

CME GROUP INC.  
Form S-4/A  
July 21, 2008  
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As filed with the Securities and Exchange Commission on July 21, 2008.

Registration No. 333-151577

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**AMENDMENT NO. 1**  
**TO**  
**FORM S-4**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**CME GROUP INC.**

(Exact name of registrant as specified in its charter)

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

**6200**  
(Primary Standard Industrial  
Classification Code Number)  
**20 South Wacker Drive**

**36-4459170**  
(I.R.S. Employer  
Identification Number)

**Chicago, Illinois 60606**

**(312) 930-1000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Kathleen M. Cronin**

**Managing Director, General Counsel and Corporate Secretary**

**CME Group Inc.**

**20 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:*

**Rodd M. Schreiber, Esq.**

**Susan S. Hassan, Esq.**

**Skadden, Arps, Slate, Meagher & Flom LLP**

**333 West Wacker Drive**

**Chicago, Illinois 60606**

**(312) 407-0700**

**Richard Kerschner**

**General Counsel**

**Christopher K. Bowen**

**General Counsel and**

**Chief Administrative Officer**

**NYMEX Holdings, Inc.**

**New York Mercantile**

**Exchange, Inc.**

**One North End Avenue**

**Howard Chatzinoff, Esq.**

**Michael J. Aiello, Esq.**

**Weil, Gotshal & Manges LLP**

**767 Fifth Avenue**

**New York, New York 10153**

**(212) 310-8000**

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World Financial Center

New York, New York 10282

(212) 299-2000

**Approximate date of commencement of proposed sale to the public:** as soon as practicable following the effectiveness of this registration statement, satisfaction or waiver of the other conditions to closing of the merger described herein and consummation of the merger.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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(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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company)

Accelerated filer   
Smaller reporting company

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<b>Title of each class of securities to be registered</b>	<b>Amount to be registered (1)</b>	<b>Proposed maximum offering price per unit</b>	<b>Proposed maximum aggregate offering price (2)</b>	<b>Amount of registration fee (3)(4)</b>
Class A Common Stock, par value \$0.01 per share	13,064,599	N/A	\$4,620,503,142	\$181,586

- (1) The maximum number of shares of CME Group Inc. ( CME Group ) Class A common stock estimated to be issuable upon the completion of the merger described herein, calculated as the product of: (A) 98,749,800 and (B) 0.1323, representing the maximum stock consideration per share of NYMEX Holdings, Inc. ( NYMEX Holdings ) common stock. This number is based on the number of shares of NYMEX Holdings common stock outstanding, or reserved for issuance under various plans, as of June 6, 2008, and the exchange of each share of NYMEX Holdings common stock and share of NYMEX Holdings common stock reserved for issuance under various plans, for shares of CME Group Class A common stock pursuant to the formula set forth in the Agreement and Plan of Merger, dated as of March 17, 2008, among CME Group, CME NY Inc., NYMEX Holdings and New York Mercantile Exchange, Inc. Includes rights to acquire Series A Junior Participating Preferred Stock pursuant to CME Group's rights agreement.
- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(c) and 457(f) under the Securities Act. The proposed maximum aggregate offering price, calculated based upon the market value of shares of NYMEX Holdings common stock (the securities to be exchanged in the merger) in accordance with Rule 457(c) under the Securities Act, is \$4,620,503,142, which is the difference between (a) the product of (i) the average high and low prices of NYMEX Holdings common stock of \$82.79, as reported on the New York Stock Exchange on June 4, 2008, and (ii) 98,749,800, the maximum total number of shares of NYMEX Holdings common stock to be exchanged in the merger, less (b) the mandatory amount of cash to be paid by CME Group in exchange for NYMEX Holdings common stock, \$3,554,992,800.
- (3) Calculated by multiplying the estimated aggregate offering price of securities by 0.00003930.
- (4) Amount previously paid.

**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, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this document is not complete and may be changed. We may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED JULY 21, 2008**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders and NYMEX Class A Members:

The boards of directors of CME Group Inc., or CME Group, and NYMEX Holdings, Inc., or NYMEX Holdings, the parent company of New York Mercantile Exchange, Inc., or NYMEX, have approved a merger agreement pursuant to which NYMEX Holdings will merge with and into CME Group NY Inc., a wholly-owned subsidiary of CME Group.

If the merger is completed, NYMEX Holdings stockholders will receive for each issued and outstanding share of NYMEX Holdings common stock they own, at the election of each NYMEX Holdings stockholder and subject to proration as described below, consideration in the form of CME Group Class A common stock or cash.

The cash consideration per share of NYMEX Holdings common stock for which a valid cash election has been made will be equal to the sum of (a) \$36.00 plus (b) the product of (1) 0.1323 and (2) the average closing sale price of CME Group Class A common stock on the Nasdaq Global Select Market, or the Nasdaq, for the period of ten consecutive trading days ending on the second full trading day prior to the effective time of the merger. We call this average the Average CME Group Share Price. The stock consideration per share of NYMEX Holdings common stock for which a valid stock election has been made will be the number of shares of CME Group Class A common stock equal to the cash consideration per share divided by the Average CME Group Share Price.

The aggregate consideration to be paid in the merger is subject to an approximately \$3.4 billion mandatory cash component. In the event the aggregate cash consideration is undersubscribed, NYMEX Holdings stockholders who elected to receive stock consideration in the merger will receive a portion of their consideration in cash. In the event the aggregate cash consideration is oversubscribed, CME Group has the option to increase the aggregate cash consideration above the mandatory cash component, subject to certain limitations, and/or provide a portion of the consideration payable to NYMEX Holdings stockholders who elected to receive cash consideration in the merger in the form of CME Group Class A common stock. Assuming CME Group does not increase the mandatory cash component, the aggregate number of shares of CME Group Class A common stock to be issued by CME Group in the merger is estimated to be 12.5 million shares and the aggregate amount of cash to be paid by CME Group in the merger is estimated to be \$3.4 billion.

Based on the number of shares of common stock of CME Group and NYMEX Holdings outstanding on March 14, 2008, the last trading day prior to the public announcement of the execution of the merger agreement among our companies, and assuming that CME Group does not exercise its option to increase the mandatory cash component, immediately after the completion of the merger, those who were CME Group stockholders immediately prior to the merger will own approximately 81.4% of the CME Group Class A common stock and those who were NYMEX Holdings stockholders immediately prior to the merger will own approximately 18.6% of the CME Group Class A common stock.

The closing of the merger is conditioned on, among other things, the approval by NYMEX Class A members of changes to the certificate of incorporation and bylaws of NYMEX, which eliminate substantially all of the NYMEX Class A members' existing rights and replace them with certain new post-closing trading rights and privileges. Under the terms of the amended and restated certificate of incorporation and bylaws of NYMEX, NYMEX Class A members will retain the right to use or lease their memberships for open outcry and electronic trading purposes. Substantially all other rights, including the revenue sharing rights contained in Section 311(G) of the bylaws of NYMEX, will be eliminated and replaced with the following commitments:

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NYMEX will maintain a trading floor in the current NYMEX facility through December 31, 2012, or the end of NYMEX's occupancy agreement, and thereafter will maintain a trading floor in New York City as long as certain profitability and revenue thresholds are met;

if a trading pit for a NYMEX product traded as of July 18, 2008 is closed, it will not be reopened in Chicago for at least 18 months if a majority of NYMEX Class A memberships oppose the move;

for so long as CME or CBOT members retain a differentiated and lower fee than non-member customers of CME or CBOT, respectively, NYMEX will maintain differential pricing such that NYMEX Class A members are charged lower fees than non-members on NYMEX products traded as of July 18, 2008;

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Each Member Firm (as defined in the NYMEX Rulebook) shall receive member rates on trades for any account wholly-owned by such Member Firm independent of the identity of the individual that executes the relevant trade; and

Individual Members (as defined in the NYMEX Rulebook) will be entitled to member rates for products traded electronically in such account for up to three (3) individuals (in addition to the owner of the NYMEX Class A membership) to whom such owner, or one (1) individual (in addition to the lessee of the NYMEX Class A membership) to whom such lessee, assigns power of attorney rights. If the merger is consummated, each NYMEX Class A member as of the effective time of the merger who executes and delivers a waiver and release within 60 days after consummation of the merger will receive \$750,000 per NYMEX Class A membership such member owns of record. We call this payment the Membership Rights Payment. **If you own a NYMEX Class A membership, you should carefully review the waiver and release and the accompanying cover letter that will be mailed to you promptly after consummation of the merger for important information and instructions on how to complete and return your waiver and release in order to receive the Membership Rights Payment. We also encourage you to carefully review the form of waiver and release that is attached to this joint proxy statement/prospectus as Annex L.**

CME Group will hold a special meeting of its stockholders to consider and vote on the amendment and restatement of the certificate of incorporation of CME Group and the issuance of CME Group Class A common stock required in connection with the merger. NYMEX Holdings will hold a special meeting of its stockholders to consider and vote on the adoption of the merger agreement. NYMEX will hold a special meeting of the NYMEX Class A members to consider and vote on the amendments to the certificate of incorporation and bylaws of NYMEX required in connection with the merger.

**Every vote is important. Whether or not you plan to attend your company's special meeting, please take the time to vote by following the instructions on your proxy card.**

The places, dates and times of the special meetings of stockholders and NYMEX Class A members, as applicable, are as follows:

For CME Group stockholders:	For NYMEX Holdings stockholders:	For NYMEX Class A members:
Union League Club of Chicago	NYMEX Holdings, Inc.	NYMEX Holdings, Inc.
65 West Jackson	One North End Avenue	One North End Avenue
Chicago, Illinois	World Financial Center	World Financial Center
August 18, 2008	New York, New York	New York, New York
3:00 p.m., Chicago time	August 18, 2008	August 18, 2008
	4:00 p.m., New York time	3:00 p.m., New York time

**The CME Group board of directors recommends that CME Group stockholders vote *FOR* the proposals to approve the amendment and restatement of the certificate of incorporation of CME Group and the issuance of CME Group Class A common stock in the merger.**

**The NYMEX Holdings board of directors unanimously recommends that NYMEX Holdings stockholders vote *FOR* the proposal to adopt the merger agreement.**

We enthusiastically support this combination of our companies and join with our boards in recommending that our stockholders vote *FOR* the proposals necessary to complete the merger.

Sincerely,

Sincerely,

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Terrence A. Duffy  
*Executive Chairman*

*CME Group Inc.*

Richard M. Schaeffer  
*Executive Chairman*

*NYMEX Holdings, Inc.*

*New York Mercantile Exchange, Inc.*



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**For a discussion of risk factors that you should consider in evaluating the merger and the other matters on which you are being asked to vote, see Risk Factors beginning on page 31.**

CME Group Class A common stock trades on Nasdaq under the symbol CME, and NYMEX Holdings common stock trades on the New York Stock Exchange LLC under the symbol NMX.

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the merger and the other transactions described in this joint proxy statement/prospectus nor have they approved or disapproved of the issuance of the CME Group Class A common stock to be issued in connection with the merger, or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated July 21, 2008, and is being first mailed to CME Group stockholders, NYMEX Holdings stockholders and NYMEX Class A members on or about July 21, 2008.

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**CERTAIN FREQUENTLY USED TERMS**

This joint proxy statement/prospectus constitutes a prospectus of CME Group Inc. for the shares of CME Group Class A common stock that it will issue to NYMEX Holdings, Inc. stockholders in the merger, and a joint proxy statement for stockholders of CME Group Inc. and NYMEX Holdings, Inc. and Class A members of New York Mercantile Exchange, Inc. Unless otherwise specified or the context so requires:

**Amended Merger Agreement** refers to the Agreement and Plan of Merger, dated as of March 17, 2008 and as amended as of June 30, 2008 and July 18, 2008, among CME Group, Merger Sub, NYMEX Holdings and NYMEX, as the same may be amended from time to time.

**Average CME Group Share Price** refers to the average closing sale price, rounded to four decimal places, of CME Group Class A common stock on Nasdaq (as reported in the *Wall Street Journal*, New York City edition) for the period of ten consecutive trading days ending on the second full trading day prior to the effective time of the merger.

**CBOT Holdings** refers to CBOT Holdings, Inc., one of the predecessor companies to CME Group prior to the merger in 2007 between CME Holdings and CBOT Holdings.

**CME Group** refers to CME Group Inc. and its wholly-owned subsidiaries, **CME** refers to Chicago Mercantile Exchange Inc. and **CBOT** refers to Board of Trade of the City of Chicago, Inc.

**CME Group Amended Bylaws** refers to the Fifth Amended and Restated Bylaws of CME Group to be adopted pursuant to the Amended Merger Agreement, which provide that the CME Group board of directors will consist of 33 members.

**CME Group Amended Charter** refers to the Third Amended and Restated Certificate of Incorporation of CME Group to be approved by CME Group stockholders pursuant to the Amended Merger Agreement, which increases the maximum size of the CME Group board of directors from 30 to 33 directors and specifies that the number of CME Group directors is to be fixed exclusively by one or more resolutions adopted by the CME Group board of directors, which number may be no more than 33.

**CME Holdings** refers to Chicago Mercantile Exchange Holdings Inc., one of the predecessor companies to CME Group prior to the merger in 2007 between CME Holdings and CBOT Holdings.

**Lehman Brothers** refers to Lehman Brothers Inc., **Goldman Sachs** refers to Goldman, Sachs & Co., **William Blair** refers to William Blair & Company, L.L.C., **JPMorgan** refers to J.P. Morgan Securities Inc., **Merrill Lynch** refers to Merrill Lynch, Pierce, Fenner & Smith Incorporated and **Sandler O Neill** refers to Sandler O Neill + Partners, L.P.

**Merger Sub** refers to (i) prior to completion of the merger, CME NY Inc. and (ii) after completion of the merger, CME NYMEX Holdings Inc.

**NYMEX Amended Bylaws** refers to the Amended and Restated Bylaws of NYMEX to be approved by NYMEX Class A members pursuant to the Amended Merger Agreement, which eliminate all of the rights of NYMEX Class A members currently contained in the Bylaws of NYMEX.

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**NYMEX Amended Charter** refers to the Second Amended and Restated Certificate of Incorporation of NYMEX to be approved by NYMEX Class A members pursuant to the Amended Merger Agreement, which eliminates substantially all of the rights of NYMEX Class A members currently contained in the Amended and Restated Certificate of Incorporation of NYMEX and provides them with certain new post-closing trading rights and privileges.

**NYMEX Holdings** refers to NYMEX Holdings, Inc. and its wholly-owned subsidiaries, **NYMEX** refers to New York Mercantile Exchange, Inc. and **COMEX** refers to Commodity Exchange, Inc.

**NYMEX Rulebook** refers to the rules and regulations of NYMEX.

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Original Merger Agreement refers to the Agreement and Plan of Merger, dated as of March 17, 2008, among CME Group, Merger Sub, NYMEX Holdings and NYMEX.

Stock Issuance refers to the issuance of shares of CME Group Class A common stock, par value \$0.01 per share, by CME Group to NYMEX Holdings stockholders in the merger.

We, us or our refers to (i) prior to completion of the merger, CME Group and NYMEX Holdings and (ii) after completion of the merger, CME Group.

**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about CME Group and NYMEX Holdings from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available for you to review at the public reference room of the United States Securities and Exchange Commission, or the SEC, located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website, [www.sec.gov](http://www.sec.gov). You can also obtain those documents incorporated by reference in this joint proxy statement/prospectus, excluding exhibits to those documents, without charge, by requesting them from the appropriate company in writing or by telephone at the following addresses and telephone numbers:

<b>CME Group Inc.</b>	<b>NYMEX Holdings, Inc.</b>
20 South Wacker Drive	One North End Avenue
Chicago, Illinois 60606	World Financial Center
(312) 930-1000	New York, New York 10282
Attention: Shareholder Relations	(212) 299-2000
<a href="http://investor.cmegroup.com">http://investor.cmegroup.com</a>	Attention: Investor Relations
	<a href="http://investor.nymex.com">http://investor.nymex.com</a>

**If you would like to request documents, please do so by August 8, 2008 in order to receive them before your company's special meeting.**

Information contained in or otherwise accessible through the Internet sites listed above is not a part of this joint proxy statement/prospectus. All references in this joint proxy statement/prospectus to these Internet sites are inactive textual references and are for your information only.

No person is authorized to give any information or to make any representation with respect to the matters this joint proxy statement/prospectus describes other than those contained in this joint proxy statement/prospectus, and, if given or made, the information or representation must not be relied upon as having been authorized by CME Group, NYMEX Holdings or NYMEX. This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities or a solicitation of a proxy in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or a solicitation. Neither the delivery of this joint proxy statement/prospectus nor any distribution of securities made under this joint proxy statement/prospectus shall, under any circumstances, create an implication that there has been no change in the affairs of CME Group, NYMEX Holdings or NYMEX since the date of this joint proxy statement/prospectus or that the information contained herein is correct as of any time subsequent to the date of this joint proxy statement/prospectus.

See Where You Can Find More Information beginning on page 209.

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**VOTING BY INTERNET, TELEPHONE OR MAIL**

***CME Group stockholders of record as of the applicable record date may submit their proxies by:***

*Internet.* You can vote over the Internet by accessing the website at [www.proxyvote.com](http://www.proxyvote.com) and following the instructions on the website. Have your proxy card in hand when you access the website because you will have to enter the control number printed on your proxy card. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) by mail.

*Telephone.* You can vote by telephone by calling the toll-free number (800) 690-6903 in the United States, Canada and Puerto Rico on a touch-tone telephone. You will then be prompted to enter the control number printed on your proxy card and follow the subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) by mail.

*Mail.* You can vote by mail by completing, signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this joint proxy statement/prospectus. If you elect to vote by mail, you should vote early to ensure that your proxy card is received before the special meeting.

If you vote your proxy over the Internet or by telephone, you must do so before 10:59 p.m., Chicago time, the day before the special meeting.

***NYMEX Holdings stockholders of record as of the applicable record date may submit their proxies by:***

*Internet.* You can vote over the Internet by accessing the website at [www.cesvote.com](http://www.cesvote.com) and following the instructions on the website. Have your proxy card in hand when you access the website because you will have to enter the control number printed on your proxy card. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) by mail.

*Telephone.* You can vote by telephone by calling the toll-free number (888) 693-8683 in the United States, Canada and Puerto Rico on a touch-tone telephone. You will then be prompted to enter the control number printed on your proxy card and follow subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) by mail.

*Mail.* You can vote by mail by completing, signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this joint proxy statement/prospectus. If you elect to vote by mail, you should vote early to ensure that your proxy card is received before the special meeting.

If you vote your proxy over the Internet or by telephone, you must do so before 6:00 A.M., New York time, on the meeting date.

***NYMEX Class A members of record as of the applicable record date may submit their proxies by:***

*Internet.* You can vote over the Internet by accessing the website at [www.cesvote.com](http://www.cesvote.com) and following the instructions on the website. Have your proxy card in hand when you access the website because you will have to enter the control number printed on your proxy card. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) by mail.

*Telephone.* You can vote by telephone by calling the toll-free number (888) 693-8683 in the United States, Canada and Puerto Rico on a touch-tone telephone. You will then be prompted to enter the control number printed on your proxy card and follow subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) by mail.

*Mail.* You can vote by mail by completing, signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this joint proxy statement/prospectus. If you elect to vote by mail, you should vote early to ensure that your proxy card is received before the special meeting.

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If you vote your proxy over the Internet or by telephone, you must do so before 6:00 A.M., New York time, on the meeting date.

**If you hold a NYMEX Class A membership, you should carefully review the waiver and release and accompanying cover letter that will be mailed to you promptly following consummation of the merger for important information and instructions on how to complete and return your waiver and release in order to receive the Membership Rights Payment. We also encourage you to carefully review the form of waiver and release that is attached to this joint proxy statement/prospectus as Annex L.**

*Voting Shares Held in Street Name*

If you are a CME Group or NYMEX Holdings stockholder and hold your shares through a bank, broker, custodian or other recordholder (that is, in street name), please refer to your proxy card or the information forwarded by your bank, broker, custodian or other recordholder to see what options are available to you.

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MONDAY, AUGUST 18, 2008**

To the Stockholders of CME Group Inc.:

The CME Group board of directors has called for a special meeting of CME Group stockholders to be held on Monday, August 18, 2008, at 3:00 p.m., Chicago time, at Union League Club of Chicago, 65 West Jackson, Chicago, Illinois, for the following purposes:

1. to consider and vote on a proposal to approve the Third Amended and Restated Certificate of Incorporation of CME Group, which increases the maximum size of the CME Group board of directors from 30 to 33 directors and specifies that the number of CME Group directors is to be fixed exclusively by one or more resolutions adopted by the CME Group board of directors, which number may be no more than 33 directors;
2. to consider and vote on a proposal to approve the issuance of CME Group Class A common stock, par value \$0.01 per share, to NYMEX Holdings, Inc. stockholders pursuant to the merger contemplated by the Agreement and Plan of Merger, dated as of March 17, 2008 and as amended as of June 30, 2008 and July 18, 2008, among CME Group, CME NY Inc., NYMEX Holdings and New York Mercantile Exchange, Inc., as the same may be further amended from time to time (the Amended Merger Agreement), pursuant to which NYMEX Holdings will merge with and into CME NY Inc.;
3. to consider and vote upon the adjournment of the special meeting of CME Group stockholders, if necessary, to solicit additional proxies; and
4. to transact such other business as may properly be brought before the special meeting of CME Group stockholders or any adjournments or postponements of the special meeting of CME Group stockholders.

Proposals 1 and 2 are conditioned on each other and approval of each is required for completion of the merger.

Only holders of record of CME Group Class A and Class B common stock at the close of business on July 18, 2008, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting of CME Group stockholders or any adjournments or postponements of the special meeting.

We cannot complete the merger unless holders of a majority of the outstanding shares of CME Group Class A and Class B common stock entitled to vote, voting together as a single class, vote in favor of the proposal to approve the Third Amended and Restated Certificate of Incorporation of CME Group and the holders of a majority of the shares of CME Group Class A and Class B common stock present at the meeting and entitled to vote, voting together as a single class, vote in favor of the proposal to approve the issuance of CME Group Class A common stock to NYMEX Holdings stockholders pursuant to the Amended Merger Agreement.

For more information about the proposals described above and the other transactions contemplated by the Amended Merger Agreement, please review the accompanying joint proxy statement/prospectus, the Amended Merger Agreement attached to it as Annex A and the Third Amended and Restated Certificate of Incorporation of CME Group attached to it as Annex H.

**The CME Group board of directors recommends that CME Group stockholders vote FOR the proposal to approve the Third Amended and Restated Certificate of Incorporation of CME Group, FOR the proposal to approve the issuance of CME Group Class A common stock to NYMEX Holdings stockholders pursuant to the Amended Merger Agreement and FOR the proposal to adjourn the special meeting of CME Group stockholders, if necessary, to solicit additional proxies.**

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Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by using the Internet or by telephone as described in the instructions included with your proxy card. **Your failure to vote on the proposal to approve the Third Amended and Restated Certificate of Incorporation of CME Group will have the same effect as voting against the proposal. Your failure to vote on the proposals to approve the issuance of CME Group Class A common stock to NYMEX Holdings stockholders pursuant to the Amended Merger Agreement and to adjourn the special meeting of CME Group stockholders, if necessary, to solicit additional proxies will have no effect on the result of the votes.**

By Order of the Board of Directors,

Kathleen M. Cronin

*Corporate Secretary*

Chicago, Illinois

July 21, 2008

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL INNISFREE M&A INCORPORATED AT (877) 456-3488.**



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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MONDAY, AUGUST 18, 2008**

To the Stockholders of NYMEX Holdings, Inc.:

The NYMEX Holdings board of directors has called for a special meeting of NYMEX Holdings stockholders to be held on Monday, August 18, 2008, at 4:00 p.m., New York time, at NYMEX Holdings, Inc., One North End Avenue, World Financial Center, New York, New York, for the following purposes:

1. to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of March 17, 2008 and as amended as of June 30, 2008 and July 18, 2008, among CME Group Inc., CME NY Inc., NYMEX Holdings and New York Mercantile Exchange, Inc., as the same may be further amended from time to time (the Amended Merger Agreement), pursuant to which NYMEX Holdings will merge with and into CME NY Inc.;
2. to consider and vote upon the adjournment of the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies; and
3. to transact such other business as may properly be brought before the special meeting of NYMEX Holdings stockholders or any adjournments or postponements of the special meeting.

Only holders of record of NYMEX Holdings common stock at the close of business on July 18, 2008, the record date for the special meeting, are entitled to notice of, and to vote at, the NYMEX Holdings special meeting or any adjournments or postponements of the special meeting.

We cannot complete the merger unless holders of a majority of the outstanding shares of NYMEX Holdings common stock entitled to vote, voting together as a single class, vote in favor of the proposal to adopt the Amended Merger Agreement and thus approve the merger.

For more information about the merger proposal described above and the other transactions contemplated by the Amended Merger Agreement, please review the accompanying joint proxy statement/prospectus and the Amended Merger Agreement attached to it as Annex A.

**The NYMEX Holdings board of directors unanimously recommends that NYMEX Holdings stockholders vote FOR the proposal to adopt the Amended Merger Agreement and FOR the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies.**

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by using the Internet or by telephone as described in the instructions included with your proxy card. **Your failure to vote on the proposal to adopt the Amended Merger Agreement will have the same effect as voting against the merger. Your failure to vote on the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies will have no effect on the result of the vote.**

By Order of the Board of Directors,

Donna Talamo

*Corporate Secretary*

New York, New York

July 21, 2008

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE MERGER PROPOSAL OR ABOUT VOTING YOUR SHARES, PLEASE CALL D.F. KING & CO., INC. AT (800) 758-5378.**

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**NOTICE OF SPECIAL MEETING OF CLASS A MEMBERS**

**TO BE HELD ON MONDAY, AUGUST 18, 2008**

To the Class A Members of New York Mercantile Exchange, Inc.:

The NYMEX board of directors has called for a special meeting of NYMEX Class A members to be held on Monday, August 18, 2008, at 3:00 p.m., New York time, at NYMEX Holdings, Inc., One North End Avenue, World Financial Center, New York, New York, for the following purposes:

1. to consider and vote upon a proposal to approve the Second Amended and Restated Certificate of Incorporation of NYMEX, which eliminates substantially all of the rights of NYMEX Class A members currently contained in the Amended and Restated Certificate of Incorporation of NYMEX and provides NYMEX Class A members with certain new post-closing trading rights and privileges, as contemplated by the Agreement and Plan of Merger, dated as of March 17, 2008 and as amended as of June 30, 2008 and July 18, 2008, among CME Group Inc., CME NY Inc., NYMEX Holdings, Inc. and NYMEX, as the same may be further amended from time to time (the Amended Merger Agreement), pursuant to which NYMEX Holdings will merge with and into CME NY Inc.;
2. to consider and vote upon a proposal to approve the Amended and Restated Bylaws of NYMEX, which eliminate all of the rights of NYMEX Class A members currently contained in the Bylaws of NYMEX, as contemplated by the Amended Merger Agreement;
3. to consider and vote upon the adjournment of the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies; and
4. to transact any other business as may properly be brought before the special meeting of NYMEX Class A members or any adjournment or postponement of the special meeting.

Only NYMEX Class A members at the close of business on July 18, 2008, the record date for the special meeting, are entitled to notice of, and to vote at, the NYMEX special meeting or any adjournments or postponements of the special meeting.

We cannot complete the merger unless holders of 75% of the outstanding NYMEX Class A memberships vote in favor of the proposals to approve the Second Amended and Restated Certificate of Incorporation of NYMEX and the Amended and Restated Bylaws of NYMEX.

For more information about the proposals described above and the other transactions contemplated by the Amended Merger Agreement, please review the accompanying joint proxy statement/prospectus, the Amended Merger Agreement attached to it as Annex A, the Second Amended and Restated Certificate of Incorporation of NYMEX attached to it as Annex J and the Amended and Restated Bylaws of NYMEX attached to it as Annex K.

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by using the Internet or by telephone as described in the instructions included with your proxy card. **Your failure to vote on the proposals to approve the Second Amended and Restated Certificate of Incorporation of NYMEX and the Amended and Restated Bylaws of NYMEX will have the same effect as voting against such proposals. Your failure to vote on the proposal to adjourn the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies will have no effect on the result of the vote.**

By Order of the Board of Directors,

Donna Talamo

*Corporate Secretary*

New York, New York

July 21, 2008

**PLEASE VOTE YOUR MEMBERSHIPS PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR MEMBERSHIPS, PLEASE CALL D.F. KING & CO., INC. AT (800) 758-5378.**

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### **SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire joint proxy statement/prospectus, including the Annexes, and the other documents to which this joint proxy statement/prospectus refers to fully understand the merger and the related transactions. See *Where You Can Find More Information* beginning on page 209. Most items in this summary include a page reference directing you to a more complete description of those items.*

### **Questions and Answers about the Merger and Related Transactions**

Below are frequently asked questions and answers regarding the merger.

**Q: Why am I receiving this joint proxy statement/prospectus?**

**A:** We are delivering this document to you because it is a joint proxy statement used by the CME Group and NYMEX Holdings boards of directors to solicit proxies of CME Group and NYMEX Holdings stockholders in connection with the Amended Merger Agreement and the merger, and a proxy statement used by the NYMEX board of directors to solicit proxies of NYMEX Class A members in connection with certain matters contemplated by the Amended Merger Agreement.

This document is also a prospectus being delivered to NYMEX Holdings stockholders because CME Group is offering shares of its Class A common stock to be issued in exchange for shares of NYMEX Holdings common stock in the merger.

**Q: What will happen in the proposed transaction?**

**A:** Under the terms of the Amended Merger Agreement, NYMEX Holdings will be merged with and into Merger Sub, with Merger Sub continuing as the surviving corporation in the merger.

Upon the completion of the merger, which we also refer to as the effective time of the merger, Merger Sub will be a direct, wholly-owned subsidiary of CME Group. NYMEX Holdings stockholders will, at their election, receive cash and/or CME Group Class A common stock in exchange for their NYMEX Holdings common stock. Stockholders of CME Group will continue to be stockholders of CME Group following the merger.

The closing of the merger is conditioned on, among other things, the approval by NYMEX Class A members of changes to the certificate of incorporation and bylaws of NYMEX, which eliminate substantially all of the NYMEX Class A members' existing rights and replace them with certain new post-closing trading rights and privileges. Under the terms of the NYMEX Amended Charter and NYMEX Amended Bylaws, NYMEX Class A members will retain the right to use or lease their memberships for open outcry and electronic trading purposes. Substantially all other rights, including the revenue sharing rights contained in Section 311(G) of the bylaws of NYMEX, will be eliminated and replaced with the following commitments:

NYMEX will maintain a trading floor in the current NYMEX facility through December 31, 2012, or the end of NYMEX's occupancy agreement, and thereafter will maintain a trading floor in New York City as long as certain profitability and revenue thresholds are met;

if a trading pit for NYMEX product traded as of July 18, 2008 is closed, it will not be reopened in Chicago for at least 18 months if a majority of NYMEX Class A memberships oppose the move;

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for so long as CME or CBOT members retain a differentiated and lower fee than non-member customers of CME or CBOT, respectively, NYMEX will maintain differential pricing such that NYMEX Class A members are charged lower fees than non-members on NYMEX products traded as of July 18, 2008; and

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Each Member Firm (as defined in the NYMEX Rulebook) shall receive member rates on trades for any account wholly-owned by such Member Firm independent of the identity of the individual that executes the relevant trade; and

Individual Members (as defined in the NYMEX Rulebook) will be entitled to member rates for products traded electronically in such account for up to three (3) individuals (in addition to the owner of the NYMEX Class A membership) to whom such owner, or one (1) individual (in addition to the lessee of the NYMEX Class A membership) to whom such lessee, assigns power of attorney rights. If the merger is consummated, each NYMEX Class A member as of the effective time of the merger who executes and delivers a waiver and release within 60 days after consummation of the merger will receive \$750,000 per NYMEX Class A membership such member owns of record. We call this payment the Membership Rights Payment.

For additional information regarding the merger, see The Amended Merger Agreement The Merger beginning on page 149. For additional information regarding the waiver and release, see NYMEX Class A Membership Rights Payment beginning on page 164. For additional information regarding the NYMEX Amended Charter and the NYMEX Amended Bylaws, see The Special Meeting of NYMEX Class A Members beginning on page 52.

**Q: What will NYMEX Holdings stockholders receive in the merger?**

**A:** Upon completion of the merger, each issued and outstanding share of NYMEX Holdings common stock will be converted into the right to receive, at the election of each NYMEX Holdings stockholder and subject to proration as described in the immediately following question and answer, consideration in the form of CME Group Class A common stock or cash. The cash consideration per share of NYMEX Holdings common stock for which a valid cash election has been made will be equal to the sum of (i) \$36.00 plus (ii) the product of (a) 0.1323 and (b) the average closing sale price, rounded to four decimal places, of CME Group Class A common stock on the Nasdaq Global Select Market, or Nasdaq, (as reported in the *Wall Street Journal*, New York City edition) for the period of ten consecutive trading days ending on the second full trading day prior to the effective time of the merger. We call this average the Average CME Group Share Price. The stock consideration per share of NYMEX Holdings common stock for which a valid stock election has been made will be a number of shares of CME Group Class A common stock equal to the cash consideration per share divided by the Average CME Group Share Price.

The value of the cash or stock merger consideration will fluctuate with the market price of CME Group Class A common stock. As explained in more detail in this joint proxy statement/prospectus, whether a NYMEX Holdings stockholder makes a cash election or a stock election, the value of the consideration that such stockholder will be entitled to receive as of the date of completion of the merger will be similar, although the value may not be identical because the amount of the cash consideration will be based on the Average CME Group Share Price, which may be different than the market price of CME Group Class A common stock as of the date of completion of the merger. A NYMEX Holdings stockholder may specify different elections with respect to different shares that such stockholder holds.

See The Amended Merger Agreement Consideration to be Received in the Merger beginning on page 150.

**Q: Will NYMEX Holdings stockholders be entitled to participate in CME Group's announced intended special dividend?**

**A:** Yes. On June 23, 2008, CME Group announced its intent to declare a special dividend of \$5.00 per share of CME Group Class A and Class B common stock, following resolution of the pending transaction with NYMEX Holdings. To the extent CME Group declares a dividend payable to holders of record of CME

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Group common stock following the closing, NYMEX Holdings stockholders who receive CME Group Class A common stock in the merger and continue to hold such stock as of the record date will be entitled to receive the dividend. For additional information, see Summary Recent Developments beginning on page 24.

**Q: Can a NYMEX Holdings stockholder who makes either a cash election or a stock election nevertheless receive a mix of cash and stock as merger consideration?**

**A:** Yes. Under the Amended Merger Agreement, CME Group has agreed to pay approximately \$3.4 billion of the merger consideration in cash to NYMEX Holdings stockholders. If NYMEX Holdings stockholders make valid elections to receive more cash than is available as cash consideration under the Amended Merger Agreement, those NYMEX Holdings stockholders making a cash election will have the cash portion of their consideration proportionately reduced and will receive a portion of their consideration in stock, despite their cash elections. In lieu of proration, however, CME Group may choose to increase the cash amount to be paid in the merger above the mandatory cash component of approximately \$3.4 billion, up to the elected amount of cash consideration, subject to certain limitations. Similarly, if NYMEX Holdings stockholders make valid elections to receive less cash than is available as cash consideration under the Amended Merger Agreement, those NYMEX Holdings stockholders making stock elections will have the stock portion of their consideration proportionately reduced and will receive a portion of their consideration in cash, despite their stock elections.

For a more detailed description of the proration adjustment and CME Group's option to increase the cash component, see The Amended Merger Agreement Consideration to be Received in the Merger Proration Adjustment if Cash Consideration is Oversubscribed beginning on page 151 and The Amended Merger Agreement Consideration to be Received in the Merger Proration Adjustment if Cash Consideration is Undersubscribed beginning on page 151.

**Q: If I am a NYMEX Holdings stockholder, when must I elect the type of merger consideration I prefer to receive?**

**A:** Prior to the effective time of the merger, you will receive a form of election in the mail. The form of election allows you to elect to receive cash or stock consideration or a combination of both in the merger. You must return your properly completed and signed form of election to the exchange agent prior to the anticipated election deadline. Unless otherwise designated on the election form, the election deadline will be 5:00 p.m., Chicago time, on the second business day prior to the effective time of the merger. If you are a NYMEX Holdings stockholder and you do not return your form of election by the election deadline or improperly complete or do not sign your form of election, you will receive cash as consideration for your shares, subject to proration, if applicable. CME Group will publicly announce the anticipated election deadline at least five business days prior to the anticipated effective time. If the effective time is delayed to a subsequent date, the election deadline will also be delayed and CME Group will promptly announce any such delay and, when determined, the rescheduled election deadline.

For additional information, see The Amended Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Form of Election beginning on page 153.

**Q: Can a NYMEX Holdings stockholder revoke or change an election after it has been submitted to the exchange agent?**

**A:** Yes. An election may be revoked by written notice to the exchange agent received prior to the election deadline. An election may also be changed prior to the election deadline by submitting to the exchange agent a properly completed and signed revised form of election.

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For additional information, see The Amended Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Form of Election beginning on page 153.

### **Q: Why are CME Group and NYMEX Holdings proposing this merger?**

**A:** CME Group and NYMEX Holdings believe that substantial benefits to their stockholders and customers can be obtained as a result of the merger, including:

CME Group would strengthen its competitive position as the world's most diverse global exchange, with greater financial, operational and other resources;

the ability to leverage CME Group's scalable business model;

the ability to extend the benefits from the existing technology services agreement between CME and NYMEX;

the ability of NYMEX Holdings stockholders to participate in the future growth of a globally competitive, diversified company;

the ability of CME Group to further expand its over-the-counter trading operations;

the opportunity for NYMEX Holdings stockholders to elect cash or stock consideration, which will enable many stockholders to receive immediate cash value while those stockholders who wish to continue to participate in CME Group following the merger will have the opportunity to do so, subject to the proration provisions of the Amended Merger Agreement;

the expectation that the exchange of NYMEX Holdings common stock for CME Group Class A common stock, in the merger, generally would be nontaxable to NYMEX Holdings stockholders to the extent of the CME Group Class A common stock they receive; and

historical and current information concerning CME Group's business, financial performance and condition, operations, management, competitive position and prospects, before and after giving effect to the merger and the merger's potential effect on stockholder value.

For additional information, see The Merger CME Group's Reasons for the Merger; Recommendation of CME Group's Board of Directors beginning on page 76 and The Merger NYMEX Holdings' Reasons for the Merger; Recommendation of NYMEX Holdings' Board of Directors beginning on page 79.

### **Q: When and where are the special meetings?**

**A:** The special meeting of CME Group stockholders will be held at Union League Club of Chicago, 65 West Jackson, Chicago, Illinois, on Monday, August 18, 2008 at 3:00 p.m., Chicago time. The special meeting of NYMEX Holdings stockholders will be held at NYMEX Holdings, Inc., One North End Avenue, World Financial Center, on Monday, August 18, 2008 at 4:00 p.m., New York time. The special meeting of NYMEX Class A members will be held at NYMEX Holdings, Inc., One North End Avenue, World Financial Center, on

Monday, August 18, 2008 at 3:00 p.m., New York time.

**Q: What vote is required to approve the merger?**

**A:** We cannot complete the merger unless (i) NYMEX Holdings stockholders vote to adopt the Amended Merger Agreement and thereby approve the merger and (ii) CME Group stockholders vote to approve (a) the CME Group Amended Charter and (b) the Stock Issuance. In addition, it is a condition to completion of the merger that at least 75% of the NYMEX Class A members approve the NYMEX Amended Charter and the NYMEX Amended Bylaws.

The CME Group Amended Charter must be approved by the holders of a majority of the outstanding shares of CME Group Class A and Class B common stock, voting together as a single class, and the Stock Issuance must be approved by the holders of a majority of the shares of CME Group Class A and Class B common

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stock present at the meeting and entitled to vote, voting together as a single class. Each holder of a share of CME Group Class A or Class B common stock as of the close of business on July 18, 2008, the record date for the special meeting of CME Group stockholders, will be entitled to one vote for each share of CME Group Class A or Class B common stock held of record at the close of business on the record date, provided that holders of fractional shares of CME Group Class A common stock will be entitled to vote their fractional shares in proportion to their fractional interest.

The Amended Merger Agreement must be adopted by the holders of a majority of the outstanding shares of NYMEX Holdings common stock entitled to vote. Each holder of a share of NYMEX Holdings common stock as of the close of business on July 18, 2008, the record date for the special meeting of NYMEX Holdings stockholders, will be entitled to one vote for each share of NYMEX Holdings common stock held of record at the close of business on the record date.

At the close of business on July 18, 2008, the record date for the special meeting of CME Group stockholders, directors and executive officers of CME Group had or shared the power to vote in the aggregate approximately 440,000 shares of CME Group Class A and Class B common stock, representing less than 1% of the then outstanding shares of CME Group Class A and Class B common stock, voting together as a single class. We have been advised that CME Group's directors and executive officers will vote their shares of CME Group common stock for the approval of the CME Group Amended Charter and the Stock Issuance.

At the close of business on July 18, 2008, the record date for the special meeting of NYMEX Holdings stockholders, directors and executive officers of NYMEX Holdings had or shared the power to vote in the aggregate approximately 7,033,836 shares of NYMEX Holdings common stock, or approximately 7.42% of the then outstanding shares of NYMEX Holdings common stock. We have been advised that NYMEX Holdings' directors and executive officers will vote their shares of NYMEX Holdings common stock for the adoption of the Amended Merger Agreement.

**Q: What are NYMEX Class A members being asked to vote on and what vote is required?**

**A:** NYMEX Class A members are not being asked to vote on the Amended Merger Agreement or the merger. At the special meeting of NYMEX Class A members, NYMEX Class A members will be asked to vote to approve the NYMEX Amended Charter and the NYMEX Amended Bylaws. It is a condition to completion of the merger that these proposals be approved by the holders of at least 75% of all of the NYMEX Class A memberships. Each holder of a NYMEX Class A membership as of the close of business on July 18, 2008, the record date for the special meeting of NYMEX Class A members, will be entitled to one vote for each NYMEX Class A membership held of record at the close of business on the record date. For further information regarding the NYMEX Amended Charter and the NYMEX Amended Bylaws, see "The Special Meeting of NYMEX Class A Members" beginning on page 52.

**Q: How will the right to trade on NYMEX be provided following the merger?**

**A:** NYMEX Class A members immediately prior to the merger will continue to be NYMEX Class A members immediately following the merger. However, the NYMEX Amended Charter and NYMEX Amended Bylaws will eliminate substantially all of the NYMEX Class A members' existing trading rights and replace them with certain new post-closing trading rights and privileges. Under the terms of the NYMEX Amended Charter and NYMEX Amended Bylaws, NYMEX Class A members will retain the right to use or lease their memberships for open outcry and electronic trading purposes. Substantially all other rights, including the revenue sharing rights contained in Section 311(G) of the bylaws of NYMEX, will be eliminated and replaced with the following commitments:

NYMEX will maintain a trading floor in the current NYMEX facility through December 31, 2012, or the end of NYMEX's occupancy agreement, and thereafter will maintain a trading floor in New York City as long as profitability and revenue thresholds are met;





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if a trading pit for a NYMEX product traded as of July 18, 2008 is closed, it will not be reopened in Chicago for at least 18 months if a majority of NYMEX Class A memberships oppose the move;

for so long as CME or CBOT members retain a differentiated and lower fee than non-member customers of CME or CBOT, respectively, NYMEX will maintain differential pricing such that NYMEX Class A members are charged lower fees than non-members on NYMEX products traded as of July 18, 2008;

NYMEX will preserve, in the NYMEX Amended Charter, NYMEX rules providing that each Member Firm (as defined in the NYMEX Rulebook) shall receive member rates on trades for any account wholly-owned by such Member Firm independent of the identity of the individual that executes the relevant trade;

Individual Members (as defined in the NYMEX Rulebook) will be entitled to member rates for products traded electronically in such account for up to three (3) individuals (in addition to the owner of the NYMEX Class A membership) to whom such owner, or one (1) individual (in addition to the lessee of the NYMEX Class A membership) to whom such lessee, assigns power of attorney rights; and

NYMEX will preserve, in the NYMEX Amended Charter, NYMEX rules establishing that Member Firms (as defined in the NYMEX Rulebook) must hold at least two (2) Class A memberships in order to clear and receive member rates at NYMEX.

