

CME Group 1Q 2017 Earnings Conference Call

April 27, 2017

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.

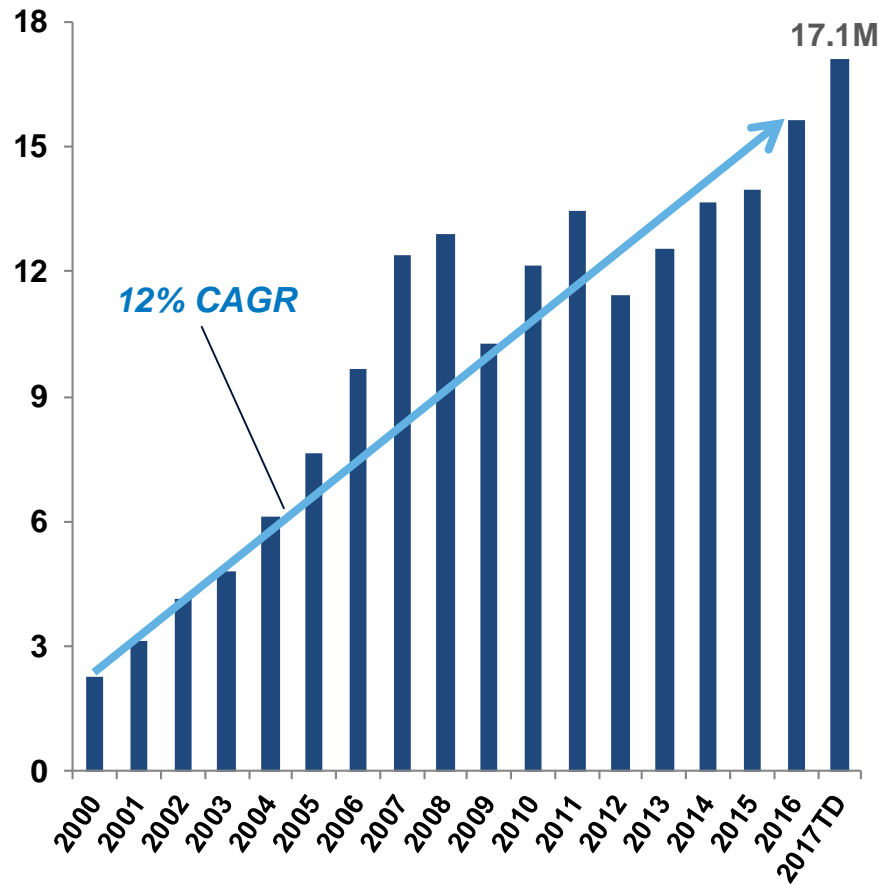
NOTE: Unless otherwise noted, all references to CME Group volume, open interest and rate per contract information in the text of this document is based on pro forma results assuming the merger with CBOT Holdings and the acquisition of NYMEX Holdings were completed as of the beginning of the period presented. 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 3/31/2017.

