9(c) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 9(e)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(e)(i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Sellers on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by each Seller and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Sellers on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to

information supplied by the Sellers or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 9 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

The parties hereto agree that CME shall only be liable for amounts payable under this Section 9(e) in the event that (i) the Company is bankrupt or insolvent or (ii) an indemnified party shall have obtained a judicial judgment, order or decree (in each case which has not been appealed) for amounts payable to such indemnified party under this Section 9(e) (including reimbursement of legal fees or other expenses) and such indemnified party shall have made a demand upon the Company for payment of such amounts following such judgment, order or decree, which demand remains unsatisfied for 60 days or more.

(f) The Sellers, CME and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by PRO RATA allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include,

subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 9 and the representations, warranties and other statements of the Company, CME and the Selling Shareholders contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter, any Selling Shareholder or any person controlling any Selling Shareholder, or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

10. DIRECTED SHARE PROGRAM INDEMNIFICATION. (a) The Company and CME agree to indemnify and hold harmless UBS Warburg and its affiliates, within the meaning of Rule 405 under the Securities Act, and each person, if any, who controls UBS Warburg or its affiliates within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act ("UBS WARBURG ENTITIES"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company or CME for distribution to Participants in connection with the Directed Share Program, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant has agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of UBS Warburg Entities.

The parties hereto agree that CME shall only be liable for amounts payable under this Section 10(a) in the event that (i) the Company is bankrupt or insolvent or (ii) any UBS Warburg Entity shall have obtained a judicial judgment, order or decree (in each case which has not been appealed) for amounts payable to such UBS Warburg Entity under this Section 10(a) (including reimbursement of legal fees or other expenses) and such UBS Warburg Entity shall

have made a demand upon the Company for payment of such amounts following such judgment, order or decree, which demand remains unsatisfied for 60 days or more.

(b) In case any proceeding (including any governmental investigation) shall be instituted involving any UBS Warburg Entity in respect of which indemnity may be sought pursuant to Section 10(a), the UBS Warburg Entity seeking indemnity shall promptly notify the Company or CME in writing, and the

Company or CME, upon request of the UBS Warburg Entity, shall retain counsel reasonably satisfactory to the UBS Warburg Entity to represent the UBS Warburg Entity and any others the Company or CME may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any UBS Warburg Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such UBS Warburg Entity unless (i) the Company or CME shall have agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Company and/or CME on the one hand, and the UBS Warburg Entity on the other hand and representation of both such parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company and CME shall not, in respect of the legal expenses of the UBS Warburg Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for all UBS Warburg Entities. Any such firm for the UBS Warburg Entities shall be designated in writing by Morgan Stanley. The Company and CME shall not be liable for any settlement of any proceeding effected without their written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company and CME agree to indemnify the UBS Warburg Entities from and against any loss or liability by reason of such settlement or judgment. The Company and CME shall not, without the prior written consent of Morgan Stanley, effect any settlement of any pending or threatened proceeding in respect of which any UBS Warburg Entity is or could have been a party and indemnity could have been sought hereunder by such UBS Warburg Entity, unless such settlement includes an unconditional release of the UBS Warburg Entities from all liability on claims that are the subject matter of such proceeding.

(c) To the extent the indemnification provided for in Section 10(a) is unavailable to a UBS Warburg Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company and CME, in lieu of indemnifying the UBS Warburg Entity thereunder, shall contribute to the amount paid or payable by the UBS Warburg Entity as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and CME on the one hand and the UBS Warburg Entities on the other hand from the offering of the Directed Shares or (ii) if the allocation provided by clause 10(c)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 10(c)(i) above but also the relative fault of the Company and CME on the one hand and of the UBS Warburg Entities on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable

considerations. The relative benefits received by the Company and CME on the one hand and of the UBS Warburg Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the UBS Warburg Entities for the Directed Shares, bear to the aggregate Public Offering Price of the Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of a material fact, the relative fault of the Company and CME on the one hand and the UBS Warburg Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the UBS Warburg Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties hereto agree that CME shall only be liable for amounts payable under this Section 10(c) in the event that (i) the Company is bankrupt or insolvent or (ii) any UBS Warburg Entity shall have obtained a judicial judgment, order or decree (in each case which has not been appealed) for amounts payable to such UBS Warburg Entity under this Section 10(c) (including reimbursement of legal fees or other expenses) and such UBS Warburg Entity shall have made a demand upon the Company for payment of such amounts following such judgment, order or decree, which demand remains unsatisfied for 60 days or more.

(d) The Company, CME and the UBS Warburg Entities agree that it would not be just or equitable if contribution pursuant to this Section 10 were determined by PRO RATA allocation (even if the UBS Warburg Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 10(c). The amount paid or payable by the UBS Warburg Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the UBS Warburg Entities in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10, no UBS Warburg Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such UBS Warburg Entity has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act)

shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 10 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any UBS Warburg Entity at law or in equity.

(e) The indemnity and contribution provisions contained in this Section 10 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any UBS Warburg Entity or the

Company or CME, the officers or directors of the Company or CME or any person controlling the Company or CME and (iii) acceptance of and payment for any of the Directed Shares.

11. TERMINATION. The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market, (ii) trading of any securities of the Company or CME shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities, or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Prospectus.

12. EFFECTIVENESS; DEFAULTING UNDERWRITERS. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule II bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; PROVIDED that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 12 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased, and arrangements satisfactory to you, the Company and the Selling Shareholders for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Shareholders. In any such case either you or the relevant Sellers shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the

aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of any Seller to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason any Seller shall be unable to perform its obligations under this Agreement, the Sellers will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

13. COUNTERPARTS. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

15. HEADINGS. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Very truly yours,

CHICAGO MERCANTILE EXCHANGE HOLDINGS INC.

By:

Name:
Title:

CHICAGO MERCANTILE EXCHANGE INC.

By:

Name:
Title:

The Selling Shareholders named in
Schedule I hereto, acting severally

By:

Attorney-in-Fact

Accepted as of the date hereof

Morgan Stanley & Co. Incorporated
UBS Warburg LLC
J.P. Morgan Securities Inc.
Salomon Smith Barney Inc.
William Blair & Company, L.L.C.

Acting severally on behalf of themselves
and the several Underwriters named in
Schedule II hereto.

By: Morgan Stanley & Co. Incorporated

By:

Name:
Title:

SCHEDULE I

SELLING SHAREHOLDER	NUMBER OF FIRM SHARES TO BE SOLD
[NAMES OF SELLING SHAREHOLDERS]	
Total.....	

SCHEDULE II

UNDERWRITER	NUMBER OF FIRM SHARES TO BE PURCHASED
Morgan Stanley & Co. Incorporated	

UBS Warburg LLC
J.P. Morgan Securities Inc.
Salomon Smith Barney Inc.
William Blair & Company, L.L.C.

[NAMES OF OTHER UNDERWRITERS]

Total.....	----------

SCHEDULE III

SELLING SHAREHOLDERS

EXHIBIT A

[FORM OF LOCK-UP LETTER]

_____, 2002

Morgan Stanley & Co. Incorporated
UBS Warburg LLC
J.P. Morgan Securities Inc.
Salomon Smith Barney Inc.
William Blair & Company, L.L.C.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Dear Sirs and Mesdames:

The undersigned understands that Morgan Stanley & Co. Incorporated, UBS Warburg LLC, J.P. Morgan Securities Inc., Salomon Smith Barney Inc. and William Blair & Company, L.L.C. (the "REPRESENTATIVES") propose to enter into an Underwriting Agreement (the "UNDERWRITING AGREEMENT") with Chicago Mercantile Exchange Holdings Inc., a Delaware corporation (the "COMPANY"), Chicago Mercantile Exchange Inc., a Delaware corporation, and the Selling Shareholders named in Schedule I to the Underwriting Agreement providing for the public offering (the "PUBLIC OFFERING") by the several Underwriters named in Schedule II thereto, including the Representatives (the "UNDERWRITERS"), of _____ shares (the "SHARES") of the Class A Common Stock, $ .01 par value, of the Company (the "COMMON STOCK").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated ("Morgan Stanley") and UBS Warburg LLC ("UBS Warburg") on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus relating to the Public Offering (the "PROSPECTUS"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the sale of any Shares to the Underwriters pursuant to the Underwriting Agreement, (b) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering, and (c) transactions relating to shares of Common Stock in connection with "Permitted Transfers", as defined in the Company's certificate of incorporation, PROVIDED that, for transactions under clause (c), parties receiving shares of Common Stock in such transactions agree to be bound by

the same restrictions as those set forth in the foregoing sentence for the remainder of the 180-day period. In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley and UBS Warburg on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the

transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

(Name)

(Address)

Exhibit 10.6

AGREEMENT

THIS AGREEMENT, made and entered into this 7th day of February, 2000, by and between THE CHICAGO MERCANTILE EXCHANGE ("Employer"), an Illinois not for profit corporation, having its principal place of business at 30 South Wacker Drive, Chicago, Illinois, and James J. McNulty ("Employee").

R E C I T A L S:

WHEREAS, Employer wishes to retain the services of Employee in the capacity of president and chief executive officer upon the terms and conditions hereinafter set forth and Employee wishes to accept such employment;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties mutually agree as follows:

1. EMPLOYMENT. Subject to the terms of the Agreement, Employer hereby agrees to employ Employee during the Agreement Term as president and chief executive officer and Employee hereby accepts such employment. Employee shall report to the Employer's Board of Directors, or any successor to the Board of Directors (hereinafter, "Board" shall mean the Board of Directors of Employer and/or any successor thereto). The duties of Employee as president and chief executive officer shall include, but not be limited to, the performance of all duties associated with the management and operation of Employer, including the execution of all policies formulated by the Board, the selection and hiring of personnel for the various divisions and departments, the training and establishing of duties and responsibilities of supervisory personnel, and improvements in organization, accounting procedures and financial policy for Employer. Further, and without limiting the generality of the foregoing, Employee, pursuant to the direction of the Board, shall be expected to successfully oversee and implement the "demutualization" of

Employer, defined herein as the change of Employer from a member-owned not for profit corporation to a stockholder-owned for-profit corporation. Employee shall devote his full time, ability and attention to the business of Employer during the Agreement Term, subject to the direction of the Board.

Notwithstanding anything to the contrary contained herein, nothing in the Agreement shall preclude Employee from participating in the affairs of any governmental, educational or other charitable institution, engaging in professional speaking and writing activities, and serving as a member of the board of directors of a publicly held corporation (except for a competitor of Employer), as long as the Board does not determine that such activities interfere with or diminish Employee's obligations under the Agreement. Employee shall be entitled to retain all fees, royalties and other compensation derived from such activities, in addition to the compensation and other benefits payable to him under the Agreement, but shall disclose such fees to Employer.

2. AGREEMENT TERM. Employee shall be employed hereunder for a term commencing on February 7, 2000 and expiring on December 31, 2003, unless sooner terminated as herein provided ("Agreement Term"). The Agreement Term may be extended or renewed by the mutual written agreement of the parties.

3. COMPENSATION.

(a) SIGN-ON BONUS. Within thirty (30) days of Employee's commencement of employment with Employer, Employer shall pay to Employee, in a single lump sum, a sign-on bonus of two million dollars ($2,000,000), less applicable deductions and withholdings, to compensate Employee for the loss of benefits from Employee's previous employment.

(b) ANNUAL BASE SALARY. During the Agreement Term, Employee shall receive an Annual Base Salary of one million dollars ($1,000,000) payable semi-monthly. Employer shall annually review the Annual Base Salary and, at its sole discretion, may increase it from the level then in effect; in no event shall the Annual Base Salary be reduced during the Agreement Term from the level specified herein.

(c) ANNUAL INCENTIVE BONUS. Employee shall have the opportunity for an Annual Incentive Bonus for each calendar year during the Agreement Term based on Employee's attainment of pre-established goals, as follows:

(i) The goals for the first calendar year of the Agreement Term have been mutually agreed-upon by the parties, and are attached hereto as EXHIBIT A and are incorporated herein by reference. During the remainder of the Agreement Term, the goals for each coming calendar year shall be determined solely by the Board, and shall be communicated, in writing, to Employee at least thirty (30) days prior to the start of each calendar year.

(ii) The Annual Incentive Bonus shall not exceed the lesser of one and one-half million dollars ($1,500,000) or, following demutualization, ten percent (10%) of the Employer's Net Income, determined in accordance with generally accepted accounting practices by the Employer's regular outside certified public accountants.

(iii) The amount of the Annual Incentive Bonus for each calendar year shall be as determined by the Board, in its sole discretion, based on the Board's evaluation of Employee's attainment of the pre-established goals. Prior to payment of an Annual Incentive Bonus to Employee, the Board shall certify in writing that the pre-established goals, and any other terms deemed material by the Board, have been attained.

(iv) Payment to Employee of any Annual Incentive Bonus determined by the Board, shall be made in a single lump sum during the first calendar quarter following the end of the calendar year.

(d) NON-QUALIFIED STOCK OPTION AND LONG TERM INCENTIVE AWARD. As of the date of Employee's commencement of employment with Employer, Employer shall grant to Employee a Non-Qualified Stock Option and Long-Term Incentive Award ("collectively referred to herein as the "Non-Qualified Stock Option") in accordance with SUPPLEMENT A attached hereto and incorporated herein by reference.

(e) BENEFITS AND BENEFIT PROGRAMS. Employee shall be eligible to, and shall, participate in all benefits and benefit programs offered from time to time to the senior executives of Employer. This shall include, without limitation, all insurance programs (e.g., medical, dental, vision, life, accidental death and dismemberment and disability), paid holidays and 5 weeks annual vacation, and pension, savings, cash balance, 401(k) and other retirement plan or plans, all as may be in effect from time to time. In addition, at Employer's expense, Employee shall be entitled to: (1) an annual physical examination; (2) parking space at the principal location of Employer, and (3) the amount of legal fees expended by Employee in connection with the negotiation and execution of this Agreement, not to exceed thirty-five thousand dollars ($35,000).

(f) CEO PERQUISITES. Employee shall be eligible for such other perquisites, paid for or reimbursed by Employer, that are customary for the chief executive officer of a major financial institution, such as club memberships, automobile allowance and reimbursement for professional services. All such perquisites are subject to the approval of the Board's Compensation Committee, or its designate or successor, which approval shall not be unreasonably

withheld, and shall not exceed fifty thousand dollars ($50,000) for each calendar year of the Agreement Term.

(g) BUSINESS EXPENSES. Employer agrees to pay or promptly reimburse Employee for all reasonable expenses incurred by Employee in furtherance of, or in connection with, the transaction of the business of Employer hereunder, subject to proper accounting by Employee and approval by Employer.

4. DISABILITY.

(a) In the event Employee is permanently disabled, as hereinafter defined, for a continuous period of 6 months, Employer, in its sole discretion, may terminate Employee's employment under the Agreement upon written notice to Employee. In such event, Employee's Annual Base Salary shall continue as provided in subparagraph (a) of paragraph 5.

(b) Employee, for the purposes hereof, shall be deemed to be "permanently disabled" when a mutually selected physician determines that as a result of bodily injury or disease or mental disorder, he is so disabled that he is prevented from performing the principal duties of his employment with or without reasonable accommodation.

5. TERMINATION.

Employer may terminate the employment of Employee under the Agreement in the event that Employee shall die, or become permanently disabled, or for "Cause" or "without Cause" as hereinafter defined, or upon expiration of the Agreement Term, as set forth in subparagraphs (b) and (c) of this paragraph, and Employee may terminate employment under the Agreement with or without Good Reason, as hereinafter defined, as set forth in subparagraph (d) of this paragraph. Except as set forth in the last sentence of this Section, Employee's and his dependents' health,

dental and vision insurance shall be continued on the terms then in effect (or as thereafter changed generally for the senior management of Employer) until the earlier of (a) the end of the period of continuation of Employee's Annual Base Salary, or (b) the date Employee obtains other employment and becomes eligible for coverage under such employer's health insurance program. To the extent applicable, continuation of group health insurance coverage for Employee and his dependents pursuant to the provisions of Section 4980B of the Internal Revenue Code of 1986, as amended, and Sections 6.02 through 6.07 of the Employee Retirement Income Security Act of 1974, as amended ("COBRA") shall commence after expiration of the health insurance coverage provided above. In the event of termination of Employee for Cause, or termination by Employee other than for Good Reason, or termination upon expiration of the Agreement, Employee's and his dependents' sole right to continued health insurance coverage shall be pursuant to COBRA.

(a) DEATH OR DISABILITY. In the event of termination of Employee's employment hereunder due to death or Employee becoming permanently disabled, Employer shall, for a period of six (6) months following such termination, continue to pay Employee's Annual Base Salary, as then in effect. Payments pursuant to this subparagraph (a) shall be made to Employee, or to his estate or designated beneficiary in the event of his death.

Any portion of the Non-Qualified Stock Option that is not vested prior to termination on account of Employee's death or permanent disability shall immediately vest on such termination. In the event of permanent disability, during the remainder of the ten year period following the Grant Date (defined in Supplement A), Employee shall be permitted to exercise any unexercised portion of the Non-Qualified Stock Option. Any portion of the Non-Qualified Stock Option that has not been exercised on the ten year anniversary of the Grant Date shall be forfeited. As soon

as practicable following death, Employer shall pay to Employee's estate or designated beneficiary cash equal to the excess of the fair market value of the Covered Shares (referred to in Supplement A) subject to such exercise over the aggregate exercise price for such Shares.

(b) CAUSE OR EXPIRATION OF AGREEMENT TERM. If Employee's employment hereunder is terminated by Employer for Cause, or upon expiration of the Agreement Term, Employer shall pay to Employee in a single lump sum, as soon as practicable after such termination or expiration, any and all accrued but unused vacation pay and, accrued but unpaid Annual Base Salary, and other amounts that have been earned but not paid to Employee as of the date of such termination or expiration. If Employee is terminated for Cause, the entire Non-Qualified Stock Option that has not been exercised by the date of notice of termination for Cause shall be forfeited unless the Board, in its sole discretion, determines otherwise. Upon expiration of the Agreement Term, Employee shall be permitted to exercise any unexercised portion of the Non-Qualified Stock Option during the ten year period following the Grant Date. Any portion of the Non-Qualified Stock Option that has not been exercised by the ten year anniversary of the Grant Date shall be forfeited.

For purposes of this Agreement, "Cause" shall be deemed to exist if, and only if:

(i) Employee shall engage, during the performance of his duties hereunder, in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance;

(ii) Employee shall intentionally disobey or disregard a lawful and proper direction of the Board or Employer; or

(iii) Employee shall materially breach the Agreement and such breach by its nature is either incapable of being cured, or if capable of being cured, remains uncured for more than thirty (30) days following receipt by Employee of written notice from Employer specifying the nature of the breach and demanding the cure thereof. For purposes of this clause (iii), a material breach of the Agreement that involves inattention by Employee to his duties shall be deemed a breach capable of cure.

Without limiting the generality of the foregoing, the following shall not constitute Cause for termination of Employee or the modification or diminution of any of his authority hereunder: (a) any personal or policy disagreement between Employee and Employer or any member of Employer or its Board, or (b) any action taken by Employee in connection with his duties hereunder or any failure to act, if Employee acted, or failed to act, in good faith and in a manner Employee reasonably believed to be in and not opposed to the best interest of Employer and Employee has no reasonable cause to believe his conduct was unlawful.

In the event of termination for Cause, Employer shall give Employee at least thirty (30) days prior written notice, specifying in reasonable detail the reason or reasons for Employee's termination.

(c) WITHOUT CAUSE. Employee's employment may be terminated by Employer at any time during the Agreement Term, at Employer's discretion and without Cause, upon ninety (90) days advance written notice of same to Employee. In this event, Employee shall continue to receive (1) his Annual Base Salary for the remainder of the Agreement Term, and (2) one-third (1/3) of the maximum Annual Incentive Bonus, payable semi-monthly, for the remainder of the Agreement Term. Any portion of the Non-Qualified Stock Option that is not vested prior to such

termination shall immediately vest on termination. During the ten year period following the Grant Date, Employee shall be permitted to exercise any unexercised portion of the Non-Qualified Stock Option. Any portion of the Non-Qualified Stock Option that has not been exercised by the ten year anniversary of the Grant Date shall be forfeited.

(d) BY EMPLOYEE. Employee's employment with Employer may be terminated by Employee at any time, after the first anniversary of this Agreement, by the giving of ninety (90) days advance written notice of same to Employer. In the event Employee terminates after the first anniversary of this Agreement, Employer shall pay to Employee, as soon as practicable after such termination, in a single lump sum, any and all Annual Base Salary, and accrued but unused vacation pay, that have been earned but not paid to Employee as of the date of termination. Employee shall forfeit the Annual Incentive Bonus for the year during which he resigns, and he shall forfeit any portion of the Non-Qualified Stock Option that is not vested prior to termination. During the one hundred eighty (180) day period following such termination, Employee shall be permitted to exercise any portion of the Non-Qualified Stock Option that was vested prior to termination. Any portion of the Non-Qualified Stock Option that has not been exercised by the one hundred eighty first (181st) day following termination shall be forfeited. In the event Employee attempts to terminate his employment prior to the first anniversary of the Agreement, such act shall be treated as a material breach of the Agreement by Employee under paragraph 5(b)(iii).

In the event Employee terminates the Agreement pursuant to the above after its first anniversary date with less than ninety (90) days advance written notice of same to Employer, the parties acknowledge that Employer will be damaged thereby, but that such damages will be

difficult to calculate. Accordingly, Employee will promptly pay to Employer, or allow Employer to set off against any monies it may then owe to Employee, as liquidated damages a sum equal to Employee's Annual Base Salary, on the date of termination divided by 260 for each day Employee's notice of termination hereunder is less than ninety (90) days.

A termination by Employee for Good Reason shall entitle Employee to those payments applicable to a termination without Cause, as set forth in subparagraph (c) of this paragraph. For purposes of this paragraph, "Good Reason" shall be deemed to exist if, and only if:

(i) The Employee's principal place of business is relocated outside of the Chicago metropolitan area;

(ii) Employer fails to pay to Employee the agreed-upon compensation or benefits;

(iii) There is a demotion or significant diminution in Employee's responsibilities or authorities under the Agreement sufficient to constitute a constructive termination as presently defined by Illinois law.

The conditions set forth in (ii) and (iii) above shall constitute Good Reason if such conditions remain uncured for more than thirty (30) days following Employer's receipt of written notice from Employee advising of such condition and demanding the cure thereof.

6. "WALKAWAY" OPTION.

In the event Employer has not demutualized by December 31, 2000, the Agreement may, within thirty (30) days thereafter, be terminated by either Employee, if such failure is not the result of an intentional act by Employee, or by Employer, by written notice of same to the other; provided, however, that if Employer certifies in writing to Employee on or before January 31,

2001, that demutualization has been delayed solely because a necessary government action or ruling has not been received, and that Employer believes in good faith that it will be received within ninety (90) days of the date of Employer's certification hereunder, Employee shall not terminate hereunder unless demutualization is not completed within such ninety (90) day period. For purposes of the Agreement, the "Walkaway Period" shall mean the foregoing period of time prior to demutualization, including the specified extensions thereof, during which either party may, pursuant to this paragraph 6, terminate the Agreement.

In the event of termination of the Agreement under this paragraph, Employee shall be paid the Annual Base Salary in effect prior to such termination plus one-third (1/3) of the maximum Annual Incentive Bonus, payable semi-monthly, for the remainder of the Agreement Term. Such payments shall cease if and when Employee becomes employed by or becomes a consultant to any organization engaged in trade execution and/or trade clearing. Notwithstanding the preceding sentence, such payments shall not cease if Employee becomes a member of the board of directors of any organization that is not in direct competition with Employer. For purposes of this provision, all stock exchanges shall be deemed to be in direct competition with Employer.

During the Walkaway Period, Employee shall not exercise any portion of the Non-Qualified Stock Option that has vested. In the event of termination of the Agreement under this paragraph by either Employer or Employee, the entirety of the Non-Qualified Stock Option, regardless of whether otherwise vested or unvested, shall be forfeited.

7. CHANGE IN CONTROL. For purposes of the Agreement, the term "Change in Control" means the occurrence, of the events described in any of subsections

(i), (ii), or (iii) below:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of any voting securities of the Employer entitled to vote generally in the election of directors ("Voting Securities") if, immediately after such acquisition, such Person beneficially owns fifty percent (50%) or more of the combined voting power of the outstanding Voting Securities (the "Outstanding Employer Voting Securities"). The foregoing provisions of this subsection (i) shall be subject to the following:

(A) The following shall not constitute a "Change in Control": (I) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Employer or any entity controlled by Employer (an "Employer Plan"); (II) any acquisition by an underwriter temporarily holding securities pursuant to an offering of such securities; or (III) any acquisition by any Person pursuant to a transaction which complies with subsections (ii)(A) and (ii)(B) of this definition.

(B) For purposes of the foregoing provisions of this subsection (i), the following shall not be deemed to constitute an "acquisition" by any Person: (I) any acquisition directly from Employer (excluding any acquisition resulting from the exercise of an exercise, conversion, or exchange privilege unless the security being so exercised, converted, or exchanged was acquired directly from Employer); and (II) any acquisition by Employer of Voting Securities.

(ii) Consummation of (I) a reorganization, merger, consolidation, or other business combination involving Employer or (II) the sale or other disposition of more than fifty percent (50%) of the

operating assets of Employer (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets) by Employer (any transaction described in part (I) or (II) being referred to as a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which each of subsections (A) and (B) below are applicable:

(A) All or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Employer Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then Outstanding Employer Voting Securities entitled to vote generally in the election of directors of the ultimate parent

entity resulting from such Corporate Transaction (including, without limitation, an entity which, as a result of such transaction, owns Employer or all or substantially all of the assets of Employer either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Employer Voting Securities, as the case may be.

(B) No Person (other than Employer, any Employer Plan or related trust, the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, fifty percent (50%) or more of the Outstanding Employer Voting Securities) will beneficially own, directly or indirectly, fifty percent (50%) or more of the then combined voting power of the then outstanding voting securities of such entity.

(iii) Approval by the shareholders of Employer of a plan of complete liquidation or dissolution of the Employer.

If during the Agreement Term there is both a Change in Control, and Employee's employment is terminated by Employer, or by Employee for Good Reason, during the two (2) years following such Change in Control, Employee shall be entitled to the following:

(a) A single lump sum severance payment to be paid by Employer equal to the aggregate of (1) two (2) times the Annual Base Salary in effect prior to such termination that would have been due Employee but for his termination pursuant to this paragraph 7, plus (2) one and one-third (1 1/3) times the maximum Annual Incentive Bonus that Employee would have been eligible to receive but for his termination pursuant to this paragraph 7, for the remainder of the Agreement Term; provided, however, that such severance payment shall not exceed eight million dollars ($8,000,000), and may be reduced to a lesser amount to the extent provided in subparagraph (b) next below. This severance payment shall be made within ninety (90) days of the date of such termination pursuant to this paragraph.

(b) If:

(i) any payment or benefit to which the Employee is entitled from Employer, any affiliate, or trusts established by Employer or by any affiliate (the "Payments," which shall include, without limitation, the vesting of an option or other non-cash benefit or property) are more likely than not to be subject to the tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended ("Code") or any successor provision to that section; and

(ii) reduction of the Payments to the amount necessary to avoid the application of such tax would result in Employee retaining an amount that is greater than the

amount he would retain if the Payments were made without such reduction but after the application of such tax;

The Payments shall be reduced to the extent required to avoid application of such tax. The Employee shall be entitled to select the order in which Payments are to be reduced in accordance with the preceding sentence. Determination of whether Payments would result in the application of the tax under Code Section 4999, and the amount of reduction that is necessary so that no such tax is applied, shall be made by the mutual agreement of the parties or, in the absence of such agreement, by a mutually selected independent certified public accounting firm, retained at Employer's expense.

(c) Any portion of the Non-Qualified Stock Option that is not then vested shall immediately vest. If the securities that Employee would receive upon the exercise of the Non-Qualified Stock Option are of a class that is not registered under Section 12 of the Securities Exchange Act of 1934, then the Non-Qualified Stock Option shall be exercisable by Employee until the three-year anniversary of Employee's termination of employment with Employer; provided that in no event shall the Non-Qualified Stock Option be exercisable later than the ten-year anniversary of the Grant Date. If the securities that Employee would receive upon the exercise of the Non-Qualified Stock Option are of a class that is registered under Section 12 of the Securities Exchange Act of 1934, then Employer shall file a Securities Exchange Commission Form S-8 with respect to the sale of all of the securities that would be deliverable to Employee upon the exercise of the Non-Qualified Stock Option (in whole or in part) (the "Required Form S- 8") before, or as soon as practicable after the termination of Employee's employment with

Employer, and the Non-Qualified Stock Option shall be exercisable by Employee until the latest to occur of:

(i) the one-year anniversary of Employee's termination of employment with Employer;

(ii) the one-year anniversary of the date on which the Required Form S-8 becomes effective with respect to the exercise of the Non-Qualified Stock Option; or

(iii) the one-year anniversary of the date on which counsel to Employer renders an opinion to Employer and Employee that Employee is not an "affiliate" (as that term is defined in Rule 144 under the Securities Act of 1933) with respect to Employer or, if later, the date specified in such opinion as the date on which Employee will cease to be an "affiliate";

provided that in no event shall the Non-Qualified Stock Option be exercisable later than the ten-year anniversary of the Grant Date. Any portion of the Non-Qualified Stock Option that has not been exercised prior to the end of the period of exercisability set forth in this paragraph (c) shall be forfeited.

8. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) Employee acknowledges that Employer may disclose certain confidential information to Employee during the Agreement Term to enable him to perform his duties hereunder, and Employee hereby covenants and agrees that, subject to subparagraph (b) of this Section, he will not, without the prior written consent of Employer, during the Agreement Term (except in connection with the proper performance of his duties hereunder) or at any time thereafter, disclose or permit to be disclosed to any third party by any method whatsoever any of the confidential information of Employer. For purposes of the Agreement, "confidential information" shall include, but not be limited to, any and all records, notes, memoranda, data,

writings, research, personnel information, customer information, clearing members' information, Employer's financial information and plans in the possession or control of Employer that have not been published or disclosed to the general public or the commodities futures industry. If Employee fails to comply with any provisions of this paragraph, which failure (i) is inadvertent or unintentional, or (ii) occurs notwithstanding Employee's good faith effort to comply with paragraph, or (iii) does not, and is not likely to, result in material loss to Employer, then such failure shall not constitute a violation of any provision, covenant or agreement of this paragraph, for any purposes of this Agreement.

(b) Clause (a), above, shall not be applicable if and to the extent Employee is required to testify in a legislative, judicial or regulatory proceeding pursuant to an order of Congress, any state or local legislature, a judge, or an administrative law judge issued after Employee and his legal counsel have, by all legal means, resisted such order. Employee will promptly notify Employer, so that Employer will have sufficient time to intervene or otherwise protect its interests, of the commencement of a proceeding or action which might result in an order requiring the disclosure of confidential information by Employee.

9. INDEMNITY. Except as precluded by law or regulation, Employer shall indemnify, protect, defend and save Employee harmless from and against any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative, in which Employee is made a party by reason of the fact that Employee is an officer, employee or agent of Employer, or any judgment, amount paid in settlement (with the consent of Employer), fine, loss, expense, cost, damage and reasonable attorney's fees incurred by reason of the fact that Employee is an officer, employee or agent of Employer, provided, however, that Employee acted

in good faith and in a manner he reasonably believed to be in the best interests of Employer, and had no reasonable cause to believe his conduct was unlawful. Employer, at its expense, shall have the right to purchase and maintain insurance or fidelity bonds on behalf of Employee against any liability asserted against him and incurred by him in his capacity as an officer, employee or agent of Employer.

10. ARBITRATION; EQUITABLE REMEDIES. Any controversy or claim arising out of or relating to the Agreement or the validity, interpretation, enforceability or breach thereof, which is not settled by agreement of the parties, shall be settled by arbitration conducted in the City of Chicago, in accordance with the Labor Rules and Procedures of the American Arbitration Association ("Association"), and judgment upon the award rendered in such arbitration may be entered in any court having jurisdiction. The arbitration

shall be conducted before a single arbitrator selected by the parties. In the event the parties cannot agree on any arbitrator, then the Association will supply both parties with a list of seven (7) names. The parties will alternatively strike one name until only one remains. First choice will be determined by a coin toss, the winning party having the option of striking first or second. All expenses of arbitration shall be borne equally by the parties, except that each party shall bear its own attorney's fees. The arbitrator shall have no power to amend, alter, add to or delete from the Agreement.

Employee acknowledges that Employer would be irreparably injured by a violation of paragraph 8 and Employee agrees that Employer, in addition to any other remedies available to it for such breach or threatened breach, shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining Employee from any actual or threatened breach of paragraph 8 pending, and in aid of, arbitration of the dispute. If a bond is required to be

posted in order for Employer to secure an injunction or other equitable remedy, the parties agree that such bond need not be more than a nominal sum.

11. RETURN OF PROPERTY. Upon Employee's last day of active work, Employee hereby agrees to immediately turn over to Employer any keys, credit cards, passes, and all notes, memoranda, records, documents, computer disks, and all other information, no matter how produced or reproduced, kept by Employee or in his possession or control, used in or pertaining to the business of Employer, it being hereby acknowledged that all of said items are the sole and exclusive property of Employer.

12. DEFENSE OF CLAIMS. During the period of his employment by Employer, and continuing after the termination of his employment for a period of three (3) years, Employee shall reasonably cooperate with Employer at its request in the defense or prosecution of any claim that may be made by or against Employer. Such cooperation shall include, without limitation, serving as a witness at trial or hearing, being deposed, and preparation for same or otherwise cooperating with Employer as determined to be necessary by Employer at its sole discretion, for the defense or prosecution of a claim. For the period after Employee terminates his employment with Employer, Employer shall reimburse Employee for all reasonable expenses in connection therewith, including travel expenses, and shall compensate him at a daily rate equal to his Annual Base Salary on the date his employment with Employer terminated, divided by 260, with days used for preparation, travel and other related matters being included for purposes of determining the compensation due to Employee. Less than full days shall be paid for by the hour, determined by dividing the daily rate by eight. To the extent reasonably practicable, Employer shall provide Employee with notice at least ten (10) days prior to the date on which any such travel is required.

13. WAIVER OF BREACH. No waiver of either party hereto of a breach of any provision of the Agreement by the other party, or of compliance with any condition or provision of the Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provisions and conditions at the same or any prior or subsequent time. The failure of either party to take any action by reason of such breach will not deprive such party of the right to take action at any time while such breach continues.

14. ENTIRE AGREEMENT. The Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, if any, between the parties relating to the subject matter hereof.

15. COUNTERPARTS. The Agreement may be signed in multiple counterparts, each of which shall be deemed to be an original for all purposes.

16. ACKNOWLEDGMENT BY EMPLOYEE. Employee represents that he is knowledgeable and sophisticated as to business matters, including the subject matter of the Agreement, that he has read the Agreement and that he understands its terms. Employee acknowledges that, prior to assenting to the terms of the Agreement, he has been given reasonable time to review it, to consult with counsel of his choice, and to negotiate at arm's length with Employer as to the contents. Employee and Employer agree that the language used in the Agreement is the language chosen by the parties to express their mutual intent, and that no rule of strict construction is to be applied against either party hereto.

17. ASSIGNMENT, SURVIVAL OF AGREEMENT.

(a) This Agreement is personal to Employee and shall not be

assigned.

(b) Employer may assign the Agreement without the consent of Employee to any other entity who in connection with such assignment acquires all or substantially all of the assets of Employer, or acquires a majority of the voting rights of Employer, or into or with which Employer is merged or consolidated. In the event of a merger, sale, reorganization or other Change in Control (as defined in paragraph 7) of Employer, the Agreement shall be binding upon, and inure to the benefit of, any successor to Employer.

(c) Except as otherwise expressly provided in this Agreement, the rights and obligations of the parties to the Agreement shall survive the termination of Employee's employment with Employer.

18. NOTICE. All notices and communications required hereunder shall be in writing and shall be deemed to have been given on the day of delivery if personally delivered or sent by facsimile, or two (2) days after mailing if mailed, postage prepaid, certified or registered, return receipt requested, to the following addresses:

IF TO EMPLOYEE: James J. McNulty
6 Kent Road
Winnetka, Illinois 60093

WITH A COPY TO: John Adams
Schiff Hardin & Waite
233 S. Wacker Drive
Chicago, Illinois 60606

IF TO EMPLOYER: Chicago Mercantile Exchange
30 South Wacker Drive
Chicago, Illinois 60606
ATTENTION: Craig Donohue

WITH A COPY TO Jerrold E. Salzman
Freeman, Freeman & Salzman
401 N. Michigan Avenue, Suite 3200
Chicago, Illinois 60611

or to such other addresses as the respective parties may hereafter designate.

19. SEVERABILITY. If any clause, phrase, provision or portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable under any applicable law, such event shall not affect or render invalid or unenforceable the remainder of this Agreement, and shall not affect the application to any clause, provision or portion hereof to other persons or circumstances.

20. BENEFIT. The provisions of this Agreement shall be binding upon and inure to the benefit of Employer, its successors and assigns and upon and to Employee, his heirs, personal representatives and successors, including without limitation, the estate of Employee and the executors, administrators or trustees of such estate.

21. RELEVANT LAW: This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois without regard to that State's conflict of laws.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and date first above written.

EMPLOYER: EMPLOYEE:

CHICAGO MERCANTILE EXCHANGE,
an Illinois not for profit
corporation

By: /s/ Scott Gordon /s/ James J. McNulty
---------- ----------
[Name]

Its:

SUPPLEMENT A

As of the date of employment (the "Grant Date"), Employer grants to Employee this Non-Qualified Stock Option ("Option") upon the terms and conditions set forth in this Supplement A. The Option may only be exercised if Employer converts from an Illinois not-for-profit corporation to a for-profit corporation. If Employer does not convert, Employee shall be entitled to appreciation rights in lieu of the Option. The Option rewards Employee for helping to increase the Value of Employer. The Option allows

Employee to acquire a basket of up to 2.5% of all classes of the Employer's common stock, as of the date that Employer converts, for an exercise price equal to 2.5% of the Value of the Employer on the Grant Date and to acquire a basket of up to 2.5% of all classes of the Employer's common stock, as of the date that Employer converts, for an exercise price equal to 3.75% of the Value of the Employer on the Grant Date. The number of shares of each class will be computed when the conversion becomes final and a Rider showing the results of such computation will be attached to and become a part of this Agreement. The number of shares and exercise price of a class of common stock subject to the Option shall be adjusted as a result of an equity restructuring to maintain the economic value of the Option. For purposes of this Supplement A, an equity restructuring is a nonreciprocal transaction between the Company and its shareholders, such as a stock dividend, spin-off, stock split, reverse stock split, rights offering, or recapitalization through a special, large nonrecurring dividend that causes the market value per share of the stock underlying the Option to decrease or increase.

The Option shall be a non-qualified stock option, not granted in accordance with Section 422 of the Internal Revenue Code of 1986, as amended, to purchase an indivisible package including each class of shares issued by the Employer (the "Covered Shares").

1. The Option provides that, upon exercise with respect to the Covered Shares elected by Employee, Employee shall receive shares of Class A common stock, Class B common stock, cash, or a combination thereof, as determined by Employer in its sole discretion (except Employer shall not distribute more class B common stock than the amount included in the indivisible package comprising the Covered Shares elected by Employee), with an aggregate Fair Market Value equal to the Fair Market Value of the Covered Shares to which he would otherwise have been entitled upon exercise.

2. The Options will be divided into two tranches, referred to as Tranche A and Tranche B. Each of Tranche A and Tranche B will include an equal number of the Covered Shares granted hereunder, that is, each tranche shall include a basket equal to 2.5% of each class of Employer's common stock.

3. The exercise price with respect to all of the Covered Shares under Tranche A shall be 2.5% of the Value of Employer on the Grant Date. The exercise price with respect to all of the Covered Shares under Tranche B shall be 3.75% of the Value of Employer on the Grant Date. If fewer than all the Covered Shares in a Tranche are exercised, the exercise price will be proportionately reduced.

4. The "Value of Employer on the Grant Date" shall be equal to the sum of the prices for all memberships, with the price for any category of membership to be determined based on the average price of all actual transactions for that category of membership which took place during the six months prior to the Grant Date.