COMEX Division members immediately prior to the merger will continue to be COMEX Division members immediately following the merger and will continue to have the same rights and privileges they had prior to the merger.

For additional information, see [The Special Meeting of NYMEX Class A Members](#) beginning on page 52, [NYMEX Class A Membership Rights Payment](#) beginning on page 164 and [Comparative Rights of Class A Members prior to and after the Merger](#) beginning on page 201.

**Q: How does the CME Group board of directors recommend I vote?**

**A:** The CME Group board of directors recommends that CME Group stockholders vote **FOR** the proposals to approve the CME Group Amended Charter and the Stock Issuance. For a description of the reasons underlying the recommendation of the CME Group board of directors with respect to the merger, see [The Merger CME Group's Reasons for the Merger; Recommendation of CME Group's Board of Directors](#) beginning on page 76.

**Q: How does the NYMEX Holdings board of directors recommend that I vote?**

**A:** The NYMEX Holdings board of directors unanimously recommends that NYMEX Holdings stockholders vote **FOR** the proposal to adopt the Amended Merger Agreement. For a description of the reasons underlying the recommendation of the NYMEX Holdings board of directors with respect to the merger, see [The Merger NYMEX Holdings' Reasons for the Merger; Recommendation of NYMEX Holdings Board of Directors](#) beginning on page 79.

**Q: Are any NYMEX Holdings stockholders or NYMEX Class A members already committed to vote in favor of the merger and the NYMEX Amended Charter and the NYMEX Amended Bylaws?**

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- A:** Yes. In connection with the merger, CME Group entered into voting and support agreements with Richard M. Schaeffer, Executive Chairman of the NYMEX Holdings board of directors; James E. Newsome, President and Chief Executive Officer of NYMEX Holdings; and General Atlantic Partners 82, L.P., GapStar, LLC, GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC, GAPCO GmbH & Co. KG and GAP Coinvestments CDA, L.P., which we collectively refer to in this joint proxy statement/prospectus as the General Atlantic Parties. Pursuant to these voting and support agreements, the General

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Atlantic Parties, Dr. Newsome and Mr. Schaeffer have agreed to vote their shares of NYMEX Holdings common stock in favor of the merger and Mr. Schaeffer has agreed to vote, or cause to be voted, his NYMEX Class A membership for the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws. The General Atlantic Parties collectively are the single largest stockholder of NYMEX Holdings, with beneficial ownership of approximately 6.3 million shares (or approximately 6.7%) of NYMEX Holdings outstanding common stock.

At the close of business on July 18, 2008, the record date for the special meeting of NYMEX Class A members, directors and executive officers of NYMEX Holdings had or shared the power to vote in the aggregate approximately 11 NYMEX Class A memberships, or approximately 1.348% of the then outstanding NYMEX Class A memberships.

**Q: If I am a NYMEX Class A member who also owns NYMEX Holdings common stock, on what do I vote?**

**A:** If you are a NYMEX Class A member as well as a NYMEX Holdings stockholder, you must vote separately, in person or by proxy, at the special meeting of NYMEX Class A members in your capacity as a NYMEX Class A member and the special meeting of NYMEX Holdings stockholders in your capacity as a NYMEX Holdings stockholder. The vote of NYMEX Class A members to approve the NYMEX Amended Charter and the NYMEX Amended Bylaws is separate and distinct from the vote of NYMEX Holdings stockholders to adopt the Amended Merger Agreement. Each of the proposals must be approved at the applicable special meeting for the merger to be completed. You will receive separate proxy cards for each meeting, so NYMEX Class A members who are also NYMEX Holdings stockholders should be sure to vote both proxy cards to ensure that their vote is counted at each meeting. For additional information, see *The Special Meeting of NYMEX Holdings Stockholders* beginning on page 48 and *The Special Meeting of NYMEX Class A Members* beginning on page 52.

**Q: What is the Membership Rights Payment?**

**A:** If the merger is consummated, each NYMEX Class A member as of the effective time of the merger who executes and delivers a waiver and release of within 60 days after consummation of the merger will receive \$750,000 per NYMEX Class A membership that such member owns of record.

**Q: What do I need to do to execute and return my waiver and release form?**

**A:** If you own a NYMEX Class A membership as of the effective time of the merger, following the effective time of the merger, you will have 60 days to execute and deliver a waiver and release. Following delivery of the executed waiver and release, you will receive your Membership Rights Payment. **If you are a NYMEX Class A member as of the consummation of the merger, you will receive a waiver and release form and the accompanying cover letter outlining the procedure to receive the Membership Rights Payment, including how to execute and deliver the waiver and release. You should carefully review the waiver and release and accompanying cover letter for important information and instructions on how to complete and return your executed waiver and release. You are also encouraged to carefully review the form of waiver and release that is attached to this joint proxy statement/prospectus as Annex L.**

**Q: Are there risks associated with the merger and the related transactions that I should consider in deciding how to vote?**

**A:** Yes. There are a number of risks related to the merger and the other transactions contemplated by the Amended Merger Agreement that are discussed in this joint proxy statement/prospectus and in other documents incorporated by reference or referred to in this joint proxy statement/prospectus. Please read with particular care the detailed description of the risks described in *Risk Factors* beginning on page 31 and in the *CME Group and NYMEX Holdings SEC filings* referred to in *Where You Can Find More Information* beginning on page 209.



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**Q: When do the parties currently expect to complete the merger?**

**A:** We currently expect the transaction to close in the third quarter of 2008. However, we cannot assure you when or if the merger will occur. We must first obtain the necessary approvals of CME Group stockholders, NYMEX Holdings stockholders and NYMEX Class A members at the special meetings and obtain the necessary regulatory approvals and allow for the expiration of applicable waiting periods, among other closing conditions.

**Q: What do I need to do now in order to vote?**

**A:** After you have carefully read this joint proxy statement/prospectus, please respond as soon as possible so that your shares or NYMEX Class A memberships, as the case may be, will be represented and voted at your special meeting:

by submitting your proxy by Internet or telephone as described elsewhere in this joint proxy statement/prospectus and the proxy card; or

by completing, signing and dating your proxy card and returning it in the postage-paid envelope.

**Q: If I am a NYMEX Holdings stockholder, should I send in my NYMEX Holdings common stock certificates with my proxy card?**

**A:** No. Please DO NOT send your NYMEX Holdings common stock certificates with your proxy card. You should carefully review and follow the instructions regarding the surrender of your stock certificates set forth in the letter of transmittal that will be mailed to you along with your election form.

**Q: How do I vote my shares or make an election regarding the merger consideration if my shares are held in street name ?**

**A:** You should contact your broker or bank. Your broker or bank can give you directions on how to vote your shares. Your broker or bank will not vote your shares unless the broker or bank receives appropriate instructions from you. You should therefore provide your broker or bank with instructions as to how to vote your shares. In addition, if you are a NYMEX Holdings stockholder, in connection with the election form that will be mailed to you, you should follow your broker's or bank's instructions for making an election with respect to your shares of NYMEX Holdings common stock.

For additional information on voting procedures, see The Special Meeting of CME Group Stockholders beginning on page 43 and The Special Meeting of NYMEX Holdings Stockholders beginning on page 48.

**Q: How will my proxy be voted?**

**A:** If you vote by completing, signing, dating and returning your proxy card, your proxy will be voted in accordance with your instructions. You may also vote by Internet or telephone. If your proxy card is properly executed and received in time to be voted, the shares or NYMEX Class A memberships, as applicable, represented by your proxy card will be voted in accordance with the instructions that you mark on your proxy card. If you sign, date and return your proxy card and do not indicate how you want to vote, your shares or NYMEX Class A memberships, as applicable, will be voted FOR approval of the applicable proposals.

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For additional information on voting procedures, see *The Special Meeting of CME Group Stockholders* beginning on page 43, *The Special Meeting of NYMEX Holdings Stockholders* beginning on page 48 and *The Special Meeting of NYMEX Class A Members* beginning on page 52.

**Q: What if I want to change my vote after I have delivered my proxy card?**

**A:** You may change your vote at any time before your proxy is voted at your special meeting. If you are the record holder of your shares or NYMEX Class A memberships, as the case may be, you may change your

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vote in one of three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new valid proxy bearing a later date by mail or by Internet or telephone. Third, you can attend the applicable special meeting and vote in person. Attendance at any of the meetings will not in and of itself constitute revocation of a proxy. If you hold shares of CME Group Class A common stock or NYMEX Holdings common stock in street name, you should contact your broker or bank to give it instructions to change your vote.

If you are a CME Group stockholder and you choose to send a written notice of revocation or mail a new proxy, you must submit your notice of revocation or new proxy to CME Group, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, and it must be received prior to the special meeting.

If you are a NYMEX Holdings stockholder and you choose to send a written notice of revocation or mail a new proxy, you must submit your notice of revocation or new proxy to the office of the Corporate Secretary located at NYMEX Holdings, Inc., One North End Avenue, Suite 1548, New York, New York 10282-1101, Attention: Donna Talamo, Corporate Secretary, and it must be received prior to the special meeting.

If you are a NYMEX Class A member and you choose to send a written notice of revocation or mail a new proxy, you must submit your notice of revocation or new proxy to the office of the Corporate Secretary located at NYMEX Holdings, Inc., One North End Avenue, Suite 1548, New York, New York 10282-1101, Attention: Donna Talamo, Corporate Secretary, and it must be received prior to the special meeting.

### **Q: Can I dissent and require appraisal of my shares?**

**A:** NYMEX Holdings stockholders may dissent and seek appraisal of their shares. CME Group stockholders and NYMEX Class A members do not have dissenters' rights in connection with the merger. For additional information, see *The Merger Appraisal Rights* beginning on page 145.

### **Q: How important is my vote?**

**A:** Every vote is important. You should be aware that:

the failure by a CME Group stockholder to vote by proxy or in person at the special meeting of CME Group stockholders, abstentions and broker non-votes will have the same effect as votes against approval of the CME Group Amended Charter;

the failure by a NYMEX Holdings stockholder to vote by proxy or in person at the special meeting of NYMEX Holdings stockholders, abstentions and broker non-votes will have the same effect as votes against the adoption of the Amended Merger Agreement; and

the failure by a NYMEX Class A member to vote by proxy or in person at the special meeting of NYMEX Class A members and abstentions will have the same effect as votes against the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws.

### **Q: What are the tax consequences of the merger to me?**

**A:** In connection with the filing of the registration statement of which this joint proxy statement/prospectus forms a part, CME Group and NYMEX Holdings have each received an opinion from their respective tax counsel to the effect that the forward merger of NYMEX Holdings with and into Merger Sub will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and that CME Group, NYMEX Holdings and Merger Sub will each be a party to a

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reorganization within the meaning of Section 368(b) of the Code.

Assuming that the merger is completed as currently contemplated as a forward merger, you will not recognize any gain or loss for U.S. federal income tax purposes if you exchange your shares of NYMEX



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Holdings common stock solely for shares of CME Group Class A common stock in the merger, except with respect to cash received in lieu of fractional shares of CME Group Class A common stock. You will recognize gain or loss if you exchange your shares of NYMEX Holdings common stock solely for cash in the merger. You will recognize gain, but not loss, if you exchange your shares of NYMEX Holdings common stock for a combination of CME Group Class A common stock and cash, but your taxable gain in that case will not exceed the cash you receive in the merger.

For more information regarding tax matters, see **Material U.S. Federal Income Tax Consequences of the Merger** beginning on page 169. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your tax advisor to determine the tax consequences of the merger to you.

**Q: Whom can I call with questions about the stockholder or member meetings or the merger?**

**A:** If you are a CME Group stockholder and have questions about the merger or the special meeting of CME Group stockholders or need additional copies of this joint proxy statement/prospectus, or if you have questions about the process for voting or need a replacement proxy card, you should contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

(877) 456-3488 (toll-free)

If you are a NYMEX Holdings stockholder or a NYMEX Class A member and have questions about the merger, the special meeting of NYMEX Holdings stockholders or the special meeting of NYMEX Class A members or need additional copies of this joint proxy statement/prospectus, or if you have questions about the process for making an election or voting or need a replacement proxy card, you should contact:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, New York 10005

(800) 758-5378 (toll-free)

or

(212) 269-5550 (call collect)

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**Other Information Regarding the Merger**

**CME Group's Board of Directors Recommends that CME Group Stockholders Vote FOR Approval of the CME Group Amended Charter and Approval of the Stock Issuance**

CME Group's board of directors has determined that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement are advisable, fair to and in the best interests of CME Group and its stockholders, and recommends that CME Group stockholders vote FOR the proposal to approve the CME Group Amended Charter and FOR the proposal to approve the Stock Issuance.

In determining whether to approve the Amended Merger Agreement, CME Group's board of directors consulted with certain members of its senior management and with its legal and financial advisors. In arriving at its determination, the CME Group board of directors also considered the factors described under The Merger CME Group's Reasons for the Merger; Recommendation of CME Group's Board of Directors beginning on page 76.

**NYMEX Holdings Board of Directors Unanimously Recommends that NYMEX Holdings Stockholders Vote FOR Adoption of the Amended Merger Agreement**

NYMEX Holdings' board of directors has unanimously determined that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement are advisable, fair to and in the best interests of NYMEX Holdings and its stockholders, and unanimously recommends that NYMEX Holdings stockholders vote FOR the proposal to adopt the Amended Merger Agreement.

In determining whether to approve the Amended Merger Agreement, NYMEX Holdings' board of directors consulted with certain members of its senior management and with its legal and financial advisors. In arriving at its determination, the NYMEX Holdings board of directors also considered the factors described under The Merger NYMEX Holdings' Reasons for the Merger; Recommendation of NYMEX Holdings' Board of Directors beginning on page 79.

NYMEX Holdings' board of directors makes no recommendation as to whether or to what extent any NYMEX Holdings stockholder should elect to receive cash or stock consideration in the merger.

**CME Group's Financial Advisors have Provided Opinions as to the Fairness, from a Financial Point of View, to CME Group of the Consideration to be Paid in the Merger**

Lehman Brothers, Goldman Sachs and William Blair have provided opinions to the CME Group board of directors, dated as of March 16, 2008, March 17, 2008 and March 16, 2008, respectively, that, as of that date, and based on and subject to the qualifications and assumptions set forth in their respective opinions, the consideration to be paid by CME Group in the merger of NYMEX Holdings with Merger Sub was fair, from a financial point of view, to CME Group. We have attached the full text of each of Lehman Brothers', Goldman Sachs' and William Blair's opinion to this joint proxy statement/prospectus as Annex B, Annex C and Annex D, respectively, which set forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by each of Lehman Brothers, Goldman Sachs and William Blair in connection with their respective opinions. We urge you to read the opinions carefully in their entirety. The opinions of Lehman Brothers, Goldman Sachs and William Blair are addressed to the CME Group board of directors and are one of many factors considered by the CME Group board of directors in deciding to approve the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement, are directed only to the consideration to be paid in the merger and do not address the underlying decision by CME Group to engage in the merger or constitute a recommendation to any CME Group stockholder as to how that stockholder should vote at the special meeting of CME Group stockholders or act on any matter relating to the merger.

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Pursuant to engagement letters with each of Lehman Brothers, Goldman Sachs and William Blair, CME Group paid Lehman Brothers a \$5 million fee upon delivery of Lehman Brothers' opinion in March 2008 and an additional fee of \$18 million will be payable upon completion of the merger, CME Group will pay Goldman Sachs a \$10 million fee upon completion of the merger and CME Group paid William Blair a \$3 million fee upon delivery of William Blair's opinion in March 2008 and an additional fee of \$3 million will be payable upon completion of the merger.

See The Merger Opinion of Lehman Brothers, Financial Advisor to CME Group beginning on page 82, The Merger Opinion of Goldman Sachs, Financial Advisor to CME Group beginning on page 90, and The Merger Opinion of William Blair, Financial Advisor to CME Group beginning on page 100.

**NYMEX Holdings' Financial Advisors have Provided Opinions as to the Fairness of the Merger Consideration, from a Financial Point of View, to NYMEX Holdings Stockholders**

JPMorgan and Merrill Lynch have provided opinions to the NYMEX Holdings board of directors, dated as of March 16, 2008, that, as of that date, and subject to and based upon the qualifications and assumptions set forth in their respective opinions, the consideration to be received by the NYMEX Holdings stockholders in the merger was fair, from a financial point of view, to such stockholders. We have attached to this joint proxy statement/prospectus the full text of JPMorgan's and Merrill Lynch's opinions as Annex E and Annex F, respectively, which set forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by each of JPMorgan and Merrill Lynch in connection with their respective opinions. We urge you to read the opinions carefully in their entirety. The opinions of JPMorgan and Merrill Lynch are addressed to the NYMEX Holdings board of directors and are one of many factors considered by the NYMEX Holdings board of directors in deciding to approve the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement and the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement, are directed only to the consideration to be paid in the merger and do not constitute a recommendation to any NYMEX Holdings stockholder as to how that stockholder should vote at the special meeting of NYMEX Holdings stockholders as to the Amended Merger Agreement or act on any matter relating to the merger.

Pursuant to engagement letters with each of JPMorgan and Merrill Lynch, NYMEX Holdings paid a \$1.5 million opinion fee to each of JPMorgan and Merrill Lynch at the time that NYMEX Holdings entered into the Original Merger Agreement, which fee will be credited against any transaction fee (as described below) paid to each of JPMorgan or Merrill Lynch. At the closing of the transactions contemplated by the Amended Merger Agreement, NYMEX Holdings will pay a transaction fee of 0.22% of the aggregate merger consideration less up to \$175,000 in NYMEX Holdings' expenses related to the transactions contemplated by the Amended Merger Agreement, to each of JPMorgan and Merrill Lynch. NYMEX Holdings may, in its sole discretion, pay an additional discretionary fee of up to 0.02% of the aggregate merger consideration to each of JPMorgan and Merrill Lynch.

See The Merger Opinion of JPMorgan, Financial Advisor to NYMEX Holdings beginning on page 104 and The Merger Opinion of Merrill Lynch, Financial Advisor to NYMEX Holdings beginning on page 112.

**NYMEX Holdings' Financial Advisor has Provided an Opinion as to the Fairness of the Membership Rights Payment Amount, from a Financial Point of View, to NYMEX Holdings**

Sandler O'Neill has provided an opinion to the NYMEX Holdings board of directors, dated as of July 16, 2008, that, as of that date, and subject to and based upon the factors, limitations and assumptions set forth in its opinion, the \$750,000 to be paid to each holder of a NYMEX Class A membership at the effective time of the merger who executes a waiver and release, in the form attached hereto as Annex L, which Sandler O'Neill also refers to as the Membership Rights Payment Amount, was fair, from a financial point of view, to NYMEX Holdings. We have attached to this joint proxy statement/prospectus the full text of Sandler O'Neill's opinion as Annex G, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Sandler O'Neill in connection with its opinion. We urge

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you to read the opinion carefully in its entirety. The opinion of Sandler O'Neill is addressed to the NYMEX Holdings board of directors and is one of many factors considered by the NYMEX Holdings board of directors in deciding to approve the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement, is directed only to the Membership Rights Payment Amount, and does not constitute a recommendation to any NYMEX Class A member or any NYMEX Holdings stockholder as to how that NYMEX Class A member or NYMEX Holdings stockholder should vote on the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws or on the adoption of the Amended Merger Agreement, respectively.

Pursuant to an engagement letter with Sandler O'Neill, NYMEX Holdings paid Sandler O'Neill a nonrefundable fee of \$750,000 upon delivery of its opinion. NYMEX Holdings previously paid Sandler O'Neill a fee of \$1.0 million in connection with its delivery of an opinion in connection with the Original Merger Agreement.

See The Merger Opinion of Sandler O'Neill, Financial Advisor to NYMEX Holdings beginning on page 120.

**Interests of CME Group and NYMEX Holdings Executive Officers and Directors in the Merger**

Stockholders should note that some CME Group executive officers and directors and some NYMEX Holdings executive officers and directors have interests in the merger that are different from, or in addition to, the interests of other CME Group stockholders and NYMEX Holdings stockholders, respectively.

CME Group's and NYMEX Holdings' respective boards of directors were aware of these interests when they voted to approve and adopt the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement and the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement and recommend that the stockholders of their respective companies vote to approve the CME Group Amended Charter and the Stock Issuance and adopt the Original Merger Agreement and Amended Merger Agreement, respectively.

For information relating to the interests of CME Group's executive officers and directors in the merger see The Merger Interests of CME Group Executive Officers and Directors in the Merger beginning on page 129 and for information relating to the interests of NYMEX Holdings executive officers and directors in the merger see The Merger Interests of NYMEX Holdings Executive Officers and Directors in the Merger beginning on page 129.

**Interests of NYMEX Holdings Directors Relating to the Membership Rights Payments**

NYMEX Holdings stockholders and NYMEX Class A members should note that, in addition to Harvey Gralla, whom ceased to be a director of NYMEX Holdings as of the annual stockholder meeting of NYMEX Holdings on May 20, 2008, the following directors of NYMEX Holdings are also NYMEX Class A members: Stephen Ardizzzone, Neil Citrone, A. George Gero, Thomas Gordon, John McNamara, Daniel Rappaport, Richard Schaeffer and Frank Siciliano. See The Merger Interests of NYMEX Holdings Directors related to the Membership Rights Payments beginning on page 139.

**CME Group Amended Charter and CME Group Amended Bylaws**

Upon the completion of the merger, the certificate of incorporation and bylaws of CME Group will be amended and restated as set forth in the forms attached as Annexes H and I, respectively, to this joint proxy statement/prospectus. The CME Group Amended Charter and CME Group Amended Bylaws following the merger will differ from the current certificate of incorporation and bylaws of CME Group with respect to an increase in the number of CME Group directors from 30 to 33, as described below. The CME Group Amended Charter following the merger will also specify that the number of CME Group directors is to be fixed exclusively by one or more resolutions adopted by the CME Group board of directors, which number shall be no more than 33.

See The Merger CME Group Amended Charter and CME Group Amended Bylaws beginning on page 139.

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**CME Group Board of Directors after Completion of the Merger**

Upon the completion of the merger, the certificate of incorporation and bylaws of CME Group will provide for a board of directors composed of 33 members. The 33 members of the CME Group board of directors will initially consist of the 30 directors of CME Group as of immediately prior to the merger and three additional directors proposed by NYMEX Holdings and appointed by CME Group in accordance with the Amended Merger Agreement. In this joint proxy statement/prospectus we refer to the three directors proposed by NYMEX Holdings and appointed by CME Group as the NYMEX Directors. Under the terms of the Amended Merger Agreement, at least two of the NYMEX Directors must be independent directors.

See The Merger CME Group Board of Directors after Completion of the Merger beginning on page 140.

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### **The Amended Merger Agreement**

The terms and conditions of the merger are contained in the Amended Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus. Please carefully read the Amended Merger Agreement as it is the legal document that governs the merger.

#### **Conditions to Completion of the Merger**

Each of CME Group's and NYMEX Holdings' obligation to complete the merger is subject to the fulfillment or waiver of mutual conditions, including:

the adoption of the Amended Merger Agreement by the NYMEX Holdings stockholders and the approval of the CME Group Amended Charter and the Stock Issuance by CME Group stockholders;

the approval of the listing of CME Group Class A common stock to be issued in the merger and such other shares to be reserved for issuance in connection with the merger, subject to official notice of issuance, on Nasdaq;

the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, and similar foreign competition laws shall have terminated or expired and there shall be no pending action by the government to enjoin the merger or impose a burdensome condition within the meaning of the Amended Merger Agreement, and all other required filings with or approvals from any governmental entity or self-regulatory organization shall have been made or obtained without any term or condition that would reasonably be expected to result in a burdensome condition;

there shall be no rule, regulation, statute, ordinance, order, injunction, judgment or similar action of a court or other governmental entity or self-regulatory organization having the effect of making the merger illegal or otherwise prohibiting the merger; and

the effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part under the Securities Act of 1933, as amended, which we refer to as the Securities Act, and the absence of any stop order or proceedings initiated or threatened by the SEC for that purpose.

Each of CME Group's and NYMEX Holdings' obligation to complete the merger is also separately subject to the satisfaction or waiver of a number of conditions, including:

the other company's representations and warranties in the Amended Merger Agreement being true and correct, without regard to qualifications or limitations as to materiality or material adverse effect contained therein, except where the failure of such representations and warranties to be true and correct does not have and is not reasonably expected to have a material adverse effect on such other company (other than with respect to certain identified representations and warranties which must be true and correct in all material respects);

the performance by the other party in all material respects of its obligations under the Amended Merger Agreement; and

the receipt by each party of a legal opinion from its counsel with respect to certain U.S. federal income tax consequences of the merger.

In addition, the obligation of CME Group to complete the merger is subject to the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws by the NYMEX Class A members at the special meeting of NYMEX Class A members.

In addition, the obligation of NYMEX Holdings to complete the merger is subject to the appointment of the NYMEX Directors.

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Subject to the provisions of applicable law, at any time prior to the completion of the merger, the parties may waive any condition and the Amended Merger Agreement may be amended, including to remove a condition, by action taken or authorized by our respective boards of directors. However, after any approval of the matters presented in connection with the merger by the CME Group stockholders or NYMEX Holdings stockholders or the NYMEX Class A members, as the case may be, there may not be any amendment of the Amended Merger Agreement that requires further approval of such stockholders or members under applicable law, such as a reduction in the amount or a change in the form of the merger consideration to be received by NYMEX Holdings stockholders, without the prior re-solicitation and approval of such stockholders or members, as the case may be.

We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this joint proxy statement/prospectus, we have no reason to believe that any of these conditions will not be satisfied.

See The Amended Merger Agreement Conditions to Complete the Merger beginning on page 160.

### **Non-Solicitation**

NYMEX Holdings has agreed that it will not, nor will it permit any of its subsidiaries or any of its or its subsidiaries' respective officers, directors, employees, agents and representatives to, directly or indirectly:

initiate or solicit or knowingly facilitate or encourage any inquiry or the making of any takeover proposal;

enter into any letter of intent, merger or other agreement or understanding relating to any takeover proposal;

continue or otherwise participate in any discussions or negotiations, cooperate or furnish any person with information, or take any other action to facilitate any takeover proposal or that requires NYMEX Holdings to terminate or fail to consummate the merger;

submit to its stockholders or the NYMEX Class A members for their approval the adoption of any takeover proposal or any purchase offer with respect to the membership interests owned by them, or any amendment to the constituent documents of NYMEX; or

agree or publicly announce an intention to take any of the foregoing actions.

Notwithstanding the foregoing, NYMEX Holdings may, prior to the receipt of stockholder approval of the merger, in response to a bona fide, written and unsolicited takeover proposal:

furnish information to the person making the takeover proposal; and

participate in discussions or negotiations with such person regarding the takeover proposal; provided, in each case, that the NYMEX Holdings board of directors determines in good faith after consultation with its outside legal counsel and financial advisor, that (i) the takeover proposal is or could reasonably be expected to lead to a superior proposal and (ii) the failure to furnish information or participate in discussions could reasonably be expected to violate its fiduciary duties under applicable law.

Promptly after the receipt by NYMEX Holdings of a takeover proposal or any inquiry with respect to, or that could reasonably be expected to lead to, any takeover proposal, and in any case within 24 hours after the receipt thereof, NYMEX Holdings must provide notice to CME Group of the takeover proposal or inquiry, the identity of the person making the takeover proposal or inquiry and the material terms and conditions of the takeover proposal or inquiry. Following such notice, (i) once each day NYMEX Holdings must provide CME





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Group with a summary of the status of such takeover proposal and the material issues related thereto and (ii) NYMEX Holdings must provide CME Group with copies of all drafts and final versions of agreements relating to such takeover proposal.

NYMEX Holdings has agreed that its board of directors will not (i) (a) withdraw, modify or qualify or propose to withdraw, modify or qualify, in any manner adverse to CME Group, the NYMEX Holdings board of directors' recommendation to adopt the Amended Merger Agreement, (b) take any public action or make any public statement in connection with the special meeting of NYMEX Holdings stockholders or the special meeting of NYMEX Class A members inconsistent with such NYMEX Holdings board of directors' recommendation or (c) approve or recommend, or publicly propose to approve or recommend or fail to recommend against, any takeover proposal, any of such actions which we refer to as a change in recommendation, or (ii) approve any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to any takeover proposal or any offer to purchase the NYMEX or COMEX Division membership interests. Notwithstanding the previous sentence, at any time prior to the adoption of the Amended Merger Agreement by the NYMEX Holdings stockholders, the NYMEX Holdings board of directors may, in response to a superior proposal or an intervening event, effect a change in recommendation, provided that the NYMEX Holdings board of directors determines in good faith, after consultation with its outside legal counsel and a financial advisor of nationally recognized reputation, that the failure to do so would reasonably be expected to violate its fiduciary duties to the NYMEX Holdings stockholders under applicable law. The NYMEX Holdings board of directors may effect such a change in recommendation only if:

the board of directors has provided written notice to CME Group that it is prepared to effect a change in recommendation in response to a superior proposal or intervening event; and

CME Group does not make, within five business days after receipt of such notice, a proposal that the NYMEX Holdings board of directors determines in good faith, after consultation with a financial advisor of nationally recognized reputation, is at least as favorable to the NYMEX Holdings stockholders as such superior proposal or obviates the need for a change in recommendation as a result of the intervening event.

Notwithstanding any change in recommendation, CME Group has the option, exercisable within five business days after such change in recommendation, to cause the NYMEX Holdings board of directors to submit the Amended Merger Agreement to the NYMEX Holdings stockholders for the purpose of adopting the Amended Merger Agreement. If CME Group fails to exercise such option, NYMEX Holdings may terminate the Amended Merger Agreement.

The Amended Merger Agreement requires each party to call, give notice of and hold a special meeting of its stockholders or members, as applicable, for the purposes of obtaining the applicable stockholder or member approval. If within five business days of the date on which the special meeting of NYMEX Holdings stockholders is scheduled to be held, the NYMEX Holdings board of directors delivers a change in recommendation notice to CME Group, then NYMEX Holdings will be permitted to adjourn or postpone the special meeting of NYMEX Holdings stockholders and the special meeting of NYMEX Class A members to a date not more than ten business days from such adjournment or postponement.

See The Amended Merger Agreement No Solicitation of Alternative Transactions beginning on page 157.

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### **Membership Rights Payment**

NYMEX Holdings, NYMEX and CME Group have agreed that if the merger is consummated, each NYMEX Class A member as of the effective time of the merger who executes and delivers a waiver and release within 60 days after consummation of the merger will receive \$750,000 per NYMEX Class A membership such member owns of record. If you own a NYMEX Class A membership, you should carefully review the waiver and release and the accompanying cover letter that will be mailed to you promptly after consummation of the merger for important information and instructions on how to complete and return your waiver and release in order to receive the Membership Rights Payment. We also encourage you to carefully review the form of waiver and release that is attached to this joint proxy statement/prospectus as Annex L.

Following closing, the only rights and privileges of holders of NYMEX Class A memberships will be those contained in the NYMEX Amended Charter and NYMEX Amended Bylaws. For further information, see *The Special Meeting of NYMEX Class A Members* beginning on page 52, *The Amended Merger Agreement Membership Rights Payment* beginning on page 159, *NYMEX Class A Membership Rights Payment* beginning on page 164 and *Comparative Rights of NYMEX Class A Members prior to and after the Merger* beginning on page 201.

### **Termination of the Amended Merger Agreement**

#### *General*

The Amended Merger Agreement may be terminated at any time prior to the completion of the merger by our mutual written consent, or by either CME Group or NYMEX Holdings if:

the merger is not completed by March 17, 2009 (other than because of a breach of the Amended Merger Agreement caused by the party seeking termination), provided, that if all conditions to closing, other than the termination or expiration of the required waiting period under the HSR Act, the absence of any pending action by the government to enjoin the merger or impose a burdensome condition or the receipt of required regulatory approvals, have been satisfied or waived on that date, such date may be extended by either party up to an aggregate of 90 days;

a governmental entity or self-regulatory organization has issued a rule, regulation, statute, ordinance, order, injunction, judgment or similar action of a court or other governmental entity or self-regulatory organization having the effect of making the merger illegal or otherwise prohibiting the merger and such action has become final and non-appealable;

either party has not obtained its required stockholder approval of the merger and related transactions at its special meeting of stockholders; or

the other party is in material breach of the Amended Merger Agreement after prior written notice of the breach and such material breach remains uncured or is incapable of being cured.

CME Group may also terminate the Amended Merger Agreement if:

NYMEX Holdings or its representatives breach in any material respect their obligations regarding no solicitation of alternative transaction proposals;

subject to CME Group not exercising its stockholder vote option, the NYMEX Holdings board of directors:

fails to authorize, approve or recommend the Amended Merger Agreement to its stockholders;

effects a change in recommendation; or

fails to remain silent with respect to a third party tender offer or exchange offer or fails to recommend that its stockholders reject a tender offer or exchange offer within the ten business day period specified in Section 14e-2(a) under the Securities Exchange Act of 1934, as amended, or the Exchange Act ; or

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the NYMEX Class A members do not approve the NYMEX Amended Charter and the NYMEX Amended Bylaws at the special meeting of NYMEX Class A members, provided that this termination right expires 20 business days following the special meeting of NYMEX Class A members.

NYMEX Holdings may also terminate the Amended Merger Agreement if CME Group determines not to exercise its stockholder vote option.

See The Amended Merger Agreement Termination of the Amended Merger Agreement beginning on page 161.

### **Termination Fees and Expenses**

NYMEX Holdings must pay a termination fee of \$308.1 million to CME Group if:

either party terminates the Amended Merger Agreement because:

NYMEX Holdings stockholders do not adopt the Amended Merger Agreement and a takeover proposal was announced prior to the special meeting of NYMEX Holdings stockholders; or

the merger has not been consummated by March 17, 2009 and the special meeting of NYMEX Holdings stockholders has not occurred and a takeover proposal was announced prior to such termination; and in each case, NYMEX Holdings enters into a definitive agreement to consummate or consummates a takeover transaction with any third party within 12 months of such termination;

CME Group terminates the Amended Merger Agreement because:

NYMEX Holdings fails to recommend the merger to its stockholders;

NYMEX Holdings board of directors changes its recommendation;

NYMEX Holdings commits a willful breach of its representations, warranties or covenants under the Amended Merger Agreement that is not cured within a specified timeframe; a takeover proposal was announced prior to such termination and NYMEX Holdings enters into a definitive agreement to consummate or consummates a takeover transaction with any third party within 12 months of such termination; or

NYMEX Class A members do not approve the NYMEX Amended Charter and the NYMEX Amended Bylaws; a takeover proposal was announced prior to the special meeting of NYMEX Class A members and NYMEX Holdings enters into a definitive agreement to consummate or consummates a takeover transaction with any third party within 12 months of such termination; or

NYMEX Holdings terminates the Amended Merger Agreement when CME Group does not exercise its stockholder vote option after the NYMEX Holdings board of directors changes its recommendation of the merger.  
CME Group must pay a termination fee of \$308.1 million to NYMEX Holdings if either party terminates because:

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CME Group stockholders do not approve the CME Group Amended Charter or the Stock Issuance or the special meeting of CME Group stockholders has not occurred before March 17, 2009;

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a transaction resulting in a change in control of CME Group, referred to as a CME Group takeover proposal, or an acquisition by CME Group of assets or securities of a third party where the fair market value of the consideration paid by CME Group is in excess of \$8 billion, referred to as a CME Group acquisition transaction, was announced prior to the special meeting of CME Group stockholders in the event the CME Group stockholders do not approve the CME Group Amended Charter or the Stock Issuance or prior to either party terminating the Amended Merger Agreement in the event the special meeting of CME Group stockholders has not occurred before March 17, 2009; and

CME Group enters into a transaction with respect to such CME Group takeover proposal or CME Group acquisition transaction within 12 months of such termination.

NYMEX Holdings must pay a termination fee of \$50 million to CME Group if:

NYMEX Holdings or its representatives breached in any material respect their no solicitation obligations, which breach resulted in a takeover proposal being announced or communicated to NYMEX Holdings;

CME Group did not exercise its right to terminate the Amended Merger Agreement because of such breach prior to the vote of the NYMEX Holdings stockholders; and

either party terminates the Amended Merger Agreement because NYMEX Holdings stockholders do not adopt the Amended Merger Agreement, or CME Group terminates the Amended Merger Agreement because the NYMEX Class A members do not approve the NYMEX Amended Charter and the NYMEX Amended Bylaws, or either party terminates due to the merger not being consummated by March 17, 2009 without a vote of the NYMEX Holdings stockholders at the special meeting of NYMEX Holdings stockholders or a vote of the NYMEX Class A members at the special meeting of NYMEX Class A members.

If the Amended Merger Agreement is terminated because NYMEX Class A members do not approve the NYMEX Amended Charter and the NYMEX Amended Bylaws, NYMEX Holdings must reimburse CME Group for all of its transaction expenses up to a maximum aggregate amount of \$25 million.

See The Amended Merger Agreement Termination of the Amended Merger Agreement Termination Fee and Expenses beginning on page 162.

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**Membership Rights Payment**

If the merger is consummated, each NYMEX Class A member as of the effective time of the merger who executes and delivers a waiver and release within 60 days after consummation of the merger will receive the Membership Rights Payment of \$750,000 with respect to each NYMEX Class A membership such member owns of record. The waiver and release form will be mailed to each NYMEX Class A member as of the consummation of the merger promptly following such date. The waiver and release is a waiver and release by the NYMEX Class A member of any and all claims such NYMEX Class A member ever had, now has, or may have in his or her capacity as a NYMEX Holdings stockholder or NYMEX Class A member against NYMEX Holdings, NYMEX, CME Group or any of their respective affiliates, including, without limitation, those claims arising out of, or relating to:

the form and structure of the transactions relating to the Membership Rights Payment;

the amount and form of consideration received by the NYMEX Class A member in connection with the Membership Rights Payment;

the transactions entered into in contemplation of or in connection with the Membership Rights Payment, including, without limitation, the merger (other than the right to receive merger consideration under the Amended Merger Agreement and to enforce the provisions of the Amended Merger Agreement relating to the Membership Rights Payment); and

any NYMEX Class A member's ownership of a NYMEX Class A membership, including, without limitation, any and all rights any NYMEX Class A member may have under Section 311(G) of the current bylaws of NYMEX.

**If you hold a NYMEX Class A membership, you should carefully review the waiver and release and the accompanying cover letter that will be mailed to you promptly following the consummation of the merger for important information and instructions on how to complete and return your executed waiver and release form in order to receive the Membership Rights Payment. You are also encouraged to carefully review the form of waiver and release that is attached to this joint proxy statement/prospectus as Annex L.**

**NYMEX Class A Members after Completion of the Merger**

The NYMEX Amended Charter and NYMEX Amended Bylaws will eliminate substantially all of the NYMEX Class A members' existing rights and replace them with certain new post-closing trading rights and privileges. Under the terms of the NYMEX Amended Charter and NYMEX Amended Bylaws, NYMEX Class A members will retain the right to use or lease their memberships for open outcry and electronic trading purposes. Substantially all other rights, including the revenue sharing rights contained in Section 311(G) of the bylaws of NYMEX, will be eliminated and replaced with the following commitments:

NYMEX will maintain a trading floor in the current NYMEX facility through December 31, 2012, or the end of NYMEX's occupancy agreement, and thereafter will maintain a trading floor in New York City as long as certain profitability and revenue thresholds are met;

if a trading floor for a NYMEX product traded as of July 18, 2008 is closed, it will not be reopened in Chicago for at least 18 months if a majority of NYMEX Class A memberships oppose the move;

for so long as CME or CBOT members retain a differentiated and lower fee than non-member customers of CME or CBOT, respectively, NYMEX will maintain differential pricing such that NYMEX Class A members are charged lower fees than non-members on NYMEX products traded as of July 18, 2008;





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NYMEX will preserve, in the NYMEX Amended Charter, NYMEX rules providing that each Member Firm (as defined in the NYMEX Rulebook) shall receive member rates on trades for any account wholly-owned by such Member Firm independent of the identity of the individual that executes the relevant trade;

Individual Members (as defined in the NYMEX Rulebook) will be entitled to member rates for products traded electronically in such account for up to three (3) individuals (in addition to the owner of the NYMEX Class A membership) to whom such owner, or one (1) individual (in addition to the lessee of the NYMEX Class A membership) to whom such lessee, assigns power of attorney rights; and

NYMEX will preserve, in the NYMEX Amended Charter, NYMEX rules establishing that Member Firms (as defined in the NYMEX Rulebook) must hold at least two (2) Class A memberships in order to clear and receive member rates at NYMEX. Any amendment to the trading rights and privileges in the NYMEX Amended Charter must be approved by a majority of the votes cast of the outstanding NYMEX Class A memberships. The NYMEX Class A members will have no right to vote on any amendments to the bylaws of NYMEX or the NYMEX Rulebook. In addition under the NYMEX Amended Charter and NYMEX Amended Bylaws, the NYMEX Class A members will not have any rights designated Special Matters.

For further information, see The Special Meeting of NYMEX Class A Members Proposal 1 Approval of the NYMEX Amended Charter beginning on page 54, The Special Meeting of NYMEX Class A Members Proposal 2 Approval of the NYMEX Amended Bylaws, beginning on page 57, NYMEX Class A Members after Completion of the Merger beginning on page 164 and Comparative Rights of NYMEX Class A Members prior to and after the Merger beginning on page 201.

### **The Voting and Support Agreements**

Concurrently with the execution of the Original Merger Agreement, certain directors, executive officers and NYMEX Holdings stockholders have agreed to, among other things and subject to certain exceptions, vote their NYMEX Holdings shares in favor of the merger and vote their NYMEX Class A memberships, if any, in favor of approving the NYMEX Amended Charter and the NYMEX Amended Bylaws.

See The Voting and Support Agreements beginning on page 165.

### **Regulatory Approvals Required for the Merger**

Completion of the transactions contemplated by the Amended Merger Agreement is subject to the receipt of approvals or consents from, or the making of filings with, various regulatory authorities, including United States antitrust authorities. CME Group and NYMEX Holdings have completed, or will complete, the filing of all of the required applications and notices with applicable regulatory authorities. See Regulatory Approvals beginning on page 167.

### **U.S. Federal Income Tax Consequences of the Merger**

Subject to the discussion under Material U.S. Federal Income Tax Consequences of the Merger on page 169 in connection with the filing of the registration statement of which this joint proxy statement/prospectus forms a part, Skadden, Arps, Slate, Meagher & Flom LLP, which we refer to as Skadden, Arps, has delivered an opinion to CME Group, and Weil, Gotshal & Manges LLP, which we refer to as Weil, Gotshal, has delivered an opinion to NYMEX Holdings, to the effect that the forward merger of NYMEX Holdings with and into Merger Sub will be treated as a reorganization within the meaning of Section 368(a) of the Code and that CME Group, NYMEX Holdings and Merger Sub will each be a party to a reorganization within the meaning of Section 368(b) of the Code.

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Assuming that the merger is completed as currently contemplated as a forward merger, you will not recognize any gain or loss for U.S. federal income tax purposes if you exchange your shares of NYMEX Holdings common stock solely for shares of CME Group Class A common stock in the merger, except with respect to cash received in lieu of fractional shares of CME Group Class A common stock. You will recognize gain or loss if you exchange your shares of NYMEX Holdings common stock solely for cash in the merger. You will recognize gain, but not loss, if you exchange your shares of NYMEX Holdings common stock for a combination of CME Group Class A common stock and cash, but your taxable gain in that case will not exceed the cash you receive in the merger.

Please refer to the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 169 for a more complete discussion of the U.S. federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your tax advisor to determine the tax consequences of the merger to you.

### **Legal Proceedings Regarding the Merger**

There are two purported class action complaints pending against NYMEX Holdings, the NYMEX Holdings board of directors, CME Group and Merger Sub in the Delaware Court of Chancery.

