

CME Group

3Q 2017 Earnings

Q&A Conference Call

APPENDIX SLIDES

October 26, 2017

As a replacement to conference call prepared remarks, please see the CME Group 3Q 2017 Quarterly Earnings Commentary document posted with all other CME Group 3Q 2017 earnings documents at the following link:

<http://investor.cmegroup.com/investor-relations/results.cfm>

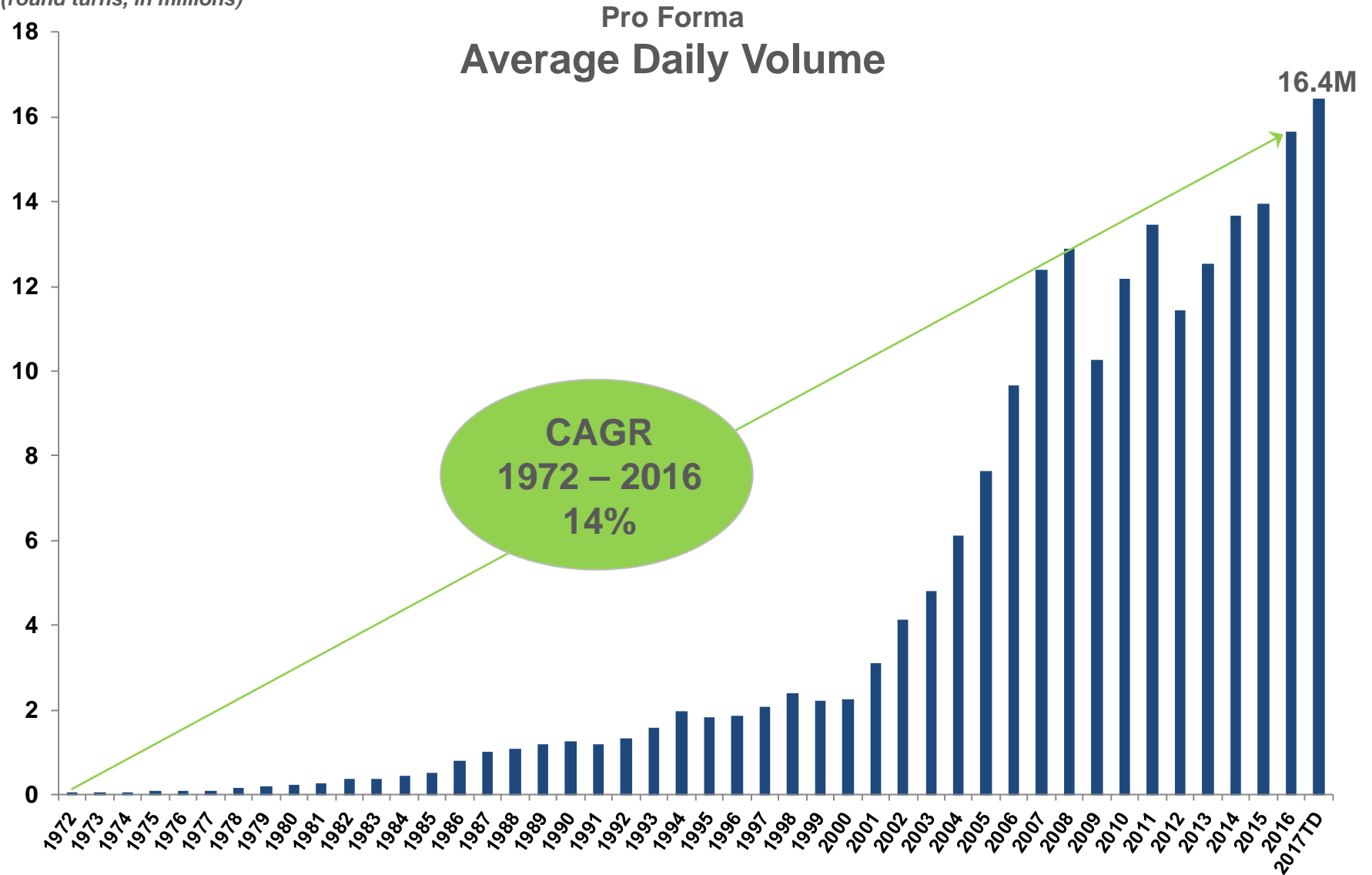
Forward Looking Statements

Statements in this presentation that are not historical facts are forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. We want to caution you not to place undue reliance on any forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that might affect our performance are increasing competition by foreign and domestic entities, including increased competition from new entrants into our markets and consolidation of existing entities; our ability to keep pace with rapid technological developments, including our ability to complete the development, implementation and maintenance of the enhanced functionality required by our customers while maintaining reliability and ensuring that such technology is not vulnerable to security risks; our ability to continue introducing competitive new products and services on a timely, cost-effective basis, including through our electronic trading capabilities, and our ability to maintain the competitiveness of our existing products and services, including our ability to provide effective services to the swaps market; our ability to adjust our fixed costs and expenses if our revenues decline; our ability to maintain existing customers, develop strategic relationships and attract new customers; our ability to expand and offer our products outside the United States; changes in regulations, including the impact of any changes in laws or government policy with respect to our industry, such as any changes to regulations and policies that require increased financial and operational resources from us or our customers; the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others; decreases in revenue from our market data as a result of decreased demand; changes in our rate per contract due to shifts in the mix of the products traded, the trading venue and the mix of customers (whether the customer receives member or non-member fees or participates in one of our various incentive programs) and the impact of our tiered pricing structure; the ability of our financial safeguards package to adequately protect us from the credit risks of clearing members; the ability of our compliance and risk management methods to effectively monitor and manage our risks, including our ability to prevent errors and misconduct and protect our infrastructure against security breaches and misappropriation of our intellectual property assets; changes in price levels and volatility in the derivatives markets and in underlying equity, foreign exchange, interest rate and commodities markets; economic, political and market conditions, including the volatility of the capital and credit markets and the impact of economic conditions on the trading activity of our current and potential customers; our ability to accommodate increases in contract volume and order transaction traffic and to implement enhancements without failure or degradation of the performance of our trading and clearing systems; our ability to execute our growth strategy and maintain our growth effectively; our ability to manage the risks and control the costs associated with our strategy for acquisitions, investments and alliances; our ability to continue to generate funds and/or manage our indebtedness to allow us to continue to invest in our business; industry and customer consolidation; decreases in trading and clearing activity; the imposition of a transaction tax or user fee on futures and options on futures transactions and/or repeal of the 60/40 tax treatment of such transactions; and the unfavorable resolution of material legal proceedings. For a detailed discussion of these and other factors that might affect our performance, see our filings with the Securities and Exchange Commission, including our most recent periodic reports filed on Form 10-K and Form 10-Q.

NOTE: Unless otherwise noted, all references to CME Group volume, open interest and rate per contract information in the text of this document is based on pro forma results assuming the merger with CBOT Holdings and the acquisition of NYMEX Holdings were completed as of the beginning of the period presented. All data exclude CME Group's non-traditional TRAKRSSM products, for which CME Group received significantly lower clearing fees of less than one cent per contract on average. Unless otherwise noted, all year, quarter and month to date volume is through 9/30/2017.

Long-Term Growth in a Variety of Environments

(round turns, in millions)

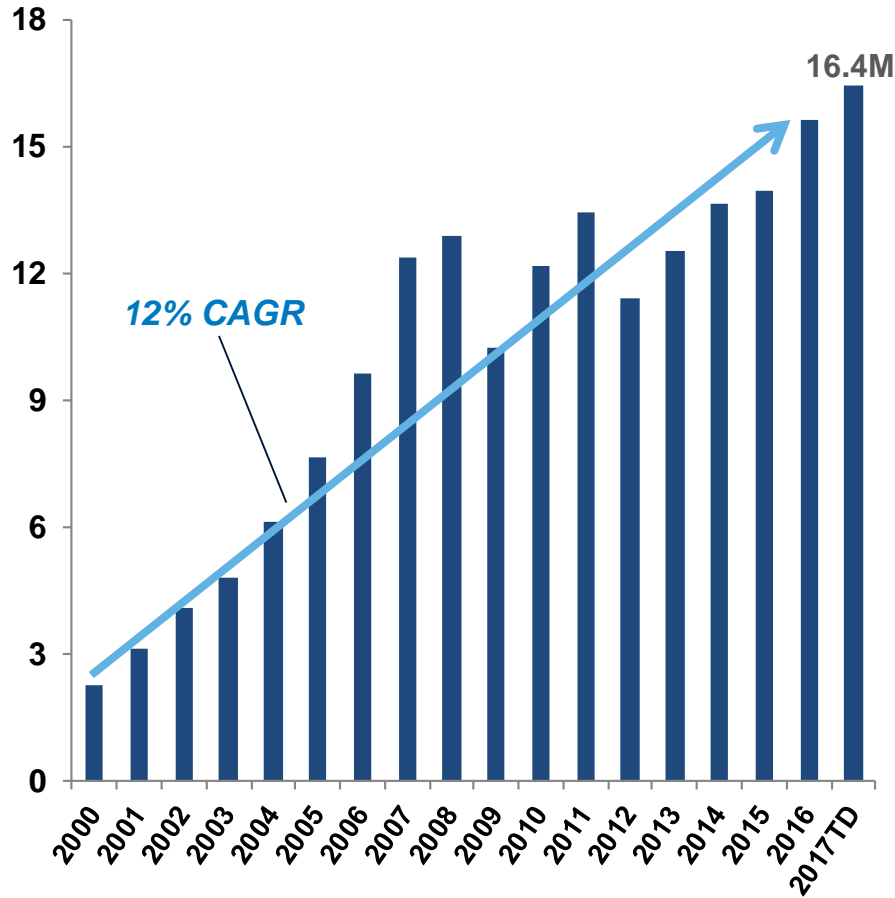


Note: Volumes are all pro forma as if CME owned NYMEX and CBOT over the illustrated period and 2017TD ADV is through 9/29/17