5. Each Installment of Covered Shares of Tranche A and each installment of Covered Shares of Tranche B shall be exercisable on and after the Vesting Date for such Installment as described in the following schedule (but only if Employee's date of termination with Employer has not occurred before the Vesting Date):

INSTALLMENT VESTING DATE APPLICABLE TO INSTALLMENT
- 40% of Covered Shares One year anniversary of the Grant Date

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- 20% of
Covered
Shares Two
year
anniversary
of the
Grant Date
- --------

- Three
year
anniversary
of the
Grant 20%
of Covered
Shares
Date - ---

------ 20%
of Covered
Shares
Four year
anniversary
of the
Grant Date
- --------

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6. Notwithstanding the foregoing provisions of paragraph 5, the Option shall become fully vested and exercisable under the following circumstances: (i) the termination of Employee's employment with Employer by reason of the Employee's death or permanent disability pursuant to subparagraph 5(a) of the Agreement, (ii) termination by Employer without Cause pursuant to subparagraph 5(c) of the Agreement, (iii) termination by Employee for Good Reason pursuant to subparagraph 5(d) of the Agreement, and (iv) a Change in Control and termination as defined in paragraph 7(a) of the Agreement.

7. At any time that a portion of the Option is exercisable, Employee may exercise such portion in whole or in part by filing a written notice with Employer accompanied by payment of the exercise price in accordance with Paragraph 13 of this Supplement A.

8. The Option may be exercised on or after Employee's date of termination with Employer only as to those Covered Shares for which it was exercisable immediately prior to Employee's date of termination with Employer, or becomes exercisable on Employee's date of termination with Employer.

9. Upon exercise of the Option, Employer shall distribute to Employee the Covered Shares subject to the exercise, or in lieu of the Covered Shares, shares of Class A common stock, Class B common stock, cash, or a combination thereof, as determined by Employer in its sole discretion (except Employer shall not distribute more class B common stock than the amount included in the indivisible package comprising the Covered Shares elected by Employee). Such payment of cash and/or shares of common stock shall be equal to the aggregate Fair Market Value of the Covered Shares subject to the exercise notice on the date of exercise. The Fair Market Value for the Class A and Class B Stock included in the Covered Shares, as of any date, shall be determined in the following manner:

(i) If traded on an established exchange, Fair Market Value shall be the closing prices of such Stock on such exchange as of such date;

(ii) If such Stock is not traded on an established exchange as of such date, Fair Market Value shall be the average of the bid and ask prices for such Stock, where quoted for such Stock, as of the applicable date;

(iii) If no applicable price is available pursuant to clauses (i) or (ii) above, or if, in the mutual opinion of Employer and Employee, either or both of Class A and Class B Stock are thinly traded, an outside expert, mutually selected by Employer and Employee, shall establish the Fair Market Value of either or both.

10. The Option shall not be exercisable after Employer's close of business on the last business day that occurs prior to the Expiration Date. The "Expiration Date" shall be the earlier to occur of: (i) the ten-year anniversary of the Grant Date or (ii) the date on which Employee is notified by Employer of Employee's termination for Cause; or (iii) the applicable date

following Employee's death, permanent disability or other termination pursuant to paragraphs 5 or 7 of the Agreement.

11. The Options and all rights thereunder will be non-transferable except with the written consent of the Compensation Committee of the Board.

12. Shares of Class A Stock of Employer distributed pursuant to the exercise of the Option shall be transferable by Employee, subject to Employee being required to hold shares of such Stock, with a Fair Market Value equal to not less than three times Employee's Annual Base Salary, while employed by Employer as its Chief Executive Officer, subject to any applicable legal requirements, and subject to any lockup restrictions specified by Employer's banker.

13. The Option may be exercised by Employee, by a legatee or legatees of the Option under Employee's last will, or by his executors, personal representatives or distributees, by delivering to the Secretary of Employer written notice of the percentage of Covered Shares with respect to which the Option is being exercised, accompanied by full payment to Employer of the exercise price of the Covered Shares being purchased under the Option. The exercise price of the Covered Shares purchased shall be paid in full by any of the following methods, or any combination thereof, selected by Employee, or his legatee or legatees, executors, personal representatives or distributees: (i) in cash, (ii) in Class A Stock valued at its Fair Market Value on the date of exercise, (iii) in Class B Stock valued at its Fair Market Value on the date of exercise, (iv) in cash by a broker-dealer to whom the holder of the Option has submitted an exercise notice consisting of a fully-endorsed Option (in such case, Employer shall pay all brokerage fees in connection with the exercise), (v) by agreeing to surrender a portion of the Option then exercisable,

valued at the Fair Market Value of the Covered Shares minus the exercise price for such Covered Shares, or (vi) by directing Employer to withhold such number of shares of Covered Shares otherwise issuable upon exercise of the Option having an aggregate Fair Market Value on the date of exercise equal to the exercise price of the Option. The election by Employee pursuant to the preceding sentence must be made on or prior to the date of exercise of the Option and shall be irrevocable.

14. As soon as reasonably practicable after exercise of the Option, and payment of the exercise price as provided above, Employer shall issue, in the name of Employee (or if applicable his legatees, executors, personal representatives or distributees) stock certificates representing the total number of Covered Shares or shares of common stock issuable pursuant to the exercise of the Option, provided that any Stock purchased by Employee through a broker-dealer shall be delivered to such broker-dealer in accordance with applicable government regulations.

15. If Employer has not demutualized at the date that Employee gives notice of exercise, Employee shall receive appreciation rights in lieu of the Covered Shares to which he would have been entitled. In such case, no payment of the exercise price shall be due from Employee under paragraphs 7 and 13 of this Supplement A, and no distribution shall be made to Employee in accordance with paragraphs 1, 9 and 14 of this Supplement A or otherwise. Instead, Employee shall be entitled to a cash payment equal to the excess of (i) the Fair Market Value (determined in accordance with paragraph 4 as of the date of exercise) of the percentage of Employer that would have been represented by Covered Shares subject to the exercise over (ii) the exercise price applicable to the Covered Shares

that would have been subject to the exercise notice. The amount of such cash distribution (together with interest at the rate of LIBOR plus one) shall be made in three substantially equal installments on each of the one-year anniversary, the two-year anniversary, and the three-year anniversary of the exercise date.

Rider to Supplement A to Agreement between The Chicago Mercantile Exchange and James J. McNulty dated February 7, 2000:

As required by the Agreement, with the demutualization of the Exchange on November 13, 2000, it is necessary to define the specific number of shares by class and exercise price thereof:

1. The Non-Qualified Stock Option for a basket of up to 2.5% of all classes of common stock with an exercise price of 2.5% of the value of the Employer on the Grant Date (Tranche A), shall be represented by the following number of shares of each class of common stock with the following exercise prices:

CLASS/SERIES	EXERCISE NUMBER OF SHARES PER	PRICE OF STOCK
CLASS A	646,380.000	$18.47
SERIES B-1	15.625	177,077.46
SERIES B-2	20.325	160,389.61
SERIES B-3	32.175	116,053.34
SERIES B-4	6.325	20,545.45
SERIES B-5	53.500	184.70

For purposes of this presentation it is assumed that each share of Series B-5 stock issued at November 13, 2000 is converted into 10 shares of Class A common stock.

2. The Non-Qualified Stock Option for a basket of up to 2.5% of all classes of common stock with an exercise price of 3.75% of the value of the Employer on the Grant Date (Tranche B), shall be represented by the following number of shares of each class of common stock with the following exercise prices:

CLASS/SERIES	EXERCISE NUMBER OF SHARES PER	PRICE OF STOCK
CLASS A	646,380.000	$27.71
SERIES B-1	15.625	265,616.19
SERIES B-2	20.325	240,584.42
SERIES B-3	32.175	174,080.01
SERIES B-4	6.325	30,818.18
SERIES B-5		

53.500
277.10

For purposes of this presentation it is assumed that each share of Series B-5 stock issued at November 13, 2000, is converted into 10 shares of Class A common stock.

Further, it is agreed that if the option is exercised by the employee in accordance with item 13(iii), the Employer's liability with respect to brokerage fees is limited to $50,000.

The limitation will be applied on a pro rata basis, if the entire option is not exercised at the same time.

Accepted By /s/ James J. McNulty
James J. McNulty

Accepted By /s/ David G. Gomach
On behalf of Chicago Mercantile Exchange Inc.

Witness /s/ M. Scott Gordon

AMENDMENT

This is the First Amendment to the Employment Agreement (the "Agreement") entered into between James J. McNulty ("Employee") and Chicago Mercantile Exchange Inc. ("Employer"), which became effective on February 7, 2000.

Capitalized terms used but not defined in this First Amendment shall have the meaning set forth in the Agreement.

This Amendment is effective this 28th day of November, 2000. Except as set forth herein, all provisions of the Agreement shall remain unchanged and in full force and effect.

Section 3(c)(i) of the Agreement is hereby amended as follows:

"(i) The goals for the first calendar year of the Agreement Term have been mutually agreed-upon by the parties, and are attached as EXHIBIT A and are incorporated herein by reference. During the remainder of the Agreement Term, the goals for each coming calendar year shall be determined solely by the Board, and shall be communicated, in writing, to Employee no later than one (1) day prior to the start of each calendar year (i.e. no later than December 31)."

CHICAGO MERCANTILE EXCHANGE INC.	JAMES J. MCNULTY
By: /s/ Verne O. Sedlacek	By: /s/ James J. McNulty
Title: Chairman, Compensation Committee	Title: CEO, President

EXHIBIT A

Pursuant to paragraph 3(c)(i) of the Agreement, Employer and Employee have mutually agreed upon the goals for Employee for the year 2000, which are as follows:

1. Complete an evaluation of selected alliance partner relationships and the strategic implications of each for the Employer.

2. Evaluate Clearing 21 capabilities with recommendations for enhancements.

3. Lead staff effort in the completion of S-4 filing with SEC regarding demutualization.

4. Complete an evaluation of the current technology, including, without limitation, GLOBEX trade matching engine capabilities, and evaluate alternatives.

5. Prepare an employee stock option plan that aligns the objectives of employees to those of shareholders.

6. Complete an analysis of existing senior management team.

7. Assess the ongoing needs of the Employer with respect to personnel, staffing levels and real estate needs, and possible adjustments thereto.

8. Assist in the regulatory and legislative processes on matters that affect the Employer.

9. Establish and maintain strong communications with the Employer's Board of Directors, and endeavor to obtain the Board's cooperation and support in the ongoing planning process.

SECOND AMENDMENT

This is the Second Amendment ("Second Amendment") to the Employment Agreement ("Agreement") entered into between James J. McNulty ("Employee") and Chicago Mercantile Exchange, Inc. ("Employer") which became effective on February 7, 2000.

1. The Agreement has previously been subject to the following supplements and amendments that have been approved by the parties:

(a) Pursuant to a resolution of the Employer's Board of Directors dated August 30, 2000, the Board increased Employee's base salary by the amount of $4,036.46 in connection with the purchase of life insurance for Employee. (This document is attached as Annex I, hereto.)

(b) Pursuant to an Amendment (the "First Amendment") dated November 28, 2000, the parties agreed upon performance goals for Employee and a schedule for the delivery of goals for subsequent years under the Agreement (This document is attached as Annex II, hereto.)

(c) Pursuant to the provisions of Supplement A to the Agreement, a Rider to the Agreement was to be prepared once the conversion of Employer from an Illinois not-for-profit corporation to a for-profit corporation had taken place. Such Rider was to show the number of shares of each class of Employer's stock that were the subject of the Non-Qualified Stock Option included in the Agreement. According to the terms of the Supplement, such Rider "...will be attached to and become a part of this Agreement." This Rider was prepared in February 2001. (This document is attached as Annex III, hereto. The first two pages of Annex III show the original Rider; the second two pages show updated information following the holding company reorganization.)

2. Except to the extent otherwise amended expressly below, the Agreement (which includes Supplement A), Annex I, Annex II and Annex III are hereby ratified and confirmed and shall remain in full force and effect.

3. Capitalized terms used but not defined in this Second Amendment shall have the meaning set forth in the Agreement.

4. Pursuant to the provisions of Annex II, the Board of Employer was to have delivered in writing the performance goals for Employee for calendar year 2002 on or

before December 31, 2001. The 2002 goals were not delivered at that time, although during 2002 Employer, Employee and Employer's outside advisors continued to review various performance goals as well as methods and criteria for measuring whether Employee met or exceeded those goals. A copy of the final 2002 performance goals has been delivered to Employee and Employee waives Employer's failure to deliver these goals in a timely manner. (The 2002 Performance Goals are attached as Annex IV, hereto). Employer has asked Employee to suggest suitable performance goals and related metrics for Employee for 2003. Employer has specified that there should be a minimum of three and a maximum of six such performance goals for 2003 and that one of the goals should involve starting a new business. Employee will deliver that information to Employer in the beginning of December 2002. As provided in Annex II, however, the ultimate obligation to deliver performance goals rests with Employer, and Employer reconfirms its obligation to deliver Employee's performance goals for 2003 prior to December 31, 2002.

5. Employee and Employer have previously agreed that the Non-Qualified Stock Option should be adjusted in the event Employer declares a significant cash dividend. The last sentence of the first paragraph of Supplement A refers to such an adjustment in general terms, and the following sentence shall be added immediately thereafter.

"In addition, a large nonrecurring dividend shall be deemed to have been paid (i) in the event that a nonrecurring cash dividend has been paid that is 1.5 or more times the prior calendar year's S&P 500 average dividend yield and (ii) to the extent by which such dividend distribution by Employer in fact exceeds such 1.5 times measure."

6. Employee and Employer have previously agreed to limit Employer's obligation to pay Employee's brokerage fees upon exercise of the Non-Qualified Stock Option to a payment of not more than $50,000 in fees. (Annex III, bottom of page 1.) From this point forward, Employee agrees to pay all such fees and agrees that Employer shall not be obligated to pay any

such fees. Employer agrees that from this point forward it will limit itself to delivering shares of its most widely held form of equity

which can be used for payment under the Non-Qualified Stock Option, the shares of Class A common stock, or cash or a combination of the two upon an exercise of the Non-Qualified Stock Option and to relinquish the right to deliver shares of Class B common stock or other common stock upon such exercise. Employee and Employer have also been advised by Employer's outside accountants that the benefits associated with fixing certain expenses under SFAS 123 (as described below in paragraph 8, hereof) will not be available if Employer elects to deliver cash to Employee but may be available (assuming other conditions including those in paragraph 8, below are met) if upon exercise, Employer delivers to Employee solely shares of its widely held equity (Class A common stock). The parties confirm, however, that while it may be expected that Employer will deliver shares of Class A common stock upon an exercise of the Non-Qualified Stock Option in order to secure such benefits, the decision whether to deliver such shares, or cash, or a combination thereof, remains exclusively with Employer. In particular, the parties further confirm that the steps that they are taking and preparing to take in this agreement in the hope and expectation of securing benefits associated with fixing certain expenses under SFAS 123 do not alter Employer's freedom to deliver a permitted form of consideration upon exercise of the Non-Qualified Stock Option as Employer in its sole judgment shall determine, whether or not specific accounting or other benefits to Employer result from its decision.

7. Paragraph 9 of Supplement A deals with Employer's obligation to deliver cash and/or shares upon the exercise of the Option by Employee and includes a procedure for determining the Fair Market Value for the Class A and Class B Stock included in the Covered Shares as of particular dates. One of the methods for determining such Fair Market Value is used if the shares are traded on an established exchange, one method involves taking the average of bid and ask and one involves the use of an outside expert. In order to establish greater certainty about how Fair Market Value will be determined and in order to conform the contractual terms to the accounting methodology that Employer has used in describing the option and stock grants made to other employees, the parties have agreed to modify Supplement A as follows:

"Subparagraphs (ii) and (iii) of Paragraph 9 of Supplement A are hereby deleted and in their place the following are inserted:

'(ii) if such stock is not traded on a national exchange as of such date, Fair Market Value shall be determined using the regular procedures employed by Employer's accounting department in valuing stock grants and in making related determinations, including the use of last sales price for such Stock in the event a sale has occurred within the preceding 15 business days and the use of the average of the bid and ask prices for such Stock, where quoted for such Stock, as of the applicable date if no such sale has occurred within said 15 business days;

'(iii) If the price of any Class of Stock is not established under subparagraph (i) and if either party certifies that the price that is calculated for such Stock pursuant to subparagraph (ii) is materially inconsistent with such Stock's Fair Market Value, the party so certifying may demand appointment of an independent expert, who shall be mutually selected by Employer and Employee, to establish the Fair Market Value of the Stock in question."

8. Employer and Employee have discussed a further amendment to the Non-Qualified Stock Option that might permit Employer to fix the expense associated with the Non-Qualified Stock Option under Statement of Financial Accounting Standards ("SFAS") 123. To achieve fixed expense under SFAS 123 would require (a) adoption of the proposed change in the relevant accounting rules by the Financial Accounting Standards Board ("FASB") and (b) Employee's willingness to relinquish his right to have his estate or designated beneficiary receive a cash payment equal to "the excess of the fair market value of the Covered Shares (referred to in Supplement A) subject to exercise over the aggregate exercise price for such Shares" (the "Paragraph 5(a) death benefit").

In connection with the other agreements reflected herein and in order to provide Employer and its shareholders the benefits that Employer's outside accountants and financial advisors have indicated would be secured by the ability to fix the expense related to the Non-Qualified Stock Option instead of having the expense vary, in the event the proposed change is adopted by FASB, Employer adopts SFAS 123, as amended, and Employer has completed an underwritten public offering (which offering is now contemplated), Employee agrees that (in the event of his death prior to the

expiration or other termination of the Non-Qualified Stock Option) his estate or designated beneficiary shall no longer be entitled to receive the Paragraph 5(a) death benefit in cash, provided said estate or designated beneficiary shall instead have the continued right to exercise the Non-Qualified Stock Option in the place of Employee through the end of the term of said Option. (Any unexercised portion of the Non-Qualified Stock Option shall expire at the end of the term of said Option.)

9. This document is being executed by Employee and by a duly authorized officer of Employer.

Dated: November 13, 2002

Chicago Mercantile Exchange, Inc.

/s/ James J. McNulty
- ----------
James J. McNulty

/s/ Terrence A. Duffy

Name:

Title: Chairman of the Board

ANNEX I

CHICAGO MERCANTILE EXCHANGE

RESOLUTION OF THE
BOARD OF DIRECTORS

WHEREAS, the Chicago Mercantile Exchange, by and through it Board of Directors, has reviewed the merits of increasing the salary level for its President, James McNulty, thereby permitting him to purchase life insurance for himself;

WHEREAS, the Board of Directors, by unanimous agreement has determined that such a plan would, among other things, avoid substantial financial loss to the Exchange should Mr. McNulty leave the employment of the Exchange because of dissatisfaction with his life insurance benefits and would further relieve Mr. McNulty of anxiety concerning the financial security of his family in the event of his premature death or upon his retirement;

WHEREAS, Mr. McNulty has agreed to have such salary increases applied to the purchase of life insurance policies on his life; and has further agreed to advise the insurer that duplicate premium notices and notice of policy cash withdrawals or policy loans will be provided to the Exchange;

NOW, THEREFORE, BE IT RESOLVED:

RESOLVED, that in consideration of services rendered in the past and those to be performed in the future, the Exchange hereby agrees to increase the salary base of Mr. McNulty in amount equal to $4,034.46.

/s/ M. Scott Gordon

Chairman of the Board of Directors

IN WITNESS WHEREOF, this 30th day of August, 2000.

/s/ Ann M. Cresce
- ----------
Corporate Secretary

ANNEX II

AMENDMENT

This is the First Amendment to the Employment Agreement (the "Agreement") entered into between James J. McNulty ("Employee") and Chicago Mercantile Exchange Inc. ("Employer"), which became effective on February 7, 2000.

Capitalized terms used but not defined in this First Amendment shall have the meaning set forth in the Agreement.

This Amendment is effective this 28th day of November, 2000. Except as set forth herein, all provisions of the Agreement shall remain unchanged and in full force and effect.

Section 3(c)(i) of the Agreement is hereby amended as follows:

"(i) The goals for the first calendar year of the Agreement Term have been mutually agreed-upon by the parties, and are attached as EXHIBIT A and are incorporated herein by reference. During the remainder of the Agreement Term, the goals for each coming calendar year shall be determined solely by the Board, and shall be communicated, in writing, to Employee no later than one (1) day prior to the start of each calendar year (i.e. no later than December 31)."

CHICAGO MERCANTILE EXCHANGE INC.	JAMES J. MCNULTY
By: /s/ Verne O. Sedlacek	By: /s/ James J. McNulty
Title: Chairman, Compensation Committee	Title: CEO, President

EXHIBIT A

Pursuant to paragraph 3(c)(i) of the Agreement, Employer and Employee have mutually agreed upon the goals for Employee for the year 2000, which are as follows:

1. Complete an evaluation of selected alliance partner relationships and the strategic implications of each for the Employer.

2. Evaluate Clearing 21 capabilities with recommendations for enhancements.

3. Lead staff effort in the completion of S-4 filing with SEC regarding demutualization.

4. Complete an evaluation of the current technology, including, without limitation, GLOBEX trade matching engine capabilities, and evaluate alternatives.

5. Prepare an employee stock option plan that aligns the objectives of employees to those of shareholders.

6. Complete an analysis of existing senior management team.

7. Assess the ongoing needs of the Employer with respect to personnel, staffing levels and real estate needs, and possible adjustments thereto.

8. Assist in the regulatory and legislative processes on matters that affect the Employer.

9. Establish and maintain strong communications with the Employer's Board of Directors, and endeavor to obtain the Board's cooperation and support in the ongoing planning process.

ANNEX III

Rider to Supplement A to Agreement between The Chicago Mercantile Exchange and James J. McNulty dated February 7, 2000:

As required by the Agreement, with the demutualization of the Exchange on November 13, 2000, it is necessary to define the specific number of shares by class and exercise price thereof:

1. The Non-Qualified Stock Option for a basket of up to 2.5% of all classes of common stock with an exercise price of 2.5% of the value of the Employer on the Grant Date (Tranche A), shall be represented by the following number of shares of each class of common stock with the following exercise prices:

EXERCISE CLASS/SERIES	NUMBER OF SHARES PER	PRICE OF STOCK
CLASS A	646,380.000	$18.47
SERIES B-1	15.625	177,077.46
SERIES B-2	20.325	

160,389.61
SERIES B-3
32.175
116,053.34
SERIES B-4
6.325
20,545.45
SERIES B-5
53.500
184.70

For purposes of this presentation it is assumed that each share of Series B-5 stock issued at November 13, 2000 is converted into 10 shares of Class A common stock.

2. The Non-Qualified Stock Option for a basket of up to 2.5% of all classes of common stock with an exercise price of 3.75% of the value of the Employer on the Grant Date (Tranche B), shall be represented by the following number of shares of each class of common stock with the following exercise prices:

CLASS/SERIES
NUMBER OF
EXERCISE
PRICE OF
STOCK
SHARES PER
SHARE -----
--- ------

CLASS A
646,380.000
$27.71
SERIES B-1
15.625
265,616.19
SERIES B-2
20.325
240,584.42
SERIES B-3
32.175
174,080.01
SERIES B-4
6.325
30,818.18
SERIES B-5
53.500
277.10

For purposes of this presentation it is assumed that each share of Series B-5 stock issued at November 13, 2000, is converted into 10 shares of Class A common stock.

Further, it is agreed that if the option is exercised by the employee in accordance with item 13(iii), the Employer's liability with respect to brokerage fees is limited to $50,000.

The limitation will be applied on a pro rata basis, if the entire option is not exercised at the same time.

Accepted By /s/ James J. McNulty

James J. McNulty

Accepted By /s/ David G. Gomach

On behalf of Chicago Mercantile Exchange Inc.

Witness /s/ M. Scott Gordon

Rider to Supplement A to Agreement between the Chicago Mercantile Exchange and James J. McNulty dated February 7, 2000:

As required by the Agreement, with the demutualization of the Exchange on November 13, 2000 and the holding company reorganization on December 3, 2001, it is necessary to define the specific number of shares by class and exercise price thereof:

1. The Non-Qualified Stock Option for a basket of up to 2.5% of all classes of common stock with an exercise price of 2.5% of the value of the Employer on the Grant Date (Tranche A), shall be represented by the

following number of shares of each class of common stock with the following exercise prices:

CLASS	NUMBER OF SHARES PER CLASS	EXERCISE PRICE	TOTAL OF EXERCISE PRICE
CLASS A	719,289.075	$18.47	$13,285,269
CLASS B-1	143,849.93	15.625	2,247,655
CLASS B-2	138,244.08	20.325	2,809,811
CLASS B-3	104,989.81	32.175	3,378,047
CLASS B-4	18,716.92	10.300	192,784
SUBTOTAL			$21,913,566
ADJUSTMENT			(73,019)
TOTAL PRICE			$21,840,547

These individual exercise prices were determined assuming that the Series B-5 stock of Chicago Mercantile Exchange Inc. that existed prior to April 2001 would all be converted to Class A common stock. In actuality, some of the Series B-5 stock was converted to Series B-4 common stock. As a result, the sum of the individual exercise prices by class of stock is greater than the total exercise for Tranche A and this sum must be reduced by $73,019 as indicated above to arrive at the total exercise price for Tranche A of $21,840,547.

2. The Non-Qualified Stock Option for a basket of up to 2.5% of all classes of common stock with an exercise price of 3.75% of the value of the Employer on the Grant Date (Tranche B), shall be represented by the following number of shares of each class of common stock with the following exercise prices:

CLASS/SERIES	NUMBER OF SHARES PER CLASS	EXERCISE PRICE	TOTAL OF EXERCISE PRICE
CLASS A	719,289.075	$27.71	$19,931,500
CLASS B-1	215,774.90	15.625	3,371,483
CLASS B-2	207,366.12	20.325	4,214,716
CLASS B-3			

32.175
157,484.72
5,067,071
CLASS B-4
10.300
28,075.38
289,176 ---

- SUBTOTAL
$32,873,947
ADJUSTMENT
(113,164) -

--- TOTAL
PRICE
$32,760,783

These individual exercise prices were determined assuming that the Series B-5 stock of Chicago Mercantile Exchange Inc. that existed prior to April 2001 was all converted to Class

A common stock. In actuality, some of the Series B-5 stock was converted to Series B-4 common stock. As a result, the sum of the individual exercise prices by class of stock is greater than the total exercise for Tranche A and this sum must be reduced by $113,164 as indicated above to arrive at the total exercise price for Tranche A of $32,760,783.

ANNEX IV

PERFORMANCE GOALS FOR 2002

ECONOMIC

1. Deliver Against Financial Forecasts
2. Raise New Capital Through Successful IPO
3. Roll-out and Support New Products
4. Formalize New Product Process
5. Maintain World-Class Trading Floor
6. Protect Eurodollar Franchise

STRATEGIC

7. Improve Scalability and Performance of Technology Platform
8. Improve Customer Service Levels and Relationships
9. Improve and Harden Core Elements of CME Operations, Technology and Clearing
10. Create a Mergers, Acquisitions and Alliance Plan

LEADERSHIP

11. Establish CME as a "Talent Advantaged" Organization
12. Continue to Adjust to Public Company Practices and Processes
13. Effectively Lead the Management Team
14. Share Vision and Effectively Communicate Strategy with Board of Directors

Exhibit 10.12

Building: 10 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS

LEASE

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE

LANDLORD

CHICAGO MERCANTILE EXCHANGE,

An Illinois not-for-profit corporation

TENANT

175,660 Square Feet on the 2nd through 10th Floors inclusive

PREMISES

March 31, 1988

DATE OF LEASE

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(c)

THIS LEASE, made as of the 31st day of March, 1988, between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association of Chicago, Illinois, not individual but solely as Trustee under the provisions of a certain Trust Agreement dated June 2, 1981 and known as the Trust No. 51234 ("Landlord"), and

Chicago Mercantile Exchange, An Illinois not-for-profit corporation

("Tenant")

WITNESSETH:

1. Lease of Premises and Term. Landlord hereby leases to Tenant, and Tenant accepts the demised premises being 175,660 square feet on the 2nd through 10th floors inclusive, ("Premises"), described on attached Exhibits "A-1" through "A-9" inclusive, in the building known as 10 South Wacker Drive. Chicago, Illinois ("Building") for the term of fifteen (15) years, eight (8) months ("Term"), unless sooner terminated as provided herein, commencing April 1, 1988 ("Commencement Date") and ending November 30, 2003 ("Expiration Date"), to be occupied and used by Tenant for FN 1.1. ("Use") and no other purpose, subject to the agreements herein contained.

2. Base Rent. Subject to the Installment Credits (defined in section 27.A of this Lease), Tenant shall pay to JMB/MS Management Co. at 111 East Wacker Drive, Suite 1200, Chicago, Illinois, or to such other person or at such other place as Landlord may direct in writing, in lawful money of the United States of America, the sum of FORTY-NINE MILLION TWENTY THOUSAND TWO HUNDRED SIXTY-SIX AND 80/100 Dollars. ($ 49,020,266.80) ("Base Rent") in one hundred eighty-eight (188) equal monthly installments of TWO HUNDRED SIXTY THOUSAND SEVEN HUNDRED FORTY-SIX AND 10/100 Dollars ($ 260,746.10) ("Installments") in advance on or before the first day of each month of the Term (subject to Section 27.A.). Base Rent shall be paid without any set-off or deduction except as expressly provided in this Lease. Unpaid Base Rent shall bear interest at the rate and at the time

set forth in Section 26.F. Time is of the essence of this Lease. Landlord and Tenant agree to do and perform each and every covenant, agreement and obligation to be performed by each of them respectively hereunder.

3. Rent Adjustments. In addition to Base Rent, Tenant shall make payments in accordance with this Section 3.

A. For purposes of this Lease:

1. "Base Year" means the calendar month of April, 1988.

2. "Calculation Year" means any calendar year during the Term (commencing with the calendar year in which the Commencement Date occurs) for which a Rent Adjustment computation is being made, FN 1.2.

FN 1.1. through FN 1.2. - see page 1(a)

FN 1.1. - continued from Section 1

general offices of a mercantile or commodity exchange or other exchange or other general office uses.

FN 1.2. - continued from Section 3.A.2.

so that the first Calculation Year during the Term is the calendar year 1988 (the period commencing January 1, 1988 and ending December 31, 1988), the second Calculation Year during the Term is the calendar year 1989 (the period commencing January 1, 1989 and ending December 31, 1989) and so one during the Term.

3. "Consumer Price Index" ("CPI") means the average of: a) U.S. City Averages for all Urban Consumers, All Items, of the United States Bureau of Labor Statistics: and b) U.S. City Averages for Urban Wage Earners and Clerical Workers, All Items, of the United States Bureau of Labor Statistics. The CPI FN 2.1. calendar year shall be determined by first averaging the monthly indices for each index and then averaging the two indices (All Items).

4. "Expenses" means and includes: a) those expenses paid or incurred by Landlord for maintaining, operating and repairing the Real Property, the cost of electricity, steam, water, fuel, heating, lighting, air-cooling, window cleaning, janitorial service, insurance, including, but not limited to, fire, extended coverage, liability, worker's compensation, elevator, or any other insurance carried in good faith by Landlord and applicable to the Real Property, painting, uniforms, customary management fees, supplies, sundries, sales or use taxes on supplies or services, cost of wages and salaries of all persons engaged in the operation, maintenance and repair of the Real Property, and so-called fringe benefits, including social security taxes, unemployment taxes, cost for providing coverage for disability benefits, cost of any pensions, hospitalization, welfare or retirement plans, or any other similar or like expenses incurred under the provisions of any collective bargaining agreement, or any other cost or expense which Landlord pays or incurs to provide benefits for employees so engaged in the operation, maintenance and repair of the Real Property, the charges of any independent contractor who, under contract with Landlord or its representatives, does any of the work of operating, maintaining or repairing the Real Property, legal and accounting expenses, including, but not to be limited to, such expenses as relate to seeking or obtaining reductions in and refunds of Taxes FN 2.2. or any other expense or charge, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting and management principles would be considered as an expense of maintaining, operating, or repairing the Real Property: and b) FN 2.3.

5. "Real Property" means the Building, the land parcel upon which it stands and the personal property used in conjunction with both.

6. "Rent Adjustment" means any amount owed by Tenant attributable to Expenses or Taxes or increases in CPI. The Rent Adjustment shall be paid in addition to and in the same manner as Base Rent.

7. "Rentable Area of the Building" is 946,356 square feet which is the sum of the of the rentable area of all demised premises (leased or unleased) in the Building on floors designated by Landlord as office floors.

8. "Rentable Area of the Premises" is 175,660 square feet which: a) if this Lease be for an entire floor, is the area inside the center line of the exterior glass walls (except public stairs, elevator shafts, vertical piping and pipe shafts, vertical air-supply, return and exhaust shafts or ducts): plus a proportionate share of "Mechanical Spaces" (i.e. spaces housing servicing areas, equipment, and/or access corridors for: heating, ventilating, air-cooling, electrical, communications facilities, plumbing/fire protection, elevators or engineer's offices) above the lobby floor, or b) if this Lease be for less than an entire floor, is the area measured from the center line of the exterior glass walls to the center line of the corridor or other demising partitions: plus i) a proportionate share of: public areas (including corridors), toilets and janitor,

electrical and communication closets on the floor housing the Premises, and ii) a proportionate share of Mechanical Spaces above the lobby floor. In either case (a or b), no deduction is made for columns of Building projections.

FN 2.1. through FN 2.3. - see pages 2(a) - 2(c)

FN 2.1. - continued from Section 3.A.3.

for the Base Year shall be equal to the CPI for the calendar month April, 1988 and the CPI for any subsequent

FN 2.2. - continued from Section 3.A.4.

(which Landlord shall make reasonable efforts to obtain),

FN 2.3. - continued from Section 3.A.4.

the amortized portion of the cost of any capital improvement made to the Real Property which is either (i) required by law, ordinance or governmental regulation (including, without limitation, the cost of any modification or of any system in the Building, or installation of additional systems, or modification of the Building, or compliance with fire safety requirements, to the extent any of the foregoing is required by law, ordinance or governmental regulation), or (ii) intended by Landlord to reduce Expenses ("Included Capital Items"), provided, however, that the portion of the annual amortized costs to be included in Expenses in a calendar year with respect to a capital improvement which is intended by Landlord to reduce Expenses, shall equal the lesser of: (i) such annual amortized costs or (ii) the projected annual amortized reduction in Expenses for that portion of the useful life of the capital improvement which falls within the Term (based upon the total cost savings from such capitol improvement for such period, as reasonably estimated by Landlord). Any amortization required pursuant to the immediately preceding clause (b) shall be in accordance with the generally accepted accounting principles and include interest at the Prime Rate (Section 26.F.) in effect on the date of installation if the capital improvement. If the Building is not fully occupied or if not all of the tenants in the Building use a particular service during all or a portion of any year, Landlord shall not make any adjustment of Expenses by reason of such partial occupancy or partial use, except that Landlord may make an appropriate adjustment of the cleaning and janitorial expense component of Expenses for such year employing sound accounting and management principles to determine the amount of cleaning and janitorial expenses that would have been paid or incurred by Landlord if the Building had been fully occupied and all of the tenants of the Building were cleaning and janitorial service and the amount so determined shall be deemed to have been the cleaning and janitorial expenses for such year; provided if Landlord's cleaning contractor gives Landlord a credit against the cost of cleaning and janitorial services to account for space that is not occupied and/or space that is occupied by a tenant that is not receiving cleaning and janitorial service from Landlord's cleaning contractor, then the amount of any such adjustment over actual cleaning and janitorial expenses to account for any such space shall not exceed the amount of the credit granted by Landlord's cleaning contractor with respect to such space. If any Real Property expense , though paid in one year, relates to more than one calendar year, if sound accounting principles dictate such expense shall be proportionately allocated among such related calendar years. The term "Expenses" shall not include:

(i) leasing commissions:
(ii) advertising and promotional expenditures:
(iii) cost of constructing and maintaining any leasing office located at the Building;

(iv) amounts paid on behalf of or reimbursed to Landlord through the proceeds of insurance (provided that the amount of any reasonable deductible paid by Landlord shall be included in Expenses), the proceeds of a condemnation award of the proceeds of a recovery under a contractor's or other warranty, and amounts that would have been paid on behalf of or reimbursed to Landlord through the proceeds of insurance required pursuant to Section 36 of this Lease;

(v) Amounts billed directly to tenants (whether or not collected by Landlord) except through Rent Adjustments (escalation and Expense and Tax payments) billed to tenants (including Tenant) in the Building:

(vi) any expense in connection with services or benefits of a type which are not available to Tenant or are only available to Tenant at an additional or direct charge to Tenant, but which are provided to another tenant or occupant of the Building (whether or not such expenses are billed or collected by Landlord);

(vii) costs incurred in improving, decorating, renovating, or redecorating any leasable space in the Building (including without limitation, the cost of removing rubbish generated by any of the foregoing);

(viii) depreciation, interest, and principal payments on mortgages,

and other debt costs (except to the extent that the same are attributable to Included Capital Items) and ground lease payments.

(ix) penalties for non-payment or late payment by Landlord of items included in Expenses and costs due to the violation by Landlord or its agents if any law, statute or ordinance; provided, however, that interest assessed against Landlord for late payments relating to Taxes which are being (or had been) contested in good faith in an appropriate manner by Landlord shall not be deemed a penalty and shall be included in Expenses;

(x) the costs of repairs or other restoration work to remedy damages caused by negligence of Landlord, Landlord's beneficiaries or their respective agents or employees;

(xi) wages and salaried paid to any executive employee above the level of Building manager;

(xii) any portion of any cost allocable to any building other than the Building; (xiii) accounting and other professional fees, attorney's fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants of the Building or with prospective tenants (including, without limitation, the costs of defending claims made by tenants against Landlord), or costs incurred in marketing the Building (except that attorneys' and other professionals' fees, costs and disbursements and other expenses incurred by Landlord in seeking to enforce Building rules and regulations or in seeking to enforce the non-monetary obligations of any tenant in the Building to the extent that such rules and regulations or non-monetary obligations are intended to benefit the tenant population of the Building shall be included in Expenses);

(xiv) costs of a capital nature, excepting Included Capital Items (Section 3.A.4.b.);

(xv) any expense for correction of defects on the initial construction of the Building or in the Systems (as defined in Section 9.A.) of the Building (as opposed to the costs of normal repair and maintenance and replacement [to the extent that such replacement does not constitute a capital improvement or replacement] expected with the construction materials and the Systems installed in the Building in light of their specifications);

(xvi) overhead and profit paid to subsidiaries or affiliates of Landlord for services (except for property management fees) on or to the Building to the extent that the charges for such services exceed competitive charges for such services;

(xvii) property management fees paid for any month in excess of the greater of $15,000.00 and three percent (3%) of all rent receipts and other revenues of the Building collected during such month; and

(xviii) rental and other related expenses incurred in leasing air-conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except (a) equipment which is used in providing janitorial and maintenance service and which is not permanently affixed to the Building, (b) equipment that is rented on a temporary basis for repairs or maintenance, and (c) plants.

9. FN 3.1.

10. "Taxes" means real estate taxes, assessments, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local government charges, general, special, ordinary or extraordinary (but not including income or franchise taxes or any other taxes imposed upon or measured by the income or profits of Landlord. Unless the same shall be imposed in lieu of real estate taxes), which may now or hereafter be levied or assessed against the Real Property. In case of special taxes or assessments which may be payable for in installments, only the amount of each installment paid during a calendar year shall be included in Taxes for that year. Taxes shall also include any personal property taxes (attributable to the year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the Real Property for the operation thereof. The amount of Taxes attributable to any calendar year of the Term shall be in the amount of Taxes payable in such year, notwithstanding that in each case the assessments for such Taxes may have been made for a different year or years than the year in which payable.

11. "Tenants Proportion" is 18.562% and means the sum derived by dividing the Rentable Area of the Premises by the Rentable Area of the Building and multiplying by one hundred (100).

12. "Estimate" means the reasonable estimate by Landlord of CPI, Expenses and Taxes based upon prevailing economic conditions. FN 3.2.

B. FN 3.3.

FN 3.4.

C.1. Subject to Section 3.D. below, Tenant shall pay Landlord, a s a Rent Adjustment for each calendar year during the Term, Tenant's Proportion of Expenses.

2. Subject to Section 3.D. below, Tenant shall pay Landlord, as a Rent Adjustment for each calendar year during the Term, Tenant's Proportion of Taxes.

FN 3.5.

E. Tenant shall pay Landlord the Rent Adjustment Deposit I the same manner as Base Rent, on the first day of each month during the Term commencing with the Commencement Date. The Rent Adjustment Deposit shall be deposited against Rent Adjustments due for the calendar year in which the Rent Adjustment Deposits are to be paid. During the last complete calendar year or during any partial calendar year in which the Expiration Date occurs. Landlord may include in the Rent Adjustment Deposit its estimate of Rent adjustments which may not be finally determined until after the Expiration Date.

F. 1. On or before the Commencement Date, Landlord shall furnish Tenant the Estimate and the Rent Adjustment Deposit for the calendar year in which the Commencement Date occurs.