The first complaint (the stockholder complaint ), amended as of June 26, 2008, is a purported consolidated class action on behalf of NYMEX Holdings stockholders (the stockholder plaintiffs ) which alleges, among other things, that the NYMEX Holdings board of directors breached their fiduciary duties in approving the Original Merger Agreement by exclusively negotiating a transaction with CME Group without regard to the fairness of the transaction to the NYMEX Holdings stockholders, failing to take steps to maximize stockholder value, failing to cap the minimum price of NYMEX Holdings stock, failing to properly value NYMEX Holdings, and failing to fully disclose material information related to the merger, including financial information and information necessary to prevent statements contained in the preliminary proxy from being misleading. The stockholder complaint further alleges that CME Group and Merger Sub aided and abetted the alleged breach of fiduciary duties. The stockholder plaintiffs seek to enjoin the merger.

The second complaint (the member complaint ) is a purported class action on behalf of NYMEX Class A members (the member plaintiffs ) which alleges, among other things, that the NYMEX Holdings board of directors breached their fiduciary duties in approving the Original Merger Agreement by failing to take steps to maximize the value of the NYMEX Class A memberships to member plaintiffs, taking steps to avoid competitive bidding, capping the price of NYMEX Class A memberships, giving CME Group an unfair advantage by, among other things, failing to solicit other potential acquirors or alternative transactions, failing to disclose in the preliminary proxy that NYMEX Holdings did not seek an opinion by an investment banker as to whether the proposed consideration was fair to the NYMEX Class A members, and failing to properly value NYMEX or the NYMEX Class A memberships by, among other things, refusing to pay royalties member plaintiff alleges are due under Section 311(G) of the bylaws of NYMEX and ignoring lease income derived by members. The member complaint further alleges that CME Group aided and abetted the alleged breaches of fiduciary duties. The member complaint seeks to enjoin the merger.

NYMEX Holdings, the NYMEX Holdings board of directors and CME Group intend to defend vigorously against these allegations. For further information regarding the foregoing lawsuits, please see The Merger Legal Proceedings Regarding the Merger beginning on page 141.

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**Appraisal Rights**

NYMEX Holdings stockholders who dissent and do not approve the merger may be entitled to certain appraisal rights in connection with the merger. Stockholders who perfect their appraisal rights and strictly follow certain procedures in the manner prescribed by Section 262 of the General Corporation Law of the State of Delaware, or "DGCL," will be entitled to a judicial appraisal of the fair value of their shares as of the effective time of the merger, exclusive of any element of value arising from the accomplishment or expectation of the merger, in cash from CME Group.

**SECTION 262 OF THE DGCL IS REPRINTED IN ITS ENTIRETY AS ANNEX M TO THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY NYMEX HOLDINGS STOCKHOLDER WHO WISHES TO EXERCISE APPRAISAL RIGHTS OR WHO WISHES TO PRESERVE HIS OR HER RIGHT TO DO SO SHOULD REVIEW ANNEX M CAREFULLY AND SHOULD CONSULT HIS OR HER LEGAL ADVISOR, SINCE FAILURE TO TIMELY COMPLY WITH THE PROCEDURES SET FORTH THEREIN WILL RESULT IN THE LOSS OF SUCH RIGHTS.**

**A VOTE IN FAVOR OF THE MERGER BY A NYMEX HOLDINGS STOCKHOLDER WILL RESULT IN A WAIVER OF SUCH HOLDER'S RIGHT TO APPRAISAL.**

CME Group stockholders and NYMEX Class A members do not have appraisal rights in connection with the merger and the other transactions contemplated by the Amended Merger Agreement.

See "The Merger - Appraisal Rights," beginning on page 145 and Annex M to this joint proxy statement/prospectus.

**Recent Developments**

On June 23, 2008, CME Group announced a share buyback program of up to \$1.1 billion of CME Group Class A common stock, subject to market conditions. The buyback program will take place over a period of up to 18 months. CME Group's board of directors' authorization permits the repurchase of shares through the open market, an accelerated program, a tender offer or privately negotiated transactions. In addition, CME Group intends to declare a special dividend of \$5.00 per share of CME Group Class A and Class B common stock, following resolution of the pending transaction with NYMEX Holdings. To the extent CME Group declares a dividend payable to holders of record of CME Group common stock following the closing, NYMEX Holdings stockholders who receive CME Group Class A common stock in the merger and continue to hold such stock as of the record date will be entitled to receive the dividend.

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**The Companies**

**CME Group and Merger Sub**

20 South Wacker Drive

Chicago, Illinois 60606

(312) 930-1000

CME Group, a Delaware corporation, is the combined entity formed by the 2007 merger of CME Holdings and CBOT Holdings and is the holding company of two futures exchanges: CME and CBOT. CME Group offers the widest array of benchmark products available across all major asset classes, including futures and options on futures based on interest rates, equity indexes, foreign exchange, agricultural commodities and alternative investments such as weather and real estate. The combined volume of CME and CBOT in 2007 exceeded 2.2 billion contracts. CME Group owns its clearinghouse, which enables it to more quickly and efficiently bring new products to market through coordination of its clearing functions with its product development, technology, market regulation and other risk management activities.

Merger Sub, a Delaware corporation and a direct, wholly-owned subsidiary of CME Group, was formed solely for the purpose of facilitating the merger.

See The Companies CME Group and Merger Sub beginning on page 173.

**NYMEX Holdings and NYMEX**

One North End Avenue

World Financial Center

New York, New York 10282

(212) 299-2000

NYMEX Holdings, a Delaware corporation, is the parent company of NYMEX and COMEX. NYMEX Holdings exists principally to provide facilities to buy, sell and clear energy, precious and base metals, and soft commodities for future delivery under rules intended to protect the interests of market participants. Measured by 2007 contract volume, NYMEX Holdings is the largest physical commodity-based futures exchange and clearinghouse in the world and the second-largest futures exchange in the United States.

NYMEX, a Delaware corporation and a direct, wholly-owned subsidiary of NYMEX Holdings, is the world's largest physical commodities exchange, offering futures and options trading in energy, metals and other contracts and clearing services for more than 400 off-exchange contracts. Through a hybrid model of open outcry floor trading and electronic trading on the CME Globex electronic platform, as well as clearing off-exchange instruments through NYMEX ClearPort Clearing, NYMEX offers crude oil, petroleum products, natural gas, coal, electricity, gold, silver, copper, aluminum, platinum group metals, emissions, and soft commodities contracts for trading and clearing virtually 24 hours a day.

See The Companies NYMEX Holdings and NYMEX beginning on page 174.

**Table of Contents****Comparative Stock Price and Dividends**

Shares of CME Group Class A common stock are listed on Nasdaq, and shares of NYMEX Holdings common stock are listed on the New York Stock Exchange LLC, or the NYSE. CME Group had been listed on both Nasdaq and the NYSE since 2005, however, on June 30, 2008, CME Group announced its intention to list CME Group Class A common stock solely on Nasdaq. The NYSE delisting was effective as of July 11, 2008. The following table presents the last reported closing sale prices per share of CME Group Class A common stock and NYMEX Holdings common stock, as reported on the NYSE Composite Transaction reporting system and Nasdaq, as applicable, on March 14, 2008 (one trading day prior to the date on which NYMEX Holdings and CME Group publicly announced execution of the Original Merger Agreement) and July 17, 2008 (the last practicable date prior to mailing this joint proxy statement prospectus).

	CME Group Class A Common Stock	NYMEX Holdings Common Stock	NYMEX Holdings Common Stock Equivalent Per Share (1)
March 14, 2008	\$486.05	\$95.34	\$100.30
July 17, 2008	\$334.80	\$78.10	\$ 80.29

- (1) The equivalent per share data for NYMEX Holdings common stock has been determined by multiplying (i) the average closing sale price, rounded to four decimal places, of shares of CME Group Class A common stock on Nasdaq (as reported in the *Wall Street Journal*, New York City edition) for the period of the ten consecutive trading days ending on the applicable date listed in this table by (ii) the sum of (a) \$36.00 divided by the average closing sale price, rounded to four decimal places, of shares of CME Group Class A common stock on Nasdaq (as reported in the *Wall Street Journal*, New York City edition) for the period of the ten consecutive trading days ending on the applicable date listed in this table plus (b) 0.1323. See The Amended Merger Agreement Consideration to be Received in the Merger beginning on page 150.

The most recent quarterly dividend declared by CME Group was \$1.15 per share to be paid on June 25, 2008 to holders of record of CME Group Class A and Class B common stock as of June 10, 2008. CME Group's annual dividend target is approximately 30% of the prior year's cash earnings. The decision to pay a dividend, however, remains with the CME Group board of directors and may be affected by various factors, including earnings, financial condition, capital requirements, level of indebtedness, contractual restrictions and other considerations the board of directors deems relevant. Also, the Amended Merger Agreement provides that, prior to the effective time or termination, CME Group may not declare or pay dividends except quarterly dividends consistent with past practice.

The most recent quarterly dividend declared by NYMEX Holdings was \$0.10 per share to be paid on June 27, 2008 to NYMEX Holdings stockholders of record as of June 6, 2008. The declaration of dividends is subject to the discretion of the NYMEX Holdings board of directors. In its determination of a dividend declaration, the NYMEX Holdings board of directors considers matters such as financial results, capital requirements, the effect on the credit rating of NYMEX Holdings, general business conditions and any other such matters that it believes to be a relevant factor in determining whether or not to declare a dividend. Also, the Amended Merger Agreement provides that, prior to the effective time or termination, NYMEX Holdings may not declare or pay dividends except quarterly dividends consistent with past practice.

See Market Price and Dividend Data beginning on page 176.

**Table of Contents****Summary Historical Financial Data**

CME Group and NYMEX Holdings are providing the following financial information to aid you in your analysis of the financial aspects of the merger. This information is only a summary and you should read it in conjunction with the historical consolidated financial statements of each of CME Group and NYMEX Holdings and the related notes contained in the annual reports and other information that each of CME Group and NYMEX Holdings has previously filed with the SEC and which is incorporated herein by reference. See [Where You Can Find More Information](#) beginning on page 209.

**Summary Historical Consolidated Financial Data of CME Group**

The following summary historical consolidated financial data as of and for the five years ended December 31, 2007 have been derived from CME Group's audited consolidated financial statements. Historical financial data as of and for the quarters ended March 31, 2008 and 2007 have been derived from CME Group's unaudited consolidated financial statements that include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of CME Group for the periods and at the dates presented. Operating results for the quarter ended March 31, 2008 do not necessarily indicate the results that can be expected for the year ending December 31, 2008.

	2007	As of and for the Year Ended December 31,				As of and for the Quarter Ended March 31,	
		2006	2005	2004	2003	2008	2007
		(in millions, except per share data)					
<b>Income Statement Data (1):</b>							
Total revenues	\$ 1,756.1	\$ 1,089.9	\$ 889.8	\$ 721.6	\$ 531.0	\$ 625.1	\$ 332.3
Operating income	1,050.5	621.1	477.9	355.8	201.7	398.6	200.6
Non-operating income (expense)	45.3	50.6	30.5	11.8	4.4	8.6	14.8
Income before income taxes	1,095.8	671.7	508.4	367.7	206.1	407.2	215.4
Net income	658.5	407.3	306.9	219.6	122.1	283.5	130.0
Earnings per share:							
Basic	\$ 15.05	\$ 11.74	\$ 8.94	\$ 6.55	\$ 3.74	\$ 5.28	\$ 3.73
Diluted	14.93	11.60	8.81	6.38	3.60	5.25	3.69
Cash dividends per share	3.44	2.52	1.84	1.04	0.63	1.15	0.86
<b>Balance Sheet Data (end of period):</b>							
Cash and cash equivalents	\$ 845.3	\$ 969.5	\$ 610.9	\$ 357.6	\$ 185.1	\$ 1,066.4	\$ 1,139.8
Marketable securities (2)	203.3	269.5	292.9	302.4	256.5	155.4	219.3
Total assets	20,306.2	4,306.5	3,969.4	2,857.5	4,872.6	19,237.9	4,886.5
Short-term debt	164.4					165.0	
Shareholders' equity	12,305.6	1,519.1	1,118.7	812.6	563.0	13,176.8	1,625.8

- (1) Income statement data for the year ended December 31, 2007 and for the quarter ended March 31, 2008 includes amounts related to the completion of the merger with CBOT Holdings. For more information, see [Notes to the Unaudited Pro Forma Condensed Combined Financial Information for CME Group](#) beginning on page 183.
- (2) Marketable securities include pledged securities of \$100.1 million, \$100.7 million and \$70.2 million at December 31, 2007, 2006 and 2005, respectively, and \$69.8 million and \$65.6 million at March 31, 2008 and 2007, respectively. CME Group did not have pledged securities at December 31, 2004 and 2003.

**Table of Contents****Summary Historical Consolidated Financial Data of NYMEX Holdings**

The following summary historical consolidated financial data as of and for the five years ended December 31, 2007 have been derived from NYMEX Holdings' audited consolidated financial statements. Historical financial data as of and for the quarters ended March 31, 2008 and 2007 have been derived from NYMEX Holdings' unaudited consolidated financial statements that include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of NYMEX Holdings for the periods and at the dates presented. Operating results for the quarter ended March 31, 2008 do not necessarily indicate the results that can be expected for the year ending December 31, 2008.

	2007	As of and for the Year Ended December 31,				As of and for the Quarter Ended March 31,	
		2006	2005	2004	2003	2008	2007
		(in millions, except for per share data)					
<b>Income Statement Data:</b>							
Operating revenues	\$ 673.6	\$ 497.2	\$ 334.1	\$ 237.4	\$ 184.2	\$ 208.9	\$ 164.2
Operating income	409.5	273.1	126.9	50.7	19.2	132.9	95.7
Non-operating income and expense	(14.7)	5.9	4.1	(3.1)	(3.3)	1.5	4.0
Income before income taxes	394.8	278.9	131.0	47.6	15.9	134.4	99.7
Net income	224.0	154.8	71.1	27.4	8.9	71.2	56.2
<b>Earnings per share:</b>							
Basic	\$ 2.37	\$ 2.31	\$ 87,167	\$ 33,538	\$ 10,882	\$ 0.75	\$ 0.60
Diluted	2.36	2.31	87,167	33,538	10,882	0.75	0.59
<b>Proforma earnings per share (1):</b>							
Basic	2.37	1.90	0.97	0.37	0.12	0.75	0.60
Diluted	2.36	1.90	0.97	0.37	0.12	0.75	0.59
Cash dividends per share(1)	1.36	3.76	1.21	0.08	0.06	0.10	
<b>Balance Sheet Data (end of period):</b>							
Total assets	\$ 2,227.2	\$ 3,623.9	\$ 2,808.7	\$ 454.7	\$ 477.7	\$ 2,153.6	\$ 3,453.2
Long-term debt	77.5	80.3	83.1	85.9	88.7	77.5	80.3
Total liabilities	1,301.6	2,849.0	2,698.9	327.9	372.3	1,181.5	2,601.2
Stockholders' equity	925.6	774.9	109.8	126.8	105.4	972.1	852.0

(1) Retroactively adjusted to reflect the 90,000-for-1 recapitalization on March 14, 2006.



**Table of Contents****Summary Unaudited Pro Forma Condensed Combined Financial Data**

The following summary unaudited pro forma condensed combined financial data give effect to the merger of CME Holdings and CBOT Holdings, which was completed on July 12, 2007, and to the anticipated merger of CME Group and NYMEX Holdings. For purposes of preparing the unaudited pro forma condensed combined financial data, both mergers are assumed to have occurred as of or at the beginning of the period presented for the income statement data and as of the end of the period for the balance sheet data.

For purposes of preparing this data, CME Group has assumed that it will pay cash consideration of approximately \$3.4 billion to NYMEX Holdings shareholders. In the event the aggregate cash consideration is oversubscribed, CME Group has the option to increase cash consideration above the mandatory level. Assuming CME Group does not increase the mandatory cash component, the number of shares of CME Group Class A common stock expected to be issued is approximately 12.5 million.

The summary unaudited pro forma condensed combined financial data are presented for illustrative purposes only and should not be read for any other purpose. The companies may have performed differently had they always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that CME Group will experience after the merger. The summary unaudited pro forma condensed combined financial data (i) have been derived from and should be read in conjunction with the Unaudited Pro Forma Condensed Combined Financial Information for CME Group beginning on page 178 and Notes to the Unaudited Pro Forma Condensed Combined Financial Information for CME Group beginning on page 183 and (ii) should be read in conjunction with the historical consolidated financial statements of CME Group and NYMEX Holdings incorporated by reference in this joint proxy statement/prospectus.

	Year Ended December 31, 2007	Quarter Ended March 31, 2008
	(in millions, except per share data)	
<b>Income Statement Data:</b>		
Total revenues	\$ 2,740.7	\$ 817.0
Operating income	1,526.8	517.6
Non-operating income (expense)	(164.7)	(34.7)
Income before income taxes	1,362.1	482.9
Net income	784.2	319.5
Earnings per share:		
Basic	\$ 11.75	\$ 4.82
Diluted	11.68	4.80
Cash dividends per share (1)	3.44	4.60
		<b>At March 31, 2008 (in millions)</b>
<b>Balance Sheet Data:</b>		
Cash and cash equivalents		\$ 391.7
Marketable securities		108.3
Total assets		32,808.6
Short-term debt		165.0
Long-term debt		2,984.3
Shareholders' equity		19,128.1

- (1) CME Group pro forma combined cash dividends per share are the same as the historical amount of cash dividends per share. Under CME Group's current dividend policy, current year dividends are a function of the prior year's cash earnings, calculated as net income plus depreciation and amortization expense (excluding amortization of landlord-funded amounts), plus tax-effected stock-based compensation, plus tax-effected amortization of purchased intangibles, less capital expenditures excluding landlord-funded amounts. The decision to pay a dividend, however, remains at the discretion of the board of directors.



**Table of Contents****Comparative Per Share Data**

The following table sets forth per share information of CME Group and NYMEX Holdings after giving effect to the CBOT Holdings and NYMEX Holdings mergers under the purchase method of accounting. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that CME Group will experience after the merger. The unaudited pro forma condensed combined per share data have been derived from and should be read in conjunction with the Unaudited Pro Forma Condensed Combined Financial Information for CME Group beginning on page 178 and Notes to the Unaudited Pro Forma Condensed Combined Financial Information for CME Group beginning on page 183. The historical per share data have been derived from the historical consolidated financial statements as of and for the periods indicated of CME Group and NYMEX Holdings incorporated by reference in this joint proxy statement/prospectus.

	<b>CME Holdings and CBOT Holdings Pro Forma Combined (1)</b>	<b>Historical NYMEX Holdings</b>	<b>CME Group Pro Forma Combined</b>	<b>Pro Forma Equivalent of One NYMEX Holdings Share (2)</b>
<b>For the year ended or at December 31, 2007:</b>				
Earnings per share (3):				
Basic	\$ 13.22	\$ 2.37	\$ 11.75	\$ 2.85
Diluted	13.13	2.36	11.68	2.83
Cash dividend per share (4)	3.44	n/a	3.44	0.83
Book value per share	230.97	9.85	n/a	n/a
Outstanding shares (in millions) (6)	53.3	94.0	65.8	n/a
<b>For the quarter ended or at March 31, 2008:</b>				
Earnings per share (3):				
Basic	\$ 5.28	\$ 0.75	\$ 4.82	\$ 1.17
Diluted	5.25	0.75	4.80	1.16
Cash dividend per share (4)	4.60	n/a	4.60	1.11
Book value per share (5)	241.83	10.34	285.37	69.13
Outstanding shares (in millions) (6)	54.5	94.0	67.0	n/a

- (1) Calculated as if the CME Holdings and CBOT Holdings merger had been completed on January 1, 2007.
- (2) The pro forma NYMEX Holdings equivalent per share amounts were calculated by multiplying CME Group pro forma combined amounts by the ratio of (i) \$36.00 per share of NYMEX Holdings common stock plus the Exchange Ratio times the average closing sale price of CME Group common stock for the ten consecutive trading days ending on July 15, 2008 to (ii) the average closing sale price of CME Group Class A common stock for the ten consecutive trading days ending on July 15, 2008.
- (3) The pro forma combined diluted earnings per share amount is based on the combined weighted average number of shares of common stock and common stock equivalents. Common stock equivalents consist of common stock issuable upon the exercise of outstanding stock options and vesting of restricted stock awards.
- (4) The historical amount represents cash dividends per share under CME Group's current dividend policy. CME Group pro forma combined cash dividends per share are the same as historical since no change in dividend policy is expected as a result of the merger. Under CME Group's current dividend policy, current year dividends are a function of the prior year's cash earnings, calculated as net income plus depreciation and amortization expense (excluding any amortization of landlord-funded amounts), plus tax-effected stock-based compensation, plus tax-effected amortization of purchased intangibles, and less capital expenditures (excluding landlord-funded amounts). The decision to pay a dividend, however, remains at the discretion of the board of directors.
- (5) We computed historical book value per share by dividing NYMEX Holdings' total stockholders' equity as of March 31, 2008 by the number of common shares outstanding at that date. We computed CME Group's pro forma combined book value per share amounts by dividing pro forma shareholders' equity by the pro forma number of shares of CME Group common stock outstanding as of March 31, 2008. See Unaudited Pro Forma Condensed Combined Financial Information for CME Group - CME Group Unaudited Pro Forma Condensed Combined Balance Sheet on page 180. The pro forma combined number of shares of CME Group common stock was calculated as the sum of total shares of CME Group common stock outstanding plus the shares expected to be issued in the merger.
- (6) Calculations assume that holders of NYMEX Holdings common stock will receive aggregate cash consideration of approximately \$3.4 billion. Assuming CME Group does not increase the mandatory cash component, the number of shares of CME Group Class A common stock expected to be issued is approximately 12.5 million.



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**RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including each of CME Group's and NYMEX Holdings' Annual Reports on Form 10-K for the fiscal year ended December 31, 2007 and the matters addressed under the heading "Forward-Looking Statements" beginning on page 41 of this joint proxy statement/prospectus, you should carefully consider the following risk factors in deciding whether to vote in favor of the proposals described in this joint proxy statement/prospectus.*

***Because the market price of CME Group Class A common stock will fluctuate, NYMEX Holdings stockholders cannot be sure of the value of the merger consideration they will receive.***

Upon completion of the merger, for each share of NYMEX Holdings common stock that they own, NYMEX Holdings stockholders will be entitled to receive, at their election and subject to proration as described below, consideration in the form of either CME Group Class A common stock or cash. The cash consideration per share of NYMEX Holdings common stock for which a valid cash election has been made will be equal to (i) \$36.00 plus (ii) the Average CME Group Share Price, times 0.1323. The stock consideration per share of NYMEX Holdings common stock for which a valid stock election has been made will be a number of shares of CME Group Class A common stock equal to the cash consideration payable per share of NYMEX Holdings common stock for which an election to receive cash has been made divided by the Average CME Group Share Price. The Average CME Group Share Price for purposes of this calculation may differ from the closing price on the date we announced the merger, on the date that this joint proxy statement/prospectus was mailed, on the dates of the special meetings, on the date that is the deadline for making an election, on the effective time of the merger and on the date you receive the merger consideration. Because the merger consideration will not be adjusted to reflect any changes in the market price of CME Group Class A common stock prior to the effective time of the merger, the market value of the CME Group Class A common stock issued in the merger and the NYMEX Holdings common stock surrendered in the merger may be higher or lower than the values of these shares on earlier dates.

Any change in the market price of CME Group Class A common stock prior to completion of the merger will affect the value of the merger consideration that NYMEX Holdings stockholders will receive upon the completion of the merger. Accordingly, at the time of the special meeting of NYMEX Holdings stockholders and prior to the election deadline, NYMEX Holdings stockholders will not necessarily know or be able to calculate the amount of the cash consideration or the value of the stock consideration they would receive upon the completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, governmental actions, legal proceedings and developments, market assessments of the benefits of the merger, the likelihood that the merger will be completed and the timing of completion, the prospects of post-merger operations, regulatory considerations and other factors. Many of these factors are beyond our control. Neither CME Group nor NYMEX Holdings is permitted to terminate the Amended Merger Agreement solely because of changes in the market price of the other party's common stock. In addition, the merger may not be completed until a significant period of time has passed after the special meetings. As a result, the market values of CME Group Class A common stock and NYMEX Holdings common stock may vary significantly from the date of the special meetings to the date of the completion of the merger. You are urged to obtain up-to-date prices for CME Group Class A common stock and NYMEX Holdings common stock.

***The ability of NYMEX Holdings stockholders to elect to receive cash and/or shares of CME Group Class A common stock in exchange for their shares of NYMEX Holdings common stock will be subject to proration in the event of an oversubscription or undersubscription of the cash election.***

The cash election and stock election available to NYMEX Holdings stockholders in the merger is subject to proration to ensure the total amount of cash paid, and the total number of shares of CME Group Class A common

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stock issued, in the merger to the NYMEX Holdings stockholders, as a whole, will equal the total amount of cash and the number of shares that would be paid and issued if all of the NYMEX Holdings stockholders received \$36.00 in cash and 0.1323 shares of CME Group Class A common stock per share of NYMEX Holdings common stock. As a result, the form of consideration that any NYMEX Holdings stockholder receives will not be known at the time that he or she makes his or her elections because the consideration will depend on the total number of NYMEX Holdings shares for which either a cash election or stock election is made. In the event that the aggregate cash consideration is undersubscribed, NYMEX Holdings stockholders who elected to receive stock consideration in the merger will receive a portion of their consideration in cash. In the event that the aggregate cash consideration is oversubscribed, CME Group has the option to increase the aggregate cash consideration above the mandatory cash component, subject to certain limitations, and/or provide a portion of the consideration payable to NYMEX Holdings stockholders who elected to receive cash consideration in the merger in the form of CME Group Class A common stock. Accordingly, NYMEX Holdings stockholders may not receive exactly the amount and type of consideration that they elected to receive in the merger, which could result in, among other things, tax consequences that differ from those that would have resulted if they had received the form of consideration that they had elected (including the potential recognition of gain for U.S. federal income tax purposes if they receive cash).

Because there is no way to predict the value of shares of CME Group Class A common stock after the merger, the value of the consideration that NYMEX Holdings stockholders will receive in the merger may vary depending on the type of election that they made for each share of NYMEX Holdings common stock. The amount of consideration to be received for each share of NYMEX Holdings common stock (regardless of whether such share is subject to a cash election or a stock election) is based on the Average CME Group Share Price, as set forth in the Amended Merger Agreement. This Average CME Group Share Price, however, may be different from the actual value of a share of CME Group Class A common stock upon completion of the merger. As a result, the value of the consideration received by NYMEX Holdings stockholders who make any particular election for each of their shares may vary from the value of the consideration received by NYMEX Holdings stockholders who make a different combination of elections.

For a discussion of the election mechanism and the consideration paid per share of NYMEX Holdings common stock for which either a cash election or a stock election has been made, see *The Amended Merger Agreement Consideration to be Received in the Merger* beginning on page 150. For a discussion of the material U.S. federal income tax consequences of the merger, see *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 169.

***We may fail to realize all of the anticipated benefits of the merger.***

The success of the merger will depend, in part, on our ability to achieve the anticipated cost synergies and other strategic benefits from combining the businesses of CME Group and NYMEX Holdings. We expect CME Group to benefit from operational synergies resulting from the consolidation of capabilities and elimination of redundancies as well as greater efficiencies from increased scale. However, to realize these anticipated benefits, we must successfully combine the businesses of CME Group and NYMEX Holdings. If we are not able to achieve these objectives, the anticipated cost synergies and other strategic benefits of the merger may not be realized fully or at all or may take longer to realize than expected. We may fail to realize some or all of the anticipated benefits of the transaction in the amounts and times projected for a number of reasons, including that the integration may take longer than anticipated, be more costly than anticipated or have unanticipated adverse results relating to CME Group's or NYMEX Holdings' existing businesses.

***The integration of the businesses and operations of CME Group and NYMEX Holdings involves risks, and the failure to integrate successfully the businesses and operations in the expected time frame may adversely affect CME Group's future results.***

Historically, CME Group and NYMEX Holdings have operated as independent companies, and they will continue to do so until the completion of the merger. The management of CME Group may face significant

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challenges in consolidating the functions of CME Group and NYMEX Holdings and their subsidiaries, integrating their technologies, organizations, procedures, policies and operations, as well as addressing differences in the business cultures of the two companies and retaining key personnel. In connection with the merger, CME Group expects to integrate certain operations of CME Group and NYMEX Holdings, including, among other things, back-office operations, information technology and regulatory compliance. However, the combined company will continue to operate a NYMEX trading floor at its existing location or an alternative location in New York, New York, through December 31, 2012, and thereafter as long as both revenue and profitability thresholds are met. Given that previously CME Group has not operated a trading floor in a geographic location that is remote from its headquarters in Chicago, Illinois, continuing to operate a NYMEX trading floor in New York, New York after the merger may present unique challenges. The integration of the two companies will be complex and time consuming, and require substantial resources and effort. The integration process and other disruptions resulting from the merger may disrupt each company's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect our relationships with members of CME, CBOT and NYMEX and other market participants, employees, regulators and others with whom we have business or other dealings. If CME Group fails to manage the integration of these businesses effectively, its growth strategy and future profitability could be negatively affected, and it may fail to achieve the intended benefits of the merger.

***CME Group and NYMEX Holdings will incur transaction, integration and restructuring costs in connection with the merger.***

CME Group and NYMEX Holdings expect to incur significant costs associated with transaction fees, professional services and other costs related to the merger. Specifically, CME Group and NYMEX Holdings expect to incur approximately \$142 million for transaction costs related to the merger. CME Group also will incur integration and restructuring costs following the completion of the merger as CME Group integrates the business of NYMEX Holdings with that of CME Group. Although CME Group and NYMEX Holdings expect that the realization of efficiencies related to the integration of the businesses will offset incremental transaction, merger-related and restructuring costs over time, this net benefit may not be achieved in the near term, or at all.

***The fairness opinions obtained by CME Group and NYMEX Holdings from their respective financial advisors will not reflect changes in circumstances between signing the Original Merger Agreement and completion of the merger.***

CME Group and NYMEX Holdings have not obtained updated opinions as of the date of this joint proxy statement/prospectus from Lehman Brothers, Goldman Sachs and William Blair, CME Group's financial advisors, or JPMorgan and Merrill Lynch, NYMEX Holdings' financial advisors. Changes in the operations and prospects of CME Group or NYMEX Holdings, general market and economic conditions and other factors which may be beyond the control of CME Group or NYMEX Holdings, and on which the fairness opinions were based, may alter the value of CME Group or NYMEX Holdings or the prices of CME Group Class A common stock, NYMEX Holdings common stock by the time the merger is completed. The opinions are based on the information in existence on the date delivered and will not be updated as of the time the merger will be completed. Because CME Group and NYMEX Holdings currently do not anticipate asking their respective financial advisors to update their opinions, the opinions given at the time the Original Merger Agreement was signed do not address the fairness of the merger consideration, from a financial point of view, at the time of the special meetings or at the time the merger is completed. For a description of the opinions that CME Group and NYMEX Holdings received from their respective financial advisors, please refer to The Merger Opinion of Lehman Brothers, Financial Advisor to CME Group beginning on page 82, The Merger Opinion of Goldman Sachs, Financial Advisor to CME Group beginning on page 90, The Merger Opinion of William Blair, Financial Advisor to CME Group beginning on page 100, The Merger Opinion of JPMorgan, Financial Advisor to NYMEX Holdings beginning on page 107, The Merger Opinion of Merrill Lynch, Financial Advisor to NYMEX Holdings beginning on page 115 and The Merger Opinion of Sandler O'Neill, Financial Advisor to NYMEX Holdings beginning on page 123. For a description of the other factors considered by the boards of directors of CME Group and NYMEX Holdings in determining to approve the merger, please refer to

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The Merger CME Group's Reasons for the Merger; Recommendation of CME Group's Board of Directors beginning on page 76 and The Merger NYMEX Holdings' Reasons for the Merger; Recommendation of NYMEX Holdings' Board of Directors beginning on page 79, respectively.

***The Amended Merger Agreement limits NYMEX Holdings' ability to pursue alternatives to the merger.***

NYMEX Holdings has agreed that it will not initiate or solicit or knowingly facilitate or encourage any inquiries or proposals regarding, or take certain other actions in connection with, any acquisition proposals by third parties, subject to limited exceptions, unless its board of directors determines in good faith, after consultation with its legal and financial advisors, that such inquiry or proposal constitutes a superior proposal or could reasonably be expected to lead to a superior proposal and that the failure to take such action could reasonably be expected to violate its fiduciary duties under applicable law. NYMEX Holdings has also agreed that its board of directors will not change its recommendation to its stockholders or approve any alternative agreement, subject to limited exceptions, including that, at any time prior to the adoption of the Amended Merger Agreement by the NYMEX Holdings stockholders, the NYMEX Holdings board of directors may make a change in recommendation in response to a superior proposal or an intervening event if the NYMEX Holdings board of directors determines in good faith, after consultation with its legal and financial advisors, that the failure to do so would reasonably be expected to violate its fiduciary duties to the NYMEX Holdings stockholders. In any event, the NYMEX Holdings board of directors may not change its recommendation unless it provides notice to CME Group that it is prepared to change its recommendation and gives CME Group five business days to make a proposal that the NYMEX Holdings board of directors determines is at least as favorable to the NYMEX Holdings stockholders as such superior proposal or obviates the need to change its recommendation in response to an intervening event. Notwithstanding a change in recommendation by the NYMEX Holdings board of directors, CME Group has the option, exercisable within five business days after such change in recommendation, to cause the NYMEX Holdings board of directors to submit the Amended Merger Agreement to the NYMEX Holdings stockholders for the purpose of adopting the Amended Merger Agreement. For a discussion of the solicitation restriction, see The Amended Merger Agreement No Solicitation of Alternative Transactions beginning on page 157. In addition, under specified circumstances, CME Group or NYMEX Holdings may be required to pay a termination fee of \$308.1 million if the merger is not consummated. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of NYMEX Holdings from considering or proposing an acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire NYMEX Holdings than it might otherwise have proposed to pay.

***CME Group's and NYMEX Holdings' executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of CME Group stockholders and NYMEX Holdings stockholders.***

Executive officers and directors of CME Group and NYMEX Holdings negotiated the terms of the Amended Merger Agreement, and CME Group's and NYMEX Holdings' boards of directors approved and recommended that their stockholders vote to approve the CME Group Amended Charter and the Stock Issuance and adopt the Amended Merger Agreement, respectively. These executive officers and directors may have interests in the merger that are different from, or in addition to, those of CME Group and NYMEX Holdings stockholders generally. These interests include the continued employment of certain executive officers of CME Group and NYMEX Holdings with CME Group, the continued service of directors of CME Group and certain directors of NYMEX Holdings as NYMEX Directors, the accelerated vesting of equity awards granted to executive officers of NYMEX Holdings, and the indemnification of former NYMEX Holdings directors and executive officers by CME Group. In addition, pursuant to existing employment agreements, certain executive officers of NYMEX Holdings could receive substantial payments in connection with the merger, and NYMEX Holdings could also be obligated to make gross-up payments to certain of those executives for the amount of



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certain taxes resulting from some of these payments. See *The Merger Interests of CME Group Executive Officers and Directors in the Merger* beginning on page 129 and *The Merger Interests of NYMEX Holdings Executive Officers and Directors in the Merger* beginning on page 129.

***A majority of NYMEX Holdings directors have interests in the merger that are different from, or in addition to, the interests of other NYMEX Holdings stockholders with respect to the rights of NYMEX Class A members.***

A majority of the directors of NYMEX Holdings are NYMEX Class A members. If the merger is consummated, each NYMEX Class A member as of the effective time of the merger who executes and delivers a waiver and release within 60 days after consummation of the merger will receive the Membership Rights Payment with respect to each NYMEX Class A membership such member owns of record. See *NYMEX Class A Membership Rights Payment* beginning on page 164 for additional information. See *Additional Risks Relating to NYMEX Class A members* The NYMEX Amended Charter and the NYMEX Amended Bylaws will result in the elimination of substantially all of the NYMEX Class A members' rights under the existing certificate of incorporation and bylaws of NYMEX beginning on page 39 and *The Special Meeting of NYMEX Class A Members* beginning on page 52 for additional information on the impact of the merger and related transactions on the rights of NYMEX Class A members. As a result of these interests, directors of NYMEX Holdings who are NYMEX Class A members could have had an incentive to negotiate the terms and conditions of the merger and related transactions to increase or protect their rights as NYMEX Class A members or to increase the amount of the Membership Rights Payments. In considering these facts and the other information contained in this joint proxy statement/prospectus, you should be aware of these interests.

***The unaudited pro forma financial information included in this joint proxy statement/prospectus may not be indicative of what CME Group's actual financial position or results of operations would have been.***

The unaudited pro forma financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what CME Group's actual financial position or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to NYMEX Holdings' net assets. The purchase price allocation reflected in this joint proxy statement/prospectus is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of NYMEX Holdings as of the date of the completion of the merger. In addition, subsequent to the completion of the merger, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus. See *Unaudited Pro Forma Condensed Combined Financial Information for CME Group* beginning on page 178 for more information.

***CME Group and NYMEX Holdings are parties to pending lawsuits in connection with the merger.***

There are two purported class action complaints pending against NYMEX Holdings, the NYMEX Holdings board of directors, CME Group and Merger Sub in the Delaware Court of Chancery.

The stockholder complaint, amended as of June 26, 2008, is a purported consolidated class action on behalf of the stockholder plaintiffs which alleges, among other things, that the NYMEX Holdings board of directors breached their fiduciary duties in approving the Original Merger Agreement by exclusively negotiating a transaction with CME Group without regard to the fairness of the transaction to the NYMEX Holdings stockholders, failing to take steps to maximize stockholder value, failing to cap the minimum price of NYMEX Holdings' stock, failing to properly value NYMEX Holdings, and failing to fully disclose material information

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related to the merger, including financial information and information necessary to prevent statements contained in the preliminary proxy from being misleading. The stockholder complaint further alleges that CME Group and Merger Sub aided and abetted the alleged breach of fiduciary duties. The stockholder plaintiffs seek to enjoin the merger.

The member complaint is a purported class action on behalf of the member plaintiffs which alleges, among other things, that the NYMEX Holdings board of directors breached their fiduciary duties in approving the Original Merger Agreement by failing to take steps to maximize the value of the NYMEX Class A memberships to member plaintiffs, taking steps to avoid competitive bidding, capping the price of NYMEX Class A memberships, giving CME Group an unfair advantage by, among other things, failing to solicit other potential acquirors or alternative transactions, failing to disclose in the preliminary proxy that NYMEX Holdings did not seek an opinion by an investment banker as to whether the proposed consideration was fair to the NYMEX Class A members, and failing to properly value NYMEX or the NYMEX Class A memberships by, among other things, refusing to pay royalties member plaintiffs allege are due under Section 311(G) of the bylaws of NYMEX and ignoring lease income derived by members. The member complaint further alleges that CME Group aided and abetted the alleged breaches of fiduciary duties. The member complaint seeks to enjoin the merger.

NYMEX Holdings, the NYMEX Holdings board of directors and CME Group intend to defend vigorously against these allegations. For further information regarding the foregoing lawsuits, please see *The Merger Legal Proceedings Regarding the Merger* beginning on page 141.

***Completion of the merger is subject to the receipt of consents and approvals from, or the making of filings with, government entities that could delay completion of the merger or impose conditions that could have a material adverse effect on CME Group or that could cause abandonment of the merger.***

The merger is subject to review under the HSR Act by either the Antitrust Division of the U.S. Department of Justice or the U.S. Federal Trade Commission. Under this statute, CME Group and NYMEX Holdings are required to make pre-merger notification filings and to await the expiration of the statutory waiting period prior to completing the merger. On June 16, 2008, CME Group and NYMEX Holdings received a notice of early termination of the HSR Act waiting period from the U.S. Department of Justice and the U.S. Federal Trade Commission to complete our proposed transaction without any conditions. Notwithstanding this decision by the federal antitrust authorities, we cannot assure you that a challenge to the merger on antitrust grounds will not be made or, if such a challenge is made, that any such challenge will not be successful. Any such challenge may seek to impose a preliminary or permanent injunction, conditions on the completion of the merger or require changes to the terms of the merger. While we do not currently expect an antitrust challenge or that any such preliminary or permanent injunction, conditions or changes would be imposed, we cannot assure you that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on us or limiting the revenues of CME Group following the merger, any of which might have a material adverse effect on CME Group following the merger. Neither CME Group nor NYMEX Holdings is obligated to complete the merger if any such conditions, individually or in the aggregate, would reasonably be expected to result in (i) a material impairment of the expected benefits of the merger or (ii) a material impact on CME Group or NYMEX Holdings following the merger. Additionally, the merger is subject to necessary approvals from certain governmental entities and regulators. In particular, the merger will eliminate substantially all of the NYMEX Class A members' existing rights and replace them with certain new post-closing trading rights and privileges. Rules to implement these changes will be filed with the Commodity Futures Trading Commission, or CFTC, under the Commodity Exchange Act on a conditional basis in advance of the effective time of the merger so that they may be placed into effect immediately upon the effective time of the merger. Although we expect that in most cases these rule changes will be self-certified in accordance with the Commodity Exchange Act, certain rules may be submitted for approval of the CFTC. While we do not currently expect a delay in connection with the CFTC's review and/or approval of the rules to implement these changes, we cannot assure you that such delay will not occur. See *Regulatory Approvals* beginning on page 167.

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***Any delay in completion of the merger may significantly reduce the benefits expected to be obtained from the merger.***

In addition to the required regulatory clearances and approvals, the merger is subject to a number of other conditions beyond our control that may prevent, delay or otherwise negatively affect its completion. See *Regulatory Approvals* beginning on page 167 and *The Amended Merger Agreement Conditions to Complete the Merger* beginning on page 160. We cannot predict whether and when these other conditions will be satisfied. Any delay in completing the merger may significantly reduce the cost and revenue synergies and other benefits that we expect to achieve if we successfully complete the merger within the expected timeframe and integrate our respective businesses.

***CME Group may incur significant indebtedness in order to finance the merger, which may limit CME Group's operating flexibility.***

In order to finance the cash portion of the merger consideration, CME Group expects to incur incremental borrowings of \$2.5 billion to \$4.0 billion. CME Group is currently in the advanced stages of negotiations with potential lenders. As of March 31, 2008, on a pro forma basis after giving effect to the merger, assuming that CME Group pays the mandatory cash component of the merger consideration to NYMEX Holdings stockholders of \$3.4 billion, CME Group would have had \$3.0 billion in indebtedness outstanding. This level of indebtedness may:

require CME Group to dedicate a significant portion of its cash flow from operations to payments on its debt, thereby reducing the availability of cash flow to fund capital expenditures, to pursue other acquisitions or investments in new technologies, to pay dividends and for general corporate purposes;

increase CME Group's vulnerability to general adverse economic conditions, including increases in interest rates if the borrowings bear interest at variable rates; and

limit CME Group's flexibility in planning for, or reacting to, changes in or challenges relating to its business and industry.

We expect the terms of the financing obligations to include customary negative and affirmative covenants and a financial covenant relating to the maintenance of consolidated net worth. In addition, to the extent that the credit ratings of CME Group are below pre-merger levels, borrowing costs may increase, and to the extent that the credit ratings are below investment grade, the terms of the financing obligations could include more restrictive affirmative, negative and financial covenants and conditions to borrowing, subsidiary guarantees and stock pledges. A failure to comply with these restrictions could result in a default under the financing obligations or could require CME Group to obtain waivers from its lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could have a material adverse effect on CME Group's business, financial condition or results of operations.

***CME Group stockholders' ownership percentage will be diluted and the merger will result in dilution to earnings per share.***

In connection with the merger, CME Group will issue to NYMEX Holdings stockholders shares of CME Group Class A common stock. As a result of the issuance of these shares of CME Group Class A common stock, CME Group stockholders will own a smaller percentage of CME Group after the merger than they held in CME Group prior to the merger. Based on the number of shares of common stock of CME Group and NYMEX Holdings outstanding on March 14, 2008, the last trading day prior to the public announcement of the execution of the Original Merger Agreement, and assuming that CME Group pays to NYMEX Holdings stockholders the mandatory cash component of the merger consideration of \$3.4 billion, immediately after the completion of the merger, CME Group stockholders immediately prior to the merger will own approximately 81.4% of the common stock of CME Group and NYMEX Holdings stockholders immediately prior to the merger will own approximately 18.6% of the common stock of CME Group. The merger will also result in significant dilution to the earnings per share of CME Group prior to the merger. For more information on the dilution to CME Group's earnings per share, see *Unaudited Pro Forma Condensed Combined Financial Information for CME Group* beginning on page 178.