Unique Assets Provide Competitive Advantages

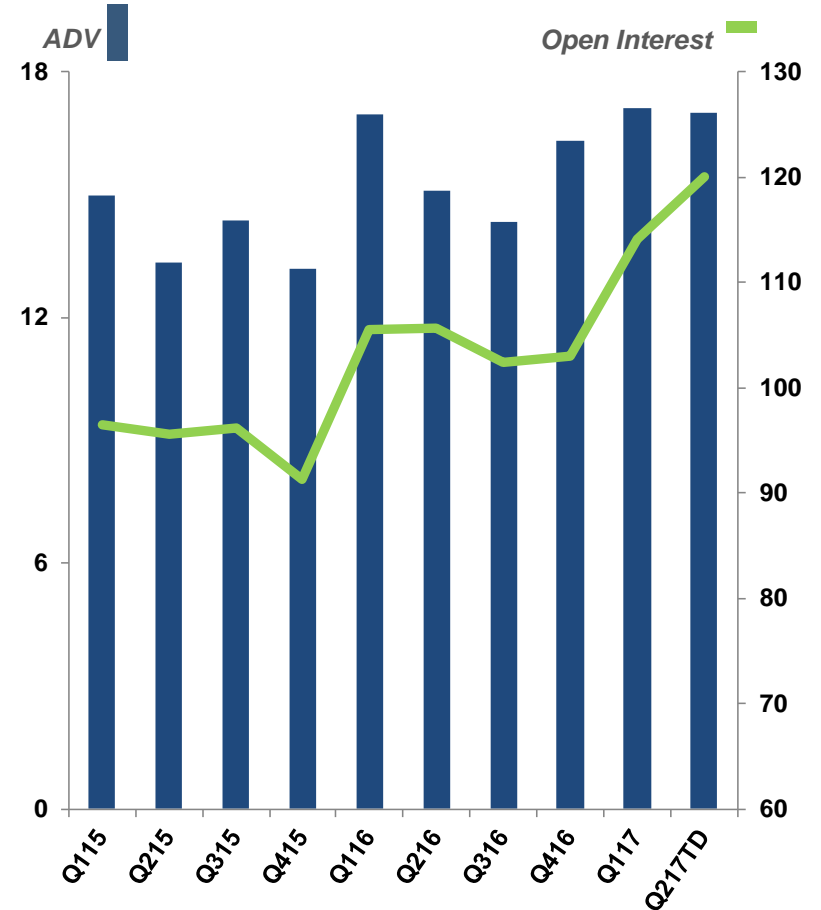


Steady ADV Growth and Healthy Open Interest

Annual ADV
Millions



Quarterly ADV and OI
Millions

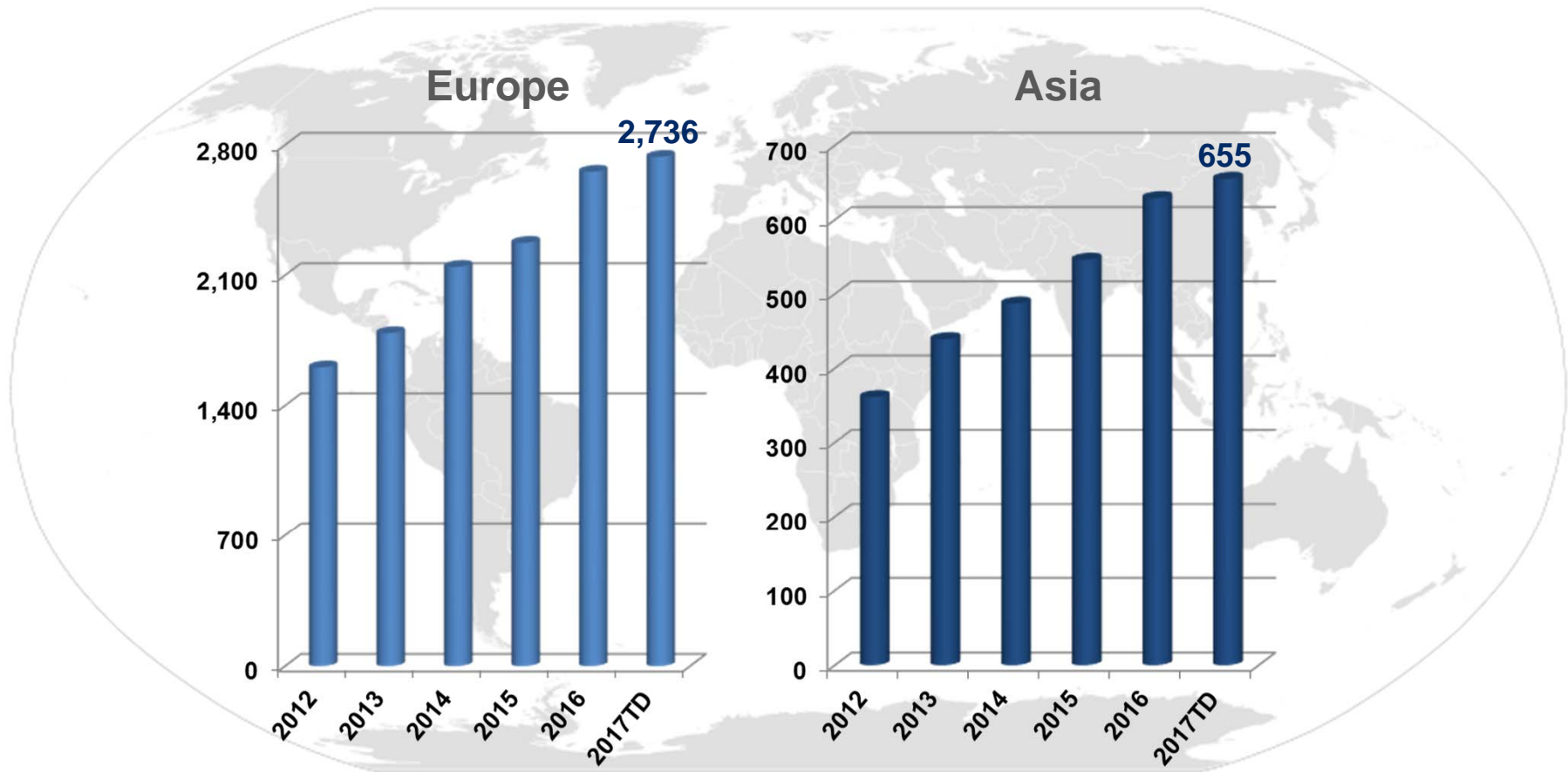


- Record Q117 ADV of 17.1M; February 2017 ADV was the 3rd highest month; March 2017 ADV up 18% from March 2016 ADV
- Open interest reached record of 123M contracts on March 9th

- Record Q117 Interest Rates ADV of 9.2M contracts, up 11%
- Record Q117 Metals ADV of 512,000 contracts, up 13%

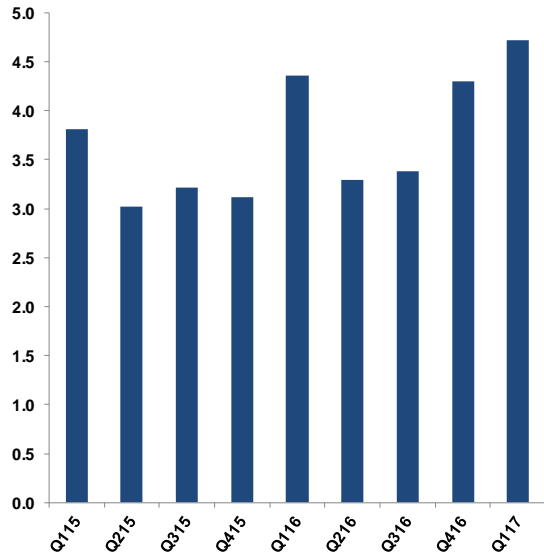
Investments in Globalization Are Paying Off

Electronic ADV, in 000s

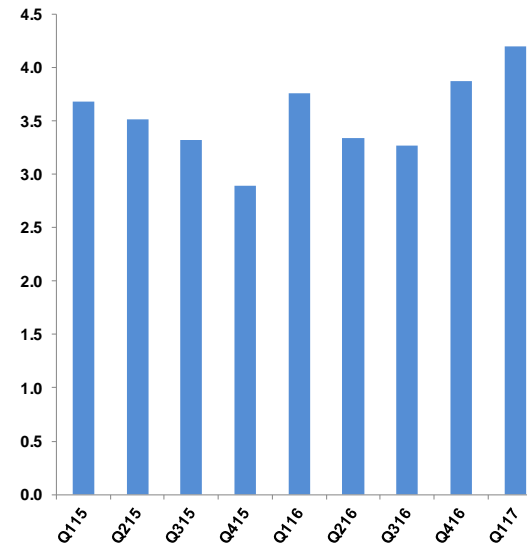


Particular Strength in Interest Rates – Record 1Q17 ADV

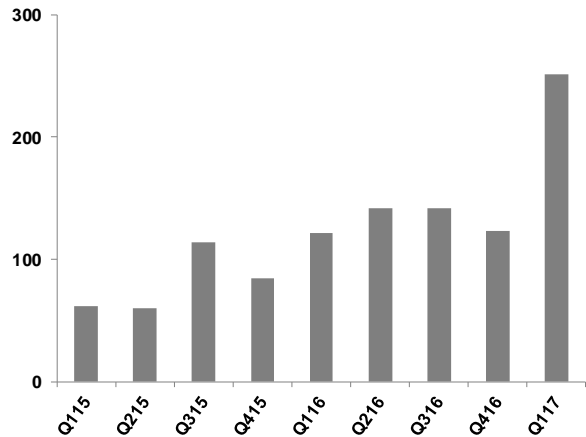
Eurodollar Futures/Options ADV (millions)



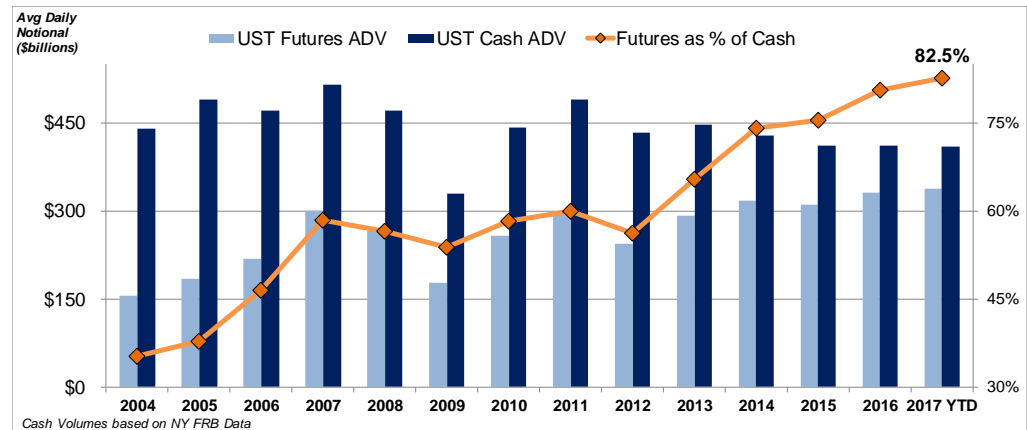
Treasury Futures/Options ADV (millions)