2. As soon as reasonably feasible after the expiration of each calendar year during the Term, Landlord will furnish Tenant a "Statement" FN 3.6. showing the following:

a. Expenses, Taxes, and CPI for the Calculation Year;

b. CPI - for the Base Year;

c. The amount of Rent Adjustments due Landlord for the Calculation Year, less credits for the Rent Adjustment Deposits paid. if any. FN 3.7.7 and

d. The Rent Adjustment Deposit due in the calendar year next following the Calculation Year including the amount or revised amount due for the months prior to the rendition of the Statement.

G. If the Commencement Date is not January 1st or if the Expiration Date is not December 31st for the calendar years in which such Dates occur, Rent

Adjustments shall be prorated and be paid by Tenant within thirty (30) days after billing. This covenant shall survive the Expiration Date.

FN 3.1. through FN 3.7. - see pages 3 (a) - 3(e)

FN 3.1. - continued from subsection 3.A.9.

"Rent Adjustment Deposit" for the calendar year in which the Commencement Date occurs shall equal the Estimate of Landlord divided by twelve (12) and for each calendar year thereafter during the Term, means the sum derived by dividing the Rent Adjustments for the immediately preceding calendar year by the number of months within the Term in such immediately preceding calendar year. (e.g., Rent Adjustment Deposits for the calendar year 1990 shall equal the total amount of Rent Adjustments due for the calendar year 1989, as reflected on the Statement [Section 3.F.2.] for the calendar year 1989, divided by twelve [12], since all twelve [12] months of the calendar year 1989 are in the Term). During the calendar year in which a Statement is rendered (which Statement shall be for the immediately preceding calendar year) and thereafter until a new Statement is rendered, Tenant shall pay as its Rent Adjustment Deposit an amount (hereinafter referred to as the "Deposit Amount") equal to the amount of the Rent Adjustments shown in the Statement divided by the number of months within the Term in the calendar year with respect to which the Statement was rendered. If the Rent Adjustment Deposits paid during such calendar year prior to the rendering of the Statement are less than or exceed the Deposit Amount, then the difference multiplied by the number of months in such calendar year for which the Rent Adjustment Deposit was paid prior to the rendering of this Statement, shall be paid to Landlord by Tenant within thirty (30) days after the Statement is rendered or shall be credited against amounts due from Tenant to Landlord under this Lease as they become due (as the case may be), provided that if the Tenant is entitled to such a credit, upon notice to Landlord, Tenant may request direct payment of the excess (if any) of the amount to be credited over the sum of the Installment of Base Rent and the Rent Adjustment Deposit next due after rendering of the Statement, in lieu of a credit for such excess amount to Tenant within thirty [30] days after receipt of such notice.

FN 3.2. - continued from subsection 3.A.12.

Tenant hereby acknowledges receipt of such Estimate attached hereto as Exhibit "B" which shall be the Estimate for the First Calculation Year.

FN 3.3. - continued after subsection 3.A.12.

13. "Holidays" means New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

14. "Force Majeure" means interruptions or delays caused by: war, insurrection, civil commotion, riots, acts of God or the enemy, governmental action, strikes, lockouts, picketing (legal or illegal), accidents, inability of Landlord to obtain fuel, supplies or materials, or any other cause or causes beyond the control of Landlord, but shall not include Landlord's lack of funds or financing.

15. "Acts of Tenants" means interruptions or delays caused by: acts, defaults or omissions of Tenant, special work, changes, alterations or additions required or made by Tenant in there layout or finish of the Premises or the Building, the delay of Tenant in submitting plans, supplying information, approving plans,

specifications or estimates or giving authorizations or the request of Tenant for items requiring long delivery periods.

16. "30 South Wacker Building" located at 30 South Wacker Drive, Chicago, Illinois, means the tower of the building immediately south of the Building.

17. "Member(s)" means any of the following;

A. an individual; who is a member in good standing of Tenant; or

B. an entity (corporation or partnership) who:

1. has at least two (2) Chicago Mercantile Exchange seats assigned to it, or

2. has at least two (2) International Monetary Market seats assigned to it, or

3. has at least two (2) Index/Options Market seats assigned to it, or

4. has been approved by Tenant as a Class B Clearing Member.

(Note: The International Monetary Market and the Index/Options Market are divisions of Tenant.); or

C. a person or entity having access to trading rights pursuant to a license or agreement with Tenant.

18. "Trading Floors" means the trading floor, expansion floor and interstitial spaces as shown on Exhibit "F" of the agreement dated as of July 22, 1981, called The Chicago Mercantile Exchange Center Easements, Reservations, Covenants and Restrictions by and between American National Bank and Trust Company of Chicago, as Trustee under Trust No. 48268, American National Bank and Trust Company of Chicago, as Trustee under Trust No. 51234, American National Bank and Trust Company of Chicago, as Trustee under Trust No. 51235, as amended by an Amendment dated as of February 17, 1982, and a Second Amendment dated as of December 14, 1983.

19. "South Wacker Lease" means the lease dated May 11, 1981 by and between American National Bank and Trust Company of Chicago, a national banking association of Chicago, Illinois, not individually but solely as Trustee under the provisions of a certain Trust Agreement dated March 20, 1980 and known as Trust No. 48268 and Chicago Mercantile Exchange, an Illinois not-for-profit corporation, as such Lease has been amended heretofore and as it may be amended hereafter.

FN 3.4. - continued from subsection 3.B.

If the CPI for the Base Year is less than the CPI for any calendar year during the Term, then Tenant shall pay Landlord, as a Rent Adjustment for such calendar an amount equal to the product of the then current Rentable Area of the Premises multiplied by $7.00 (as of the date of this Lease, such amount is $1,229,620.00

[$ 7.00 X 175,660]) multiplied by the percentage of increase by which the CPI in such calendar year exceeds the CPI for the Base Year.

FN 3.5. - continued after subsection 3.C.2.

D. Notwithstanding anything to the contrary contained in this Lease, the amount of the portion of Rent Adjustments payable by Tenant attributable to the combined amount of Expenses and Taxes (the "Expense/Tax Portion") shall be

limited ("Expense/Tax Cap") to the following maximum amounts during the following periods (which shall collectively be referred to as the "Cap Period"):

1. for the first twelve calendar months of the Term of this Lease commencing on the Commencement Date (herein, such twelve calendar month period and each successive twelve calendar month period thereafter is called a "Lease Year"), the Expense/Tax Cap shall be $1,185,705.00 (6.75 x 175,660);

2. for the second Lease Year the Expense/Tax Cap shall be in the amount equal to the sum of $1,361,365.00 ($7.75 x 175,660), plus the amount of the excess (if any) of the amount of the Expense/Tax Cap for the first Lease Year over the amount of the Expense/Tax Portion payable by Tenant for such first Lease Year;

3. for the third Lease Year, the Expense/Tax Cap shall be in an amount equal to the sum of $1,537,025.00 ($8.75 x 175,660), plus the amount of the excess (if any) of the amount of the Expense/Tax Cap for the second Lease Year over the amount of the Expense/Tax Portion payable by Tenant for such second Lease Year;

provided, however, that on the event that any part of the Expense/Tax Portion otherwise payable by Tenant during either of the first two (2) Lease Years is not paid by Tenant due to the Expense/Tax Cap for such Lease Year, then such unpaid part of the Expense/Tax Portion shall be paid as Expense/Tax Portion in either or both of the second Lease Year and the third Lease Year to the extent that the Expense/Tax Portion for such second and/or third Lease Year. For example, if the Expense/Tax Portion is actually as follows:

first Lease Year	$ 1,195,705.00
second Lease Year	1,356,000.00
third Lease Year	1,530,000.00

Tenant will pay the following amounts as Expense/Tax Portion:

First Lease Year	$ 1,185,705.00
Second Lease Year	1,361,365.00
Third Lease Year	1,534,635.00

so that the amount by which the Expense/Tax Portion for the first Lease Year exceeds the Expense/Tax Cap for the first Lease Year ($10,000.00) is paid in the second Lease Year to the extent that Expense/Tax Portion for the second Lease Year is less than the Expense/Tax Cap for the second Lease Year ($5,365.00) and in the third Lease Year to the extent not paid in the second Lease Year ($4,635.00) since the Expense/Tax Cap for the third Lease Year exceeds the Expense/Tax

Portion for such Lease Year by more than the amount of the Expense/Tax Portion remaining unpaid from the first Lease Year ($4,635.00).

There will be no Expense/Tax Cap after the third Lease Year, provided that if any part of the Expense/Tax Portion for any of the first, second or third Lease Year remains unpaid after the application of the Expense/Tax Cap for the third Lease Year, Landlord shall have no right to payment of such payment of such unpaid part and such unpaid part shall not be carried forward and shall not be due and payable in the fourth Lease Year or at any time thereafter, and provided further, that: (i) if at anytime during the Cap Period payment of the Expense/Tax Portion is totally abated pursuant to this Lease, the Cap Period shall be suspended during the continuance of the abatement and shall resume after the abatement is over and shall continue for a period of time equal to the amount of time remaining in the Cap Period prior to the abatement (and appropriate proportions shall be made in the amount of the Expense/Tax Portion and the Expense/Tax Cap in the event a portion of the Cap Period is a partial calendar year), and (ii) if at anytime during the Cap Period payment of the Expense/Tax Portion is partially abated pursuant to this Lease, in proportion to the untenantability of the Premises, the Expense/Tax Portion shall thereafter be split for purposes of application of the Expense/Tax Caps and the Cap Period, in accordance with the percentage of Expense/Tax Portion that is being abated (the "Abated Percentage"). The Cap Period and the Expense/Tax Cap shall apply as follows to the Payable Percentage of the Expense/Tax Portion: the Cap Period shall remain the same and the Expense/Tax Caps shall continue to apply to such Payable Percentage as set forth in Section 3.D.1. through 3.D.3. above, provided that such Expense/Tax Caps shall be proportionately reduced to the Payable Percentage of such Caps. There shall be no Expense/Tax Cap applicable to the Payable Percentage of the Expense/Tax Portion after the third Lease Year. The Cap Period and the Expense/Tax Cap shall apply as follows to the Abated Percentage of the Expense/Tax Portion: the Cap Period shall be suspended during the continuance of the abatement and shall resume after the abatement is over and shall continue for a period of time equal to the amount of time remaining in the Cap Period prior to the abatement (and appropriate prorations shall be made in the amount of the Expense/Tax Portion and the Expense/Tax Cap in the event a

portion of the Cap Period is a partial calendar year), and the Expense/Tax Caps applicable to such Abated Percentage shall not be proportionally reduced to the Abated Percentage of such Caps. There shall be no Expense/Tax Caps applicable to the Abated Percentage of the Expense/Tax Portion after the first three Lease Years plus a period of time thereafter equal to the number of days during which such Abated Percentage was abated. The Expense/Tax Caps shall not affect or limit in any way the amount of the portion of the Rent Adjustments attributable to increases in CPI.

FN 3.6. - continued from subsection 3.F.2.

(which has been audited by a Certified Public Accounting firm, and upon written request from Tenant, Landlord shall provide Tenant with a copy of the auditor's certification of the Expense amount reflected in the Statement)

FN 3.7. - continued from subsection 3.F.2.c.

or, if the amount of the Rent Adjustment Deposits paid with respect to such Calculation Year exceeds the amount of Rent Adjustments due, the Statement shall show the amount of the credit to be applied to amounts due from Tenant to Landlord under this Lease as they become due; provided, however, that (i) upon notice to Landlord, Tenant may request direct payment of the excess (if any) of the amount to be credited over the sum of the Installment of the Base Rent and the Rent Adjustment Deposit next due after the rendering of the Statement, in lieu of a credit for such excess amount, and Landlord, to the extent such overpayment exceeds any amounts then due from Tenant to Landlord, shall remit such excess amount to Tenant within thirty (30) days after receipt of such notice; and (ii) any such overpayment reflected on a Statement delivered after the Expiration Date shall be refunded to Tenant to the extent such overpayment exceeds any amounts then due from Tenant to Landlord.

H. If the Bureau of Labor Statistics revises the manner in which the CPI is determined, Landlord and Tenant shall agree upon an adjustment to the revised index to produce results equivalent, as nearly as possible, to those which would be obtained if the CPI had not been so revised. If the 1982-84 average shall no longer be used as an index of 100, such charge shall constitute a revision. If the CPI becomes unavailable to the public because a publication is discontinued, or otherwise. Landlord and Tenant shall agree upon a substitute therefore, which shall be a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index is available, then a comparable index publishing by a major bank, other financial institution, university or recognized financial publication.

1. 1. Tenant may examine the records of Landlord supporting the Statement (including Tax b) during normal business hours within ninety (90) days after it is furnished. Unless Tenant takes written exception to any item within one hundred twenty (120) days after the furnishing of the Statement (which shall be noted on the item as "paid under protest"), such Statement shall be considered as final and accepted by Tenant. Any amount due Landlord on the Statement shall be paid by Tenant within thirty (30) days after it is furnished FN 4.1.

2. FN 4.2.

4. Service

A. Landlord, if Tenant is not in default under this Lease, shall furnish (except to the extent restricted by law or governmental regulation).

1. FN 4.3. Whenever Tenant uses heat generating machines, equipment, lighting or has excessive population density which affect the temperature otherwise maintained by the air-cooling system outside of the Premises, Landlord reserves the right to install supplementary air conditioning units in the Premises at the sole expense of Tenant. FN 4.5. Tenant shall pay Landlord charges for a condenser water riser tap-in fee, (a one time fee of $163.44 per gallon per minute), condenser water and the operation and maintenance of the supplemental air conditioning system FN 4.6.

2. Hot and cold water for use in Base Building lavatories, FN 4.7. If Tenant desires water in the Premises FN 4.8. cold water only shall be supplied from City of Chicago mains drawn through a line, meter, and fixtures installed by Tenant, at the expense of Tenant, with the consent of Landlord. Tenant shall pay Landlord as additional Base Rent, at rates fixed by Landlord FN 4.9. charges for all water furnished in the Premises to plumbing fixture other than Base Building fixtures if Tenant fails to pay the charges of Landlord for water within twenty (20) days after billing, Landlord upon ten (10 days notice, may in addition to any other remedy provided in this Lease, discontinue furnishing water. No such discontinuance shall be deemed an eviction or disturbance of the use by Tenant of the Premises or render Landlord liable for damages or relieve Tenant from any obligation under this Lease;

3. Passenger elevator service in common with Landlord and other

tenants, daily from 7:00 A.M. to 6:00 P.M. (Saturdays to 1:00 P.M.), Sundays and Holidays excepted and freight elevator service in common with Landlord and other Tenants daily from 7:00 A.M. to 5:00 P.M., Saturdays, Sundays and Holidays excepted FN 4.10. Such normal elevator service, passenger or freight, if furnished at other times shall be optional with Landlord and shall never be deemed a continuing obligation, Landlord, however, shall provide limited passenger elevator service daily at times at all times such normal passenger service is not furnished. Operatorless automatic passenger and freight elevator service shall be deemed "elevator service" within the meaning of this subsection FN 4.11.

4. Building Standard janitor and cleaning services in and about the Premises in accordance with Exhibit "E", Saturday s, Sundays and Holidays excepted. Tenant shall pay Landlord, charges for additional or extraordinary janitorial or cleaning services in and about the premises FN 4.12.

FN 4.1. through FN 4.12. - see pages 4(a) - 4(c)

FN 4.1. - continued from Section 3.I.1.

If an audit by Tenant reveals an overcharge to Tenant in excess of five percent (5%) of the total amount reflected on the Statement, Landlord shall pay the cost of such audit.

FN 4.2. - continued from Section 3.I.2.

2. IN the event that another tenant in the Building takes a written exception to the calculation of Expenses for a particular calendar year pursuant to, and within the time permitted under such tenant's lease for doing so, and as a result an error in the calculation of Expenses for such calendar year is discovered that would affect the calculation of Tenant's Proportion of Expenses for such calendar year, Landlord shall recalculate Tenant's Proportion of Expenses and treat any over payment by Tenant like an overpayment of Rent Adjustment Deposits, as set forth in subsection 3.F.2.c. If Landlord receives a refund of Taxes or a reimbursement or refund of Expenses and if Tenant has paid a Rent Adjustment based upon an Expense and/or Tax amount that includes the amount being refunded or reimbursed, Landlord shall give Tenant a credit (or a refund if such amount exceeds more than one month's Rent Adjustment) against Tenant's Proportion of Expenses and Taxes for the Calculation Year in which such refund or reimbursement is received or obtained (as the case may be) in the amount of Tenant's Proportion of the refund or reimbursement.

FN 4.3. - continued from Section 4.A.1.

Landlord shall furnish heating and air-cooling with capacity to produce the following results effective under normal business operation, daily from 7:00 A.M. to 6:00 P.M. (Saturdays 8:00 A.M. to 1:00 P.M.), Sundays and Holidays excepted and within tolerances normal in first-class downtown Chicago highrise office buildings:

a. Heating capable of maintaining inside space conditions of not less than 70(Degrees)F when the outside air temperature is not less than minus 5(Degrees)F dry bulb; and

b. Air-cooling capable of maintaining inside space conditions of not more than 79(Degrees)F dry bulb and at a 50% (plus or minus 5%) relative humidity when the outside conditions are 95(Degrees)F dry bulb and 75(Degrees)F wet bulb.

The foregoing is based upon occupancy density on each floor of the Premises of not more than one (1) person for each one hundred twenty-five (125) square feet of floor area on such floor and a maximum diversified electric lighting and office machine load on each floor of the Premises of 5.5 watts per square foot of floor area on such floor.

Notwithstanding the foregoing, Landlord shall not be liable to Tenant for any failure to achieve or maintain the results set forth in Sections 4.A.1.a. or 4.A.1.b. above to the extent that such failure is caused by work performed by a General Contractor (defined in the Work Supplement attached to this Lease as Exhibit "C"), contractor or subcontractor retained by Tenant, materials and equipment installed by such General Contractor, contractors or subcontractors, Tenet's use of heat generating machines, equipment or lighting or an occupancy density or electric lighting or office machine load on any floor of the Premises in excess of the

occupancy density and maximum diversified electric lighting and office machine load set forth in the foregoing paragraph.

FN 4.4. - continued from Section 4.A.1.

If Tenant uses heat generating machines, equipment, lighting or has excessive population density which affect the temperature otherwise maintained by the air-cooling systems within the Premises only, Landlord shall not have the right

to install supplementary air-conditioning units in the Premises.

FN 4.5. - continued from Section 4.A.1.

(based upon the actual cost of the condenser water used in Landlord's cooling tower for the use of tenants in the Building with supplemental units [the "Supplemental Tower"], multiplied by a fraction, the numerator of which is the rated capacity in tons of Tenant's supplemental unit(s), and the denominator of which is the rated capacity in tons of the Supplemental Tower);

FN 4.6. - continued from Section 4.A.1.

(based upon the Landlord's cost of any labor, materials and supplies needed to operate and maintain the Supplemental Tower plus fifteen percent (15%) overhead and profit). The annual charge for 1987 for tenants in the Building with supplemental units is $163.29 per ton. Upon written notice to Landlord, Tenant may request heating or air-cooling during house other than those stated and Landlord shall provide such additional heating and air-cooling at the sole expense of Tenant which shall be based upon the cost of Landlord plus fifteen percent (15%) overhead and profit;

FN 4.7. - continued from Section 4.A.2.

(such Base Building lavatories are those washroom facilities located in the core of each floor of the Premises including all Base Building fixtures in such washroom facilities, which are installed as of the date of this Lease and are referred to in Exhibit "D" attached hereto). If Tenant does not occupy a full floor of the Building, such usage shall be in common with other tenants on such floor.

FN 4.8. - continued from Section 4.A.2.

or the M-1 space (defined in subsection 1.B. of the Support Space Supplement attached to this Lease) for plumbing fixtures other than Base Building fixtures,

FN 4.9. - continued from Section 4.A.2.

(which shall be equal to the cost of such water to Landlord plus fifteen percent (15%) overhead and profit),

FN 4.10. - continued from Section 4.A.3.

, provided that there shall be no charge to Tenant for freight elevator service for its initial move-in to the Premises.

5. Window washing of all windows (inside and out) in the Premises, at such times as shall be required in the sole judgment of Landlord FN 5.1.

B. FN 5.2. All electricity used in the Premises shall be supplied by the utility company serving the Building through a separate meter and be paid for by Tenant. Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if either the quantity or character of electrical service is changed or is no longer available or suitable for the requirements of Tenant. If such service be discontinued, such discontinuance shall not in any way affect this Lease or the liability of Tenant hereunder or cause a diminution of Base Rent or Rent Adjustment and the same shall not be deemed to be a lessening or diminution of services within the meaning of any law, rule or regulation now or hereafter enacted, promulgated or issued. Tenant shall receive such service directly from the utility company and Landlord hereby permits its wires and conduits, to the extent available, suitable and safely capable, to be used for such purposes. Tenant shall not: 1. make alterations or additions to the electrical equipment or appliances without the consent of Landlord, or 2. use electrical current which exceeds the capacity of the feeders, risers or wiring installation to the floor of the Premises or the Premises FN 5.3. Tenant may at its option, purchase from Landlord or its agent all lamps, bulbs, ballasts and starters used in the Premises after their initial installation.

C. Landlord does not warrant that any of the services or equipment used in connection with the services stated in subsection A. and B. above will be free from interruption caused by war, insurrection, civil commotion, riots, acts of God or the enemy, governmental action, installation, wear, use, repairs, renewal, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability of Landlord to obtain fuel or supplies or any other causes beyond the control of Landlord. Any such interruption of service shall never be deemed an eviction or disturbance of the Use, render Landlord liable to Tenant for damages, or relieve Tenant from performance of its obligations under this Lease. FN 5.4.

FN 5.5.

5. Condition of Premises. FN 5.6. Tenant shall accept the Premises (including improvements and personalty, if any) in its condition and "as-built" configuration existing on the earlier of the date of Tenant takes possession or the Commencement Date, and possession by Tenant shall be conclusive evidence against Tenant that the Premises were in good order and satisfactory condition

when Tenant took possession. FN 5.7. No promise of Landlord to alter, remodel, decorate, clean or improve the Premises or the Building and no representation respecting the condition of the Premises or the Building have been made by Landlord to Tenant, unless such are contained in this Lease.

6. Commencement of Base rent and Rent Adjustments.

A. Base Rent and Rent Adjustments shall commence (subject to subsection C.) on the later to occur of:

1. the Commencement Date; and

2. the date upon which the Base Building Work (as described in Section I. Of the Work Supplement) in the Premises is substantially completed by Landlord (even though minor insubstantial details of construction or mechanical adjustment remain to be done).

B. Intentionally Omitted.

C. If a holdover occurs in any space added to initial Premises (described in Section 1 of this Lease), Base Rent and Rent Adjustments shall commence upon vacation of such space by the holdover tenant. If Tenant occupies the Premises and commences doing business in the Premises prior to the Commencement date, Base Rent and Rent Adjustments shall commence on the day of occupancy on a proportional per diem basis. FN 5.8.

FN 5.1. through 5.8. - see pages 5(a) - 5(b)

FN 5.1. continued from Section 4.A.5.

; provided, however, that the interior and exterior of the windows shall be washed no less than three (3) times per year, weather permitting.

FN 5.2. - continued after Section 4.A.5.

6. Entrance reception service for the Building comparable to other first-class downtown Chicago highrise office buildings.

FN 5.3. - continued from Section 4.B.

Landlord hereby grants Tenant unrestricted access to the telecommunications closets and risers serving the Premises, provided that if Tenant requires access to a telecommunications closet serving the Premises and located on a floor occupied solely by a tenant other than Tenant, Tenant shall provide such tenant and Landlord with advance notice of its intent to enter such telecommunication closet and such entry shall be accessed by freight elevators only.

FN 5.4. - continued from Section 4.C.

In such circumstances, Landlord shall use reasonable efforts to promptly restore service and, in the event any interruption in utility service causes the Premises to be rendered untenantable (meaning that Tenant is unable to use such space in the normal course of its business) by Tenant for the Use for more that three (3) consecutive days after notice from Tenant to Landlord that such service has been interrupted, Base Rent and Rent Adjustments shall abate on a per diem basis for each day after such three (3) day period during which the Premises remain untenantable.

FN 5.5. - continued after Section 4.C.

D. If (i) Landlord ceases to furnish any of the services referred to in this Section 4 as a result of a condition which affects only the Building (and does not affect office buildings in general in the Loop area of the City of Chicago), (ii) such cessation is within the reasonable control of Landlord (that is, such cessation is not caused by Force Majeure), (iii) such cessation does not arise as a result of an act or omission of Tenant or any other person (excluding a cessation which does arise as a result of an act or omission of any person other than Tenant is such cessation is able to be cured by reasonable and prompt action on the part of Landlord but has not been so cured), and (iv) as a result of such cessation, the Premises, or any portion thereof is rendered untenantable and Tenant in fact so ceases to use such space in the manner used prior to such cessation, and (v) Landlord does not furnish such service within fifteen (15) days after notice by Tenant stating the nature of the service which is being furnished ("Service Interruption Notice"), then Tenant may, at the expense of Landlord, perform the necessary repairs to restore the service that is the subject of the Service Interruption Notice. All invoices received by Tenant for the cost of such repair shall be submitted to Landlord for payment. If Landlord, within the fifteen (15) day period referred to above, gives Tenant evidence which is satisfactory, in the reasonable judgment of Tenant, that Landlord is diligently pursuing a course which will restore the service

which is the subject of the Service Interruption Notice and Landlord continues to diligently pursue such course, Landlord shall be deemed to be furnishing such

service for purposes of this subsection 4.D. only.

FN 5.6. - continued from Section 5

Subject to (i) construction "punch list items" prepared on a floor by floor basis which must be specified by Tenant in writing to Landlord within sixty (60) days after the date of Tenant's occupancy of any floor of the Premises for the purpose of performing Initial Alterations, and (ii) latent defects of which Tenant notifies Landlord within ten (10) business days after discovery,

FN 5.7. - continued from Section 5

Landlord will diligently and continuously endeavor to complete the Base Building Work. Notwithstanding the foregoing, if a s a result of Landlord's failure to complete any item of Base Building Work, Tenant is prevented or delayed in completing the Initial Alterations, Tenant shall so notify Landlord. If Landlord does not complete such item of Base Building Work within five (5) business days after such notice (plus such additional time as may be necessary to complete such Base Building Work with diligent continuous effort), Tenant may cause such Base Building Work to be completed by Tenant's contractors at the Landlord's expense, which costs Landlord shall promptly pay upon receipt of invoices from Tenant or its contractors. Any such Base Building Work performed by Tenant's contractors shall be performed in a good and workmenlike manner in accordance with the plans for the Building and Base Building standards. Any defects in such work shall be repaired by Tenant or its contractor at Tenant's expense.

FN 5.8. - continued from Section 6.C

, it being understood that the Expense/Tax Cap, as set forth in Section 3.D, shall not commence until the Commencement Date and the Installment Credits shall not commence until April, 1998, as set forth in Section 27.

D. FN 6.1.

7. Use of Premises. Tenant shall occupy and use the Premises during the Term for the Use and no other purpose:

A. Tenant will not make or permit to be made any use of the Premises which, directly or indirectly, is forbidden by public law, ordinance or governmental regulation or which may be dangerous to persons or property, or which may invalidate or increase the premium cost of any policy of insurance carried on the Building or covering its operations and Tenant shall not do, or permit to be done, anything upon the Premises which will be in conflict with fire insurance policies covering the Building. Tenant, at its sole expense shall comply with all rules, regulations or requirements of the Fire Department, applicable fire insurance inspection or rating bureau, or any other similar body, and shall not do, or permit anything to be done upon the Premises, or bring or keep anything thereon in violation of rules, regulations or requirements of the Fire Department, or applicable fire insurance inspection or rating bureau, or other authority having jurisdiction and then only in such quantity and manner of storage as not to increase the rate of fire insurance applicable to the Building;

B. FN 6.2.

C. Intentionally Omitted.

D. Tenant shall not obstruct, or use for storage, or for any purpose other than ingress and egress, the sidewalks, entrances, passages, courts, corridors, (outside of the Premises), vestibules, halls, elevators or stairways FN 6.3. of the Building;

E. no bicycle or other vehicle and no dog or other animal or bird shall be brought or permitted to be in the Building or on the Premises;

F. FN 6.4. Tenant shall not: 1. create or maintain a nuisance on the Premises, or 2. disturb, solicit or canvass any occupant of the Building;

G. Tenant shall not install any musical instrument or equipment in the Premises or the Building, or any antennas, aerial wires or other equipment inside or outside the Building, without obtaining the approval of Landlord. The use thereof, if permitted, shall be subject to control by Landlord to the end that others shall not be disturbed or annoyed;

H. Tenant shall not waste water by tying, wedging or otherwise fastening open any faucet;

I. except as provided in Section 34, no additional locks or similar devices shall be attached to any door. No keys for any door other than those provided by Landlord shall be made. If more than two keys for one lock are desired by Tenant, Landlord may provide the same upon payment by Tenant. Upon termination of this Lease or of the possession of Tenant, Tenant shall surrender all keys to the Premises and shall make known to Landlord the explanation of all combination locks on safes, cabinets and vaults:

FN 6.1. through FN 6.4. - see page 6(a)

FN 6.1. - continued from Section 6.D.

Landlord shall not incur any liability if (i) Base Building Work (defined in Exhibit "C" attached hereto) is not completed in the Building on the Commencement Date or if (ii) the premises are not ready for occupancy on the Commencement Date, and the fact that Base Building Work in the Building is not completed on the Commencement Date or that the Premises are not ready for occupancy on the Commencement Date shall not affect the validity of this Lease or the obligations of Tenant hereunder, nor shall the same be construed to delay the Commencement Date or Tenant's obligation to pay Base Rent (subject to Section 27) and Rent Adjustments (subject to Section 3.D.), or to extend the Expiration Date or the Term; provided, however, if Landlord fails to make the Premises available to Tenant and its General Contractor for construction of the Initial Alterations immediately upon execution of this Lease (as required by Section II.A.1. of the Work Supplement attached hereto as Exhibit "C") and such delay causes Tenant and its General Contractor to be unable to make the Premises ready for occupancy on the date the Premises would have been ready for occupancy absent of such delay, then Base Rent and Rent Adjustments shall abate for a period of time equal to the number of days in the Delay Period. For purposes of this Section 6.D., the term "Delay Period" means the period of time commencing upon the day after the execution of this Lease and ending on the date Landlord makes the Premises available to Tenant and its General Contractor for construction of the Initial Alterations, plus any period thereafter that the Landlord, without cause, revokes or withholds the License or the availability of the Premises to Tenant and its General Contractor. The delivery by Landlord to Tenant of a fully executed copy of this Lease shall constitute permission for Tenant and its General Contractor to enter into the Premises for construction of Initial Alterations. No further documentation or notice shall be required from Landlord to Evidence such permission.

FN 6.2. - continued from Section 7.B.

any sign installed in the Premises shall be installed at the expense of Tenant. Landlord may grant or withhold its approval in its sole discretion if such sign is visible from the exterior of the Building. Landlord may grant or withhold its approval in its reasonable discretion if such sign is located on a floor on which Tenant is not the sole tenant and is visible from the exterior of the Premises.

FN 6.3. - continued from Section 7.D.

and Tenant shall not obstruct, or use for storage, or for any purpose other than ingress and egress, the corridors or stairways located within the Premises if such obstruction or use would violate Section 7.A. above.

FN 6.4. - continued from Section 7.F.

Tenant shall not cause or permit any noise, odor or litter, which is materially disruptive of the use or enjoyment of (i) the premises of another tenant or (ii) the common areas of the Building by Landlord or other occupants of the Building, to emanate from the Premises. Tenant shall use reasonable efforts to ensure that its customers, clients, invitees and guests do not violate the prohibition set forth in the immediately preceding sentence.

6(a)

J. Tenet accepts full responsibility for: 1. protecting the Premises from theft, robbery and pilferage, 2. keeping the Premises secure, and 3. locking the doors in and to the Premises , Any damage resulting from neglect of this subsection shall be paid for by Tenant. All property belonging to Tenant, or any person in the Premises, which is in the Building or the Premises, shall be there at the risk of Tenant or other person only, and subject to Section 15.D. Landlord, its beneficiaries, Owner and the partners of Owner and their respective agents and employees shall not be liable for damages thereto or theft of misappropriation thereof. Subject to Section 15.D. Tenant shall indemnify and hold Landlord, its beneficiaries. Owner and the partners of Owner and their respective agents and employees harmless from any claims arising out of the above, including subrogation claims by the insurance carrier of Tenant;

K. if Tenant desires telegraphic, telephonic, burglar alarm or signal service, Landlord will, upon request, direct where and how connections and all wiring for such service shall be introduced and run. Without such directions, no boring, cutting or installation of wires or cables I permitted. FN 7.1.

L. shades, draperies or other form of inside window covering must be of such shape, color and material as approved by Landlord. The decision of Landlord to refuse such approval shall be conclusive;

M. Tenant shall not overload any floor. Safes, furniture and all large articles shall be brought through the Building and into the Premises at such times and in such manner as Landlord shall permit and at the sole risk and responsibility of Tenant. Tenant shall issue passes listing all furniture, equipment and similar articles to be removed from the Building, before Building employees will permit any article to be removed FN 7.2.

N. unless Landlord gives consent, Tenant shall not install or operate any steam or internal combustion engine, boiler, machinery, refrigeration or heating device or air-conditioning apparatus in or about the Premises, or carry on any mechanical business therein, or use the Premises for housing accommodations or lodging or sleeping purposes, or do any cooking therein or install or permit the installation of any vending machines, or use any illumination other than electric light, or use or permit to be brought into the Building any flammable oils or fluids such as gasoline, kerosene, naphtha and benzene, or any explosive or other articles hazardous to persons or property. Should Landlord grant consent, the installation, operation and maintenance expenses of Tenet for any such items shall include, among other charges as additional Base Rent at rates fixed by Landlord, if air-conditioning apparatus is being installed, charges for a condenser water riser tap-in fee and condenser water based upon the rated capacity in tons of the unit FN 7.3.

O. FN 7.4. Tenant shall not place or allow anything to be against or near the glass or partitions or doors of the Premises which may diminish the light in, or be unsightly from, public halls or corridors;

P. Tenant shall not install any equipment in the Premise which uses a substantial amount of electricity without the consent of the Landlord. FN 7.5. The consent of Landlord to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity that such safe capacity;

Q. Tenant may not install carpet, padding, or carpet by means of a mastic, glue or cement without the consent of Landlord;

R. Tenant shall not conduct any auction, fire or "going out of business", or bankruptcy sales in or from the Premises;

S. Tenant shall not lower and adjust the venetian blinds on the windows in the Premises is such lowering and adjusting reduces the sun load;

T. in addition to all other liabilities for breach of any covenant of this section 7, Tenant shall pay to Landlord all damages caused by such breach and shall also pay to Landlord as additional Base Rent an amount equal to any increase in insurance premium or premiums caused by such breach. Any violation of this section 7 may

FN 7.1. through FN 7.5. - see page 7(a)

FN 7.1. - continued from section 7.K.

Tenant may, at its expense, furnish to its Members, communications services from a centralized switch, or a group of switches. Said communication services may be directly wired from the switch location to Members' premises via vertical and/or horizontal raceways (a means for wire and/or cable to be distributed from one point to another). The location of the switch (or switches) and the routing and location of the raceways shall be approved by Landlord. Landlord and Tenant shall cooperate with each other so that the integrity of the System (Section 9.A.) of the Building is not disturbed;

FN 7.2. - continued from Section 7.M.

, provided that Landlord shall not be responsible for determining the authenticity of such passes;

FN 7.3. - continued from Section 7.N.

, which charges shall be at the rates set forth in Section 4.A.1. Tenant is granted permission to install a kitchen which may include a refrigerator, vending machines and microwave ovens for use by employees and invitees of Tenant only. Such installation shall: 1. include: a. required ducts, vents and/or flues, b. an exhaust stack tap-in charge based upon the proportionate C.F.M. usage of Tenant, and c. a water meter, if Landlord in its sole judgment determines such is warranted, and 2. be at the sole expense of Tenant, provided, however, that if such kitchen is part of the Initial Alterations (as defined in Section II.A. of the Work Supplement attached hereto as Exhibit "C"), Tenant may, at its discretion, apply a portion of its Work Credit (defined in Section 27.B. of this Lease) against the cost of such installation in accordance with Section 27;

FN 7.4. - continued from Section 7.0.

on multi-tenant floors or the Lobby Space (defined in the Support Space Supplement to this Lease),

FN 7.5. - continued from Section 7.P.

Landlord represents that the maximum diversified electrical capacity available for utilization is 5.5 watts per rentable square foot of floor area on each floor within the Premises. If additional capacity in the Premises is required and possible to provide, in Landlord's judgment taking into account the capacity of the electric wiring in the Building and the Premises and the needs of other

tenants in the Building, it shall be provided at the sole expense of Tenant. Nothing in this Section 7.P. shall affect in any way Tenants obligation to pay for all Alterations (including without limitation, all Alterations to electrical system in the Premises) and otherwise comply with Section 9 with respect to all Alterations.

be restrained by injunction. Tenant shall be liable to Landlord for all damages resulting from violation of any of the provisions of this Section 7. Landlord shall have the right to make such reasonable rules and regulations as Landlord or its agent may from time to time adopt on such reasonable notice to be given as Landlord may elect. FN 8.1. Nothing in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce provisions of this Section 7 or any rules and regulations hereafter adopted, or the terms, covenants or conditions of any other lease as against any other tenant, and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

8. Care and Maintenance. Subject to the provisions of Sections 4.A.4, 11,13 and 33. Tenant, at its sole expense, shall keep the Premises FN 8.2. in good order, condition and repair during the Term, FN 8.3. If Tenant does not make repairs promptly and adequately, Landlord may, but need not, make repairs and Tenants shall promptly pay the expense thereof. Tenant shall pay Landlord for overtime and for any other expenses incurred if repairs, alterations, decorating or other work in the Premises, at the request of Tenant, are not made during ordinary business hours.

9. Alterations and Construction.

A. FN 8.4. such as, but not limited to, painting, decorating, erecting partitions, making alterations or additions, nailing, boring or screwing into the ceilings, walls or floors without the consent of the Landlord FN 8.5. For each Alteration, Tenant shall furnish Landlord: 1. plans and specifications for the Alterations (which Tenant warrants are in conformance with all applicable laws and consistent in all respects with the aesthetics and the following "Systems" of the Building: electrical, heating, ventilating, air-cooling, plumbing/fire protection and structural) prepared at the expense of Tenant, by the Building engineers, or at the discretion of Landlord, other engineers acceptable to Landlord, 2. affidavits from such engineers stating that the Alterations will not in any way adversely affect any Systems in the Building, 3. names and address of contractors ("Contractors") and subcontractors ("Subcontractors"), 4. copies of contracts with Contractors and Subcontractors which shall provide, among other things, that no changes, amendments, extras or additional work FN 8.6. are permitted without the consent of Landlord FN 8.7. Landlord reserves the right to deny any Contractor or Subcontractor entry to the Building but the failure of Landlord to exercise this right shall not be deemed an approval of either the financial stability or quality of workmanship of any such Contractor or Subcontractor.

B. If Landlord grants such consent or if Landlord consent is not needed pursuant to the guidelines set forth in Section 9.A., all Alterations shall be performed at the sole expense of Tenant, in a workmanlike manner and materials furnished shall be of a like quality to those in the Building. If the Alterations involve any Systems, such shall be performed under the supervision of Landlord and by contractors approved by Landlord. If the Alterations do not involve Systems, such shall be performed under the supervision of Landlord. Regardless of whether Landlord's consent is required, before the commencement of the Alterations or delivery of any materials onto the Premises or into the Building. Tenant shall furnish Landlord: FN 8.8. 1. sworn Contractor affidavits listing all subcontractors with suppliers of materials and/or labor, with whom Contractors have contractual relations for the Alterations, and setting forth a summary of such contractual relationships. 2. Subcontractor affidavits, 3. certificates of insurance from all Contractors and Subcontractors performing labor or furnishing materials, insuring against any and all claims, costs, damages, liabilities and expenses which may arise in connection with the Alterations, and 4. such other documents as may be reasonably requested by Landlord. The certificates of insurance required must evidence coverage in amounts and from companies satisfactory to Landlord and may be cancelable only with ten (10) days advance notice to Landlord. If Landlord consents or supervises, such shall not be deemed a warranty as to the adequacy of the design or workmanship or quality of the materials and Landlord hereby disavows any responsibility and/or liability for such. Additionally, under no circumstances shall Landlord have any responsibility to repair or maintain any portion of the Alterations which either does not function or ceases to function.