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***CME Group Class A common stock may be affected by factors different from those affecting the price of NYMEX Holdings common stock.***

Upon completion of the merger, holders of NYMEX Holdings common stock will become holders of CME Group Class A common stock. While CME Group and NYMEX Holdings operate in the same industry, certain factors may affect CME Group's business, results of operations and the price of its Class A common stock that might not similarly affect NYMEX Holdings' business, results of operations and the price of its common stock. For a discussion of CME Group's and NYMEX Holdings' businesses and certain factors to consider in connection with such businesses, see Management's Discussion and Analysis of Financial Condition and Results of Operations in each of CME Group's and NYMEX Holdings' Annual Reports on Form 10-K for the year ended December 31, 2007, Quarterly Reports on Form 10-Q for the quarter ended March 31, 2008 and other documents incorporated by reference herein.

***The merger may become fully taxable to NYMEX Holdings stockholders if the price of CME Group Class A common stock declines significantly and other specified actions are taken by CME Group and NYMEX Holdings.***

The structure of the merger could change from a forward merger, where you generally would recognize gain or loss only to the extent of the cash consideration you receive in the merger, into a taxable reverse merger whereby Merger Sub would be merged with and into NYMEX Holdings. If the transaction were to proceed as a reverse merger, you would recognize gain or loss, regardless of the type of consideration received, in an amount equal to the difference between (i) the sum of the cash and the fair market value of shares of CME Group Class A common stock you receive in the merger and (ii) your adjusted basis in the shares of NYMEX Holdings common stock you exchange in the merger.

The structure will change to a taxable reverse merger only if:

tax counsel to either CME Group or NYMEX Holdings is unable to render an opinion at the effective time of the merger that the forward merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning Section 368(a) of the Code and that each of CME Group, NYMEX Holdings and Merger Sub will be a party to a reorganization within the meaning of Section 368(b) of the Code; and

NYMEX Holdings elects, in its sole discretion, to restructure the proposed transaction as a taxable reverse merger. In the event NYMEX Holdings elects to have the merger proceed as a reverse merger, CME Group may elect to increase the amount of cash consideration paid to you up to the total amount of consideration you receive in the merger.

For more detail on the tax consequences of a reverse merger, please refer to the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 169.

***Owners of NYMEX Class A memberships are entitled to receive potential revenue payments from electronic trading, some of which could be triggered or paid before completion of the merger. NYMEX's interpretation with respect to these revenue payment rights is subject to challenge. These rights will be eliminated if the merger is completed.***

On March 13, 2006, the NYMEX Class A members voted to approve a 10% equity investment by General Atlantic LLC and certain of its affiliates, or General Atlantic, in NYMEX Holdings. As part of this transaction, the bylaws of NYMEX were amended and restated. Section 311(G) of the bylaws of NYMEX, or Bylaw Section 311(G), was created to provide a potential revenue stream to owners of NYMEX Class A memberships from the electronic trading of certain NYMEX Division listed products (as so designated in the bylaws of NYMEX) for which open outcry trading either: (i) later terminated; or (ii) effectively terminated as a result of a shift to at least 90% electronic trading.

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On April 23, 2008, NYMEX issued Notice to Members No. 217, explaining that, for any applicable NYMEX Division listed product, a shift triggering revenue payments to the owners of NYMEX Class A memberships under Bylaw Section 311(G) occurs following the end of two consecutive fiscal quarters in which, during each quarter, the average quarterly electronic trading volume has equaled or exceeded 90% of the Contract Volume in such product, or the Shift Date. Contract Volume includes all NYMEX contract volume that is regularly reported by NYMEX Holdings in its quarterly financial reports, including transactions submitted for clearing via NYMEX ClearPort Clearing and all futures resulting from the exercise or assignment of options.

The Shift Date may occur for one or more applicable NYMEX Division listed products prior to the completion of the merger, and would result in electronic trading revenue accruals or payments to the owners of NYMEX Class A memberships. However, any right of the owners of NYMEX Class A memberships to receive such revenue payments under Bylaw Section 311(G) will be eliminated as a result of the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws by the owners of Class A Memberships as a condition to the merger. See Additional Risks Relating to NYMEX Class A Members beginning on page 39.

During a recent review of documents, NYMEX discovered that, as a result of a typographical error, Appendix H of the February 10, 2006 NYMEX Class A member proxy statement materials inadvertently contained two parentheticals from an earlier internal draft of Bylaw Section 311(G). The final version, which did not include the two parentheticals, was approved and recommended to members by the NYMEX board of directors, agreed to by General Atlantic as a condition to its investment and described in the body of the February 10, 2006 NYMEX Class A member proxy statement. The two parentheticals incorrectly provided that the potential revenue payments under Bylaw Section 311(G) could apply to future products which only traded electronically. The two parentheticals, in context, read as follows: if at least 90% of Contract Volume of such applicable NYMEX Division product is from electronic trading (*including future products which only trade electronically and therefore immediately meet this threshold*) then in such case the owners of Class A memberships shall, at the time of shift to electronic trading (*including immediately upon the creation of future products which only trade electronically*), be entitled to receive the Bylaw Section 311(G) revenue payments. Because the inclusion of revenue payments from new products that only trade electronically, as reflected in the two parentheticals, was rejected by General Atlantic and the NYMEX board of directors during their negotiations, a NYMEX Holdings press release dated February 7, 2006 (which was filed as additional proxy solicitation materials prior to the NYMEX Class A members meeting to approve the amended bylaws of NYMEX) specifically stated: This royalty payment is limited to open outcry products for which the trading floor closes or for which 90% of the trading volume shifts to electronic trading. Trading rights owners will not be entitled to any royalty payment or trading revenue from new products that have only traded electronically. NYMEX believes that the operative bylaws of NYMEX (which have been continuously posted on NYMEX Holdings website) do not contain the incorrect parentheticals and do not provide revenue payments to members for future products which only trade electronically. Any alleged payments associated with the trading revenue from new products that have only traded electronically to date would be less than \$50.00 per Class A Membership.

There can be no assurance that NYMEX's interpretation regarding Bylaw Section 311(G) will not be challenged.

### **Additional Risks Relating to NYMEX Class A Members**

***The NYMEX Amended Charter and the NYMEX Amended Bylaws will result in the elimination of all of the NYMEX Class A members rights under the existing certificate of incorporation and bylaws of NYMEX.***

The consummation of the merger is conditioned on, among other things, the approval by the owners of 75% of the outstanding NYMEX Class A memberships of changes to the certificate of incorporation and bylaws of NYMEX, which eliminate substantially all of the NYMEX Class A members existing rights and replace them with certain new post-closing trading rights and privileges. The loss of these rights will reduce the ability of NYMEX

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Class A members to influence the management of NYMEX following the merger. In addition, following the merger, NYMEX Class A members will no longer constitute a majority of each of the NYMEX and NYMEX Holdings boards of directors. For additional information regarding the changes to the existing certificate of incorporation and bylaws of NYMEX in connection with the merger, see the section entitled "The Special Meeting of NYMEX Class A Members Proposal 1 Approval of the NYMEX Amended Charter" beginning on page 54 and "The Special Meeting of NYMEX Class A Members Proposal 2 Approval of the NYMEX Amended Bylaws" beginning on page 57.

### **Additional Risks Relating to Our Businesses**

*Regulatory developments with respect to the futures and over-the-counter markets, and in particular, with respect to speculative trading in commodity interests and derivative contracts, could have a negative impact on our businesses.*

A number of bills have been introduced in Congress in response to high energy and commodity prices. These bills generally target perceived excessive speculation on regulated futures markets, unregulated futures markets and over-the-counter markets. These bills propose to control such perceived excessive speculation by a number of means, including: (1) increasing margins; (2) imposing federally mandated speculative limits; (3) eliminating certain exemptions from speculative limits; (4) imposing additional reporting requirements; and (5) otherwise restricting the access of certain classes of investors to futures markets. We cannot predict whether any of these regulatory changes will occur or how they will ultimately affect our businesses. The adoption of this proposed legislation could require us to change how we conduct our businesses and limit our growth opportunities. We generate revenues primarily from our clearing and transaction fees. Each of these revenue sources is substantially dependent on the trading volume in our markets and in the markets to which we provide processing services. If the amount of trading volume decreases as result of this pending legislation, our revenues from these sources will decrease. A reduction in our total trading volume could also render us less attractive to market participants as a source of liquidity relative to our competitors and could result in further losses of trading volume and the associated clearing and transaction fees and processing services revenue. Accordingly, to the extent that a bill attempting to control speculative trading in commodity interests and derivative contracts is enacted and applies to all markets, our trading volume, open interest and financial results could be negatively affected.

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**FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements regarding the financial condition, results of operations, earnings outlook and business prospects of CME Group and NYMEX Holdings and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as expects, projects, anticipates, believes, intends, estimates, strategy, plan, potential, possible and other similar expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either CME Group or NYMEX Holdings to predict results or actual effects of its plans and strategies, or those of the combined company after the merger, is inherently uncertain. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under Risk Factors and those discussed in the filings of each of CME Group and NYMEX Holdings that are incorporated herein by reference, as well as the following:

expected cost savings from the merger may not be fully realized within the expected time frames or at all;

changes in both companies' businesses during the period between now and the completion of the merger may have an adverse impact on CME Group and/or NYMEX Holdings;

our ability to obtain regulatory approvals of the merger on the proposed terms and schedule;

the risk that the businesses of CME Group and NYMEX Holdings will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;

the risk of an unfavorable judgment or ruling in the class action litigation;

revenues following the merger may be lower than expected;

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 and implementation of the enhanced functionality required by our customers;

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;

our ability to adjust our fixed costs and expenses if our revenues decline;

our ability to continue to generate revenues from our processing services;

our ability to maintain existing customers and strategic relationships and attract new ones;

our ability to expand and offer our products in foreign jurisdictions;

changes in domestic and foreign regulations;

changes in government policy, including policies relating to common or directed clearing or changes as a result of the combination of the SEC and CFTC;

the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others;

our ability to generate revenue from our market data that may be reduced or eliminated by decreased demand or by the growth of electronic trading;

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;



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the ability of our financial safeguards package to adequately protect us from the credit risks of clearing firms;

the ability of our compliance and risk management methods to effectively monitor and manage our risks;

changes in price levels and volatility in the derivatives markets and in underlying fixed income, equity, foreign exchange and commodities markets;

economic, political and market conditions;

natural disasters and other catastrophes;

our ability to accommodate increases in trading volume without failure or degradation of performance of our 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 acquisition, investment and alliance strategy;

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 on futures and options on futures transactions;

other risks detailed in both companies' filings with the SEC;

changes in the regulation of our industry as a result of a combination of the SEC and CFTC; and

changes in the regulation of our industry with respect to speculative trading in commodity interests and derivative contracts.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to CME Group or NYMEX Holdings or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, CME Group and NYMEX Holdings undertake no obligation to update these forward-looking statements to reflect events or circumstances after the

date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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**THE SPECIAL MEETING OF CME GROUP STOCKHOLDERS**

**General**

This joint proxy statement/prospectus is being furnished to CME Group stockholders in connection with the solicitation of proxies by the CME Group board of directors to be used at the special meeting of CME Group stockholders to be held on Monday, August 18, 2008 at 3:00 p.m., Chicago time, at Union League Club of Chicago, 65 West Jackson, Chicago, Illinois, and at any adjournment or postponement of that meeting. This joint proxy statement/prospectus and the enclosed proxy card are being sent to CME Group stockholders on or about July 21, 2008.

**Purpose of the Special Meeting of CME Group Stockholders**

At the special meeting of CME Group stockholders, holders of CME Group Class A and Class B common stock will be asked to consider and vote on the following proposals to:

approve the CME Group Amended Charter;

approve the Stock Issuance;

approve the adjournment of the special meeting of CME Group stockholders, if necessary, to solicit additional proxies; and

transact any other business as may properly be brought before the special meeting of CME Group stockholders or any adjournment or postponement of the special meeting of CME Group stockholders.

**The approval of each of the first two proposals listed above is required for completion of the merger.** The CME Group Amended Charter and the Stock Issuance will become effective only if both proposals are approved by the CME Group stockholders and the merger is completed.

**Record Date and Voting**

The CME Group board of directors has fixed the close of business on July 18, 2008 as the record date for determining the holders of shares of CME Group Class A and Class B common stock entitled to receive notice of and to vote at the special meeting of CME Group stockholders. Only holders of record of CME Group common stock at the close of business on that date will be entitled to vote at the special meeting of CME Group stockholders and at any adjournment or postponement of that meeting. At the close of business on July 15, 2008 date, there were 54,554,686 shares of CME Group Class A and Class B common stock outstanding, held by 3,546 holders of record.

Each holder of shares of CME Group Class A and Class B common stock outstanding on the record date will be entitled to one vote for each share held of record upon each matter properly submitted at the special meeting of CME Group stockholders and at any adjournment or postponement of that meeting, provided that holders of fractional shares of CME Group Class A common stock will be entitled to vote their fractional shares in proportion to their fractional interest. In order for CME Group to satisfy its quorum requirements, the holders of at least one-third of the total number of outstanding shares of CME Group common stock entitled to vote at the special meeting of CME Group stockholders must be present. You will be deemed to be present at the special meeting of CME Group stockholders if you attend the meeting or if you submit a proxy card (including through the Internet or telephone) that is received at or prior to the special meeting of CME Group stockholders (and not revoked as described below).

If your proxy card is properly executed and received by CME Group in time to be voted at the special meeting of CME Group stockholders, the shares represented by your proxy card (including those given through

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the Internet or by telephone) will be voted in accordance with the instructions that you mark on your proxy card. If you execute your proxy card but do not provide CME Group with any instructions, your shares will be voted **FOR** the approval of the CME Group Amended Charter, **FOR** the approval of the Stock Issuance and **FOR** the proposal to adjourn the special meeting of CME Group stockholders, if necessary, to solicit additional proxies.

### **Vote Required**

Approval of the CME Group Amended Charter requires the affirmative vote of the holders of a majority of the outstanding shares of CME Group Class A and Class B common stock voting together as a single class.

Approval of the Stock Issuance requires the affirmative vote of the holders of a majority of the shares of CME Group Class A and Class B common stock present at the meeting and entitled to vote, voting together as a single class.

Approval of the proposal to adjourn the special meeting of CME Group stockholders, if necessary, to solicit additional proxies requires the affirmative vote of the holders of a majority of the total votes cast of CME Group Class A and Class B common stock voting together as a single class.

Shares of CME Group common stock as to which the `abstain` box is selected on a proxy card will be counted as present for purposes of determining whether a quorum is present. **The required vote of CME Group stockholders to approve the CME Group Amended Charter is based upon the number of outstanding shares of CME Group common stock, and not the number of shares that are actually voted. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of CME Group stockholders or the abstention from voting by CME Group stockholders, or the failure of any CME Group stockholder who holds shares in `street name` through a bank or broker to give voting instructions to such bank or broker, will have the same effect as a vote **AGAINST** the CME Group Amended Charter.**

**The required vote of CME Group stockholders to approve the Stock Issuance is based on the number of shares that are actually voted, not on the number of outstanding shares of CME Group common stock. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of CME Group stockholders or the abstention from voting by CME Group stockholders, or the failure of any CME Group stockholder who holds shares in `street name` through a bank or broker to give voting instructions to such bank or broker, will have no effect on the result of the vote.**

**The required vote of CME Group stockholders to adjourn the special meeting of CME Group stockholders, if necessary, to solicit additional proxies is based on the number of shares that are actually voted, not on the number of outstanding shares of CME Group common stock. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of CME Group stockholders or the abstention from voting by CME Group stockholders, or the failure of any CME Group stockholder who holds shares in `street name` through a bank or broker to give voting instructions to such bank or broker, will have no effect on the result of the vote.**

As of the record date, CME Group directors and executive officers and their affiliates had or shared the power to vote in the aggregate approximately 440,000 shares of CME Group Class A and Class B common stock, representing less than 1% of the aggregate outstanding shares of CME Group Class A and Class B common stock.

We have been advised that CME Group's directors and executive officers will vote their shares of CME Group common stock **FOR** the approval of the CME Group Amended Charter, the approval of the Stock

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Issuance and the proposal to adjourn the special meeting of CME Group stockholders, if necessary, to solicit additional proxies, although none of them has entered into any agreement requiring them to do so.

### **Recommendation of the Board of Directors**

As discussed elsewhere in this joint proxy statement/prospectus, the CME Group board of directors determined that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement are advisable, fair to and in the best interests of CME Group and its stockholders and approved the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement, including the CME Group Amended Charter and the Stock Issuance. The CME Group board of directors recommends that the CME Group stockholders vote **FOR** the approval of the CME Group Amended Charter, the Stock Issuance and the adjournment of the special meeting, if necessary, to solicit additional proxies.

CME Group stockholders should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the Amended Merger Agreement and the merger. In particular, CME Group stockholders are directed to the Amended Merger Agreement and the CME Group Amended Charter, which are attached as Annex A and Annex H, respectively, to this joint proxy statement/prospectus.

### **Revocability of Proxies**

The presence of a CME Group stockholder at the special meeting of CME Group stockholders will not automatically revoke that CME Group stockholder's proxy. However, a CME Group stockholder may revoke a proxy at any time prior to its exercise by:

submitting a written revocation to CME Group, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, that is received prior to the meeting;

submitting another proxy via the Internet, by telephone or by mail that is dated later than the original proxy and that is received prior to the meeting;

attending the special meeting of CME Group stockholders and voting in person if your shares of CME Group common stock are registered in your name rather than in the name of a broker, bank or other nominee; or

if your shares of CME Group common stock are held by a broker or bank, you must follow the instructions on the form you receive from your broker or bank with respect to changing or revoking your proxy.

### **Attending the Special Meeting**

All holders of CME Group Class A and Class B common stock at the close of business on July 18, 2008, the record date for the special meeting, are invited to attend the special meeting. If you attend, you will be asked to present valid picture identification, such as a driver's license or passport, and, if you are not a stockholder of record, evidence from your broker or bank that you are a stockholder and are eligible to attend the meeting, such as a letter or account statement from your broker or bank. Stockholders will not be allowed to use cameras, recording devices and other electronic devices at the meeting.

### **Voting Electronically or by Telephone**

In addition to voting by submitting your proxy card by mail, CME Group stockholders of record and many stockholders who hold their shares of CME Group common stock through a broker or bank will have the option to submit their proxy electronically through the Internet or by telephone. Please note that there are separate arrangements for using the Internet and telephone depending on whether your shares are registered in CME Group's stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check your proxy card and voting instructions forwarded by your broker, bank or other holder of record to see which options are available.



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CME Group stockholders of record may submit their proxies:

through the Internet by visiting [www.proxyvote.com](http://www.proxyvote.com) and following the instructions; or

by telephone by calling the toll-free number (800) 690-6903 on a touch-tone phone and following the recorded instructions.

If you vote your proxy over the Internet or by telephone, you must do so before 10:59 p.m., Chicago time, the day before the special meeting. If you hold your shares through a bank, broker, custodian or other recordholder, you may be subject to additional timing requirements. Please refer to the information forwarded by your bank, broker, custodian or other recordholder.

### **Solicitation of Proxies**

In addition to solicitation by mail, directors, officers and employees of CME Group may solicit proxies for the special meeting of CME Group stockholders from CME Group stockholders personally or by telephone and other electronic means. However, they will not be paid for soliciting such proxies. CME Group also will provide persons, firms, banks and corporations holding shares in their names or in the names of nominees, which in either case are beneficially owned by others, proxy material for transmittal to such beneficial owners and will reimburse such record owners for their expenses in taking such actions. CME Group has also made arrangements with Innisfree M&A Incorporated to assist in soliciting proxies and has agreed to pay them \$25,000, plus reasonable expenses, for these services. CME Group and NYMEX Holdings will share equally the expenses incurred in connection with the printing and mailing of this joint proxy statement/prospectus.

### **Proposal 1 Approval of the CME Group Amended Charter**

The Amended Merger Agreement provides that, concurrently with the effective time of the merger, the existing certificate of incorporation of CME Group be amended and restated in the form of the CME Group Amended Charter attached to the Amended Merger Agreement.

The CME Group Amended Charter amends and restates the existing certificate of incorporation of CME Group to:

increase the maximum size of the CME Group board of directors from 30 to 33 directors;

specify that the number of CME Group directors is to be fixed exclusively by one or more resolutions adopted by the CME Group board of directors, which number may be no more than 33; and

require the approval of a majority of the directors then in office, which must include a majority of CME Directors and CBOT Directors (in each case, as so designated in the current certificate of incorporation of CME Group in connection with the merger of CME Holdings and CBOT Holdings), to amend the provisions of the certificate of incorporation of CME Group regarding the number, classification and removal of directors and filling of vacancies and the CME/CBOT product trading requirements, during the period ending with the CME Group annual meeting of stockholders to be held in 2012.

See The Merger CME Group Amended Charter and CME Group Amended Bylaws beginning on page 139. A copy of the CME Group Amended Charter to be voted upon at the special meeting is also attached to this joint proxy statement/prospectus as Annex H. You are urged to read the proposed CME Group Amended Charter included as Annex H carefully before voting on this proposal. The CME Group Amended Charter will become effective at the effective time of the merger.

**The CME Group board of directors recommends a vote FOR the approval of the CME  
Group Amended Charter.**





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**Proposal 2 Approval of the Stock Issuance**

It is a condition to completion of the merger that the shares of CME Group Class A common stock to be issued to NYMEX Holdings stockholders in the merger be approved for listing on Nasdaq, upon official notice of issuance. Pursuant to Rule 4350(i) of the NASDAQ Manual, as a prerequisite to listing approval in each exchange, a company is required to obtain stockholder approval prior to the issuance of common stock if the common stock to be issued has voting power in the aggregate equal to or in excess of 20% of the voting power outstanding before such issuance of common stock or if the number of shares of common stock to be issued in the aggregate equals or exceeds 20% of the number of shares of common stock outstanding before the issuance of the common stock. If the merger is completed, CME Group will issue approximately 12.5 million shares of CME Group Class A common stock in the merger. Because the aggregate number of shares of CME Group Class A common stock to be issued in the merger will exceed 20% of the shares of CME Group Class A common stock outstanding on the record date for the special meeting of CME Group stockholders, under the rules of Nasdaq, CME Group must obtain the approval of CME Group stockholders prior to the Stock Issuance.

**The CME Group board of directors recommends a vote FOR approval of the Stock Issuance.**

**Proposal 3 Possible Adjournment of the Special Meeting of CME Group Stockholders**

The special meeting of CME Group stockholders may be adjourned, if necessary, to solicit additional proxies in favor of the proposals to approve the CME Group Amended Charter and the Stock Issuance.

**The CME Group board of directors recommends a vote FOR this proposal.**

**Other Matters to Come before the Special Meeting of CME Group Stockholders**

No other matters are intended to be brought before the meeting by CME Group, and CME Group does not know of any matters to be brought before the meeting by others. If, however, any other matters properly come before the meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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**THE SPECIAL MEETING OF NYMEX HOLDINGS STOCKHOLDERS**

**General**

This joint proxy statement/prospectus is being furnished to NYMEX Holdings stockholders in connection with the solicitation of proxies by the NYMEX Holdings board of directors to be used at the special meeting of NYMEX Holdings stockholders to be held on Monday, August 18, 2008, at 4:00 p.m., New York time, at NYMEX Holdings, Inc., One North End Avenue, World Financial Center, New York, New York, and at any adjournment or postponement of that meeting. This joint proxy statement/prospectus and the enclosed proxy card are being sent to NYMEX Holdings stockholders on or about July 21, 2008.

**Purpose of the Special Meeting of NYMEX Holdings Stockholders**

At the special meeting of NYMEX Holdings stockholders, NYMEX Holdings stockholders will be asked to consider and vote on the following proposals to:

adopt the Amended Merger Agreement and thereby approve the merger;

approve the adjournment of the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies; and

transact any other business as may properly be brought before the special meeting of NYMEX Holdings stockholders or any adjournment or postponement of the special meeting of NYMEX Holdings stockholders.

**The approval of the first proposal listed above is required for completion of the merger.**

**Record Date and Voting**

The NYMEX Holdings board of directors has fixed the close of business on July 18, 2008 as the record date for determining the NYMEX Holdings stockholders entitled to receive notice of and to vote at the special meeting of NYMEX Holdings stockholders. Only NYMEX Holdings stockholders of record at the close of business on that date will be entitled to vote at the special meeting of NYMEX Holdings stockholders and at any adjournment or postponement of that meeting. At the close of business on the record date, there were 94,790,125 shares of NYMEX Holdings common stock outstanding, held by approximately 333 holders of record.

Each holder of shares of NYMEX Holdings common stock outstanding on the record date will be entitled to one vote for each share held of record upon each matter properly submitted at the special meeting of NYMEX Holdings stockholders and at any adjournment or postponement of that meeting. In order for NYMEX Holdings to satisfy its quorum requirements, the holders of at least one-third of the total number of outstanding shares of NYMEX Holdings common stock entitled to vote at the special meeting of NYMEX Holdings stockholders must be present. You will be deemed to be present if you attend the meeting or if you submit a proxy card (including through the Internet or by telephone) that is received at or prior to the special meeting of NYMEX Holdings stockholders (and not revoked as described below). **IF YOU ARE A NYMEX CLASS A MEMBER AS WELL AS A NYMEX HOLDINGS STOCKHOLDER, YOU MUST VOTE SEPARATELY AT THE SPECIAL MEETING OF NYMEX CLASS A MEMBERS IN YOUR CAPACITY AS A NYMEX CLASS A MEMBER AND AT THE SPECIAL MEETING OF NYMEX HOLDINGS STOCKHOLDERS IN YOUR CAPACITY AS A NYMEX HOLDINGS STOCKHOLDER.**

If your proxy card is properly executed and received by NYMEX Holdings in time to be voted at the special meeting of NYMEX Holdings stockholders, the shares represented by your proxy card (including those given through the Internet or by telephone) will be voted in accordance with the instructions that you mark on your proxy card. If you execute your proxy card but do not provide NYMEX Holdings with any instructions, your shares will be voted **FOR** the adoption of the Amended Merger Agreement and **FOR** the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies.

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### Vote Required

The adoption of the Amended Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of NYMEX Holdings common stock. Approval of any proposal to adjourn the meeting, if necessary, for the purpose of soliciting additional proxies may be obtained by the affirmative vote of the holders of a majority of the votes cast at the special meeting of NYMEX Holdings stockholders. Shares of NYMEX Holdings common stock as to which the abstain box is selected on a proxy card will be counted as present for purposes of determining whether a quorum is present. **The required vote of NYMEX Holdings stockholders on the Amended Merger Agreement is based upon the number of outstanding shares of NYMEX Holdings common stock, and not the number of shares that are actually voted. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of NYMEX Holdings stockholders or the abstention from voting by NYMEX Holdings stockholders, or the failure of any NYMEX Holdings stockholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker, will have the same effect as a vote AGAINST the adoption of the Amended Merger Agreement. The required vote of NYMEX Holdings stockholders to approve the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies is based on the number of shares that are actually voted, not on the number of outstanding shares of NYMEX Holdings common stock. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of NYMEX Holdings stockholders or the abstention from voting by NYMEX Holdings stockholders, or the failure of any NYMEX Holdings stockholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker, will have no effect on the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies.**

As of the record date, NYMEX Holdings directors and executive officers and their affiliates had or shared the power to vote in the aggregate approximately 7,033,836 shares of NYMEX Holdings common stock, representing approximately 7.42% of the outstanding shares of NYMEX Holdings common stock. Upon the execution of the Original Merger Agreement, CME Group entered into voting and support agreements with the General Atlantic Parties, James E. Newsome, President and Chief Executive Officer of NYMEX Holdings, and Richard M. Schaeffer, Executive Chairman of the NYMEX Holdings board of directors. Pursuant to these voting and support agreements, the General Atlantic Parties, Dr. Newsome and Mr. Schaeffer have agreed to vote their shares of NYMEX Holdings common stock in favor of the merger.

We have been advised that NYMEX Holdings directors and executive officers will vote their shares of NYMEX Holdings common stock **FOR** the adoption of the Amended Merger Agreement and the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies.

### Recommendation of the Board of Directors

As discussed elsewhere in this joint proxy statement/prospectus, the NYMEX Holdings board of directors unanimously determined that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement are advisable, fair to and in the best interests of NYMEX Holdings and its stockholders, and unanimously approved the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement. The NYMEX Holdings board of directors unanimously recommends that the NYMEX Holdings stockholders vote **FOR** the adoption of the Amended Merger Agreement and the proposal to adjourn the special meeting of NYMEX Holdings stockholders, if necessary, to solicit additional proxies.

The NYMEX Holdings board of directors did not make any recommendation as to whether or to what extent any NYMEX Holdings stockholder should elect cash or stock consideration in the merger. NYMEX Holdings stockholders should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the Amended Merger Agreement and the merger. In particular, NYMEX Holdings stockholders are directed to the Amended Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus.

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### **Revocability of Proxies**

The presence of a NYMEX Holdings stockholder at the special meeting of NYMEX Holdings stockholders will not automatically revoke that NYMEX Holdings stockholder's proxy. However, a NYMEX Holdings stockholder may revoke a proxy at any time prior to its exercise by:

submitting a written revocation to NYMEX Holdings c/o the office of the Corporate Secretary located at NYMEX Holdings, Inc., One North End Avenue, Suite 1548, New York, New York 10282-1101, Attention: Donna Talamo, Corporate Secretary, that is received prior to the meeting;

submitting another proxy via the Internet, by telephone or by mail that is dated later than the original proxy and that is received prior to the meeting; or

attending the special meeting of NYMEX Holdings stockholders and voting in person if your shares of NYMEX Holdings common stock are registered in your name rather than in the name of a broker, bank or other nominee.

If your shares of NYMEX Holdings common stock are held by a broker or bank, you must follow the instructions on the form you receive from your broker or bank with respect to changing or revoking your proxy.

### **Attending the Special Meeting**

All NYMEX Holdings stockholders at the close of business on July 18, 2008, the record date for the special meeting, are invited to attend the special meeting. If you attend, you will be asked to present valid picture identification, such as a driver's license or passport, and, if you are not a stockholder of record, evidence from your broker or bank that you are a stockholder and are eligible to attend the meeting, such as a letter or account statement from your broker or bank. Stockholders will not be allowed to use cameras, recording devices and other electronic devices at the meeting.

### **Voting Electronically or by Telephone**

In addition to voting by submitting your proxy card by mail, NYMEX Holdings stockholders of record and many stockholders who hold their shares of NYMEX Holdings common stock through a broker or bank will have the option to submit their proxy electronically through the Internet or by telephone. Please note that there are separate arrangements for using the Internet and telephone depending on whether your shares are registered in NYMEX Holdings' stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check your proxy and voting instructions forwarded by your broker, bank or other holder of record to see which options are available.

NYMEX Holdings stockholders of record may submit their proxies:

through the Internet by visiting [www.cesvote.com](http://www.cesvote.com) and following the instructions; or

by telephone by calling the toll-free number (888) 693-8683 on a touch-tone phone and following the recorded instructions. If you vote your proxy over the Internet or by telephone, you must do so before 6:00 A.M., New York time, on the meeting date. If you hold your shares through a bank, broker, custodian or other recordholder, you may be subject to additional timing requirements. Please refer to the information forwarded by your bank, broker, custodian or other recordholder.

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### **Solicitation of Proxies**

In addition to solicitation by mail, directors, officers and employees of NYMEX Holdings may solicit proxies for the special meeting of NYMEX Holdings stockholders from NYMEX Holdings stockholders personally or by telephone and other electronic means. However, they will not be paid for soliciting such proxies. NYMEX Holdings also will provide persons, firms, banks and corporations holding shares in their names or in the names of nominees, which in either case are beneficially owned by others, proxy material for transmittal to such beneficial owners and will reimburse such record owners for their expenses in taking such actions. NYMEX Holdings and NYMEX have also made arrangements with D.F. King & Co., Inc. to assist in soliciting proxies at a monthly fee estimated between \$12,500 and \$20,000, plus reasonable expenses, for these services. NYMEX Holdings and CME Group will share equally the expenses incurred in connection with the printing and mailing of this joint proxy statement/prospectus.

### **Proposal 1 Adoption of the Amended Merger Agreement**

As discussed elsewhere in this joint proxy statement/prospectus, NYMEX Holdings is asking its stockholders to approve the proposal to adopt the Amended Merger Agreement. NYMEX Holdings stockholders should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the Amended Merger Agreement and the merger. In particular, NYMEX Holdings stockholders are directed to the Amended Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus. See *The Amended Merger Agreement* beginning on page 149.

**The NYMEX Holdings board of directors unanimously recommends a vote FOR  
the adoption of the Amended Merger Agreement.**

### **Proposal 2 Possible Adjournment of the Special Meeting of NYMEX Holdings Stockholders**

The special meeting of NYMEX Holdings stockholders may be adjourned, if necessary, to solicit additional proxies in favor of the proposal to adopt the Amended Merger Agreement.

**The NYMEX Holdings board of directors unanimously recommends a vote FOR this proposal.**

### **Other Matters to Come before the Special Meeting of NYMEX Holdings Stockholders**

No other matters are intended to be brought before the meeting by NYMEX Holdings, and NYMEX Holdings does not know of any matters to be brought before the meeting by others. If, however, any other matters properly come before the meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of the board of directors on any such matter.

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**THE SPECIAL MEETING OF NYMEX CLASS A MEMBERS**

**General**

This joint proxy statement/prospectus is being furnished to NYMEX Class A members in connection with the solicitation of proxies by the NYMEX board of directors to be used at the special meeting of NYMEX Class A members to be held on Monday, August 18, 2008, at 3:00 p.m., New York time, at NYMEX Holding, Inc., One North End Avenue, World Financial Center, New York, New York, and at any adjournment or postponement of that meeting. This joint proxy statement/prospectus and the enclosed proxy card are being sent to NYMEX Class A members on or about July 21, 2008.

**Purpose of the Special Meeting of NYMEX Class A Members**

At the special meeting of NYMEX Class A members, NYMEX Class A members will be asked to consider and vote on the following proposals to:

approve the NYMEX Amended Charter;

approve the NYMEX Amended Bylaws;

approve the adjournment of the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies; and

transact any other business as may properly be brought before the special meeting of NYMEX Class A members or any adjournment or postponement of the special meeting of NYMEX Class A members.

**The approval of each of the first two proposals listed above is required for completion of the merger.** The NYMEX Amended Charter and the NYMEX Amended Bylaws will become effective only if both proposals are approved by the NYMEX Class A members and the merger is completed.

**Record Date and Voting**

The NYMEX board of directors has fixed the close of business on July 18, 2008 as the record date for determining the holders of NYMEX Class A memberships entitled to receive notice of and to vote at the special meeting of NYMEX Class A members. Only holders of record of NYMEX Class A memberships at the close of business on that date will be entitled to vote at the special meeting of NYMEX Class A members and at any adjournment or postponement of that meeting. At the close of business on the record date, there were 816 NYMEX Class A memberships outstanding, held by approximately 600 holders of record.

Each holder of a NYMEX Class A membership on the record date will be entitled to one vote for each NYMEX Class A membership held of record upon each matter properly submitted at the special meeting of NYMEX Class A members and at any adjournment or postponement of that meeting. In order for NYMEX to satisfy its quorum requirements, the holders of at least one-third of the total number of outstanding NYMEX Class A memberships entitled to vote at the special meeting of NYMEX Class A members must be present. You will be deemed to be present if you attend the meeting or if you submit a proxy card (including through the Internet or by telephone) that is received at or prior to the NYMEX special meeting (and not revoked as described below). **IF YOU ARE A NYMEX HOLDINGS STOCKHOLDER AS WELL AS A NYMEX CLASS A MEMBER, YOU MUST VOTE SEPARATELY IN PERSON OR BY PROXY AT THE SPECIAL MEETING OF NYMEX HOLDINGS STOCKHOLDERS IN YOUR CAPACITY AS A NYMEX HOLDINGS STOCKHOLDER AND IN PERSON OR BY PROXY AT THE SPECIAL MEETING OF NYMEX CLASS A MEMBERS IN YOUR CAPACITY AS A NYMEX CLASS A MEMBER. IF YOU WISH TO RECEIVE YOUR MEMBERSHIP RIGHTS PAYMENT, YOU MUST ALSO RETURN YOUR EXECUTED WAIVER AND RELEASE. IF YOU HOLD A NYMEX CLASS A MEMBERSHIP, YOU SHOULD REFER TO THE WAIVER AND RELEASE THAT WILL BE MAILED TO YOU PROMPTLY FOLLOWING THE CLOSING FOR IMPORTANT INFORMATION AND INSTRUCTIONS ON HOW TO COMPLETE AND RETURN YOUR EXECUTED WAIVER AND RELEASE FORM IN ORDER TO**



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**RECEIVE THE MEMBERSHIP RIGHTS PAYMENT. WE ALSO ENCOURAGE YOU TO CAREFULLY REVIEW THE FORM OF WAIVER AND RELEASE THAT IS ATTACHED TO THIS JOINT PROXY STATEMENT/PROSPECTUS AS ANNEX L.**

If your proxy card is properly executed and received by NYMEX in time to be voted at the special meeting of NYMEX Class A members, the NYMEX Class A membership(s) represented by your proxy card (including those given through the Internet or by telephone) will be voted in accordance with the instructions that you mark on your proxy card. If you execute your proxy card but do not provide NYMEX with any instructions, your NYMEX Class A membership(s) will be voted **FOR** the approval of the NYMEX Amended Charter, **FOR** the approval of the NYMEX Amended Bylaws and **FOR** the proposal to adjourn the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies.

**Vote Required**

Approval of the NYMEX Amended Charter and approval of the NYMEX Amended Bylaws require the affirmative vote of the holders of 75% of the outstanding NYMEX Class A memberships. Approval of any proposal to adjourn the meeting, if necessary, for the purpose of soliciting additional proxies may be obtained by the affirmative vote of the holders of a majority of the votes cast at the special meeting of NYMEX Class A members. NYMEX Class A memberships as to which the  abstain box is selected on a proxy card will be counted as present for purposes of determining whether a quorum is present. **The required vote of NYMEX Class A members to approve the NYMEX Amended Charter and the NYMEX Amended Bylaws is based upon the number of outstanding NYMEX Class A memberships, and not the number of NYMEX Class A memberships that are actually voted. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of NYMEX Class A members or the abstention from voting by NYMEX Class A members will have the same effect as a vote AGAINST the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws. The required vote of NYMEX Class A members to approve the proposal to adjourn the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies is based on the number of memberships that are actually voted, not the number of outstanding NYMEX Class A memberships. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of NYMEX Class A members or the abstention from voting by NYMEX Class A members will have no effect on the proposal to approve the proposal adjourn the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies.**

As of the record date, NYMEX directors and executive officers and their affiliates had or shared the power to vote in the aggregate approximately 11 NYMEX Class A memberships, representing approximately 1.348% of the outstanding NYMEX Class A memberships.

CME Group entered into voting and support agreements with the General Atlantic Parties, James E. Newsome, President and Chief Executive Officer of NYMEX Holdings, and Richard M. Schaeffer, Executive Chairman of the NYMEX Holdings board of directors. Pursuant to these voting and support agreements, the General Atlantic Parties, Dr. Newsome and Mr. Schaeffer have agreed to vote their shares of NYMEX Holdings common stock in favor of the merger and Mr. Schaeffer has agreed to vote, or cause to be voted, the NYMEX Class A membership owned by him for the approval of the NYMEX Amended Charter and the NYMEX Amended Bylaws.

We have been advised that NYMEX directors and executive officers will vote their NYMEX Class A memberships **FOR** the approval of the NYMEX Amended Charter, the NYMEX Amended Bylaws and the proposal to adjourn the special meeting of NYMEX Class A members, if necessary, to solicit additional proxies.



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### **Revocability of Proxies**

The presence of a NYMEX Class A member at the special meeting of NYMEX Class A members will not automatically revoke that NYMEX Class A member's proxy. However, a NYMEX Class A member may revoke a proxy at any time prior to its exercise by:

submitting a written revocation to NYMEX c/o the office of the Corporate Secretary located at NYMEX Holdings, Inc., One North End Avenue, Suite 1548, New York, New York 10282-1101, Attention: Donna Talamo, Corporate Secretary, that is received prior to the meeting;

submitting another proxy by telephone, via the Internet or by mail that is dated later than the original proxy and that is received prior to the meeting; or

attending the special meeting of NYMEX Class A members and voting in person.

### **Attending the Special Meeting**

All holders of NYMEX Class A memberships at the close of business on July 18, 2008, the record date for the special meeting, are invited to attend the special meeting. If you attend, you will be asked to present valid picture identification, such as a driver's license or passport. NYMEX Class A members will not be allowed to use cameras, recording devices and other electronic devices at the meeting.

### **Voting Electronically or by Telephone**

In addition to voting by submitting your proxy card by mail, NYMEX Class A members of record will have the option to submit their proxy electronically through the Internet or by telephone.

NYMEX Class A members of record may submit their proxies:

through the Internet by visiting [www.cesvote.com](http://www.cesvote.com) and following the instructions; or

by telephone by calling the toll-free number (888) 693-8683 on a touch-tone phone and following the recorded instructions. If you vote your proxy over the Internet or by telephone, you must do so before 6:00 A.M., New York time, on the meeting date.

### **Solicitation of Proxies**

In addition to solicitation by mail, directors, officers and employees of NYMEX may solicit proxies for the special meeting of NYMEX Class A members from NYMEX Class A members personally or by telephone and other electronic means. However, they will not be paid for soliciting such proxies. NYMEX Holdings and NYMEX have also made arrangements with D.F. King & Co., Inc. to assist in soliciting proxies at a monthly fee estimated between \$12,500 and \$20,000, plus reasonable expenses, for these services. NYMEX Holdings and CME Group will share equally the expenses incurred in connection with the printing and mailing of this joint proxy statement/prospectus.

### **Proposal 1 Approval of the NYMEX Amended Charter**

The Amended Merger Agreement provides that, concurrently with the effective time of the merger, the existing certificate of incorporation of NYMEX be amended and restated in the form attached to the Amended Merger Agreement. The NYMEX Amended Charter amends the existing certificate of incorporation of NYMEX to eliminate all of the existing trading rights currently held by NYMEX Class A members under the existing certificate of incorporation of NYMEX and replace them with certain new post-closing rights and privileges.

## Edgar Filing: CME GROUP INC. - Form S-4/A

A copy of the NYMEX Amended Charter to be voted upon at the special meeting is attached to this joint proxy statement/prospectus as Annex J. You are urged to read the following summary and the proposed NYMEX Amended Charter included as Annex J, carefully before voting on this proposal.