Steady ADV Growth and Healthy Open Interest

Double Digit Growth Across 4 of 6 Product Lines

Annual ADV
Millions



ADV
Year Over Year Growth Rates

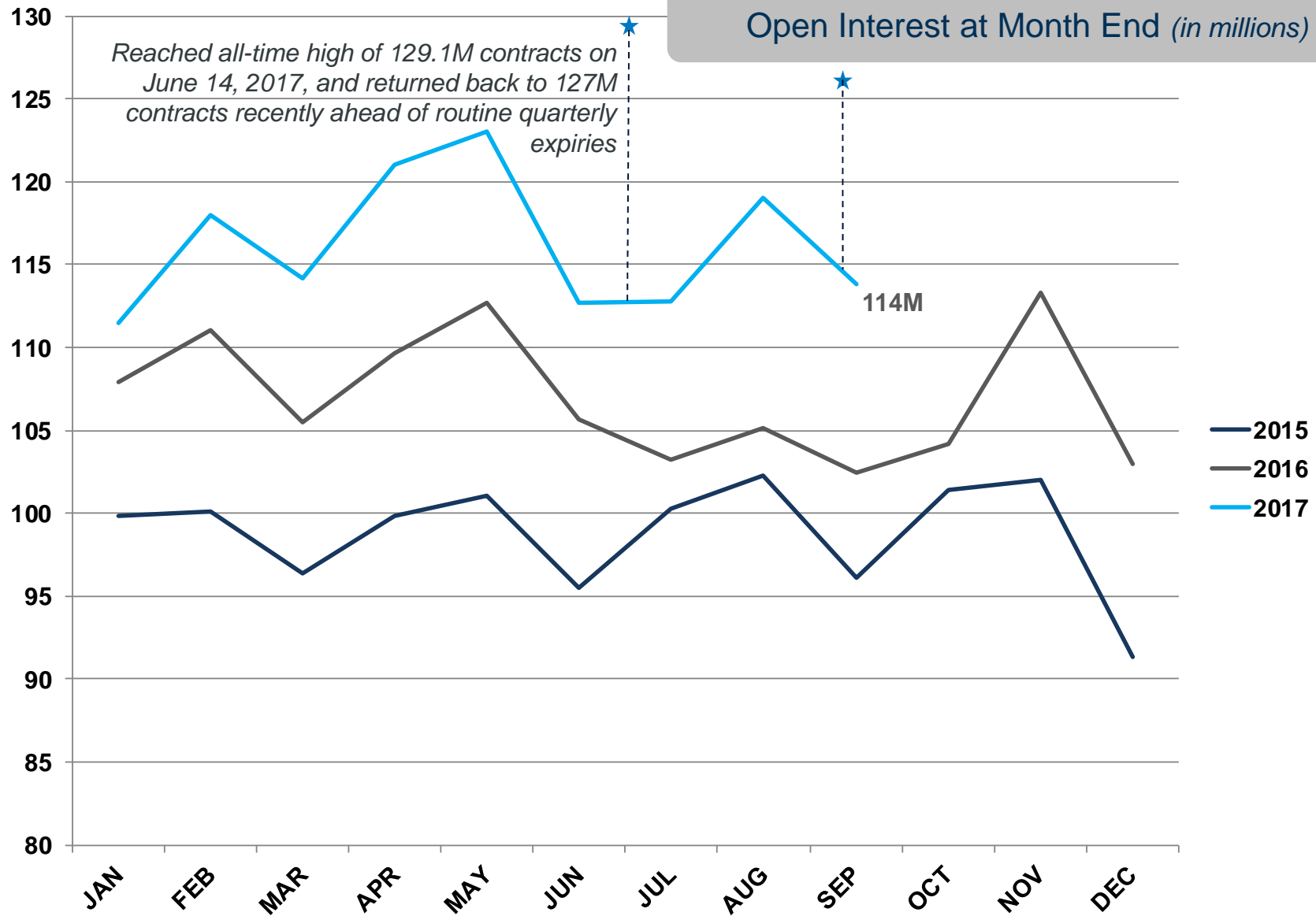
Product Line	3Q17TD vs. 3Q16TD	Sep17 vs. Sep16
Interest Rates	9%	26%
Equities	-9%	-18%
Energy	17%	9%
Ag Commodities	20%	17%
FX	26%	30%
Metals	41%	72%
Total	10%	13%

- Q317 ADV records in Energy, Metals, electronic Interest Rate options, WTI Crude Oil futures and options

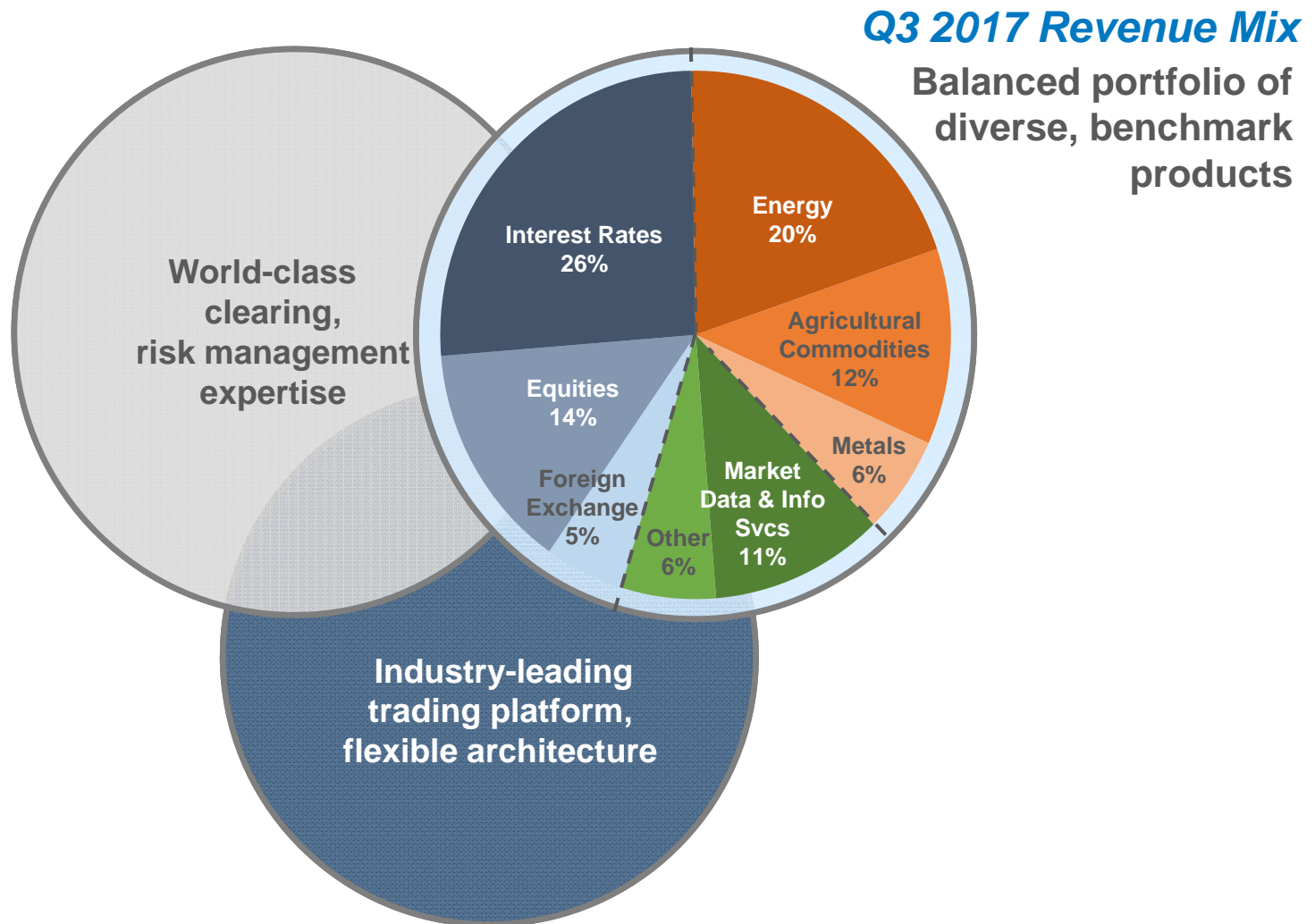
Open Interest vs. Same Timeframe Last Year