FN 8.1. through FN 8.8. - see pages 8(a) through 8(b)

FN 8.1. - continued from Section 7.T.

Landlord will make reasonable efforts to enforce all such rules and regulations uniformly. In the event of a conflict between such rules and regulations and this Lease, this Lease shall control.

FN 8.2. - continued from Section 8

(excluding the Systems [Section 9.A.], structural elements of the Building and glass of the Building which Landlord agrees to maintain pursuant to Section 33).

FN 8.3. - continued from Section 8

ordinary wear and tear and damage by fire or other casualty excepted, and Tenant shall have no obligation to repair any damage caused by negligence of Landlord, its agents, servants or employees, which damage shall be repaired by Landlord, at its expense.

FN 8.4. - continued from Section 9.A.

Tenant may do work ("Alterations", such defined term shall collectively refer to the Initial Alterations [defined in the Work Supplement attached hereto as Exhibit "C"] and any subsequent Alterations) in the Premises,

FN 8.5. - continued from Section 9.A.

If the Alterations:

(i) are of a cosmetic nature such as painting, wallpapering, hanging pictures, millwork and carpeting (Alterations of a cosmetic nature are called "Cosmetic Alterations"), and are not visible from the exterior of the Premises or the Building, or

(ii) do not affect the Building Systems or structure, and are not visible from the exterior of the Premises or the Building,

provided that even if Landlord's consent to an Alteration is not required, Tenant shall still comply with this section 9, except that Tenant need not comply with Sections 9.A.1., 9.A.2. and 9.B.1. (only) to perform the following Cosmetic Alterations: painting, wallpapering, hanging pictures, millwork and carpeting.

If the Alterations:

(iii) affect the Building Systems or structure, or

(iv) are visible from the exterior of the Premises or the Building;

the consent of the Landlord is required. Such consent shall not be unreasonably withheld if the Alterations affect the Building Systems or structure or are visible only from the exterior of the Premises and are not visible from the exterior of the Building; if, however, the Alterations affect the Building Systems or structure of the

Building or are Cosmetic Alterations and in addition, such Alterations are visible from the exterior of the Building, the consent of the Landlord shall be within its sole and absolute discretion and the decision of Landlord to refuse such consent shall be conclusive.

FN 8.6. - continued from Section 9.A.

that is material or would affect the Building Systems or structure or result in a change that would be visible from the exterior of the Premises or the Building

FN 8.7. - continued from Section 9.A.

, and Tenant agrees that it will not make or authorize any such changes, amendments, extras or additional work without Landlord's consent. Tenant shall provide Landlord with written notice of all changes, amendments, extras or additional work that do not require Landlord's consent as soon as practical but not more than five (5) business days after Tenant is aware that such change, amendment, extras or additional work will be included in an Alteration. Tenant's notice shall contain a description of the change, amendment, extras or additional work and cost thereof.

FN 8.8. - continued from Section 9.B.

1. necessary permits; provided, however, if Tenant or its Contractor for an Alteration cannot promptly obtain a building permit from the City of Chicago to perform such Alteration in the Premises (including, without limitation, any of the Initial Alterations) Tenant may, at its option, commence construction of such Alteration and obtain delivery of materials therefore prior to obtaining the building permit if Tenant delivers to Landlord, prior to commencement of construction or delivery of materials, a "blue card" or substitute therefore issued by the City of Chicago as evidence of receipt of Tenant's plans for the Alteration and any other documentation customarily required by owners of first-class highrise office buildings in downtown Chicago prior to allowing a tenant to perform such alteration in its premises. Tenant shall, in any event, deliver permit to Landlord after it is obtained. In the event that Tenant commences construction of an Alteration or obtains delivery of materials therefore prior to obtaining a building permit, pursuant to this Section 9.B.1., Tenant hereby agrees to indemnify and save all of the Landlord related Parties harmless against any and all claims, demands, liabilities, costs and expenses

(including, without limitation, reasonable attorney's fees for the defense thereof) arising from or connected in any way with (i) the commencement or completion of construction of an Alteration or the delivery of materials therefore to the Premises or Building prior to the obtaining of a building permit with respect to such Alteration, or (ii) Landlord granting permission to Tenant, pursuant to this Section 9.B.1., to commence construction of an Alteration and obtain delivery of materials prior to Tenant obtaining a building permit.

C. Intentionally Omitted.

D. Upon completion of the Alterations, and prior to final payment. Tenant shall obtain the written approval of Landlord for the quality of the Alterations and furnish Landlord with: 1. Tenant, Contractors, and architectural completion affidavits. 2. full and final waivers of lien, 3. receipted bills covering all labor and materials expended and used. 4. other appropriate documents evidencing completion of the Alterations and 5. as-built plans of the Alterations.

E. FN 9.1.

F. Intentionally Omitted.

G. Tenant shall procure, or cause to be procured, and pay for all permits, licenses, approvals, certificates and authorizations necessary to the prosecution and completion of the Alterations. All Alterations shall be done in strict accordance with all laws, ordinances, rules, regulations and requirements of any applicable board of underwriters or fire rating bureau and all municipal, state, federal and other authorities having jurisdiction. Where drawings and specifications conflict with the law, the law is to be followed. Tenant shall promptly notify the respective departments or official bodies when the Alterations are ready for inspection and shall, at once, do all work required to remove any violations or to comply with such inspections, without additional charge to Landlord. Tenant shall perform, or cause to be performed, all work necessary to obtain approvals from authorities mentioned above without additional cost to Landlord.

H. Tenant agrees to reimburse Landlord for all sums expended for examination and approval of the architectural and mechanical plans and specifications.

I. Tenant agrees that Alterations shall be performed so as not to cause or create any jurisdictional or other labor disputes, and in the event such disputes occur, Tenant shall immediately do whatever is necessary to resolve such disputes, at no expense to Landlord.

J. FN 9.2. Tenant hereby agrees to indemnify and hold Landlord, its beneficiaries. Owner and partners of Owner and their respective agents and employees harmless from any and all liabilities of every kind and description, including reasonable attorney's fees which may arise out of or be connected in any way with the Alterations. Any mechanic's lien (or any notice preliminary to lien) filed against the Premises, or the Real Property, for the Alterations or materials claimed to have been furnished to Tenant shall either 1. be discharged of record (or paid if a notice be served) by Tenant within ten (10) days after filing (or service) at the expense of Tenant, FN 9.3.

K. All additions, decorations, FN 9.4. hardware, non-trade fixtures and all improvements, in or upon the Premises FN 9.4. whether placed there by Tenant or Landlord, shall , unless Landlord requests their removal as provided below, become the property of Landlord and shall remain upon the Premise at the termination of this Lease by lapse of time or otherwise without compensation, allowance or credit to Tenant. If, upon the request of Landlord, Tenant does not remove said additions, decorations, fixtures, hardware, non-trade fixtures and improvements, Landlord may remove them FN 9.5.

10. Access to Premises. Tenant shall permit Landlord to erect, use and maintain pipes, ducts, wiring and conduits in and through the Premises FN 9.6. Landlord or agents of Landlord shall have the right to enter upon the Premises, to inspect the same, to perform janitorial and cleaning services and to make such repairs,

FN 9.1. through FN 9.6. - see page 9(a) - 9(b)

FN 9.1. - continued from Section 9.E.

E. Tenant shall reimburse Landlord for use of elevators and/or hoists during the Alterations for only the actual costs incurred by Landlord in providing for such use. Landlord and Tenant shall cooperate with each other in scheduling such use and whenever possible during normal business hours (or non-business hours, if required) in the course of the Alterations.

FN 9.9. - continued from Section 9.J.

Except for Alterations performed by Metropolitan Structures Construction Division, as General Contractor,

FN 9.3. - continued from Section 9.J.

or 2. contested by Tenant, so long as (i) Tenant , at Tenant's expense, obtains title insurance insuring over the notice of lien or the lien from Chicago Title and Trust Company, or another local, reputable title company acceptable to Landlord and Tenant, in favor of Landlord and any mortgagee or ground lessor with an interest in the Building, or provides Landlord with alternative security satisfactory to Landlord insuring over any possible loss or expense which may arise from non-discharge of such lien; provided that Tenant shall not be required to provide such title insurance or alternative security, unless the filing of a mechanics lien (or any notice preliminary to the lien) is considered an event of default under the terms of any loan secured by the Building existing as of the date of such filing or at some time during the period beginning when such lien is filed (or notice is delivered) and ending upon discharge or payment thereof, Landlord is making (or is entitled to make) draws on a loan secured by the Building, or is otherwise required by the terms of any financial documents to provide such title insurance or alternative security, or is or commences the refinancing of a loan secured by the Building or is in the process of or commences the process of selling, transferring, pledging or hypothecating the beneficial interest in Landlord, the Real Property, the Building or any interest in any thereof (provided further, that if the granting of this right in any way damages Landlord, Tenant shall immediately provide title insurance or alternative security and indemnify Landlord), and (ii) such contest is in good faith and by appropriate proceedings which operate to stay the enforcement of such mechanic's lien. Tenant shall, promptly after the final determination of such contest, pay or discharge any decision or judgment rendered, together with all costs, charges, interest and penalties incurred or imposed or assessed in connection with such contest.

FN 9.4. - continued from Section 9.K.

(other than personal property),

FN 9.5. - continued from Section 9.K.

; provided, however, that Landlord shall notify Tenant on or before the time it grants approval as to any plans and specifications submitted by Tenant for an Alteration as to whether Landlord will require that Tenant remove, at the termination of this Lease, such Alteration or any particular portion thereof.

Notwithstanding the foregoing, Landlord shall have to the right to require Tenant to remove any vault or stairway installed in the Premises, regardless of whether Landlord timely notified Tenant that it would require removal. Landlord shall not have the right to retain any of Tenant's personal property or equipment (including computers and supplemental air conditioning units).

FN 9.6. - continued from Section 10

Provided, however, that such pipes, ducts, wiring and conduits (and the installation thereof in and through the Premises): a) are concealed; and b) may not diminish or alter the configuration of the Premises (unless required by law) without the consent of Tenant, which shall not be unreasonable withheld or delayed; and c) shall not interfere with installations previously made by Tenant or the Use.

alterations, improvements or additions to the Premises or the Building as Landlord may deem necessary and Landlord be allowed to take all materials into and upon the Premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part and the Base Rent and/or Rent Adjustments shall in no way abate (except as provided in Section 11) while said repairs, alterations, improvements, or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise FN 10.1. If Tenant shall not be personally present to open and permit an entry into the Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or agents of Landlord may enter the same by a master key, or may forcibly enter the same, without rendering Landlord or such agents liable therefore (if during such entry Landlord or agents of Landlord shall accord reasonable care to the property of Tenant) and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligations, responsibility or liability whatsoever, for the care, supervision or repair of the Building or any part thereof, other than as herein provided. Landlord shall also have the right at any time, without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefore, to construct and lease kiosks on any part of the building, other than the Premises (including, but not limited to, exterior and interior public areas), to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets or other public parts of the Building, and to close entrances, doors, corridors, elevators and other facilities FN 10.2. Except as provided in Section 15.D., Landlord shall not be

liable to Tenant for any expense, injury, loss or damage resulting from work done in or upon, or the use of, any adjacent or nearby building, land, street or alley.

11. Untenantability.

A. If the Premises or the Building are untenantable by fire or other casualty, FN 10.3. Landlord may elect to:

1. terminate this Lease as of the date of the fire or casualty by notice to Tenant within one hundred twenty (120) days after date, or

2. proceed with reasonable diligence to repair, restore or rehabilitate the Building or the Premises at the expense of Landlord, in which latter event this Lease shall not terminate FN 10.4.

B. In the event this Lease is not terminated pursuant to this section, Base Rent and Rent Adjustments shall abate on a per diem basis during the period of untenantability FN 10.5. IN the event of the termination of this Lease pursuant to this section, Base Rent and Rent Adjustments shall be apportioned on a per diem basis and paid to the date of the fire or other casualty* In the event the Premises are partially damaged by fire or other casualty but not made wholly untenantable, then Landlord shall, except during the last year of the Term proceed with reasonable diligence to repair and restore the Premises and Base Rent and Rent Adjustments shall abate in proportion to the FN 10.6. dunning the period of untenantability. If a portion of the premises are made untenantable as aforesaid during the last year of the Term as it may be extended from time to time. Landlord or Tenant shall have the right to terminate this Lease as of the date of the fire or other casualty by giving notice thereof to the other within thirty (30) days after the date of the fire or other casualty, in which event Base Rent and Rent Adjustments shall be apportioned on a per diem basis and paid to the date of such fire or other casualty*.

12. Insurance.

A. Landlord and Tenant agree to have any and all fire, extended coverage or any and all material damage insurance which may be carried endorsed with the following subrogation clause: "This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all right to recovery against any party for loss occurring to the property described herein"; and Landlord and Tenant hereby waive all claims for recovery from the other for the loss or damage to any of its property insured under valid and collectible

FN 10.1. through FN 10.6. - see pages 10(a) - 10 (b)

* with respect to any portion of the Premises that is rendered untenantable and to the date of the termination of this Lease with respect to the portion that is not rendered untenantable and which Tenant continues to occupy after the date of such fire or casualty.

FN 10.1. - continued from Section 10

; provided, however, that excepting emergency situations as determined by Landlord, Landlord shall exercise reasonable efforts:

1) not to interfere with the conduct of the business of Tenant on the Premises;

2) to effect such entry during non-business hours; and

3) to give Tenant advance notice of any entry, provided that such notice by Landlord may verbal (rather than written) if in the judgment of Landlord, such verbal notice is sufficient;

and provided further, that Landlord shall not use the Premises as a storage area for equipment and supplies for work being performed by Landlord in the Building or in the Premises.

Notwithstanding anything contained in this Section 10 to the contrary, in the event access by Landlord into the Premises pursuant to this Section 10 renders the Premises or a portion thereof untenantable by Tenant for the Use (excepting untenantability resulting from fire or other casualty) for more than five (5) consecutive business days after notice from Tenant to Landlord that Landlord's access has rendered the Premises or a portion thereof untenantable, then Base Rent and Rent Adjustments shall abate on a per diem basis for each day after such five (5) day period that the Premises or such portion remain untenantable, provided that the abatement shall be in proportion to the portion of the Premises which is rendered untenantable.

FN 10.2. - continued from Section 10

so long as the same does not materially alter or diminish Tenant's access to the Premises.

FN 10.3. - continued from Section 11.A.

and if no portion of the Trading Floors has been made untenantable or if all or a portion of the Trading Floors has been made untenantable, if the owner of the Trading Floors provides Landlord with notice within ninety (90) days after the Trading Floors have been made untenantable of its commitment to repair, restore or rehabilitate the Trading Floors, then this Lease shall not terminate. Landlord, at its expense, shall proceed with all due diligence to repair, restore or rehabilitate all damaged portions of the exterior of the Building to the extent necessary to restore the Premises, all other areas of the Building serving the Premises or providing ingress to or egress therefrom (including, without limitation, the parking garage, Building lobbies and all areas occupied by equipment or other facilities serving the Premises or the Trading Floors). If, however, the Premises or the Building and a portion of the Trading Floors are made untenantable by fire or other casualty and if the owner of the Trading Floors does not so notify Landlord within such ninety (90) day period of its commitment to repair, restore or rehabilitate the Trading Floors,

FN 10.4. - continued from Section 11.A.2.

; provided, however, if Landlord fails to repair, restore or rehabilitate the Premises within two hundred seventy (270) days after the aforementioned one hundred twenty (120) days, then Tenant shall have the right to terminate this Lease as of the date of the fire or casualty by serving notice on Landlord within ten (10) days after the expiration of the said two hundred seventy (270) day period, provided further, however, that if Landlord fails to so repair, restore or rehabilitate within said two hundred seventy (270) day period and such failure is the result of delays caused by Force Majeure or Acts of Tenant, the two hundred seventy (270) day period shall be deemed extended for a period of time equal to the total of all such delays.

FN 10.5. - continued from Section 11.B.

, except in cases of fire or other casualty caused by the negligence of Tenant or a Tenant Related Party (defined in Section 15.E.2.) to the extent that Landlord's rent loss insurance does not cover such Base Rent or Rent Adjustments; provided, however, that id Landlord maintains rent loss insurance coverage in an amount less than that customarily carried by prudent owners of similar first-class highrise office buildings in the downtown Chicago area (the amount customarily carried from time to time shall be called "Customary Rent Loss Coverage") then for purposes of determining pursuant to this Section 11.B. whether Landlord's rent loss insurance covers Tenant's Base Rent and Rent Adjustments, Landlord shall be deemed to maintain Customary Rent Loss Coverage, and provided further, that if Landlord does not complete restoration and repair work within the time period during which Landlord's rent loss insurance covers Tenant's Base Rent and Rent Adjustments (the "Rent Loss Coverage Period") by reason of Landlord's failure to perform such restoration and repair with reasonable diligence (as opposed to by reason of Force Majeure or Acts of Tenant) (provided that reasonable diligence shall not require that Landlord or its contractors work overtime hours), then for purposes of determining pursuant to this Section 11.B. whether Landlord's rent loss insurance covers Tenant's Base Rent and Rent Adjustments, the Rent Loss Coverage Period shall be deemed to be extended by a period equal to the number of days from the date of expiration of the Rent Loss Coverage Period to the date of completion of the restoration and repair, less the number of days that Landlord was delayed in completing repair and restoration by reason of Force Majeure or Acts of tenant.

FN 10.6. - continued from Section 11.B.

area of the Premises that is untenantable and/or not reasonably usable by Tenant by reason of damage to the balance of the Premises

insurance policies to the extent of any recovery collected under such insurance
FN 11.1.

B. 1. During the Term, Tenant, at its sole expense, shall obtain and keep in force the following insurance: Comprehensive general liability written on an "occurrence" or "claims made" basis, including personal and bodily injury, broad form property damage, owner's protective coverage and contractual liability, limits not less than $1,000,000.00 FN 11.2. and

2. all such insurance policies shall;

a. name Tenant as named insured and name Landlord and the mortgages of the Building (and, if applicable, ground or primary lessors) as additional insureds as their respective interests may appear; and

b. be insured by insurers and in form satisfactory to Landlord.

3. Tenant shall deliver certificates of insurance or certified copies of each policy to Landlord on or before ten (10) days prior to the date

Tenant takes possession of any part of the Premises.

4. All policies shall contain an undertaking by the insurers to notify Landlord and the mortgages of Landlord (and, if applicable, ground or primary lessors) in writing, by Registered or Certified U.S. Mail, return receipt requested, not less than fifteen (15) days before any material change, reduction in coverage, cancellation or termination.

13. Eminent Domain.

A. In the event the entire Building, Real Property or Premises shall be lawfully condemned or taken in any manner for any public or quasi-public use, this Lease and the Term and estate hereby granted shall forthwith cease and terminate as of the date of the taking of possession by the condemning authority. In the event that only a part of the Premises shall be so condemned or taken then, effective as of the date of the taking of possession by the condemning authority. Base Rent and Rent Adjustments shall abate in an amount apportioned according to the area of the Premises so condemned or taken. If only part of the Building or Real Property shall be so condemned or taken FN 11.3. then 1. Landlord (whether or not a material portion of the Premises be affected) may, at the option of Landlord, terminate this Lease and the Term and estate hereby granted as of the date of such taking of possession by the condemning authority by notifying Tenant of such Termination within sixty (60) days following the date on which Landlord shall have received notice of the taking of possession by the condemning authority, or 2. if such condemnation or taking shall be of a material (more than twenty (20%) of the Rentable Area part of the Premises or of a substantial part of the means of access of access thereto, Tenant may, at the option of Tenant, by delivery of notice to Landlord within sixty (60) days following the date on which Tenant shall have received notice of the taking of possession by the condemning authority, terminate this Lease and the Term and estate hereby granted as of the date of the taking of possession by the condemning authority, or if 3. if neither Landlord nor Tenant elects to terminate this Lease, as aforesaid, this Lease shall remain unaffected by such condemnation or taking, except that Base Rent and Rent Adjustments shall abate to the extent, if any, provided in this Section 13. In the event only a part of the Premises shall be so condemned or taken and this Lease and the Term and estate hereby granted with respect to the remaining portion of the Premises are not terminated as hereinbefore provided, Landlord will, with reasonable diligence and at its expense, restore the remaining portion of the Premises as nearly as practicable to the same condition as it was in prior to such condemnation or taking FN 11.4.

FN 11.1. through FN 11.4. - see page 11(a)

FN 11.1. - continued from Section 12.A.

and since this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant each agree to give each insurance company which has issued, or in the future may issue, its policies of fire, extended coverage or material damage insurance written notice of the terms of this mutual waiver, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of any of the coverage provided by such insurance policies by reason of such mutual waiver.

FN 11.2. - continued from Section 12.B.

; provided, however, if Tenant maintains insurance on a "claims made" basis, Tenant shall be obligated to maintain such insurance, as set forth herein, for a period of no less than two (2) years after the Expiration Date or any extension thereto, and (b) standard so-called "all-risk" property insurance covering all Tenant's personal property, trade fixtures and any improvements not covered by Landlord's insurance, and (c) excess liability insurance with minimum coverage of $19,000,000.00;

FN 11.3. - continued from Section 13.A.

and the part taken is substantial enough that the taking would destroy the marketability of the Building, as determined by Landlord in its reasonable judgment,

FN 11.4. - continued from Section 13.A.

; provided, however, that Landlord shall have no obligation to repair, replace or restore the Tenant's furniture, equipment or other personal property and that Landlord shall repair, replace and restore the Initial Alterations and the Alterations, but only to the extent that Landlord actually receives condemnation proceeds on account thereof. Landlord agrees to make and diligently purse a claim for condemnation proceeds sufficient to repair, replace or restore the Initial Alterations and the Alterations. If (i) the grade of any street or alley adjacent to the Building or Real Property is changed by any competent authority, and (ii) such change of grade makes it necessary to remodel the Building to conform to the changed grade, and (iii) in Landlord's judgment, termination of this Lease is necessary to accomplish such remodeling, Landlord shall have the right to terminate this Lease upon not less than one hundred eighty (180) days notice prior to the date of termination designated in said notice.

B. In the event of their termination in any of the cases hereinbefore provided, this Lease and the Term and estate hereby granted shall expire as of the date of such termination with the same effect as if that were the Expiration Date, and Base Rent and Rent Adjustments shall be accordingly apportioned.

C. In the event of any such condemnation or taking hereinbefore mentioned of all or a part of the Building or Real Property, Landlord shall be entitled to receive the entire award in the condemnation proceeding, including any award made for the value of the estate vested by this Lease in Tenant FN 12.1. and Tenant hereby expressly assigns to Landlord any and all right, title and interest of Tenant now or hereafter arising in or to any such award or any part thereof, and Tenant shall be entitled to receive no part of such award FN 12.2. Further, Tenant shall have no right to share in any judgment for damages caused by the grade of any street or alley adjacent to the Building or Real Property. No money or other consideration shall be payable by Landlord to Tenant for any termination by Landlord pursuant to this Section 13.

D. For purposes of this Section 13, the terms "condemned", "condemnation", "taken" or "taking" shall include a voluntary conveyance by Landlord to the condemning authority under threat of condemnation and the term "award" shall include the consideration paid by the condemning authority for such deed.

14. Assignment-Subletting.

FN 12.3.

FN 12.1. through FN 12.3. - see pages 12(a) - 12(c)

FN 12.1. - continued from Section 13.C.

(except as otherwise provided below in this Section 13.C.)

FN 12.2. - continued from Section 13.C.

; provided, however, that, subject to the rights of third parties under Section 16 of this Lease, Tenant may proceed independently in such proceeding but only for (i) the unamortized portion of the leasehold improvements for which Tenant has paid in their entirety, (ii) the relocation costs of Tenant, and (iii) the value of Tenant's leasehold estate (based upon the portion of the Premises condemned or taken and the Term remaining at the time of the condemnation or taking), but in any case, only if any such award is in addition to and not in diminution of the award of Landlord.

FN12.3. - continued from Section 14

A. Tenant may not, without the consent of Landlord:

1. assign, hypothecate, mortgage, encumber, or convey this Lease; provided, however, Tenant may, without the consent of Landlord, assign this Lease to any entity which has acquired all of the assets of Tenant by virtue of merger, consolidation, purchase, or other direct transfer, provided that after such acquisition, such entity has substantially the same net worth as Tenant as of the date of this Lease ("Successor"), it being understood that Tenant shall deliver to Landlord copies of the fully executed assignment and any related documentation within thirty (30) days after complete execution of the assignment;

2. allow any transfer thereof of any lien upon the interest of Tenant by operation of law;

3. permit the use or occupancy of the Premises or any part thereof by anyone other than Tenant, except to the extent provided in this Section 14.

B. Assignment.

1. In order for Tenant to obtain the consent of Landlord to an assignment of this Lease for the remaining Term, Tenant shall submit to Landlord:

a. the proposed assignment (executed by Tenant and assignee), which is not to commence prior to the first day of the month immediately following the month in which the thirtieth (30th) day following the submission to Landlord occurs; and

b. sufficient information to permit Landlord to determine the acceptability of the financial responsibility of the proposed assignee, if Tenant is seeking to be released from liability hereunder, and whether the character of the proposed assignee will adversely affect Landlord's ability to market the Building as first-class office or retail space.

2. Landlord shall not unreasonably withhold its consent to an assignment, provided that Tenant agrees that Landlord shall be acting reasonably when such consent is not granted if:

a. in the reasonable judgment of Landlord the character of the proposed assignees will adversely affect Landlord's ability to market the Building as a first-class downtown Chicago office building or any space contained therein as first-class office or retail space;

b. in the reasonable judgment of Landlord the purpose for which the assignee intends to use the Premises is not in keeping with the standards of Landlord for the Building, or is in violation of the terms of any other leases in the Building, it being understood that the purpose for which assignee intends to use the Premises may not be in violation of this Lease;

c. the assignee is either a government (or subdivision or agency thereof) or an occupant of the Building, provided that with respect to an occupant of the Building, Landlord must be reasonable in determining whether to grant its consent if no other reasonably comparable space in the Building is available to such proposed assignee;

d. less than the entire Lease, or the entire Lease for less than the remaining Term is being assigned;

e. if Tenant is seeking to be released from liability hereunder, the assignee is not, in the reasonable judgment of Landlord, solvent or does not have unencumbered assets of a value at least equal to twice the projected cost of the obligations to be assumed for the unexpired Term;

f. Tenant is in default under this Lease.

3. For purposes of this Section 14.B. an assignment shall be deemed to include a change in the majority control of Tenant, if Tenant is a partnership or a corporation whose stock is not traded publicly. The withholding of consent by Landlord to any assignment shall not affect or diminish any right of Tenant to sublet all or any part of the Premises. Notwithstanding anything contained herein to the contrary, Tenant shall remain primarily liable under this Lease following any assignment, unless Tenant is specifically released from liability by Landlord in writing.

C. Subletting. Tenant shall have the right, without Landlord's consent , to sublet all or any portion of the Premises (the entire Premises or any portion of the Premises if a sublet of less than all of the Premises is desired being hereinafter referred to as "Subject Premises"), provided that Tenant shall deliver to Landlord copies of the fully executed sublease and any related documentation within thirty (30) days after complete execution of the sublease.

D. If Tenant sublets the Premises or any portion thereof or assigns the Lease (with Landlord's consent, if required under this Section 14):

1. the terms and conditions of this Lease, including among other things, the use provisions and the liability of Tenant for the Subject Premises or

the Premises (as the case may be), shall in no way be deemed modified, abrogated or amended.

2. the consent of Landlord to an assignment shall not be deemed a consent to any further assignments by either Tenant, subtenants or assignees.

3. Tenant shall pay Landlord as additional Base Rent, sixty percent (60%) of any excess rent (together with escalation) payable to and collected by Tenant under the sublease or assignment over the Base Rent pus Rent Adjustments payable to Landlord under this Lease, except that Tenant shall not be required to pay Landlord any portion of any excess rent arising out of a subletting of the 10th floor or any portion thereof. Notwithstanding any other provisions of this Lease, there shall be no abatement or reduction of Base Rent or Rent Adjustments as a result of amounts payable pursuant to this Section 14.D.3. Such excess rent shall first be reduced by one hundred percent (100%) of the following:

a. brokerage commissions;

b. advertising and legal expenses involved in the subletting or assignment or in subsequently enforcing the terms of the sublease or assignment; and

c. the actual expenditures of Tenant for improvements it is required to make as a result of the sublease or assignment.

4. in the case of a sublease, the sublease must contain default provisions similar to those contained in this Lease and in the event of a default under the sublease Tenant agrees to use reasonable efforts to promptly enforce such provisions if such default affects the safety or operation of the

Building or its Systems or structure or the quiet enjoyment of any other tenants of their respective premises.

15. Waiver of Claims and Indemnity.

A. 1. To the extent permitted by law, Tenant releases Landlord Related Parties (defined in Section 15.E.1.) from, and waives all claims for, damage to person or property sustained by Tenant or any occupant of the Building or Premises resulting from the Building or Premises or any part of either or any equipment or appurtenance becoming out of repair or resulting from any accident in or about the Building, or resulting directly or indirectly from any act or omission of any tenant or occupant of the Building or any other person, other than Landlord Related Parties. This Section 15 shall apply especially, but not to exclusively, to the flooding of basements or other subsurface areas, and to the damage caused by refrigerators, sprinkling devices, air-conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures and shall apply equally whether such damage be caused or result from any thing or circumstances above mentioned or referred to, or any other thing or circumstance whether of a like nature or of a wholly different nature.

2. The Landlord Related Parties shall not be liable, to the extent of the recovery by Tenant under any property damage insurance carried by it (whether or not required to be carried by the terms of this Lease), or if Tenant has made a reduction in the insurance which Tenant is required to keep in force pursuant to Section 12, to the extent of the recovery Tenant would have had if Tenant had not made such reduction, for any loss or damage to property even if due to the negligence, gross negligence or intentional misconduct of any of the Landlord Related Parties. Tenant shall make diligent efforts to recover from its insurers the full amount of any insured claim.

B. 1. To the extent permitted by law, Landlord releases Tenant Related Parties (defined in Section 15.E.2.) from, and waives all claims for, damage to person or property sustained by Landlord or any occupant of the Building or Premises resulting from the Building or Premises or any part of either or any equipment or appurtenance becoming out of repair or resulting from any accident in or about the Building, or resulting directly or indirectly from any act or omission of any tenant or occupant of the Building or of any other person, other than Tenant Related Parties. This Section 15 shall apply especially, but not exclusively, to the flooding of basements or other subsurface areas, and to damage caused by refrigerators, sprinkling devices, air-conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures and shall apply equally whether such damage be caused or result from any thing or circumstance above mentioned or referred to, or any other thing or circumstance whether of a like nature or of a wholly different nature. If any such damage, whether to the Premises or to the Building or any part thereof, or whether to Landlord or to other tenants in the Building, results from any negligence of Tenant Related Parties, its invitees or customers, except as provided in Section 15.B.2., Tenant shall be liable therefor and Landlord may, at the option of Landlord, repair such damage and subject to Section 15.B.2., Tenant shall, upon demand by Landlord, reimburse Landlord forthwith for the total expense of such repairs.

For a continuation of Section 15, see page 13(a)

2. The Tenant Related Parties shall not be liable to Landlord to the extent of the recovery by Landlord to the extent of the recovery by Landlord under any property damage or rent loss insurance carried by it (whether or not required to be carried by the terms of this Lease), or if Landlord has made a reduction in the insurance which Landlord is required to keep in force pursuant to Section 35, to the extent of the recovery Landlord would have had if Landlord had not made such reduction, for any loss or damage to any person or property even if due to the negligence, gross negligence or intentional misconduct of any of the Tenant Related Parties. Landlord shall make diligent efforts to recover from its insurers the full amount of any insured claim.

C. Except as provided in Section 15.B.2., Tenant agrees to indemnify and save all of the Landlord Related Parties harmless against any and all claims, demands, liabilities, costs and expenses, including, without limitation, reasonable attorney's fees for the defense thereof, arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or from any negligence on any of the Tenant Related Parties in or about the Building or Premises. In case of any action or proceeding brought against any of the Landlord Related Parties by reason of such claim, upon notice from Landlord, Tenant covenants to defend such action or proceeding by counsel reasonably satisfactory to Landlord. Except as provided in Section 15.A.2., Landlord agrees to indemnify and save all of the Tenant Related Parties harmless against any and all claims, demands, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees for the defense thereof, arising from any breach or default on the part of Landlord in the performance of any covenant or

agreement on the part of Landlord to be performed pursuant to the terms of this Lease (subject to Force Majeure), or from any negligence of any of the Landlord Related Parties in or about the Building or Premises. In case of any action or proceeding brought against any of the Tenant Related Parties by reason of any such claim, upon notice from Tenant, Landlord covenants to defend such action or proceeding by counsel reasonably satisfactory to Tenant.

D. Nothing contained in this Section 15 or in this Lease shall require Landlord Related Parties or Tenant Related Parties to release, indemnify, or waive claims against the other for liability caused by negligence or intentional misconduct of the other, it being understood that subject to Sections 15.A.2. and 15.B.2., each respective party shall be responsible for its own negligent or intentional misconduct.

E. For purpose of this Section 15:

1. "Landlord Related Parties" means Landlord, JMB/MS Management Co., the beneficiaries of Landlord, the partners which comprise the beneficiaries of Landlord, the partners which comprise such partners, and the agents, employees, officers, directors, shareholders, partners or principals (disclosed or undisclosed) of any of them.

2. "Tenant Related Parties" means Tenant or the officers, directors, shareholders, agents and employees of Tenant.

16. Mortgage-Ground Lease. Landlord may execute and deliver a mortgage or trust deed in the nature of mortgage, both sometimes hereinafter referred to as "Mortgage," against the Building, the Real Property or any interest therein, and may sell and lease back the underlying land on which the Building is situated. If requested by the mortgagee or trustee or by the lessor of any ground or underlying lease (ground lessor), Tenant will either subordinate its interest in this Lease to said Mortgage, or ground or underlying lease or make its interest in this Lease superior, and will execute such agreement or agreements as may be reasonably required by such mortgagee, trustee or ground lessor FN 14.1.

It is further agreed:

A. Should any mortgage affecting the Building or the Real Property be foreclosed or if any ground or underlying lease be terminated:

1. The liability of the mortgagee, trustee or purchaser as such foreclosure sale or the liability of a subsequent owner designated as Landlord under this Lease shall FN 14.2. exist only so long as such trustee, mortgagee, purchaser or owner is the owner of the Building or Real Property and such shall not continue or survive after further transfer of said ownership.

2. Upon request of the mortgagee or trustee, Tenant will attorn as Tenant under this Lease, to the purchaser at any foreclosure sale thereunder FN 14.3. or if any ground or underlying lease be terminated for any reason, Tenant will attorn as Tenant under this Lease to the ground lessor under the ground lease FN 14.4. and will execute such i8nstruments as may be necessary or appropriate to evidence such attornment FN 14.5.

FN 14.1. through FN 14.5. - see page 14(a)

FN 14.1. - continued from Section 16

; provided, however, that Tenant shall not be required to subordinate its interest in this Lease unless the mortgage (or trustee) or ground lessor shall provide Tenant with a Non-Disturbance and Attornment Agreement providing substantially the same rights and obligations as the form attached hereto as Exhibit "F".

FN 14.2. - continued from Section 16.A.1.

, provided that the transferee of such mortgagee, trustee, purchaser at a foreclosure sale or subsequent owner designated as Landlord under this Lease assumes the obligations of Landlord under this Lease,

FN 14.3. - continued from Section 16.A.2.

provided that such purchaser assumes and performs the obligations of Landlord hereunder,

FN 14.5. - continued from Section 16.A.2.

(but only if Tenant has received an agreement providing substantially the same rights and obligations as the form attached hereto as Exhibit "F" executed by such mortgagee, trustee, ground lessor or purchaser at a foreclosure sale).

B. This Lease may not be modified or amended except as provided so as to reduce the Base Rent and/or Rent Adjustments, or shorten the Term, or so as to adversely affect in any other respect to any material extent the rights of Landlord, nor shall this Lease be cancelled or surrendered, without he prior written consent, in each instance, of the ground lessor or mortgagee.

FN 15.1.

17. Certain Rights Reserved to Landlord. Landlord reserves and may exercise the following rights without affecting the obligations of Tenant hereunder:

A. to change the name or street address of the Building FN 15.2.

B. subject to Section 30 to install and maintain a sign or signs on the exterior of the Building;

C. to have access for Landlord and the other tenants of the Building to any mail chutes located on the Premises according to the rules of the United States Post Office;

D. to decorate, remodel, repair, alter or otherwise prepare the Premises for reoccupancy if Tenant vacates the Premises prior to the Expiration Date FN 15.3.

E. to retain pass keys at all times to the Premises FN 15.4.

F. to grant to anyone the exclusive right to conduct any business or undertaking in the Building FN 15.5.

G. to exhibit the Premises to FN 15.6.

H. to close the Building after regular working hours and on Holidays subject, however, to the right of Tenant to admittance, under such reasonable regulations as Landlord may prescribe from time to time which may include by way of example but not of limitation, that persons entering or leaving the Building identify themselves to a watchman by registration or otherwise and that said persons establish their right to enter or leave the Building:

I. to approve the weight, size and location of safes or other heavy equipment or articles, which articles may be moved in, about, or out of the Building or Premises only at such times and in such manner as Landlord shall direct and in all events, however, at the sole risk and responsibility of Tenant;

J. to take any and all measures, including inspections, repairs, alterations, decorations, outside the Premises, additions and improvements to the Premises or to the Building, as may be necessary for the safety, protection or preservation of the Premises FN 15.7.

FN 15.8. Landlord may enter upon the Premises and may exercise any or all of the foregoing rights hereby reserved without being deemed guilty of an eviction or disturbance of the use or possession by Tenant and without being liable in any manner to Tenant (except as provided in Section 15.D.) and without abatement of Base Rent or Rent Adjustments or affecting any of the obligations of Tenant hereunder.

18. Holding Over. If Tenant retains possession of the Premises or any part thereof after the termination of the Term or any extension thereof, by lapse of time or otherwise, on the first day of each month Tenant so retains possession, Tenant shall pay Landlord the Installments of Base Rent, and the estimate of Landlord of Rent Adjustments, both at double the rate payable for the month immediately preceding said holding over computed on a per-month basis, for each month or part thereof (without reduction for any partial month) that Tenant thus remains in possession, and in addition thereto, Tenant shall pay Landlord all damages, consequential as well as directly sustained by reason of the retention by Tenant of possession. The provisions of this Section do not exclude the right of Landlord of re-entry or any other right hereunder.

FN 15.1. through FN 15.8. - see pages 15(a) and 15(b)

FN 15.1. - continued after Section 16.B.

C. To the extent this Section 16 is inconsistent with Exhibit "F", Exhibit "F" shall be deemed controlling.

D. At the request of any mortgagee, trustee or ground lessor, Tenant shall give notice of any default by Landlord hereunder to such mortgagee, trustee or ground lessor, and such mortgagee, trustee or ground lessor shall have the right to cure such default within the applicable grace period provided herein, provided that such grace period shall commence upon giving of such notice by Tenant.

FN 15.2. - continued from Section 17.A.

; provided, however, if Landlord proposes such a change, it shall be subject to Tenant's approval which shall not be unreasonably withheld, provided further, however, that either a tenant in the Building or Landlord may refer to the

Building or use the Madison Street address without Tenant's approval;

FN 15.3. - continued from Section 17.E.

; provided, however, Landlord shall give Tenant at least thirty (30) days advance notice of such work to be performed in the Premises;

FN 15.4. - continued from Section 17.F.

except to those areas within the Premises designated by Tenant as Secured Area(s) pursuant to Section 34 of this Lease;

FN 15.5. - continued from Section 17.G.

; provided, however, that the granting of such exclusive rights shall not: 1. restrict or interfere with Tenant's ability to conduct its business on the Premises, or to use the Premises as provided for under this Lease or 2. require Tenant to do business with any other Tenant in the Building;

FN 15.6. - continued from Section 17.H.

prospective tenants during the last twelve (12) months of the Term; provided, however, Landlord shall use reasonable efforts to give Tenant reasonable advance notice of such exhibition;

FN 15.7. - continued from Section 17.K.

, or as may be necessary or desirable for the safety, protection or preservation of the Real Property (other than the Premises) or in the interests of the Landlord, or as may be necessary or desirable in the operation of the Real Property; provided, however, Landlord shall use reasonable efforts to give Tenant advance notice if Landlord intends to exercise its rights under this Section 17.K. within the Premises.

15(a)

FN 15.8. - continued at the beginning of the last paragraph of Section 17.