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The proposed NYMEX Amended Charter of NYMEX, which will be effective immediately following the merger:

eliminates the restriction on the NYMEX board of directors that prohibits it from creating new classes of memberships in NYMEX that have greater voting rights than the NYMEX Class A memberships;

provides that NYMEX Class A members are entitled to new post-closing rights and privileges, including:

that Member Firms (as defined in the NYMEX Rulebook) must hold at least two (2) Class A memberships in order to clear and receive member rates at NYMEX.

that NYMEX Class A members will be charged transaction fees for trades of NYMEX's products traded as of July 18, 2008, or the Current Products, for their accounts that are lower than the transaction fees charged to any participant who is not a holder of a NYMEX Class A membership for the same products, whether trading utilizing the open outcry trading system or the electronic trading system, for so long as a comparable trading fee differential is maintained by CME or CBOT for their respective products;

that each Member Firm (as defined in the NYMEX Rulebook) shall receive member rates on trades for any account wholly-owned by such Member Firm independent of the identity of the individual that executes the relevant trade;

that Individual Members (as defined in the NYMEX Rulebook) will be entitled to member rates for products traded electronically in such account for up to three (3) individuals (in addition to the owner of the NYMEX Class A membership) to whom such owner, or one (1) individual (in addition to the lessee of the NYMEX Class A membership) to whom such lessee, assigns power of attorney rights;

that NYMEX will continue to operate a trading floor for the trading of Current Products, or the Trading Floor, until December 31, 2012. Following December 31, 2012, NYMEX will continue to operate a Trading Floor as long as both the revenue and profitability thresholds set forth below are met.

the Trading Floor will be maintained following December 31, 2012 provided (i) the revenue generated by the Trading Floor during two consecutive fiscal quarters exceeds 50% of the revenue from the Trading Floor for 2007, divided by two; and (ii) Trading Floor after-tax profit margin for the two consecutive fiscal quarters exceeds 50% of the after-tax profit margin for CME Group during that same period. NYMEX will have the right to close any individual trading ring and terminate open outcry trading of any Current Products traded in such trading ring if the Trading Floor would have satisfied the financial tests for the immediately preceding fiscal quarter, on a pro forma basis, assuming that such trading ring was closed as of the first day of the testing period. NYMEX will measure the financial tests within 60 days following each full fiscal quarter following the effective time of the merger. NYMEX will give NYMEX Class A members at least 30 days' notice of the closing of the Trading Floor or any trading ring;

the Trading Floor will be the exclusive venue for the open outcry trading for Current Products for so long as such products are traded on the Trading Floor. CME Group is under no obligation to provide a backup or alternative facility for open outcry trading if the Trading Floor is rendered inoperable for any reason. In the event that the Trading Floor is rendered inoperable for any reason, the electronic trading platform on which any Current Product then is traded will serve as the venue for trading such Current Product;

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that in the event open outcry trading of any Current Product is terminated pursuant to the NYMEX Amended Charter NYMEX, NYMEX will not, nor will it cause any subsidiary to, commence open outcry trading of such Current Product in the City of Chicago for a period of 540 days following such closure. We refer to this 540-day period as the 540-Day Moratorium. Notwithstanding the

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foregoing, open outcry trading of a Current Product may commence in the City of Chicago during the 540-Day Moratorium if the NYMEX board of directors approves such action and within fifteen (15) days after given written notice of such action in reasonable detail to the holders of NYMEX Class A memberships and:

the holders of NYMEX Class A memberships entitled to cast 10% of the total number of votes entitled to be cast at a special meeting to approve the removal of the 540-Day Moratorium for such Current Product do not make written demand for a special meeting that complies with the requirements set forth below; or

the holders of NYMEX Class A memberships entitled to cast 10% of the total number of votes entitled to be cast at a special meeting do make written demand for a special meeting that complies with the applicable requirements listed below and at such special meeting a majority of the voting power of the outstanding Class A Memberships approves the removal of such 540-Day Moratorium.

Any notice sent by NYMEX to NYMEX Class A members in connection with a special meeting regarding a 540-Day Moratorium must be accompanied by a response form through which a NYMEX Class A member may request a special meeting. The written demand may also specify the date of such special meeting (in which case such meeting date shall be a business day which is not less than 30 nor more than 60 days from the date of such written demand);

that the trading floor will be maintained at its existing location for so long as the occupancy agreement among The City of New York, New York State Urban Development Corporation, New York City Economic Development Corporation, Battery Park City Authority and NYMEX, including its wholly-owned subsidiary, COMEX, remains in effect, and thereafter, at another location in the Borough of Manhattan; and

provides that any amendment, modification or repeal of any new post-closing trading rights and privileges contained in the certificate of incorporation of NYMEX will require the approval of a majority of the votes cast by NYMEX Class A members;

except as described above in relation to the 540-Day Moratorium, provides the NYMEX Class A members will have no right to call a special meeting following the merger;

subject to the approval rights described above, eliminates all voting rights of NYMEX Class A members to amend the certificate of incorporation of NYMEX and grants the exclusive power to amend the certificate of incorporation to the NYMEX board of directors and the NYMEX Class B member, acting together;

eliminates all voting rights of NYMEX Class A members to amend the bylaws of NYMEX and grants the exclusive power to amend the bylaws of NYMEX to both the NYMEX board of directors and the NYMEX Class B member, acting separately;

provides that the NYMEX board of directors holds the exclusive power to amend the NYMEX Rulebook;

subject to the approval rights described above, provides that the NYMEX Class B member holds the exclusive right to vote on any matter over which the NYMEX members have a right to vote; and

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eliminates the requirement that the NYMEX board of directors (and the chairman and vice chairman thereof) be identical to the NYMEX Holdings board of directors (and the chairman and vice chairman thereof) and grants the exclusive power to select the board of directors to the NYMEX Class B member.

The NYMEX Amended Charter will become effective at the effective time of the merger. The approval of Proposal 1 and Proposal 2 is required for completion of the merger.

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**Proposal 2 Approval of the NYMEX Amended Bylaws**

The Amended Merger Agreement provides that, concurrently with the effective time of the merger, the bylaws of NYMEX are to be amended and restated in the form attached to the Amended Merger Agreement. The NYMEX Amended Bylaws amend the existing bylaws of NYMEX in a number of important respects, eliminating the existing trading rights currently held by NYMEX Class A members under the bylaws of NYMEX.

A copy of the NYMEX Amended Bylaws to be voted upon at the special meeting is attached to this joint proxy statement/prospectus as Annex K. You are urged to read the following summary and the NYMEX Amended Bylaws, included as Annex K, carefully before voting on this proposal.

The proposed NYMEX Amended Bylaws, which will be effective immediately following the merger:

eliminate all voting rights of NYMEX Class A members, including the right to vote on amendments to Special Matters, as described below;

eliminate all of the following Special Matters, as so designated in the bylaws of NYMEX:

the requirement that NYMEX Class A members approve the elimination or limitation of the products a NYMEX Class A member may trade;

the requirement that NYMEX Class A members approve elimination or suspension of, or restrictions on, open outcry trading, with certain exceptions;

the requirement that NYMEX Class A members approve changes in the number of NYMEX Class A memberships;

the requirement that NYMEX Class A members approve any new category of fees or charges generally applicable to NYMEX Class A members, and for Core Products, as defined in the bylaws of NYMEX, fees for obtaining additional electronic trading privileges, with certain exceptions;

the requirement that NYMEX Class A members approve the issuance of trading permits for open outcry products;

the requirement that NYMEX Class A members approve certain changes to the membership, eligibility or capital requirements to become a NYMEX Class A member, member firm or clearing member, to lease a NYMEX Class A membership or exercise associated trading or clearing rights or privileges;

the requirement that NYMEX Class A members approve certain changes in open outcry trading hours;

the requirement that NYMEX Class A members approve changes to NYMEX's procedure and mechanism for setting margin requirements;

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the right of NYMEX Class A members to request that NYMEX offer new products that are traded electronically to be traded via open outcry;

the requirement that NYMEX Class A members approve certain changes to the eligibility criteria and composition of certain committees of the NYMEX board of directors;

the requirement that NYMEX Class A members approve any transaction the result of which is that the NYMEX clearinghouse will no longer be wholly-owned by NYMEX;

the requirement that NYMEX Class A members approve any change to the number of electronic trading privileges per NYMEX Class A membership;

the right of NYMEX Class A members to receive a share of the revenues NYMEX earns from electronic trading of certain NYMEX products, subject to certain thresholds being met; and



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the right of NYMEX Class A members to receive a share of the fees charged by NYMEX to participants in the NYMEX miNY™ Designee Program for NYMEX miNYs traded via open outcry, for so long as the NYMEX miNY Designee Program exists;

eliminate the procedure for disputes regarding an alleged violation of a Special Matter that requires such dispute to be submitted to mandatory and binding arbitration, and upon the petition of a majority of NYMEX Class A memberships, NYMEX to advance to the NYMEX Class A members reasonable out-of-pocket expenses related to such dispute;

provide that the power to amend the bylaws is expressly provided to the NYMEX board of directors and the NYMEX Class B member, acting pursuant to a resolution adopted by the NYMEX board of directors;

provide that the NYMEX Class B member holds the right to elect the NYMEX board of directors; and

provide that the NYMEX board of directors holds the right to choose officers of NYMEX, including the chairman.

The NYMEX Amended Bylaws will become effective at the effective time of the merger. The approval of Proposal 1 and Proposal 2 is required for completion of the merger.

**Proposal 3 Possible Adjournment of the Special Meeting of NYMEX Class A Members**

The special meeting of NYMEX Class A members may be adjourned, if necessary, to solicit additional proxies in favor of the proposals to approve the NYMEX Amended Charter and NYMEX Amended Bylaws.

**Other Matters to Come before the Special Meeting of NYMEX Class A Members**

No other matters are intended to be brought before the meeting by NYMEX, and NYMEX does not know of any matters to be brought before the meeting by others. If, however, any other matters properly come before the meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of the board of directors on any such matter.

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**THE MERGER**

*The terms and conditions of the merger are contained in the Amended Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus. Please carefully read the Amended Merger Agreement in its entirety, as it is the legal document that governs the merger.*

**Background of the Merger**

For the past several years, the global derivatives industry has experienced an increase in consolidation and competition. The management and boards of directors of each of CME Group and NYMEX Holdings, as part of the ongoing evaluation of their respective businesses and in light of the evolving changes in the industry, have regularly reviewed and considered a variety of strategic options and commercial opportunities, both in the exchange-traded and over-the-counter derivatives markets. As part of such review, CME Group and NYMEX Holdings entered into a partnership in April 2006 whereby CME Group agreed to provide electronic trading for NYMEX Holdings' energy and metals futures contracts on its CME Globex electronic trading platform, thereby expanding access to NYMEX Holdings' products around the world.

In connection with its periodic evaluation of NYMEX Holdings' business and changes in the global derivatives industry, including the increase in consolidation and competition, the board of directors of NYMEX Holdings from time-to-time has considered, and has had preliminary discussions with various parties with respect to, strategic transactions, including business combinations, involving NYMEX Holdings. During the summer of 2007, representatives of NYMEX Holdings had discussions with various parties regarding a potential combination or other strategic transaction of such parties and NYMEX Holdings. The board of directors of NYMEX Holdings was provided with regular updates regarding all of these discussions. These discussions did not result in an offer from any of the parties. One party conducted preliminary due diligence of NYMEX Holdings, including due diligence with respect to the potential synergies that might result from a combination of such party and NYMEX Holdings. However, this party advised representatives of NYMEX Holdings that its board of directors was not prepared to continue exploring a potential transaction with NYMEX Holdings.

Continuing to assess strategic alternatives to remain competitive in the current environment and enhance stockholder value, during the months of July and August 2007, CME Group evaluated various prospective strategic opportunities, including the expansion of its existing commercial relationship with NYMEX Holdings. On July 31, 2007, members of CME Group's and NYMEX Holdings' senior management held a meeting in New York, New York to discuss their preliminary assessment of additional commercial arrangements between the two companies and the possibility of furthering their relationship through a strategic transaction. No agreement was reached at the meeting.

On August 21, 2007, NYMEX Holdings issued a press release disclosing that NYMEX Holdings had preliminary discussions with several parties regarding a potential business combination between such parties and NYMEX Holdings, but noting that such discussions were preliminary and that there was no assurance that NYMEX Holdings would enter into any transaction and, if it were to enter into a transaction, the timing or terms of such transaction.

On September 4, 2007, Mr. Terrence A. Duffy, Executive Chairman of the CME Group board of directors, and Mr. Craig S. Donohue, Chief Executive Officer of CME Group, advised Mr. Richard Schaeffer, Executive Chairman of the NYMEX Holdings board of directors, and Dr. James E. Newsome, President and Chief Executive Officer of NYMEX Holdings, that CME Group was not prepared to continue exploring a potential transaction with NYMEX Holdings at that time.

On September 10, 2007, the CME Group board of directors held a meeting during which members of CME Group's management reviewed with the board the then current state of the global derivatives industry and various prospective strategic opportunities, including commercial arrangements, minority investments, joint ventures and business combinations with several potential domestic and international partners, including NYMEX Holdings. At the meeting, management discussed with the board the rationale and special considerations associated with each alternative, such as alignment with CME Group's strategy, underlying business fundamentals, value creation potential and achievability.

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On December 5, 2007, the CME Group board of directors held a regular meeting during which it discussed the continuing trend towards consolidation in the global derivatives industry and considered potential strategies for further globalization and expansion of CME Group's business, including through leveraging its technology and growing its core strengths. With representatives of Skadden, Arps, Slate, Meagher & Flom LLP, or Skadden, Arps, CME Group's outside legal counsel, present at the meeting, CME Group's board of directors discussed the potential benefits and drawbacks of pursuing long-term strategic opportunities and investments to expand CME Group's range of product offerings and strengthen CME Group's competitive position in domestic and international markets.

On December 13, 2007, Mr. Donohue revisited with other members of CME Group's management the potential benefits of a business combination with NYMEX Holdings, given NYMEX Holdings' strong position in the energy and metals futures markets and the highly complementary nature of NYMEX Holdings' product offerings relative to CME Group's benchmark products. After considering the preliminary analysis of NYMEX Holdings' business conducted earlier in the year, CME Group's management decided to evaluate further the merits of a potential transaction with NYMEX Holdings with the assistance of CME Group's financial and legal advisors.

Throughout the month of December 2007, CME Group's management held various meetings with Lehman Brothers and William Blair, CME Group's financial advisors, to discuss and analyze a potential transaction with NYMEX Holdings. During these meetings, CME Group's management participated in extensive discussions with CME Group's financial advisors about seeking opportunities for the company to compete more effectively on a global scale by diversifying further its product offerings and realizing significant cost and revenue synergies through the acquisition of an exchange with complementary strengths, such as NYMEX Holdings. At this time, CME Group commenced a preliminary due diligence review of NYMEX Holdings' publicly available information.

In light of the discussions between CME Group and its financial advisors, the results of CME Group's preliminary due diligence review of NYMEX Holdings' publicly available information and the previous discussions between CME Group and NYMEX Holdings, in late December 2007, Messrs. Duffy and Donohue contacted Mr. Schaeffer and Dr. Newsome to advise them of CME Group's interest in pursuing a potential transaction with NYMEX Holdings.

On January 7, 2008, CME Group and NYMEX Holdings executed a confidentiality agreement to facilitate the preliminary discussions and consideration of a potential transaction between the parties.

On January 8, 2008, CME Group's management requested certain due diligence materials from NYMEX Holdings. With assistance from its legal and financial advisors, CME Group also continued its due diligence review of NYMEX Holdings' publicly available information. On January 9, 2008, NYMEX Holdings requested certain non-public information from CME Group to conduct due diligence and began reviewing publicly available information regarding CME Group.

From January 14, 2008 through January 16, 2008, members of CME Group's management held several meetings to discuss the strategic fit and potential benefits of a transaction with NYMEX Holdings to CME Group and its stockholders, and to consider other issues relating to a potential transaction, including deal structure, consideration payable to NYMEX Holdings stockholders, post-closing governance matters, trading rights of the NYMEX Class A members, trading floor and building utilization options and antitrust and other regulatory matters. At these meetings, representatives of Skadden, Arps provided advice with respect to certain matters. In addition, CME Group's management considered and discussed with CME Group's financial advisors various detailed financial analyses relating to the potential transaction, including their summary financial analyses, discounted cash flow analyses, relative contribution analyses and accretion/dilution analyses, as well as the proposed exchange ratio, potential cost and revenue synergies and the anticipated impact of the payment of various combinations of cash and stock consideration to NYMEX Holdings stockholders.

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On January 17, 2008, the executive committee of the CME Group board of directors held a special meeting, together with certain members of CME Group's management and representatives of Lehman Brothers, William Blair and Skadden, Arps and Peter B. Carey of the Law Offices of Peter B. Carey, outside legal advisor to CME Group. During the meeting, management reviewed various risks and issues relating to the potential transaction with NYMEX Holdings, including the trading rights of the NYMEX Class A members. In addition, management also reviewed with the executive committee the detailed financial analyses previously discussed with CME Group's financial advisors, including their summary financial analyses, discounted cash flow analyses, relative contribution analyses and accretion/dilution analyses as well as the proposed exchange ratio, potential cost and revenue synergies and the anticipated impact of the payment of various combinations of cash and stock consideration to NYMEX Holdings stockholders. Following management's presentation, members of the executive committee and management discussed regulatory and antitrust considerations. In light of the potential transaction with NYMEX Holdings, management also reviewed with the board the benefits of selling the CBOT metals complex in order to comply with CME Group's exclusive agreement to list NYMEX and COMEX products on its CME Globex electronic trading platform and requested permission to explore the sale of that business. During the meeting, representatives of Skadden, Arps provided advice with respect to certain matters. At the end of the meeting, the executive committee instructed management to proceed with its negotiations with NYMEX Holdings and pursue the sale of the CBOT metals complex.

On January 18, 2008, CME Group retained Goldman Sachs to serve as an additional financial advisor in connection with the potential transaction with NYMEX Holdings.

On January 22, 2008, the CME Group board of directors held a special meeting during which the board received an update on the status of the negotiations with NYMEX Holdings and approved the execution of a definitive agreement and the related ancillary agreements with respect to a cross-investment between CME Group and the Brazilian Mercantile & Futures Exchange S.A., or BM&F, pursuant to which CME Group would acquire an approximately 10% equity stake in BM&F, and BM&F would acquire approximately 1.19 million shares of CME Group Class A common stock.

On January 24, 2008, members of CME Group's and NYMEX Holdings' senior management, their respective financial advisors and representatives of Skadden, Arps and Weil, Gotshal & Manges, LLP, or Weil, Gotshal, NYMEX Holdings' outside legal counsel, met in New York, New York to review the preliminary due diligence that had been conducted by CME Group and NYMEX Holdings and to discuss the potential strategic fit and benefits of a transaction between CME Group and NYMEX Holdings to each company and its respective stockholders, including potential cost and revenue synergies. After extensive discussions with representatives of NYMEX Holdings and its financial and legal advisors, representatives of CME Group advised the representatives of NYMEX Holdings that based on CME Group's due diligence and the expected strategic benefits associated with a potential transaction, CME Group was prepared to acquire NYMEX Holdings for a combination of cash and stock. The representatives of CME Group explained that they were willing to acquire each share of NYMEX Holdings common stock for \$36.00 plus 0.1323 of a share of CME Group Class A common stock or \$48.40 per share of NYMEX Holdings common stock plus 0.1143 of a share of CME Group Class A common stock, at NYMEX Holdings' option. In addition, the representatives of CME Group advised the representatives of NYMEX Holdings that they would require that, as a condition to the transaction, at least 75% of the NYMEX Class A memberships be purchased for up to \$500 million in the aggregate and that the certificate of incorporation and bylaws of NYMEX be amended to eliminate substantially all of the rights of holders of NYMEX Class A memberships. The parties also discussed other issues relating to a potential transaction, including deal structure, valuation, post-closing governance matters, the trading rights of the NYMEX Class A members following consummation of a potential transaction and trading floor and building utilization options. At the end of the meeting, the representatives of NYMEX Holdings advised the representatives of CME Group that they would discuss the proposal with the NYMEX Holdings board of directors.

On January 25, 2008, the executive committee of CME Group's board of directors held a special meeting, together with members of CME Group's management and representatives of CME Group's financial advisors

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and Skadden, Arps and Peter Carey to provide an update on the status of the discussions with representatives from NYMEX Holdings and to review the risks, open items and proposed terms of the potential transaction, including deal structure, financial terms, post-closing governance matters and the trading rights of the NYMEX Class A members. As part of their review of the financial terms of the transaction, management and CME Group's financial advisors provided updates on the financial analyses previously discussed with the executive committee on January 17, 2008, including the cost and revenue synergy estimates and the accretion/dilution analysis.

On January 25, 2008, the board of directors of NYMEX Holdings and NYMEX held a special meeting together with members of NYMEX Holdings' management, representatives of JPMorgan and Merrill Lynch, and representatives of Weil, Gotshal to discuss the meeting with the representatives of CME Group on January 24, 2008, the status of the review of CME Group's publicly available documents and a potential transaction between CME Group and NYMEX Holdings. At the meeting, certain members of NYMEX Holdings' management and its advisors described for the board the terms of the proposals for a potential transaction between CME Group and NYMEX Holdings made by the representatives of CME Group, including the potential structure of the deal, the proposed consideration, treatment of the NYMEX Class A memberships and post-closing governance and operations. In particular, the board discussed CME Group's proposals with respect to the consideration to be paid in the proposed transaction. In addition, certain members of NYMEX Holdings' management and its advisors reviewed with the board certain due diligence questions raised by the representatives of CME Group at the meeting. Representatives of JPMorgan and Merrill Lynch also reviewed with the board the financial terms of the proposals made by CME Group and their preliminary financial analyses with respect to the proposed transaction. JPMorgan and Merrill Lynch also discussed the possibility that another party would be interested in a potential transaction with NYMEX Holdings. The NYMEX Holdings board of directors then discussed the requirement that NYMEX offer to purchase all of the outstanding NYMEX Class A memberships for no more than \$500 million in the aggregate and that the certificate of incorporation and bylaws of NYMEX be amended as part of the transaction to eliminate substantially all of the rights of the holders of NYMEX Class A memberships, the potential timetable of a transaction and the potential regulatory considerations raised by a transaction with CME Group. During this discussion, the board considered the fact that eight of its 15 directors owned NYMEX Class A memberships and a majority of the directors also owned a substantial amount of NYMEX Holdings common stock. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. After extensive discussion, particularly with respect to the structure of the consideration, the board authorized NYMEX Holdings' management to advise CME Group that it was prepared to move forward with CME Group's proposal to acquire each outstanding share of NYMEX Holdings common stock for \$36.00 per share in cash and 0.1323 of a share of CME Group Class A common stock, subject to completion of due diligence and the parties reaching an agreement on all transaction terms and conditions, including, subject to review of a financial advisor and further consideration by the board, with CME Group's condition that at least 75% of the NYMEX Class A memberships be purchased for no more than \$500 million in the aggregate. During the meeting, the board determined, following discussions with NYMEX Holdings' management and its legal and financial advisors, to engage a financial advisor to assist it in evaluating the consideration that CME Group proposed be paid to acquire the NYMEX Class A memberships. The board also authorized management to continue due diligence and pursue negotiations with CME Group.

On January 27, 2008, the CME Group board of directors held a special meeting together with members of CME Group's management and representatives of CME Group's financial advisors during which management reviewed the proposed terms of the transaction, including the deal structure, the financial terms, the proposed pre-closing offer to purchase all of the NYMEX Class A memberships and the post-closing elimination of substantially all of the rights of NYMEX Class A members. As part of its review of the financial terms, management reviewed with the board the detailed financial analyses previously discussed with CME Group's financial advisors and the executive committee, including their summary financial analyses, discounted cash flow analyses, relative contribution analyses and accretion/dilution analyses, as well as the proposed exchange ratio, potential cost and revenue synergies and the anticipated impact of the payment of various combinations of cash and stock consideration to NYMEX Holdings stockholders. Following management's presentation, the board and management discussed CME Group's various options regarding the public announcement of CME Group's

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discussions with NYMEX Holdings in response to market speculation. During the meeting, representatives of Skadden, Arps provided advice with respect to certain matters. At the end of the meeting, the board instructed management to continue negotiations on the proposed terms of the transaction with NYMEX Holdings and authorized the issuance of a press release as deemed necessary by management.

On January 28, 2008, the executive committee of the NYMEX Holdings board of directors met with NYMEX Holdings' financial advisors and representatives of Weil, Gotshal to discuss the status of the discussions with CME Group and the parties' ongoing due diligence review. NYMEX Holdings' general counsel explained to the members of the executive committee that he had received a call from CME Group explaining that there was market speculation regarding a potential transaction involving CME Group and NYMEX Holdings and that it was CME Group's view that the parties should issue a joint press release with respect to a proposed transaction. NYMEX Holdings' general counsel reported that NYMEX Holdings' investor relations group had confirmed that there was certain market speculation regarding a potential transaction. NYMEX Holdings' general counsel also advised the executive committee that CME Group was unwilling to continue discussions and due diligence unless NYMEX Holdings agreed to negotiate exclusively with CME Group for a period of 30 days. The members of the executive committee discussed with management and representatives of NYMEX Holdings' financial advisors the impact of entering into an exclusivity agreement with CME Group, including that the possibility of pursuing a potential transaction with CME Group would not be available absent entering into an exclusivity agreement, and issuing a press release in response to market speculation. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. After extensive discussion, the executive committee authorized management to enter into the exclusivity agreement and issue a press release.

On January 28, 2008, CME Group and NYMEX Holdings executed a letter agreement providing for a 30-day exclusivity period and jointly issued a press release announcing the exclusivity agreement, their preliminary discussions and the preliminary terms of the proposed transaction between CME Group and NYMEX Holdings.

Beginning on January 28, 2008 and continuing through March 16, 2008, CME Group's and NYMEX Holdings' representatives conducted extensive business, financial and legal due diligence and engaged in due diligence discussions with members of their respective management teams. Each of the CME Group and NYMEX Holdings due diligence teams provided CME Group's management and the executive committee of the CME Group board of directors and NYMEX Holdings' management and the NYMEX Holdings board of directors, respectively, with periodic updates as to the status of its diligence review and any issues raised during the review.

On January 30, 2008, at a regularly scheduled meeting of the CME Group board of directors, certain members of CME Group's management, together with representatives of CME Group's financial advisors and Skadden, Arps, provided an update for the board with respect to the status of the proposed transaction with NYMEX Holdings and the results of ongoing business, financial and legal due diligence. At the meeting, management and CME Group's financial advisors reviewed the potential risks of the proposed transaction and updated the analyses previously presented to the board of the anticipated financial benefits and other terms of the transaction. In particular, management reviewed with the board its exchange ratio analysis, summary financial analysis and discounted cash flow analysis, as well as the related uncertainties and assumptions.

On January 31, 2008, the NYMEX Holdings board of directors held a special meeting during which certain members of NYMEX Holdings management updated the board on the status of discussions with CME Group and the due diligence review. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters.

On February 1, 2008, members of CME Group's management and representatives of Skadden, Arps held a telephonic meeting with members of NYMEX Holdings' management and representatives of Weil, Gotshal to discuss the ongoing due diligence review of both companies and negotiate certain terms to be included in the

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Original Merger Agreement, in particular with respect to provisions addressing consideration structure, prohibition on the solicitation of alternative transactions, change in board recommendation, termination rights and fees and treatment of the NYMEX Class A memberships.

On February 7, 2008, Skadden, Arps delivered to Weil, Gotshal an initial draft of the Original Merger Agreement. From February 7, 2008 through February 25, 2008, representatives of CME Group and NYMEX Holdings and their respective legal advisors engaged in extensive negotiations regarding the terms of the Original Merger Agreement and the related ancillary agreements as they continued their ongoing due diligence review.

On February 19, 2008, representatives of CME Group and NYMEX Holdings and their respective legal and financial advisors met in Chicago, Illinois to discuss several due diligence matters and the terms of the proposed transaction. During the meeting, the representatives of CME Group noted that the exclusivity agreement was due to expire on February 25, 2008 and that the parties would not have completed their due diligence or the negotiation of a definitive agreement by that date. The CME Group representatives explained that they would be unwilling to continue discussions without an exclusivity agreement in place, and therefore, recommended that the parties extend the exclusivity period. The representatives of NYMEX Holdings explained that they understood the issue and would consider CME Group's request.

On February 20, 2008, a representative of CME Group's management advised NYMEX Holdings' general counsel that, as had been discussed in Chicago, in order for the parties to complete their due diligence review and their negotiations of the Original Merger Agreement and ancillary documents, CME Group and NYMEX Holdings should execute a letter agreement providing for an extension of the 30-day exclusivity period until March 15, 2008. CME Group's representative explained to NYMEX Holdings' general counsel that, as previously discussed, CME Group was unwilling to continue due diligence and negotiations of the Original Merger Agreement unless the exclusivity agreement was extended.

On February 25, 2008, the NYMEX Holdings board of directors held a special meeting during which certain members of NYMEX Holdings management updated the board on the status of discussions with CME Group and the due diligence review. NYMEX Holdings' general counsel advised the board of the request of CME Group that the exclusivity agreement be extended until March 15, 2008. He explained that CME Group was unwilling to continue due diligence and negotiations unless the exclusivity agreement was extended. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. In light of the progress that had been made to date with CME Group, including with respect to the parties' due diligence review and negotiation of the Original Merger Agreement, CME Group's unwillingness to continue due diligence and negotiations without an extension of the exclusivity agreement and the fact that NYMEX Holdings had not been contacted by any third parties interested in exploring a potential transaction since the proposed transaction was first announced publicly on January 28, 2008, the board authorized NYMEX Holdings' management to extend the exclusivity agreement until March 15, 2008. During the meeting, the board determined, following discussions with NYMEX Holdings' management and the company's legal and financial advisors, to engage a financial advisor to assist it in evaluating the consideration that CME Group proposed be paid to acquire the NYMEX Class A memberships.

On February 25, 2008, CME Group and NYMEX Holdings entered into a letter agreement providing for an extension of the exclusivity period until March 15, 2008. On that same day, the parties issued a press release disclosing the extension.

From February 25, 2008 through March 10, 2008, representatives of CME Group and NYMEX Holdings and their respective legal advisors continued their extensive negotiations regarding the terms of the Original Merger Agreement and the related ancillary agreements, in particular with respect to the provisions in the Original Merger Agreement addressing consideration structure, prohibition on solicitation of alternative transactions, change in board recommendation, termination rights and fees and treatment of the NYMEX Class A memberships, as they continued their ongoing due diligence review.

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On February 26, 2008, CME Group completed and announced its cross-investment with BM&F pursuant to which CME Group acquired an approximately 10% equity stake in BM&F, and BM&F acquired approximately 1.19 million shares of CME Group Class A common stock.

On March 3, 2008, members of CME Group's and NYMEX Holdings' senior management and their respective financial advisors met in New York, New York to discuss CME Group's 2007 year-end financial results, 2008 first-quarter financial results to date, future initiatives and growth and expense drivers.

On March 4, 2008, members of CME Group's management and representatives from Lehman Brothers, William Blair and Skadden, Arps held a meeting to discuss the progress of negotiations to date and certain financial terms to be included in the Original Merger Agreement.

On March 4, 2008, NYMEX received a letter from a group of NYMEX Class A members entitled to cast at least 10% of the total number of votes entitled to be cast at a special meeting of the NYMEX Class A members demanding that a special meeting of the NYMEX Class A members be called as promptly as practicable to determine the amounts due and payable (if any) to NYMEX Class A members with respect to the electronic trading of certain NYMEX products pursuant to Bylaw Section 311(G).

On March 5, 2008, members of CME Group's senior management held a telephonic meeting with members of NYMEX Holdings' senior management to further negotiate certain terms of the Original Merger Agreement and discuss the status of the parties' respective due diligence reviews.

On March 5 and March 6, 2008, the NYMEX Holdings board of directors met to review, among other things, the status of the proposed transaction, including the due diligence review that had been conducted by CME Group and NYMEX Holdings and the negotiation of the Original Merger Agreement and the voting and support agreements between CME Group and each of the General Atlantic Parties and Mr. Schaeffer and Dr. Newsome. Certain members of NYMEX Holdings' senior management first summarized for the board the due diligence review that had been conducted to date, the remaining due diligence, open issues and questions and the likely timetable for the completion of the parties' due diligence reviews. The non-management members of the board then discussed the draft Original Merger Agreement, a copy of which had been provided to the board prior to the meetings. In particular, the non-management members of the board discussed the transaction structure, including the ability of NYMEX Holdings stockholders to elect to receive all cash in the transaction (subject to certain limitations), the regulatory approvals provisions, the non-solicitation provision, the composition of the CME Group board of directors following consummation of the merger, the required approvals of NYMEX Holdings stockholders and NYMEX Class A members, the treatment of NYMEX Class A members in the transaction and the status of the trading floor following consummation of the merger, the ability of each of CME Group and NYMEX Holdings to terminate the Original Merger Agreement, the circumstances under which each of CME Group and NYMEX Holdings would pay a termination fee and the amount of the termination fee. The NYMEX Holdings board of directors then discussed the regulatory considerations associated with the proposed transaction and the ways in which NYMEX Holdings would manage such considerations, as well as the potential timetable for consummating a transaction with CME Group. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. Following extensive discussion, including in executive session without the management directors, the board authorized NYMEX Holdings' management to continue due diligence and negotiation of the Original Merger Agreement and gave management guidance with respect to the provisions in the draft Original Merger Agreement being negotiated.

On March 6, 2008, members of CME Group's and NYMEX Holdings' financial management teams and their respective financial advisors met in Chicago, Illinois to discuss NYMEX Holdings' 2007 year-end financial results, 2008 first-quarter financial results to date, future initiatives and growth and expense drivers and to discuss further the information presented by CME Group at the March 3, 2008 meeting. Later that day, the executive committee of CME Group's board of directors held a special meeting during which management briefed the executive committee on the status of the business, financial and legal due diligence review and the progress of the negotiations with NYMEX Holdings on the terms of the Original Merger Agreement.



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On March 7, 2008, Lehman Brothers delivered to CME Group a highly confident letter with respect to securing financing for the cash portion of the proposed merger consideration.

On March 9, 2008, the board of directors of NYMEX Holdings and NYMEX held a special meeting to consider the proposed transaction with CME Group. At the meeting, Mr. Schaeffer and Dr. Newsome updated the board on the status of negotiations regarding the proposed transaction with CME Group. NYMEX Holdings' general counsel then discussed with the board the open issues in the Original Merger Agreement and the voting and support agreements between CME Group and each of the General Atlantic Parties, Mr. Schaeffer and Dr. Newsome. Representatives of JPMorgan and Merrill Lynch then described for the board the process undertaken by each of them in performing their respective financial analyses. JPMorgan and Merrill Lynch then reviewed with the board the financial terms of the proposed transaction and reviewed the preliminary financial analyses performed by them with respect to CME Group, NYMEX Holdings and the proposed transaction, which had previously been presented to the board, including summary financial analyses, discounted cash flow analyses, comparable companies and comparable transactions analyses, contribution analyses and accretion/dilution analyses. JPMorgan and Merrill Lynch also reviewed with the board the financial projections of each of NYMEX Holdings and CME Group that had been used in their preliminary financial analyses. The board discussed with members of NYMEX Holdings' management and representatives of JPMorgan and Merrill Lynch the increased competition in the exchange sector, the challenges that NYMEX Holdings likely would face as a stand-alone entity and NYMEX Holdings' electronic trading agreement with CME. The board then discussed the status of the current draft of the Original Merger Agreement (a copy of which had been provided to the board prior to the special meeting), including certain issues about which the board had provided guidance at the prior meetings. The NYMEX Holdings board of directors then discussed the strategic rationale for the proposed transaction and the reasons for and benefits of a transaction with CME Group. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. Following extensive discussion, including in executive session without members of NYMEX Holdings' management in attendance, the NYMEX Holdings board of directors gave NYMEX Holdings' management guidance with respect to the open issues in the Original Merger Agreement and authorized management to continue negotiations with CME Group.

On March 10, 2008, the CME Group board of directors held a special meeting to consider the proposed transaction with NYMEX Holdings. At this meeting, management updated the board on the progress of the negotiations with NYMEX Holdings to date and reviewed the strategic rationale for pursuing the transaction, including the potential cost and revenue synergies, improvement in CME Group's global competitive position, diversification of CME Group's business and ability to drive the growth of NYMEX Holdings' business. Management also discussed with the board the financing costs and risks relating to the proposed transaction and its belief that CME Group would be able to finance the cash portion of the proposed merger consideration in light of the highly confident letter delivered by Lehman Brothers to CME Group previously and the company's strong cash flow, relatively low leverage and favorable credit rating. Following management's update, the board received reports on the outcome of the due diligence effort with respect to NYMEX Holdings, including presentations from PricewaterhouseCoopers LLP on its financial due diligence analysis and from management on its operational and legal due diligence review. During the meeting, representatives of CME Group's management reviewed with the board and the board discussed the various risks relating to the transaction and the terms of the draft Original Merger Agreement, including the deal structure, the financial terms, the Stock Issuance, the proposed pre-closing offer to purchase all of the NYMEX Class A memberships and the post-closing elimination of substantially all of the rights of NYMEX Class A members, post-closing governance matters, the CME Group Amended Charter, the covenants related to operations of the business prior to closing the transaction, the prohibition on solicitation of alternative transactions and change in recommendation provisions, the parties' termination rights, CME Group's obligation to pay NYMEX Holdings a termination fee under certain circumstances and other terms of the proposed transactions contemplated by the Original Merger Agreement, including timing and process for stockholder and governmental approvals and other regulatory and antitrust considerations. As part of its review of the financial terms relating to the proposed transaction, management reported on the stand-alone model projections for CME Group and NYMEX Holdings, as well as its discounted cash flow analysis, while representatives of CME Group's financial advisors described for the board the process undertaken by each of them in performing their respective financial analyses

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prior to reviewing their financial analyses of the proposed transaction with the board. During the meeting, representatives of Skadden, Arps provided advice with respect to certain matters. The board then considered and discussed this information as well as the information provided at prior meetings and authorized management to continue negotiations with NYMEX Holdings.

On March 10, 2008, the board of directors of NYMEX Holdings and NYMEX held a special meeting. The management directors excused themselves for the portion of the meeting relating to the proposed transaction with CME Group. The board was updated on the negotiation of the Original Merger Agreement and the voting and support agreements between CME Group and each of the General Atlantic Parties and Mr. Schaeffer and Dr. Newsome. The board discussed the provisions of the draft Original Merger Agreement, including, in particular, the non-solicitation, termination and termination fee provisions, as well as the circumstances in which the board could change its recommendation to stockholders. In addition, there was a discussion regarding under what circumstances termination fees would be payable and the amount of such fees. The board also discussed the regulatory approvals covenant and the timetable for obtaining the required regulatory approvals. The board then discussed with NYMEX Holdings management and JPMorgan and Merrill Lynch recent changes in the market price for NYMEX Holdings common stock. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. Following extensive discussion, the board provided guidance as to the open issues in the Original Merger Agreement and authorized management to continue negotiations with CME Group.

From March 10, 2008 through March 16, 2008, representatives of CME Group and NYMEX Holdings and their respective legal advisors continued their extensive negotiations regarding the terms of the Original Merger Agreement and the related ancillary agreements, in particular with respect to the provisions in the Original Merger Agreement addressing prohibition on solicitation of alternative transactions, change in board recommendation, termination rights and fees and treatment of the NYMEX Class A memberships. During this period, representatives of CME Group and NYMEX Holdings, and their respective advisors, held several telephone conversations to negotiate these and other issues related to the proposed transaction.

On March 14, 2008, the board of directors of NYMEX Holdings and NYMEX held a special meeting at which Mr. Schaeffer and Dr. Newsome updated the board on the negotiations of the Original Merger Agreement and the voting and support agreements between CME Group and each of the General Atlantic Parties and Mr. Schaeffer and Dr. Newsome that had taken place since the last board meeting. The board then reviewed certain provisions of the Original Merger Agreement, including the non-solicitation provision, the regulatory approvals requirement, the treatment of the NYMEX Class A members, the conditions to consummation of the transaction, the termination provisions and the circumstances in which each of NYMEX Holdings and CME Group would pay a termination fee pursuant to the Original Merger Agreement. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. JPMorgan and Merrill Lynch then reviewed with the board their respective financial analyses regarding the proposed transaction and Sandler O'Neill reviewed with the board its financial analyses regarding the amount proposed to be paid to purchase the NYMEX Class A memberships. The board then received reports from NYMEX Holdings management team, JPMorgan and Merrill Lynch, Weil, Gotshal and KPMG regarding their due diligence of CME Group. Following these discussions, the board authorized NYMEX Holdings management to continue negotiations with CME Group.

On March 14, 2008, CME Group announced the sale of the CBOT metals complex to NYSE Euronext.

On March 16, 2008, the board of directors of NYMEX Holdings and NYMEX held a special meeting to discuss the proposed transaction with CME Group. At the meeting, Mr. Schaeffer and Dr. Newsome updated the board on the negotiations that had taken place with CME Group since the last board of directors meeting. The board again reviewed the terms of the proposed transaction, including the provisions of the Original Merger Agreement (a copy of which had been provided to the directors prior to the special meeting), including the provisions regarding non-solicitation, required regulatory approvals, the conditions to consummation of the

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proposed transaction, termination and the provisions governing when each of NYMEX Holdings and CME Group would be obligated to pay a termination fee. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters. Representatives of JPMorgan and Merrill Lynch provided updates to the board of their respective financial analyses, including a review of financial projections of NYMEX Holdings and CME Group. Each of JPMorgan and Merrill Lynch then provided its opinion, which was subsequently confirmed in writing, that as of the date of its opinion and based upon and subject to the assumptions, conditions, limitations and other matters discussed and ultimately set forth in its written opinion, the consideration to be paid by CME Group to the holders of shares of NYMEX Holdings common stock in the proposed transaction was fair to the holders of NYMEX Holdings common stock from a financial point of view. Sandler O'Neill then provided the board with an update of its financial analyses regarding the NYMEX Class A memberships, which previously had been presented to the board, and provided its opinion, which was subsequently confirmed in writing, that, as of the date of the opinion and based upon and subject to the assumptions, factors, conditions, procedures, limitations and other matters discussed and ultimately set forth in its written opinion, the consideration of \$500 million in the aggregate to be paid to the holders of NYMEX Class A memberships was fair to NYMEX Holdings from a financial point of view. Following extensive discussion of the proposed transaction, including the terms of the Original Merger Agreement and the analyses and opinions provided by NYMEX Holdings' financial advisors, the NYMEX Holdings board of directors determined by unanimous vote of the directors that the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement were advisable, fair to and in the best interests of NYMEX Holdings and its stockholders, approved the Original Merger Agreement, the merger, the voting and support agreements between CME Group and each of the General Atlantic Parties and Mr. Schaeffer and Dr. Newsome, the membership purchase offer and the other transactions contemplated by the Original Merger Agreement, authorized management to enter into the Original Merger Agreement, resolved to submit the Original Merger Agreement to NYMEX Holdings stockholders for adoption and recommended that NYMEX Holdings stockholders adopt the Original Merger Agreement, while the NYMEX board of directors unanimously approved the Original Merger Agreement and the transactions contemplated by the Original Merger Agreement, authorized NYMEX to enter into the Original Merger Agreement and determined that the NYMEX Charter Amendment and the NYMEX Bylaws Amendment were advisable.

On March 16, 2008, the CME Group board of directors held another special meeting at which Messrs. Duffy and Donohue updated the board on the negotiations that had taken place with NYMEX Holdings since the last board meeting. The board and management discussed financing alternatives for the proposed transaction in the context of the current condition of the debt markets and reviewed updates to the principal terms of the transaction since the last board meeting, including with respect to terms relating to the regulatory process and approvals, financing, the prohibition on solicitation of alternative transactions, termination terms of the Original Merger Agreement and CME Group's obligation to pay NYMEX Holdings a termination fee under certain circumstances. The board and management also discussed the CME Group Amended Charter and the Stock Issuance. Representatives of CME Group's financial advisors each provided updates on their respective analyses, reviewed the stand-alone model projections for CME Group and NYMEX Holdings previously presented to the board and verbally stated their opinions (subsequently confirmed in writing) that as of the date of their opinions and based upon and subject to the assumptions, factors, conditions, procedures, limitations and other matters discussed and ultimately set forth in their written opinions, the consideration to be paid for each outstanding share of NYMEX Holdings common stock, taken in the aggregate, by CME Group in the proposed transaction was fair to the company, from a financial point of view. In addition, the board reviewed recent events in the financial and banking markets that had affected adversely certain CME Group and NYMEX Holdings customers, the impact of such events on CME Group and NYMEX Holdings individually and as part of the global derivatives industry and the advisability of proceeding with the proposed transaction in such environment. During the meeting, representatives of Skadden, Arps provided advice with respect to certain matters. Following deliberations and reviewing all aspects of the proposed transaction as presented to the board at this meeting and prior meetings and considering risks due to the current economic environment, the board determined by unanimous vote of the directors present (Myron S. Scholes was the only director of CME Group not present at the time of the vote) that the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement were advisable, fair to and in the best interests of CME Group and its

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stockholders and then approved the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement, determined that the CME Group Amended Charter and the Stock Issuance were advisable, authorized management to enter into the Original Merger Agreement, resolved to submit the CME Group Amended Charter and the Stock Issuance to CME Group stockholders for approval and recommended that CME Group stockholders approve the CME Group Amended Charter and the Stock Issuance.

In the early morning of March 17, 2008, representatives of CME Group and each of the General Atlantic Parties and Mr. Schaeffer and Dr. Newsome executed the voting and support agreements and representatives of CME Group and NYMEX Holdings executed the Original Merger Agreement. CME Group and NYMEX Holdings announced the transaction through the issuance of a joint press release prior to the open of the U.S. financial markets on that day.