- Total up 11%
- Interest Rates up 22% / FX up 26%

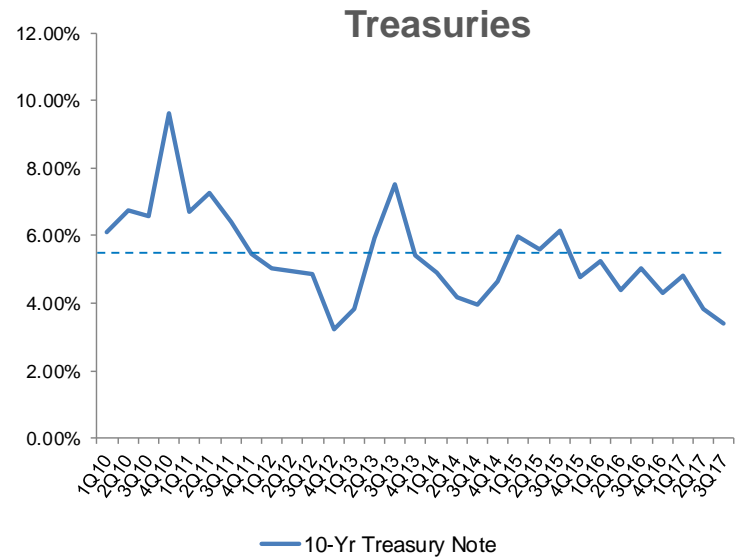
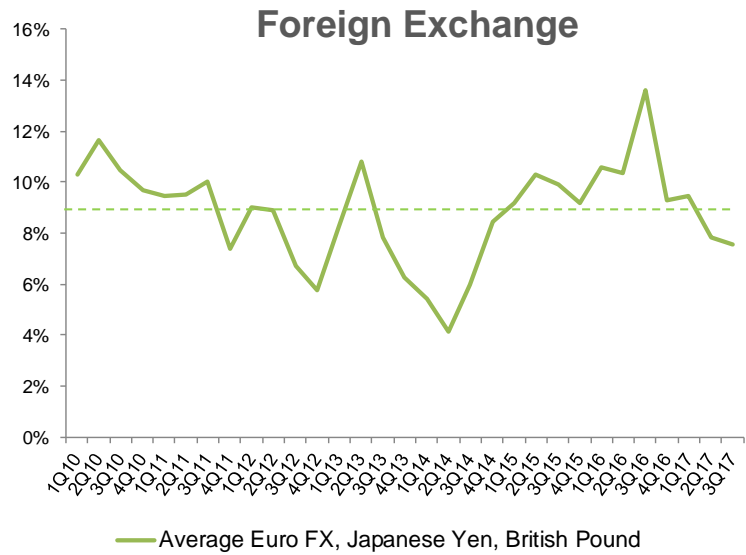
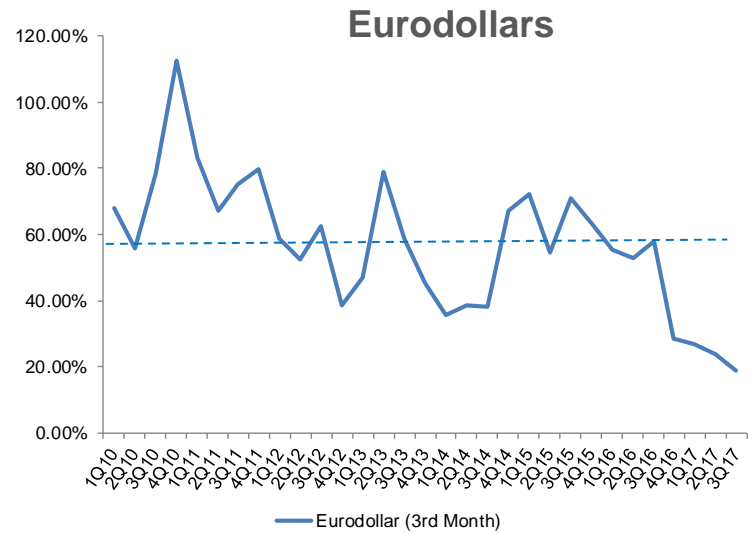
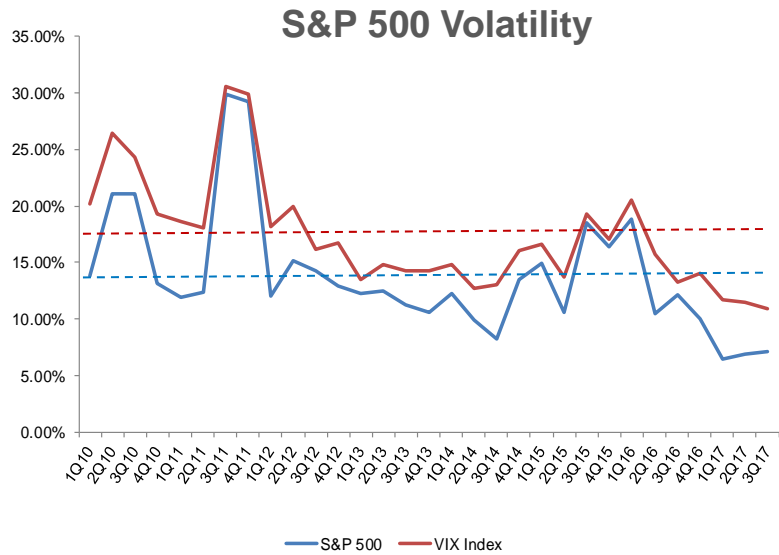
Open Interest Reached Record Level



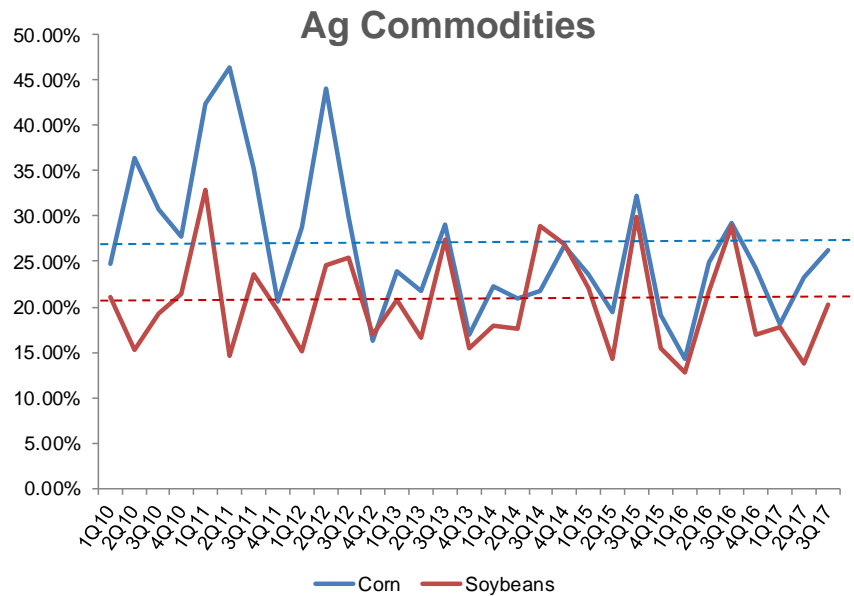
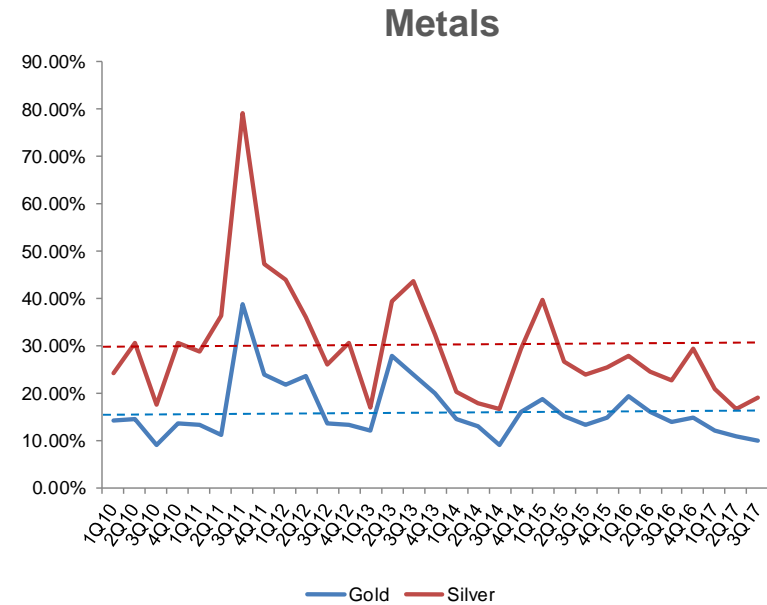
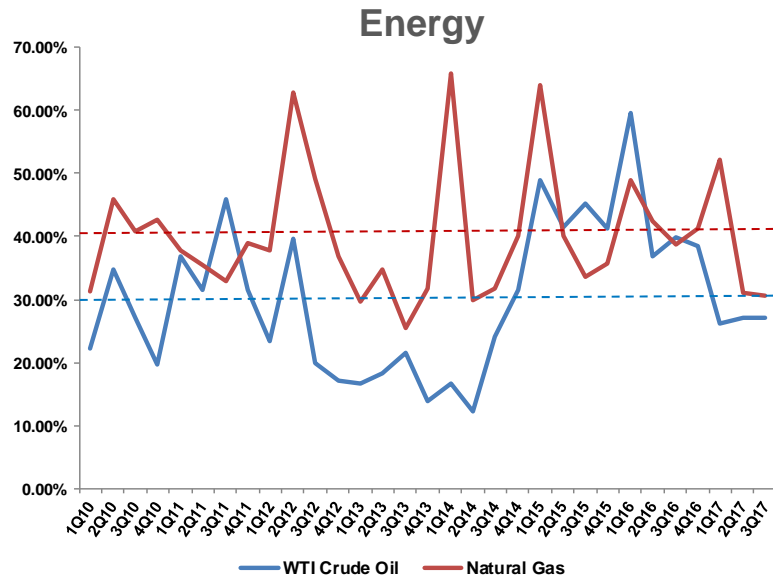
Unique Assets Provide Competitive Advantages