Fed Fund Futures ADV (thousands)

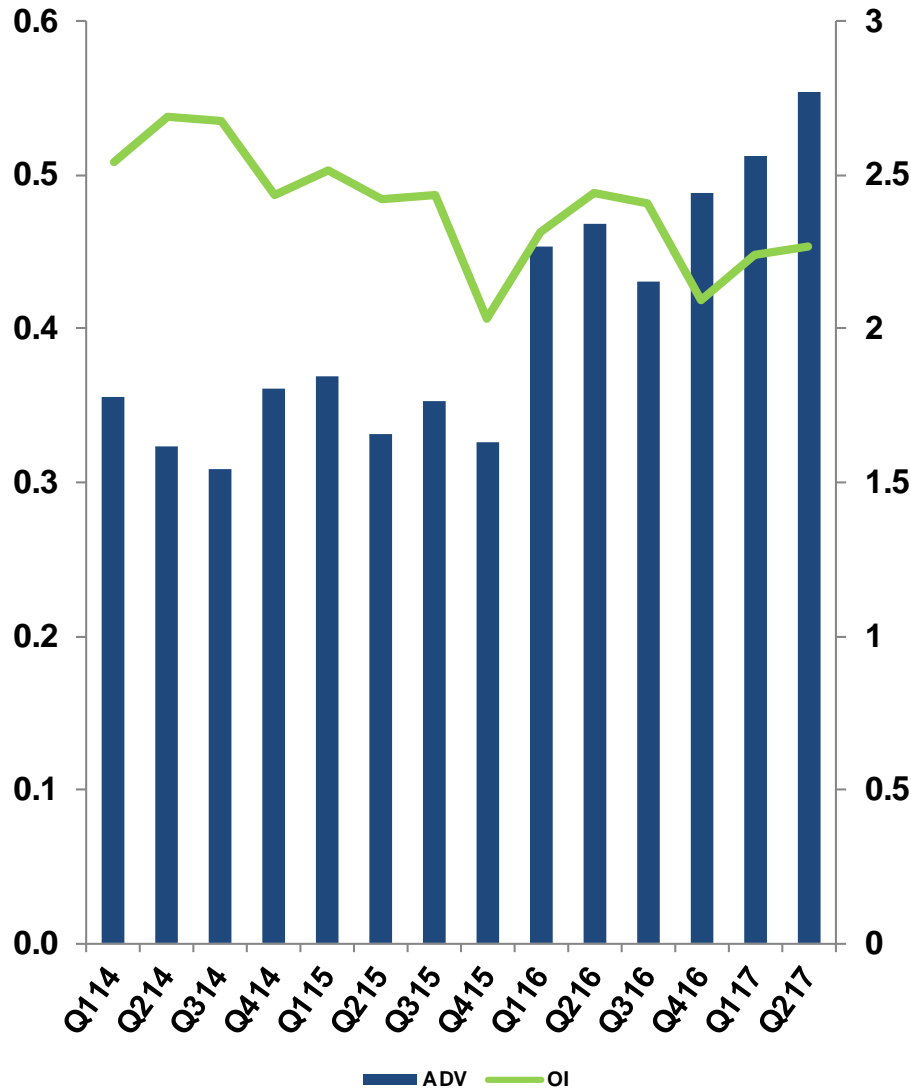


Treasury Futures Volumes as Compared to Cash

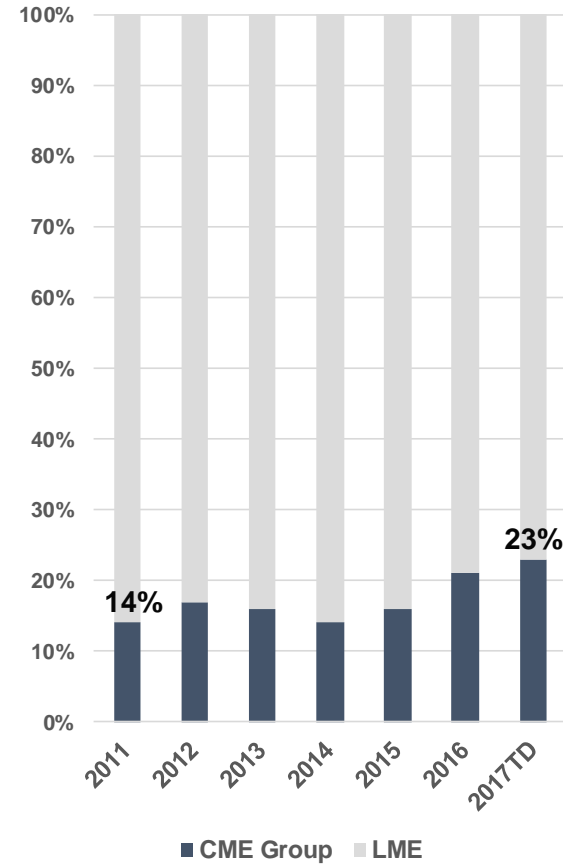


Record 1Q17 Metals ADV, Up 13 Percent vs. 1Q16

Metals Futures/Options ADV and OI (millions)