On March 17, 2008, Mr. Cataldo J. Capozza filed a putative class action complaint on behalf of the NYMEX Holdings stockholders in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors and CME Group.

From April 2008 to July 2008, officers, employees and representatives of CME Group and NYMEX Holdings met on a regular basis both in person and by telephone to plan for the integration of CME Group's and NYMEX Holdings' businesses.

On April 8, 2008, CME Group filed the required merger notification under the HSR Act with the U.S. Department of Justice.

On April 14, 2008, NYMEX issued Notice to Members No. 199, notifying NYMEX Class A members that it had scheduled a special meeting of the NYMEX Class A members for June 3, 2008, in response to the demand made by certain NYMEX Class A members on March 4, 2008.

On April 14, 2008, Ms. Polly Winters filed a putative class action complaint on behalf of the NYMEX Holdings stockholders in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors and CME Group.

On April 15, 2008, Ms. Joan Haedrich filed a putative class action complaint on behalf of the NYMEX Holdings stockholders in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors and CME Group.

On April 18, 2008, NYMEX Holdings filed the required merger notification under the HSR Act with the U.S. Department of Justice.

On April 23, 2008, NYMEX issued Notice to Members No. 217, explaining that for purposes of Bylaw Section 311(G), revenue payments to NYMEX Class A members will become due and payable if a shift from open outcry trading to electronic trading has occurred for any applicable NYMEX product, and that a shift shall have occurred following the end of two consecutive fiscal quarters in which, during each quarter, the average quarterly electronic trading volume has equaled or exceeded 90% of the contract volume in such product. According to the notice, after a shift has occurred, revenues that are generated from the electronic trading of such product will accrue under Bylaw Section 311(G) and will be paid to the NYMEX Class A members on a quarterly basis consistent with the financial reporting schedule of NYMEX Holdings.

On May 7, 2008, CME Group held its annual meeting of stockholders.

On May 7, 2008, the CME Group board of directors held a regular meeting together with members of CME Group's management during which the board evaluated, discussed and approved the terms of a proposal to extend CME Group's exclusive license with NASDAQ OMX Group, Inc., or NASDAQ OMX, to offer futures

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and options on futures contracts based on NASDAQ OMX indexes for an additional seven-year period, through 2019, and authorized management to negotiate the terms and conditions of the proposed extension.

On May 16, 2008, the Delaware Court of Chancery consolidated the three class actions previously filed on behalf of the NYMEX Holdings stockholders, or the stockholder plaintiffs.

On May 19, 2008, CME Group withdrew and refiled its merger notification under the HSR Act to provide the Department of Justice additional time to review the filing.

On May 20, 2008, NYMEX Holdings held its annual meeting of stockholders.

On May 29, 2008, NYMEX issued Notice to Members No. 283, advising NYMEX Class A members that in order to make the meeting more informative and productive by providing the owners of NYMEX Class A memberships appropriate time to review the information NYMEX will be releasing in advance of the meeting, NYMEX had rescheduled the special meeting previously scheduled for June 3, 2008 to June 10, 2008.

On May 30, 2008, NYMEX reissued Notice to Members No. 283, advising NYMEX Class A members that as an accommodation to several NYMEX Class A members who were observing a religious holiday, NYMEX had rescheduled the special meeting previously rescheduled for June 10, 2008 to June 19, 2008.

On June 5, 2008, the CME Group board of directors held a regular meeting together with members of CME Group's management, representatives of CME Group's financial advisors and Skadden, Arps and Peter Carey. At the meeting, Mr. Donohue provided an update on the status of the transaction with NYMEX Holdings, including with respect to the antitrust review of the merger. The finance committee of the CME Group board of directors then requested and received authorization to obtain the appropriate financing, up to an aggregate amount of \$4 billion, to finance the cash portion of the merger consideration. In addition, the board approved the execution of the first amendment to the Original Merger Agreement, which revised certain provisions of the Original Merger Agreement in the event that CME Group made the decision to de-list from the NYSE and list solely on Nasdaq, together with certain technical revisions to the governance documents of CME Group and NYMEX attached as exhibits to the Original Merger Agreement. At the meeting, representatives of Skadden, Arps provided advice with respect to certain matters.

On June 10, 2008, CME Group made the initial filing of this joint proxy statement/prospectus with the Securities and Exchange Commission.

On June 16, 2008, CME Group and NYMEX Holdings received a notice of early-termination of the HSR Act waiting period from the U.S. Department of Justice and the U.S. Federal Trade Commission, enabling the parties to complete the proposed merger without conditions and issued a press release to that effect.

On June 16, 2008, Shelby Greene filed a putative class action complaint on behalf of the NYMEX Class A members in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors, CME Group and Merger Sub.

On June 19, 2008, NYMEX held the special meeting of NYMEX Class A members to discuss the rights of NYMEX Class A members under Bylaw Section 311(G). During the meeting, representatives of NYMEX explained the quarterly test that must be satisfied before revenue payments to the NYMEX Class A members become due and payable under Bylaw Section 311(G). A question and answer period ensued during which NYMEX Class A members had the opportunity to discuss with management questions about Bylaw Section 311(G) and other issues relevant to NYMEX Class A members, including the pending acquisition of NYMEX Holdings by CME Group. At the meeting, certain NYMEX Class A members voiced their opposition to the merger due to, among other things, the consideration being offered to the owners of NYMEX Class A memberships in the transaction and the post-closing elimination of trading rights and privileges of the NYMEX Class A members under the Original Merger Agreement.

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On June 23, 2008, CME Group announced a share buyback program of up to \$1.1 billion of CME Group Class A common stock, subject to market conditions, over a period of up to 18 months and its intention to declare a special dividend of \$5.00 per share of its Class A and Class B common stock, in each case, following the resolution of the merger.

On June 30, 2008, the NYMEX Holdings and NYMEX boards of directors held a special meeting to consider and discuss the issues raised at the special meeting of NYMEX Class A members held on June 19, 2008. At the meeting, the board considered the importance of obtaining the support of the NYMEX Class A members for the transaction, given the condition to the transaction requiring the approval by 75% of the NYMEX Class A members of the NYMEX Amended Charter and the NYMEX Amended Bylaws. The boards then discussed the potential benefits of the transaction and their continued commitment to the transaction and considered whether there was sufficient support for the transaction from the NYMEX Class A members. The NYMEX board then directed its executive committee to more fully review the issues raised by the NYMEX Class A members at the special meeting, including those relating to Bylaw Section 311(G), and to report back to the board with respect to its conclusions on how to address such issues.

On June 30, 2008, CME Group announced that CME Group and NASDAQ OMX agreed to extend CME Group's exclusive license to offer futures and options on futures contracts based on NASDAQ OMX indexes for an additional seven-year period, through 2019, and that CME Group would cease trading its Class A common stock on the NYSE on July 11, 2008 and commence trading solely on Nasdaq on July 14, 2008.

On June 30, 2008, CME Group, Merger Sub, NYMEX Holdings and NYMEX executed the first amendment to the Original Merger Agreement primarily to account for CME Group's de-listing from the NYSE and single listing on Nasdaq.

On July 9, 2008, members of the CME Group board of directors and management and a representative of Skadden, Arps held a meeting with Mr. Mark Fisher, a NYMEX Class A member who purported to represent the interests of a significant number of NYMEX Class A members. At the meeting, Mr. Fisher stated his belief that the consideration being offered to NYMEX Class A members understated the value of the NYMEX Class A members' trading rights, including their rights under Bylaw Section 311(G). Mr. Fisher expressed his view that, in order to receive the requisite support of NYMEX Holdings stockholders and NYMEX Class A members for the merger, CME Group would need to offer increased consideration to both the NYMEX Class A members and the NYMEX Holdings stockholders and, in lieu of issuing trading permits, allow the NYMEX Class A members to retain their NYMEX Class A memberships, with limited trading rights and privileges, following the effective time of the merger.

Following the meeting with Mr. Fisher, the CME Group representatives and a representative of Skadden, Arps met with members of the NYMEX Holdings board of directors and management. At the meeting, the NYMEX Holdings representatives expressed their view that, while the transaction received unanimous approval and continued to receive unanimous support of NYMEX Holdings' board of directors, based on feedback received from stockholders and NYMEX Class A members regarding the consideration to be received (including in light of the change in CME Group's stock price and its impact on the implied transaction value), the NYMEX Holdings' board was concerned that, absent an increase in the consideration being offered to both stockholders and NYMEX Class A members, the necessary approvals for the transactions might not be obtained. Accordingly, NYMEX Holdings representatives urged CME Group to increase the consideration payable to NYMEX Holdings stockholders. In addition, the NYMEX Holdings representatives stressed the importance of increasing the consideration being offered to NYMEX Class A members and allowing them to retain their NYMEX Class A memberships, with limited trading rights and privileges, in order to obtain the support of the NYMEX Class A members for the transaction.

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Later in the evening of July 9, 2008, certain CME Group representatives met with CME Group's financial and legal advisors to discuss the issues presented at the meetings with Mr. Fisher and NYMEX Holdings and determine an appropriate response.

On July 11, 2008, the Delaware Court of Chancery held a hearing on the stockholder plaintiffs' motion to expedite the proceedings and granted the motion that day.

On July 12, 2008, the CME Group board of directors held a special meeting together with members of CME Group's management and its financial and legal advisors to discuss the meetings with Mr. Fisher and NYMEX Holdings and the issues presented at those meetings and to review the terms of the merger in advance of mailing the joint proxy statement/prospectus and holding the companies' special meetings of stockholders and the special meeting of NYMEX Class A members. At the meeting, management reviewed with the board the operating and trading performance of CME Group and NYMEX Holdings since the execution of the Original Merger Agreement. Management also updated the financial analyses that were presented to the board in connection with the board's approval of the Original Merger Agreement and reviewed with the board the results of management's integration planning and the impact of certain recent events on CME Group and NYMEX Holdings, individually, and as part of the global derivatives industry, including the pending legislation with respect to speculative trading in derivative contracts, instability in the banking industry, continued volatility in the financial markets, the effect of fluctuations in economic, political and market conditions on trading volume and the status of the pending litigation with respect to the merger. During and following these presentations, the board of directors and management evaluated what, if any, changes to the Original Merger Agreement were warranted in light of the meetings with Mr. Fisher and the NYMEX Holdings representatives and the presentations made by management. Following discussion, the board concluded that the consideration offered to NYMEX Holdings stockholders was full and fair and that no increase in consideration was warranted. The board also considered whether to amend the Original Merger Agreement to allow NYMEX Class A members to retain their memberships and instead extinguish most of their trading protections, and to provide them with additional consideration, given the value of the trading rights, particularly the Section 311(G) rights. Management presented its view as to the potential impact on CME Group's business and operations from allowing the NYMEX Class A members to retain their memberships and presented management's proposal for trading rights if the NYMEX Class A members were to remain in place. Following discussion, the board determined that it would not increase the consideration payable to NYMEX Class A members but would revise the terms of the transaction to allow the NYMEX Class A members to retain their NYMEX Class A memberships with the trading rights and privileges following the effective time of the merger in the form presented by management. The board appointed a transaction committee to evaluate and negotiate an amendment to the transaction terms in accordance with the terms discussed at the meeting. The board also authorized the finance committee to access the capital markets to secure the financing arrangements required to pay the cash portion of the merger consideration. At the meeting, representatives of Skadden, Arps provided advice with respect to certain matters.

On July 12, 2008, following the special meeting of the CME Group board of directors, representatives of CME Group's management communicated to representatives of NYMEX Holdings' management the terms of CME Group's revised proposal. Later that evening, Skadden, Arps delivered to Weil, Gotshal an initial draft of the Amended Merger Agreement and related documents reflecting the proposal.

On July 13, 2008, representatives of CME Group's management participated in multiple telephonic discussions with representatives of NYMEX Holdings' management with respect to CME Group's proposal. NYMEX Holdings' management described its reservations that NYMEX Class A members would view CME Group's proposal as not appropriately valuing the rights of the NYMEX Class A memberships that were being repurchased. The NYMEX Holdings representatives reiterated their belief that, in order to receive the requisite stockholder and member approvals, CME Group would need to increase the consideration payable to both stockholders and NYMEX Class A members. They strongly encouraged CME Group to reconsider its position and increase the consideration being offered to stockholders, increase the consideration payable to NYMEX Class A members to \$750,000 per NYMEX Class A membership and allow NYMEX Class A members to retain

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their memberships. CME Group rejected NYMEX Holdings' proposals to increase the consideration payable to stockholders and NYMEX Class A members. At that time, the representatives of NYMEX Holdings' management proposed that, were CME Group to increase the consideration, certain executive officers of NYMEX Holdings would agree to a reduction in the change of control payments to which they may become entitled in connection with the consummation of the merger, and that NYMEX Holdings would obtain a reduction of certain other merger-related expenses of NYMEX Holdings (all of such reductions to aggregate \$30 million) thereby allowing those funds to remain with NYMEX Holdings for the benefit of the stockholders of CME Group (including the former stockholders of NYMEX Holdings following consummation of the merger). In light of NYMEX Holdings' proposal, CME Group suggested that they might be willing to consider increasing the consideration to NYMEX Class A members, if NYMEX Holdings also would consider extending the term of the existing technology services agreement between CME and NYMEX for an additional two years, until 2018, and delaying the early termination right of either party thereunder by one year, with such amendment to become effective following the NYMEX Holdings special meeting of stockholders.

On July 13, 2008, the NYMEX Holdings board of directors held a special meeting together with members of NYMEX Holdings' management and its legal advisors to evaluate and discuss CME Group's proposal and the discussions between representatives of NYMEX Holdings' management and CME Group's management. The board discussed the benefits of the transaction and the board's continued unanimous support for the transaction, particularly in view of the changes in the regulatory and competitive environment since execution of the Original Merger Agreement. In light of this discussion, the board expressed concern over CME Group's refusal to consider an increase in the consideration payable to stockholders. The board discussed whether they believed that CME Group's revised offer to allow the NYMEX Class A members to retain their memberships and certain trading rights would be likely to convince a sufficient percentage of the NYMEX Class A members to support the transaction. Several directors expressed concern that without increasing the consideration payable to the NYMEX Class A members, such members were unlikely to support the transaction. The board considered whether a transaction that provided additional consideration to the NYMEX Class A members was in the best interests of the stockholders of NYMEX Holdings. The NYMEX Holdings' management team discussed with the board that certain senior members of management would consider waiving their respective rights in respect of a portion of the payments to which such members of management could become entitled after the consummation of the merger. After discussion, the board agreed to reconvene once a response was received from CME Group with respect to the increase in consideration to be payable to the NYMEX Class A members in respect of their NYMEX Class A memberships. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters.

On July 13, 2008, the CME Group board of directors held a special meeting together with members of CME Group's management and its financial and legal advisors to evaluate and discuss the proposal made by the representatives of NYMEX Holdings earlier that day. In considering NYMEX Holdings' request to increase the consideration payable to NYMEX Class A members to \$750,000 per Class A membership, the board evaluated the benefits of securing an extension of the term of the technology services agreement, as well as the commitment demonstrated by NYMEX Holdings' management through the proposal to reduce its change of control payments and other merger-related expenses. In light of those considerations, the board authorized the transaction committee to continue to negotiate a proposed amendment to the Original Merger Agreement to provide for increasing the consideration to be paid to NYMEX Class A members and the other terms and conditions discussed with the board relating to the maintenance of NYMEX Class A memberships following the effective time of the merger. At the meeting, CME Group's financial advisors, confirmed that the terms of the revised proposal would not have changed their respective opinions, as previously delivered to the board, that the consideration to be paid for each outstanding share of NYMEX Holdings common stock, taken in the aggregate, by CME Group in the proposed transaction was fair to CME Group, from a financial point of view. In light of the considerations reviewed by the board, the board determined that the terms of the proposed amendment to the transaction, in substantially the form presented to the board by management, were advisable, fair to and in the best interests of CME Group and its stockholders. During the meeting, representatives of Skadden, Arps provided advice with respect to certain matters.



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Later on July 13, 2008, representatives of CME Group's management communicated to representatives of NYMEX Holdings' management that CME Group would be willing to increase the consideration payable to NYMEX Class A members to \$750,000 per Class A membership, so long as NYMEX Holdings would agree to the amendment of the technology services agreement that had previously been discussed by the parties and to decrease change of control and other merger-related expenses by \$30 million, in the aggregate, thereby allowing those funds to remain with NYMEX Holdings for the benefit of stockholders of CME Group (including the former stockholders of NYMEX Holdings following consummation of the merger). The representatives of CME Group's management reiterated that CME Group believed that the consideration offered to NYMEX Holdings stockholders was full and fair and no increase in the consideration payable to NYMEX Holdings stockholders was warranted.

From July 13, 2008 through July 17, 2008, representatives of CME Group and NYMEX Holdings and their respective legal advisors participated in multiple telephonic discussions and negotiations regarding the terms of the Amended Merger Agreement and the corresponding revisions to the forms of the NYMEX Amended Charter and the NYMEX Amended Bylaws and other ancillary agreements.

On July 14, 2008, the NYMEX Holdings board of directors held a special meeting together with members of NYMEX Holdings' management and its legal advisors to evaluate and discuss CME Group's revised proposal and the related discussions between representatives of NYMEX Holdings' management and CME Group's management regarding the terms of the Amended Merger Agreement. Dr. Newsome discussed with the board the changes in the regulatory environment since execution of the Original Merger Agreement and the status of current legislation being proposed relating to the energy markets. The board authorized management to continue negotiating the Amended Merger Agreement with CME Group. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters.

On July 16, 2008, the NYMEX Holdings board of directors held a special meeting together with members of NYMEX Holdings' management and its financial and legal advisors to evaluate and discuss the developments in the negotiations of the Amended Merger Agreement. Representatives of management updated the board on the progress of the negotiations, including CME Group's willingness to increase the consideration to be paid in respect of NYMEX Class A memberships, so long as NYMEX Holdings committed to reduce merger-related expenses by \$30 million and enter into an amendment of the technology services agreement between the parties to provide CME with an option to extend the term thereof for two years and to delay the early termination right of either party thereunder for one year. The board discussed the merits of CME Group's revised proposal and the benefits of the transaction, and separately considered the likelihood that the required approvals of stockholders and NYMEX Class A members would be obtained under the terms of the Original Merger Agreement or the terms of CME Group's revised proposal. The board and its advisors discussed the need to obtain the support of NYMEX Class A members for the transaction in light of the supermajority of NYMEX Class A members required to approve the NYMEX Amended Charter and NYMEX Amended Bylaws, a condition to the transaction. Management reiterated their commitment to waive rights to a portion of the payments each of them might become entitled to under the change of control plan and to identify reductions of other merger-related expenses in order to provide NYMEX Holdings a total of \$30 million in savings related to the transaction.

JPMorgan and Merrill Lynch, NYMEX Holdings' financial advisors, joined the meeting and provided market update presentations to the board. The financial advisors reviewed with the board the current state of the market, and specifically the market performance of CME Group, NYMEX Holdings and their peers. The financial advisors gave a presentation regarding the change in the implied transaction value given the performance of CME Group's stock since the execution of the Original Merger Agreement. The financial advisors expressed their view that nothing had occurred since the execution of the Original Merger Agreement that fundamentally undermined the rationale for the transaction as discussed at such time, and that, notwithstanding the reduction in the market price for CME Group common stock, a compelling rationale exists for the transaction, particularly in light of the competitive nature of the marketplace and the current regulatory environment. The board and financial advisors then discussed the changes in the market prices of both CME Group and NYMEX Holdings common stock and the fact that the price of NYMEX Holdings common stock had

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fallen by a smaller percentage than that of its peers in the period since the execution of the Original Merger Agreement and whether that fact could be attributed to the pendency of the merger with CME Group. The board and financial advisors also discussed the probability that NYMEX Holdings stock price would likely be in line with that of its peers in the absence of the subject transaction and, that if the merger did not occur for any reason, it could be reasonably anticipated that NYMEX Holdings stock price would move such that it would be in line with that of its peers. The financial advisors noted that as of July 16, the implied transaction value was below the value range resulting from the discounted cash flow analysis that the financial advisors had reviewed with the board on March 16, 2008. The board and the financial advisors had a discussion regarding the fact that the discounted cash flow analysis was only one of a number of analyses that the financial advisors had used in arriving at the opinions that they delivered on March 16, 2008. The board then discussed in detail the benefits and risks related to the transaction, including the current regulatory and competitive environment, potential synergies of the transaction, the benefits of diversification and potential effect on NYMEX Holdings' stock price if the transaction were not to occur and determined that, notwithstanding the reduction in the implied transaction value, the transaction was in the best interests of NYMEX Holdings and its stockholders. The Chairman asked each of the board members to express their opinion with respect to the transaction and CME Group's current proposal, and the directors each expressed their support for the transaction.

The board then discussed CME Group's revised offer relating to the treatment of the NYMEX Class A memberships in the transaction with Sandler O'Neill. Sandler O'Neill provided the board with an update of its financial analyses regarding the NYMEX Class A memberships and provided its opinion, which was subsequently confirmed in writing, that, as of the date of the opinion and based upon and subject to the assumptions, factors, conditions, procedures, limitations and other matters discussed and ultimately set forth in its written opinion, the Membership Rights Payments were fair to NYMEX Holdings from a financial point of view. Finally, the board considered CME Group's proposal that the parties amend and extend the technology services agreement as of the stockholders' meetings and delay the early termination right of either party thereunder for one year. After a discussion, the board determined that amendment of the technology services agreement was in the best interests of NYMEX Holdings, and that management should pursue continued negotiations on that basis. During the meeting, representatives of Weil, Gotshal provided advice with respect to certain matters.

On July 17, 2008, the transaction committee of the CME Group board of directors held a special meeting together with members of CME Group's management and its financial and legal advisors, at which management updated the transaction committee on the negotiations with NYMEX Holdings since the last board meeting.

On the morning of July 18, 2008, the transaction committee of the CME Group board of directors held a special meeting together with members of CME Group's management and its legal advisors. At the meeting, the transaction committee reviewed the terms of the Amended Merger Agreement and the ancillary documents and determined by unanimous vote that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement were advisable, fair to and in the best interests of CME Group and its stockholders and then approved the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement and the amendment of the technology services agreement and authorized management to enter into the Amended Merger Agreement and the amendment of the technology services agreement.

Also on the morning of July 18, 2008, the NYMEX Holdings board of directors held a special meeting together with members of NYMEX Holdings' management and its legal advisors. At the meeting, representatives of Weil, Gotshal reviewed with the board the terms of the Amended Merger Agreement and the ancillary documents and the board determined by a unanimous vote of those present that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement and the amendment to the technology services agreement were advisable, fair to and in the best interests of NYMEX Holdings and its stockholders and then approved the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement and the amendment to the technology services agreement and

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authorized management to enter into the Amended Merger Agreement, the amendment to the technology services agreement and the ancillary documents. The two directors who were absent indicated their support for the transaction to the Chairman both before and after the meeting.

On July 18, 2008, CME Group and NYMEX Holdings issued a joint press release announcing the execution of the Amended Merger Agreement and the amendment of the technology services agreement.

### **CME Group's Reasons for the Merger; Recommendation of CME Group's Board of Directors**

On March 16, 2008, CME Group's board of directors approved the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement and determined that the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement are advisable, fair to and in the best interests of CME Group and its stockholders. On July 13, 2008, CME Group's board of directors approved the terms of the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement and determined that the terms of the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement are advisable, fair to and in the best interests of CME Group and its stockholders. **CME Group's board of directors recommends that CME Group stockholders vote FOR the proposal to approve the CME Group Amended Charter and FOR the proposal to approve the Stock Issuance.**

In reaching its decision to approve the Original Merger Agreement on March 16, 2008, and the terms of the Amended Merger Agreement on July 13, 2008, and recommend that CME Group's stockholders approve the CME Group Amended Charter and approve the Stock Issuance, CME Group's board of directors considered a number of factors, including the ones discussed in the following paragraphs. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, CME Group's board of directors did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its determination. Rather, CME Group's board of directors made its recommendation based on the totality of information presented to, and the investigation conducted by or at the direction of, CME Group's board of directors. In addition, individual directors may have given different weight to different factors. This explanation of CME Group's reasons for the proposed merger with NYMEX Holdings and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under "Forward-Looking Statements" beginning on page 41.

In arriving at its determination, CME Group's board of directors consulted with CME Group's management and its financial and legal advisors and considered a number of factors, including the following material factors, which CME Group's board of directors viewed as generally supporting its determination:

the current environment in the global derivatives industry, including the trend of consolidation and increased competition, and the likely effect of these factors on CME Group in light of, and in the absence of, the proposed transaction;

the fact that CME Group would continue to be the world's most diverse global exchange, with greater financial, operational and other resources to compete against other U.S. and foreign exchanges and the over-the-counter market in a rapidly changing and global industry;

the fact that the transaction would provide the ability to leverage CME Group's scalable business model;

the fact that CME Group stockholders immediately prior to the merger will own at least approximately 81% of CME Group immediately following the merger;

the fact that the complementary nature of the product offerings, business models, processes and structures of CME Group and NYMEX Holdings could result in significant cost savings to both customers and CME Group, including an expected \$60 million in cost synergies and additional growth opportunities;



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the fact that NYMEX Holdings' products are part of an asset class not currently offered by CME Group;

the fact that joining with NYMEX Holdings will further build CME Group's presence in New York, and in locations where energy and metals products are central to risk management strategies, particularly in the Middle East and Asia;

the fact that the combination of CME Group's distribution network and NYMEX Holdings' exchange-traded and over-the-counter products could position the company for future growth;

the fact that CME Group would have greater financial, operational and technical resources to develop innovative new products, technologies and functionality to meet the risk-management needs of CME Group's customers, grow trading volume and increase global expansion;

the ability to extend the benefits of the parties' existing technology services agreement;

the financial analyses presented by Lehman Brothers, Goldman Sachs and William Blair, CME Group's financial advisors, to the CME Group board of directors, and their respective opinions, each delivered orally to the CME Group board of directors on March 16, 2008, and subsequently confirmed in writing on March 16, 2008, March 17, 2008 and March 16, 2008, respectively, to the effect that, as of that date, and subject to and based on the qualifications and assumptions set forth in their respective opinions, the consideration to be paid by CME Group in the merger was fair to CME Group, from a financial point of view as of such dates, (see the sections entitled "Opinion of Lehman Brothers, Financial Advisor to CME Group," beginning on page 82, "Opinion of Goldman Sachs, Financial Advisor to CME Group" beginning on page 90 and "Opinion of William Blair, Financial Advisor to CME Group" beginning on page 100);

the financial analyses presented by CME Group's management relating to the operating performance of CME Group and NYMEX Holdings since the execution of the Original Merger Agreement and the impact on the transaction terms, including the terms of the Amended Merger Agreement, and management's confirmation that such analyses were not materially different than the financial analyses presented to the CME Group board of directors in connection with the board's approval of the Original Merger Agreement;

the fact that Lehman Brothers, Goldman Sachs and William Blair, CME Group's financial advisors, confirmed orally to the CME Group board of directors on July 13, 2008, that the terms of the Amended Merger Agreement would not have changed their respective opinions, as previously delivered orally to the CME Group board of directors on March 16, 2008, and subsequently confirmed in writing on March 16, 2008, March 17, 2008 and March 16, 2008, respectively, with respect to the fairness of the consideration to be paid by CME Group in the merger, from a financial point of view, to CME Group (see the sections entitled "Opinion of Lehman Brothers, Financial Advisor to CME Group," beginning on page 82, "Opinion of Goldman Sachs, Financial Advisor to CME Group" beginning on page 90 and "Opinion of William Blair, Financial Advisor to CME Group" beginning on page 100);

information concerning CME Group's and NYMEX Holdings' respective businesses, prospects, financial condition and results of operations, management and competitive position, including information contained in public reports concerning results of operations for the most recent fiscal year and fiscal quarters, as well as projections prepared by CME Group's management of each party's future financial performance;

historical market prices and trading information with respect to CME Group Class A common stock and NYMEX Holdings common stock;

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the fact that, if approved by at least 75% of the NYMEX Class A members, the NYMEX Amended Charter and the NYMEX Amended Bylaws would still give CME Group the flexibility to operate the business consistently with CME Group's business model following the merger;

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the fact that shares of common stock of NYMEX Holdings representing approximately 6.7% of its total voting power are committed to vote in favor of the adoption of the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement (see "The Voting and Support Agreements" beginning on page 165);

the results of business, legal and financial due diligence investigations of NYMEX Holdings conducted by CME Group's management and legal and financial advisors, and the resulting conclusions by the parties conducting the due diligence investigations;

the belief, taking into account CME Group's relatively low leverage, strong cash flow and favorable credit rating and management's reports to the CME Group board of directors regarding the status of its advanced negotiations with potential lenders and underwriters, that CME Group will be able to finance the cash portion of the merger consideration on terms acceptable to the CME Group board of directors and repay the assumed debt in due course;

the fact that, in connection with CME Group's agreement to increase the consideration being offered to NYMEX Class A members in the merger to \$750,000 per NYMEX Class A membership, certain senior executives of NYMEX Holdings agreed to reduce their change in control and severance payments and reduce other transaction-related costs related to the merger by \$30 million in the aggregate;

the fact that CME Group secured an extension of the term of the existing technology services agreement between CME and NYMEX for an additional two years, until 2018, and delay of the early termination right of either party thereunder by one year, even if the merger is not completed;

the belief that the terms of the Amended Merger Agreement, including the parties' respective representations, warranties and covenants, are reasonable; and

the fact that upon termination of the Amended Merger Agreement under specified circumstances, NYMEX Holdings may be required to pay CME Group a termination fee of \$308.1 million.

In addition to the factors described above, the CME Group board of directors identified and considered a variety of risks and potentially negative factors in its deliberations concerning the merger, including:

the possibility that the merger might not be completed as a result of the failure of one or more conditions to the merger, or that completion of the merger might be unduly delayed or subject to adverse conditions that may be imposed by governmental authorities;

the effect of the public announcement of the merger on CME Group's revenues, operating results, stock price, customers, suppliers, employees and other constituencies;

the possibility of management and employee disruption associated with the transaction and the integration of the two companies' operations;

the risk that the potential benefits sought in the merger might not be fully realized;

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the risk that the operations of the two companies might not be successfully integrated or integrated in a timely manner, and the possibility of not achieving the anticipated synergies and other benefits sought to be obtained in the merger;

the substantial costs to be incurred in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger;

the fact that upon termination of the Amended Merger Agreement under specified circumstances, CME Group may be required to pay NYMEX Holdings a termination fee of \$308.1 million;

the need to obtain approvals from CME Group stockholders, NYMEX Holdings stockholders and NYMEX Class A members in order to complete the transaction;



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the potential impact of retaining the NYMEX Class A membership structure, including the trading rights and privileges that will be granted to NYMEX Class A members after the merger, on CME Group's ability to operate the business consistently with CME Group's business model following the merger;

the interests that certain executive officers and directors of CME Group may have with respect to the merger in addition to their interests as CME Group stockholders generally, as described in the section entitled "Interests of CME Group Executive Officers and Directors in the Merger" beginning on page 129;

the fact that certain senior executives of NYMEX Holdings would receive substantial payments in connection with the merger, and that NYMEX Holdings would also be obligated to make gross-up payments to those executives for the amount of certain taxes resulting from some of these payments (see "Interests of NYMEX Holdings Executive Officers and Directors in the Merger" beginning on page 129);

the fact that the closing of the merger is not conditioned on CME Group's ability to find suitable financing for the cash consideration;

the fact that turmoil in the banking and debt markets continues and has resulted in higher interest rates, more onerous covenants and greater difficulty in securing financing;

the fact that recent events in the financial and banking markets have affected adversely the global derivatives industry, including CME Group and NYMEX Holdings' businesses and their customers;

recent results of operations and trading volume information regarding CME Group, NYMEX Holdings and others in the global derivatives industry;

current financial market conditions and volatility with respect to CME Group Class A common stock and NYMEX Holdings common stock;

the fact that certain governmental entities and regulators have expressed concern regarding the effects of speculative trading on commodity interests and derivative markets, the potential legislation and regulation that could result in response to such concerns to control speculative trading in commodity interests and derivative contracts and the effect of such potential legislative and regulatory changes on CME Group and NYMEX Holdings' businesses;

the fact that changes in economic, political and market conditions in the United States and abroad could reduce demand for CME Group and NYMEX Holdings services and products, result in losses of trading volume and render us less attractive to market participants as a source of liquidity relative to our competitors, thereby resulting in further losses of trading volume and the associated clearing and transaction fees and processing services revenue;

the inherent uncertainty of the outcome of the litigation proceedings filed with the Delaware Court of Chancery in connection with the Merger and related transactions, as described in the section entitled "Legal Proceedings Regarding the Merger" beginning on page 141; and

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various other risks associated with the merger and NYMEX Holdings' business and CME Group set forth under the section entitled Risk Factors beginning on page 31.

The foregoing discussion of the material factors considered by the CME Group board of directors is not intended to be exhaustive, but does set forth the principal factors considered by the CME Group board of directors.

### **NYMEX Holdings' Reasons for the Merger; Recommendation of NYMEX Holdings' Board of Directors**

On March 16, 2008, NYMEX Holdings' board of directors, by unanimous vote, approved the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement and

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determined that the Original Merger Agreement, the merger and the other transactions contemplated by the Original Merger Agreement are advisable, fair to and in the best interests of NYMEX Holdings and its stockholders. On July 18, 2008, NYMEX Holdings board of directors approved the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement and determined that the Amended Merger Agreement, the merger and the other transactions contemplated by the Amended Merger Agreement are advisable, fair to and in the best interests of NYMEX Holdings and its stockholders. **NYMEX Holdings board of directors unanimously recommends that NYMEX Holdings stockholders vote FOR the adoption of the Amended Merger Agreement at the special meeting of NYMEX Holdings stockholders.**

In reaching its decision to approve the Original Merger Agreement on March 16, 2008 and the terms of the Amended Merger Agreement on July 18, 2008 and recommend that its stockholders adopt the Amended Merger Agreement, NYMEX Holdings board of directors considered a number of factors, including the ones discussed in the following paragraphs. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, NYMEX Holdings board of directors did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its determination. Rather, the NYMEX Holdings board of directors made its recommendation based on the totality of information presented to, and the investigation conducted by or at the direction of, NYMEX Holdings board of directors. In addition, individual directors may have given different weight to different factors. This explanation of NYMEX Holdings reasons for the proposed merger with CME Group and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under Forward-Looking Statements beginning on page 41.

In arriving at its determination, NYMEX Holdings board of directors consulted with NYMEX Holdings management and its financial and legal advisors and considered a number of factors, including the following material factors, which NYMEX Holdings board of directors viewed as generally supporting its determination:

the ability of NYMEX Holdings stockholders to participate in the future growth of a globally competitive, diversified company;

the opportunity for NYMEX Holdings stockholders to elect to receive cash and/or stock consideration, which will enable many stockholders to receive immediate cash value while those stockholders who wish to continue to participate in CME Group post-merger will have the chance to do so, subject to the proration provisions of the Amended Merger Agreement;

the expectation that the exchange of NYMEX Holdings common stock for CME Group Class A common stock, in the merger, generally would be nontaxable to NYMEX Holdings stockholders to the extent of the CME Group Class A common stock they receive;

historical and current information concerning CME Group's business, financial performance and condition, operations, management, competitive position and prospects, before and after giving effect to the merger and the merger's potential effect on stockholder value;

the fact that CME Group is the world's most diverse global exchange, with greater financial, operational and other resources to compete against other U.S. and foreign exchanges and the over-the-counter market in a rapidly changing industry;

the fact that NYMEX Holdings stockholders immediately prior to the merger will own approximately 18.6% of CME Group immediately following the merger and will therefore participate meaningfully in the significant opportunities for long-term growth of CME Group;

the opinion of JPMorgan to the effect that, as of March 16, 2008 and based upon and subject to the factors, limitations and assumptions set forth therein, the merger consideration to be received by NYMEX Holdings stockholders was fair, from a financial point of view, to NYMEX Holdings stockholders (see Opinion of JPMorgan, Financial Advisor to NYMEX Holdings beginning on page 104);



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the opinion of Merrill Lynch to the effect that, as of March 16, 2008 and based upon and subject to the factors, limitations and assumptions set forth therein, the merger consideration to be received by NYMEX Holdings stockholders was fair, from a financial point of view, to NYMEX Holdings stockholders (see Opinion of Merrill Lynch, Financial Advisor to NYMEX Holdings beginning on page 112);

the opinion of Sandler O'Neill to the effect that, as of July 16, 2008 and based upon and subject to the factors, limitations and assumptions set forth therein, the Membership Rights Payment Amount was fair, from a financial point of view, to NYMEX Holdings (see Opinion of Sandler O'Neill, Financial Advisor to NYMEX Holdings beginning on page 120);

the results of business, legal and financial due diligence investigations of CME Group conducted by NYMEX Holdings management and legal and financial advisors, and the resulting conclusions by the parties conducting the due diligence investigations;

current financial market conditions and historical market prices, volatility and trading information with respect to CME Group Class A common stock and NYMEX Holdings common stock;

the results of business, legal and financial due diligence investigations of CME Group conducted by NYMEX Holdings management and legal and financial advisors, and the resulting conclusions by the parties conducting the due diligence investigations;

the belief, taking into account a highly confident letter delivered to CME Group by Lehman Brothers and CME Group's relatively low leverage, strong cash flow and favorable credit rating, that CME Group will be able to finance the cash portion of the merger consideration on terms acceptable to the CME Group board of directors and repay the assumed debt in due course; and

the belief that the terms of the Amended Merger Agreement, including the parties' respective representations, warranties and covenants, are reasonable.

In arriving at its determination regarding the Original Merger Agreement, NYMEX Holdings board of directors also considered the following material factor, which NYMEX Holdings board of directors viewed as generally supporting its determination:

the opportunity for NYMEX Holdings stockholders to benefit from any increase in the trading price of CME Group common stock between the announcement of the Original Merger Agreement and the completion of the merger.

In arriving at its determination regarding the Amended Merger Agreement, NYMEX Holdings board of directors also considered the following material factors, which NYMEX Holdings board of directors viewed as generally supporting its determination:

the fact that JPMorgan and Merrill Lynch, NYMEX Holdings financial advisors, provided updated presentations to the NYMEX Holdings board of directors on July 16, 2008; and

CME Group's agreement to increase the consideration being offered to NYMEX Class A members to \$750,000 per NYMEX Class A membership and to retain the NYMEX Class A membership structure.

In addition to the factors described above, the NYMEX Holdings board of directors identified and considered a variety of risks and potentially negative factors in its deliberations concerning the merger, including:

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the possibility that the merger might not be completed as a result of the failure of one or more conditions to the merger, or that completion of the merger might be unduly delayed or subject to adverse conditions that may be imposed by governmental authorities;

the effect of the public announcement of the merger on CME Group's revenues, operating results, stock price, customers, suppliers, employees and other constituencies;

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the possibility of management and employee disruption associated with the transaction and the integration of the two companies operations;

the fact that upon termination of the Amended Merger Agreement under specified circumstances, NYMEX Holdings may be required to pay CME Group a termination fee of \$308.1 million;

the need to obtain approvals from CME Group stockholders, NYMEX Holdings stockholders and NYMEX Class A members in order to complete the transaction; and

the interests that certain executive officers and directors of NYMEX Holdings may have with respect to the merger in addition to their interests as NYMEX Holdings stockholders generally, as described in the section entitled "Interests of NYMEX Holdings Executive Officers and Directors in the Merger" beginning on page 129.

In addition to the factors described above, the NYMEX Holdings board of directors identified and considered the following potentially negative factor in its deliberations concerning the Amended Merger Agreement:

the fact that recent events in the financial and banking markets have affected adversely the global derivatives industry, including CME Group's businesses and their customers.

### **Opinion of Lehman Brothers, Financial Advisor to CME Group**

In August 2007, the CME Group board of directors engaged Lehman Brothers to act as its financial advisor with respect to pursuing a strategic combination with NYMEX Holdings. On March 16, 2008, Lehman Brothers rendered its oral opinion (subsequently confirmed in writing) to the CME Group board of directors that as of such date and, based upon and subject to the matters stated in its opinion, from a financial point of view, the consideration to be paid by CME Group to the NYMEX Holdings stockholders in the merger was fair to CME Group.

**The full text of Lehman Brothers' written opinion, dated March 16, 2008 is attached as Annex B to this joint proxy statement/prospectus. Stockholders are encouraged to read Lehman Brothers' opinion carefully in its entirety for a description of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Lehman Brothers in rendering its opinion. Lehman Brothers' opinion is not intended to be and does not constitute a recommendation to any stockholder as to how that stockholder should vote or act with respect to the proposed merger or any other matters described in this joint proxy statement/prospectus. The following is a summary of Lehman Brothers' opinion and the methodology that Lehman Brothers used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.**

Lehman Brothers' advisory services and opinion were provided for the information and assistance of the CME Group board of directors in connection with its consideration of the merger. Lehman Brothers was not requested to opine as to, and Lehman Brothers' opinion does not address, CME Group's underlying business decision to proceed with or effect the merger.

In arriving at its opinion, Lehman Brothers reviewed and analyzed, among other things:

the Original Merger Agreement and the specific terms of the merger, including the pre-closing membership purchase offer by NYMEX;

publicly available information concerning CME Group and NYMEX Holdings that Lehman Brothers believed to be relevant to its analysis, including certain periodic reports filed by CME Group and NYMEX Holdings, including their most recent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q;





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financial and operating information with respect to the business, operations and prospects of NYMEX Holdings furnished to Lehman Brothers by NYMEX Holdings and CME Group, including (i) financial projections of NYMEX Holdings prepared by the management of NYMEX Holdings and (ii) financial projections of NYMEX Holdings prepared by the management of CME Group;

financial and operating information with respect to the businesses, operations and prospects of CME Group furnished to Lehman Brothers by CME Group, including (i) financial projections of CME Group prepared by the management of CME Group and (ii) the amounts and timing of certain cost savings and revenue synergies expected by the management of CME Group to result from the merger;

trading histories of CME Group Class A common stock and of NYMEX Holdings common stock from November 16, 2006 to March 14, 2008 and a comparison of each of their trading histories with those of other companies that Lehman Brothers deemed relevant;

the relative contributions of CME Group, on the one hand, and NYMEX Holdings, on the other hand, to the current and future financial performance of the combined company on a pro forma basis;

a comparison of the financial terms of the merger with the financial terms of certain other transactions that Lehman Brothers deemed relevant;

the potential pro forma financial impact of the merger on the future financial performance of CME Group, including the expected cost savings and revenue synergies;

a comparison of the historical financial results and present financial condition of CME Group and NYMEX Holdings with each other and with those of other companies that Lehman Brothers deemed relevant; and

published estimates by independent equity research analysts with respect to the future financial performance of CME Group and NYMEX Holdings.

In addition, Lehman Brothers had discussions with the managements of CME Group and NYMEX Holdings concerning their respective businesses, operations, assets, financial conditions and prospects and undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial and other information used by Lehman Brothers without assuming any responsibility for independent verification of such information. Lehman Brothers further relied upon the assurances of the managements of CME Group and NYMEX Holdings that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of CME Group and NYMEX Holdings, upon advice of CME Group and NYMEX Holdings, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of CME Group and NYMEX Holdings as to their respective future financial performance and that they would perform substantially in accordance with such projections. With respect to the operating synergies and strategic benefits expected by the management of CME Group to result from a combination of the businesses of CME Group and NYMEX Holdings, upon advice of CME Group and NYMEX Holdings, Lehman Brothers assumed that such estimated operating synergies and strategic benefits will be achieved substantially in accordance with such expectations. In arriving at its opinion, Lehman Brothers did not conduct or obtain any evaluations or appraisals of the assets or liabilities of CME Group or NYMEX Holdings, nor did it conduct a physical inspection of the properties and facilities of CME Group and NYMEX Holdings. Lehman Brothers' opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, March 16, 2008.

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The CME Group

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directors selected Lehman Brothers because of its expertise, reputation and familiarity with CME Group and the exchange industry generally and because its investment banking professionals have substantial experience in transactions comparable to the merger.