Subject to the provisions of Section 10 of this Lease regarding entry into the Premises by Landlord,

15(b)

19. Remedies of Landlord. All rights and remedies of Landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law.

A. FN 16.1.

B. If Tenant defaults in the payment of Base Rent, Rent Adjustment Deposits or Rent Adjustments, or in payment of any other amount due Landlord and Tenant does not cure the default within twenty (20) days after written demand for payment of such Base Rent, Rent Adjustment Deposits or Rent Adjustments or other amounts due Landlord or if Tenant defaults in the prompt and full performance of any other provisions of this Lease, and Tenant does not cure the default within forty-five (45) days after written demand by Landlord that the default be cured (unless the default involves a hazardous condition, which shall be cured forthwith) or if the leasehold interest of Tenant be levied upon under execution or be attached by process of law and such levy or attachment is not released within ninety (90) days, or if Tenant makes an assignment for the Benefit of creditors or admits its inability to pay its debts, or if a receiver be appointed for any property of Tenant, or if Tenant abandons the Premises, then and only in any such event Landlord may, is Landlord so elects but not otherwise, and after notice of such election, either forthwith terminate this Lease and the right to possession of the Premises by Tenant or, without terminating this Lease, forthwith terminate the right to possession of the Premises by Tenant FN 16.2.

C. At the Expiration Date or upon any termination of this Lease, whether by lapse of time or otherwise, or upon any termination of the right to possession by Tenant without termination of this Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, and hereby grants to Landlord full and free license to enter into and upon the Premises in such event with process of law and to repossess Landlord of the Premises as of the former estate of Landlord and to expel or remove Tenant and any others who may be occupying or within the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing the rights of Landlord to Base Rent or Rent Adjustments or any other right given to Landlord hereunder or by operation of law.

D. Landlord may elect to terminate the right to possession by Tenant only, without terminating this Lease, if Tenant fails to occupy or take possession of the Premises or fails to conduct its business activities in the Premises or abandons or vacates the Premises or otherwise entitles Landlord so to elect. Further, Landlord may elect to enter into the Premises, remove the signs of Tenant and other evidences of tenancy, and to take and hold possession

thereof as in subsection C. of this Section 19 provided, without such entry and possession terminating this Lease or releasing Tenant, in whole or in part, from the obligation of Tenant to pay Base Rent or Rent Adjustments hereunder the full Term. Upon and after entry into possession without termination of the Lease, Landlord shall take reasonable measures to mitigate damages recoverable against Tenant and shall use reasonable efforts to relet the Premises or any

FN 16.1. and FN 16.2. - see page 16(a) - 16(b)

FN 16.1. - continued from Section 19.A.

A. To the extent permitted by law, if, at any time during the Term, Tenant who is then the holder of this Lease (or any guarantor of the obligations of Tenant under this Lease) becomes a debtor or debtor-in-possession under any Chapter of Title 11 of the United States Code 11 U.S.C. Sections 101 et. Seq. ("Code"), or any other federal statute pertaining to bankruptcy, whether by voluntary or involuntary proceedings (except where an involuntary petition shall be filed against Tenant, if it is vacated or withdrawn within sixty (60) days [plus any extension of time granted in such bankruptcy proceedings]), makes a general assignment of its assets for the benefit of its creditors, or enters into any other court supervised or out-of-court restructuring or work-out of its liabilities, or if a receiver, liquidator, trustee or assignee is appointed to administer all or a portion of Tenant's assets (except where such receiver shall be appointed in an involuntary proceeding, and be withdrawn within sixty [60] days [plus any extension of time granted in such bankruptcy proceeding] of his appointment), or if the leasehold interest of Tenant is levied upon under execution or is attached by process of law, then and in any such event this Lease shall forthwith terminate without notice and without entry or other action by Landlord. Upon such termination Landlord shall be entitled to its remedies upon termination as set forth in Section 19.B.

FN 16.2. - continued from Section 19.B.

; provided, however, if Tenant defaults in any provisions of this Lease other than the payment of Base Rent, Rent Adjustment Deposits, Rent Adjustments or any other amount due Landlord, which shall be governed as stated, or other than a default which involves a hazardous condition or a default pursuant to Section 7.F., which shall be cured forthwith, and if Tenant, within the forty-five (45) day period referred to above, gives Landlord evidence which is satisfactory, in the reasonable judgment of Landlord, that Tenant is diligently pursuing a course which will remedy the default which is the subject of the notice, such default shall be deemed remedied, but provided further, that (i) if after one hundred twenty (120) days elapse from the date of the original notice of the default such default has not been cured, or (ii) if Tenant fails to give Landlord satisfactory evidence, within the forty-five (45) day period referred to above, that Tenant is diligently pursuing a course which will remedy the default, Landlord shall thereupon again have to right to serve notice of default as provided in this Section 19.B. and under such circumstances Tenant shall not have the right to cure the default beyond such forty-five (45) day period or to evidence diligent remedying of the default to avoid its consequences and Landlord shall be entitled immediately after giving such notice to exercise all of its remedies under this Lease with respect to such default. If Landlord terminates this Lease and the Term created hereby, pursuant to this Section 19, or if such termination occurs pursuant to Section 19.A., Landlord may forthwith repossess the Premises and shall be entitled to recover forthwith, in addition to any other sums or damages for which Tenant may be liable to Landlord, as damages a sum of money equal to the excess of the present value of the Base Rent plus Rent Adjustments provided to be paid by Tenant for the balance of the Term over the present value of the then reasonable rental value of the Premises (after deductions of all anticipated expenses of reletting) for said period. For purposes of determining present value, Landlord and Tenant agree to use a discount rate equal to the lower of the average published prime rate (or its equivalent) of

interest then in effect at Continental Illinois National Bank and Trust Company of Chicago, The first National Bank of Chicago and Harris Trust and Savings Bank, or the maximum legal rate of interest. Should the present value of the then reasonable rental value of the Premises (after deduction of all anticipated expenses of reletting) for the balance of the Term exceed the present value of the Base Rent plus Rent Adjustments provided to be paid by Tenant for the balance of the Term, Landlord shall have no obligation to pay to Tenant the excess or any part thereof or to credit such excess or any part thereof against any other sums or damages for which Tenant may be liable to Landlord.

part thereof for the account of Tenant to any person, firm or corporation other than Tenant, for such Base Rent, for such time and upon such terms as Landlord, in its reasonable discretion, shall determine, and Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. In any such case, Landlord may make repairs, alterations and additions in or to the Premises, and redecorate the

same to the extent deemed by Landlord reasonably necessary or desirable, and Tenant shall, upon demand, pay the expense thereof, together with the expenses of Landlord of the reletting. If the consideration collected by Landlord upon any such reletting for the account of Tenant is not sufficient to pay monthly the full amount of the Base Rent and Rent Adjustments reserved in this Lease, together with the expenses of repairs, alterations, additions, redecorating and the expenses of Landlord, Tenant shall pay to Landlord the amount of each monthly deficiency upon demand.

E. Intentionally Omitted.

F. Any and all property which may be removed from the Premises by Landlord pursuant to the authority of the Lease or of law, to which Tenant is or may be entitled, may be handled, removed or stored by Landlord at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in possession of Landlord or under the control of Landlord. Any such property of Tenant not retaken from storage by Tenant at the end of the Term, however terminated, shall be conclusively presumed to have been conveyed by Tenant to Landlord under this Lease as a bill of sale without further payment or credit by Landlord to Tenant.

G. Tenant hereby grants Landlord a first lien upon the interest of Tenant under this Lease to secure the payment of moneys due under this Lease, which lien may be enforced in equity; and Landlord shall be entitled as a matter of right to have a receiver appointed to take possession of the Premises and relet the same under order of court.

H. Landlord or Tenant shall pay upon demand all the costs, charges and expenses of the other, including the fees of counsel, agents and others retained, incurred in enforcing the obligations of the other hereunder if the enforcing party prevails. If, however, either party causes the other party to become involved or concerned in any litigation, negotiation or transaction, without the fault of the other such party, such party shall pay the other party, upon demand, all of such other party's costs, charges and expenses, including the fees of counsel, agents and others retained, incurred in connection with such litigation, negotiation or transaction, regardless of who prevails. Additionally, if Tenant, on a repetitive basis, defaults under this Lease, so that Landlord, on a repetitive basis, is required to serve default notices on Tenant, Tenant shall pay Landlord a fee for each default notice served as reimbursement to Landlord for costs and expenses incurred in serving such default notices FN 17.1.

20. Intentionally Omitted.

21. Surrender of Possession. At the Expiration Date or other termination of the Term, or the right of Tenant to possession hereunder. Tenant shall quit and surrender the Premises to Landlord. broom clean, in good order and condition, ordinary wear and damage by fire or other casualty excepted, and Tenant shall remove all of its property FN 17.2. If Tenant does not remove its property of every kind and description from the Premises prior to the end of the Term, however ended. Tenant shall be conclusively presumed to have conveyed the same to Landlord under this Lease as a bill of sale without

FN 17.1. through FN 17.2. - see page 17(a)

FN 17.1. - continued from Section 19.H.

; provided that Tenant shall not be obligated to pay for the first three (3) default notices served to Tenant under this Lease.

FN 17.2. - continued from Section 21.

including, without limitation, the property which Landlord requires that Tenant remove pursuant to Section 9.K. Tenant shall repair any damage, other than the ordinary minor damage incidental to an office tenant vacating office space, caused by the removal of its property from the Premises.

further payment or credit by Landlord to Tenant and Landlord may remove the same and Tenant shall pay the expense of such removal to Landlord upon demand. The obligation of Tenant to observe or perform this covenant shall survive the Expiration Date or other termination of the Term.

22. Notices. All notices shall be in writing unless otherwise specified.

A. Notices shall be effectively served by Landlord upon Tenant by forwarding via Certified or Registered Mail, postage prepaid, to Tenant at the Premises, Attn: the President, with separate copies to be forwarded as follows:

1. to the Premises:

a. Attn: David O'Gorman

Senior Vice President of Administrations and
Finance; or
Tenant's Senior Vice President of
Administrations and Finance form time to time;

b. Attn: the Real Estate Representative specified by Tenant (if one has been Designated to Landlord in a notice from Tenant); and

c. Attn: Legal Department

2. Goldberg, Kohn, Bell, Black, Rosenbloom & Morris, Ltd.
Attorneys -at -Law
55 East Monroe Street
Suite 3900
Chicago, Illinois 60603
Attention: James B. Rosenbloom, Esquire

Or to such other address as Tenant mat direct in writing. The time of notice shall be three (3) business days after the time of mailing. If at any time during the Term Tenant's Senior Vice President of Administrations and Finance changes, Tenant shall immediately notify Landlord of such changes.

B. Notices shall be effectively served by Tenant upon Landlord when addressed to Landlord and served;

1. Upon an officer of Landlord; and

2. Certified or Registered Mail, postage prepaid, to Landlord in care of JMB/MS Management Co., Suite 1200, 111 East Wacker Drive, Chicago, Illinois 60601, Attention: Legal Department or if notified of another address by Landlord, at such later address, in which case three (3) business days after the time of mailing shall be the time of notice.

23. Intentionally Omitted.

24. Intentionally Omitted.

25. Registered Agent

A. Tenant shall at all times during the Term of this Lease have a registered agent for service of process in Illinois. Tenant hereby appoints Carl A. Royal, or Tenant's general counsel form time to time, 30 South Wacker Drive, Chicago, Illinois 60606, as its true and lawful registered agent for service of process.

B. If at any time the during the Term Tenant's registered agent in Illinois and/or registered office changes (including without limitation its general counsel from time to time), Tenant shall immediately notify Landlord of such change.

26. Miscellaneous.

A. No payment by Tenant or receipt by Landlord of lesser amount than any Installment or payment of Base Rent, Rent Adjustment Deposits, Rent Adjustments or other amounts due shall be deemed other than on account of the amount due, and no endorsement or statement on any check or any transmittal document accompanying any check or payment of any amount due shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to the right of the Landlord to recover the balance of any amount due or pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the Expiration Date or termination of the Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Premises shall reinstate, continue or extend the Expiration Date of Term or affect any such notice, demand or suit.

B. No waiver of any default of Tenant or Landlord hereunder shall be implied from any omission by Landlord or Tenant to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated.

C. The word "Landlord" and "Tenant" wherever used in this Lease shall be construed to mean plural where necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

D. Each provision hereof shall extend to and shall, as the case may require, bind and inure to the benefit of Landlord and Tenant and their respective heirs, legal representatives, successors and assigns in the event this Lease has been assigned with the express written consent of Landlord.

E. Submission of this Lease for examination does not constitute a reservation of or option for the Premises. This Lease does not become effective as a lease or otherwise until execution and delivery by both Landlord and Tenant

F. All amounts owed by Tenant to Landlord shall be deemed additional Base Rent and (unless otherwise provide, and other than the Base Rent, Rent Adjustments Deposits and rent Adjustments, which shall be due as provided) be paid within twenty (20) days from the date Landlord renders a statement of account. All such amounts (including Base Rent, Rent Adjustment Deposits and Rent Adjustments) shall bear interest from twenty (20) days after date paid at the average published prime rate (or its equivale) of interest in effect on the date due at the Continental Illinois National Bank and Trust Company of Chicago, The First National Bank of Chicago and the Harris Trust and Savings (the "Prime Rate") or at the maximum legal rate, if any, of interest for business loans, whichever is lower.

G. All exhibits attached to this Lease are hereby made a part of this Lease as though inserted in this Lease.

H. The headings of sections are for convenience only and do not limit or construe the contents of the sections.

I. If Tenant shall occupy the Premise prior to the Commencement Date with the consent of Landlord, all the provisions of this Lease shall be in full force and effect as soon as Tenant occupies the Premises.

J. Subject to Section 16, should any mortgage, leasehold or otherwise, requires modification of this Lease which will not bring about any increased expense to Tenant or in any other way materially change the rights and obligations of Tenant hereunder, Tenant agrees that this Lease may be so modified.

FN 19.1. - see page 19(a)

FN 19.1. - continued after Section 26.E.

If all of the terms and conditions thereof are acceptable to Landlord, Landlord shall use reasonable efforts to execute this Lease as soon as practicable after receipt of a Lease duly executed by Tenant. In the event that Landlord does not execute this Lease and deliver a copy thereof to Tenant within fifteen (15) days after the same is executed by Tenant and received by Landlord, Tenant, at any time prior to its receipt of a fully executed Lease from Landlord, shall have the right to revoke delivery and withdraw its execution of this Lease by serving Landlord with written notice thereof.

K. Landlord and Tenant each represent to the other that they have dealt directly with and only with Metropolitan Structure and The Levy Organization as brokers in connection with this Lease, and that insofar as such party knows no other broker negotiated this Lease or is entitled to any commission in connection therewith, Landlord will pay the commission owing to Metropolitan Structure in connection with this Lease and will pay the commission owing to the Levy Organization. Tenant indemnifies and holds Landlord, its beneficiaries, Owner and the partners of Owner and their respective agents and employees harmless from all claims of any other brokers claiming to have been employed by or to have represented Tenant in connection with this Lease. Landlord indemnifies and holds Tenant, its agents and employees harmless from all claims of any other brokers claiming to have been employed by or to have represented Landlord in connection with this Lease.

J. Landlord and Tenant agrees from the time upon at least thirty (30) days prior to request, to deliver to the other a written statement certifying: 1. that this Lease is unmodified and in full force and effect, if such be the case (or if there have been modifications that the same is in full force and effect as modified, if such be the case and identifying the modification). 2. the dates to which the Base Rent and other charges have been paid, 3. that so far as the person making the certificate knows, Landlord or Tenant (as the case may be) is not in default under any provisions of this lease, if such the case and 4. any other information and certifications reasonably requested by Tenant or Landlord, ground lessor or mortgage (a the case may be).

M. The title of Landlord or Owner is and always shall be paramount to the title of Tenant, and nothing herein contained shall empower Tenant to do any act which can, shall or may encumber such title FN 20.1

N. The laws of the State of Illinois shall govern the validity, performance, construction and enforcement of this Lease.

O. If ant term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons of circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

P. The term "Owner", as used in this Lease, means the beneficiary of the Land Trust which owns title to the Real Property or the Building. If such beneficiary is a partnership, any liability or obligation of said partnership under this Lease whether as beneficiary or Owner shall be limited to solely to the assets of such Land Trust and no partner of said partnership shall be individually or personally liable for any claim arising out of this Lease. A deficit capital account of any such partner shall not be deemed an asset or property of said partnership.

Q. If Tenant is a corporation, the persons executing this Lease on behalf of such corporation hereby represent and warrant that they have been duly authorized to execute this Lease for and on behalf of such corporation pursuant to a duly adopted resolution of its board of directors or by virtue of its bylaws.

R. Landlord and Tenant agree that should Landlord, in the exercise of its reasonable discretion, determine that a fire emergency exit (crash door) is required in the interest of public safety, Landlord may, at its sole expense install such fire emergency exit (crash door) in any demising wall of the Premises.

S. If Landlord is a bank as trustee under a trust, this Lease is executed by the undersigned trustee, not personally but solely as trustee and its expressly understood and agreed by the parties hereto, anything contained herein to the contrary notwithstanding, that each and all of the covenants, undertakings, representations and agreements herein made are made and intended, not as personal covenants, undertakings, representations and agreements of the trustee, individually, or for the purpose of binding it personally , but this Lease is executed and delivered by the trustee, solely in the exercise of the powers confirmed upon it as such trustee under said trust agreement and no personal liability or personal responsibility is assumed by, nor shall at any

time be asserted or enforced against said bank, the beneficiary of said trust or its Agent on account hereof, or on account of any covenant undertaking, representation, warranty or agreement herein contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by the parties hereto or holder hereof, and by all persons claiming by or through or under said parties or holder hereof. Such trustee, hereby confirms that its beneficiary has the authority to manage the Buildings and has designated JMB/MS Management Co. as Agent for the Beneficiary in connection with the management of the Building.

T. Intentionally Omitted.

FN 20.1 - see page 20 (a)

FN 20.1. - continued from Section 26.M.

, provided that either Landlord or Tenant may record a Memorandum of Lease in form and substance acceptable to both Landlord and Tenant.

U. Landlord and Tenant agree, that to the extent permitted by law, for possession actions only, each shall and hereby does waive trial by jury.

V. Approvals, permission, elections or the consent of Landlord, or Tenant (as case may be) under this lease must be in writing in order to be valid and Landlord and Tenant agree that their respective approval or consent when required under this Lease shall not be unreasonably withheld or delayed, except to the extent that this Lease expressly sets forth a different standard for the granting or withholding of such approval or consent.

X. The liability or obligations of Metropolitan Structures under this Lease, if any, shall be limited to its partnership assets and no partner of said partnership shall be individually or personally liable for any claims arising out of this Lease. A deficit capital account of any such partner shall not be deemed an asset or property of said partnership.

Y. Landlord represents that to the best of its knowledge, information and belief, as of the date of this Lease, the Building and all Systems and fire safety apparatus fully comply with all applicable laws, ordinances, governmental regulations and fire safety requirements.

Z. This Lease does not grant any rights to light or air over the building.

AA. The liability or obligations of JMB/MS Management Co. under this Lease, if any, shall be limited to its partnership assets and no partner of said partnership shall be individually or personally liable for any claim arising out of this Lease. A deficit capital account of any such partner shall not be deemed an asset or property of said partnership.

27. Tenant Credit

A. 1. As a concession to Tenant, Landlord hereby grants Tenant the following credits in the aggregate amount of THREE MILLION SIX HUNDRED TWENTY-EIGHT THOUSAND FOUR HUNDRED FIFTY-THREE AND 20/100 Dollars ($3,628,453.20) ("Rent Credit") to be applied against the following Installments:

MONTH	AMOUNT
April, 1988	$ 260,746.10
May, 1988	260,746.10
June, 1988	260,746.10
July, 1988	260,746.10
August, 1988	260,746.10
September, 1988	260,746.10
October, 1988	260,746.10
November, 1988	260,746.10
December, 1988	260,746.10
January, 1989	260,746.10
February, 1989	260,746.10
March, 1989	260,746.10
April, 1989	41,625.00
May, 1989	41,625.00
June, 1989	41,625.00
July, 1989	41,625.00
August, 1989	41,625.00
September, 1989	41,625.00
October, 1989	41,625.00
November, 1989	41,625.00
December, 1989	41,625.00
January, 1990	41,625.00
February, 1990	41,625.00
March, 1990	41,625.00 - -----------
----- Rent Credit	$ 3,628,453.20

2. a. The monthly credits listed above are herein referred to as "Installment Credits". Installment Credits shall only be applied against Installments to any other provisions of this Lease, the Installment Credit for each month during which such an abatement occurs shall be applied to the portion (if any) of the Installment of Base Rent for such month that is not abated, and

the portion of the Installment Credit for such month not applied against Base Rent for such month by reason of such abatement (The "Deferred Installment Credit") shall be applied toward Installments of non-abated Base Rent becoming due as follows: the aggregate amount of Deferred Installment Credits (if any) shall be applied as a credit toward successive Installments of Base Rent not otherwise abated pursuant to this Lease, commencing with the Installment of Base Rent for the month of April 1989 or the first month thereafter that Base Rent is not otherwise abated, until the aggregate amount of Deferred Installment Credits has been so applied. For example, if Base Rent for the entire Premises was abated for the month of June, 1988 and for the first ten (10) days of July, 1988, then the aggregate amount of Deferred Installment

Credits would equal $346,470.85 ($260,746.10 for June, 1988 plus $85,724.75 for the first ten (10) days of July, 1988). Such amount would than be applied as a credit toward the following Installments:

MONTH AMOUNT
April, 1989 $ 219,121.10
May, 1989 127,349.75
Total $ 346,470.85

It is understood that Deferred Installment Credits shall not be applied as a credit toward Rent Adjustment Deposits, Rent Adjustments or any amount, other than the Base Rent Installments, due and owing from Tenant to Landlord pursuant to any provision of this Lease.

b. Under no circumstances (including, without limitation a termination of this Lease as a result of a default) shall Landlord be obligated to pay Tenant cash or any other form of consideration on account of the Installment Credits or the Deferred Installment Credits (if any), even if Tenant will not otherwise receive the benefit of all or any portion of the Installment Credits or the Deferred Installment Credits (if any).

3. The balance of Base Rent, Rent Adjustment Deposits and/or Rent Adjustments due for any month to which an Installment Credit or Deferred Installment Credit (if any) is applied shall be paid as provided in Sections 2 and 3 of this Lease.

B. 1. As an additional concession to Tenant, Landlord hereby grants Tenant a credit ("Work Credit") in the amount of SEVEN MILLION SIX HUNDRED TWENTY-FOUR THOUSAND SEVEN HUNDRED AND 00/100 Dollars ($7,624,700.00, this amount is calculated as follows: [($45.00 X 175,660) - $300,000.00] plus $20,000.00 to be applied in the following sequence:

a. $73,074.56 (.416 X 175,660) to the cost of the preliminary sprinkler grid in the Premises existing as of the date of the Lease; and

b. $5,260.74 (.416 X 12,646) to the cost of the preliminary sprinkler grid in the Support Space (as defined in the Support Space Supplement attached hereto) existing as of the date of this Lease; and

c. $29,686.54 to the cost of horizontal Venetian blinds purchased form Landlord for all peripheral windows in the Premises; and

d. the balance shall be applied to the cost of the Initial Alterations (as defined in the Work Supplement) performed in the Premises (including, but not limited to, the cost of space planning, design, related architectural and engineering services and the preparation of Plans [as defined in the Work Supplement] for the Initial Alterations performed in the Premises).

2. Tenant shall be responsible for the performance of the Initial Alterations. During construction of the Initial Alterations, upon receipt by Landlord of waivers of mechanics' liens from the General Contractor and the subcontractors (with respect to lienable items only); percentage completion certificates from Tenant, Tenant's architect, its General Contractor, space planner, engineer and other consultants as the case may be; a sworn contractors affidavit form the General Contractor; and a written request to disburse from Tenant containing an approval by Tenant of the work done and specifying each party to whom Work Credit funds are to be disbursed and the amount of each disbursement, Landlord shall disburse Work Credit funds directly to Tenant's architect, space planner, engineer or other consultants or General Contractor or subcontractors (as the case may be); provided, however, Landlord will only disburse Work Credit funds at the end of each calendar month and only for the cost of work done during the period beginning with the commencement of construction and ending two years thereafter and with respect to which Landlord

receives the documents required under this subsection 27.B.2. on or before the first day of such calendar month, and provided further, that Landlord shall be obligated to disburse any portion of the Work Credit during the continuance of an uncured material or monetary default under this Lease, and Landlord's obligation to disburse shall only resume when and if such default is cured. If practicable, subcontractor's mechanics lien waivers will cover all work for which disbursements is requested. Otherwise, such waivers shall at least cover all work for which previous draws have been made. There shall be no fee charged to Tenant for the disbursing of Work Credit.

3. Notwithstanding anything contained herein to the contrary, if Landlord fails to disburse funds as required in subsection 27.B.2. above, and as a result thereof Tenant disburses its own funds toward the Initial Alterations, Landlord shall pay interest to Tenant on such funds from the date of such disbursement by Tenant to the date the Work Credit is disbursed by Landlord, or any portion thereof which would cover the amount then disbursed by Tenant, at the average published prime rate (or its equivalent) of interest in effect on the date the Work Credit would other wise have been due, at the Continental Illinois National Bank and Trust Company of Chicago, The First National Bank of Chicago and the Harris Trust and Savings Bank or the maximum legal rate, if any, of interest for business loans, whichever is lower.

4. Upon completion of the Initial Alterations Tenant shall furnish Landlord with: a. Tenant, General Contractor, and architectural completion affidavits, b. full and final waivers of lien, c. receipted bills covering all labor and materials expended and used, d. other appropriate documents evidencing completion of the Initial Alterations, and f. a representation from Tenant to the best of its knowledge and a certification by Tenant's architect, that the Initial Alterations were constructed in accordance with the Plans and all applicable building codes and regulations (provided that Landlord shall have the right to withhold final payment until Tenant has furnished Landlord with the items required in subsections 27.B.4.a. through 27.B.4.f.).

28. Intentionally Omitted.

29. Intentionally Omitted.

30. Signage.

I. Elevator Lobby Sign.

A. Tenant may, at its expense, install up to three (3) signs ("Lobby Signs") identifying Tenant (Tenant name and logo), in the elevator lobby of the elevator bank serving the Premises in the lobby at the Plaza level of the Building (the "Low Rise Elevator Lobby") on the east and west walls at the north end of such Low Rise Elevator Lobby, and on the east wall at the south end of such Low Rise Elevator Lobby shown as point A, Point B and Point C, respectively, on attached Exhibit "I", but only if:

1. Tenant is not in default under this Lease at the time of installation (or if in default, applicable grace periods have not then expired); and

2. at the time of installation Tenant and/or Members of Tenant occupy (and are legally entitled to occupy) or have leased at least 50,000 square feet of space in the Building; provided, however, Tenant shall not be entitled to install its Lobby Sign prior to the Commencement Date.

B. Landlord, Landlord's architect and Tenant shall work together to determine the general design (including, without limitation, the size, material, shape and lettering) of the Lobby Signs, provided that Landlord's architect shall have the right to make the final determination of the general design if Landlord and Tenant cannot agree upon the general design. The precise location and method of installation of each Lobby Sign must be approved by the architect of Landlord in its reasonable discretion.

C. The Lobby Signs may not be installed until the earlier to occur of (i) June 30, 1988; and (ii) the date on which a sign identifying another tenant in the Building is installed in the lobby at the Plaza level of the Building.

D. All other elevator lobby signs at the Plaza level of the Building shall have the same general appearance (i.e., size, material, shape and lettering [except to the extent that a tenant's logo requires a certain type of lettering]) as the Lobby Signs and shall be installed only at those locations designated on Exhibit "I". There shall be no other signs in the lobby at the Plaza level other than temporary signs which are in place for no more than one hundred twenty (120) days, the lobby directory, and signband identifying the retail tenants.

E. No signs other than the Lobby Signs shall, be installed in the Low Rise Elevator Lobby, provided that Landlord may install a sign for the parking garage on the west wall at the south end of the Low Rise Elevator Lobby in the location shown on Exhibit "I" attached hereto.

F. Tenant, at its expense, shall repair and replace the Lobby Signs or lettering when necessary. Landlord shall clean and maintain the Lobby Signs.

G. Landlord may (at its option) remove the Lobby Signs, and the restrictions on signage set forth in subsections 30.I.D. and 30.I.E. shall no longer be effective or applicable, if at any time Tenant and/or Members of Tenant occupy (and are legally entitled to occupy) or have leased less than 50,000 square feet in the Building (whether by reason of subleases, assignments or otherwise); provided

that for purposes of this subsection 30.I.G., Tenant and/or its Members will be deemed not to be in occupancy of any space in the Building which they are not entitled to occupy (for example, if Tenant and/or its Members are in occupancy as holdover tenants).

II. Building Sign.

A. If:

1. Landlord decides, in its sole discretion, to install a sign on or outside of the Building identifying the Building and/or tenants of the Building ("Building Sign"), other than a signband identifying retail tenants; and

2. Tenant is not in default under this Lease (or if in default, applicable grace periods have not then expired) at the time of installation; and

3. at the time of installation, Tenant and/or Members of Tenant occupy (and are legally entitled to occupy) or have leased at least 75,000 square feet of space in the Building;

Landlord shall include the name of Tenant on the Building Sign, it being understood that the names of up to six (6) other tenants of the Building may be listed on the Building Sign along with the name of Tenant.

B. The Building Sign will be located at a point within the area and substantially in the form shown on pages 1 and 2, respectively, of Exhibit "J" attached hereto. The final design details, the exact location within the area and the method of installation of such Building Sign shall be determined by Landlord and the architect of Landlord in their sole and absolute discretion.

C. If the Building Sign is installed, Landlord, at any time, in its sole discretion, may delete the names of other tenants listed on the Building Sign. Landlord shall not install more than one (1) Building Sign.

D. If Landlord decides, in its sole discretion, to install the Building Sign, Tenant shall pay its share of all of the costs of designing, constructing and installing such sign, which share shall be determined as follows: Tenant shall pay an amount ("Signage Share") equal to the total costs of the Building Sign divided by the number of tenants whose names will appear on the sign when it is initially installed. Tenant shall pay Landlord such amount within thirty (30) days after receipt of an invoice therefore from Landlord. With respect to each additional tenant whose name is added to the sign after its initial installation, Landlord shall recalculate Tenant's Signage Share based upon the increased number of tenants whose names will appear on the Sign, and if Tenant is not in default under this Lease, Landlord shall remit the difference between the Tenant's initial Signage Share and the Tenant's new Signage Share to the Tenant (if the new Signage Share is less than the initial Signage Share). Landlord shall remit any such amount within thirty (30) days after the addition of the new name on the Building Sign.

E. Landlord may, at its option, remove the Tenant's name from the Building Sign, and may redesign or add new Building Signs without incorporating Tenant's name thereon, if at any time the Tenant and/or Members of Tenant occupy (and are legally entitled to occupy) or have leased less than 75,000 square feet in the Building (whether by reason of subleases, assignments or otherwise); provided that for purposes of this subsection 30.II.E., Tenant and/or its Members will be deemed not to be in occupancy of any space in the Building which they are not entitled to occupy (for example, if Tenant and/or its Members are in occupancy as holdover tenants).

31. Antenna Option.

A. Tenant may lease space on the roof of the Building ("Antenna Option") to install, operate and maintain, at the expense of Tenant, a microwave receiving and/or transmitting facility or other similar communications equipment ("Facility"), if:

1. Landlord receives notice of exercise ("Antenna Notice") of this Antenna Option at any time on or before eighteen (18) months prior to the Expiration Date; and

2. Tenant is not in default under this Lease, after any applicable grace periods have expired, at the time it delivers the Antenna Notice; provided, that if Tenant fails to cure any default existing at the time the Antenna Notice is given within the applicable grace periods, Landlord, at its option, may declare Tenant's Antenna Notice to be null and void; and

3. the Antenna Area (defined below) is for the use of Tenant only during the Term and thereafter, if Tenant continues to lease the Antenna Area after the Term pursuant to subsection 31.D.; and

4. Tenant obtains, at its expense, all necessary permits and licenses form the City of Chicago and any other governmental agency having jurisdiction prior to installing the Facility in the Antenna Area; and

5. Tenant obtains the written approval of Landlord of the method of installation of, and the plans and specifications for, the Facility prior to installing the Facility prior to installing the Facility in the Antenna Area, which approval shall not be unreasonably withheld; and

6. Tenant executes and returns the "Antenna Supplement" (subsection 31.B.2. below) within thirty (30) days of its submission to Tenant.

B. If Tenant is able to and properly exercises its Antenna Option:

1. Landlord shall deliver seventy-five (75) square feet in a location on the roof of the Building selected by Landlord; provided, however, if Tenant determines the location selected by Landlord is not suitable, upon written request from Tenant, Landlord will identify the areas on the roof of the Building which Landlord has designated for use by tenants for communication equipment and which are available to be leased by Tenant for its Facility, and Tenant shall (subject to subsection 31.E.[ii] below) have the right to select an alternate location within the

available areas on the roof of the Building, which in Tenant's judgment is more suitable for placement of the Facility; provided further, however, any area on the roof of the Building that is subject to the rights of other tenants in the Building or in the 30 South Wacker Building (regardless of whether such rights arise pursuant to a lease or lease amendment entered into subsequent to the date hereof but prior to Tenant's selection of such alternate location) shall not be available for lease by Tenant. The space ultimately designated for the Facility shall be referred to herein as the "Antenna Area". Landlord makes no representation and shall have no obligation with respect to the suitability of the Antenna Area for use of the Facility.

2. a. Landlord shall prepare an Antenna Supplement to this Lease to reflect monthly installment for the Antenna Area, the annual increase in such installment specified in subsection 31.C., the provisions of subsections 31.D., 31.E., 31.F. and 31.G. and other appropriate terms set forth in this Section 31; and

b. a copy of the Antenna Supplement shall be sent to Tenant within a reasonable time after receipt of the Antenna Notice and executed by Tenant and returned to Landlord in accordance with subsection 31.A.6.;

3. The term for the Antenna Area shall commence upon the stated commencement date of the Antenna Supplement ("Antenna Commencement Date") and all terms and conditions of this Lease shall be applicable to the Antenna Area except Sections 3,4,27,33 and 35, and except to the extent that such terms and conditions with the provisions of this Section 31 (which provisions shall govern and control the leasing of the Antenna Area).

C. The monthly installment for the Antenna Area ("Antenna Installment") shall be $500.00 for the first twelve (12) months subsequent to the Antenna Commencement Date. The Antenna Installment shall then be increased at each Antenna Space Anniversary ("Antenna Space Anniversary" means the annual recurrence of the Antenna Commencement Date) by an amount equal to two percent (2%) of the Antenna Installment due for the month immediately preceding such Antenna Space Anniversary, e.g., if the Antenna Commencement date is February 1, 1989, then the Antenna Installment due for each month in the period commencing February 1, 1989 and ending January 31, 1990 shall be $500.00, and the Antenna Installment due for each month in the period commencing February 1, 1990 and ending January 31, 1991 shall be $510.00, and the Antenna Installment due for each month in the period commencing February 1, 1991 and ending January 31, 1992 shall be $520.00 and so on during the Term.

D. The term of the Antenna Supplement shall end ("Antenna Expiration Date") upon the Expiration Date or earlier termination of this Lease, provided that Tenant may continue to lease the Antenna Area after the Antenna Expiration Date, provided that Tenant:

1. continues to occupy (and is entitled to occupy) and conduct business on the Trading Floors (subsection 3.A.18) and/or continues to occupy (and is entitled to occupy) and conduct business in office space in the Building; and

2. executes a lease for the Antenna Area ("Antenna Lease"),

a. The term of the Antenna Lease shall commence on the day

immediately following the Antenna Expiration Date and end, with the exception that Tenant shall have a right to cancel upon thirty (30) days prior notice, on the later to occur of (i) the date Tenant no longer occupies (or is no longer entitled to occupy) and conducts business on the Trading Floors, and (ii) the date Tenant no longer occupies (or is no longer entitled to occupy) and conducts business in office space in the Building.

b. The initial Antenna Installment for the Antenna Area under the Antenna Lease shall equal the Antenna Installment for the month in which the Antenna Expiration Date occurred plus two percent (2%) of such Antenna Installment, if the Antenna Lease commences on the original Antenna Space Anniversary. The Antenna Installment shall thereafter continue to be increased on the original Antenna Space Anniversary pursuant to subsection 31.C.

c. So long as and to the extent that there will be Members leasing in the aggregate of 100,000 square feet of space in the Building after a fire or casualty, Tenant and Landlord shall have the same rights and obligations under the Antenna Supplement with respect to the Antenna Area as is set forth in Section II of this Lease with respect to the Premises.

d. Tenant and Landlord shall have the same rights and obligations under the Antenna Supplement with respect to the Antenna Area as is set forth in Section 16 of this Lease with respect to the Premises.

e. Tenant shall have the right to record a short form memorandum of the Antenna Supplement on a form acceptable to Landlord and Tenant.

f. Except as otherwise provided in this subsection 31.D.2., the Antenna Lease shall be on the same terms and conditions as set forth in this subsection 31.

E. Tenant agrees that (i) it will cooperate with the owners and users of other communications equipment installed in or on the Building, and (ii) the installation and operation of the Facility will not interfere with the operation or functioning of other communications equipment installed in or on the Building prior to the installation of the Facility, and (iii) Tenant shall not alter, redirect or change the method of operation of its Facility if such alteration, redirection or change would interfere with the operation or functioning of other communications equipment in or on the Building at the time of such alteration, redirection or change, and (iv) if any interference of the type described in clause (ii) or clause (iii) of this subsection 31.E.. occurs, Tenant will eliminate the cause thereof at Tenant's expense..

F. Tenant hereby agrees to indemnify and hold Landlord, its beneficiaries, Owner and partners of Owner and their respective agents and employees harmless against all claims, demands, liabilities, costs and expenses of any and every kind, including, without limitation, reasonable attorney's fees, arising from or connected in any way with the installation, use, operation or maintenance of the

Facility, including, without limitation, claims for interference prohibited by subsection 31.E. or claims from third parties occupying other property.

G. Tenant shall remove the Facility and repair all damage caused by such removal, and restore the Antenna Area to the condition in which it existed immediately prior to the time the Facility was installed, on the later to occur of:

1. the Antenna Expiration Date; and

2. the expiration or earlier termination of the Antenna Lease (if such Antenna Lease is entered into by Landlord and Tenant).

32. Intentionally Omitted

33. Obligation of Landlord to Repair and Maintain.

Landlord shall, at its expense (except as otherwise provided herein through inclusion in Expenses to the extent provided in subsection 3.a.4.), keep and maintain in good repair and working order and make all repairs to and perform necessary maintenance upon:

A. the Building; and

B. all structural elements of the Building within the Premises and the Support Space (defined in the Support Space Supplement to this Lease); and

C. all Systems within the Premises and the Support Space (defined in the Support Space Supplement to this Lease), but only to the extent such have been installed by Landlord or its contractors; and

D. all elements of the Building and the Premises necessary to provide the services described in Section 4, but only to the extent such have been installed by Landlord or its contractors; and

E. the Building facilities common to all tenants including, but not limited to, the ceilings, lights, HVAC, plumbing, walls and floors in the common areas

(which common areas do not include the Lobby Space [defined in the Support Space Supplement] leased by Tenant).

34. Secured Area(s).

A. Notwithstanding subsection 7.I., Tenant may, if Tenant complies with subsection 34.B below, provide its own locks to an area(s) within the Premises ("Secured Area(s)") at any time during the Term. Tenant need not furnish Landlord with a key, but upon the Expiration Date, Tenant shall surrender all such keys to Landlord. If Landlord determines in its sole discretion, that an emergency (or other situation) in the Building or the Premises, including, without limitation, a suspected fire or flood, requires Landlord to gain access to the Premises, Tenant hereby authorizes Landlord to forcibly enter the Secured Area(s). In such event, except s provided in subsection 15. D., Landlord shall have no liability whatsoever to Tenant, and Tenant shall pay all reasonable expenses incurred by Landlord in repairing or reconstructing any entrance, corridor or other door or other portions of the

Premises or the Secure Area(s) damaged as a result of the forcible entry by Landlord. Landlord shall make reasonable efforts to contact Tenant or its representatives to secure access to the Secured Area(s) prior to a forcible entry but under no circumstances is Landlord obligated to contact Tenant. Landlord shall have no obligation to provide either janitor service or cleaning in the Secured Area(s).

B. On or before ten (10) days prior to the date that Tenant establishes a Secured Area by providing its own locks to such area, Tenant shall notify Landlord of the location of the Secured Area and Tenant shall provide Landlord with the name of the representatives of Tenants to be contacted and the manner of contact to avoid a forcible entry as stated in subsection 34.A. above.