Volatility Through 3Q 2017



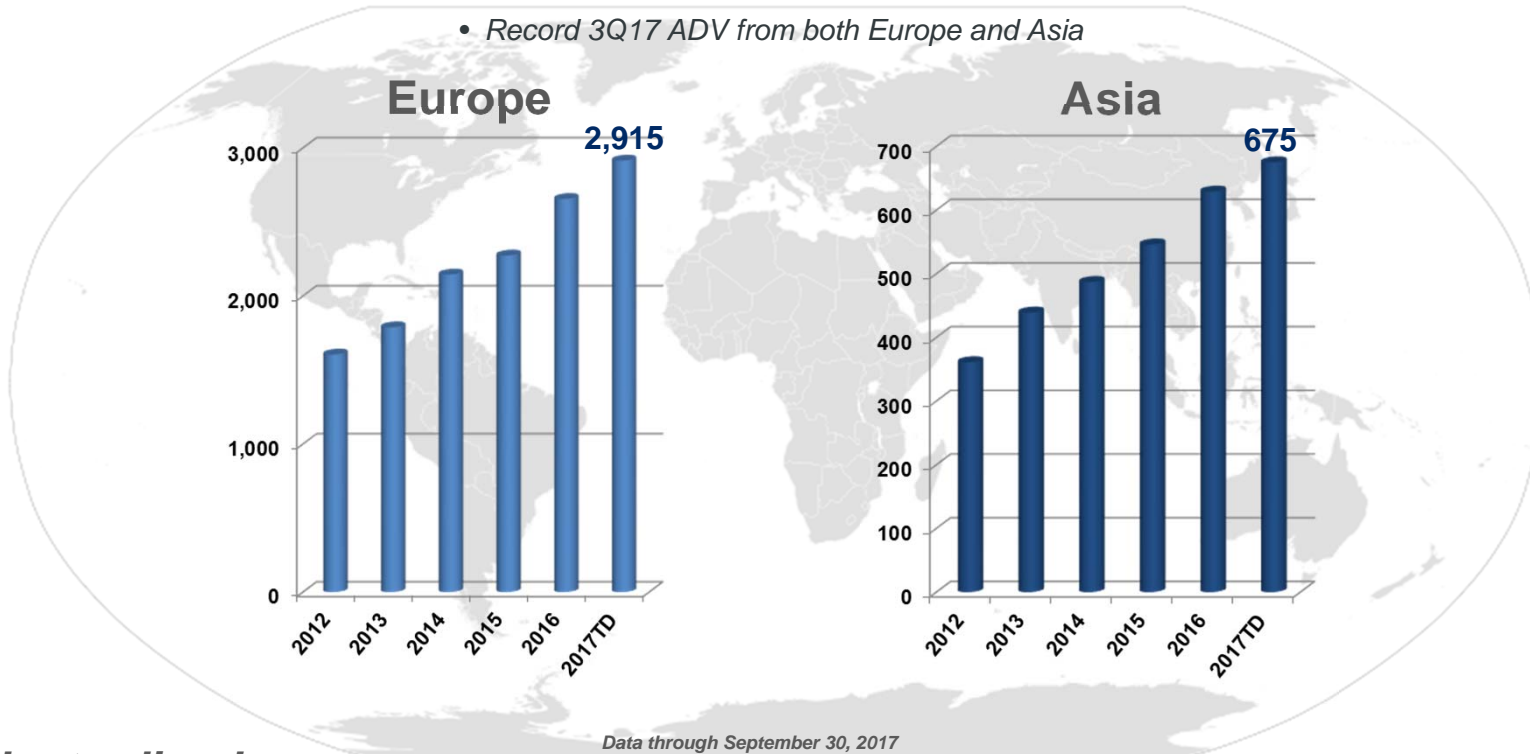
Volatility Through 3Q 2017



Investments in Globalization Are Paying Off

Electronic ADV based on origin of trade, in 000s

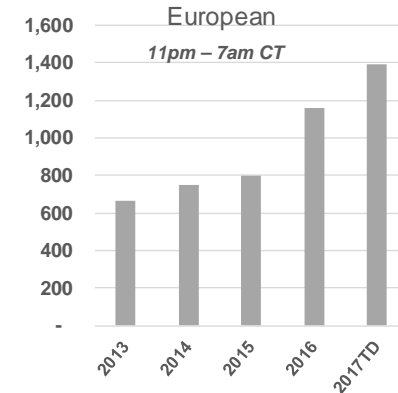
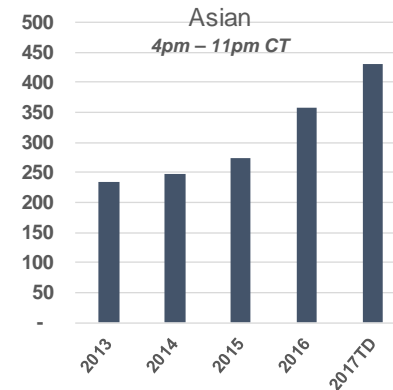
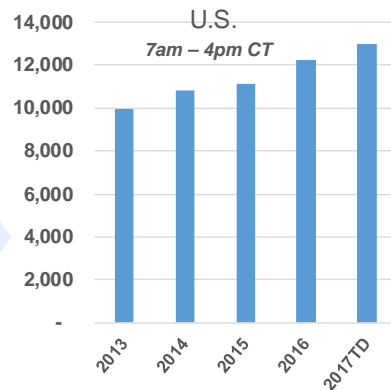
• Record 3Q17 ADV from both Europe and Asia



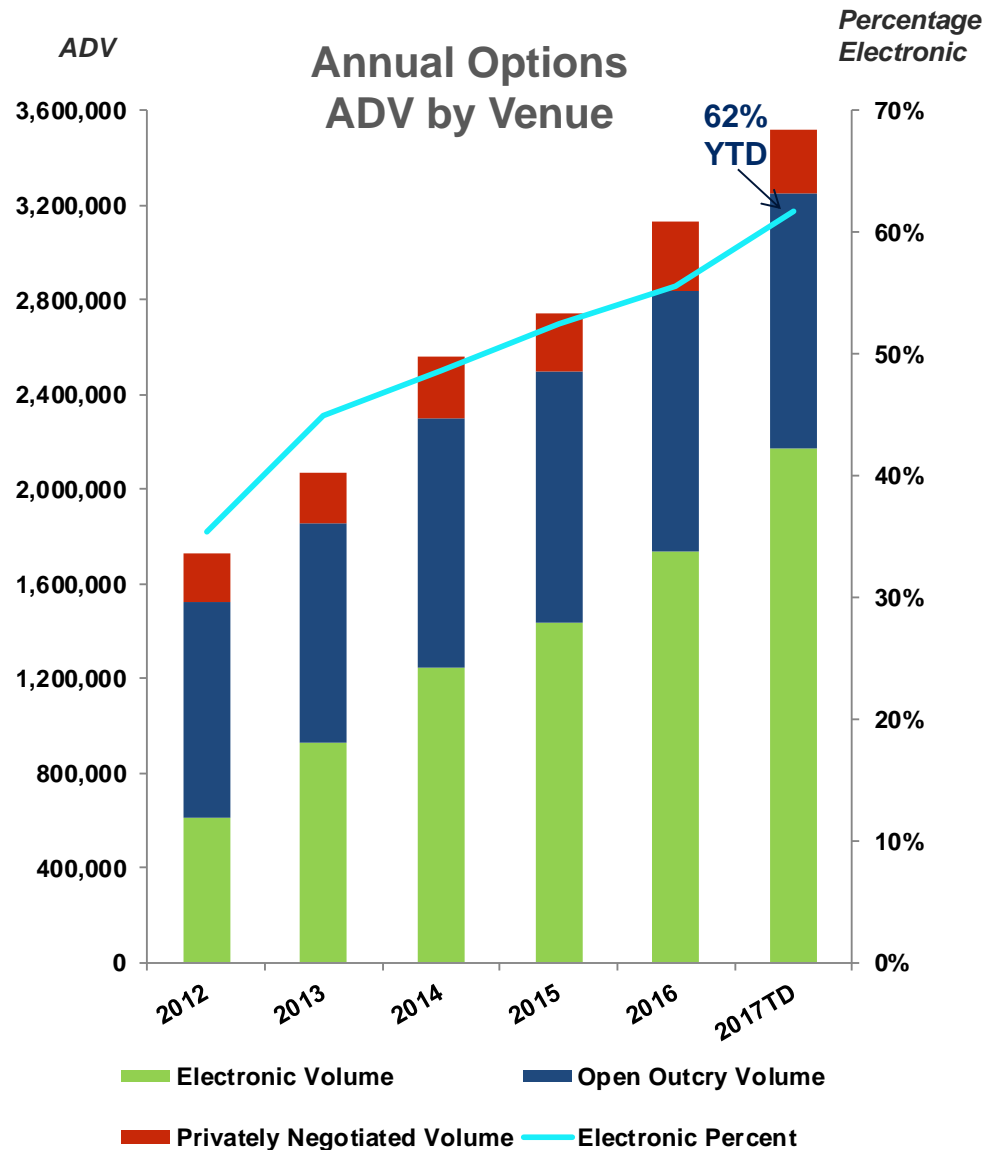
Data through September 30, 2017

ADV by trading hours, in 000s

- During 3Q17, 60% growth during European trading hours and 49% growth during Asian trading hours



Options Business – Continued Momentum

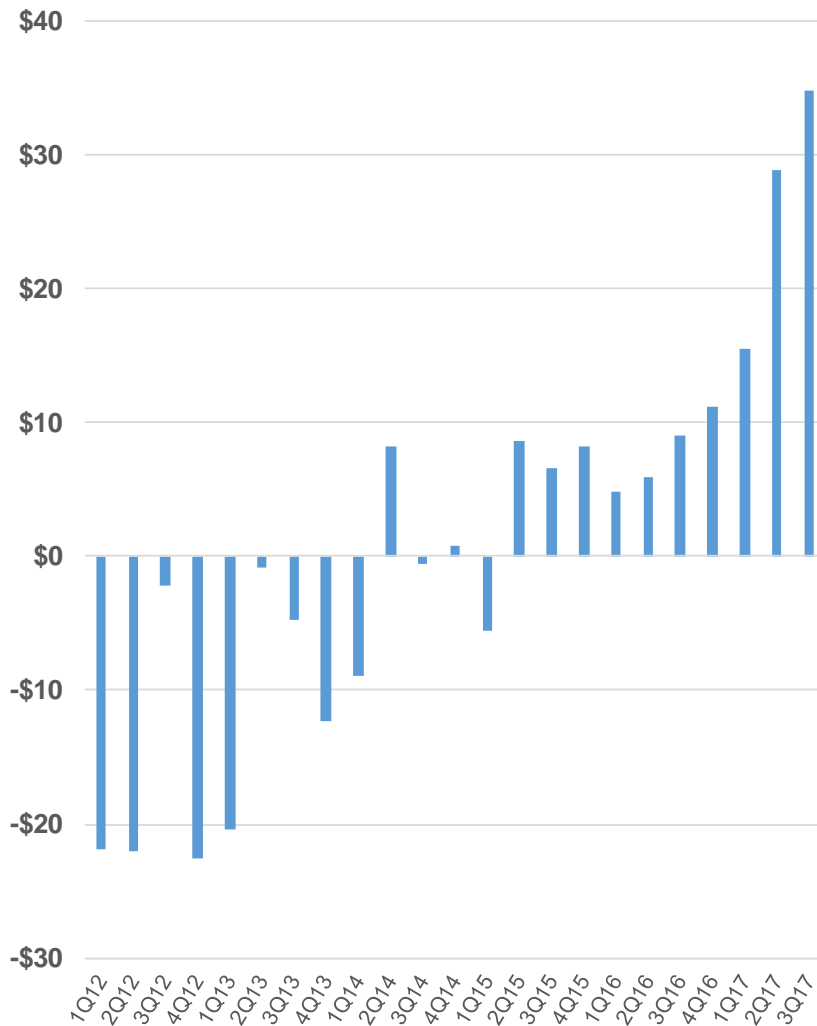


- 3Q17 Options ADV up 14%, with electronic Options ADV up 36%
- Shorter duration options are appealing to market participants
 - Reached record Weekly Treasury options ADV in 3Q17
 - E-mini S&P 500 and Standard S&P 500 Monday and Wednesday weekly options are averaging approximately 80K contracts per day year-to-date in 2017, and they make up 13% of all Equity Index options ADV for that timeframe
 - Announced October 30, 2017 launch of FX Wednesday Weekly options on five major currency pairs for clients to further refine their exposure mid-week
- Options are particularly useful for customers in a low volatility environment
 - While 3Q17 Equity Index futures were certainly impacted by lower volatility, 3Q17 Equity Index options ADV was up 3%