The following is a summary of the material financial analyses used by Lehman Brothers in connection with providing its opinion to the CME Group board of directors. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Lehman Brothers, the tables must be read together with the text of each summary. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Lehman Brothers' opinion.**

***Comparable Company Analysis***

In order to assess how the public market values shares of similar publicly traded companies, Lehman Brothers, based on its experience with companies in the exchange industry, reviewed and compared specific financial and operating data relating to NYMEX Holdings with selected companies that Lehman Brothers deemed comparable to NYMEX Holdings, including:

Australian Stock Exchange Limited

Bolsa de Mercadorias & Futuros BM&F S.A.

Bolsas y Mercados Españoles S.A.

Bovespa Holding S.A.

Bursa Malaysia Berhad

CME Group Inc.

Deutsche Börse AG

Hong Kong Exchanges and Clearing Limited

IntercontinentalExchange, Inc.

London Stock Exchange plc

NASDAQ OMX Group, Inc.

NYSE Euronext

Singapore Exchange Ltd.

TSX Group, Inc.

As part of its comparable company analysis, Lehman Brothers calculated and analyzed NYMEX Holdings and each comparable company's ratio of current stock price to its projected earnings per share (commonly referred to as a price earnings ratio, or P/E). Lehman Brothers also calculated and analyzed various financial multiples, including NYMEX Holdings and each comparable company's enterprise value to certain historical financial criteria such as revenue and earnings before interest, taxes, depreciation and amortization, or EBITDA. The enterprise value of each company was obtained by adding its short- and long-term debt to the sum of the market value of its common equity, and subtracting its cash and cash equivalents. For the comparable companies, these calculations were performed based on publicly available financial data (including Wall Street consensus estimates per the Institutional Brokers Estimate System, or IBES, database) and closing prices as of March 14, 2008, the last trading date prior to the delivery of Lehman Brothers' opinion. For the NYMEX Holdings implied share price, the calculations were based on financial projections prepared by CME Group management.

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The following table sets forth the results of this analysis.

	Comparable Companies at		
	March 14, 2008		
	Closing Prices		
	Range		Median
<b>Ratio of Price to:</b>			
Calendar Year 2008 Estimated Earnings	25.0x	37.0x	26.4x
Calendar Year 2009 Estimated Earnings	20.1x	26.5x	20.4x
<b>Ratio of Enterprise Value to:</b>			
Calendar Year 2008 Estimated Revenue	10.2x	19.5x	11.4x
Calendar Year 2009 Estimated Revenue	9.0x	14.1x	9.3x
<b>Ratio of Enterprise Value to:</b>			
Calendar Year 2008 Estimated EBITDA	15.0x	29.2x	15.2x
Calendar Year 2009 Estimated EBITDA	11.7x	19.8x	12.3x

Lehman Brothers selected the comparable companies above because their businesses and operating profiles are reasonably similar to those of NYMEX Holdings. However, because of the inherent differences between the business, operations and prospects of NYMEX Holdings and the businesses, operations and prospects of the selected comparable companies, no comparable company is exactly the same as NYMEX Holdings. Therefore, Lehman Brothers believed that it was inappropriate to, and therefore did not rely solely on the quantitative results of the comparable company analysis. Accordingly, Lehman Brothers also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of NYMEX Holdings and the companies included in the comparable company analysis that would affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between CME Group and NYMEX Holdings and the companies included in the comparable company analysis.

Based on this analysis, Lehman Brothers derived a reference range for the implied share price of NYMEX of approximately \$86.75 to \$108.50 per share.

**Comparable Transaction Analysis**

Using publicly available information, Lehman Brothers reviewed and compared the purchase prices and financial multiples paid in 25 acquisitions of companies that Lehman Brothers, based on its experience with merger and acquisition transactions, deemed relevant to arriving at its opinion. Lehman Brothers chose the transactions used in the comparable transaction analysis based on the similarity of the target companies in the transactions to NYMEX Holdings in the size, mix, margins and other characteristics of their businesses. Lehman Brothers referenced the following transactions:

NYSE Euronext / American Stock Exchange

TSX Group, Inc. / Montreal Exchange Inc.

The Nasdaq Stock Market, Inc. / Philadelphia Stock Exchange

TradeWeb Group LLC / Thompson Corp.

London Stock Exchange Group plc / Borsa Italiana S.p.A.

The NASDAQ Stock Market, Inc. / OMX AB

Eurex / International Securities Exchange Holdings, Inc.

State Street Corp. / Currenex Inc.

Chicago Mercantile Exchange Holdings Inc. / CBOT Holdings, Inc.

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IntercontinentalExchange, Inc. / New York Board of Trade, Inc.

NYSE Group, Inc. / Euronext N.V.

ICAP plc / EBS Group Limited

Australian Stock Exchange Limited / SFE Corporation Limited

The Nasdaq Stock Market, Inc. / Instinet Group Incorporated

New York Stock Exchange, Inc. / Archipelago Holdings, Inc.

OMHEX / Copenhagen Stock Exchange

Thomas H. Lee Partners LP / Refco Inc.

The Nasdaq Stock Market, Inc. / Brut LLC

Clearnet, LCH / The London Clearing House Limited

Bank of New York Company, Inc. / Pershing LLC

ICAP plc / BrokerTec LLC

Instinet Corporation / Island ECN, Inc.

Deutsche Börse AG / Clearstream Banking AG

Euronext N.V. / London International Financial Futures and Options Exchange

IntercontinentalExchange, Inc. / International Petroleum Exchange of London, Ltd.

Lehman Brothers selected an equity value per share multiple range of 45.0x to 52.5x the historical earnings per share, or EPS, for the last 12 months ended December 31, 2007, or LTM, based on average P/E multiples, consideration type and judgmental impact of cycle timing. However, no company or transaction utilized in the precedent transaction analysis is identical to NYMEX Holdings or the merger. Based on the range of equity value per share multiples and using the financial projections of NYMEX Holdings prepared by the management of CME Group, the implied share price range of NYMEX Holdings on March 16, 2008 was \$106.25 to \$124.00 per share.

**Transaction Premium Analysis**

Lehman Brothers reviewed the premium paid for mergers and acquisitions of U.S. public companies with values between \$7.5 billion and \$15 billion from 2002 to 2007. Lehman Brothers calculated the premium per share paid by the acquiror compared to the share price of the target company prevailing (i) one day, (ii) one week and (iii) four weeks prior to the announcement of the transaction. This analysis produced the following median premiums and implied equity values for NYMEX Holdings:

	Period Prior to Announcement		
	One Day	One Week	Four Weeks
NYMEX Holdings share price	\$ 107.16	\$ 97.30	\$ 132.08
Median premiums	12.7%	16.2%	29.1%
Implied equity values per share	\$ 120.77	\$ 113.06	\$ 170.52

Based on this analysis, Lehman Brothers derived a range for the implied share price of NYMEX Holdings of approximately \$139.00 to \$151.25 per share based on a selected premium range of 15% to 25% and the 30-day average trading price as of January 24, 2008, the day on which the preliminary agreement was reached between CME Group and NYMEX Holdings.



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### ***NYMEX Discounted Cash Flow Analysis***

As part of its analysis, and in order to estimate the present value of NYMEX Holdings common stock on a standalone basis, Lehman Brothers also prepared a ten-year discounted cash flow analysis for NYMEX Holdings, calculated as of January 1, 2008, of after-tax unlevered free cash flows for fiscal years 2008 through 2017 based upon estimated financial data for NYMEX Holdings prepared by CME Group management.

Based upon projected financial results for NYMEX Holdings prepared by CME Group management, Lehman Brothers estimated a range of terminal values by applying perpetuity growth rates of 3.5% to 4.5% to 2018 estimated unlevered free cash flow. Lehman Brothers discounted the unlevered free cash flow streams and the estimated terminal value to a present value at a range of discount rates from 10.5% to 11.0%. The discount rates utilized in this analysis were chosen by Lehman Brothers based on its expertise and experience with the exchange industry and also on an analysis of the weighted average cost of capital of NYMEX Holdings and other comparable companies. Lehman Brothers calculated per share equity values by first determining a range of enterprise values of NYMEX Holdings by adding the present values of the after-tax unlevered free cash flows and perpetuity growth rates and discount rate scenario, and then subtracting from the enterprise values the net debt (which is total debt less cash) and non-operating assets of NYMEX Holdings, and dividing those amounts by the number of fully diluted shares of NYMEX Holdings.

Based on the projections and assumptions set forth above, the discounted cash flow analysis of NYMEX Holdings yielded an implied valuation range of NYMEX Holdings common stock on a standalone basis of \$116.50 to \$142.50 per share.

In addition, Lehman Brothers performed a discounted cash flow analysis to calculate an implied valuation range of the unlevered, after-tax free cash flows for NYMEX Holdings, including the expected cost savings and revenue synergies generated by the transaction. After taking into account a range of 50% to 100% of the expected cost savings and revenue synergies estimated by CME Group management, Lehman Brothers applied a range of perpetuity growth rates of 3.5% to 4.5% and discounted the unlevered free cash flows and the estimated terminal value to present values at a range of discount rates from 10.5% to 11.0%.

Based on the projections and assumptions set forth above, the discounted cash flow analysis of NYMEX Holdings, including the expected cost savings and revenue synergies, yielded an implied valuation range of NYMEX Holdings common stock of \$119.75 to \$149.00 per share.

### ***Contribution Analysis***

Lehman Brothers analyzed the respective contributions of CME Group and NYMEX Holdings based on historical financial information for the 12 months ended December 31, 2007 and CME Group management estimates for 2008, 2009 and 2010 revenues, EBITDA, pre-tax income and net income of CME Group and NYMEX Holdings. In addition, Lehman Brothers also evaluated the contributions of CME Group and NYMEX Holdings, attributing the expected cost savings and revenue synergies generated by the transaction to NYMEX Holdings.

Based on this analysis, Lehman Brothers derived a range for NYMEX Holdings contribution of approximately 23% to 27%. By comparison, NYMEX Holdings stockholders will receive 18.6% pro forma ownership of the combined entity on a fully diluted basis, assuming cash consideration of \$3.4 billion in aggregate. NYMEX Holdings stockholders would receive an implied pro forma ownership of 26.2% if the merger consideration were hypothetically 100% stock. Based on the contribution range, the implied share prices of NYMEX on March 16, 2008 were \$78.25 to \$106.00 per share.

### ***Pro Forma Analysis***

In order to evaluate the estimated ongoing impact of the merger, Lehman Brothers analyzed the pro forma earnings effect of the merger from the perspective of CME Group stockholders. The pro forma earnings effect

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analysis was performed in order to assess the impact of the merger on earnings per share from the perspective of CME Group stockholders. For the purposes of this analysis, Lehman Brothers assumed (i) a \$100.30 per-share price for NYMEX Holdings common stock acquired pursuant to the terms of the transaction, (ii) a \$486.05 per-share price for CME Group Class A common stock (the closing market price per share on March 14, 2008), (iii) a transaction structure with 64% stock and 36% cash consideration (representing the mandatory cash component of approximately \$3.4 billion), (iv) financial forecasts for each company prepared by the management of CME Group and (v) cost savings and revenue synergies expected by CME Group management. Lehman Brothers estimated that, based on the assumptions described above, the pro forma impact of the transaction would be accretive to earnings per share of CME Group in calendar year 2010. The financial forecasts that underlie this analysis are subject to substantial uncertainty and, therefore, actual results may be substantially different.

**Returns Analysis**

In order to evaluate the estimated return on an investment in NYMEX Holdings from the perspective of CME Group's stockholders, Lehman Brothers calculated the internal rate of return on an investment in NYMEX Holdings. For the purposes of this analysis, Lehman Brothers assumed a transaction value of \$9.5 billion based on a \$100.30 per share price for NYMEX Holdings common stock acquired pursuant to the terms of the transaction plus net debt of NYMEX Holdings to arrive at the initial investment value. Lehman Brothers calculated the internal rate of return on an investment in NYMEX Holdings, including expected cost savings and revenue synergies, based on (i) applying a range of terminal P/E multiples of 18.0x to 22.0x to the estimated 2018 net income and (ii) applying a range of perpetuity growth rates of 2% to 6% to the estimated 2018 unlevered free cash flow.

The following table sets forth the results of this analysis.

	Return on Investment			
	Range		Value	
Terminal P/E Multiple	18.0x	22.0x	19.6%	21.8%
Perpetuity Growth Rate	2.0%	6.0%	12.7%	14.8%

**General**

In connection with the review of the merger by CME Group's board of directors, Lehman Brothers performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Lehman Brothers considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Furthermore, Lehman Brothers believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of its analyses, without considering all of them, would create an incomplete view of the process underlying its analyses and opinion. In addition, Lehman Brothers may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions, so that the ranges of valuations resulting from any particular analysis described above should not be taken to be Lehman Brothers' view of the actual value of CME Group or NYMEX Holdings. The issuance of Lehman Brothers opinion was approved by Lehman Brothers' fairness opinion committee.

In performing its analyses, Lehman Brothers made numerous assumptions with respect to industry risks associated with reserves, industry performance, general business and economic conditions and other matters, many of which are beyond the control of CME Group or NYMEX Holdings. Any estimates contained in Lehman Brothers' analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were prepared solely as part of Lehman Brothers' analysis of the fairness from a financial point of view to CME Group of the

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consideration to be paid by CME Group to NYMEX Holdings stockholders in the merger and were prepared in connection with the delivery by Lehman Brothers of its opinion, dated March 16, 2008, to CME Group's board of directors. The analyses do not purport to be appraisals or to reflect the prices at which CME Group Class A common stock or NYMEX Holdings common stock might trade following announcement of the merger or the prices at which CME Group Class A common stock might trade following consummation of the merger.

The terms of the merger were determined through arm's length negotiations between CME Group and NYMEX Holdings and were approved by CME Group's and NYMEX Holdings' boards of directors. Lehman Brothers did not recommend any specific exchange ratio or form of consideration to CME Group or that any specific exchange ratio or form of consideration constituted the only appropriate consideration for the merger. Lehman Brothers' opinion does not address the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the consideration paid in the merger or otherwise.

Lehman Brothers' opinion was one of the many factors taken into consideration by CME Group's board of directors in making its determination to approve the Original Merger Agreement. Lehman Brothers' analyses summarized above should not be viewed as determinative of the opinion of CME Group's board of directors with respect to the value of CME Group or NYMEX Holdings or of whether CME Group's board of directors would have been willing to agree to a different exchange ratio or form of consideration.

As compensation for Lehman Brothers' services in connection with the merger, CME Group paid Lehman Brothers \$5 million upon delivery of Lehman Brothers' opinion, and compensation of an additional \$18 million will be payable on completion of the merger. In addition, CME Group has agreed to reimburse Lehman Brothers for reasonable out-of-pocket expenses incurred in connection with the merger and to indemnify Lehman Brothers for certain liabilities that may arise out of its engagement by CME Group and the rendering of the Lehman Brothers opinion.

Lehman Brothers has performed various investment banking and financial services for CME Group and NYMEX Holdings in the past, and expects to perform such services in the future, and has received, and expects to receive, customary fees for such services. Specifically, in the past two years, Lehman Brothers has performed the following investment banking and financial services: (i) acted as financial advisor for CME Holdings on its acquisition of CBOT Holdings, or the CBOT Transaction, and rendered fairness opinions to CME Holdings' board of directors related to the CBOT Transaction, (ii) served as Lead Dealer Manager on CME Holdings' tender offer to repurchase shares in connection with the CBOT Transaction, (iii) acted as agent and dealer on CME Group's commercial paper program, (iv) acted as lead arranger and administrative agent on CME Group's bridge loan in July 2007, (v) acted as financial advisor for CME Group on its equity exchange with Bolsa De Mercadorias & Futuros BM&F S.A., or BM&F, (vi) served as arranger on CME Group's Brazilian real hedging transaction in connection with the BM&F equity exchange, (vii) acted as financial advisor for CME Group on its acquisition of Credit Market Analysis Ltd., (viii) acted as co-manager on NYMEX Holdings' IPO in November 2006 and (ix) acted as co-manager on NYMEX Holdings' secondary equity offering in March 2007. In addition, Lehman Brothers has been requested by CME Group to assist and participate in any financing necessary for the consummation of the merger and in the event that Lehman Brothers participates in such financing, Lehman Brothers will receive customary fees in connection therewith. Lehman Brothers expects to provide various investment banking and financial services for CME Group in the future and expects to receive fees for such services. In addition, Lehman Brothers currently holds 17 Class B memberships in CBOT and 16 memberships in CME and 16,725 shares in CME Group. Lehman Brothers also holds four NYMEX Class A memberships and two memberships in COMEX, and owns 305,600 shares in NYMEX Holdings. In the ordinary course of its business, Lehman Brothers actively trades in the securities of CME Group and NYMEX Holdings for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

As described above, Lehman Brothers' opinion to CME Group's board of directors was one of many factors taken into consideration by CME Group's board of directors in making its determination to approve the merger.

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The foregoing summary does not purport to be a complete description of the analyses performed by Lehman Brothers in connection with its fairness opinion and is qualified in its entirety by reference to the written opinion Lehman Brothers attached to this joint proxy statement/prospectus as Annex B.

**Opinion of Goldman Sachs, Financial Advisor to CME Group**

At the special meeting of the CME Group board of directors on March 16, 2008, Goldman Sachs rendered its oral opinion, subsequently confirmed in writing, to the CME Group board of directors that, as of that date and based upon and subject to the assumptions, procedures, factors, limitations and qualifications set forth in such opinion, the stock consideration, together with the cash consideration, referred to as the merger consideration, taken in the aggregate, to be paid by CME Group in respect of each share of NYMEX Holdings common stock in the merger was fair from a financial point of view to CME Group.

Goldman Sachs opinion noted and took into consideration the following:

NYMEX Holdings stockholders have a cash or stock election with respect to the merger consideration, subject to certain procedures and limitations contained in the Original Merger Agreement (including procedures permitting CME Group, in its sole discretion, to increase the cash consideration and decrease the stock consideration by a corresponding amount, subject to the limitations set forth in the Original Merger Agreement, as to which procedures and limitations Goldman Sachs did not express any opinion);

the cash consideration per share is equal to \$36.00 plus 0.1323 times the Average CME Group Share Price for each NYMEX Holdings share;

the stock consideration per share consists of a number of shares of CME Group Class A common stock equal to the cash consideration per share referred to above, divided by the Average CME Group Share Price; and

pursuant to the membership purchase offer documents, NYMEX will effect the membership purchase offer, for an aggregate purchase price not to exceed \$500 million in cash.

**The full text of the written opinion of Goldman Sachs, dated March 17, 2008, which sets forth the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken in connection with its opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. Goldman Sachs provided its opinion for the information and assistance of the CME Group board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of CME Group Class A or Class B common stock or NYMEX Holdings common stock should vote at any stockholders meeting to be held in connection with, or take any action with respect to, the merger.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs has reviewed, among other things:

the Original Merger Agreement;

NYMEX Holdings Registration Statements on Form S-1 (including the prospectuses contained therein dated November 2006 and March 2007) relating to NYMEX Holdings initial and follow-on offerings of NYMEX Holdings common stock;

the annual reports to stockholders and Annual Reports on Form 10-K of CME Group and NYMEX Holdings for the three fiscal years ended December 31, 2007;

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certain interim reports to stockholders and Quarterly Reports on Form 10-Q of CME Group and NYMEX Holdings;

certain other communications from CME Group and NYMEX Holdings to their respective stockholders;

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certain publicly available research analyst reports for NYMEX Holdings and CME Group;

certain internal financial analyses and forecasts for NYMEX Holdings prepared by its management;

certain internal financial analyses and forecasts for CME Group prepared by its management; and

certain financial analyses and forecasts for NYMEX Holdings prepared by the management of CME Group, including certain cost savings and operating synergies projected by the management of CME Group to result from the transaction.

Goldman Sachs also held discussions with members of the senior management of CME Group and NYMEX Holdings regarding their assessment of the past and current business operations, financial condition and future prospects of NYMEX Holdings and with the members of senior management of CME Group regarding their assessment of the past and current business operations, financial condition and future prospects of CME Group and the strategic rationale for, and the potential benefits of, the transaction. In addition, Goldman Sachs reviewed the reported price and trading activity for the shares of CME Group Class A common stock and the shares of NYMEX Holdings common stock, compared certain financial and stock market information for NYMEX Holdings and CME Group with similar financial and stock market information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the financial exchange industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it. Goldman Sachs assumed, with the consent of the CME Group board of directors, that the financial analyses and forecasts, including the expected cost savings and operating synergies, were reasonably prepared on a basis reflecting the then best currently available estimates and judgments of the management of CME Group and that the expected cost savings and operating synergies will be realized. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of CME Group or NYMEX Holdings or any of their respective subsidiaries and no such evaluation or appraisal was furnished to Goldman Sachs. Goldman Sachs also has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction will be obtained without any adverse effect on CME Group or NYMEX Holdings or on the expected benefits of the transaction in any way meaningful to its analysis. Goldman Sachs has also assumed that the membership purchase offer will be consummated on the terms required by the Original Merger Agreement without any waiver, delay or amendment in any way meaningful to its analysis. Goldman Sachs opinion did not address any legal, regulatory, tax or accounting matters.

Goldman Sachs opinion did not address the underlying business decision of CME Group to engage in the transaction, or the relative merits of the transaction as compared to any strategic alternatives that may be available to CME Group. Goldman Sachs opinion addresses only the fairness to CME Group from a financial point of view, as of the date therein, of the merger consideration, taken in the aggregate, to be paid by CME Group in the transaction. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the Original Merger Agreement or transaction, including, without limitation, the fairness of the transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of CME Group or NYMEX Holdings; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of CME Group or NYMEX Holdings, or class of such persons in connection with the transaction, whether relative to the merger consideration, taken in the aggregate, to be paid in the transaction or otherwise. Goldman Sachs did not express any opinion as to the prices at which shares of CME Group Class A common stock will trade at any time. Goldman Sachs opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date therein and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date therein.

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Goldman Sachs advisory services and opinion were provided for the information and assistance of the CME Group board of directors in connection with its consideration of the transaction and its opinion did not constitute a recommendation as to how any holder of CME Group Class A common stock should vote in respect of the transaction or any other matter. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs on March 10, 2008, and subsequently updated on March 16, 2008, to the CME Group board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular form. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before March 16, 2008 and is not necessarily indicative of current market conditions.

**Transaction Premium Analysis**

Goldman Sachs calculated the implied premium over the market price at various points for each share of NYMEX Holdings common stock. In these calculations, Goldman Sachs utilized an implied transaction price per share of \$100.30, which was calculated using an initial exchange ratio of 0.1323 shares of CME Group Class A common stock, cash consideration of \$36.00 per share of NYMEX Holdings common stock and the CME Group Class A common stock price of \$486.05 based on the March 14, 2008 closing price (the last trading day prior to the announcement of the proposed merger). Goldman Sachs compared the implied transaction price per share of \$100.30 with the following prices of NYMEX Holdings common stock:

the closing price of \$95.34 on March 14, 2008 (the last trading day prior to the announcement of the proposed merger);

the highest closing price of \$142.12 since NYMEX Holdings initial public offering on November 17, 2006;

the closing price of \$103.70 on January 24, 2008 (two trading days prior to the date on which NYMEX Holdings and CME Group publicly announced they were engaged in preliminary discussions); and

the average closing price for the 20 trading days up to and including January 24, 2008 (two trading days prior to the date on which NYMEX Holdings and CME Group publicly announced they were engaged in preliminary discussions).

The results of Goldman Sachs calculations are reflected below:

**Implied Transaction Price as Premium to:**

Most Recent Closing Price of NYMEX Holdings Common Stock	5.2%
High Closing Price Since NYMEX Holdings IPO	(29.4)%
Closing Price of NYMEX Holdings Common Stock Two Trading Days Prior to Announcement of Preliminary Discussions	(3.3)%
20-Trading Day Average Closing Price of NYMEX Holdings Common Stock Starting Two Trading Days Prior to Announcement of Preliminary Discussions	(14.4)%

**Table of Contents****Historical Exchange Ratio Analysis**

Goldman Sachs reviewed the historical exchange ratios determined by dividing the closing price of NYMEX Holdings common stock by the closing price of CME Group Class A common stock over the period from November 17, 2006, the date of NYMEX Holdings' initial public offering, through and including March 14, 2008, the last trading day prior to the announcement of the proposed merger. Goldman Sachs compared the results of this analysis against the implied exchange ratio of 0.2064x, which is based on the implied transaction price per share of NYMEX Holdings common stock of \$100.30 and the closing price for CME Group Class A common stock as of March 14, 2008 of \$486.05. The following table presents the results of these calculations:

	<b>Historical Implied Exchange Ratios of NYMEX Holdings Common Stock to CME Group Class A Common Stock</b>
March 14, 2008	0.1962x
High	0.2572x
Low	0.1633x
Average	0.2189x

**Historical Price / Next Twelve Months Estimated Earnings Per Share Analysis**

Goldman Sachs reviewed and compared the historical daily closing share prices as a multiple of the next twelve months EPS estimates (based on market data from FactSet and median EPS estimates from IBES) for the period from March 7, 2003 through and including March 7, 2008 of NYMEX Holdings common stock and CME Group Class A common stock, IntercontinentalExchange, Inc., or ICE, common stock, and indices named U.S. Cash Exchanges Index and Selected International Exchanges Index comprised of the following publicly traded exchanges:

**U.S. Cash Exchanges Index**

NYSE Euronext  
NASDAQ OMX Group, Inc.

**Selected International Exchanges Index**

Deutsche Börse AG  
Hong Kong Exchanges & Clearing Limited  
Bovespa Holding SA  
London Stock Exchange Group plc  
Singapore Exchange Limited  
ASX Limited  
Bolsas y Mercados Espanoles SA  
TSX Group, Inc.

The results of the analyses are summarized below:

	<b>Average Price / Next Twelve Months EPS (1)(2)</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
CME Group	17.2x	23.7x	29.2x	36.1x	34.3x	28.4x
NYMEX Holdings				42.8x	41.8x	28.0x
ICE				35.7x	35.1x	27.0x
U.S. Cash Exchanges Index		26.0x	33.0x	34.8x	25.6x	20.7x
Selected International Exchanges Index	16.8x	17.1x	19.5x	22.9x	21.7x	20.0x

(1) All 2008 information is presented as of March 7, 2008 year-to-date.

(2) Based on market data from FactSet and median EPS estimates from IBES.



**Table of Contents****Selected Exchanges Analysis**

Goldman Sachs reviewed and compared certain financial information for NYMEX Holdings to corresponding publicly available financial information, ratios and multiples for selected peer exchanges in three categories: (i) U.S. derivatives exchanges, which is comprised of NYMEX Holdings, CME Group and ICE, (ii) the exchanges comprising the U.S. Cash Exchanges Index and (iii) the exchanges comprising the Selected International Exchanges Index. Although none of the selected exchanges is directly comparable to NYMEX Holdings, the companies included were chosen because they are publicly traded companies with operations that, for purposes of analysis, may be considered similar to certain operations of NYMEX Holdings.

The multiples and ratios of the selected exchanges were based on market data as of March 14, 2008, information obtained from publicly available information and estimates from IBES. The multiples and ratios were calculated on a fully diluted basis. With respect to NYMEX Holdings, CME Group and the selected exchanges, Goldman Sachs calculated the following:

enterprise value as a multiple of LTM EBITDA;

enterprise value as a multiple of 2008E and 2009E EBITDA; and

the price earnings ratio for 2008E and 2009E.

	Enterprise Value/ EBITDA (1)			Calendarized P/E Multiples (1)	
	LTM	2008	2009	2008	2009
<b>NYMEX Holdings</b>	20.8x	13.9x	11.6x	26.7x	20.7x
<b>CME Group</b>	18.1x	13.8x	11.5x	25.0x	19.9x
<b>U.S. Derivatives Exchanges</b>					
Low	18.1x	13.8x	11.5x	25.0x	19.9x
Median	20.8x	13.9x	11.6x	26.2x	20.2x
High	23.9x	15.6x	12.6x	26.7x	20.7x
<b>U.S. Cash Exchanges Index</b>					
Low	13.9x	10.2x	8.8x	18.0x	14.4x
Median	14.2x	11.2x	9.9x	18.4x	15.4x
High	14.5x	12.3x	11.0x	18.9x	16.4x
<b>Selected International Exchanges Index</b>					
Low	10.7x	7.3x	7.2x	12.0x	11.6x
Median	15.0x	11.2x	10.1x	15.6x	13.9x
High	21.2x	17.2x	16.6x	25.5x	19.7x

(1) Based on publicly available information and median estimates from IBES.

**Discounted Cash Flow Analysis**

Goldman Sachs performed an illustrative discounted cash flow analysis, using CME Group management's projections for NYMEX Holdings, to determine ranges of implied present values per share of NYMEX Holdings common stock. Goldman Sachs calculated the implied net present values of projected free cash flows for NYMEX Holdings, as provided by CME Group's management, for fiscal years 2008 through 2017 using discount rates ranging from 10% to 12% and terminal value perpetuity growth rates of 3% to 5%. The analysis, based on the forecasts, resulted in an implied standalone NYMEX Holdings equity value per share range from \$103.38 to \$173.61.

Goldman Sachs also performed an illustrative discounted cash flow analysis of NYMEX Holdings on a pro forma basis, using three alternative forecasts for NYMEX Holdings provided by CME Group management. The

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first such sensitivity case included cost and revenue synergies, net of one-time costs associated with the transaction. The second sensitivity case included synergies, net of one-time costs associated with the transaction, and other pro forma adjustments related to the merger as developed by CME Group management. Lastly, the third sensitivity case included synergies, net of one-time costs associated with the transaction, the foregoing pro forma adjustments related to the merger as developed by CME Group management and estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer. For each sensitivity case, Goldman Sachs calculated the implied net present values of projected free cash flows for NYMEX Holdings, as provided by CME Group's management, for fiscal years 2008 through 2017, using discount rates ranging from 10% to 12% and terminal value perpetuity growth rates of 3% to 5%. The analyses resulted in an implied NYMEX Holdings equity value per share range from \$106.81 to \$180.38 with synergies, net of one-time costs associated with the transaction, a range of \$103.92 to \$177.63 with synergies, net of one-time costs associated with the transaction, and the foregoing pro forma adjustments related to the merger, and lastly, a range of \$106.75 to \$181.53 with synergies, net of one-time costs associated with the transaction, the foregoing pro forma adjustments related to the merger, and estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer.

### ***Internal Rate of Return Analysis***

Goldman Sachs performed an illustrative analysis of the implied internal rates of return that could theoretically be realized by an acquiror of NYMEX Holdings by utilizing projections of NYMEX Holdings' free cash flows for fiscal years 2008 through 2017 as estimated by CME Group's management. These projections include the synergies, net of one-time costs associated with the transaction, projected to result from the merger and other pro forma adjustments related to the merger as developed by CME Group management. When calculating the terminal value of free cash flows on a pro-forma basis, Goldman Sachs applied discount rates ranging from 10% to 12% and terminal value perpetuity growth rates ranging from 3% to 5%. Based on the foregoing estimates and assumptions, Goldman Sachs calculated that an acquiror of NYMEX Holdings would realize implied internal rates of return with a range from 12.8% to 18.4% excluding income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer and a range from 13.2% to 18.8% including income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer.

**Table of Contents****Contribution Analysis**

Goldman Sachs reviewed market capitalization information for CME Group and NYMEX Holdings and specific historical and estimated future operating information including, among other information, 2007A (LTM), estimated 2008, 2009 and 2010 revenue, EBITDA, pre-tax earnings and net income for CME Group and NYMEX Holdings, based on publicly available information and projections prepared by CME Group management. Goldman Sachs noted that the market value of NYMEX Holdings, as indicated by the implied offer price for NYMEX Holdings, represented 25.9% of the market value of the combined company based on the implied transaction price per share of \$101.01 as of March 7, 2008. Goldman Sachs also noted that the market value of NYMEX Holdings represented 25.1% and 21.9% of the market value of the combined company as of March 7, 2008, and January 24, 2008 (two trading days prior to the date on which NYMEX Holdings and CME Group publicly announced they were engaged in preliminary discussions), respectively. Goldman Sachs then analyzed the relative income statement contributions of CME Group and NYMEX Holdings to the combined company following the merger. The results of this analysis were as follows:

	Contribution to Combined Company (%)	
	CME Group	NYMEX Holdings
<b>Revenue</b>		
LTM	75.9%	24.1%
2008E	75.2%	24.8%
2009E	75.0%	25.0%
2010E	75.0%	25.0%
<b>EBITDA</b>		
LTM	77.6%	22.4%
2008E	76.8%	23.2%
2009E	76.7%	23.3%
2010E	76.1%	23.9%
<b>Pre-Tax Earnings</b>		
LTM	77.5%	22.5%
2008E	75.2%	24.8%
2009E	75.4%	24.6%
2010E	75.0%	25.0%
<b>Net Income</b>		
LTM	78.5%	21.5%
2008E	76.7%	23.3%
2009E	76.9%	23.1%
2010E	76.6%	23.4%
<b>High</b>	78.5%	25.0%
<b>Median</b>	76.3%	23.7%
<b>Low</b>	75.0%	21.5%
<b>Market Value (Implied Offer Price)</b>	74.1%	25.9%
<b>Market Value (As of March 7, 2008)</b>	74.9%	25.1%
<b>Market Value (As of Two Trading Days Prior to Public Announcement of Preliminary Discussions)</b>	78.1%	21.9%

**Table of Contents****Comparison of Selected Exchange Transactions**

Goldman Sachs analyzed certain publicly available information relating to the following selected completed and pending transactions in the financial exchange industry since 2001:

<b>Announcement Date</b>	<b>Buyer</b>	<b>Target</b>
December 10, 2007	TSX Group, Inc. (*)	Bourse de Montreal Inc.
September 20, 2007	NASDAQ Stock Market, Inc. and Borse Dubai Limited	OMX AB
June 23, 2007	London Stock Exchange plc	Borsa Italiana S.p.A.
June 14, 2007	Chicago Mercantile Exchange Holdings Inc. (*)	CBOT Holdings, Inc.
April 30, 2007	Eurex Frankfurt AG (*)	International Securities Exchange
September 14, 2006	IntercontinentalExchange, Inc. (*)	Board of Trade of the City of New York, Inc.
May 22, 2006	NYSE Group, Inc.	Euronext N.V.
March 27, 2006	Australian Stock Exchange Ltd (*)	Sydney Futures Exchange Corp. Ltd
March 10, 2006	NASDAQ Stock Market, Inc.	London Stock Exchange plc (25% stake)
April 20, 2005	New York Stock Exchange, Inc.	Archipelago Holdings, Inc.
October 29, 2001	Euronext N.V. (*)	London International Financial Futures and Options Exchange (LIFFE)

(\*) Derivatives Exchange Transactions

Although none of the selected transactions or the exchanges party to the transactions is directly comparable to the proposed merger or to CME Group or NYMEX Holdings, the above transactions were chosen because they involve transactions that, for purposes of analysis, may be considered similar to the proposed merger and/or involve publicly traded exchanges with operations that, for purposes of analysis, may be considered similar to certain operations of CME Group and NYMEX Holdings.

For each of the selected transactions, Goldman Sachs calculated and, to the extent information was publicly available, compared enterprise value as a multiple of each of revenues, EBITDA and equity value as a multiple of net income and compared such multiples to the CME Group/NYMEX Holdings transaction value multiples. The following table presents the results of this analysis:

	<b>Implied Transaction Value as Multiple of LTM</b>		
	<b>Revenues</b>	<b>EBITDA</b>	<b>Net Income</b>
<b>All Transactions</b>			
Low	2.6x	13.5x	27.6x
Median	10.3x	23.9x	47.2x
High	15.5x	34.9x	82.5x
<b>Selected Derivatives Exchange Transactions</b>			
Low	6.3x	23.9x	31.8x
Median	13.4x	27.0x	50.4x
High	15.5x	34.9x	82.5x
<b>CME/NYMEX Transaction</b>			
CME Group/NYMEX Holdings (excluding cost of membership purchase offer)	13.6x	21.6x	40.2x
CME Group/NYMEX Holdings (including cost of membership purchase offer)	14.3x	22.8x	42.4x

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Goldman Sachs also calculated the premiums paid based on the average closing stock price of the target for the five trading days prior to the announcement of each transaction, and premiums paid based on the average closing stock price of the target for the 20 trading days prior to the announcement of each transaction, and compared such premiums to the premium derived from the implied equity value per share of NYMEX Holdings common stock as of March 7, 2008. The following table presents the results of this analysis:

	<b>Premium 20-day average</b>	<b>Premium 5-day average</b>
<b>All Transactions</b>		
Low	1.4%	4.7%
Median	33.6%	30.3%
High	73.0%	77.0%
<b>Selected Derivatives Exchange Transactions</b>		
Low	23.3%	13.2%
Median	33.6%	29.4%
High	59.9%	53.5%
<b>CME/NYMEX Transaction</b>		
CME Group/NYMEX Holdings (excluding cost of membership purchase offer)	3.7%	18.8%
CME Group/NYMEX Holdings (including cost of membership purchase offer)	3.7%	18.8%

***Pro Forma EPS Accretion/Dilution Analysis***

Goldman Sachs prepared illustrative pro forma EPS accretion/dilution analyses of the proposed merger on CME Group using estimates and projections provided by CME Group management. Goldman Sachs compared, for each of fiscal years 2009E and 2010E, the forecast EPS of CME Group on a generally accepted accounting principles, or GAAP, EPS and cash EPS standalone basis, in relation to the estimated GAAP EPS and the estimated cash EPS of the combined company. The analysis indicated that the transaction would be accretive on a cash EPS basis in 2009E and 2010E with or without the receipt of estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer and would range from neutral to accretive on a GAAP EPS basis in 2009E and 2010E with or without estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer.

In conducting its EPS accretion/dilution analyses, Goldman Sachs analyzed three alternative cash scenarios, which covered a range of possible cash consideration amounts based on the current implied transaction consideration and the structure of the transaction: a minimum cash case, a medium cash case and a high cash case (the primary differences of which, are the amount of cash consideration to be paid to NYMEX Holdings stockholders). In each of the three alternative cash scenarios, Goldman Sachs conducted a sensitivity analysis using revenue and cost synergies that ranged from 0% to 100% of CME Group management's synergy estimates.

In the minimum cash case, the analysis indicated that in 2009E, the transaction would range from slightly dilutive to neutral when excluding the estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer and would range from slightly dilutive to slightly accretive when including the estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer. The analysis further indicated that the transaction would be accretive in 2010E with or without the inclusion of estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer.

Goldman Sachs' analyses indicated that the transaction would be increasingly accretive in 2009E and 2010E in each of the medium and high cash cases, with or without the inclusion of estimated income derived from NYMEX trading permits and potential tax benefits related to the membership purchase offer.

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The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to CME Group, NYMEX Holdings or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs providing its opinion to the CME Group board of directors that, as of March 17, 2008, and based upon and subject to the assumptions, procedures, factors, limitations and qualifications set forth in such opinion, the merger consideration, taken in the aggregate, to be paid by CME Group in respect of each share of NYMEX Holdings common stock in the merger was fair from a financial point of view to CME Group. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of CME Group, NYMEX Holdings, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arms-length negotiations between CME Group and NYMEX Holdings and was approved by the CME Group board of directors. Goldman Sachs provided advice to CME Group during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to CME Group or its board of directors or that any specific amount of merger consideration constituted the only appropriate consideration for the merger.

As described above, the opinion of Goldman Sachs to the CME Group board of directors was one of many factors taken into consideration by the CME Group board of directors in making its determination to approve the Original Merger Agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex C to this joint proxy statement/prospectus.

Goldman Sachs and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions as well as for estate, corporate and other purposes. Goldman Sachs has acted as financial advisor to CME Group in connection with, and has participated in certain of the negotiations leading to, the transaction contemplated by the Original Merger Agreement. In addition, Goldman Sachs has provided certain investment banking and other financial services to CME Group, NYMEX Holdings and their affiliates from time to time, for which Goldman Sachs has received, and may receive, compensation. Goldman Sachs also may provide investment banking and other financial services to CME Group, NYMEX Holdings and their respective affiliates in the future for which Goldman Sachs may receive compensation. In addition, Goldman Sachs and its affiliates hold 14 Class B memberships in CBOT and 36 memberships in CME. Goldman Sachs and its affiliates also hold five NYMEX Class A memberships, seven memberships in COMEX, and one COMEX options membership seat. In addition, Goldman Sachs and its affiliates may hold NYMEX trading permits and COMEX memberships in the future. In connection therewith, Goldman Sachs and such affiliates pay regular trading fees to, and are subject to the regulations of, CME Group and NYMEX.

Goldman Sachs is a full service securities firm engaged, either directly or through its affiliates, in securities trading, investment banking and financial advisory, investment management, principal investment, hedging, financing and brokerage activities and financial planning and benefits counseling for both companies and

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individuals. In the ordinary course of these activities, Goldman Sachs and its affiliates may provide such services to CME Group, NYMEX Holdings and their respective affiliates, and may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of CME Group and NYMEX Holdings, and any of their respective affiliates or any currency or commodity that may be involved in the transaction contemplated by the Amended Merger Agreement for their own account and for the accounts of their customers.

The CME Group board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the contemplated transaction. Pursuant to a letter agreement, dated February 21, 2008, CME Group engaged Goldman Sachs to act as its financial advisor in connection with the transaction. Pursuant to the terms of this letter agreement, CME Group has agreed to pay Goldman Sachs a transaction fee of \$10 million upon consummation of the merger. In addition, CME Group has agreed to reimburse Goldman Sachs' expenses incurred in connection with this engagement and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

**Opinion of William Blair, Financial Advisor to CME Group**

William Blair acted as financial advisor to CME Group in connection with the merger. As part of its engagement, CME Group requested that William Blair render an opinion as to whether the merger consideration to be paid by CME Group was fair, from a financial point of view, to CME Group. On March 16, 2008, William Blair delivered its oral opinion to the CME Group board of directors and subsequently confirmed in writing that, as of such date and based upon and subject to the assumptions and qualifications stated in its opinion, the merger consideration was fair, from a financial point of view, to CME Group.

**The full text of William Blair's written opinion, dated March 16, 2008, is attached as Annex D to this joint proxy statement/prospectus and incorporated into this joint proxy statement/prospectus by reference. We urge holders of CME Group common stock to read the entire opinion carefully to learn about the assumptions made, procedures followed, matters considered and limits on the scope of the review undertaken by William Blair in rendering its opinion. William Blair's opinion relates only to the fairness, from a financial point of view, to CME Group of the consideration to be paid by CME Group in the merger, does not address any other aspect of the proposed merger or any related transaction, and does not constitute a recommendation to any stockholder as to how that stockholder should vote with respect to the Amended Merger Agreement or the merger. William Blair did not address the merits of the underlying decision by CME Group to engage in the merger. The following summary of William Blair's opinion is qualified in its entirety by reference to the full text of the opinion.**

William Blair provided the opinion described above for the information and assistance of the CME Group board of directors in connection with its consideration of the merger. The terms of the Original Merger Agreement and the amount and form of the merger consideration, however, were determined through negotiations between CME Group and NYMEX Holdings, and were approved by the CME Group board of directors. William Blair provided financial advice to CME Group during such negotiations. However, William Blair did not recommend any specific exchange ratio or other form of consideration to CME Group, or that any specific exchange ratio or other form of consideration constituted the only appropriate consideration for the proposed merger.

In connection with its opinion, William Blair, among other things:

reviewed the draft Original Merger Agreement dated March 16, 2008;

reviewed certain audited historical financial statements of CME Group and NYMEX Holdings for the three fiscal years ended December 31, 2007, as filed with the SEC;

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reviewed certain internal business, operating and financial information and forecasts of CME Group for fiscal years 2008 through 2010 and NYMEX Holdings for fiscal years 2008 through 2018 developed by the senior management of CME Group, or for purposes of this section, the Forecasts ;

reviewed information regarding the strategic, financial and operational benefits anticipated from the merger and the prospects of CME Group (with and without the merger) developed by the senior management of CME Group;

reviewed information regarding the amount and timing of incremental revenue synergies and cost savings and related expense synergies which the senior management of CME Group expects will result from the merger, or the Expected Synergies ;

reviewed the pro forma impact of the merger on the earnings per share of CME Group (before and after taking into consideration any Expected Synergies, adjustments for the repurchase of NYMEX Class A memberships and adjustments for the intangible asset amortization created as a result of the merger) based on certain pro forma financial information prepared by the senior management of CME Group;

reviewed information regarding publicly available financial terms of certain other business combinations William Blair deemed relevant;

reviewed the financial position and operating results of NYMEX Holdings compared with those of certain other publicly traded companies William Blair deemed relevant;

reviewed current and historical market prices and trading volumes of the Class A common stock of CME Group and the common stock of NYMEX Holdings; and

performed such other financial analyses and considered such other information as William Blair deemed appropriate for the purposes of its opinion.

