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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 8-K

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### Current Report

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 15, 2007

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## CBOT HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-32650**  
(Commission File Number)

**36-4468986**  
(I.R.S. Employer  
Identification No.)

**141 West Jackson Blvd.**  
**Chicago, Illinois 60604**  
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: (312) 435-3500

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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**Item 8.01 Other Events.**

On March 15, 2007, the Registrant received an unsolicited, non-binding proposal letter from IntercontinentalExchange, Inc. A copy of the letter is attached hereto as Exhibit 99.1 and incorporated herein by reference. Also on March 15, 2007, the Registrant issued a press release which is attached hereto as Exhibit 99.2 and incorporated hereby by reference.

**Item 9.01 Financial Statements and Exhibits****(d) Exhibits**

- 99.1 Letter from IntercontinentalExchange, Inc. dated March 15, 2007
- 99.1 Press release issued March 15, 2007

**Important Merger Information**

In connection with the proposed merger of CBOT Holdings, Inc. ("CBOT Holdings") and the Chicago Mercantile Exchange Holdings Inc. ("CME"), the parties have filed relevant materials with the Securities Exchange Commission ("SEC"), including a joint proxy statement/prospectus regarding the proposed transaction.

INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION, BECAUSE IT CONTAINS IMPORTANT INFORMATION. Investors are able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about CBOT and CME without charge, at the SEC's website (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus can also be obtained without charge by directing a request to CBOT Holdings, Inc., Attention: Investor Relations, at 141 West Jackson, Chicago, Illinois 60604 or calling (312) 435-3500.

CBOT Holdings, CME and their respective directors and executive officers and other members of management and employees and other CBOT members may be deemed to be participants in the solicitation of proxies from CBOT stockholders in respect of the proposed transaction. Information regarding CBOT Holdings' directors and executive officers is available in its proxy statement for its 2006 annual meeting of stockholders, dated March 29, 2006. Additional information regarding the interests of such potential participants is included in the joint proxy statement/prospectus and the other relevant documents filed with the SEC. This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

**Forward-Looking Statements**

Certain statements in this document and its attachments, if any, may contain forward-looking information regarding CBOT Holdings, CME and the combined company after the completion of the transactions that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, the benefits of the business combination transaction involving CBOT Holdings and

CME including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of the management of CBOT Holdings and CME and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain governmental approvals of the transaction on the proposed terms and schedule; the failure of CBOT Holdings stockholders or CME stockholders to approve the transaction; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; competition and its effect on pricing, spending, third-party relationships and revenues; social and political conditions such as war, political unrest or terrorism; general economic conditions and normal business uncertainty. Additional risks and factors are identified in CBOT Holdings' filings with the SEC, including its Report on Form 10-K for the fiscal year ending December 31, 2006 which is available on CBOT's website at <http://www.cbot.com>.

You should not place undue reliance on forward-looking statements, which speak only as of the date of this document. Except for any obligation to disclose material information under the Federal securities laws, CBOT Holdings undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this document.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CBOT HOLDINGS, INC.

Date: March 15, 2007



By:

Name: Kevin J.P. O'Hara

Title: Chief Administrative Officer and Chief Strategy Officer

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Title</u>
99.1	Letter from IntercontinentalExchange, Inc. dated March 15, 2007
99.2	Press release issued March 15, 2007



Atlanta Calgary Chicago Houston London NewYork Singapore

March 15, 2007

CBOT Holdings, Inc.  
141 West Jackson Boulevard  
Chicago, Illinois 60604-2929

Attention: Charles P. Carey  
Chairman of the Board of Directors

Jackie Clegg  
Larry G. Gerdes  
Special Transaction Committee of the Board of Directors

James P. McMillin  
Non-Exercise Right Members Committee

Bernard W. Dan  
Chief Executive Officer

Dear Sirs and Madam,

On behalf of IntercontinentalExchange, Inc. ("ICE") and its Board of Directors, I am pleased to submit this proposal to combine ICE with CBOT Holdings, Inc. ("CBOT Holdings") in an industry-defining merger. Our proposed transaction will create the most comprehensive derivatives exchange in the world, preserve the proud heritage of the Chicago Board of Trade ("CBOT"), and promote innovation and competition in the domestic and global derivatives markets. From the perspective of shareholders and CBOT Holdings' trading community, this combination will generate superior value immediately and in the longer term.

**Consideration**

We propose a transaction in which each share of CBOT Holdings Class A common stock will be exchanged for 1.42 shares of ICE Class A common stock. Based on the closing stock price of ICE as of March 14, 2007, our proposal represents a price per CBOT Holdings Class A share of \$187.34. This price represents a premium to CBOT Holdings' current price of 12.8%, and a premium to CBOT Holdings' closing price on October 16, 2006, the day prior to the public announcement of CBOT Holdings' intended combination with Chicago Mercantile Exchange Holdings, Inc. ("CME"), of 39.3%.