Positive Momentum - Non-Operating Income / (Expense)

Adjusted Non-Operating Income / (Expense)

(millions)



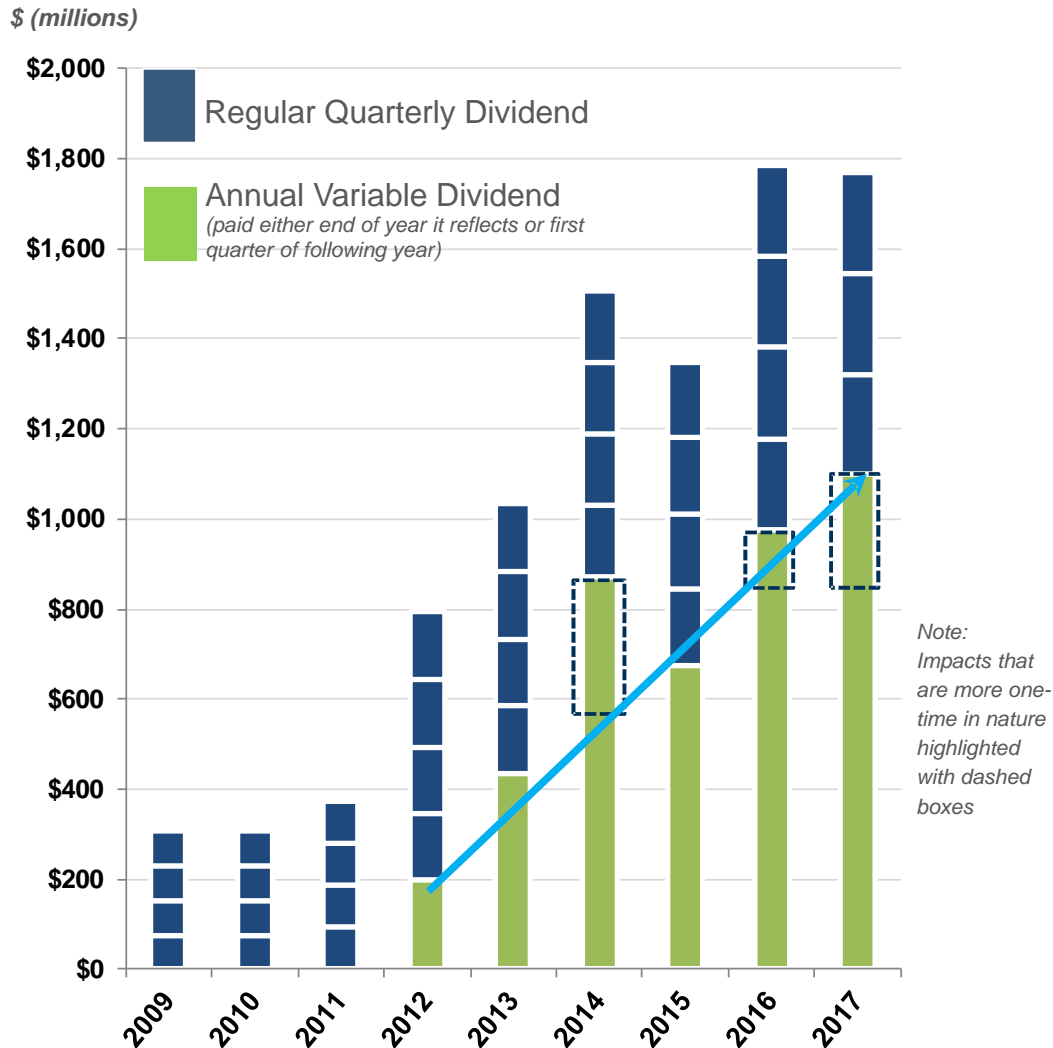
Income Statement Returns from S&P/Dow Jones

Joint Venture

(millions)



Committed to Returning Cash to Shareholders



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

- Regular quarterly dividends to date in 2017 were paid/declared at \$0.66 per share; this is an increase of 10 percent from the regular quarterly dividends paid in 2016
- CME Group to keep \$700M minimum cash
- Creates opportunity to sweep excess cash to shareholders annually
- Unique annual, variable structure
- Have returned approximately \$8.2 billion to shareholders in dividends since beginning of variable dividend policy in early 2012
- Dividend yield over the last 4 years of more than 5 percent

CME Group 3Q 2017 Adjusted Financial Results¹

- Revenue of \$891M, up 6 percent
- Operating Expense of \$299M, up 4 percent *(down 0.4% when excluding License Fees)*
- Operating Income of \$591M, up 7 percent
- Operating Margin of 66.4 percent
- Net Income of \$406M, up 14 percent
- Diluted EPS of \$1.19, up 13 percent

CME Group Average Rate Per Contract (RPC)

<u>Product Line</u>	<u>3Q 2016</u>	<u>4Q 2016</u>	<u>1Q 2017</u>	<u>2Q 2017</u>	<u>3Q 2017</u>
Interest Rates	\$ 0.508	\$ 0.491	\$ 0.492	\$ 0.491	\$ 0.485
Equities	0.676	0.691	0.718	0.731	0.738
Foreign Exchange	0.806	0.804	0.823	0.807	0.796
Energy	1.097	1.099	1.130	1.096	1.072
Ag Commodities	1.335	1.336	1.334	1.300	1.251
Metals	1.542	1.486	1.496	1.449	1.376
Average RPC	\$ 0.750	\$ 0.731	\$ 0.731	\$ 0.749	\$ 0.749

1) A reconciliation of the non-GAAP financial results mentioned to the respective GAAP figures can be found within the Reconciliation of GAAP to Non-GAAP Measures chart at the end of the financial statements and in the following slides of this presentation.

Notes / Guidance

- **Adjusted Operating Expense**

- 2017 adjusted operating expense, excluding license fees and adjustments, revised to \$1.08 billion, which is flat relative to 2016

- **Expense - Licensing and other fee agreements**

- The increase in this line for 3Q17 was partially driven by the new license fee payment related to the Russell 2000 which started in July, particularly strong performance in our NASDAQ contracts, as well as normal escalation clauses incorporated into some of our license agreements. In addition, this quarter we expensed approximately \$4 million in one-time client-oriented incentives to facilitate the early migration of the open interest in the Russell 2000 contract. Originally, we anticipated this incentive program would be recorded as a reduction in transaction fee revenue, reducing the Equity average RPC, however, we have since determined the more appropriate accounting treatment is recognition of the payments as expense within Licensing and other fee agreements

- **Effective Tax Rate**

- 4Q17 adjusted effective tax rate expected to be 36.8%

- **CAPEX**

- 2017 capital expenditures, net of leasehold improvement allowances, revised to between \$80 million and \$85 million

3Q17 Reconciliation of GAAP to non-GAAP Measures

CME Group Inc. and Subsidiaries
Reconciliation of GAAP to non-GAAP Measures
(dollars in millions, except per share amounts; shares in thousands)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	\$ 308.6	\$ 472.8	\$ 1,124.2	\$ 1,160.7
Restructuring and severance	—	—	3.9	—
Amortization of purchased intangibles	23.8	24.0	71.8	72.0
Loss on disposal of assets	—	—	0.6	5.3
Loss and expenses related to sale-leaseback of data center	—	—	—	28.6
Foreign exchange transaction losses (gains) ¹	(2.9)	1.0	(10.0)	16.5
Net (gains) losses on CME Venture investments	—	(5.2)	—	(1.4)
(Gains) losses on sale of BM&FBOVESPA shares	—	(6.4)	(86.5)	(6.4)
(Gains) losses on sale of Bolsa Mexicana shares	(2.0)	—	(2.0)	—
Income tax effect related to above	(7.4)	(3.2)	(25.4)	(37.3)
Other income tax item ²	86.1	(126.4)	164.0	(89.0)
Adjusted Net Income	<u>\$ 406.2</u>	<u>\$ 356.6</u>	<u>\$ 1,240.6</u>	<u>\$ 1,149.0</u>
GAAP Earnings per Common Share:				
Basic	\$ 0.91	\$ 1.40	\$ 3.32	\$ 3.44
Diluted	0.91	1.39	3.31	3.43
Adjusted Earnings per Common Share:				
Basic	\$ 1.20	\$ 1.06	\$ 3.66	\$ 3.41
Diluted	1.19	1.05	3.65	3.39
Weighted Average Number of Common Shares:				
Basic	338,771	337,592	338,557	337,299
Diluted	340,329	339,143	340,114	338,834

1. Results include foreign exchange transaction net gains and losses principally related to cash held in British pounds within foreign entities whose functional currency is the U.S. dollar.

2. In the third quarter of 2017, we recognized expense primarily for the remeasurement of deferred tax positions resulting from a state and local income tax law change.