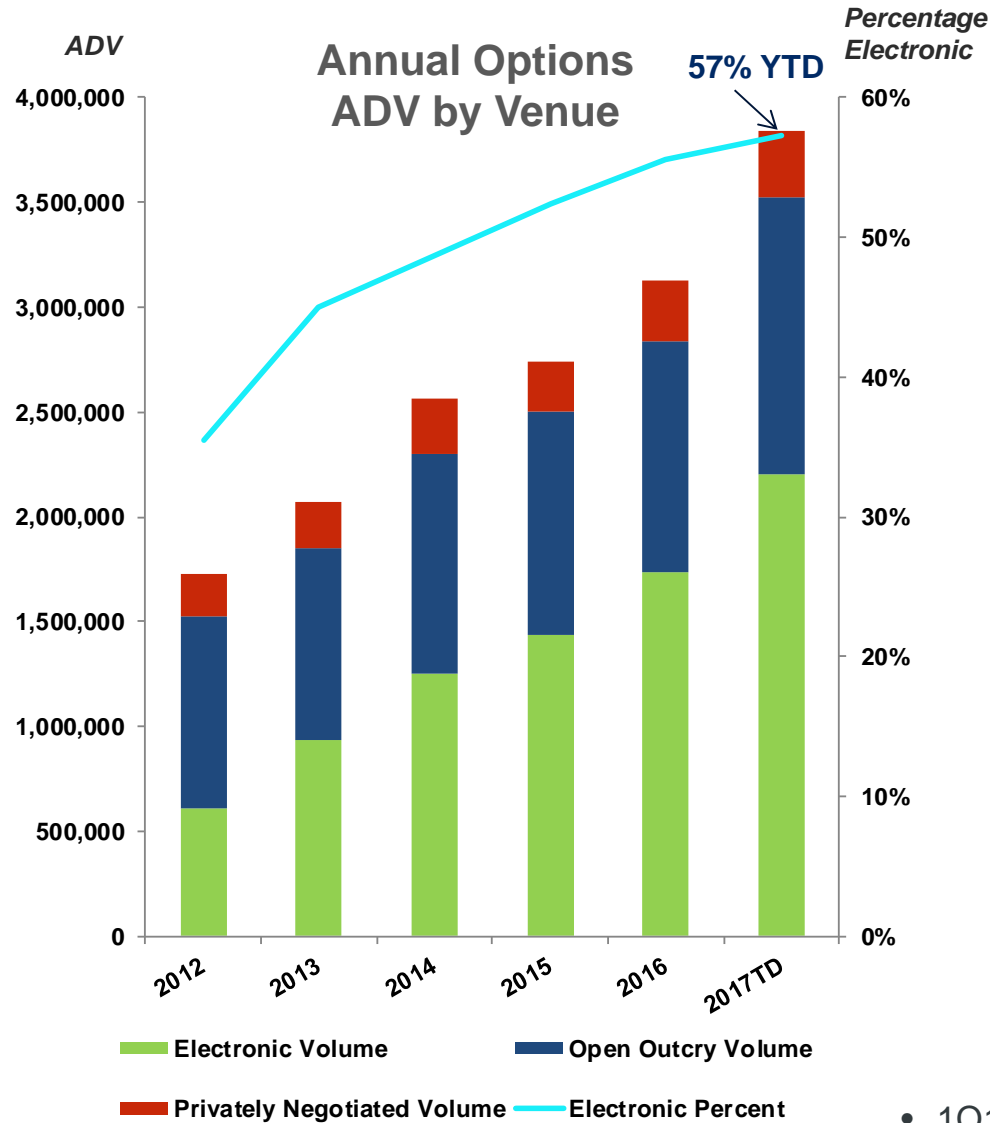


Annual Copper Futures Market Share

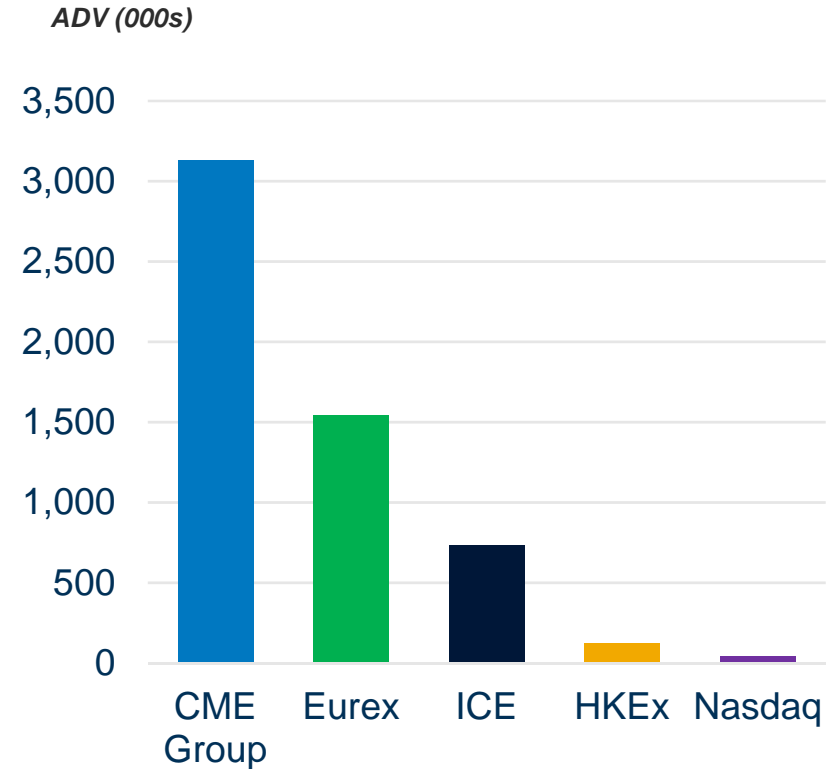


- 1Q17 Precious Metals ADV up 11 percent
- 1Q17 Base Metals ADV up 24 percent
- Copper ADV up 23 percent

Options Business – Continued Momentum



Options on Futures Volume at Global Exchange Groups (2016)



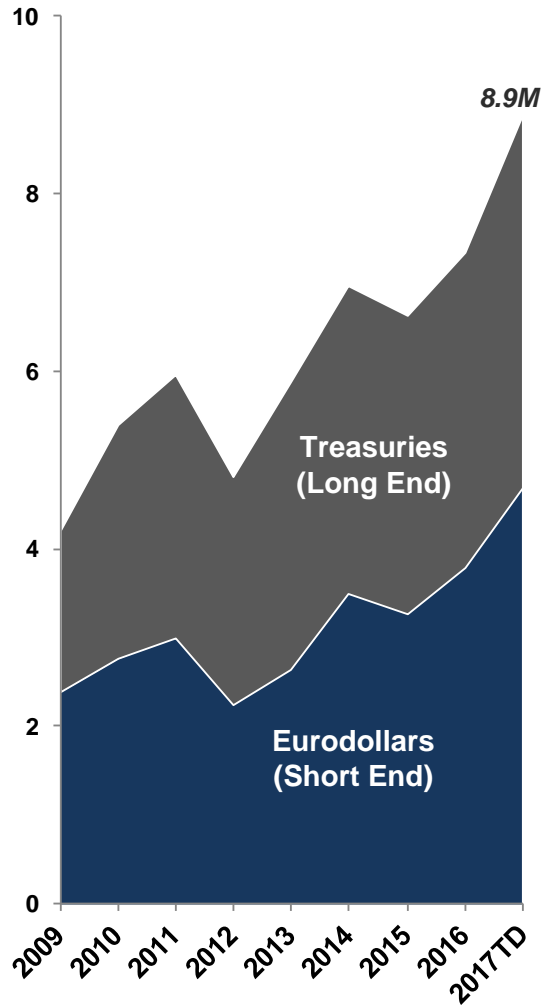
Source: WFE, CME Group Analysis

Note: Excludes single stock options, options on ETFs, and exchanges in closed economies (e.g., NSE India, BSE India)