35. Parking

A. Landlord shall, subject to the provisions of subsection 35.D. below, during the Term, cause the operator ("Operator") of the Building automobile parking facility to make thirty-seven (37) parking privileges ("Privileges") available to Tenant.

B. If, at any time during the Term, Tenant adds office space in the Building to the initial Premises, Landlord shall subject to the provisions of subsection 35.D. below, cause the Operator to make one (1) additional Privilege available to Tenant for each 6,000 square feet added to the initial Premises.

C. Tenant shall:

1. contract with the Operator for the initial Privileges or any subsequent Privileges made available by virtue of Tenant adding office space in the Building to the initial Premises, within thirty (30) days after its occupancy of the Premises or such additional space (as the case may be); and

2. pay the monthly charge for the Privileges at the rate charges by the Operator from time to time;

3. use the Privileges so contracted for on a continuous basis.

D. If Tenant fails to pay the aforesaid monthly charge, or to contract within the time stated, or to continuously use the Privileges, Landlord need no longer cause such Privileges which are not contracted for or used continuously to be made available.

36. Insurance of Landlord

A. Landlord shall maintain the following insurances coverages in full force and effect during the Term, including insurance on the Building against fire or casualty in amounts adequate to prevent co-insurance:

1. standard so-called "all-risk" property insurance, covering the Building in amounts at least equal to ninety percent (90%) of the replacement cost of the building (including Tenant's improvements) at the time in question , but in no event less than such coverage as is required to avoid co-insurance provisions;

2. commercial general liability insurance (including contractual liability) with minimum limits of $1,000,000.,, for injury to or death of one or more persons and damage to or destruction of property in any occurrence combined;

3. excess liability insurance over the insurance required by subsection 36.A.2. with minimum coverage of $19,000,000.00; and

4. boiler and machinery coverage in amounts customarily carried by landlords for other first-class office buildings located in Chicago.

B. At the request of Tenant, Landlord shall furnish Tenant a certificate or certificates of insurance showing that the insurance coverage required hereby is in force. Any insurance required by the terms of this Lease to be carried by Landlord may be under a blanket policy (or policies) covering other properties of Landlord and/or its related or affiliated entities. If such insurance is maintained under a blanket policy, Landlord procure and deliver to Tenant a statement from the insurer or general agent of the insurer setting forth the coverage maintained and the amounts thereof allocated to the risks intended to be insured hereunder. All insurance required to be obtained and maintained by Landlord pursuant to this Section shall be issued by responsible insuring companies qualified to do business within the State of Illinois, and having "Bests" Financial "Size Category Rating" of at least "A + XII" (or if a Bests" rating is not then available, having a comparable rating by a similar institution with offices located in a least five (5) cities within the United States).

37. Vault

A. Notwithstanding subsection 7.M., Landlord hereby grants Tenant permission to install, at its own expense, a concrete and /or steel vault ("Vault") in the Premises provided however:

1. such installation is performed in accordance with the terms of this Lease; and

2. on or before the Expiration Date, or earlier termination of this Lease, Tenant shall, at its own expense, remove the Vault from the Premises and restore the area where the Vault was installed to the condition in which it existed before such installation, reasonable wear and tear expected.

B. Tenant may, on or before sixty (60) days prior to the Expiration Date, request permission to leave the Vault in the Premises with the understanding that Landlord, in the exercise of its sole and absolute discretion, may refuse such permission.

38. Access to Trading Floors.

A. Tenant shall have the right to perform Alterations so as to provide access to the Trading Floors (the "Access Alterations"). Such Access Alterations shall be performed in accordance with the terms and conditions of this Lease, including, but not limited to Section 9 hereof. Tenant shall perform such Access Alterations at its sole cost and expense, provided the Tenant shall have the right

to perform the Access Alterations as Initial Alterations (defined in the Work Supplement attached hereto as Exhibit "C") and apply any portion of the Work Credit that it is entitled to receive pursuant to subsection 27.B. hereof against the cost of such Access Alterations.

B. Notwithstanding anything to the contrary in subsection 9.K. hereof or elsewhere in this Lease, Tenant shall be responsible for removing Access Alterations and restoring those portions of the Premises affected by such removal, including the restoration of any demising walls removed in connection with the performance of Access Alterations, on or before the expiration Date or earlier termination of this Lease. If Tenant has not restored the Premises by such date, Landlord shall have the right to perform such restoration at Tenant's sole cost and expense.

39. Non-Disturbance and Attornment Agreement

As a condition precedent to Tenant's obligations hereunder, Landlord shall, after receiving this Lease executed by Tenant, obtain and deliver to Tenant a Non-Disturbance and Attornment Agreement ("Agreement") from Citicorp Real Estate, Inc. ("Mortgagee"), in substantially the form of Exhibit "F" attached hereto. Tenant shall execute the Agreement and submit it to Landlord at the same time this Lease is executed and submitted to Landlord.

40. Quiet Enjoyment

Notwithstanding any provisions contained in this Lease to the contrary, Landlord covenants and agrees with Tenant that upon Tenant paying Base Rent, Rent Adjustments and Rent Adjustment Deposits and observing and performing all terms, covenants and conditions on the part of Tenant to be observed and performed, Tenant shall have the right to peaceably and quietly enjoy the Premises, subject nevertheless, to the terms and conditions of this Lease including, but not limited to, Section 16 and Exhibit "F".

41. Intentionally Omitted.

42. Compliance With Laws.

Tenant shall operate the Premises and Landlord shall operate the Building in compliance with all applicable federal, state and municipal laws, ordinances and regulations, unless such obligation is specifically imposed upon the other party pursuant to the terms of this Lease, and shall not knowingly, directly, or indirectly make any use of the Premises or the Building which I prohibited by

any such laws, ordinances, or regulations.

43. Security Services

A. Tenant may contract with a fully licensed, insured and bonded security company (the "Security Company") or, at Tenant's option, utilize an employee of Tenant, in order to provide one unarmed security guard ("Security Guard") at the main reception desk in the lobby on the Plaza Level of the Building for purposes of monitoring only Tenant's employees, invitees, permitees and licensees who wish entry into the Premises, or any portions thereof.

1. Tenant agrees to hold harmless, indemnify and defend the Landlord Related Parties from and against any and all claims, demands, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees) arising from or connected in any way with (i) the acts or omissions of the Security Guard (whether said Security Guard acts within or outside of his scope of employment) or Security Company or (ii) the failure of Tenant to comply with this Section 43; and

2. Tenant shall bear the expense of (i) the service provided by the Security Guard, (ii) changes to the main reception desk in the lobby on the Plaza level, if changes are necessary to accommodate the Security Guard, and (iii) and telecommunications system which Tenant may require at such main reception desk; provided, however, that any changes to the main reception desk (except for the installation of a telecommunications system) shall be subject to the approval of Landlord (which Landlord may grant or withhold in its sole discretion) and shall otherwise be performed in accordance with Section 9 of this Lease; and

3. If Tenant elects to use one of its employees as a Security Guard, such Security Guard will be fully bonded and insured and, if required by any applicable law, licensed.

B. Services provided by the Security Guard shall at no time interfere with the entrance reception service provided by Landlord in the Building (subsection 4.A.6.). Such services shall be performed in a manner consistent with similar services in first-class downtown Chicago high-rise office buildings, and if Landlord determines, in its reasonable judgment, that the Security Guard is not performing in such a manner and so notifies Tenant, Tenant shall remove the Security Guard, provided that Tenant shall have the right to substitute a new Security Guard if Tenant complies with all the requirements of this Section 43. The Security Guard shall not monitor or otherwise interfere with traffic to and from the portions of the Building other than the Premises.

44. Renewal Option

A. Tenant shall have the option to extend the Term for ten (10) years by changing the Expiration Date from November 30, 2003 to November 30, 2013, if:

1. Landlord receives notice of exercise ("Renewal Notice") on or before December 1, 2002; and

2. Tenant is not in default under this Lease, after any applicable grace periods have expired, at the time of Landlord's receipt of the Renewal Notice provided, that if Tenant fails to cure any default existing at the time the Renewal Notice is given within the applicable grace periods, Landlord, at its option, may declare Tenant's Renewal Notice (pursuant to subsection 44.A.1.) to be null and void; and

3. not more than twenty-five percent (25%) of the Premises (excluding any subletting of the portion of the Premises located on the 10th floor of the Building) is sublet to parties other than Members at the time of Landlord's receipt of the Renewal Notice; and

4. this Lease has not been assigned, with the exception of an assignment to a Successor as defined in subsection 14.A.1., at the time of Landlord's receipt of the Renewal Notice; and

5. subject to Section 14 of this Lease (including Tenant's right to sublet pursuant to Section 14), the Premises are intended to be for the use of Tenant only during the entire Extension.

B. The annual rate per square foot of Base Rent during the period commencing on December 1, 2003 and ending on November 30, 2013 (the "Extension") shall equal prevailing market. For the purpose of this Section 44 only, "prevailing market" shall be determined by considering leases for "as-is" space ("As-Is Leases") being entered into at such time in the Building of the 30 South Wacker Building giving appropriate consideration to rate per square foot, escalation and abatement provisions, if any, length of lease term, size and location of premises being leased, work or allowances, if any and other applicable terms and conditions of tenancy; provided however, there shall be excluded from a consideration of prevailing market, As-Is Leases entered into under "special circumstances" which include the following (among others):

1. the landlord being forced to lease space; or

2. the lease term being less than five (5) years; or

3. the space being subject to options or rights exercisable in the future; or

4. the space being of an awkward or unusual shape; or

5. the lack of windows in the space.

If no As-Is Leases are than being entered into in the Building or the 30 South Wacker Building, the same process stated in the preceding sentence shall be used, but As-Is Leases in reasonably similar neighboring first class high rise office buildings shall be the ones considered.

C. If Tenant satisfies the conditions set forth in subsection 44.A. above, Landlord shall prepare a Renewal Amendment reflecting the change in the Expiration Date and any other appropriate terms. Execution counterparts of such Renewal Amendment shall be delivered to Tenant for execution within a reasonable time after Landlord's receipt of Renewal Notice. Tenant shall execute the Renewal Amendment within thirty (30) days after its submission to Tenant. Upon receipt of executed counterparts form Tenant, Landlord will execute and return, as soon as practicable, one counterpart of the Renewal Amendment to Tenant.

45. Printing Facility.

Landlord acknowledges that Tenant may request permission to install a printing facility at some time during the Term to provide service to Tenant and the Members only. Landlord hereby represents that in the event that Landlord receives such a request, that it will not reject such request solely on the basis that a printing facility would be beyond the Use set forth in Section 1 of this Lease. Landlord

may, however, reject such request on the basis of Section 9 or any other controlling provision of this Lease.

46. Escalator Option

A. Tenant intends to install two (2) pairs of escalators (the "Escalators") in the Premises as part of Initial Alterations (defined in the Work Supplement attached hereto as Exhibit "C"). The first pair of escalators shall run up and down between the third floor of the Premises through the fifth floor of the Premises. The second pair of escalators shall run up and down between the fifth floor of the Premises through the seventh of the Premises. Tenant shall be responsible for the maintenance and repair of the Escalators during the Term.

B. Tenant shall have the right to lease 23,144 square feet of space (the "Escalator Areas") shown cross-hatched on the attached Exhibits K-1 (3rd floor), K-2 (4th floor), K-3 (5th floor), K-4 (6th floor), and K-5 (7th floor) for an initial term (the "Initial Escalator Term") of five (5) years commencing on the day following the Expiration Date of this Lease, provided that:

1. Tenant provides Landlord with written notice ("Escalator Notice") by no later than one (1) year prior to the Expiration Date of this Lease;

2. Tenant, after any applicable grace periods have expired, is not in default under this Lease at the time Landlord receives Tenant's Escalator Notice, provided that if Tenant fails to cure any default existing at the time Tenant's Escalator Notice is given within the applicable grace periods, Landlord, at its option, may declare Tenant's Escalator Notice (pursuant to subsection 46.B.1.) to be null and void; and

3. Tenant executes a lease for the Escalator Areas (the "Escalator Lease") upon the terms and conditions set forth in subsection 46.D. below.

C. Notwithstanding anything in subsection 46.B. or subsection 46.D. to the contrary, Landlord shall have the right to reconfigure the Escalator Areas at any time during the term of the Escalator Lease to provide for the construction of any corridors required by the Chicago building code or any other applicable codes, ordinances, rules or regulations and the cost thereof shall be borne in accordance with the terms of this Lease. In addition, Landlord shall have the right to reconfigure the Escalator Areas at any time prior to the commencement of the Escalator Lease, provided that:

1. Landlord will provide Tenant with written notice of its election to reconfigure the Escalator Area (which notice shall contain demising plans illustrating the new configuration) by no later than ninety (90) days after receipt of Tenant's notice in accordance with subsection 46.B.1. above;

2. Such reconfiguration may reduce, but not exceed, the square footage of the Escalator Areas stated in subsection 46.B. above;

3. Such reconfiguration will not materially affects Tenant's ability to use the Escalator; and

4. If the square footage of the Escalator Areas id reduced, the CPI amount set forth in subsection 46.D.2.b. below and other appropriate terms shall be appropriately adjusted on the basis of the new square footage of the escalator areas.

D. If Tenant is able to and properly exercise its right to lease the Escalator Areas, Landlord shall prepare the Escalator Lease on the basis of the following:

1. the Initial Escalator Term shall be for five (5) years commencing on the day following the Expiration Date of this Lease. Tenant shall have the perpetual right to renew the Escalator Lease for successive terms of five (5) years each (each renewal term shall be referred to herein as an "Escalator Renewal Term"), provided that:

a. Tenant provides Landlord with written notice to renew by no later than one (1) year prior to the expiration date of the Initial Escalator Term or applicable Escalator Renewal Term, as the case may be; and

b. Tenant, after any applicable grace periods have expired, is not in default under the Escalator Lease at the time Landlord receives Tenant's notice to renew; provided, that if Tenant fails to cure any default existing at the time Tenant's notice to renew is given within the applicable grace periods, Landlord, at its option, may declare Tenant's Escalator Notice to be null and void.

2. The base rent and rent adjustments for the Escalator Areas during the Initial Escalator Term and subsequent Escalator Renewal Terms shall be:

a. an annual base rent of $17.45 per square foot ;

b. a CPI (as defined in this Lease) amount for each Lease Year of $162,008 ($7.00 X 23,144) multiplied by the percentage of increase by which the CPI for April of any lease year (including, without limitation the first year Escalator lease year) of the Escalator Lease during the Initial Escalator Term of subsequent Escalator Renewal Terms exceeds the CPI for the Escalator Base Year (defined below);

c. an amount equal to Tenant's Escalator Area Proportion (defined below) of Expenses during the Initial Escalator Term or subsequent Escalator Renewal Terms;

d. an amount equal to Tenant's Escalator Area Protection (defined below) of Taxes during the Initial Escalator Term or subsequent Escalator Renewal Terms.

3. Tenant and Landlord shall have the same rights and obligations under the Escalator Lease with respect to the Escalator Areas as is set forth in Section 11 of this Lease with respect to the Premises;

4. Landlord shall use reasonable efforts to provide Tenant with the same rights and obligations under the Escalator Lease with respect to the Escalator Areas as is set forth in Section 16 and Section 39 of this Lease with respect to the Premises;

5. Tenant shall have the right to record a short form memorandum of the Escalator Lease on a form acceptable to Landlord and Tenant;

6. Tenant shall be solely responsible for the repair and maintenance of the Escalators and for the removal of the Escalators in accordance with subsection 46.F. below.

7. Tenant shall, at its sole cost and expense, be responsible for erecting demising walls and ceilings, constructed with soundproofing materials such as fiberglass, additional layer(s) of gypsum board and duct transfer and otherwise preparing the Escalator Areas in accordance with Exhibits "K-1" through "K-5", and

8. Except as to any terms and conditions specifically provided herein, Landlord shall prepare the Escalator Lease on the standard from lease being used by Landlord at the expiration of this Lease, with such changes as Tenant may reasonably request or as may be necessary to confirm with any provision hereof.

E. Execution counterparts of the Escalator Lease shall be delivered to Tenant for execution within a reasonable time after Landlord's receipt of Tenant's initial notice of its intent to exercise its rights with respect to the Escalators Areas. Landlord and Tenant shall proceed with due diligence to arrive at a final negotiated version of the Escalator Lease specifically including the terms set forth in subsection 46.D. hereof.

F. Notwithstanding anything in subsection 9.K. hereof to the contrary, if Tenant does not exercise its right to lease the Escalator Areas, Tenant shall,

upon the Expiration Date or earlier termination of this Lease, remove the Escalators and restore the Premises to the condition that existed on the execution of this Lease insofar as the Premises were altered to permit the installation of the Escalators. Notwithstanding anything in subsection 9.K. hereof to the contrary, if Tenant exercised its rights to lease the escalator Areas, Tenant shall, prior to the expiration or earlier termination of the Escalator Lease, remove the Escalators located in the Escalator Areas and restore the Escalator Areas to the condition that existed at the execution of this Lease insofar as the Premises were altered to permit installation to the Escalators. If Tenant fails to remove the Escalators and restore the Premises or the Escalator Areas, as the case may be, as provided herein, Landlord shall have the right to perform such work at Tenant's sole cost and expense.

G. For purposes of this Section 46:

1. "Escalator Base Year" means the calendar month of April, 1988;

2. "Escalator Area Proportion" means the percentage derived by dividing the current rentable area of the Escalator Area by the Rentable Area of the Building and multiplying by one hundred (100).

47. Telecommunication Closet Option

A. Tenant shall have the right to lease the 70 usable square feet of space (the "Telecommunication Closet Area") shown cross-hatched and designated as "CME

Electrical Closet" on the attached Exhibits "L-1" (2nd floor), "L-2" (3rd floor), "L-3" (4th floor), "L-4" (5th floor), "L-5" (6th floor), "L-6" (7th floor), "L-7" (8th floor), "L-8" (9th floor), "L-9" (10th floor) and "L-10" (M-1 floor) for an initial tern of five (5) years commencing on the day following the Expiration Date of this Lease (the "Initial Telecommunication Closet Lease Term"), provided that:

1. Tenant provides Landlord with written notice ("Telecommunication Notice") by no later than one (1) year prior to the Expiration Date of this Lease of its intention to lease the Telecommunication Closet Area;

2. Tenant, after any applicable grace periods have expired, is not in default under this Lease at the time Landlord receives Tenant's Telecommunication Notice; provided that if Tenant fails to cure any default existing at the time Tenant's Telecommunication Notice is given within the applicable grace periods, Landlord, at its option, may declare Tenant's Telecommunication Notice to be null and void.

3. Tenant executes a lease for the Telecommunication Closet Areas (the "Telecommunication Closet Lease") upon the terms and conditions set forth in subsection 47.B. below.

B. If Tenant is able to and properly exercise its rights to lease the Telecommunication Closet Areas, Landlord shall prepare the Telecommunication Closet Lease on the basis of the following:

1. the Initial Telecommunication Closet Lease shall be for five (5) years commencing on the day following the Expiration Date of this Lease. Tenant shall have the perpetual right to renew the Telecommunication Closet Lease for successive terms of five (5) years each (each renewal term shall be referred to herein as an "Telecommunication Closet Renewal Term"), provided that:

a. Tenant provides Landlord with written notice to renew by no later than one (1) year prior to the expiration date of the Initial Telecommunication Closet Lease Term or applicable Telecommunication Closet Renewal Term, as the case may be; and

b. Tenant, after any applicable grace periods have expired, is not in default under the Telecommunication Closet Lease at the time Landlord receives Tenants notice to renew; provided that if Tenant fails to cure any default existing at the time Tenant's notice to renew is given within the applicable grace periods, Landlord, at its option, may declare Tenant's notice to renew (pursuant to subsection 47.B.1.a.) to be null and void.

2. a. the annual base rent per square foot for the telecommunication Closet Area during the first year of the Initial Telecommunication Closet Lease Term shall equal the annual base rent per square foot contained in the Support Installment in effect for the last month of the Support Term (defined in the Support Space Supplement to this Lease multiplied by one hundred four percent (104%); and

b. subsequently, the annual base rent per square foot shall be increased at each Telecommunication Anniversary (defined below) during the Initial

Telecommunication Closet Lease Term and any applicable Telecommunication Closet Renewal Term by an amount equal to four percent (4%) of the annual base rent per

square foot in effect immediately preceding such Telecommunication Anniversary; and

c. no Rent Adjustments shall be payable with respect to the Telecommunication Closet Area.

3. So long as to the extent that Tenant and/or Members will be leasing in the aggregate of 100,000 square feet of space in the Building after a fire or casualty who were hooked into and receiving service from Tenant's telecommunication system prior to a fire or casualty, Tenant and Landlord shall have the same rights and obligations under the Telecommunication Closet Lease with respect to the Telecommunication Closet Area as is set forth in Section 11 of this Lease with respect to the Premises;

4. Landlord shall use reasonable efforts to provide Tenant with the same rights and obligations under the Telecommunication Closet Lease with respect to the Telecommunication Closet Area as is set forth in Section 16 and 39 of this Lease with respect to the Premises.

5. Tenant shall have the right to record a short form memorandum of the Telecommunication Closet Lease on a form acceptable to Landlord and Tenant;

6. Tenant shall use the freight elevators to obtain access to and from the Telecommunication Closet Areas; and

7. Except as to any terms and conditions specifically provided herein, Landlord shall prepare the Telecommunication Closet Lease on the standard form storage space lease being used by Landlord at the Expiration Date of this Lease, with such changes as Tenant may reasonably request or as may be necessary to conform with any provisions hereof.

C. Execution counterparts of the Telecommunication Closet Lease shall be delivered to Tenant for execution within a reasonable time after Landlord's receipt of Tenant's initial notice of its intent to exercise its rights with respect to the Telecommunication Closet Areas. Landlord and Tenant shall proceed with due diligence to arrive at a final negotiated version of the Telecommunication Closet Lease specifically including the terms set forth in subsection 47.B. hereof.

D. For purposes of this Section 47, "Telecommunications Anniversary" means the annual recurrence of the month in which the Initial Telecommunications Closet Term commences.

48. Expansion Option.

A. Tenant may lease additional space ("Expansion Option"), if:

1. Tenant, after any applicable grace periods have expired, is not in default under this Lease; provided that if Tenant fails to cure any default existing at the time Tenant's Five, Ten or Fifteen Year Notice, as the case may be, is given

within the applicable grace periods, Landlord, at its option, may declare Tenant's Five, Ten or Fifteen Year Notice, as the case may be, to be null and void; and

2. no more than fifteen percent (15%) of the Premises (excluding any subletting of the portion of the Premises located on the 10th floor of the Building) is sublet to parties other than Members at the time of Landlord's receipt of the Five, Ten and/or Fifteen Year Notice (defined below), as the case may be; and

3. this Lease has not been assigned, except to a Successor; and

4. the Five, Ten and/or Fifteen Year Space (defined below) is intended to be for the exclusive use of Tenant or a Successor only, except as permitted by subsections 14.C. and 14.D.; and

5. for Fifteen Year Space only, Tenant has exercised or concurrently exercises its Renewal Option (Section 44); and

6. Landlord receives notice of exercise of this Expansion Option for:

a. Five Year Space ("Five Year Notice") on or before March 31, 1992; and

b. Ten Year Space ("Ten Year Notice") on or before March 31, 1997; and

c. Fifteen Year Space ("Fifteen Year Notice") on or before November 30, 2002; and

7. Tenant executes and returns the Five, Ten or Fifteen Year Amendment(s), as the case mat be, (subsection 48.D.1. below) within thirty (30) days of their submission to Tenant.

B. Landlord shall provide Tenant with Five Year Space, Ten Year Space and Fifteen Year Space, as the case may be, in accordance with Tenant's priority list to the extent possible, considering the availability of space in the Building and in the 30 South Wacker Building. The Tenant's priority list is as follows: first, on floors 11 through 17 inclusive, in the Building or on floors 2 through 22 inclusive, in the 30 South Wacker Building ("First Location"); secondly, on floors 23 through 30 in the 30 South Wacker Building ("Second Location"); and thirdly, on floors 18 through 40 inclusive, in the Building or on floors 31 through 40 inclusive, in the 30 South Wacker Building ("Third Location") (such First, Second, and Third Location shall collectively be referred to herein as the "Expansion Location").

C. 1. If Tenant is able to and appropriately exercises its Expansion Option for Five Year Space, Landlord shall designate one (1) full floor located within the Expansion Location ("Five Year Space") on or before 180 days after March 31, 1992 and shall deliver such Five Year Space during the period commencing 90 days after Landlord designates such Five Year Space and ending on April 1, 1994, but in no event prior to January 1, 1993 ("Five Year Space Window")...

2. If Tenant is able to and appropriately exercises its Expansion Option for Ten Year Space, Landlord shall designate one (1) full floor located

within the Expansion Location ("Ten Year Space") on or before 180 days after March 31, 1997 and shall deliver such Ten Year Space during the period commencing 90 days after Landlord designates such Ten Year Space and ending on July 1, 1999, but in no event prior to October 1, 1997 ("Ten Year Space Window").

3. If Tenant is able to and appropriately exercises its Expansion Option for Fifteen Year Space, Landlord shall designate one (1) full floor located within the Expansion Location ("Fifteen Year Space") on or before 180 days after November 30, 2002 and shall deliver such Fifteen Year Space during the period commencing 90 days after Landlord designates such Fifteen Year Space and ending on June 1, 2005, but in no event prior to June 1, 2003 ("Fifteen Year Space Window").

D. If Tenant is able to and appropriately exercises its Expansion Option for Five, Ten, and/or Fifteen Year Space:

1. Landlord shall prepare an amendment (the "Five, Ten or Fifteen Year Amendment", as the case may be) to reflect changes in:

a. the size of the Premises;

b. Base Rent;

c. Installments;

d. Tenant's Proportion; and

e. Other appropriate terms.

2. A copy of the Five, Ten and/or Fifteen Year Amendment shall be:

a. sent to Tenant within a reasonable time after receipt of the Five, Ten and/or Fifteen Year Notice; and

b. Executed by Tenant and returned to Landlord in accordance with subsection 48.A.7.

E. 1. The annual Base Rent rate per square foot for Five Year Space, Ten Year Space and Fifteen Year Space, as the case may be, shall equal:

a. $17.45 per square foot if such Five, Ten and Fifteen Year Space, as the case may be, is in the First Location; or

b. $20.00 per square foot if such Five, Ten and Fifteen Year Space, as the case may be, is in the Second Location or the Third Location.

2. Tenant shall pay Rent Adjustments for the Five, Ten and Fifteen Year Space, as the case may be, on the same terms and conditions set forth in Section 3 of this Lease, including, but not limited to the Base Year of April, 1988.

F. 1. Landlord shall deliver Five Year Space to Tenant in no more than two (2) separate blocks of Five Year Space. No part of any single block of Five

Year Space shall contain space that is not contiguous to the remainder of such block. The first block of Five Year Space delivered by Landlord shall contain no less than fifty percent (50%) of the total square footage of all Five Year Space that Landlord is required to deliver pursuant to subsection 48.C.1. The second block of Five Year Space shall contain the remainder of the floor in which the initial block of Five Year Space is located. The term for each block of Five

Year Space shall commence on the date that such space is delivered to Tenant and thereupon such space shall be considered Premises, subject to all terms and conditions of this Lease.

2. Landlord shall deliver Ten Year Space to Tenant in no more than two (2) separate blocks of Ten Year Space. No part of ant single block of Ten Year Space shall contain space that is not contiguous to the remainder of such block. The first block of Ten Year Space delivered by Landlord shall contain no less than fifty percent (50%) of the total square footage of all Ten Year Space that Landlord is required to deliver pursuant to subsection 48.C.2. The second block of Ten Year Space shall contain the remainder of the floor on which the initial block of Ten Year Space is located. The term for each block of Ten Year Space shall commence on the date that such space is delivered to Tenant and thereupon such space shall be considered Premises, subject to all terms and conditions of this Lease. 3. Landlord shall deliver Fifteen Year Space to Tenant in no more than two (2) separate blocks of Fifteen Year Space. No part of any single block of Fifteen Year Space shall contain space that is not contiguous to the remainder of such block. The first block of Fifteen Year Space delivered by Landlord shall contain no less than fifty percent (50%) of the total square footage of all Fifteen Year Space that Landlord is required to deliver pursuant to subsection 48.C.3. The second block of Fifteen Year Space shall contain the remainder of the floor in which the initial block of Fifteen Year Space is located. The term for each block of Fifteen Year Space shall commence on the date that such space is delivered to Tenant and thereupon such space shall be considered Premises, subject to all terms and conditions of this Lease.

G. When Landlord has established the annual Base Rent rate per square foot for the Five, Ten or Fifteen Year Space, as the case may be, such amount shall be multiplied by the Rentable Area of the Five, Ten or Fifteen Year Space then being added to the Premises, as the case may be, and the sum so derived shall be divided by twelve (12) to obtain the Installments payable for the Five, Ten or Fifteen Year Space being added, as the case may be. Such Installment shall then, between the commencement of the term for Five, Ten or Fifteen Year Space, as the case may be, and the Expiration Data, be added to total the Base Rent payable for the balance of the Premises.

H. The Five, Ten and Fifteen Year Space, as the case may be (including improvements and personalty, if any, shall be accepted by Tenant in its "as-built" condition and configuration as of the date the term for such space commences, unless it has never been occupied, under which circumstances Landlord, at Tenant's option, shall either:

1. construct such space to building standard existing on the date that such Five, Ten and Fifteen Year Space, as the case may be, is to be delivered

(provided that if there is no building standard on such date Landlord shall construct such space to building standard as described in Exhibit "M"); or

2. provide Tenant with a credit in the amount of the value of applicable building standard describes in subsection 48.H.1. above

49. Intentionally Omitted.

50. Right of First Offering

A. During the Term of this Lease, when Landlord has a prospective tenant ("Prospect") interested in leasing any space on floors 11 through 24 inclusive, of the Building, Landlord shall advise Tenant in the manner set forth in Exhibit "P" attached hereto ("Advice") of such interest to lease such space, and Tenant may lease ("Right of First Offering" [ROFO]) the space shown in the Advice ("Offering Space"), in its entirety only, under the terms of the Advice, except that Tenant shall have no right and Landlord need not give the Advice, if:

1. Tenant is in default under this Lease after any applicable grace period expired; provided that if Tenant fails to cure any default existing at the time Tenant exercises its ROFO pursuant to the Advice ("Notice of Exercise") within the applicable grace periods, Landlord, at its option, may declare Tenant's Notice of Exercise to be null and void; or

2. more than fifteen percent (15%) of the Premises (excluding any subletting of the portion of the Premises located on the 10th floor of the Building) is sublet to parties other than Members; or

3. this Lease has been assigned, with the exception of an assignment to a Successor, as defined in subsection 14.A.1.; or

4. Tenant is not an occupant of the Building under this Lease; or

5. subject to section 14 of this Lease (including Tenant's right to sublet pursuant to Section 14), the Offering Space is not to be used by Tenant for its own immediate use; or

6. the Offering Space is subject to Superior Rights (defined below).

B. Notwithstanding anything to the contrary in this Section 50, Tenant's ROFO with respect to any Offering Space, shall be subject and subordinate to:

1. the renewal rights of any tenant with respect to such Offering Space (regardless of whether such rights arose pursuant to a lease or lease amendment executed to the date hereof);

2. an extension of the lease term by a tenant leasing such Offering Space;

3. the expansion rights of any tenant in the Building or the 30 South Wacker Building with respect to such Offering Space (regardless of whether such

rights arose pursuant to a lease or lease amendment executed subsequent to the date hereof); and

4. the right of first offering rights of any tenant in the Building or 30 South Wacker Building existing as of the date hereof.

The foregoing rights set forth in subsection 50.B.1. through subsection 50.B.4. above, shall be referred to herein as "Superior Rights".

C. 1. The ROFO shall be exercised by the execution by Tenant and delivery to Landlord of:

a. the Notice of Exercise within fifteen (15) days after the date of the Advice; and

b. the Offering Amendment (as defined in subsection 50.E.) within thirty (30) days after the submission of the Offering Amendment to Tenant by Landlord.

2. All terms stated in the Advice (including, without limitation, the expiration date set forth in the Advice) shall govern Tenant's lease of the Offering Space, and only to the extent that they do not conflict with the Advice, the terms and conditions of this Lease shall apply to the Offering Space, except that no allowances, credits, abatements, rent caps or other rent limitations contained in this Lease shall apply to the Offering Space.

D. The term for the Offering Space shall commence upon the commencement date as stated in the Offering Amendment, and the Offering Space shall thereupon be considered a part of the Premises subject to all terms and conditions of this Lease (except to the extent modifications are required pursuant to subsection 50.C.2.).

E. If Tenant is able to and properly exercises its ROFO, Landlord shall prepare an amendment (the "Offering Amendment") adding the Offering Space to the Premises, and reflecting the terms and conditions stated in the Advice. A copy of such Offering Amendment shall be:

1. sent to Tenant within a reasonable time after receipt of the Notice of Exercise in the Advice; and

2. executed by Tenant and returned to Landlord in accordance with subsection 50.C.1.b. above.

F. The rights of Tenant under this Section 50 shall commence, subject to Superior Rights, as to any particular Offering Space immediately after initial leasing of such Offering Space and terminates as to:

1. all Offering Space, one (1) year prior to the Expiration Date of this Lease as the same may be extended pursuant to the Tenant's Renewal Option; and

2. any particular Offering Space, under any and all circumstances on the earlier of:

a. the failure of Tenant to exercise the ROFO; or

b. the date upon which the rejection portion of the Advice is executed by Tenant, provided that Landlord consummates such lease with such Prospect at any time after such rejection (or with another prospective tenant within six (6) months after such rejection) on substantially the same economic terms as set forth in the Advice, i.e., no greater than 10 percent (10%) reduction on an aggregate basis, in the base rent, rent credits or allowances, construction allowances and other economic terms set forth in the Advice, and with no more than a ten percent (10%) change in the rentable area of the Offering Space.

Under such circumstances set forth in subsection 50.F.2.a (subject to Section 48 of this Lease, if the Offering Space is Five, Ten, or Fifteen Year Space, as the case may be), Landlord shall be free to lease the Offering Space on any terms and conditions it deems appropriate.

51. Bathroom Facilities.

A. Tenant intends to install bathroom facilities (the "Facilities") on the third and seventh floors of the Premises as part of Initial Alterations (defined in the Work Supplement attached hereto as Exhibit "C"). Tenant shall pay Landlord as additional rent any increase in the cost of providing janitorial services to such floors over the cost that would have been incurred for providing janitorial services absent the installation of the Facilities.

B. Tenant shall have the right to lease 7,686 square feet of space (the "Bathroom Facility Areas") shown cross-hatched on the attached Exhibit "Q-1" (3rd floor) and "Q-2" (7th floor) for an initial term (the "Initial Bathroom Facility Term") of five (5) years commencing on the day following the Expiration Date of this Lease; provided that:

1. Tenant provides Landlord with written notice (the "Bathroom Facility Notice") by no later than one (1) year prior to the Expiration Date of this Lease as the same may be extended pursuant to Tenant's Renewal Option;

2. Tenant, after any applicable grace periods have expired, is not in default under this Lease at the time Landlord receives Tenant's Bathroom Facility Notice; provided that if Tenant fails to cure any default existing as of the date the Bathroom Facility Notice is given within the applicable grace periods, Landlord, at its option, may declare Tenant's Bathroom Facility Notice (pursuant to subsection 51.B.1) to be null and void; and

3. Tenant executes a lease for the Bathroom Facility Areas (the "Bathroom Facility Lease") upon the terms and conditions set fourth in subsection 51.C.
below.

C. If Tenant is able to and properly exercises its rights to lease the Bathroom Facility Areas, Landlord shall prepare the Bathroom Facility Lease on the basis of the following:

1. the Initial Bathroom Facility Term shall be for five (5) years commencing on the day following the Expiration Date of this Lease, as the same may be extended pursuant to Tenant's Renewal Option. Tenant shall have the perpetual right to renew the Bathroom Facility Lease for successive terms of five (5) years each (each renewal term shall be referred to herein as a "Bathroom Facility Renewal Term"), provided that:

a. Tenant provides Landlord with written notice to renew by no later than one (1) year prior to the expiration date of the Initial Bathroom Facility Term or applicable Bathroom Facility Renewal Term, as the case may be; and

b. Tenant, after any applicable grace periods have expired, is not in default under the Bathroom Facility Lease at the time Landlord receives Tenant's notice to renew; provided that if Tenant fails to cure any default existing as of the date the notice is given within the applicable grace periods, Landlord, at its option, may declare Tenant's notice to renew (pursuant to subsection 51.C.1.a.) to be null and void.

2. The base rent and rent adjustments for the Bathroom Facility Areas during the Initial Bathroom Facility Term and subsequent Bathroom Facility Renewal Terms shall be:

a. an annual base rent rate of $17.45 per square foot;

b. a CPI (as defined in this Lease) amount for each lease year of $53,802.00 ($7.00 X 7,686) multiplied by the percentage of increase by which the CPI for April of any lease year (including, without limitation for the first lease year) of the Bathroom Facility Lease during the Initial Bathroom Facility Term or subsequent Bathroom Facility Renewal Terms exceeds the CPI for the Bathroom Facility Base Year (defined below); c. an amount equal to Tenant's Bathroom Facility Areas Proportion (defined below) of Expenses during each lease year of the Initial Bathroom Facility Term or subsequent Bathroom Facility Renewal Terms;

d. an amount equal to Tenant's Bathroom Facility Areas Proportion (defined below) of Taxes during each lease year of the Initial Bathroom Facility Term or subsequent Bathroom Facility Renewal Terms.

3. Tenant and Landlord shall have the same rights and obligations under the Bathroom Facility Lease with respect to the Bathroom Facility Areas as is set forth in Section II of this Lease with respect to the Premises;

4. Landlord shall use reasonable efforts to provide Tenant with the same rights and obligations under the Bathroom Facility Lease with respect to the Bathroom Facility Areas as is set forth in Section 16 and Section 39 of this Lease with respect to the Premises;

5. Tenant shall have the right to record a short form memorandum of the Bathroom Facility Lease on a form acceptable to Landlord and Tenant;

6. Tenant shall be solely responsible for the repair and maintenance

of the Bathroom Facility areas and for the removal of the Bathroom Facility Areas in accordance with subsection 51.E. below.

7. Except as to any terms and conditions specifically provided herein, Landlord shall prepare the Bathroom Facility Lease on the standard form lease being used by Landlord at the Expiration Date of this Lease, with such changes as Tenant may reasonably request or as may be necessary to conform with any provision hereof.

D. Execution counterparts of the Bathroom Facility Lease shall be delivered to Tenant for execution within a reasonable time after Landlord's receipt of Tenant's initial notice of its intent to exercise its rights with respect to the Bathroom Facility Areas. Landlord and Tenant shall proceed with due diligence to arrive at a final negotiated version of the Bathroom Facility Lease Specifically including the terms set forth in subsection 51.C. hereof.

E. Notwithstanding anything in subsection 9.K. hereof to the contrary, if Tenant does not exercise its right to lease the Bathroom Facility Areas, Tenant shall, upon the Expiration Date or earlier termination of this Lease, remove the Facilities in the Bathroom Facility Areas and Tenant shall restore the Premises to the condition that existed on the execution of this Lease insofar as the Premises were altered to permit the installation of the Facilities in the Bathroom Facility Areas. Notwithstanding anything in subsection 9.K. hereof to the contrary, if Tenant exercised its rights to lease the Bathroom Facility Areas, Tenant shall, prior to the Expiration Date or earlier termination of the Bathroom Facility Lease, remove the facilities in the Bathroom Facility Areas and restore the Bathroom Facility Areas to the condition that existed at the execution of this Lease insofar as the Premises were altered to permit the installation of the Facilities in the Bathroom Facility Areas. If Tenant fails to remove the Facilities in the Bathroom Facility Areas and restore the Premises or the Bathroom Facility Areas, as the case may be, as provided herein, Landlord shall have the right to perform such work at Tenant's sole cost and expense.

F. For the purpose of this Section 51:

1. "Bathroom Facility Base Year" means the calendar month of April, 1988;

2. "Bathroom Facility Areas Proportion" means the percentage derived by dividing the then current rentable area of the bathroom Facility Areas by the Rentable Area of the Building and multiplying by one hundred (100).