GAAP Income Statement Trend Excluding Deferred Compensation, FX, Amortization of Intangibles and Other Historically Noted Adjustments¹

CME Group Inc. and Subsidiaries

GAAP Income Statement Trend Excl Def Comp, FX, Amortization of intangibles and other historically noted adjustments¹ (in millions, except per share amounts)

	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317
Revenues															
Clearing and transaction fees	\$ 652.2	\$ 609.3	\$ 641.8	\$ 713.0	\$ 708.2	\$ 681.8	\$ 715.0	\$ 678.9	\$ 796.1	\$ 767.6	\$ 704.2	\$ 768.5	\$ 792.0	\$ 792.0	\$ 756.2
Market data and information services	89.4	89.6	87.7	89.6	98.0	102.8	99.5	99.1	102.4	102.9	101.1	100.1	96.8	96.1	96.9
Access and communication fees	20.4	20.4	20.8	21.1	21.3	21.5	21.6	21.7	21.6	22.3	23.8	23.7	24.3	24.9	25.7
Other	15.4	12.3	12.1	17.4	15.2	13.9	14.2	14.1	14.1	13.6	12.6	20.6	16.2	11.6	12.0
Total Revenues	777.4	731.6	762.4	841.1	842.7	820.0	850.3	813.8	934.2	906.4	841.7	912.9	929.3	924.6	890.8
Expenses															
Compensation and benefits	134.7	132.1	132.8	130.9	134.0	140.0	130.7	132.3	131.9	131.0	127.7	133.1	136.8	134.4	138.9
Communications	8.2	8.3	7.8	7.7	7.6	6.6	7.1	6.5	6.7	6.3	6.9	6.9	6.3	6.0	6.1
Technology support services	13.9	14.6	13.8	15.9	15.6	16.1	15.4	17.4	17.4	17.7	17.3	18.4	18.7	18.2	19.3
Professional fees and outside services	29.6	32.8	29.5	27.7	28.2	27.0	30.0	32.2	30.6	39.0	33.5	40.2	28.6	28.6	25.8
Amortization of purchased intangibles															
Depreciation and amortization	34.1	34.3	32.7	31.5	31.8	33.3	32.4	31.7	32.6	30.4	31.2	31.1	29.4	28.2	26.9
Occupancy and building operations	23.2	23.2	24.7	23.6	22.8	23.5	23.1	23.1	21.1	20.4	19.6	20.0	20.1	19.2	19.8
Licensing and other fee agreements	29.0	25.7	25.5	34.0	30.6	28.8	33.1	31.3	39.0	32.8	31.5	32.5	33.8	32.9	41.5
Other	27.3	31.1	25.1	44.2	21.7	23.5	20.5	37.4	23.4	25.2	20.8	40.7	27.4	26.6	21.2
Total Expenses	300.0	302.1	291.9	315.5	292.3	298.8	292.3	311.9	302.7	302.8	288.5	322.9	301.1	294.1	299.5
Total Expenses less Licensing and other fee agreements	271.0	276.4	266.4	281.5	261.7	270.0	259.2	280.6	263.7	270.0	257.0	290.4	267.3	261.2	258.0
Operating Income	477.4	429.5	470.5	525.6	550.4	521.2	558.0	501.9	631.5	603.6	553.2	590.0	628.3	630.5	591.3
Non-Operating Income (Expense)															
Investment income	2.4	13.3	8.1	8.6	3.9	12.3	9.1	13.1	17.8	20.3	22.0	27.7	48.6	109.6	135.4
Gain (losses) on derivative investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and other borrowing costs	(33.7)	(28.3)	(28.7)	(28.7)	(31.1)	(28.6)	(28.3)	(28.9)	(29.8)	(31.0)	(31.1)	(31.6)	(29.8)	(29.0)	(29.1)
Equity in net gains (losses) of unconsolidated subsidiaries	22.4	21.5	20.0	20.9	22.5	26.0	26.6	24.9	26.8	27.0	28.6	27.8	30.8	31.8	33.9
Other non-operating income (expense)	-	1.8	-	-	(0.8)	(1.1)	(0.8)	(0.8)	(10.0)	(10.4)	(10.5)	(12.7)	(34.1)	(83.5)	(105.3)
Total Non-Operating	(8.9)	8.3	(0.6)	0.8	(5.5)	8.6	6.6	8.3	4.8	5.9	9.0	11.2	15.5	28.9	34.9
Income Before Income Taxes	468.5	437.8	469.9	526.4	544.9	529.8	564.6	510.2	636.3	609.5	562.2	601.2	643.8	659.4	626.2
Income tax provision	175.0	163.9	173.0	191.8	199.6	194.0	204.8	183.2	231.2	222.2	205.6	213.9	228.3	240.5	220.0
Net Income	293.5	273.9	296.9	334.6	345.3	335.8	359.8	327.0	405.1	387.3	356.6	387.3	415.5	418.9	406.2
Less: net income (loss) attributable to non-controlling interests	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Attributable to CME Group	\$ 293.7	\$ 273.9	\$ 296.9	\$ 334.6	\$ 345.3	\$ 335.8	\$ 359.8	\$ 327.0	\$ 405.1	\$ 387.3	\$ 356.6	\$ 387.3	\$ 415.5	\$ 418.9	\$ 406.2
Earnings per Diluted Common Share Attributable to CME Group	\$0.88	\$0.82	\$0.88	\$0.99	\$1.02	\$0.99	\$1.06	\$0.97	\$1.20	\$1.14	\$1.05	\$1.14	\$1.22	\$1.23	\$1.19
Weighted Avg. Number of Diluted Common Shares	335.64	335.80	336.17	336.63	337.42	337.80	338.14	338.25	338.55	338.71	339.14	339.34	339.95	340.02	340.33
Adjustments highlighted in above view:															
Deferred compensation gain (loss)	0.8	1.8	(0.7)	1.5	1.8	0.3	(4.1)	2.2	(0.2)	0.7	2.9	0.8	3.7	2.8	2.5
Currency fluctuation gain (loss)	3.1	5.5	(12.8)	(11.2)	(10.0)	11.1	(7.2)	(5.2)	(3.9)	(11.6)	(1.0)	(8.0)	2.5	4.6	2.9

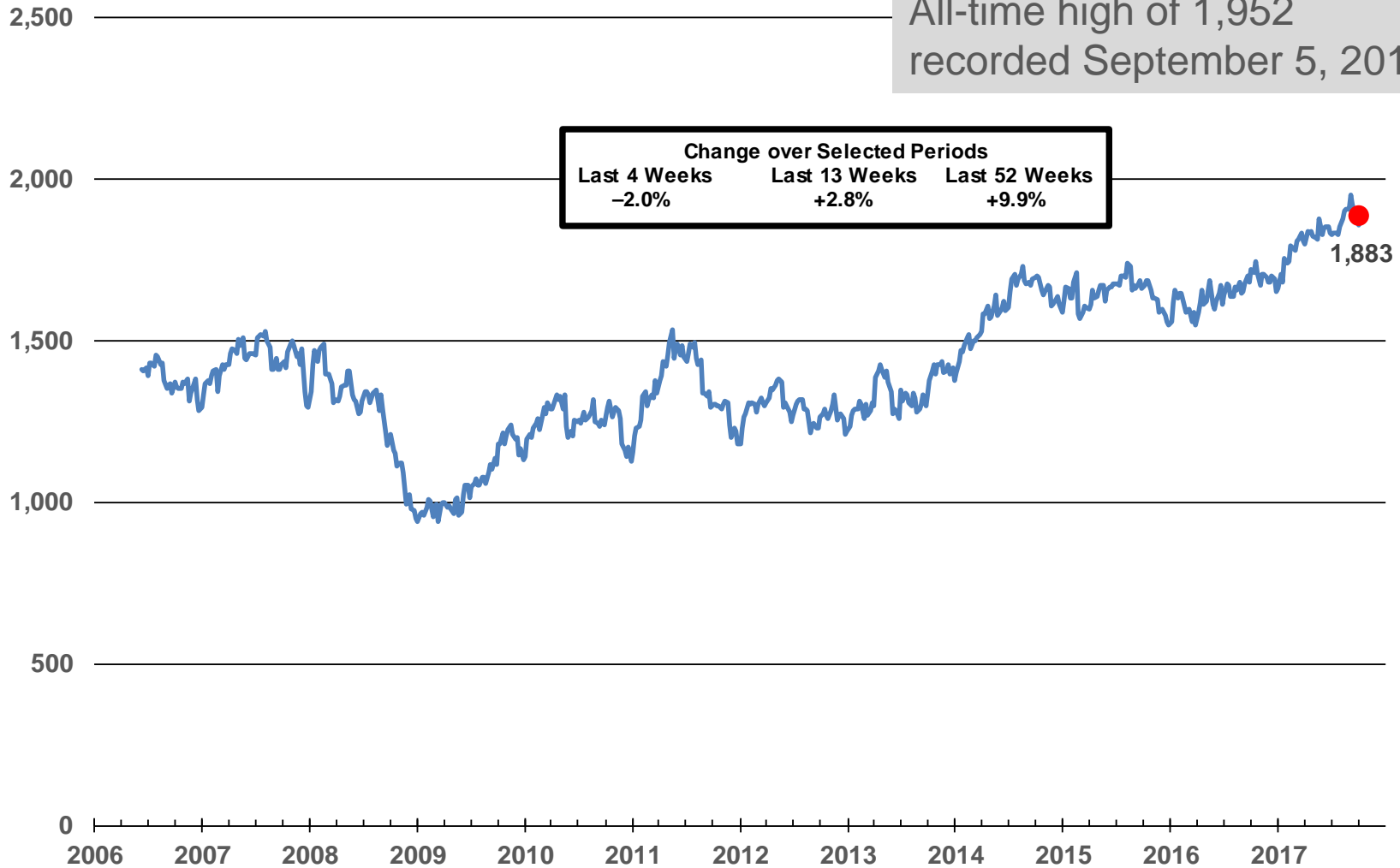
1) Please refer to each individual quarter's Reconciliation of GAAP to Non-GAAP Measures for the specific adjustments made during that period.