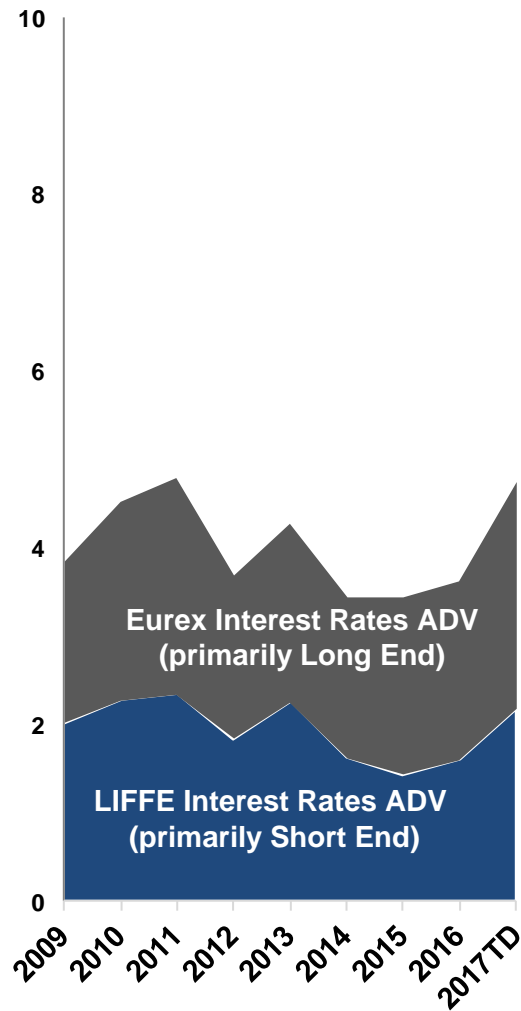
- 1Q17 options ADV records reached in Interest Rates and Equities

History of Innovation

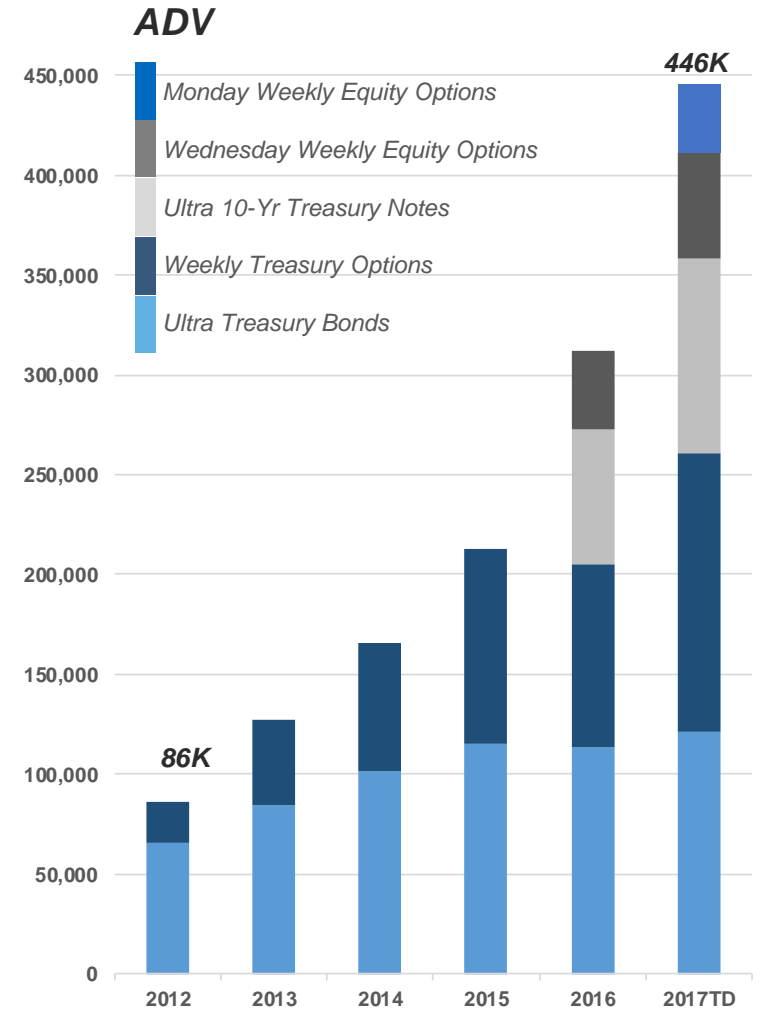
CME Group ADV (millions)



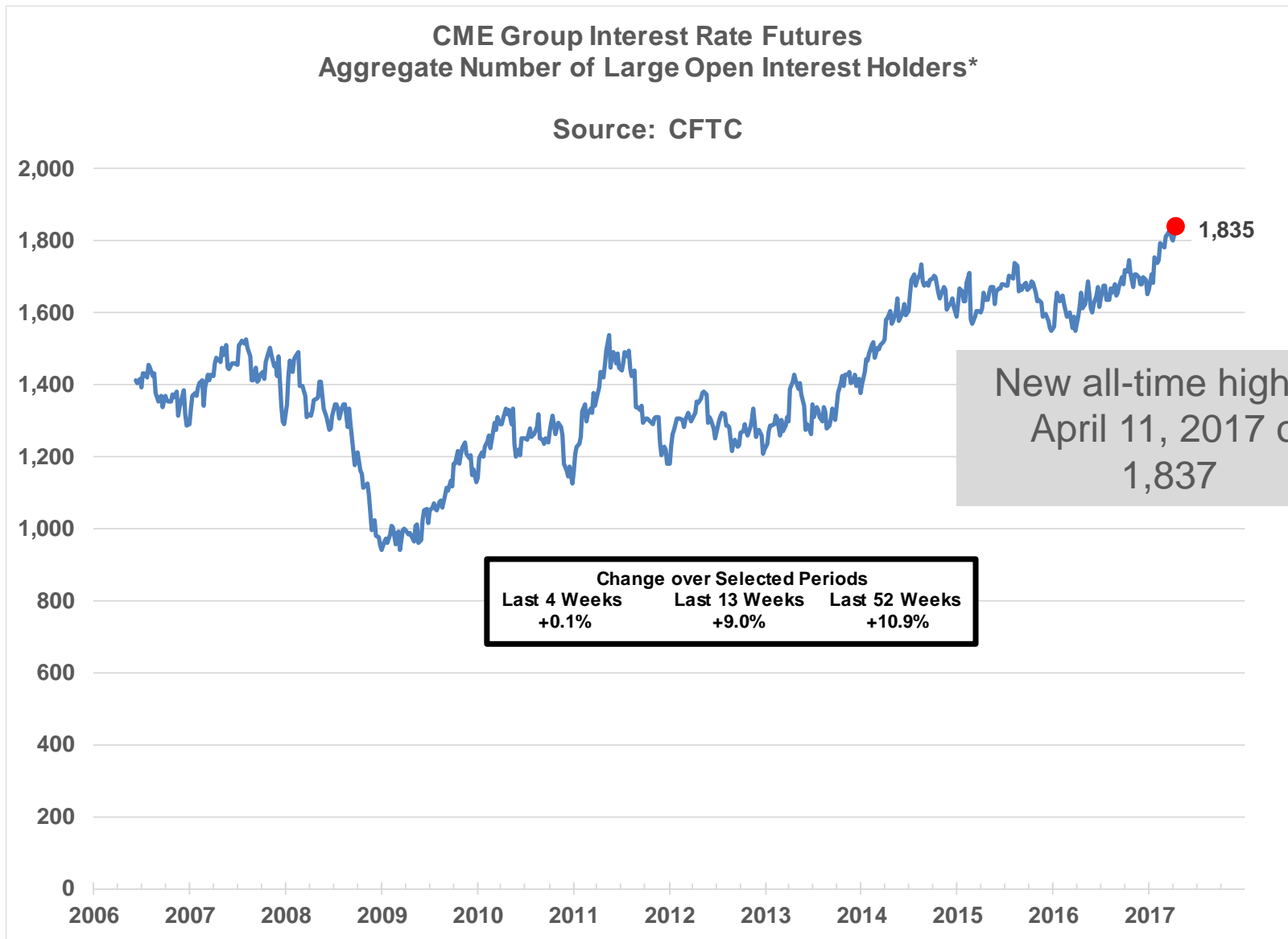
ADV (millions)