In addition to the upfront premium, our proposal allows CBOT Holdings' shareholders to share in the substantial combination benefits we believe are available to the combined

ICE and CBOT Holdings. The proposed exchange ratio will result in CBOT Holdings Class A shareholders owning approximately 51.5% of the combined company. Based upon our review of publicly-available information on CBOT Holdings, we estimate over \$240 million per annum of combination benefits, on a pre-tax basis, would be realizable through the combination of our two companies. We are confident we could identify additional benefits once we have had the opportunity to undertake due diligence and interact with your management.

We note that the merger agreement with CME Holdings includes a cash election of up to \$3 billion for CBOT Holdings' shareholders in lieu of shares. Should you feel that a cash alternative is important to your shareholders, we would be pleased to explore this option and have access to significant financing sources should this be required.

### ***Strategic rationale***

A merger of our two companies is a unique opportunity to create a leading derivatives trading platform across a broad spectrum of futures and options products, incorporating our complementary positions in agricultural commodities and leading capabilities in interest rates, energy, gold and silver, as well as other financial contracts such as equity indices and foreign exchange pairs. The combined entity would operate regulated exchanges in the U.S., Europe, and Asia and also support the global over-the-counter (OTC) derivatives market.

Through our recent purchase of the New York Board of Trade ("NYBOT"), ICE operates a wholly-owned clearinghouse, which will serve as an integrated platform for the clearing of our combined exchanges' transactions over time. ICE will also contribute its world-class trading platform. Our technology provides global accessibility and integrated capabilities for trading futures, options on futures, and bilateral and cleared OTC markets. We believe that our market-leading capabilities in supporting OTC trading can be extended to CBOT Holdings' marketplace. Finally, the combined group will enjoy significant economies of scale and scope in technology, marketing, and customer connectivity.

### ***Chicago Board of Trade's heritage and Chicago home***

We recognize that, for nearly 160 years, the Chicago Board of Trade has been a major Chicago institution and has anchored the city's position as one of the world's leading financial centers. CBOT's history of innovation and growth is unparalleled in the industry. We wish to preserve and enhance this market position and legacy rather than to subsume it under a larger organization. Therefore, we propose that the corporate headquarters of the combined entity will be CBOT's landmark building in Chicago. In addition, we intend to retain the Chicago Board of Trade name and leverage it to create a new brand identity for our regulated futures exchanges in New York, London and Dublin.

## ***Benefits to CBOT's trading community***

We believe that the creation of a global and integrated agricultural commodities marketplace, the ability to trade energy side-by-side with a variety of correlated agricultural products, and the addition of NYBOT's financial contracts to CBOT's interest rate and equity index products will promote liquidity and trading opportunities in futures and options products both on the trading floor and through electronic trading.

As evidenced by our acquisition of NYBOT, we have made a significant commitment to our open-auction members and believe that they provide an important source of liquidity for our markets. Our proposal contemplates a substantial commitment to support continued open-auction trading operations in CBOT's building, as it becomes our global headquarters.

## ***Governance and management***

We believe the board of directors of the combined company should draw representatives from current CBOT Holdings directors in addition to continuing ICE directors, and we look forward to discussing CBOT Holdings board representation in the new entity with you.

We envision ongoing and important roles for the key members of current management of CBOT Holdings, and undertake to form a management group for the combined company taken from the best elements of each of our teams. I would retain the role of Chief Executive Officer and look forward to discussing with the Chief Executive Officer of CBOT Holdings the future roles in the combined company for him and his management team.

## ***Combination benefits***

As noted above, we believe that the merger of CBOT Holdings and ICE offers significant combination benefits. Our wholly-owned clearing platform will allow us to internalize the clearing services CBOT currently receives from CME, assuming your clearing agreement with CME is terminated in January 2009. By moving current CBOT electronic trading to the ICE platform, we will be able to decrease technology expense and improve efficiency. We also believe significant opportunities exist to rationalize redundant general and administrative expenses when we consolidate operations currently conducted in Atlanta and New York into the Chicago headquarters of the combined group. We estimate that these expense and clearing savings would exceed \$190 million on a full run-rate basis by January, 2009.

We believe that there are also significant opportunities to increase both the revenues and growth rate of the combined group by providing a single access point to multiple complementary products. The ability of customers to cross-margin positions in the combined product suite and in cleared OTC products will lower friction costs and



increase trading activity. Further, we believe that there are substantial revenue opportunities in supporting the OTC markets that surround CBOT's existing products. Finally, the financial opportunity associated with preserving and growing elements of CBOT's traditional product franchise, such as the precious metals contracts which we understand may be scheduled for termination, is significant. We estimate that these additional revenue opportunities would exceed \$50 million on a full run-rate basis within 18 months of closing.

ICE has the highest rate of growth and highest profit margin of any company in our industry. This performance has been achieved both organically and through acquisitions. We have a proven track record in optimizing the performance of the companies that we have acquired, and have created significant value for the former owners and other stakeholders of companies with which we have combined. We are confident that our combined management team will integrate our two companies in such a way as to maximize the benefits for all our stakeholders.