Interest Rate Futures – Large Open Interest Holders

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

Source: CFTC

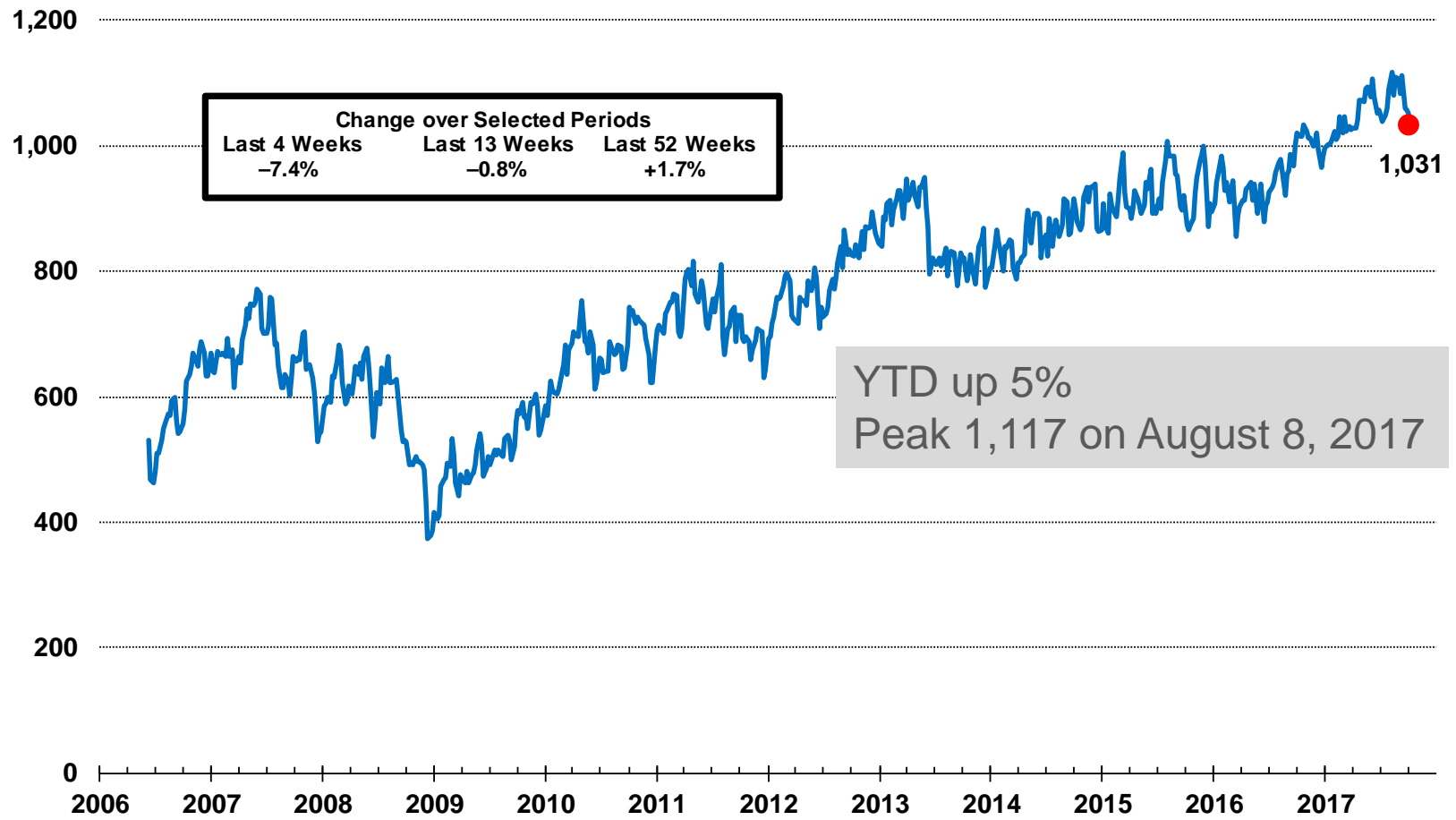
All-time high of 1,952
recorded September 5, 2017



FX Futures – Large Open Interest Holders

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

Source: CFTC

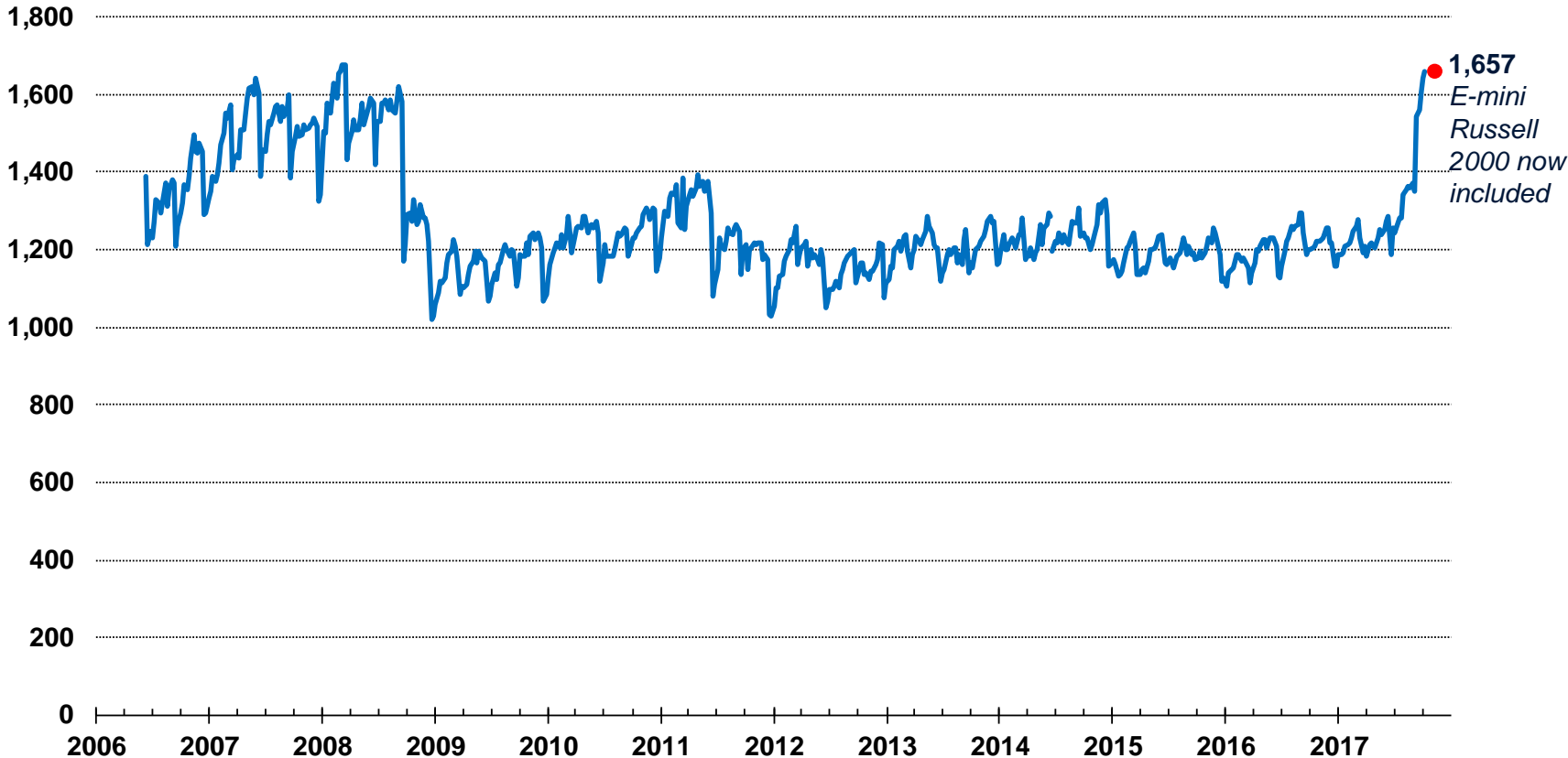


*The CFTC defines large open interest holders as having at least 400 open contracts in Major Foreign Currency futures and at least 100 open contracts in Other Foreign Currency futures.