Most Recent Innovation Financial Products



Interest Rate Futures – Large Open Interest Holders



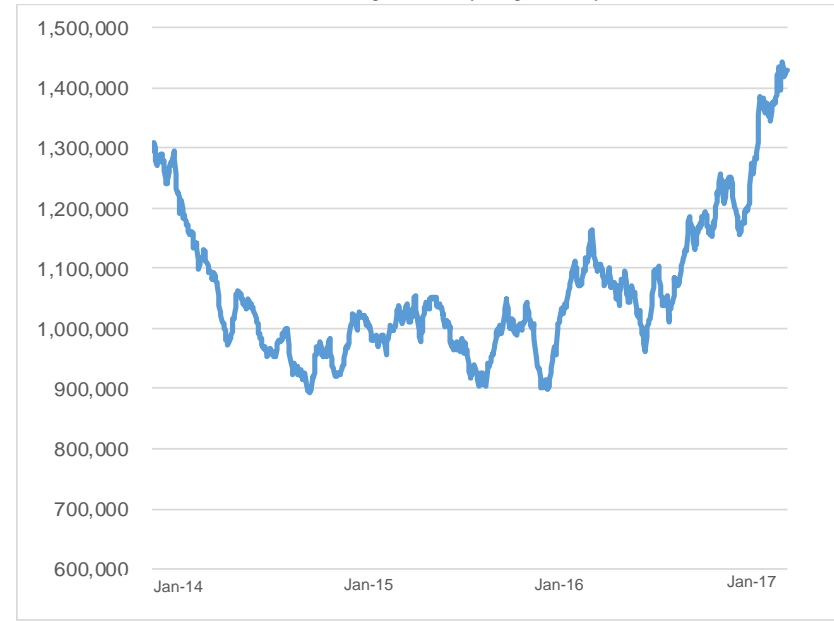
Strength in Energy Open Interest

Data through April 21, 2017

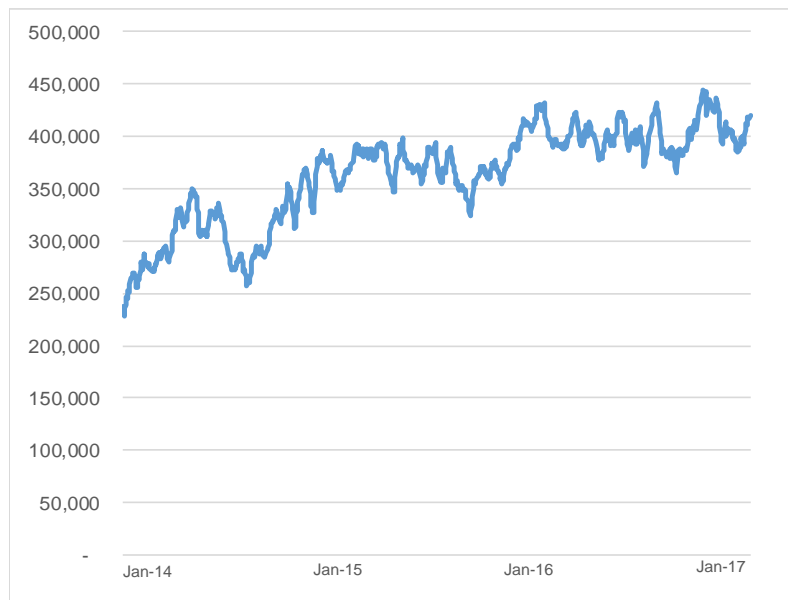
CL – NYMEX Crude Oil (Physical) Futures



NG – Natural Gas Henry Hub (Physical) Futures



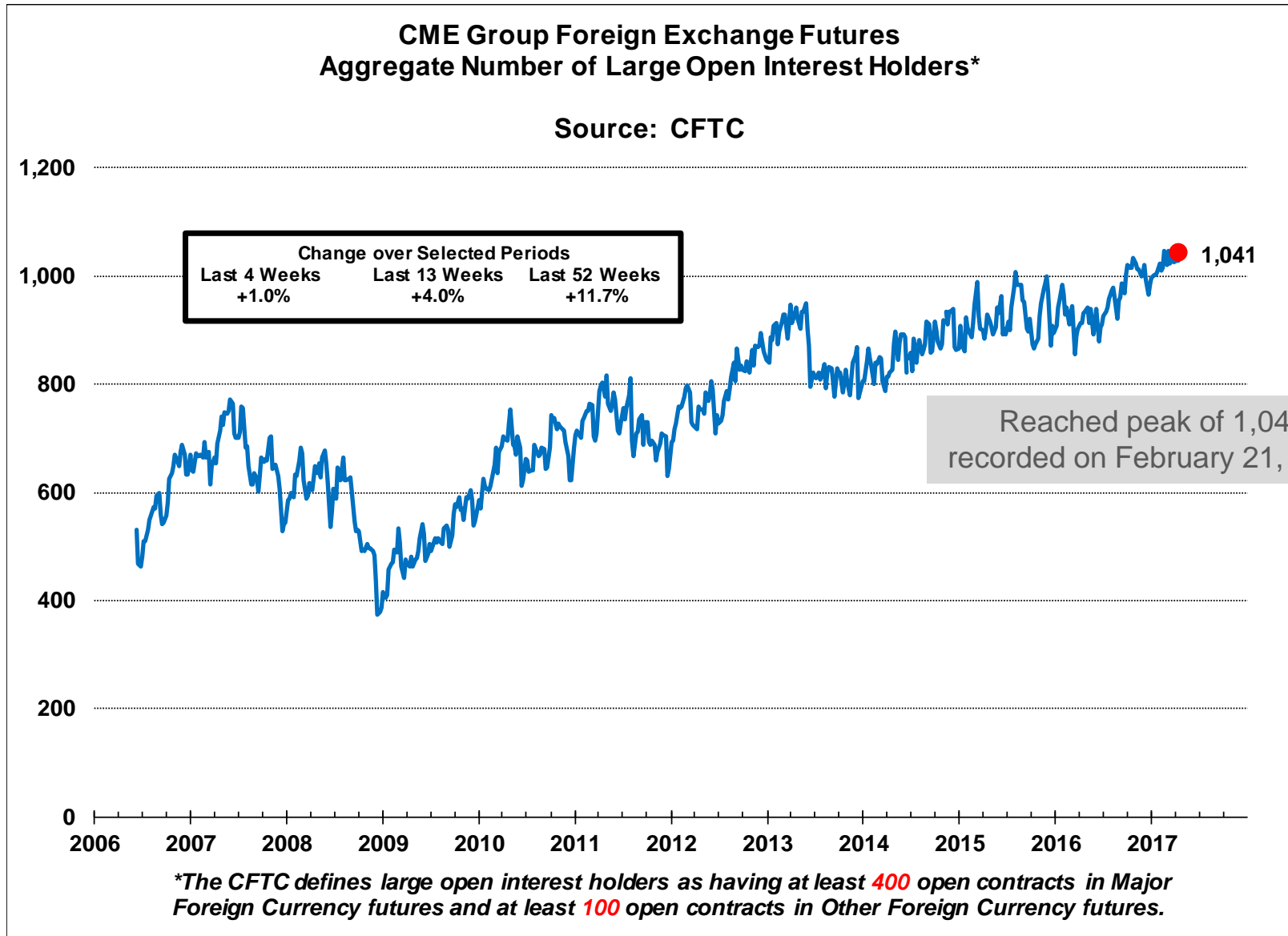
RB – NYMEX NY Harbor Gas (RBOB) (Phy) Futures



