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## CME Group to Acquire Kansas City Board of Trade

CHICAGO and KANSAS CITY, Mo., Oct. 17, 2012 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, and the Kansas City Board of Trade, the leading futures market for hard red winter (HRW) wheat, today announced they have signed a definitive agreement under which CME Group will acquire the Kansas City Board of Trade (KCBT).

Under the terms of the transaction, CME Group will pay \$126M in cash for KCBT. In addition, KCBT will make a special distribution of excess cash to members concurrent with closing. CME Group has committed to maintain a committee made up of KCBT market participants to advise on HRW wheat contract terms and conditions for at least three years, and to maintain the historic KCBT trading floor in Kansas City for a period of at least six months.

"Global agricultural market participants continue to depend on liquid, transparent risk management tools for price discovery in both established and emerging economies," said CME Group Executive Chairman and President Terry Duffy. "Building on two rich legacies, the combination of KCBT Hard Red Winter Wheat products with our deep and liquid CBOT Soft Red Winter Wheat futures and options markets will provide new trading opportunities for market participants around the world — both on the trading floor and on the screen."

"This transaction creates significant value for customers and shareholders of both companies. While the CBOT and KCBT Wheat contracts are very distinct products with different uses, the ability for producers and commercial participants to hedge their risk in both key benchmarks in one place will produce cross-margining benefits and other capital efficiencies," said CME Group CEO Phupinder Gill. "In addition, product development opportunities here are great for both of our client bases — not only in futures, but also in options that can help market participants manage risk at a reduced cost during targeted timeframes in the crop year."

"Given the increasing operational demands and regulatory requirements, it was deemed beneficial that the KCBT partner with an exchange with the technology, experience, leadership and resources of CME Group," said Steven K. Campbell, KCBT Chairman. "KCBT's flagship HRW wheat product is a logical and valuable addition to CME Group's global grains complex. After considering a number of qualified interested parties, the KCBT's Board of Directors is convinced that the CME Group is the best fit for the long-term goals of our exchange, our product offerings, and in continuing to meet the price/risk management needs of our customers."

"Throughout KCBT's 156-year history, trading has evolved dramatically, with an increasing emphasis on technology in recent years," said Jeff Borchardt, KCBT President and CEO. "CME Group's position as a global leader in electronic trading access and capability makes them an ideal partner for the future of KCBT's HRW wheat contract, the global benchmark for bread wheat."

The board of directors of KCBT unanimously approved the transaction, which is expected to close later this year pending approval by KCBT shareholders and regulators, expiration of the applicable Hart-Scott-Rodino waiting period and completion of customary closing conditions.

The addition of HRW wheat upon completion of the transaction will further enhance CME Group's already broad [agricultural product offering](#). HRW wheat is the predominant variety grown in the United States, and is also the leading variety sold through export. Customers around the globe will continue to benefit from access to underlying CBOT and KCBT wheat contracts through the [CME Globex](#) electronic trading platform.

KCBT was advised on the transaction by George K. Baum Capital Advisors and the law firm of Husch Blackwell. CME was advised by the law firm of Skadden, Arps, Slate, Meagher & Flom.

### About CME Group

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural commodities](#), [metals](#), [weather](#) and [real estate](#). CME Group brings buyers and sellers together through its [CME Globex](#)® electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates [CME Clearing](#), one of the world's leading

central counterparty clearing providers, which offers clearing and settlement services across asset classes for exchange-traded contracts and over-the-counter derivatives transactions. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk.

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### **About Kansas City Board of Trade**

The Kansas City Board of Trade is a for-profit corporation organized under the laws of Delaware. The KCBT, founded in 1856, is the world's largest futures market for hard red winter wheat. Daily quotes, market commentary, historical data and charting services are available on our website at [www.kcbt.com](http://www.kcbt.com).

### **Forward-looking Statements**

Statements in this news release that are not historical facts are forward- looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, which can be obtained at its Web site at <http://www.sec.gov> . We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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