Equity Futures – Large Open Interest Holders

CME Group Equity Index Futures
Aggregate Number of Large Open Interest Holders*

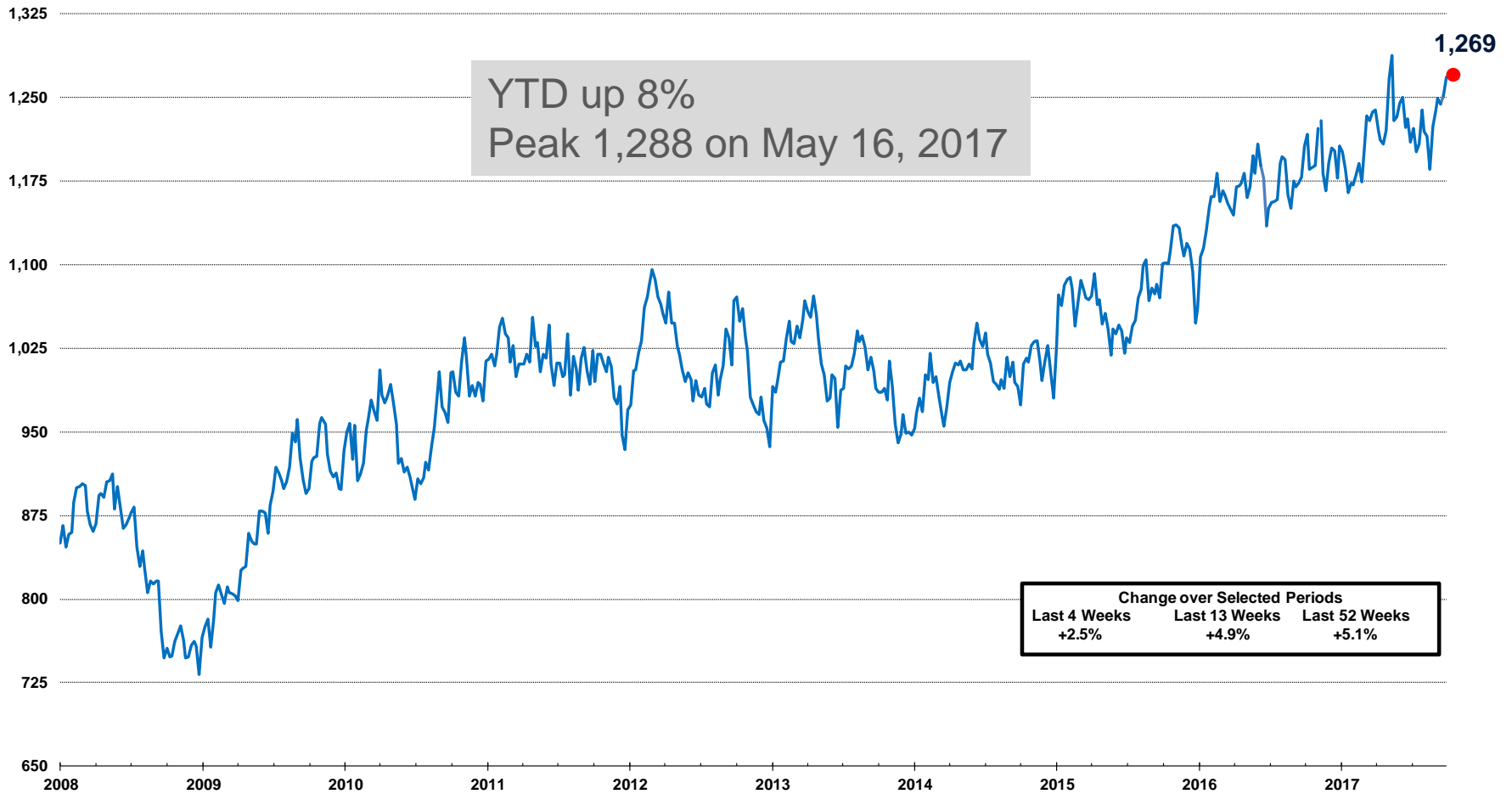
Source: CFTC



Energy Futures – Large Open Interest Holders

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

Source: CFTC



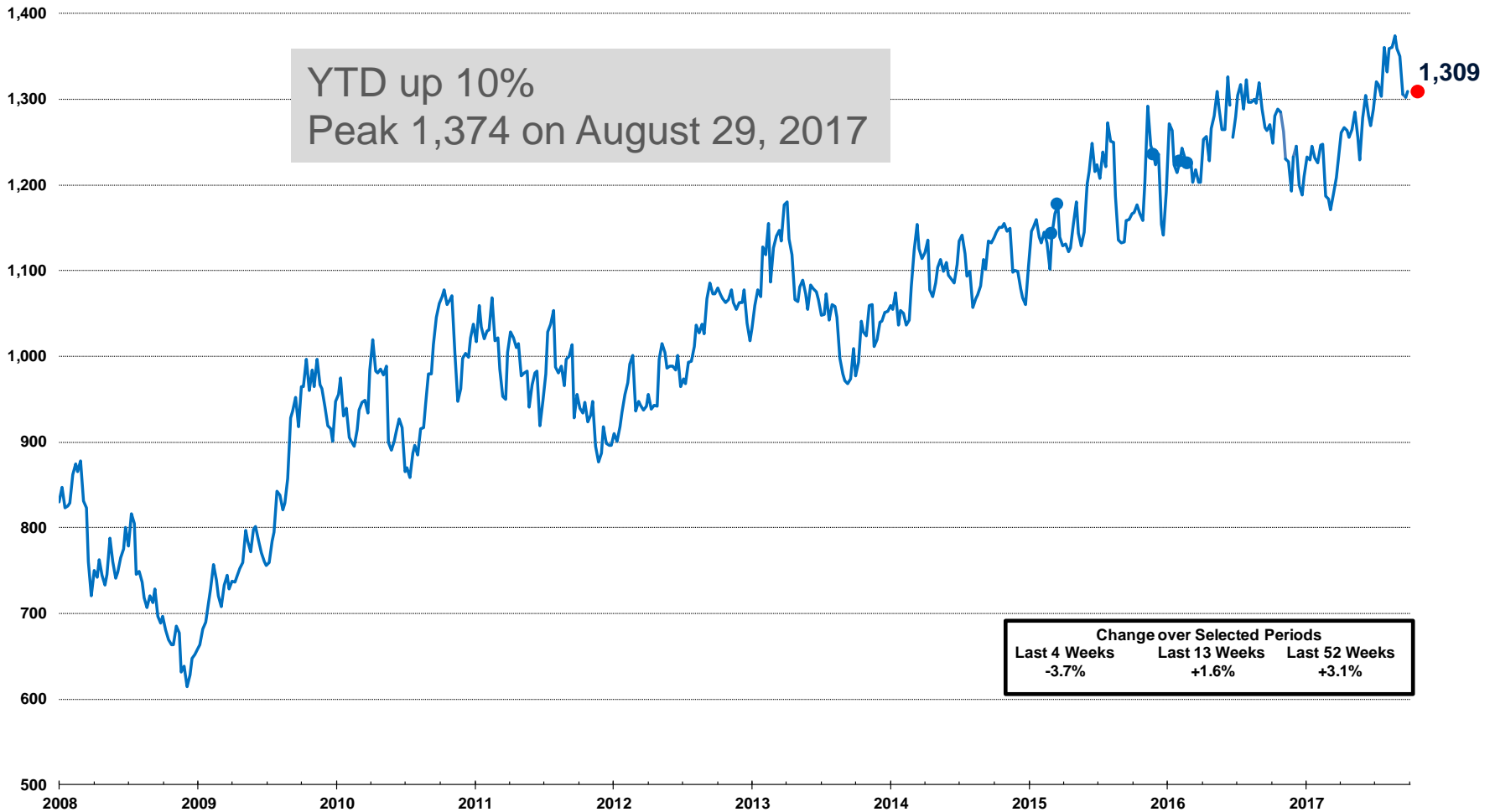
*The Aggregate number of Large Open Interest Holders is the sum of the LOIH traders for the following products: WTI (Crude Oil, Light Sweet), NG (Natural Gas), RBOB (Gasoline Blendstock), and HO (#2 Heating Oil)

The Energy Product Line LOIH above is a sum of each product's LOIH and does not imply a unique number of Traders

Metals Futures – Large Open Interest Holders

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

Source: CFTC

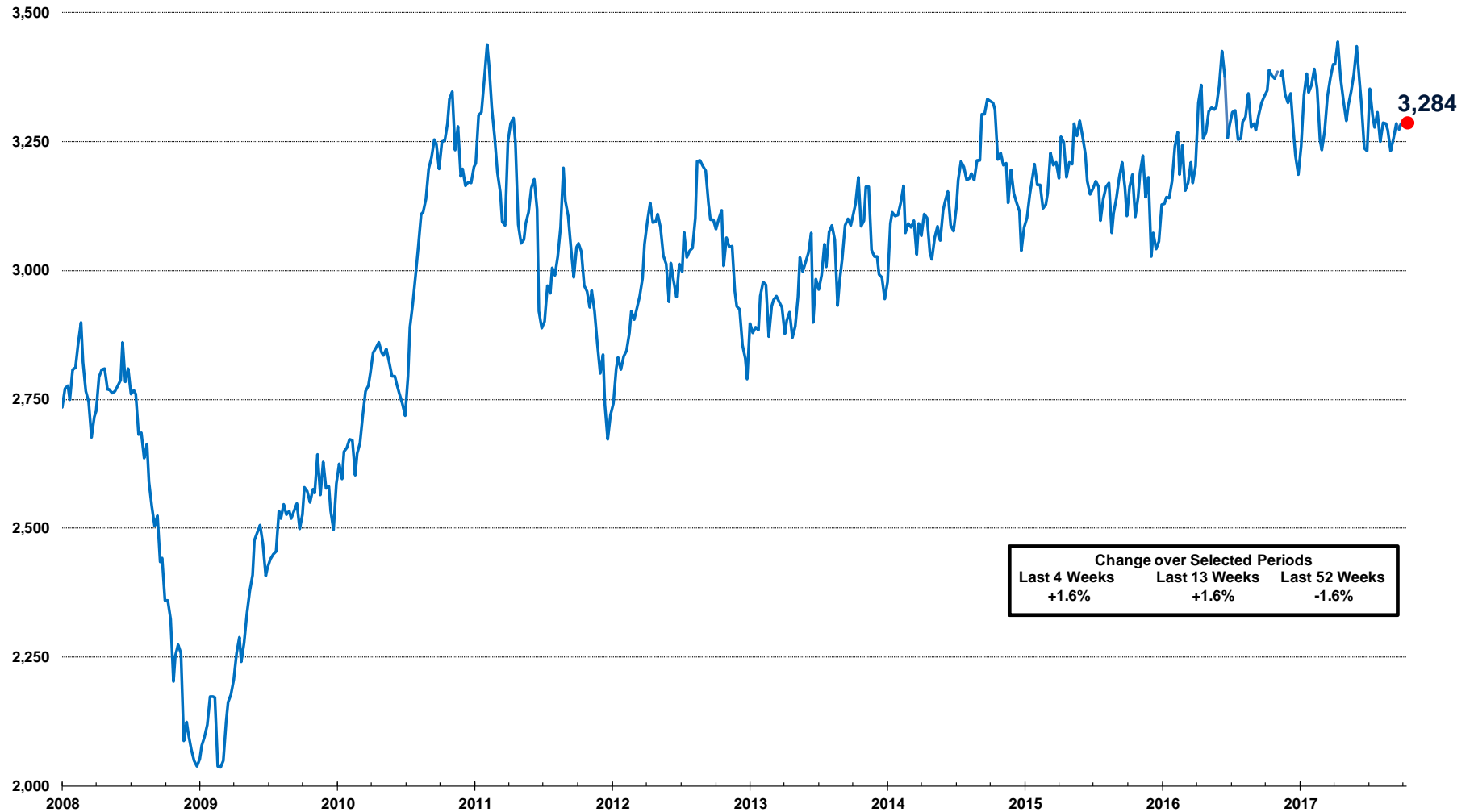


*The Aggregate number of Large Open Interest Holders is the sum of the LOIH traders for the following products: Gold, Silver, Copper, Platinum, and Palladium.
The Metals Product Line LOIH above is a sum of each product's LOIH and does not imply a unique number of Traders

Ag Commodities Futures – Large Open Interest Holders

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

Source: CFTC



*The Aggregate number of Large Open Interest Holders is the sum of the LOIH traders for the following products: Corn, Wheat (HRW and SRW), Soybeans, Soybeans Meal, Soybeans Oil, Live Cattle, and Lean Hogs.

The Agricultural Product Line LOIH above is a sum of each product's LOIH and does not imply a unique number of Traders

CME Group – Compelling Investment

Only Pure Play Derivatives Exchange

- Unmatched product diversity and 24 hour liquidity
- Leader in innovation
- Capital efficiency provides customer value
- Network effect similar to large technology companies
- Confidence in our markets, especially in times of stress
- Important partnership with S&P Financial, with “active to passive” trend underway

Positioned for Growth

- Focused on customer challenges / working collaboratively
- Oriented to attract order flow from adjacent markets
- Products have global appeal - have invested in global sales efforts
- Largest options on futures offering amongst exchanges
- Recurring customer relationships
- Valuable proprietary data

Several Potential Tailwinds

- Fed Balance Sheet reduction
- FASB Hedge Accounting Rules
- Uncleared Margin Rule (especially within FX)
- Increasing global relevance of U.S. Energy products (WTI Crude Oil and Henry Hub Nat Gas benchmarks – increase in exporting)
- Russell 2000 transition
- Regulatory environment improving (more certainty in U.S. vs. Europe)

- Improved internal focus on execution and efficiency
- Do not take on trading risk like other financials

- Significant operating leverage / incremental margin over 90 percent
- Strong free cash flow generation / unique dividend structure