### ***Structure and Merger Agreement***

We have studied the terms of the CME merger agreement and, outside of the changes necessary to implement the matters outlined in our proposal, we are prepared to enter into a form of merger agreement with you on similar terms. However, subject to the implementation of the other terms of our proposal, we are also amenable to exploring a transaction structure which we believe would facilitate preservation of your members' CBOE Exercise Rights.

### ***Conditions, approvals and other matters***

Our board of directors has unanimously approved the submission of this proposal. Any definitive transaction between us, however, would be subject to final approvals by our board as well as our shareholders.

We have based our proposal on publicly-available information, and our proposal is subject to completion of a confirmatory due diligence review of CBOT Holdings, which would include discussions with your senior management. We are available to commence our due diligence review immediately, and we are confident that, given our knowledge of your business and your cooperation, we can complete our review and be in a position to execute a definitive transaction agreement within one week. We are also prepared to give you and your representatives access to non-public information relating to ICE to satisfy your due diligence requirements. We are prepared to enter into a confidentiality agreement with CBOT Holdings that is no less favorable to CBOT Holdings than the one it entered into with CME.

Given the complementary nature of the products traded on CBOT, NYBOT and ICE, we do not anticipate regulatory issues associated with our proposed merger. In fact, we

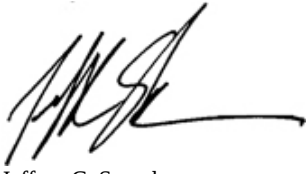
believe that the futures industry and antitrust regulators will embrace the creation of a strong derivatives group to protect and enhance industry competition and innovation. We believe that a merger between CBOT Holdings and CME Holdings represents a significant concentration of market power, in particular in such areas as equity index products, interest rate futures, technology and clearing. The alternative transaction we are proposing would be strongly pro-competitive and would benefit our mutual customers as well as our respective shareholders.

This letter is not intended to create or constitute any legally binding obligation, liability or commitment by us regarding the proposed transaction, and, other than any confidentiality agreement we may enter into with you, there will be no legally binding contract or agreement between us regarding the proposed transaction unless and until a definitive merger agreement is executed. We believe that the proposed transaction could close in the third quarter of 2007.

While the CME transaction represents a sale of the company, our proposal is truly a merger that is intended to preserve the culture and heritage of the Chicago Board of Trade. We believe our proposal is superior, from both a financial and strategic perspective, to the CME proposal and is capable of consummation without material regulatory impediments.

We and our financial advisors, Morgan Stanley, and our legal advisors, Sullivan & Cromwell LLP, are prepared to move forward immediately with this proposal. We believe that our proposal presents a compelling opportunity for our companies, our industry, and our customers, and we look forward to your prompt response.

Sincerely,

A handwritten signature in black ink, appearing to read 'JCS', with a long horizontal flourish extending to the right.

Jeffrey C. Sprecher  
Chairman & Chief Executive Officer  
IntercontinentalExchange, Inc.

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**CBOT Holdings Receives Unsolicited Proposal from ICE**

CHICAGO, March 15, 2007 – CBOT Holdings, Inc., holding company for the Chicago Board of Trade (CBOT®) (NYSE: BOT), one of the leading global derivatives exchanges, today confirmed that it has received an unsolicited, non-binding proposal letter from Intercontinental Exchange, Inc. (ICE). The letter states that ICE proposes to merge with CBOT Holdings in a transaction in which holders of CBOT Holdings Class A common stock would receive 1.42 shares of ICE Class A common stock for each share of CBOT Holdings Class A common stock.

CBOT Holdings also said that its Board of Directors, its Special Transaction Committee and CBOT's Board of Directors will review the proposal as soon as practicable in a manner consistent with their duties and the merger agreement with Chicago Mercantile Exchange Holdings Inc. (CME). Until this review is complete, CBOT Holdings does not intend to comment further on the ICE proposal. The special meetings of CBOT Holdings stockholders and CBOT members remain scheduled to be convened on April 4, 2007. CBOT Holdings will file a current report on Form 8-K with the Securities and Exchange Commission (SEC) containing a copy of the proposal letter from ICE. The current report on Form 8-K will be available on the SEC's website, <http://www.sec.gov>, and on CBOT Holdings' website, <http://www.cbot.com>.

**About the CBOT**

As one of the leading global derivative exchanges, the Chicago Board of Trade provides a diverse mix of financial, equity and commodity futures and options-on-futures products. Building on its 159-year history, the CBOT continues to advance into the future using the strength of deep liquidity, market integrity and member-trader expertise. Using superior trading technology in both electronic and open-auction trading platforms, the CBOT provides premier customer service to risk managers and investors worldwide. For more information, visit our website at [www.cbot.com](http://www.cbot.com).

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