HO – NYMEX Heating Oil (Physical) Futures



FX Futures – Large Open Interest Holders



CME Group 1Q 2017 Adjusted Financial Results¹

- Revenue of \$929M, down 1 percent
- Operating Expense of \$301M, down 1 percent *(up 1% when removing License Fees)*
- Operating Income of \$628M, down 1 percent
- Operating Margin of 67.6 percent
- Record Net Income of \$416M, up 3 percent
- Record Diluted EPS of \$1.22, up 2 percent

CME Group Average Rate Per Contract (RPC)

<u>Product Line</u>	<u>1Q 2016</u>	<u>2Q 2016</u>	<u>3Q 2016</u>	<u>4Q 2016</u>	<u>1Q 2017</u>
Interest Rates	\$ 0.501	\$ 0.496	\$ 0.508	\$ 0.491	\$ 0.492
Equities	0.726	0.709	0.676	0.691	0.718
Foreign Exchange	0.767	0.798	0.806	0.804	0.823
Energy	1.203	1.168	1.097	1.099	1.130
Ag Commodities	1.321	1.291	1.335	1.336	1.334
Metals	1.597	1.562	1.542	1.486	1.496
Average RPC	\$ 0.756	\$ 0.782	\$ 0.750	\$ 0.731	\$ 0.731

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 appendix of this presentation.

Notes / Guidance

• Adjusted Operating Expense

- 1Q17 adjusted operating expense, excluding license fees and adjustments, was approximately \$267 million, in line with our original guidance.
 - Winding down a portion of our European operations by 2017 year-end
 - Expect annual savings to be between \$10 and \$12 million, which will primarily impact 2018, as it will take some time to fully complete the process
 - Eventually, also expect to free up over \$150 million in capital related to these entities

Adjusted compensation expense

- 1Q17 adjusted compensation expense increased by 4 percent primarily driven by normal cost of living increases, as well as hiring additional technology staff in India and Belfast, which over time we expect will reduce higher cost professional fees.

Licensing and other fee agreements

- Because of the transfer of the Russell products in July, as well as changes and annual escalators in other licensing agreements, we would expect our license fees in the second half of 2017 to increase 10 to 15 percent versus the same period last year, assuming similar trading patterns.

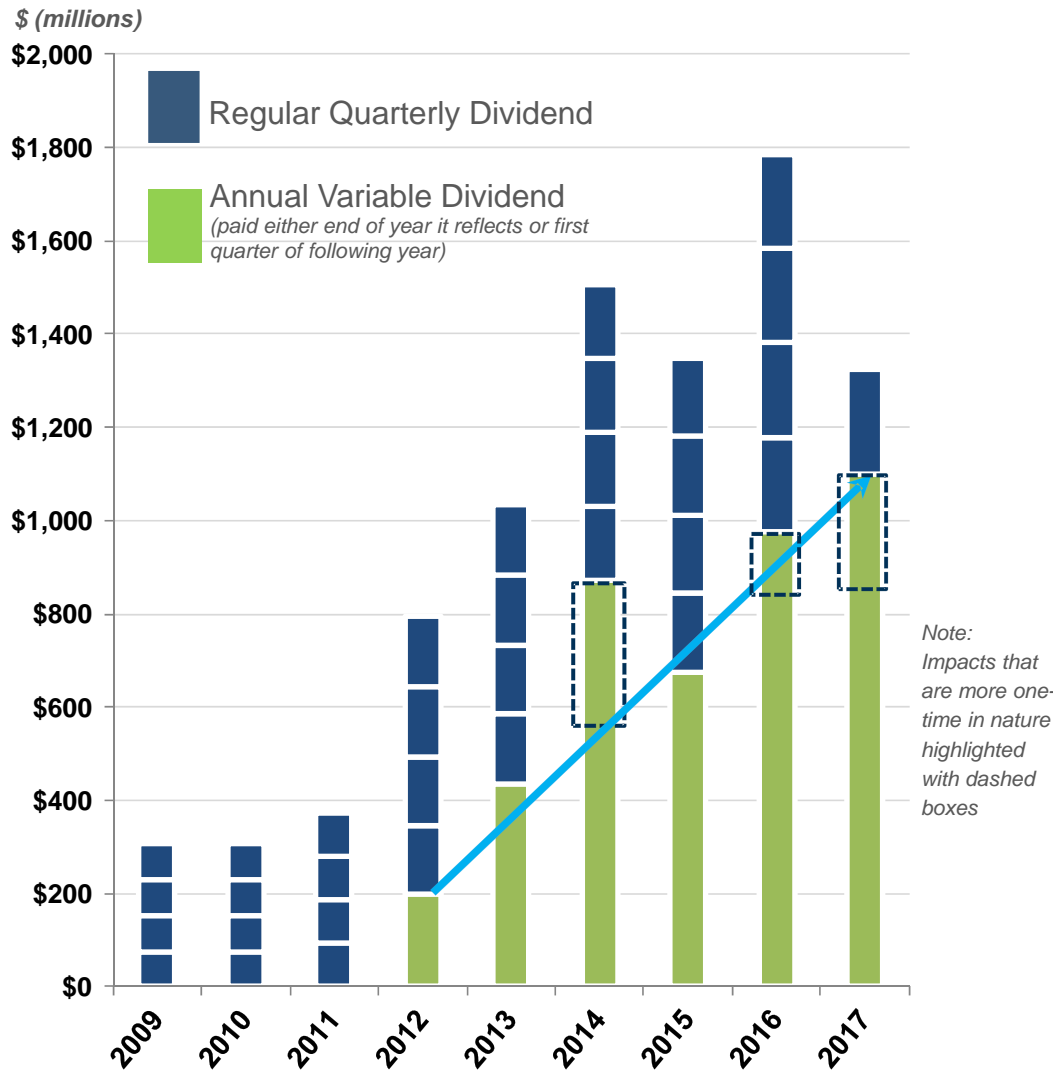
• Market Data Revenue

- Benefits from expanded market data offerings currently under development pushed out beyond 2017