52. Elevators.

Tenant acknowledges that the vertical transportation system of the Building ("Elevators") is not designed to handle traffic to and from the Trading Floor and Related Facilities thereto ("Related Facilities" defined as Member coatrooms, mailrooms and such) or traffic in excess of that commonly associated with general office use. Therefore, notwithstanding anything in subsection 4.A.3. hereof to the contrary, if by reason of such traffic the vertical transportations system becomes overburdened, Tenant acknowledges that Landlord will not be responsible for such overburdening.

53. Concurrent Exercise of Options.

With respect to Tenant's options under Sections 46,47,51 and the Support Space Supplement to lease the Escalator Areas, Telecommunications Areas, the Bathroom Facilities, the Lobby Space, the M-1 Space and the UPS Space, such options may be exercised in any combination and if the exercise of an option with respect to one such space includes a portion of another such space, a separate option exercise with respect to the included portion of such other space shall not be necessary, and Base Rent and Rent Adjustments, if any, shall not apply more than once (even if under more than one Section of the Lease) to any such space.

54. Landlord's Execution of Documents.

Any provision contained in this Lease and the Support Space Supplement which requires Tenant to execute and return to Landlord any amendments, supplements, leases or other than notices (collectively referred to in this Section 54 only as "Documents") within a specified period of time, shall apply with equal force to Landlord with regard to the execution by Landlord and return to Tenant of the Documents after receipt by Landlord from Tenant. In the event that Landlord fails to execute and return to Tenant any Documents within the applicable time period, Tenant, at any time after such period but prior to its receipt of the fully executed Documents from Landlord shall have the right to revoke its delivery and withdraw its execution of such Documents by serving Landlord with written notice thereof.

IN WITNESS WHEREOF, the parties hereto shall be deemed to have executed this Lease on the date first above written.

LANDLORD

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association of Chicago, Illinois, not individually but solely as Trustee under the provisions of a certain Trust Agreement dated June 2, 1981 and known as Trust No. 51234.

ATTEST:

By /s/
Title Asst.

By /s/
Title Vice President

ATTEST OR WITNESS:

TENANT

CHICAGO MERCANTILE EXCHANGE, an Illinois not-for-profit corporation

By /s/
Title Sr. VP. Admin. & Finance

By /s/
Title Chairman

FIRST AMENDMENT

THIS FIRST AMENDMENT (the "Amendment") is made and entered into as of NOV 01 1999, by and between EOP -10 & 30 SOUTH WACKER, L.L.C., a Delaware limited liability company, as beneficiary of land trust dated October 1, 1997, and known as American National Bank and Trust Company of Chicago Trust No. 123434-06 ("Landlord") and CHICAGO MERCANTILE EXCHANGE, an Illinois not-for-profit corporation ("Tenant").

WITNESSETH

A. WHEREAS, Landlord (as successor in interest to American National Bank and Trust Company of Chicago, Illinois, a national banking association of Chicago, Illinois, not individually but solely as Trustee under the provisions of a certain Trust Agreement dated June 2, 1981, and known as Trusty No. 51234) and Tenant are parties to that certain lease dated the 31st day of March, 1988 (the "Lease"), for space currently containing approximately 175,660 rentable square feet (the "Original Premises") described as being on the 2nd through 10th floors inclusive, in the building commonly known as 10 South Wacker Drive and the address of which is 10 South Wacker Drive, Chicago, Illinois (the "Building"); and

B. WHEREAS, Tenant has requested that additional space containing approximately 8,242 rentable square feet on the 31st floor of the Building shown on Exhibit A hereto (identified below as Expansion Space I and Expansion Space II and collectively referred to herein as the "Expansion Space") be added to the Original Premises and that the Lease be appropriately amended and Landlord is willing to do the same on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

I. Expansion and Effective Date. Effective as of Expansion Effective Date II (as hereinafter defined) the Premises, as defined in the Lease, is increased to 183,902 rentable square feet which shall include 175,660 rentable square feet on the 2nd through 10th floors inclusive and 8,242 rentable square feet on the 31st floor by the addition of the Expansion Space. From and after Expansion Effective Date I, the Original Premises and Expansion Space Il, collectively, shall be deemed the Premises, as defined in the Lease. From and after Expansion Effective Date II, the Original Premises, Expansion Space I and Expansion Space II collectively, shall be deemed the Premises as defined in the Lease. The lease term for each expansion space shall commence on the applicable expansion effective date set forth below and end on December 31, 2001 (the "Expansion Expiration Date"). The Expansion Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Original Premises unless such concessions are expressly provided for herein with respect to the Expansion Space.

A. The expansion effective date shall be January 1, 2000 ("Expansion Effective Date I") for 6,947 rentable square feet of the Expansion Space ("Expansion Space I") and April 1, 2000 ("Expansion Effective Date II") for 1,295 rentable square feet of the Expansion Space ("Expansion Space II").

B. Expansion Effective Date I shall be delayed to the extent that Landlord fails to deliver possession of Expansion Space I for any reason, including but not limited to, holding over by prior occupants. Expansion Effective Date II shall be delayed on a day for day basis measured from January 1, 2000 to the extent that Landlord fails to deliver possession of Expansion Space II on or before January 4, 2000, for any reason, including but not limited to, holding over by prior occupants. Any such delay in either expansion effective date shall not subject Landlord to any liability for any loss or damage resulting therefrom. If either expansion effective date is delayed, the Expiration Date hereunder shall not be similarly extended.

II. MONTHLY BASE RENT. In addition to Tenant's obligation to pay Base Rent for the Original Premises, Tenant shall pay Landlord the Base Rent for the Expansion Space as follows:

Expansion Space I

Period	Annual Rate Per Square Foot	Annual Base Rent	Monthly Base Rent
01/01/00-12/31/00	$ 20.00	$ 138,939.96	$ 11,578.33
01/01/01-12/31/01	$ 20.60	$ 143,108.16	$ 11,925.68

Expansion Space II

Period	Annual Rate Per Square Foot	Annual Base Rent	Monthly Base Rent
Expansion Effective Date II - 12/31/00	$ 20.00	$ 25,899.96	$ 2,158.33

01/01/01-
12/31/01
$ 20.60
$
26,676.96
$
2,223.08

All such Base Rent shall be payable by Tenant in accordance with the terms of this Section 2 of the Lease.

III. Tenant's Proportion. For the period commencing with Expansion Effective Date I for Expansion Space I and ending on the Expansion Expiration Date, Tenant's Proportion for Expansion Space I is 0.7341%. For the period commencing with Expansion Effective Date II for Expansion Space II and ending on the Expansion Expiration Date, Tenant's Proportion for Expansion Space II is 0.1368%.

IV. Rent Adjustment. For the period commencing with Expansion Effective Date I and ending on the Expansion Expiration Date, Tenant shall pay Tenant's Proportion of Expenses and Taxes applicable to Expansion Space I in accordance with the terms of the Lease. For the period commencing with Expansion Effective Date II and ending on the Expansion Expiration Date, Tenant shall pay for Tenant's Proportion of Expenses and Taxes applicable to Expansion Space II in accordance with the terms of the Lease. Tenant shall not be obligated to Landlord for increases in CPI with respect to the Expansion Space.

V. Improvements to Expansion Space.

A. Condition of Expansion Space. Tenant has inspected the Expansion Space and agrees to accept the space "as is" without any agreements, representations, understandings, or obligations on the part of Landlord to perform any alterations, repairs or improvements.

B. Cost of Improvements to Expansion Space. Any construction, alterations or improvements made to the Expansion Space shall be made at Tenant's sole cost and expense. The improvements to the Expansion Space shall include, but not limited to, any demolition work in the Expansion Space desired by Tenant. In addition, Tenant specifically agrees to remove the safe currently located outside of the Premises on the 31st floor and dispose of the safe in the dumpster for the Building. If Tenant does not remove the safe by September 30, 1999, Landlord shall perform such work and bill Tenant for any costs associated therewith.

C. Responsibility for Improvements to Expansion Space. Any construction, alterations or improvements to the

Expansion Space shall be performed by Tenant using contractors selected by Tenant and approved by Landlord and shall be governed in all respects by the provisions of Section 9 of the Lease. In any and all events, each Expansion Effective Date shall be postponed or delayed if the initial improvements to an Expansion Space are incomplete on the applicable Expansion Effective Date for any reason whatsoever. Any delay in the completion of initial improvements to the Expansion Space shall not subject Landlord to any liability for any loss or damage resulting therefrom.

VI. Early Access to Expansion Space. During any period that Tenant shall be permitted to enter the Expansion Space prior to the Expansion Effective Date (e.g., to perform alterations or improvements, if any) Tenant shall comply with all terms

and provisions of the Lease, except those provisions requiring payment of the Base Rent and Rent Adjustments as to the Expansion Space. If Tenant takes possession of Expansion Space II prior to Expansion Effective Date II for any reason whatsoever (other than the performance of work in the Expansion Space with Landlord's prior approval), such possession shall be subject to all the terms and conditions of the Lease and this Amendment, and Tenant shall pay Base Rent and Rent Adjustments applicable to Expansion Space II to Landlord on a per diem basis for each day of occupancy prior to Expansion Effective Date II. Expansion Space I

was delivered to Tenant on or about September 13, 1999. Expansion Space II will be delivered to Tenant on or before January 1, 2000, subject to the provisions of Section I.B. above.

VII. LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AMENDMENT OR THE LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD HEREUNDER) TO TENANT SHALL BE LIMITED TO THE INTEREST OF LANDLORD IN THE BUILDING, AND TENANT AGREES TO LOOK SOLELY TO LANDLORD'S INTEREST IN THE BUILDING FOR THE RECOVERY OF ANY JUDGEMENT OR AWARD AGAINST THE LANDLORD, IT BEING INTENDED THAT NEITHER LANDLORD NOR ANY MEMBER, PRINCIPAL, PARTNER, SHAREHOLDER, OFFICER, DIRECTOR OR BENEFICIARY OF LANDLORD SHALL BE PERSONALLY LIABLE FOR ANY JUDGEMENT OR DEFICIENCY.

VIII. Surrender of Possession. At the Expansion Expiration Date, Tenant shall surrender the Expansion Spaces to Landlord in accordance with Section 21 of the Lease.

IX. Other Pertinent Provisions. Landlord and Tenant agree that, effective as of the date hereof, the Lease shall be amended in the following additional respects:

Landlord's Addresses. Notwithstanding anything to the contrary contained in the Lease, Landlord's addresses for notices and payments of Rent are as follows:

Landlord:

EOP -10 & 30 South Wacker, L.L.C.
C/o Equity Office Properties Trust
30 S. Wacker Drive, Suite 3300
Chicago, Illinois 60606
Attention: Building Manager

With a copy to:

Equity Office Properties Trust
Two North Riverside Plaza
Suite 2200
Chicago, Illinois 60606
Attention: Regional Counsel-Central

Payments of Rent only shall be made payable to the order of:

Equity Office Properties at the following address:

EOP Operating Limited Partnership
DBA 10 & 30 South Wacker Drive
Dept. 77-72058
Chicago, Illinois 60678-2058

X. Miscellaneous.

A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representatives agreements. Under no circumstances shall

Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

D. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

E. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

F. Tenant hereby represents to Landlord that Tenant has

dealt with no broker in connection with this Amendment except for The Levy Organization ("Broker"). Tenant agrees to indemnify and hold Landlord, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents (collectively, the "Landlord Related Parties") harmless from all claims of any brokers, other than Broker, claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment. Landlord agrees to indemnify and hold Tenant, its members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents (collectively, the "Tenant Related Parties") harmless from all such claims of any brokers claiming to have represented Landlord in connection with this Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first written above written.

LANDLORD: EOP-10 & 30 SOUTH WACKER, L.L.C., a Delaware Limited liability company, as beneficiary of land Trust dated October 1, 1997, and known as American National Bank and Trust Company of Chicago Trust No. 123434-06

By: EOP Operating Limited Partnership, a Delaware limited Partnership, its sole member

By: Equity Office Properties Trust, a Maryland real estate Investment trust, its managing general partner

By: /s/ George Kohl

Name: George Kohl

Title: Vice President Leasing

TENANT: CHICAGO MERCANTILE EXCHANGE, An Illinois not-for-profit corporation

By: /s/ David Gomach

Name: David Gomach

Title: CFO

SECOND AMENDMENT

THIS SECOND AMENDMENT (the "Amendment") is made and entered into as of January 7, 2002, by and between 10 & 30 SOUTH WACKER, L.L.C., a Delaware limited liability company ("Landlord"), and CHICAGO MERCANTILE EXCHANGE INC., a Delaware corporation ("Tenant").

RECITALS

A. Landlord (as successor in interest to EOP-10 & 30 South Wacker, L.L.C., as successor to American National Bank and Trust Company of Chicago, Illinois, a national banking association of Chicago, Illinois, not individually but solely as Trustee under the provisions of a certain Trust Agreement dated June 2, 1981, and known as Trust No. 51234) and Tenant (as successor in interest to Chicago Mercantile Exchange, an Illinois not-for-profit corporation) are parties to that certain lease dated March 31, 1988, which lease has been previously amended by instrument dated November 1, 1999 (the "First Amendment") (collectively, the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 183,902 rentable square feet (the "Premises") on the 2nd through 10th floors inclusive and the 31st floor of the building commonly known as 10 South Wacker Drive located at 10 South Wacker Drive, Chicago, Illinois (the "Building").

B. The Lease with respect to the Expansion Space described in the First Amendment, (8,242 rentable square feet on the 31st floor of the

Building) by its terms shall expire on December 31, 2001 (the "Expansion Prior Termination Date"), and the parties desire to extend the Term of the Lease with respect to the Expansion Space only all on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

I. EXTENSION. The Term of the Lease with respect to the Expansion Space is hereby extended for a period of 23 months and shall expire on November 30, 2003 (the "Expansion Extended Termination Date"), unless sooner terminated in accordance with the terms of the Lease. That portion of the Term commencing the day immediately following the Expansion Prior Termination Date (the "Expansion Extension Date") and ending on the Expansion Extended Termination Date shall be referred to herein as the "Expansion Extended Term".

II. BASE RENT. As of the Expansion Extension Date, the schedule of Base Rent payable with respect to the Expansion Space during the Expansion Extended Term is the following:

PERIOD	ANNUAL RATE	ANNUAL MONTHLY PER SQUARE FOOT BASE RENT	BASE RENT
01/01/02-12/31/02	$ 24.00	$ 197,808.00	$ 16,484.00
01/01/03-11/30/03	$ 24.72	$ 203,742.24	$ 16,978.52

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

Notwithstanding anything contained herein to the contrary, Tenant shall be entitled to an abatement of Base Rent for January, 2002 and February, 2002 for the Expansion Space, such abatement aggregating $32,968.00. Tenant shall remain liable for Tenant's Proportion of Expenses and Taxes and other costs and charges specified in this Lease due and payable pursuant to the provisions of the Lease during such abatement period.

III. RENT ADJUSTMENT. For the period commencing on the Expansion Extension Date and ending on the Expansion Extended Termination Date, Tenant shall pay for Tenant's Proportion of Expenses and Taxes with respect to the Expansion Space in accordance with the terms of the Lease. Tenant shall not be obligated to Landlord for increases in CPI with respect to the Expansion Space.

IV. IMPROVEMENTS TO THE EXPANSION SPACE.

A. CONDITION OF THE EXPANSION SPACE. Tenant is in possession of the Expansion Space and accepts the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements.

B. RESPONSIBILITY FOR IMPROVEMENTS TO THE EXPANSION SPACE. Any construction, alterations or improvements to the Premises shall be performed by Tenant at its sole cost and expense using contractors selected by Tenant and approved by Landlord and shall be governed in all respects by the provisions of Section 9 of the Lease.

V. OTHER PERTINENT PROVISIONS. Landlord and Tenant agree that, effective

as of the date of this Amendment, the Lease shall be amended in the following additional respects:

LANDLORD'S ADDRESSES. Notwithstanding anything to the contrary contained in the Lease, Landlord's addresses for notices and payments of Rent are follows:

Landlord:	With a copy to:
10 & 30 South Wacker, L.L.C. c/o Equity Office Properties 30 S. Wacker Drive, Suite 3300 Chicago, Illinois 60606 Attention: Building Manager	Equity Office Properties Two North Riverside Plaza Suite 2100 Chicago, Illinois 60606 Attention: Chicago Region Counsel

Rent is payable to the order of 10 & 30 SOUTH WACKER, L.L.C. at the following address:

2890 Collection Center Drive
Chicago, Illinois 60693

VI. MISCELLANEOUS.

A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

D. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

E. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

F. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment except for the Levy Organization ("Broker"). Tenant agrees to indemnify and hold Landlord, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents (collectively, the "Landlord Related Parties") harmless from all claims of any brokers other than

Broker claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment. Landlord agrees to indemnify and hold Tenant, its members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents (collectively, the "Tenant Related Parties") harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment.

G. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

WITNESS/ATTEST:

LANDLORD: 10 & 30 SOUTH WACKER, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY

By: EOP-10 & 30 South Wacker, L.L.C., a Delaware limited liability company, its administrative managing member

Name (print):

By: EOP Operating Limited Partnership, a Delaware limited partnership, its sole member

By: Equity Office Properties Trust, a
Maryland real estate investment trust,
its general partner

By: /s/ George Kohl
Name: George Kohl
Title: Vice President Leasing

WITNESS/ATTEST:

/s/ Jennifer Durkin
Name (print): Jennifer Durkin

TENANT:

CHICAGO MERCANTILE EXCHANGE INC., A DELAWARE CORPORATION

By: /s/ David Gomach
Name: David Gomach
Title: Managing Director
Chief Financial Officer

THIRD AMENDMENT

THIS THIRD AMENDMENT (the "Amendment") is made and entered into as of May 3, 2002, by and between 10 & 30 SOUTH WACKER, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY ("Landlord"), and CHICAGO MERCANTILE EXCHANGE INC., A DELAWARE CORPORATION ("Tenant").

RECITALS

A. Landlord (as successor in interest to EOP-10 & 30 South Wacker, L.L.C., as successor to American National Bank and Trust Company of Chicago, Illinois, a national banking association of Chicago, Illinois, not individually but solely as Trustee under the provisions of a certain Trust Agreement dated June 2, 1981, and known as Trust No. 51234) and Tenant (as successor in interest to Chicago Mercantile Exchange, an Illinois not-for-profit corporation) are parties to that certain lease dated March 31, 1988, which lease has been previously amended by instruments dated November 1, 1999 (the "First Amendment") and January 7, 2002 (the "Second Amendment") (collectively, the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 183,902 rentable square feet (the "Premises") on the 2nd through 10th floors inclusive and the 31st floor of the building commonly known as 10 South Wacker Drive located at 10 South Wacker Drive, Chicago, Illinois (the "Building").

B. The Second Amendment extended the term for the Expansion Space described in the First Amendment and the parties desire to clarify that the Expansion Space will not be considered part of the "Premises" for the purposes of the Renewal Option set forth in the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

I. AMENDMENT. Effective as of the date hereof Landlord and Tenant agree that the Lease shall be amended in accordance with the following terms and conditions:

The Expansion Space as defined in the First Amendment (8,242 rentable square feet on the 31 floor of the Building) shall not be deemed part of the Premises for the purpose of Tenant's Renewal Option set forth in Paragraph 44 of the Lease.

II. MISCELLANEOUS.

A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein.

B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

D. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

E. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

WITNESS/ATTEST:

LANDLORD: 10 & 30 SOUTH WACKER, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY

By: EOP-10 & 30 South Wacker, L.L.C., a Delaware limited liability company, its administrative managing member

Name (print):

By: EOP Operating Limited Partnership, a Delaware limited partnership, its sole member

By: Equity Office Properties Trust, a Maryland real estate investment trust, its general partner

By: /s/ George Kohl
Name: George Kohl
Title: Vice President Leasing

WITNESS/ATTEST:

TENANT:

CHICAGO MERCANTILE EXCHANGE INC., A DELAWARE CORPORATION

/s/ Jamie Parisi
Name (print): J. Parisi

By: /s/ David Gomach
Name: David Gomach
Title: CFO

FOURTH AMENDMENT

This Fourth Amendment (this "AMENDMENT") is made and entered into as of August 22, 2002 by and between 10 & 30 SOUTH WACKER, L.L.C., a Delaware limited liability company ("LANDLORD") and CHICAGO MERCANTILE EXCHANGE INC., a Delaware corporation ("TENANT").

RECITALS:

Landlord and Tenant (each as a successor in interest by assignment and/or operation of law) are parties to a certain Lease dated as of March 31, 1988 between American National Bank as Trustee under Trust Agreement dated June 2, 1981 and known as Trust No. 51234 and Chicago Mercantile Exchange, an Illinois not-for-profit corporation, as amended by amendments dated November 1, 1999, January 2, 2002 and May 3, 2002 (the "LEASE"). The parties desire to amend the Lease as hereinafter provided. Therefore, the parties agree as follows:

1. DEFINED TERMS. Except as defined in this Amendment, the capitalized defined terms used in this Amendment shall have the meanings ascribed to such terms in the Lease. References to "SECTION" refer to sections and subsections of the Lease. References to "EXHIBIT" or "EXHIBITS" are to exhibits to this Amendment unless otherwise indicated. For purposes of this Amendment, the following terms shall have the following meanings:

"30 SOUTH WACKER BUILDING" means the office tower and related improvements commonly known as 30 South Wacker Drive, Chicago, Illinois.

"PROPOSED EXTENSION AMENDMENT" means a proposed Fifth Amendment to Lease that is currently being negotiated by and between Landlord and Tenant to, among other things, extend the term of the Lease by five (5) years.

2. TEMPORARY SPACE.

A. Subject to Section 2.B. below, during the period beginning on the execution date of this Amendment and ending June 30, 2004 ("TEMPORARY SPACE TERM"), Tenant shall be permitted to occupy Suite 1818 at the 30 South Wacker Building ("SUITE 1818") consisting of 16,434 rentable square feet, which space is depicted on Exhibit A (Suite 1818 and any space provided by Landlord in substitution thereof pursuant to the terms hereof is referred to as the "TEMPORARY SPACE"). No Base Rent or Rent Adjustment shall be payable with respect to the Temporary Space during the Temporary Space Term, otherwise the Temporary Space shall be governed by the terms of the Lease. Landlord will have the right to relocate Tenant from Suite 1818 to comparable alternative space in the Building or 30 South Wacker Building as Temporary Space for the balance of the Temporary Space Term, provided that Landlord notifies Tenant of such change no later than September 30, 2003. Landlord will pay or reimburse Tenant for all costs incurred by Tenant in connection with moving to

such alternative Temporary Space up to the sum of $250,000 (the "RELOCATION ALLOWANCE"). If all or any portion of the Relocation Allowance is not used for such relocation costs on or before June 30, 2004, regardless of whether Landlord requires Tenant to relocate to alternative Temporary Space, Tenant may use such amount for any other relocation costs in the Building or 30 South Wacker Building incurred by Tenant or as a credit

against Base Rent and Rent Adjustment. Unless such Temporary Space is encumbered by occupancy rights of a third party Building or 30 South Wacker Building tenant, Tenant shall have the right, exercised by notice to Landlord no later than December 31, 2003, to add the Temporary Space to the Premises. In the event the Tenant exercises such option, the Temporary Space will be added to the Premises for the balance of the Term, as the same may be extended, or such shorter period if such Temporary Space is then encumbered by third party Building tenant rights, and Base Rent and Rent Adjustment shall be payable with respect thereto at the same rates as applicable to the other Office Premises (the term "Office Premises" is to be defined in the Proposed Extension Amendment). If Tenant holds over in the Temporary Space, Tenant shall be obligated to pay rent for the Temporary Space during the holdover period at a rate equal to twice the rate applicable to the other Office Premises.

B. Notwithstanding Section 2.A. to the contrary, if Landlord and Tenant fail to enter into the Proposed Extension Amendment by December 31, 2002: (i) the Temporary Space Term shall automatically terminate effective as of November 30, 2003; (ii) if Landlord has a prospect that is interested in leasing the Temporary Space, Landlord shall have the right to terminate the Temporary Space Term at any time after December 31, 2002 by providing Tenant with not less than thirty (30) days prior written notice of termination; and (iii) provided that Landlord had not previously required Tenant to relocate from Suite 1818 to comparable alternative space, Landlord's obligation to pay or provide Tenant with a credit for the Relocation

Allowance shall be null and void and of no force or effect. It is understood and agreed that neither Landlord nor Tenant shall be under any obligation to enter into the Proposed Extension Amendment.

3. MISCELLANEOUS.

(a) This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

(c) In the case of any inconsistency between the provision of the Lease and this Amendment, the provision of this Amendment shall govern and control.

(d) Neither party shall be bound by this Amendment until both parties have executed and delivered the same to the other.

(e) Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment except for The Levy Organization ("BROKER"). Tenant agrees to indemnify and hold Landlord Related Parties harmless from all claims of any brokers other than Broker claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in

connection with this Amendment. Landlord agrees to indemnify and hold Tenant Related Parties harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment.

(f) Each exhibit attached hereto is hereby made a part hereof.

(g) Each signatory off this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

[THE NEXT PAGE IS THE SIGNATURE PAGE.]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD: 10 & 30 SOUTH WACKER, L.L.C., a Delaware limited liability company

By: EOP-10 & 30 South Wacker, L.L.C., a Delaware limited liability company, its administrative managing member

By: EOP Operating Limited Partnership, a Delaware limited partnership, its sole member

By: Equity Office Properties Trust, a Maryland real estate investment trust, its general partner

By: ----------

Name: ----------

Title: ----------

TENANT:

CHICAGO MERCANTILE EXCHANGE INC., A DELAWARE CORPORATION

By: /s/ David Gomach
Name: David Gomach
Title: CFO

FIFTH AMENDMENT

This Fifth Amendment (this "AMENDMENT") is made and entered into as of October 1, 2002 by and between 10 & 30 SOUTH WACKER, L.L.C., a Delaware limited liability company ("LANDLORD") and CHICAGO MERCANTILE EXCHANGE INC., a Delaware corporation ("TENANT").

RECITALS:

Landlord and Tenant (each as a successor in interest by assignment and/or operation of law) are parties to a certain Lease dated as of March 31, 1988 between American National Bank as Trustee under Trust Agreement dated June 2, 1981 and known as Trust No. 51234 and Chicago Mercantile Exchange, an Illinois not-for-profit corporation, as amended by amendments dated November 1, 1999, January 2, 2002, May 3, 2002, and August 22, 2002 (the "LEASE"). The parties desire to amend the Lease as hereinafter provided. Therefore, the parties agree as follows:

1. DEFINED TERMS. Except as defined in this Amendment, the capitalized defined terms used in this Amendment shall have the meanings ascribed to such terms in the Lease. References to "SECTION" refer to sections and subsections of the Lease. References to "Exhibit" or "EXHIBITS" are to exhibits to this Amendment unless otherwise indicated. For purposes of this Amendment, the following terms shall have the following meanings:

"CLUB SPACE" means the space located on the upper lobby level of the 30 South Wacker Building consisting of 13,702 rentable square feet and depicted on Exhibit A.

"CLUB SPACE LEASE" means the Lease between Landlord (as successor in interest) and Chicago Mercantile Exchange Trust (as assignee) dated June 22, 1982, as amended by amendments dated October 23, 1985, and May 28, 1992.

"EXTENSION COMMENCEMENT DATE" means December 1, 2003.

"OFFICE PREMISES" means, collectively, the 30 South Wacker Premises, the 10 South Wacker Premises, the Upper Lobby Office Space, the Club Space (at such time as it is added to the Premises), and, if such spaces are added to the Premises, the Expansion Space and the Temporary Space.

"SECURED ACCESS SPACE" means the space located on the lobby level of the 30 South Wacker Building consisting of approximately 6,926 usable square feet, which space is depicted on Exhibit B.

"SUPPORT SPACE" means all space governed by the Support Space Supplement.

"SUPPORT SPACE SUPPLEMENT" means the Amended and Restated Support Space Supplement of even date herewith between Landlord and Tenant.

"10 SOUTH WACKER BUILDING" means the office tower and related improvements commonly known as 10 South Wacker Drive, Chicago, Illinois. The real estate occupied by the 10 South Wacker Building is legally described on Exhibit 2.

"10 SOUTH WACKER PREMISES" means office and related support facility space (other than the Support Space) located on the 2nd through the 10th floors of the 10 South Wacker Building consisting of 175,660 rentable square feet, which space is depicted on Exhibits A-1 through A-9, inclusive, of the Lease.

"10TH FLOOR SPACE" means the 14,984 rentable square feet of office space located on the 10th Floor of the 30 South Wacker Building which space is not included in the Premises under the 30 South Wacker Lease.

"30 SOUTH WACKER BUILDING" means the office tower and related improvements (including the Upper Lobby Level Space and retail concourse) commonly known as 30 South Wacker Drive, Chicago, Illinois. The real estate occupied by the 30 South Wacker Building is legally described on Exhibit 1.

"30 SOUTH WACKER PREMISES" means the office and related support facility space (other than the Support Space) located on the 2nd through the 10th floors of the 30 South Wacker Building, consisting of 178,080 rentable square feet, which space is depicted on Exhibits A-1 through A-9.

"UPPER LOBBY OFFICE SPACE" means the office and related support facility space (other than the Support Space) located on the upper lobby level of the 30 South Wacker Building consisting of 18,693 rentable square feet, which space is depicted on Exhibit C.

"UPPER LOBBY SUPPORT SPACE" means the space depicted on Exhibit 1-F to the Support Space Supplement.

2. TERM EXTENSION. The Term is hereby extended for a period of five (5) years commencing on the Extension Commencement Date and ending on November 30, 2008.

3. ADDITION OF 30 SOUTH WACKER PREMISES, SECURED ACCESS SPACE AND CLUB SPACE.

(a) It being the intention of the parties that upon expiration of the 30 South Wacker Lease all space occupied by Tenant in the 10 South Wacker Building and the 30 South Wacker Building (other than subleased space) be governed by the Lease, effective as of the Extension Commencement Date, (i) the defined term "PREMISES" shall mean, collectively, the 10 South Wacker Premises, the 30 South Wacker Premises, the Upper Lobby Office Space, the Secured Access Space and, as the context requires pursuant to the Support Space Supplement, the Support Space and (ii) the defined term "BUILDING" shall mean, collectively, the 10 South Wacker Building, the 30 South Wacker Building and all other improvements on the property located at 10 and 30 South Wacker Drive, Chicago, Illinois, other than the Trading Floors, except that for purposes of Section 3 of the Lease (Rent Adjustments) and the definitions set forth therein, "BUILDING" means each of the 10 South Wacker Building and the 30 South Wacker Building, as applicable. Schedule 1 sets forth a description of the Premises showing the locations and area of the components thereof. All facilities (such as signs, kitchen facilities, antennae and Tenant's cable television system) established and maintained in the 30 South Wacker Premises and the Upper Lobby Office Space prior to the Extension Commencement Date may be maintained by Tenant under the Lease, as amended hereby.

(b) Landlord will deliver possession of the Secured Access Space to Tenant on April 1, 2003 (the "SCHEDULED DELIVERY DATE") or such earlier date for delivery as Tenant may accept. The Secured Access

Space shall be delivered in "as is" condition, including electrical service and separate metering, HVAC controls and the internal stairway, except that Landlord, at its expense, will construct the outside of the demising walls separating the Secured Access Space from the adjacent retail space on the north. Upon delivery of the Secured Access Space, the Secured Access Space will be added to and become a part of the Premises and Base Rent will commence with respect thereto. In the event that Landlord fails to provide Tenant with possession of the Secured Access Space on or before the Scheduled Delivery Date, Tenant shall be entitled to receive a credit against Base Rent and Rent Adjustments in an amount equal to the premium portion of any holdover rent that Landlord actually receives from American National Bank and Trust Company of Chicago, Bank One, N.A. or any of their successors or affiliates (collectively, "AMERICAN NATIONAL"), the current lessee and occupant of the Secured Access Space, with respect to the period beginning on the Scheduled Delivery Date and ending on the date that Landlord provides Tenant with possession of the Secured Access Space (the "HOLDOVER PERIOD"). For purposes hereof, the premium portion of holdover rent for each month or portion thereof during the Holdover Period shall mean the difference between the rent under American National's lease for space on the plaza level of the 30 South Wacker Building for the last month of the lease term thereof and the

amount of rent (calculated at the applicable holdover rate) actually received by Landlord from American National for each month or portion thereof during the Holdover Period. If American National remains in the Secured Access Space during any portion of the Holdover Period, Landlord agrees to charge rent at the holdover rate and use reasonable efforts to collect the full amount of rent due from American National for such period, provided that reasonable efforts shall not require Landlord to commence litigation against American National. If Landlord does not initiate litigation within six (6) months after such holdover rent becomes due, Landlord will assign such claim to Tenant for collection, which Tenant may pursue, compromise or waive in its sole and absolute discretion. Landlord further acknowledges that, as part of Tenant's remodeling and exterior facade plans for the Secured Access Space, Tenant may, subject to approval by the City of Chicago (which approval Landlord agrees to cooperate in obtaining), remove the automobile ramp that is currently used to provide egress from the Building parking garage to upper Wacker Drive, remove certain concrete median strip barriers (between column lines 9 and 11) on lower Wacker Drive and construct an entryway/plaza in the area currently utilized by such automobile ramp. Landlord has approved the design concept for such removal and the related entryway/plaza modifications. Prior to commencement of such ramp removal and entryway/plaza construction work Tenant will furnish to Landlord for approval copies of all plans and modifications thereof for such removal and construction work, and agrees to consult with Landlord during the course of such work. If Tenant elects to

extend a portion of the Secured Access Space into the entryway/plaza created following removal of the automobile ramp (should Tenant elect to cause such removal), such additional space shall not be subject to Base Rent, Rent Adjustment or constitute additional Rentable Area of the Office Premises for any purpose other than Tenant's occupancy rights. Landlord will not unreasonably withhold, delay or condition approval of Tenant's remodeling and exterior facade plans for the Secured Access Space, and Landlord recognizes that the Secured Access Space will be utilized as a high visibility, first class entry lobby for Tenant. Landlord acknowledges that Tenant may seek (and Landlord will consent to and cooperate with Tenant in obtaining) a separate address for its entry into the Building through the Secured Access Space.

(c) Upon the later of January 1, 2004 and the date possession of the 10th Floor Space is delivered to Tenant, the 10th Floor Space will be added to and become part of the Premises, Base Rent and Rent Adjustment will commence with respect thereto and Tenant's Proportion for the 30 South Wacker Building will be appropriately adjusted.

(d) On June 1, 2004, the Club Space will be added to and become a part of the Premises, Base Rent and Rent Adjustment will commence with respect thereto and Tenant's Proportion for the 30 South Wacker Building shall be appropriately adjusted.

(e) Neither the Rentable Area of the Office Premises nor the rentable area of the Secured Access Space shall include (for purposes of

calculating Base Rent or Rent Adjustment) the low-rise elevator lobby or the adjacent corridor space in the 30 South Wacker Building, even though such space may be accessible from the Premises only.

4. BASE RENT. Effective as of the Extension Commencement Date, Base Rent shall be as follows:

(a) Base Rent for the Secured Access Space* shall be as follows:

Lease Year	Annual Rate per Period	Monthly Amount*	Amount* Square Foot
Date of Delivery through December 31, 2003	$ 9,234.67	N/A	$ 16.00/sq.ft.
January 1, 2004 through December 31, 2004	$ 9,234.67	$ 110,816.00	$ 16.00/sq.ft.
January 1, 2005 through December 31, 2005	$ 9,523.25	$ 114,279.00	$ 16.50/sq.ft.
January 1, 2006 through December 31, 2006	$ 9,811.83	$ 117,742.00	$ 17.00/sq.ft.
January 1, 2007 through December 31, 2007	$ 10,100.42	$ 121,205.00	$ 17.50/sq.ft.
January 1, 2008 through November 30, 2008	$ 10,389.00	$ 114,279.00**	$ 18.00/sq.ft.

* Based upon 6,926 rentable square feet which area may change.
** 11 months

(b) Base Rent for the 30 South Wacker Premises, the 10 South Wacker Premises and the Upper Lobby Office Space (in the aggregate) shall be as follows:

Annual Rate per Period	Monthly Amount	Lease Year	Amount Square Foot
December, 2003	$ 620,721.67*	N/A	$ 20.00/sq.ft.
January 1, 2004 through December 31,	2004 $	645,695.00	$ 7,748,340.00**
$ 20.00/sq.ft.			
January 1, 2005 through December 31,	2005 $	661,837.38	$ 7,942,048.50
$ 20.50/sq.ft.			
January 1, 2006 through December 31,	2006 $	677,979.75	$ 8,135,757.00
$ 21.00/sq.ft.			
January 1, 2007 through December 31,	2007 $	694,122.13	$ 8,329,465.50
$ 21.50/sq.ft.			
January 1, 2008 through November 30,	2008 $	710,264.50	$ 7,812,909.50***
$ 22.00/sq.ft.			

* Excludes 10th Floor Space.
** Assumes possession of 10th Floor Space delivered to Tenant.
*** 11 months

(c) Base Rent for the Club Space shall be as follows:

Annual Rate per Period	Monthly Amount	Lease Year	Amount Square Foot
June 1, 2004 through December 31, 2004	$ 22,836.67	$ 159,856.69*	$ 20.00/sq.ft.
January 1, 2005 through December 31, 2005	$ 23,407.58	$ 280,891.00	$ 20.50/sq.ft.

January 1, 2006 through December 31, 2006	$ 23,978.50	$ 287,742.00	$ 21.00/sq.ft.
January 1, 2007 through December 31, 2007	$ 24,549.42	$ 294,593.00	$ 21.50/sq.ft.
January 1, 2008 through November 30, 2008	$ 25,120.33	$ 276,323.67**	$ 22.00/sq.ft.

* 7 months
** 11 months

(d) Base Rent for the Support Space is set forth in the Support Space Supplement.

5. RENT ADJUSTMENT. It is the intention of the parties hereto that (i) from and after the Extension Commencement Date, Rent Adjustment will no longer include any amount for increases in CPI, (ii) the Secured Access Space will not be subject to Rent Adjustment or included in the Rentable Area of the Office Premises for purposes of calculating Rent Adjustment, (iii) certain modifications will be effective relating to calculation and adjustment of Rent Adjustment and (iv) Rent Adjustment will be calculated and billed separately for each of the 10 South Wacker Building and the 30 South Wacker Building. Hence, effective as of the Extension Commencement Date, the following sub-Sections of Section 3 shall be amended or deleted as follows:

(a) Section 3.A.1, 3.A.3 (including FN 2.1) and all other references in the Lease to CPI, 3.B. (including FN 3.4), 3.F.2.b. and 3.H. shall be deleted.