• Effective Tax Rate

- 1Q17 effective tax rate was an adjusted 35.5 percent; we expect the rate to be 37 percent in the second quarter
- Expect an adjusted effective tax rate of 36.3 percent for the full year 2017

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.

- First-quarter 2017 regular dividend was paid at \$0.66 per share, increased 10 percent from 2016 level
- CME Group to keep \$700M minimum cash
- Creates opportunity to sweep excess cash to shareholders annually
- Unique annual, variable structure
- Including those dividends declared and not yet paid, returned more than \$7.7 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 1Q 2017 Earnings Conference Call - Appendix

April 27, 2017

1Q17 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 March 31,	
	2017	2016
Net Income	\$ 399.8	\$ 367.8
Restructuring and severance	1.8	—
Amortization of purchased intangibles	24.0	24.0
Loss on disposal of building assets	—	1.3
Loss and expenses related to sale-leaseback of data center	—	28.6
Foreign exchange transaction losses (gains) ¹	(2.5)	3.9
(Gains) losses on sale of BM&FBOVESPA shares	(86.5)	—
Income tax effect related to above ²	(8.9)	(20.5)
Other income tax item ³	87.8	—
Adjusted Net Income	<u>\$ 415.5</u>	<u>\$ 405.1</u>
GAAP Earnings per Common Share:		
Basic	\$ 1.18	\$ 1.09
Diluted	1.18	1.09
Adjusted Earnings per Common Share:		
Basic	\$ 1.23	\$ 1.20
Diluted	1.22	1.20
Weighted Average Number of Common Shares:		
Basic	338,339	337,014
Diluted	339,946	338,549

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. Income tax effect related to all of the above includes all of the items above except for the tax impact related to the gain on sale of BM&FBOVESPA shares.

3. In conjunction with the final sale of BM&FBOVESPA shares, we reclassified income tax expense from accumulated other comprehensive income to the income tax provision.

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

(in millions, except per share amounts)

	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117
Revenues									
Clearing and transaction fees	\$ 708.2	\$ 681.8	\$ 715.0	\$ 678.9	\$ 796.1	\$ 767.6	\$ 704.2	\$ 768.5	\$ 792.0
Market data and information services	98.0	102.8	99.5	99.1	102.4	102.9	101.1	100.1	96.8
Access and communication fees	21.3	21.5	21.6	21.7	21.6	22.3	23.8	23.7	24.3
Other	15.2	13.9	14.2	14.1	14.1	13.6	12.6	20.6	16.2
Total Revenues	842.7	820.0	850.3	813.8	934.2	906.4	841.7	912.9	929.3
Expenses									
Compensation and benefits	134.0	140.0	130.7	132.3	131.9	131.0	127.7	133.1	136.8
Communications	7.6	6.6	7.1	6.5	6.7	6.3	6.9	6.9	6.3
Technology support services	15.6	16.1	15.4	17.4	17.4	17.7	17.3	18.4	18.7
Professional fees and outside services	28.2	27.0	30.0	32.2	30.6	39.0	33.5	40.2	28.6
Amortization of purchased intangibles									
Depreciation and amortization	31.8	33.3	32.4	31.7	32.6	30.4	31.2	31.1	29.4
Occupancy and building operations	22.8	23.5	23.1	23.1	21.1	20.4	19.6	20.0	20.1
Licensing and other fee agreements	30.6	28.8	33.1	31.3	39.0	32.8	31.5	32.5	33.8
Other	21.7	23.5	20.5	37.4	23.4	25.2	20.8	40.7	27.4
Total Expenses	292.3	298.8	292.3	311.9	302.7	302.8	288.5	322.9	301.1
Total Expenses less Licensing and other fee agreements	261.7	270.0	259.2	280.6	263.7	270.0	257.0	290.4	267.3
Operating Income	550.4	521.2	558.0	501.9	631.5	603.6	553.2	590.0	628.3
Non-Operating Income (Expense)									
Investment income	3.9	12.3	9.1	13.1	17.8	20.3	22.0	27.7	48.6
Gain (losses) on derivative investments	-	-	-	-	-	-	-	-	-
Interest and other borrowing costs	(31.1)	(28.6)	(28.3)	(28.9)	(29.8)	(31.0)	(31.1)	(31.6)	(29.8)
Equity in net gains (losses) of unconsolidated subsidiaries	22.5	26.0	26.6	24.9	26.8	27.0	28.6	27.8	30.8
Other non-operating income (expense)	(0.8)	(1.1)	(0.8)	(0.8)	(10.0)	(10.4)	(10.5)	(12.7)	(34.1)
Total Non-Operating	(5.5)	8.6	6.6	8.3	4.8	5.9	9.0	11.2	15.5
Income Before Income Taxes	544.9	529.8	564.6	510.2	636.3	609.5	562.2	601.2	643.8
Income tax provision	199.6	194.0	204.8	183.2	231.2	222.2	205.6	213.9	228.3
Net Income	345.3	335.8	359.8	327.0	405.1	387.3	356.6	387.3	415.5
Less: net income (loss) attributable to non-controlling interests	-	-	-	-	-	-	-	-	-
Net Income Attributable to CME Group	\$ 345.3	\$ 335.8	\$ 359.8	\$ 327.0	\$ 405.1	\$ 387.3	\$ 356.6	\$ 387.3	\$ 415.5
Earnings per Diluted Common Share Attributable to CME Group	\$1.02	\$0.99	\$1.06	\$0.97	\$1.20	\$1.14	\$1.05	\$1.14	\$1.22
Weighted Avg. Number of Diluted Common Shares	337.42	337.80	338.14	338.25	338.55	338.71	339.14	339.34	339.95
Adjustments highlighted in above view:									
Deferred compensation gain (loss)	1.8	0.3	(4.1)	2.2	(0.2)	0.7	2.9	0.8	3.7
Currency fluctuation gain (loss)	(10.0)	11.1	(7.2)	(5.2)	(3.9)	(11.6)	(1.0)	(8.0)	(2.5)

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