(b) The definition of Expenses set forth in Section 3.A.4 (including FN 2.3), shall be amended and restated in its entirety to provide as follows:

> 4. "EXPENSES" means and includes (except as set forth below): a) those expenses paid or incurred by Landlord for maintaining, operating and repairing the Real Property, the cost of electricity, steam, water, fuel, heating, lighting, air-cooling, window cleaning, janitorial service, insurance (including terrorism insurance provided that the cost thereof, if provided on a "blanket policy" basis, shall be subject to reasonable allocation among the properties covered thereby), including, but not limited to, fire, extended coverage, liability, worker's compensation, elevator, or any other insurance carried in good faith by Landlord and applicable to the Real Property, painting, carpet, wall covering and ceiling tiles (but only to the extent such items constitute non-capital repairs or replacements), uniforms, management fees, supplies, sundries, sales or use taxes on supplies or services, cost of wages and salaries of all persons engaged in the operation, maintenance and repair of the Real Property, and so-called fringe benefits, including social security taxes, unemployment insurance taxes, cost for providing coverage for disability benefits, cost of any pensions, hospitalization, welfare or retirement plans, or any other similar or like expenses incurred under the provisions of any collective bargaining agreement, or any other cost or expense which Landlord pays or incurs to provide benefits for employees so engaged in the operation, maintenance and repair of the Real Property, the charges of any independent contractor who, under contract with Landlord or its representatives, does any of the work of operation, maintaining or repairing the Real Property, legal and accounting expenses, including, but not to be limited to, such expenses as relate to seeking or obtaining reductions in and refunds of Taxes (which Landlord shall make reasonable efforts to obtain) or any other expense or charge, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting principles would be considered as an expense of maintaining, operating, or repairing the Real Property; and b) the amortized portion of the cost of any capital improvement made to the Real Property which is either (i) required by law, ordinance or governmental regulation (including, without limitation, the cost of any modification of any system in the Building, or installation of additional systems, or modification of the Building, or compliance with fire safety requirements, to the extent any of the foregoing is required by law, ordinance or

governmental regulation), or (ii) intended by Landlord to reduce Expenses (the capital improvements described in clauses (i) and (ii) being collectively referred to as the "INCLUDED CAPITAL ITEMS"), provided, however, that the portion of the annual amortized costs to be included in Expenses in a calendar year with respect to a capital improvement which is intended by Landlord to reduce Expenses, shall equal the lesser of: (x) such annual amortized costs or (y) the projected annual

amortized reduction in Expenses for that portion of the useful life of the capital improvement which falls within the Term (based upon the total cost savings from such capital improvement for such period, as reasonably estimated by Landlord). Notwithstanding any provision of clause b) of the preceding sentence, no capital improvements required by law, ordinances or governmental regulation in effect or capital improvements made or commenced prior to August 1, 2002, or which constitute any of the security improvements required by Section 43 of this Lease shall be Included Capital Items. The determination of whether any item is a "capital" or "expense" item or the amount of annual amortization for any Included Capital Item shall be in accordance with generally accepted accounting principles consistently applied. Any such amortization amount shall include interest at the Prime Rate in effect on the date of installation of the Included Capital Item. If with respect to any Calculation Year the Building is not fully occupied or if not all of the tenants in the Building are receiving a service the cost of which is included in Expenses as defined herein, during all or a portion of any year and solely as a result of such partial occupancy or receipt of services actual Expenses for such Calculation Year are less than what the amount for Expenses would have been but for such partial occupancy or receipt of services, then Landlord may adjust the amount of Expenses for such Calculation Year, employing sound and consistent accounting and management principles, by the amount of such difference. In no event shall Landlord collect from tenants of the Building more than 100% of actual Expenses. That portion of Building Rent Adjustments attributable to Expenses and Taxes billed to retail tenants in the Building shall be deducted from the Building total for purposes of calculating Tenant's Proportion of Expenses and Taxes, respectively. Expenses shall be determined on a cash basis, provided that, if sound accounting principles so dictate, any Expense, which though paid in one Calculation Year, related to more than one Calculation Year, shall be proportionately allocated among such Calculation Years. The terms "EXPENSES" shall not include:

(i) leasing commissions;

(ii) advertising and promotional expenditures;

(iii) cost of constructing and operating, maintaining and repairing any leasing office located at the Building;

(iv) amounts paid on behalf of or reimbursed to Landlord through the proceeds of insurance (provided that the amount of any reasonable deductible paid by Landlord shall be included in Expenses), the proceeds of a condemnation award or the proceeds of a recovery under a contractor's or other warranty, and amounts that would have been paid on behalf of or reimbursed to Landlord through the proceeds of insurance if Landlord had maintained the insurance required pursuant to Section 36 of this Lease;

(v) amounts billed directly to tenants (whether or not collected by Landlord) except through Rent Adjustments (i.e., escalation and Expense and Tax payments) billed to tenants (including Tenant) in the Building;

(vi) any expense in connection with services or benefits of a type which are not available to Tenant or are only available to Tenant at an additional or direct charge to Tenant, but which are provided to another tenant or occupant of the Building (whether or not such expenses are billed or collected by Landlord);

(vii) costs incurred in improving, decorating, renovating or redecorating any leasable space in the Building (including without limitation, the cost of removing rubbish generated by any of the foregoing);

(viii) depreciation, interest, and principal payments on mortgages, and other debt costs (except to the extent that the same are attributable to Included Capital Items) and ground lease payments;

(ix) penalties and interest for non-payment or late payment by Landlord of items included in Expenses and costs due to the violation by Landlord or its agents of any contract, judgment, law, statute or ordinance; provided, however, that interest assessed against Landlord for late payments relating to Taxes which are being (or had been) contested in good faith in an appropriate manner by Landlord shall not be deemed a penalty and shall be included in Expenses;

(x) the costs of repairs or other restoration work to remedy damages caused by the negligence of Landlord, Landlord's members or their respective agents or employees;

(xi) wages, salaries and fringe benefits paid to any employee who is not devoted full time (i.e., exclusively) to responsibilities for Building management or any employee engaged in leasing or marketing space in the Building, provided that if Landlord changes its Building management structure such that in substitution for employees devoted full time to Building management responsibilities, Building management responsibilities are allocated among employees on a task-based or subject-based basis who are not devoted full time to the Building, Landlord may include in Expenses the reasonably allocated share of the salaries and benefits paid to such employees, provided that the aggregate amount of such salaries and benefits so allocated for any Calculation Year does not exceed the amount that would have been allocated for such Calculation Year if Landlord had in place a management structure under which all Building management

responsibilities were handled by employees that were devoted full time to the Building;

(xii) any portion of any cost allocable to any building other than the Building;

(xiii) accounting and other professional fees, attorney's fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with mortgagees, co-owners, shareholders, tenants or other occupants of the Building or with prospective tenants (including, without limitation, the costs of defending claims made by tenants against Landlord), or costs incurred in marketing the Building (except that attorneys' and other professionals' fees, costs and disbursements and other expenses incurred by Landlord in seeking to enforce Building rules and regulations or in seeking to enforce the non-monetary obligations of any tenant in the Building to the extent that such rules and regulations or non-monetary obligations are intended to benefit the tenant population of the Building shall be included in Expenses);

(xiv) costs of a capital nature as determined under generally accepted accounting principles, except for permitted amortization of Included Capital Items as set forth in clause (b) above;

(xv) any expense for correction of defects in the initial construction of the Building or in the Systems (as defined in Section 9.A.) of the Building (as opposed to the costs of normal repair and maintenance and replacement (to the extent that such replacement does not constitute a capital improvement or replacement) expected with the construction materials and the Systems installed in the Building in light of their specifications);

(xvi) overhead and profit paid to subsidiaries or affiliates of Landlord for services (except for property management fees) on or to the Building to the extent that the charges for such services exceed competitive charges for such services;

(xvii) property management fees for any month in excess of the greater of $15,000 and three percent (3%) of all rent receipts and other revenues of the Building collected during such month;

(xviii) rental and other related expenses incurred in leasing air-conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except (a) equipment which is used in providing janitorial and maintenance services and which is not

permanently affixed to the Building, (b) equipment that is rented on a temporary basis for repairs or maintenance, and (c) plants;

(xix) night cleaning expenses (other than night cleaning of common areas and outdoor sidewalks and plazas) so long as Tenant separately contracts for such services; or

(xx) Taxes, it being understood that Tenant pays for Tenant's Proportion of Taxes separately.

(c) References in the definition of "Real Property" to "the Building" shall be deemed to refer to "the applicable Building" for purposes of determining Expenses, Taxes and the Rent Adjustment.

(d) Section 3.A.6 shall be amended by deleting the phrase "or increases in CPI".

(e) Sections 3.A.7, 3.A.8, 3.A.9, 3.A.11 and 3.A.12 (including FN 3.2) shall be amended and restated in their entirety to provide as follows:

7. "Rentable Area of the Building" means (i) with respect to the 10 South Wacker Building, 946,356 rentable square feet and (ii) with respect to the 30 South Wacker Building, 1,033,628 rentable square feet.

8. "Rentable Area of the Office Premises" means (i) with respect to the 10 South Wacker Building, 175,660 rentable square feet and (ii) with respect to the 30 South Wacker Building, 196,773 rentable square feet plus or minus the rentable area (determined in accordance with consistently applied Building standards) of space deleted from or added to the Premises located in the applicable Building (including the Club Space and the 10th Floor Space), if such space is subject to Rent Adjustment after the Extension Commencement Date.

9. "Rent Adjustment Deposit" means one-twelfth of the amount set forth in the then current Estimate.

11. "Tenant's Proportion" means with respect to each Building the percentage amount derived by dividing the Rentable Area of the Office Premises by the Rentable Area of the Building.

12. "Estimate" means Landlord's estimate of the amount of Tenant's Proportion of Expenses and Taxes for the then current Calculation Year communicated to Tenant by written notice given no more frequently than once during any calendar year. The Estimate shall be based upon Landlord's then current budget (which budget shall be based upon reasonable management assumptions as to Expenses). Promptly upon request by Tenant, Landlord will furnish Tenant with a copy of those portions of the then current budget which detail those items included in the calculation of Rent Adjustment. The amount of Taxes set forth in the Estimate shall be the amount of the most recently ascertainable Taxes. The Estimate shall not exceed 105% of the preceding Calculation Year's actual Rent Adjustment unless Landlord demonstrates that actual known Expenses and Taxes have caused such increase.

(f) Section 3.E. is amended by deleting the last sentence thereof and inserting, in lieu thereof, the following:

If the total Rent Adjustment Deposits paid during such calendar year prior to the rendering of the Statement (referred to in Section 3.F.2.) are less than or exceed the actual amount of Expenses and Taxes for such prior calendar year as shown on the Statement, then the difference shall be paid to Landlord by Tenant within thirty (30) days after the Statement is rendered or shall be credited against amounts due from Tenant to Landlord

under this Lease as they become due (as the case may be), provided that if Tenant is entitled to such a credit, upon notice to Landlord, Tenant may request direct payment of the excess (if any) of the amount to be credited over the sum of the installment of Base Rent and the Rent Adjustment Deposit next due after the rendering of the Statement, in lieu of a credit for such excess amount, and Landlord, if Tenant is not in default under this Lease, shall remit such excess amount to Tenant within thirty (30) days after receipt of such notice.

6. HVAC HOURS. Effective as of the Extension Commencement Date, Section 4.A.1 (including FN 4.3) shall be amended to provide that normal business operation hours of the base Building heating and cooling system ("HVAC") shall be weekdays from 6:00 A.M. to 7:00 P.M. and Saturday from 7:00 A.M. to 2:00 P.M. (Sundays and Holidays excepted), and, notwithstanding any provision of the Lease to the contrary, operation of the HVAC after or outside of the normal business operation hours set forth above ("AFTER HOURS USE") shall be subject to a charge of $88.00 per hour of After Hours Use with respect to each

Building elevator rise employing such After Hours Use. Such $88.00 per hour charge may be increased from time to time based upon actual percentage increases in after-hours HVAC costs incurred by Landlord after the Extension Commencement Date. The 10 South Wacker Building consists of three elevator rises, and the 30 South Wacker Building consists of four elevator rises.

7. ELEVATORS.

(a) The first sentence of Section 4.A.3 is amended by deleting "7:00 A.M." and inserting "6:00 A.M." in lieu thereof and deleting "1:00 P.M." and inserting "2:00 P.M." in lieu thereof.

(b) The third sentence of Section 4.A.3 is amended and restated in its entirety to provide as follows: "Landlord, however, shall provide limited freight and passenger elevator service (i.e., at least one passenger elevator and one freight elevator) daily at all times such normal elevator service is not furnished."

(c) The last sentence of Section 4.A.3 (contained in FN 4.11) is deleted and the following sentence inserted in lieu thereof:

> Tenant shall have access to the freight elevators and docks at all times subject to the procedures in place as of August 1, 2002 and reasonable modifications. Any such modification will not be effective until ten (10) days after written notice to Tenant. While utilizing the freight elevators Tenant will pay the actual hourly out-of-pocket cost of the freight elevator operator assigned to operate each freight elevator being utilized by Tenant and an hourly charge for Landlord's actual cost of maintaining security for freight elevator and loading dock use after normal business operation hours as set

forth in this Section 4.A.3. Passenger elevator service will be restricted in the manner described in Section 43.

(d) Section 17 is amended by adding the following sentence:

> Landlord and Tenant acknowledge that the Secured Access Space is demised in such a manner that the Building Freight Elevator and janitor closet on the lower lobby level can only be accessed through the Secured Access Space. Notwithstanding anything to the contrary in the Lease, including, without limitation, Sections 10 (Access to Premises) and 34 (Secured Areas), Landlord and its employees, agents and contractors shall have the right to enter the Secured Access Space at all reasonable times (but excluding periods during which special events are occurring) for the purpose of using the Freight Elevator and janitor closet in connection with the cleaning, repair, maintenance, operation and improvement of the Building.

8. ALTERATIONS. From and after the Extension Commencement Date, Section 9 will be amended as follows:

(a) Architectural and engineering firms and contractors selected by

Tenant to perform Alterations shall be subject to Landlord's approval which shall not be unreasonably withheld, conditioned or

delayed. Any firm or contractor submitted by Tenant to Landlord for approval shall be deemed approved unless Landlord notifies Tenant otherwise within 5 days and once approved Tenant need not submit such firm or contractor for approval unless Landlord withdraws such approval by notice to Tenant, which withdrawal shall state the reasons therefor. Tenant shall use union contractors unless Landlord otherwise agrees.

(b) Tenant shall have the right to use materials and finishes in connection with Alterations other than building standard materials and finishes

provided that such materials and finishes are of equal or higher quality to then current building standard materials and finishes.

(c) Section 9.E (FN 9.2) is amended by deleting the words "Metropolitan Structures Construction Division, as" and inserting "Landlord's" in lieu thereof.

(d) The penultimate sentence of Section 9.K (FN 9.5) is amended by adding the following: ", provided that Tenant shall not be responsible for the removal of any escalator or any electrical or communications cabling or wiring."

9. SECTION 15.E. DEFINITIONS. Section 15.E. of the Lease is amended and restated to provide in its entirety as follows:

E. For purposes of this Section 15:

1. "Landlord Related Parties" means Landlord, its trustees, members, principals, beneficiaries, partners and the entities or persons which comprise its trustees, members, principals, beneficiaries or partners and their respective agents, employees, officers, directors, shareholders, partners, members or principals (disclosed or undisclosed) or any of them.

2. "Tenant Related Parties" means Tenant, its shareholder(s) and the entities or persons which comprise its shareholder(s), and their

respective agents, employees, officers, directors, shareholders, partners, members or principals (disclosed or undisclosed) or any of them.

10. AMENDMENT TO SECTION 19.D. The first sentence of Section 19.D is amended and restated to provide in its entirety as follows: "Landlord may elect to terminate the right to possession by Tenant, without terminating the Lease, only if Tenant abandons the Premises or otherwise entitles Landlord to so elect."

11. NOTICE. Section 22.A.1 is amended and restated in its entirety to provide as follows:

A. Notices shall be effectively served by Landlord upon

Tenant by forwarding via Registered or Certified Mail, postage prepaid, at the Premises, Attn: President and Chief Executive Officer with separate copies forwarded as follows:

1. to the Premises:

a. attn: Managing Director and Chief Financial Officer; and

b. attn: Director of Facility Administration

2. with respect to default notices only:

Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603
Attn: James B. Rosenbloom, Esq.

3. with respect to notices or advices regarding renewal options, expansion options, rights of first offering or any other occupancy rights and default notices:

The Levy Organization
10 South Wacker Drive
Chicago, Illinois 60606

Attn: Holly Duran

12. ALLOWANCE. Landlord will provide Tenant with a cash allowance of $2,000,000 (the "ALLOWANCE") which Tenant may use, at its discretion, for remodeling, upgrades, alterations, equipment or other costs related to the Premises. On or before the Extension Commencement Date, Landlord and Tenant will enter into an agreement in the form of Exhibit D and shall deposit the Allowance with First American Title Insurance Company or another escrowee approved by the parties pursuant to the terms of a joint order escrow agreement in the form attached to Exhibit D. If Landlord fails to timely deposit the Allowance, Tenant's obligation to pay Base Rent and Rent Adjustments (without interest or late charge) shall be deferred until the Allowance is deposited. Tenant shall pay Landlord any Base Rent and Rent Adjustments so deferred within thirty (30) days after the Allowance is deposited.

13. PRIME RATE. The second sentence of Section 26.f. is amended in its entirety to provide as follows:

> "All such amounts (including Base Rent, Rent Adjustment Deposits and Rent Adjustments) shall bear interest from twenty (20) days after the date due until the date paid at the "prime rate" as reported each business day in the WALL STREET JOURNAL under "Money Rates" (the "Prime Rate") or at the maximum legal rate of interest, if any, for business loans, whichever is lower."

14. FIRE ALARM AND LIFE SAFETY SYSTEMS. All costs of Landlord's proposed upgrading of the Building fire alarm and life safety systems as proposed by Teng & Associates under Teng project #20-3266-01 issued for review on May 13, 2002 (as such project is modified from time to time) will be borne solely by Landlord and such upgrade shall not constitute an Included Capital Item or otherwise be included in Expenses.

15. SIGNAGE. Section 30 is amended by:

(a) adding the following Section 30.I.H.:

> H. Tenant may, at its expense, install signs and one or more electronic data walls in or on the exterior of the Secured Access Space, provided that to the extent such signs or data walls are visible or affixed outside the Secured Access Space, the size and design thereof shall be subject to Landlord's approval, which approval will not be unreasonably withheld, delayed or conditioned. Such signs shall include an interior concourse signband. The rendering of the data walls and the general design parameters for the data walls, exterior signs and exterior facade of the Secured Access Space are attached hereto as Exhibit E and are hereby approved by Landlord, provided that Tenant shall have the right to propose and Landlord will not unreasonably withhold, condition or delay its approval of alternative designs for interior and exterior sign and data walls and the exterior facade.

(b) amending Section 30.II.A. such that each reference therein to "Building" shall be deemed to refer to the 10 South Wacker Building; and

(c) adding the following Section 30.III.:

> III. Exterior Signs.
>
> A. Landlord will not install or maintain any sign or signs on the exterior of or outside (i) the 30 South Wacker Building or (ii) the east face of the 10 South Wacker Building and the area lying east of an assumed straight line extending north from the northeast corner of the 10 South Wacker Building to Madison Street, unless in each case such sign or signs are approved by Tenant, which approval will not be unreasonably withheld.
>
> B. The words "Chicago Mercantile Exchange Center" currently displayed on the Building monument sign at 30 South Wacker shall be maintained thereon so long as said monument sign is maintained and Tenant is in occupancy of the 30 South Wacker Premises, and, if the monument sign is removed and another monument sign or similar exterior sign is erected on the Real Property during the Term, the words "Chicago Mercantile Exchange" or then current name, trade name or trade dress shall be displayed thereon with prominence at least equal to

that currently displayed on the existing monument sign. The signs identifying Tenant above the entry doors and the other lobby signs of Tenant at the 30 South Wacker Building and the 10 South Wacker Building shall be maintained by Landlord throughout the Term, provided that if the Lease expires (and is not renewed) as to either the 30 South Wacker Premises or the 10 South Wacker Premises, the lobby entry signs and other lobby identification of Tenant in the applicable office tower (i.e., where Tenant is no longer in occupancy) may be removed by Landlord. If the Lease expires (and is not renewed) as to the Secured Access Space, the lobby signs and other identification of Tenant in the Secured Access Space may be removed by Landlord.

C. With respect to the monument sign approved by Tenant to be constructed adjacent to the 10 South Wacker Building near the corner of Madison Street and Wacker Drive, in the event Landlord desires to substitute the name of a tenant or tenants for either or both of Bank One or Rivers Bistro, then Landlord may substitute the name of the applicable replacement tenant or tenants on said monument sign, provided that the overall size, lettering size and materials and location of such replacement tenant's name shall be the same as Bank One or Rivers Bistro, as applicable. Such substitution right shall not, however, apply if such replacement tenant is a stock, futures, option, commodities or similar type of exchange or clearing house, unless such exchange or clearing house has leased and occupies more space in the Building than Tenant.

16. SECURITY REQUIREMENTS. Section 43 shall be amended and restated in its entirety as follows:

43. SECURITY REQUIREMENTS.

A. (i) On or before the Extension Commencement Date, Landlord, at its sole cost and expense, shall furnish and install the following:

1. Four (4) PZT or comparable cameras to monitor the exterior Building loading docks and the surrounding area and two (2) PZT or comparable cameras to monitor each Building lobby (collectively, the "Cameras");

2. a pallet size scanner at each Building loading dock (the "Scanner");

3. a central messenger center (the "Messenger Center") for the purpose of accepting delivery or pick-up of all packages smaller than 150 lbs. or the equivalent of four bankers' boxes,

whether delivered or being picked-up by outside messengers; and

4. door alarm devices at each access door to the roof of the Trading Floors (the "Alarms"); and

(ii) On or before the later of the Extension Commencement Date and the date the Secured Access Space is open and operational, Landlord, at its sole cost and expense, shall furnish and install the following:

1. subject to compliance with City of Chicago codes and ordinances, Building elevator hardware and software modifications sufficient to:

(i) with respect to the passenger and parking elevators located in the 30 South Wacker Building: (a) control the parking elevator service to the upper lobby level and (b) prevent or restrict in a manner satisfactory to Tenant access to the ground lobby level from the passenger elevators serving the "low-rise floors", i.e., the upper lobby level through the 10th floor; and

(ii) with respect to the passenger elevators located in the 10 South Wacker Building: (a) prevent the elevators serving the "low-rise floors", i.e., the upper lobby level through the 10th floor, from answering "hall calls" at the ground lobby level or providing service to the ground lobby level from such passenger elevators and (b) prevent or restrict in a manner satisfactory

to Tenant access to the 10th floor from the passenger elevators serving the "mid-rise floors", i.e., the 10th floor through the 24th floor; and

2. Establish barriers or gates sufficient to prevent or restrict access to the upper lobby level by means of the escalators located in the lobby of the 30 South Wacker Building or remove such escalators.

B. (i) From and after October 1, 2002 until the earlier of the date the Secured Access Space is open and operational and the date which is 12 months after delivery of possession of the Secured Access Space to Tenant, Landlord will maintain at least the level of lobby security maintained on October 1, 2002.

(ii) From and after the Extension Commencement Date:

1. The Cameras, the Scanner and the Alarms will be operated and monitored by Landlord's personnel, provided that at Tenant's option, any or all of the Cameras and the Alarms may be monitored by Tenant's security personnel, and provided further that if Tenant exercises such option, Tenant shall have the obligation (together with Landlord) to continuously monitor the camera images.

2. All packages received at any Building loading dock shall be scanned to the extent they fit within the Scanner. Landlord's personnel will operate the Messenger Center. Landlord shall determine the extent to which packages received at the Messenger Center will be scanned, provided that (i) all packages in excess of 150 lbs. or larger than four banker's boxes will be directed to a Building loading dock for scanning, and (ii) bulk letters and packages received from overnight courier services will be directed to or received at the Building loading docks and scanned and, after scanning, returned to the courier service for delivery to the Building tenant.

3. When the United States government considers the U.S. to be at a threat level of yellow, orange or red (or such equivalent standards as may be hereafter adopted), Landlord shall (i) work and cooperate with Tenant to establish acceptable measures to control access to the Building parking facility and (ii) post and maintain an armed security officer at each Building loading dock for the sole purpose of monitoring truck and delivery vehicle traffic at the Building loading docks.

4. With respect to elevator controls, Landlord's and Tenant's security personnel will be provided with override keys for use in emergency or controlled events.

5. Tenant shall have the right from time to time, at its expense, to modify such elevator controls to restore or further restrict such elevator service.

C. Tenant shall have the right at any time, subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed, to install, at Tenant's sole cost and expense, a protective barrier, including steel, lighting and cameras, at the west river wall of the Building.

D. Tenant shall maintain security for ingress to the Building through the Secured Access Space at least comparable to the security maintained by Landlord at the lower lobby entrances to each of the 10 South Wacker Building and the 30 South Wacker Building. In addition, Landlord

and Tenant shall work together in good faith to agree upon and implement security systems, policies and procedures that are reasonably acceptable to Landlord to control ingress from the Secured Access Space into the lower lobby level of the Building (including the retail concourse) each day during the hours of 2:00 p.m to 4:00 p.m. Landlord shall be responsible for any claims by other tenants for inconvenience, inadequate access, interference with access or loss of business arising out of the implementation of such controls.

17. RENEWAL OPTIONS. Section 44 is amended and restated to provide in its entirety as follows:

44. RENEWAL OPTIONS.

A. Tenant shall have the option (each, a "Renewal Option" collectively, the "Renewal Options") to extend the Term for one period of four (4) years beginning on December 1, 2008 and, thereafter, two consecutive periods of seven (7) years each beginning on December 1, 2012 and December 1, 2019, respectively (each, a "Renewal Term"). Upon the exercise of each such Renewal Option, the Expiration Date will be modified to be the last day of the applicable Renewal Term. Tenant may exercise each Renewal Option by notice to Landlord no later than twelve (12) months prior to the then current Expiration Date, provided that at the time of such exercise, (i) no uncured default then exists and all applicable grace periods with respect thereto have then expired and (ii) Tenant, its affiliates, permitted assignees and subtenants are then in occupancy of at least 175,000 rentable square feet of the Office Premises. At Tenant's election, which shall be expressed in the notice of exercise of the applicable Renewal Option, such renewal may extend the Term as (i) to the entire Premises, (ii) the 30 South Wacker Premises or the 10 South Wacker Premises and, in either case, all of the Club Space, the Secured Access Space, and the Upper Lobby Office Space, and, at Tenant's option, both or either of (if then subject to the Lease) the Temporary Space and the Expansion Space, provided that if the exercise of the Renewal Option includes the 10 South Wacker Premises, then Tenant shall not terminate the Support Space Supplement with respect to the Upper Lobby Support Space. All references in this Lease to "Renewal Option" shall be deemed to refer to each Renewal Option or the Renewal Options, as the context requires. Failure to timely exercise a Renewal Option as to any applicable portion of the Premises will result in the expiration of the Renewal Option with respect to such space.

B. (i) Base Rent per square foot for the Office Premises for each Renewal Term shall be the Prevailing Market Rate. For purposes hereof, "Prevailing Market Rate" means the base rental rate then being offered by landlords and accepted by other tenants for comparable leases in comparable office buildings located in the Chicago "west

loop" market (taking into account size, location and all applicable market escalations, rental and other concessions, abatements, limitations on taxes and operating expenses, allowances, commissions and tenant improvements), as reasonably determined by Landlord and evidenced by recent leases (dated within nine (9) months preceding Tenant's notice to Landlord) which have been executed and approved by all necessary parties and which (to the extent available to Landlord) shall be disclosed to Tenant (subject, however, to the terms of any confidentiality provisions contained within any such leases, and in any event Tenant agrees that it shall keep confidential all such information furnished to Tenant). If Tenant disagrees with Landlord's estimation of the Prevailing Market Rate it must so notify Landlord in writing within thirty (30) days after Tenant's receipt thereof and specify Tenant's estimation of the Prevailing Market Rate, provided that in the case of the first Renewal Term, Tenant shall have the option, in lieu of specifying Tenant's estimation of the Prevailing Market Rate, to designate the Agreed Rate as the Base Rate per square foot for the Office Premises for the first Renewal Term. For purposes hereof, "AGREED RATE" means $23.00 per square foot for the Office Premises "as is" (i.e., without rent or tenant improvement concessions or allowances), which amount shall increase by $.50 per square foot on each anniversary of the first Renewal Term. If the parties are unable to agree on a Prevailing Market Rate for the applicable Renewal Term within sixty (60) days following Landlord's receipt of Tenant's estimation of Prevailing Market Rate, Tenant may elect in writing to (a) promptly enter into binding arbitration in accordance with the provisions of Section 56 hereof or (b) revoke its election to exercise the Renewal Option, in which case Tenant shall have no further rights under this Section 44 and Landlord may lease the Premises or such applicable portion thereof to a third party or parties free of Tenant's rights under this Section 44.

(ii) Base Rent for the Secured Access Space for each Renewal Term shall be at a rate equal to $.50 per usable square foot PLUS the Base Rent per usable square foot of the Secured Access Space applicable during the 12-month period immediately preceding the first month of the applicable Renewal Term, which amount shall increase by $.50 per usable square foot on each anniversary of the first day of the applicable Renewal Term.

C. In the event that at any time (i) the rentable area of the Premises is less than 175,000 rentable square feet and (ii)

more than 50% of the usable area of the Trading Floors is used for general office purposes, Landlord will have the right to terminate this Lease as to the Secured Access Space by notice to Tenant, which termination shall be effective as of the date set forth in the

termination notice which termination date shall be no earlier than twelve (12) months after the effective date of such notice of termination. In such event, Landlord shall, at its sole cost and expense with respect to any repairs, alterations or additions which may be required, provide Tenant with access to the Trading Floors which will be as convenient and comparable to the Secured Access Space as shall be reasonably feasible. Such alternative access shall include escalator access from the lobby level of the 30 South Wacker Building to the upper lobby level and shall be subject to Tenant's approval, which approval will not be unreasonably withheld, conditioned or delayed. In no event shall such termination of the Lease as to the Secured Access Space be effective until such alternative access is available. Such termination election shall be void if Tenant notifies Landlord, within thirty (30) days after receipt of the termination notice, that, effective as of the proposed termination date, Tenant will pay Base Rent and Rent Adjustment for the Secured Access Space at the rate then applicable to the Office Premises. Notwithstanding the requirements of Section 44.A. and without diminishing the Renewal Options as to the 30 South Wacker Premises and the 10 South Wacker Premises, in the event the Lease is terminated as to the Secured Access Space, Tenant may terminate this Lease or, as applicable, the Support Space Supplement, as to the Upper Lobby Office Space, the Club Space, the Upper Lobby Support Space, or any combination thereof, effective as of the termination date of the Lease as to the Secured Access Space, by notice to Landlord within 90 days after Tenant receives Landlord's notice of termination. Tenant shall not be responsible for any approvals required from the owner of the Trading Floors or for any modifications to the Secured Access Space, but will cooperate with Landlord to the extent feasible and consistent with its legal obligations in obtaining such approvals.

18. ESCALATOR OPTION. Section 46.D.2.a is amended and restated in its entirety to provide as follows: "a. Prevailing Market Rate", Section 46.D.6 is amended by deleting the phrase "and for removal of the Escalators in accordance with subsection 46.F below" and Sections 46.D.2.b and 46.F are deleted.

19. EXPANSION OPTION. Section 48 is amended and restated in its entirety to provide as follows:

48. EXPANSION OPTION. Tenant shall have the option to lease the following office space (collectively, the "Expansion Space") consisting of (i) 8,242 rentable square feet located on the 31st floor of the 10 South Wacker Building currently occupied by Tenant under the terms of the Lease ("31st

Floor Space") and (ii) either, at Landlord's option, 25,540 rentable square feet located on the 26th floor of the 10 South Wacker Building ("Suite 2600") which is depicted on Exhibit F or 25,324 rentable square feet located on the 20th floor of the 10 South Wacker Building which is depicted on Exhibit G ("Suite 2000"). Each Expansion Option shall be exercised by notice to Landlord on or before (i) June 1, 2003 with respect to the 31st Floor Space and (ii) July 1, 2003 with respect to either Suite 2000 or Suite 2600, provided that such notice will not be effective if any uncured default then exists and applicable grace periods with respect thereto have then expired, and provided further that, with respect to Suite 2000, Landlord may accelerate the date by which Tenant must exercise its option under clause (ii) to a date no earlier than April 1, 2003 which is ten (10) days after notice by Landlord to Tenant that Landlord has negotiated the terms of and is prepared to sign a bona fide lease of not less than 10,000 square feet of Suite 2000. If such Expansion Option is timely exercised, (i) the 31st Floor Space shall be delivered to Tenant and added to the Premises on the Extension Commencement Date, (ii) if Landlord designates Suite 2000, Suite 2000 shall be delivered to Tenant and added to the Premises on January 1, 2004 and (iii) if Landlord designates Suite 2600, Suite 2600 shall be delivered to Tenant and added to the Premises on July 1, 2004 or such earlier date as to which Tenant may agree. Base Rent for the Expansion Space shall be based upon the base rental rates applicable to the other Office Premises. Notwithstanding Section 14.C., Tenant shall not, without Landlord's consent, sublease the 31st Floor Space or Suite 1818 (if such space becomes part of the Premises) to

Members.

20. RIGHTS OF FIRST OFFERING. Section 50 is amended as follows:

(a) Section 50.A is amended by inserting "10 South Wacker" before the word "Building" in the third line thereof and the phrase "and floors 11 through 21 of the 30 South Wacker Building" after the word "Building" in the third line thereof;

(b) Section 50.A.2, is amended by inserting "10 South Wacker" before the world "Building" in the second line thereof;

(c) Sections 50.B.3 and 50.B.4 are amended by deleting the phrase "or the 30 South Wacker Building" in the first and second line thereof; and

(d) Section 50.F is amended by deleting the parenthetical "(subject to Section 48 of this Lease, if the Offering Space is Five, Ten or Fifteen Year Space, as the case may be)".

(e) The following Section 50.G. is hereby added to Section 50:

"G. Effective as of the Extension Commencement Date, Tenant shall not, without Landlord's consent, sublease to Members any Offering Space which does not constitute, either individually or together with all other space leased by Tenant on the same floor, a full floor of the 10 South Wacker Building or the 30 South Wacker Building".

21. 30 SOUTH WACKER SUPPORT SPACE. The following Section 55 is hereby added to the Lease:

55. 30 SOUTH WACKER SUPPORT SPACE. Tenant shall have the option to lease all or any portion of the mechanical spaces located on M1 of the 30 South Wacker Building depicted on Exhibit H (the "Mechanical Space") under the same terms and conditions as set forth in Section 47, provided that a separate lease shall govern the demise of such Mechanical Space. The provisions of Section 53 shall apply to the Mechanical Space.

22. ARBITRATION. The following Section 56 is hereby added to the Lease:

56. DETERMINATION OF ARBITRATION. In the event of the failure of the parties to agree as to the Prevailing Market Rate (and Tenant has not elected to terminate the applicable Renewal Option), such matter shall be submitted to arbitration as hereinafter provided. Landlord and Tenant shall each appoint a fit and impartial person as arbitrator who shall have had at least ten (10) years' experience in the commercial office real estate industry. Such an appointment shall be signified in writing by each party to the other. The arbitrators so appointed shall appoint a third arbitrator within ten (10) days after the second arbitrator. In the case of the failure of such arbitrators (or the arbitrators appointed as hereinafter provided) to agree upon a third arbitrator, such third arbitrator shall be appointed by the American Arbitration Association, or its successor, from its qualified panel of arbitrators, and shall be a person having at least ten (10) years' experience in the commercial office real estate industry. In case either party shall fail to appoint an arbitrator within a period of ten (10)

days after written notice from the other party to make such appointment, then the American Arbitration Association shall appoint a second arbitrator having at least ten (10) years' experience in the commercial office real estate industry. The two (2) arbitrators so appointed shall appoint a third arbitrator within ten (10) days after the appointment of the second arbitrator.

The arbitrators shall proceed with all reasonable dispatch to determine the question submitted; provided that in determining the Prevailing Market Rate in any situation the arbitrators shall select either Landlord's estimate or Tenant's estimate of the Prevailing Market Rate, and in no event shall the arbitrators have the right (i) to average the Prevailing Market Rate estimates submitted by Landlord or Tenant or (ii) to choose another number. The decision of the arbitrators shall in any event be rendered within thirty (30) days after their appointment, or within such other period as the arbitrators shall order or the parties shall agree, and such decision shall be in writing and in duplicate, one counterpart thereof to be delivered to each of the parties who appointed them. The arbitration shall be conducted in accordance with the rules of the American

Arbitration Association (or its successor) and applicable Illinois law, and the decision of a majority of the arbitrators shall be binding, final and conclusive on the parties. Each party hereto shall pay one-half (1/2) of the fees of the arbitrators and each party shall pay (i) the fees of counsel engaged by such party, and (ii) the fees of expert witnesses and other witnesses called for by such party.

23. TEMPORARY SPACE. Commencing on January 1, 2003 (or such earlier date as Landlord may permit) through June 30, 2004 ("TEMPORARY SPACE TERM"), Tenant shall be permitted to occupy Suite 1818 at the 30 South Wacker Building ("SUITE 1818") consisting of 16,434 rentable square feet, which space is depicted on Exhibit I. (Suite 1818 and any space provided by Landlord in substitution thereof pursuant to the terms hereof is referred to as the "TEMPORARY SPACE"). No Base Rent or Rent Adjustment shall be payable with respect to the Temporary Space during the Temporary Space Term. Temporary Space shall be governed by the terms of the Lease. Landlord will have the right to relocate Tenant from Suite 1818 to comparable alternative space in the Building as Temporary Space for the balance of the Temporary Space Term, provided that Landlord notifies Tenant of such change no later than September 30, 2003. Landlord will pay or reimburse Tenant for all

costs incurred by Tenant in connection with moving to such alternative Temporary Space up to the sum of $250,000 (the "RELOCATION ALLOWANCE"). If all or any portion of the Relocation Allowance is not used for such relocation costs on or before June 30, 2004, regardless of whether Landlord requires Tenant to relocate to alternative Temporary Space, Tenant may use such amount for any other relocation costs in the Building incurred by Tenant or as a credit against Base Rent and Rent Adjustment. Unless such Temporary Space is encumbered by occupancy rights of a third party Building tenant, Tenant shall have the right, exercised by notice to Landlord no later than December 31, 2003, to add the Temporary Space to the Premises. In the event the Tenant exercises such option, the Temporary Space will be added to the Premises for the balance of the Term, or such shorter period if such Temporary Space is then encumbered by third party Building tenant rights, and Base Rent and Rent Adjustment shall be payable with respect thereto at the same rates as applicable to the other Office Premises. If Tenant holds over in the Temporary Space, Tenant shall be obligated to pay rent for the Temporary Space during the holdover period at a rate equal to twice the rate applicable to the other Office Premises.

24. GENERATOR AND HEAT EXCHANGE EQUIPMENT SPACE.

(a) Landlord will use commercially reasonable efforts to provide space to accommodate a 2.5 megawatt generator within either the 10 South Wacker Building or the 30 South Wacker Building ("GENERATOR SPACE"). The annual gross rental rate for the Generator Space shall be the then escalated rent per square foot of usable area payable under the Support Space Supplement and shall increase on such dates and in such amounts as the Support Space rent

increases. Tenant will be responsible for any alteration costs associated with the area designated by Landlord, and the installation, operation, maintenance, repair and removal of the generator. In the event such Generator Space is made available to Tenant, Landlord will execute Landlord's then current form of generator space agreement, subject to such reasonable modifications as Tenant shall request.

(b) Should Tenant elect to install district chilled water, or elect to connect to district chilled water, Landlord will use its commercially reasonable efforts to provide space for heat exchange equipment, riser and attendant connection areas as required (the "HEAT EXCHANGE EQUIPMENT SPACE"). The annual gross rental rate for the Heat Exchange Equipment Space shall be the then escalated gross rent per square foot of useable area payable under the Support Space Supplement, and shall increase in such amounts and on such dates as the Support Space rent increases. If Landlord uses any such chilled water, Landlord will pay for such use for a charge reasonably determined by Tenant.

25. INFORMATION KIOSK. It is understood that Tenant may be desirous of installing an information kiosk ("KIOSK") of approximately forty (40) square feet on the plaza level of the Building. Landlord hereby agrees to use all reasonable efforts to aid Tenant in achieving such desire. If achieved, the Kiosk space shall be added to the Premises, provided however, Tenant agrees to accept the provided space in its condition occurring on the date it is tendered to Tenant, it being understood that the Kiosk will not or may not be

enclosed with demising walls. The plans, specifications, method of installation and location of the Kiosk are subject to approval by Landlord and any governmental agency having jurisdiction, and all costs and expenses, including costs of construction materials and labor, design and investigations shall be the sole responsibility of Tenant. There shall be no Base Rent or Rent Adjustment charges for the Kiosk. Tenant's rights under this paragraph are personal to Tenant and cannot be assigned or sublet to any third party.

26. MISCELLANEOUS.

(a) This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representation or agreement.

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

(c) In the case of any inconsistency between the provision of the Lease and this Amendment, the provision of this Amendment shall govern and control.

(d) Neither party shall be bound by this Amendment until both parties have executed and delivered the same to the other.

(e) Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment except for The Levy Organization ("BROKER"). Tenant agrees to indemnify and hold Landlord

Related Parties harmless from all claims of any brokers other than Broker claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment. Landlord agrees to indemnify and hold Tenant Related Parties harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment.

(f) Each exhibit attached hereto is hereby made a part hereof.

(g) Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

[THE NEXT PAGE IS THE SIGNATURE PAGE.]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANLDORD: 10 & 30 SOUTH WACKER, L.L.C., a
Delaware limited liability company

By: EOP-10 & 30 South Wacker, L.L.C.,
a Delaware limited liability company,
it administrative managing member

By: EOP Operating Limited Partnership
a Delaware limited partnership,
its sole member

By: Equity Office Properties Trust,
a Maryland real estate investment
trust, its general partner

By: /s/ Arvid Pouilaitis
Name: Arvid Pouilaitis
Title: EVP

TENANT:

CHICAGO MERCANTILE EXCHANGE INC.,
a Delaware corporation

By: /s/ C.S. Donohue
Name: Craig S. Donohue

Title: Executive Vice President &
Chief Administrative Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated August 30, 2002, in Amendment No. 6 to the Registration Statement (Form S-1 No. 333-90106) of Chicago Mercantile Exchange Holdings Inc. dated December 2, 2002.

/s/ ERNST & YOUNG LLP

ERNST & YOUNG LLP

Chicago, Illinois
December 2, 2002