William Blair also held discussions with members of the senior management of CME Group and NYMEX Holdings to discuss the foregoing, and took into account the accepted financial and investment banking procedures and considerations that it deemed relevant.

In rendering its opinion, William Blair assumed and relied, without independent verification, upon the accuracy and completeness of all the information reviewed by or discussed with William Blair for purposes of its opinion, including without limitation the Forecasts developed by the senior management of CME Group. William Blair did not make or obtain an independent valuation or appraisal of the assets, liabilities or solvency of CME Group or NYMEX Holdings. William Blair was advised by the senior management of CME Group that the Forecasts and Expected Synergies examined by William Blair were reasonably prepared on bases reflecting the best estimates then available and judgments of the senior management of CME Group. In that regard, William Blair assumed, with the consent of CME Group's board of directors, that (i) the Forecasts would be achieved in the amounts and at the times contemplated thereby, and (ii) all material assets and liabilities (contingent or otherwise) of CME Group and NYMEX Holdings were as set forth in each company's respective financial statements or other information made available to William Blair. William Blair expressed no opinion with respect to the Forecasts, Expected Synergies, or the estimates and judgments on which they were based. William Blair did not analyze any forecasts of CME Group for periods after 2010. William Blair was not provided with, nor did it otherwise analyze, any forecasts of NYMEX Holdings for periods after 2018.

William Blair's opinion did not address the relative merits of the merger as compared to any alternative business strategies that might exist for CME Group or the effect of other transactions in which CME Group might engage. William Blair's opinion was based upon economic, market, financial and other conditions existing on, and other information disclosed to William Blair as of, March 16, 2008. Although developments subsequent to March 16, 2008 may affect its opinion, William Blair does not have any obligation to update, revise or reaffirm its opinion. On July 13, 2008, William Blair confirmed orally to the CME Group board of directors that the terms of the Amended Merger Agreement would not have changed its March 16, 2008 opinion had such terms been included in the Original Merger Agreement; however William Blair has not updated, revised or reaffirmed its opinion in connection with the Amended Merger Agreement. William Blair relied as to all legal, accounting



and tax matters on advice of advisors to CME Group, and assumed that the executed Original Merger

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Agreement would substantially conform to, and the merger would be consummated on, the terms described in the draft Original Merger Agreement reviewed by it, without any amendment or waiver of any material terms or conditions.

William Blair did not express any opinion as to the price at which the Class A common stock of CME Group will trade at any future time or as to the effect of the announcement of the merger on the trading price of the Class A common stock of CME Group. William Blair noted that the trading price may be affected by a number of factors, including but not limited to:

dispositions of the Class A common stock of CME Group by stockholders within a short period of time after the effective time of the merger;

changes in prevailing interest rates and other factors which generally influence the price of securities;

adverse changes in the capital markets from the date on which the opinion was delivered;

the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of CME Group or NYMEX Holdings or in their respective target markets;

any actions by or restrictions of federal, state or other governmental agencies or regulatory authorities; and

timely completion of the merger on the terms and conditions that are acceptable to all parties in interest.

The following is a summary of the material financial analyses performed and material factors considered by William Blair to arrive at its opinion. William Blair performed certain procedures, including each of the financial analyses described below, and reviewed with CME Group's board of directors the assumptions upon which such analyses were based, as well as other factors. Although the summary does not purport to describe all of the analyses performed or factors considered by William Blair in this regard, it does set forth those considered by William Blair to be material in arriving at its opinion.

*Discounted Cash Flow Analysis.* William Blair utilized the Forecasts to perform a discounted cash flow analysis of NYMEX Holdings' projected future cash flows for the period commencing on January 1, 2008 and ending December 31, 2017. Using discounted cash flow methodology, William Blair calculated the present values of the projected free cash flows for NYMEX Holdings. In this analysis, William Blair assumed that NYMEX Holdings' free cash flows would grow in perpetuity beyond 2017 at an annual growth rate ranging from 3% to 5% reflecting historical and forecasted growth rates for U.S. economic activity. William Blair further assumed an annual discount rate ranging from 10% to 12%. William Blair determined the appropriate discount range based upon an analysis of the weighted average cost of capital of NYMEX Holdings. William Blair aggregated (i) the present value of the free cash flows over the applicable forecast period with (ii) the present value of the range of terminal values. The aggregate present value of these items represented the enterprise value range. An equity value was determined by adding back the amount of net cash at December 31, 2007 based on NYMEX Holdings' 2007 Annual Report on Form 10-K. The implied range of equity values for NYMEX Holdings implied by the discounted cash flow analysis ranged from approximately \$9.5 billion to \$16.2 billion, as compared to the implied equity value for NYMEX Holdings of approximately \$9.5 billion.

In addition, William Blair performed a discounted cash flow analysis to calculate the present values of the projected free cash flows for NYMEX Holdings, including the Expected Synergies and pro forma adjustments related to the merger as developed by the senior management of CME Group. William Blair applied a range of perpetuity growth rates of 3% to 5% and discounted the free cash flows and the estimated terminal value to present values at a range of discount rates from 10% to 12%.

Based on the projections and assumptions set forth above, the discounted cash flow analysis of NYMEX Holdings, including the Expected Synergies and certain pro forma adjustments related to the merger as prepared by the senior management of CME Group, yielded an implied range of equity values for NYMEX Holdings from approximately \$10.3 billion to \$17.7 billion, as compared to the implied equity value for NYMEX Holdings of approximately \$9.5 billion.



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*Earnings Accretion/Dilution Analysis.* William Blair analyzed certain pro forma effects resulting from the merger, including the potential impact of the merger on projected 2009 and 2010 GAAP and cash earnings per share of CME Group following the merger. All analyses assumed a September 30, 2008 closing. William Blair utilized NYMEX Holdings' and CME Group's earnings for 2008 and 2009 according to the Forecasts provided by CME Group. William Blair's analysis included assumptions regarding, among other matters, various structural considerations, the anticipated repurchase for \$500 million of all 816 NYMEX Class A memberships to be paid by NYMEX prior to closing, the estimated allocation of purchase price to amortizable intangible assets, as well as pro forma adjustments including trading permit income from NYMEX and Expected Synergies, all of which were provided by CME Group's management. The analysis indicated that the impact on GAAP earnings per share for 2009 would be dilutive without consideration of the pro forma adjustments for trading rights sale income and without consideration of Expected Synergies. The analysis indicated that the impact on GAAP earnings per share for 2010 would be accretive without consideration of the pro forma adjustments for trading rights sale income and without consideration of Expected Synergies. Furthermore, the analysis indicated that the impact on GAAP earnings per share would be accretive in 2009 and 2010 with consideration of pro forma adjustments for trading rights sale income and with consideration of Expected Synergies. The analysis indicated that the impact on cash earnings per share would be accretive in 2009 and 2010, both with and without consideration of the pro forma adjustments for trading rights sale income and with and without Expected Synergies.

*Premiums Paid Analysis.* William Blair reviewed data from 152 acquisitions of publicly traded companies occurring since January 1, 2003 and with transaction values greater than \$1 billion, excluding transactions which were financed with 100% cash consideration. Specifically, William Blair analyzed the acquisition price per share as a premium to the closing share price one day, one week, and four weeks prior to the announcement of the transaction for a subgroup of all 152 transactions that were financed with a combination of both cash and stock and for a subgroup of those transactions that were all stock-for-stock transactions. William Blair compared the mean of the resulting stock price premiums for the reviewed transactions to the premiums implied by the merger based on NYMEX Holdings' stock price one day, one week, and four weeks prior to January 24, 2008. Information regarding the premiums from William Blair's analysis of selected transactions is set forth in the following table:

Premium Period	Mean of Transaction Premiums		
	Cash / Stock Transactions	Stock-for-Stock Transactions	Implied Transaction Premium
One Day	20.9%	16.1%	15.7%
One Week	22.5%	18.5%	33.5%
Four Weeks	25.4%	19.7%	(9.5%)

William Blair noted that the premiums implied by the transaction were below the mean of the premiums paid for the referenced transaction groups for each of the one day and four week time periods. William Blair further noted that the premium implied by the transaction was above the mean of the premiums paid for the referenced transaction groups for the one week time period.

*Selected Public Company Analysis.* William Blair reviewed and compared certain financial information relating to NYMEX Holdings to corresponding financial information, ratios and public market multiples for publicly traded companies with market capitalizations in excess of \$1 billion, with operations in the exchange industry and with similar business characteristics. The companies selected by William Blair were:

Australian Securities Exchange Limited;

Bolsas & Mercados Españoles S.A.;

Bursa Malaysia Berhad;

CME Group Inc.;

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Deutsche Börse AG;

Hong Kong Exchanges and Clearing Limited;

IntercontinentalExchange, Inc.;

London Stock Exchange plc;

Montreal Exchange Inc.;

NASDAQ OMX Group Inc.;

NYMEX Holdings, Inc.;

NYSE Euronext;

OMX AB;

Singapore Exchange Ltd.; and

TSX Group, Inc.

Among the information William Blair considered were EBITDA, earnings before interest and taxation, or EBIT, and EPS. William Blair considered the enterprise value as a multiple of EBITDA and EBIT for each company for the last twelve months for which results were publicly available and for the respective calendar year EBITDA and EBIT estimates for 2008 and 2009, and the share price as a multiple of EPS for each company for the LTM and for the respective calendar year EPS estimates for 2008 and 2009. The operating results and the corresponding derived multiples for NYMEX Holdings and each of the selected companies were based on each company's most recent available publicly disclosed financial information, closing share prices as of March 14, 2008 and consensus Wall Street analysts' EPS estimates for calendar years 2008 and 2009 where appropriate. William Blair noted that it did not have access to internal forecasts for any of the selected public companies, except CME Group. The implied enterprise value of the transaction is based on the equity value implied by the purchase price plus the total debt, less any excess cash and cash equivalents at December 31, 2007 based on NYMEX Holdings' 2007 Annual Report on Form 10-K.

William Blair then compared the implied transaction multiples for NYMEX Holdings to the range of trading multiples for the selected companies. Information regarding the range of multiples from William Blair's analysis of selected publicly traded companies is set forth in the following table:

	Selected Public Company Valuation Multiples			Implied Transaction Multiple
	Min	Median	Max	
Enterprise Value/LTM EBITDA	4.2x	16.9x	24.9x	22.7x
Enterprise Value/2008E EBITDA	3.3x	13.0x	21.1x	16.4x

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Enterprise Value/2009E EBITDA	3.1x	10.5x	18.0x	12.9x
Enterprise Value/LTM EBIT	4.3x	19.4x	27.5x	23.4x
Enterprise Value/2008E EBIT	3.4x	14.4x	24.0x	16.9x
Enterprise Value/2009E EBIT	3.1x	11.3x	21.5x	13.1x
Equity Value/LTM Net Income	16.0x	30.8x	40.0x	42.3x
Equity Value/2008E Net Income	12.2x	19.4x	35.6x	29.5x
Equity Value/2009E Net Income	12.6x	16.2x	29.3x	22.8x

William Blair noted that the implied transaction multiples based on the terms of the merger were generally within the range of multiples of the selected public companies.

Although William Blair compared the trading multiples of the selected companies as of March 14, 2008 and applied such multiples to NYMEX Holdings, none of the selected companies is identical to NYMEX Holdings.

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Accordingly, any analysis of the selected publicly traded companies necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics and other factors that would necessarily affect the analysis of trading multiples of the selected publicly traded companies.

*Selected M&A Transactions Analysis.* William Blair performed an analysis of selected recent business combinations consisting of transactions announced subsequent to January 1, 2001 and focused primarily on the exchange industry and transactions having similar business characteristics. William Blair's analysis was based solely on publicly available information regarding such transactions. The selected transactions were not intended to be representative of the entire range of possible transactions in the respective industries. The transactions examined were (target/acquiror):

Montreal Exchange Inc./*TSX Group, Inc.*;

Philadelphia Stock Exchange, Inc./*The Nasdaq Stock Market, Inc.*;

TradeWeb Group LLC/*Thomson Corp.*;

OMX AB/*Dubai International Financial Centre*;

OMX AB/*The Nasdaq Stock Market, Inc.*;

International Securities Exchange Holdings, Inc./*Deutsche Börse AG*;

Borsa Italiana S.p.A./*London Stock Exchange plc*;

Winnipeg Commodity Exchange Inc./*IntercontinentalExchange, Inc.*;

Currenex Inc./*State Street Corp.*;

CBOT Holdings, Inc./*Chicago Mercantile Exchange Holdings Inc.*;

Euronext N.V./*NYSE Group, Inc.*;

Board of Trade of the City of New York, Inc. /*IntercontinentalExchange, Inc.*;

SFE Corp. Ltd./*Australian Stock Exchange Ltd.*;

EBS Group Limited/*ICAP plc*;

London Stock Exchange plc/*The Nasdaq Stock Market, Inc.*;

Archipelago Holdings, Inc./*New York Stock Exchange, Inc.*;

INET ECN/*The Nasdaq Stock Market, Inc.*;

London Clearing House Limited/*Clearnet SA*;

Island ECN/*Instinet Group Incorporated*;

Clearstream Banking SA/*Deutsche Börse AG*; and

London International Financial Futures and Options Exchange/*Euronext N.V.*

William Blair reviewed the consideration paid in the selected transactions in terms of the enterprise value of such transactions as a multiple of EBITDA and EBIT of the target and the equity value as a multiple of net income of the target for the latest twelve months prior to the announcement of these transactions. William Blair compared the resulting range of transaction multiples of EBITDA, EBIT and net income for the selected transactions to the implied transaction multiples for NYMEX Holdings. Information regarding the range of multiples from William Blair's analysis of selected transactions is set forth in the following table:

	Selected Transaction Valuation Multiples			Implied Transaction Multiple
	Min	Median	Max	
Enterprise Value/LTM EBITDA	6.6x	18.2x	36.0x	22.7x
Enterprise Value/LTM EBIT	8.6x	21.9x	66.9x	23.4x
Equity Value/LTM Net Income	11.7x	35.8x	95.7x	42.3x



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William Blair noted that the implied transaction multiples based on the terms of the merger were within the range of multiples of the selected transactions.

Although William Blair analyzed the multiples implied by the selected transactions and applied such multiples to NYMEX Holdings, none of these transactions or associated companies is identical to the merger of NYMEX Holdings and CME Group. Accordingly, any analysis of the selected transactions necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics, parties involved and terms of their transactions and other factors that would necessarily affect the implied value of NYMEX Holdings versus the values of the companies in the selected transactions.

*Contribution Analysis.* William Blair performed an analysis comparing the relative contributions of CME Group and NYMEX Holdings to the combined pro forma company's projected 2008, 2009 and 2010 revenue, EBITDA, pre-tax income and net income with and without Expected Synergies and with and without NYMEX trading permit income. Fiscal year 2008, 2009 and 2010 projections for CME Group and NYMEX Holdings were based on the Forecasts developed by CME Group. The Expected Synergies and NYMEX trading permit income were developed by the senior management of CME Group. These relative contribution percentages for NYMEX Holdings, without giving effect to Expected Synergies or NYMEX trading permit income ranged from 23.2% to 25% and were compared to the relative split of the post-transaction common stock shares of NYMEX Holdings after giving effect to the cash consideration of the merger as if paid in CME Group stock of 26%. Furthermore, these relative contribution percentages for NYMEX Holdings, giving effect to Expected Synergies but without NYMEX trading permit income ranged from 23.2% to 26.6% and were compared to the relative split of the post-transaction common stock shares of NYMEX Holdings after giving effect to the cash consideration of the merger as if paid in CME Group stock of 26%. Furthermore, these relative contribution percentages for NYMEX Holdings, giving effect to Expected Synergies and NYMEX trading permit income ranged from 23.4% to 27.1% and were compared to the relative split of the post-transaction common stock shares of NYMEX Holdings after giving effect to the cash consideration of the merger as if paid in CME Group stock of 26%. Such analyses were prepared without regard to purchase accounting adjustments.

*General.* This summary is not a complete description of the analysis performed by William Blair but contains the material elements of the analysis. The preparation of an opinion regarding fairness is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. The preparation of an opinion regarding fairness does not involve a mathematical evaluation or weighing of the results of the individual analyses performed, but requires William Blair to exercise its professional judgment, based on its experience and expertise, in considering a wide variety of analyses taken as a whole. Each of the analyses conducted by William Blair was carried out in order to provide a different perspective on the financial terms of the proposed merger and add to the total mix of information available. The analyses were prepared solely for the purpose of William Blair providing its opinion and do not purport to be appraisals or necessarily reflect the prices at which securities actually may be sold. William Blair did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion about the fairness of the consideration to be paid by CME Group. Rather, in reaching its conclusion, William Blair considered the results of the analyses in light of each other and ultimately reached its opinion based on the results of all analyses taken as a whole and in consideration of the process undertaken by CME Group. William Blair did not place particular reliance or weight on any particular analysis, but instead concluded that its analyses, taken as a whole, supported its determination. Accordingly, notwithstanding the separate factors summarized above, William Blair believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, may create an incomplete view of the evaluation process underlying its opinion. No company or transaction used in the above analyses as a comparison is directly comparable to NYMEX Holdings or the merger. In performing its analyses, William Blair made numerous assumptions with respect to industry performance, business and economic conditions and other matters. The analyses performed by William Blair are not necessarily indicative of future actual values and future results, which may be significantly more or less favorable than suggested by such analyses.

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William Blair is a nationally recognized firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with merger transactions and other types of strategic combinations and acquisitions. William Blair is familiar with CME Group, having provided certain investment banking services to CME Group and its board of directors from time to time, including having acted as co-manager for CME Group's \$191 million initial public offering of common stock in December 2002, as co-manager on an \$85 million follow-on common stock offering in June 2003, as co-manager on a \$138 million follow-on common stock offering in November 2003 (for which William Blair received remuneration of approximately \$0.4 million, \$0.2 million and \$0.5 million, respectively), as a financial advisor to CME Group in connection with its merger with CBOT Holdings, as a financial advisor to CME Group in connection with the sale of the CBOT metals complex (for which William Blair received remuneration of approximately \$0.3 million), and as a financial advisor to CME Group in connection with, and having participated in certain of the negotiations leading to, the Amended Merger Agreement. Furthermore, in the ordinary course of its business, William Blair and its affiliates may beneficially own or actively trade common shares and other securities of CME Group or NYMEX Holdings for their own accounts and for the accounts of customers, and, accordingly, may at any time hold a long or short position in these securities. In addition, William Blair provides research coverage for CME Group.

CME Group hired William Blair based on its qualifications and expertise in providing financial advice to companies and its reputation as a nationally recognized investment banking firm. Pursuant to a letter agreement dated January 23, 2008, William Blair was paid \$3 million upon the delivery of its opinion, dated March 16, 2008, as to the fairness, from a financial point of view, of the merger consideration to be paid by CME Group. Furthermore, under the terms of the January 23, 2008, letter agreement, William Blair will be entitled to receive an additional fee of \$3 million upon consummation of the merger. In addition, CME Group has agreed to reimburse William Blair for certain of its out-of-pocket expenses (including fees and expenses of its counsel) reasonably incurred by it in connection with its services and will indemnify William Blair against potential liabilities arising out of its engagement.

As described above, William Blair's opinion to CME Group's board of directors was one of many factors taken into consideration by CME Group's board of directors in making its determination to approve the merger. The foregoing summary does not purport to be a complete description of the analyses performed by William Blair in connection with its fairness opinion and is qualified in its entirety by reference to the written opinion of William Blair attached as Annex D to this joint proxy statement/prospectus. William Blair's opinion was approved by a fairness committee of William Blair.

### **Opinion of JPMorgan, Financial Advisor to NYMEX Holdings**

At a meeting of the NYMEX Holdings board of directors on March 16, 2008, JPMorgan rendered its oral opinion, subsequently confirmed in writing, to the NYMEX Holdings board of directors that, as of such date and based upon and subject to the factors, limitations and assumptions set forth in its opinion, the consideration to be received by holders of shares of NYMEX Holdings common stock in the proposed merger of NYMEX Holdings with and into a wholly-owned subsidiary of CME Group, was fair, from a financial point of view, to such holders.

**The full text of the written opinion of JPMorgan, dated March 16, 2008, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limits on the opinion and review undertaken in connection with rendering its opinion, is included as Annex E to this joint proxy statement/prospectus and is incorporated herein by reference. Holders of NYMEX Holdings common stock are urged to read the opinion carefully in its entirety.**

JPMorgan's opinion is addressed to the NYMEX Holdings board of directors, is directed only to the consideration in the proposed merger and does not constitute a recommendation to any stockholder of NYMEX Holdings as to how such stockholder should vote with respect to the proposed merger or any other matter. The

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summary of the opinion of JPMorgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. JPMorgan's opinion was authorized for issuance by the fairness opinion committee of JPMorgan.

In arriving at its opinion, JPMorgan, among other things:

reviewed a draft dated March 16, 2008 of the Original Merger Agreement;

reviewed certain publicly available business and financial information concerning NYMEX Holdings and CME Group and the industries in which they operate;

compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions JPMorgan deemed relevant;

compared the financial and operating performance of NYMEX Holdings and CME Group with publicly available information concerning certain other companies JPMorgan deemed relevant and reviewed the current and historical market prices of NYMEX Holdings common stock and CME Group Class A common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the management of NYMEX Holdings relating to the businesses of NYMEX Holdings and CME Group, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the proposed merger as provided by NYMEX Holdings, which JPMorgan refers to as the synergies; and

performed such other financial studies and analyses and considered such other information as JPMorgan deemed appropriate for the purposes of its opinion.

JPMorgan also held discussions with certain members of the managements of NYMEX Holdings and CME Group with respect to certain aspects of the proposed merger, the past and current business operations of NYMEX Holdings and CME Group, the financial condition and future prospects and operations of NYMEX Holdings and CME Group, the effects of the proposed merger on the financial condition and future prospects of NYMEX Holdings and CME Group, and certain other matters JPMorgan believed necessary or appropriate to its inquiry.

In giving its opinion, JPMorgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with JPMorgan by NYMEX Holdings and CME Group or otherwise reviewed by or for JPMorgan, and JPMorgan did not independently verify (nor did JPMorgan assume responsibility or liability for independently verifying) any such information or its accuracy or completeness. JPMorgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did JPMorgan evaluate the solvency of NYMEX Holdings or CME Group under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to it or derived therefrom, including the synergies, JPMorgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of NYMEX Holdings and CME Group to which such analyses or forecasts related. JPMorgan expressed no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. JPMorgan also assumed that the proposed merger and the other transactions contemplated by the Original Merger Agreement will qualify as a tax-free reorganization for United States federal income tax purposes, will be consummated as described in the Original Merger Agreement, without recourse to the provisions of Section 1.13 thereof, and that the definitive Original Merger Agreement will not differ in any material respects from the draft thereof furnished to JPMorgan. JPMorgan also assumed that the representations and warranties made by NYMEX Holdings and CME Group in the Original Merger Agreement and the related agreements were and will be true and correct in all respects material to JPMorgan's analysis. JPMorgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to NYMEX Holdings with respect to such issues. JPMorgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the proposed merger would be obtained without any adverse effect on NYMEX Holdings or CME Group, or on the contemplated benefits of the proposed merger.



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JPMorgan's opinion states that it is necessarily based on economic, market and other conditions as in effect on, and the information made available to JPMorgan as of, the date of its opinion. The opinion also indicates that subsequent developments may affect JPMorgan's opinion and that JPMorgan does not have any obligation to update, revise, or reaffirm its opinion. The opinion further notes that according to NYMEX Holdings' public disclosures, holders of NYMEX Holdings common stock who also own NYMEX Class A memberships, will, if voting in the same manner on certain matters submitted to NYMEX Holdings' stockholders for approval, control the outcome of a vote on such matters, which JPMorgan refers to as the voting rights. The opinion also notes that the Original Merger Agreement contemplates that holders of NYMEX Class A memberships will receive the membership purchase offer to purchase their NYMEX Class A memberships for up to the aggregate purchase price set forth in the Original Merger Agreement. Apart from assuming the completion of the membership offer on the terms stated in the Original Merger Agreement, JPMorgan's opinion does not take into consideration the existence of the voting rights, the NYMEX Class A memberships or the membership purchase offer, or any other right arising out of or relating to NYMEX Class A memberships and their treatment in connection with the proposed merger and is limited to the fairness, from a financial point of view, of the consideration to be received by the holders of NYMEX Holdings common stock in the proposed merger. In giving its opinion, JPMorgan assumed that all outstanding shares of NYMEX Holdings A-3 common stock and NYMEX Holdings B-3 common stock will convert into NYMEX Holdings ordinary common stock in accordance with their terms in May, 2008. JPMorgan expressed no opinion as to the fairness of the proposed merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of NYMEX Holdings or NYMEX or as to the underlying decision by NYMEX Holdings to engage in the proposed merger. Furthermore, JPMorgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the proposed merger, or any class of such persons relative to the consideration to be received by the holders of NYMEX Holdings common stock in the proposed merger or with respect to the fairness of any such compensation. JPMorgan expressed no opinion as to the price at which NYMEX Holdings common stock or CME Group Class A common stock would trade at any future time.

JPMorgan's opinion notes that it was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of NYMEX Holdings or any other alternative transaction.

*Summary of Certain Financial Analyses Conducted by JPMorgan*

In connection with rendering its opinion to the NYMEX Holdings board of directors, JPMorgan performed a variety of financial and comparative analyses:

historical common stock performance analysis;

publicly traded comparable company analysis;

selected transaction analysis;

discounted cash flow analysis;

relative contribution analysis; and

value creation analysis.

The summary set forth below does not purport to be a complete description of the analyses or data presented by JPMorgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. JPMorgan believes that the summary set forth below and its analyses must be considered as a whole and that selecting portions thereof, or focusing on information in tabular format, without considering all of its analyses and the narrative description of the analyses, could create an incomplete view of the processes underlying its analyses and opinion. The order of analyses described does not represent the relative importance or weight given to those analyses by JPMorgan. In arriving at its fairness determination, JPMorgan considered the results of all the analyses and did not attribute any particular weight to any factor or



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analysis considered by it; rather, JPMorgan arrived at its opinion based on the results of all the analyses undertaken by it and assessed as a whole. JPMorgan's analyses are not necessarily indicative of actual values or actual future results that might be achieved, which values may be higher or lower than those indicated. Moreover, JPMorgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before March 14, 2008 and is not necessarily indicative of current market conditions.

The consideration payable to NYMEX Holdings stockholders in the proposed merger was determined through negotiation between NYMEX Holdings and CME Group and the decision to enter into the Original Merger Agreement and the Amended Merger Agreement was solely that of NYMEX Holdings and CME Group. JPMorgan's opinion and financial analyses were only one of the many factors considered by NYMEX Holdings in its evaluation of the proposed merger and should not be viewed as determinative of the views of the NYMEX Holdings board of directors or management with respect to the proposed merger or the merger consideration.

**For purposes of its opinion, in deriving the prices per NYMEX Holdings share using the publicly traded comparable company analysis, the comparable transaction analysis, the discounted cash flow analysis and the value creation analysis, JPMorgan assumed that all NYMEX Class A memberships were purchased for \$500 million in accordance with the Original Merger Agreement and that NYMEX Class A memberships acquired by NYMEX Holdings were not leased post transaction.**

*Historical common stock performance:* JPMorgan compared the historical respective trading price performance of NYMEX Holdings common stock over the 52-week period from March 15, 2007 to March 14, 2008 and CME Group Class A common stock over the same time period. During that period, NYMEX Holdings common stock achieved a closing price high of \$142.12 per share on June 15, 2007 and a closing price low of \$87.88 per share on February 6, 2008. During the same time period, CME Group Class A common stock achieved a closing price high of \$710.75 per share and a closing price low of \$461.25 per share on December 21, 2007 and March 10, 2008, respectively. JPMorgan noted that the implied exchange ratio as calculated using the daily closing prices of NYMEX Holdings common stock and CME Group Class A common stock over these periods ranged from a low of 0.1633 to a high of 0.2572. This implied exchange ratio was compared to the merger exchange ratio of 0.2064, assuming a 100% stock transaction, based on the closing price of CME Group Class A common stock on March 14, 2008.

*Publicly traded comparable company analysis:* JPMorgan compared the financial and operating performance of NYMEX Holdings and CME Group with publicly available information of selected publicly traded companies engaged in businesses which JPMorgan deemed relevant to NYMEX Holdings and CME Group's businesses. All of the companies that JPMorgan deemed relevant were included in its analysis. The companies were as follows:

IntercontinentalExchange, Inc.;

The Brazilian Mercantile & Futures Exchange-BM&F, S.A.;

NYSE Euronext;

The Nasdaq Stock Market, Inc.;

TSX Group, Inc.;

Deutsche Börse Group;

Hong Kong Exchanges and Clearing Ltd.;

Bovespa Holding, S.A.;

London Stock Exchange, Plc.;

Australian Securities Exchange Ltd.;



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Singapore Exchange Ltd.; and

Bolsas y Mercados Españoles, S.A.

These companies were deemed relevant because they share similar business and financial characteristics to NYMEX Holdings and CME Group. However, none of the companies selected is identical or directly comparable to NYMEX Holdings or CME Group. Accordingly, JPMorgan further narrowed the list of companies deemed relevant to the publicly traded derivatives exchanges whose primary business and listing is in the U.S. JPMorgan also made judgments and assumptions concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the selected companies.

For each of the selected companies and for NYMEX Holdings and CME Group, JPMorgan divided the company's closing stock price as of March 14, 2008 by its estimated EPS for the calendar years ending December 31, 2008 and December 31, 2009, the result of which is referred to as Price/Earnings multiple. The estimates of EPS for each of the selected companies and for NYMEX Holdings and CME Group were based on publicly available estimates of certain securities research analysts. For each of the selected companies and for NYMEX Holdings and CME Group, JPMorgan divided the Price/Earnings multiples for the years ending December 31, 2008 and December 31, 2009 by each company's estimated long-term growth rate, referred to as Price/Earnings to Growth ratios.

The following table reflects the results of the analysis:

	2008E Price/EPS	2009E Price/EPS	2008E PEG	2009E PEG
<b>Trading multiples analysis</b>				
CME Group Inc.	25.0	19.9	1.3	1.0
NYMEX Holdings, Inc.	26.7	20.9	1.4	1.1
IntercontinentalExchange, Inc.	26.2	20.2	1.2	0.9

Based on the Price/Earnings multiples set forth in the table above, a range of 25.0 to 27.0 was applied to NYMEX Holdings projected 2008 EPS, which implied a valuation for NYMEX Holdings common stock of \$79.00 to \$86.00 per share. This range applied to CME Group projected 2008 EPS implied a valuation for CME Group Class A common stock of \$481.00 to \$520.00 per share. JPMorgan noted that the implied range of exchange ratios given these ranges was 0.1523 to 0.1785.

Based on the Price/Earnings multiples set forth in the table above, a range of 19.0 to 21.0 was applied to NYMEX Holdings projected 2009 EPS, which implied a valuation for NYMEX Holdings common stock of \$91.00 to \$101.00 per share. This range applied to CME Group projected 2009 EPS implied a valuation for CME Group Class A common stock of \$483.00 to \$534.00 per share. JPMorgan noted that the implied range of exchange ratios given these ranges was 0.1695 to 0.2082.

Based on the Price/Earnings to Growth ratios set forth in the table above, a range of 1.1 to 1.3 was applied to NYMEX Holdings projected 2008 EPS and estimated long-term growth rate, which implied a valuation for NYMEX Holdings common stock of \$65.00 to \$78.00 per share. This range applied to CME Group projected 2008 EPS and estimated long-term growth rate implied a valuation for CME Group Class A common stock of \$402.00 to \$476.00 per share. JPMorgan noted that the implied range of exchange ratios given these ranges was 0.1374 to 0.1943.

Based on the Price/Earnings to Growth ratios set forth in the table above, a range of 0.8 to 1.0 was applied to NYMEX Holdings projected 2009 EPS and estimated long-term growth rate, which implied a valuation for NYMEX Holdings common stock of \$71.00 to \$91.00 per share. This range applied to CME Group projected 2009 EPS and estimated long-term growth rate implied a valuation for CME Group Class A common stock of \$387.00 to \$483.00 per share. JPMorgan noted that the implied range of exchange ratios given these ranges was 0.1477 to 0.2341.

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JPMorgan also noted that the merger exchange ratio was 0.2064, assuming a 100% stock transaction, based on the closing price of CME Group Class A common stock on March 14, 2008.

*Selected transaction analysis:* JPMorgan performed a selected transaction analysis, which compares the per share merger consideration to be received in the proposed merger to an implied range of per share values for NYMEX Holdings derived from an analysis of selected precedent transactions deemed by JPMorgan to be similar to the proposed merger. Using publicly available information, JPMorgan examined selected transactions within the derivatives exchanges industry that JPMorgan, based on its experience with mergers and acquisitions analysis, deemed relevant to arriving at its opinion. JPMorgan calculated the next-twelve-months EPS, or NTM EPS, multiples by dividing the publicly announced equity value per share of each selected transaction by the NTM EPS of the target company prior to the announcement of the transaction. Specifically, JPMorgan reviewed the following transactions:

Announcement date	Acquiror	Target	Price/ NTM EPS
11/29/2007	TSX Group, Inc.	Montréal Exchange	33.6
07/06/2007	Chicago Mercantile Exchange Holdings Inc.	CBOT Holdings, Inc.	40.6
04/30/2007	Eurex	International Securities Exchange Holdings, Inc.	35.4
03/15/2007	IntercontinentalExchange, Inc.	CBOT Holdings, Inc.	38.0
10/17/2006	Chicago Mercantile Exchange Holdings Inc.	CBOT Holdings, Inc.	30.7
09/15/2006	IntercontinentalExchange, Inc.	Board of Trade of the City of New York, Inc.	N/A
<b>Median</b>			<b>35.4</b>
<b>Mean</b>			<b>35.7</b>

Based on various judgments concerning the relative comparability of each of the selected transactions to the proposed merger, JPMorgan did not rely solely on the quantitative results of the selected transaction analysis in developing a reference range or otherwise applying its analysis. JPMorgan, based on its experience with mergers and acquisitions and this segment of the derivatives exchanges industry, and using the above transaction multiples as a general guide, selected a range of multiples of equity values per share to NTM EPS that it believed reflected an appropriate range of transaction multiples applicable to NYMEX Holdings. This range was selected by JPMorgan based on the type of consideration used in the selected transactions (cash or stock) and the nature of the process (negotiated or contested). JPMorgan applied a range of comparable transaction multiples of 30.0x to 35.0x to NYMEX Holdings NTM EPS, and arrived at an estimated range of equity values for NYMEX Holdings common stock of \$96.00 to \$113.00.

*Discounted cash flow analysis:* JPMorgan calculated ranges of implied equity value per share for both NYMEX Holdings common stock and CME Group Class A common stock by performing a discounted cash flow analysis. The discounted cash flow analysis assumed a valuation date of December 31, 2007 and did not take into effect the impact of any synergies as a result of the proposed merger.

A discounted cash flow analysis is a traditional method of evaluating an asset by estimating the future cash flows of an asset and taking into consideration the time value of money with respect to those future cash flows by calculating the present value of the estimated future cash flows of the asset. Present value refers to the current value of one or more future cash payments, or cash flows, from an asset and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macro-economic assumptions, estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. Other financial

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terms utilized below are terminal value, which refers to the value of all future cash flows from an asset at a particular point in time, and unlevered free cash flows, which refers to a calculation of the future cash flows of an asset without including in such calculation any debt servicing costs.

In arriving at the estimated equity values per share of NYMEX Holdings common stock and CME Group Class A common stock, JPMorgan calculated terminal values as of December 31, 2017 by applying a range of perpetual revenue growth rates of 3.5% to 4.5% and a range of discount rates of 11.5% to 13.5%. The unlevered free cash flows from January 1, 2008 through December 31, 2017 and the terminal value were then discounted to present values using a range of discount rates of 11.5% to 13.5% and added together in order to derive the unlevered enterprise values for each of NYMEX Holdings and CME Group. JPMorgan's decision to use perpetual revenue growth rates of 3.5% to 4.5% was based on its judgment that the long-term growth prospects of NYMEX Holdings, CME Group and the industry in which they participate are superior to the long-term growth prospects of the overall economy. The range of discount rates used by JPMorgan in its analysis was estimated using traditional investment banking methodology, including the analysis of selected publicly traded companies engaged in businesses that JPMorgan deemed relevant to NYMEX Holdings' and CME Group's businesses. These publicly traded companies were analyzed to determine the appropriate beta (an estimate of systematic risk) and target debt/total capital ratio to use in calculating the ranges of discount rates described above. The companies analyzed were NYSE Euronext, The Nasdaq Stock Market, Inc., and IntercontinentalExchange, Inc. These North American based companies were selected because they share similar business and financial characteristics to NYMEX Holdings and CME Group.

In arriving at the estimated equity values per share of NYMEX Holdings common stock and CME Group Class A common stock, JPMorgan calculated the equity value for both NYMEX Holdings and CME Group by increasing the unlevered enterprise values of each of NYMEX Holdings and CME Group by the estimated value of their respective cash, cash equivalents and marketable securities as of December 31, 2007.

Based on the assumptions set forth above, this analysis implied for NYMEX Holdings common stock a range of \$83.00 to \$117.00 per share, and for CME Group Class A common stock a range of \$491.00 to \$680.00 per share. JPMorgan noted that the implied range of exchange ratios given these ranges was 0.1227 to 0.2378. JPMorgan also noted that the merger exchange ratio was 0.2064, assuming a 100% stock transaction, based on the closing price of CME Group Class A common stock on March 14, 2008.

*Relative contribution analysis:* JPMorgan reviewed the relative contribution of NYMEX Holdings and CME Group to the forecasted revenue, EBITDA and net income of CME Group post-merger (excluding synergies and integration costs) for the calendar years ending December 31, 2008 and 2009. The relative contribution analysis did not take into effect the impact of any synergies as a result of the proposed merger.

The relative contribution percentages based on revenue, EBITDA and net income were used to determine the implied pro forma ownership percentages of CME Group post-merger for the common stockholders of CME Group and NYMEX Holdings. The following table presents the results of the relative contribution analysis and implied exchange ratio (assuming a 100% stock transaction):

Reference Metric	Percentage Implied Pro Forma Ownership of CME Group		Implied exchange ratio
	NYMEX Holdings Stockholders	CME Group Stockholders	
Revenue 2008E	25%	75%	0.1931
Revenue 2009E	26%	74%	0.1987
EBITDA 2008E	23%	77%	0.1759
EBITDA 2009E	24%	76%	0.1869
Net Income 2008E	23%	77%	0.1726
Net Income 2009E	25%	75%	0.1949

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JPMorgan noted that the equity contribution implied by the merger exchange ratio of 0.2064, assuming a 100% stock transaction, implies pro forma ownership of approximately 74% for CME Group stockholders and approximately 26% for NYMEX Holdings stockholders.

*Value creation analysis:* JPMorgan estimated the potential impact on the value of NYMEX Holdings stockholders' holdings of common stock due to the transaction. JPMorgan calculated the potential increase/(decrease) in the equity value per share of NYMEX Holdings common stock by comparing (a) the estimated discounted cash flow valuations of NYMEX Holdings common stock with (b) the estimated value of the pro forma CME Group common stock calculated by adding (i) the estimated discounted cash flow valuation for NYMEX Holdings common stock, (ii) the estimated discounted cash flow valuation for CME Group common stock and (iii) the estimated discounted cash flow valuation for the estimated synergies (less estimated integration costs), multiplied by a factor of 26%, representing NYMEX Holdings stockholders' pro forma ownership of CME Group. Based on the assumptions set forth above, this analysis implied value creation for NYMEX Holdings common stock of \$12.00 per share.

*Miscellaneous*

As a part of its investment banking business, JPMorgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes.

JPMorgan was selected by NYMEX Holdings as one of its financial advisors based on JPMorgan's qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions and its familiarity with NYMEX Holdings. NYMEX Holdings has agreed to pay JPMorgan a fee for its services as financial advisor, a substantial portion of which is contingent upon the consummation of the merger. The total fee will be calculated as a percentage of the total consideration paid in connection with the merger. Upon delivery of the opinion by JPMorgan, JPMorgan became entitled to a portion of the fee in the amount of \$1.5 million. If the proposed merger is consummated, JPMorgan will receive a fee of 0.22% of the total consideration paid in connection with the proposed merger less out-of-pocket expenses incurred by NYMEX Holdings up to \$175,000 (taking into account the out-of-pocket expenses incurred by NYMEX Holdings that reduced the fee paid to JPMorgan at the time of delivery of its fairness opinion); however, this fee will be reduced by the fee paid to JPMorgan at the time of the delivery of its fairness opinion. Furthermore, NYMEX Holdings may, in its sole discretion pay JPMorgan a discretionary fee of up to 0.02% of the total consideration paid in connection with the proposed merger. In addition, NYMEX Holdings has agreed to indemnify JPMorgan for certain liabilities arising out of its engagement, including liabilities under federal securities laws.

During the two years preceding the date of this letter, JPMorgan and its affiliates have had investment banking and other relationships with NYMEX Holdings and CME Group and its affiliates, which JPMorgan refers to as the acquiror group, for which JPMorgan and such affiliates have received customary compensation. Such services during such period have included providing treasury and security services to NYMEX Holdings, acting as joint bookrunner and stabilization agent for NYMEX Holdings' initial public offering in November 2006 and its secondary offering in March 2007 and acting as financial advisor to a member of the acquiror group, CBOT Holdings, in connection with CME Group's acquisition of such member, which acquisition was completed in July 2007. In addition, JPMorgan's commercial banking affiliate is the collateral agent and a lender under an outstanding credit facility of the acquiror group, for which it receives customary compensation or other financial benefits. JPMorgan and its affiliates also hold (i) 4 NYMEX Class A memberships, (ii) 10 COMEX Division memberships, (iii) NYMEX Holdings common stock representing less than 1% of the outstanding shares of NYMEX Holdings common stock, (iv) 29 memberships in CME, consisting of Class B common stock of CME Group and associated trading rights and privileges, (v) 15 memberships in CBOT, consisting of Class B

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memberships, and (vi) CME Group Class A Common Stock representing less than one-half of 1% of the outstanding shares of CME Group Class A Common Stock. In addition, in the ordinary course of our businesses, JPMorgan and its affiliates may actively trade the debt and equity securities of NYMEX Holdings or CME Group for its own account or for the accounts of customers and, accordingly, JPMorgan may at any time hold long or short positions in such securities.

**Opinion of Merrill Lynch, Financial Advisor to NYMEX Holdings**

On March 16, 2008, Merrill Lynch delivered its oral opinion to the NYMEX Holdings board of directors, which opinion was subsequently confirmed in writing as of the same date, that, as of that date, and based upon and subject to assumptions made, matters considered and qualifications and limitations on the scope of review undertaken by Merrill Lynch, as set forth in its written opinion (which are described below), the consideration to be received by the holders of NYMEX Holdings common stock pursuant to the proposed merger was fair, from a financial point of view, to the holders of NYMEX Holdings common stock, other than NYMEX Holdings common stock owned by CME Group or its affiliates or as to which appraisal rights have been demanded in accordance with Section 262 of the DGCL.

**The full text of Merrill Lynch's written opinion, dated as of March 16, 2008, which sets forth assumptions made, matters considered, qualifications and limitations on the scope of review undertaken by Merrill Lynch, is attached as Annex F to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. The following summary of Merrill Lynch's opinion is qualified in its entirety by reference to, and should be reviewed together with, the full text of the opinion. Stockholders are urged to read the opinion and consider it carefully.**

Merrill Lynch's opinion is addressed to the NYMEX Holdings board of directors for the use and benefit of the board of directors and addresses only the fairness as of the date of the opinion, from a financial point of view, of the consideration to be received in the proposed merger by the holders of NYMEX Holdings common stock, other than NYMEX Holdings common stock owned by CME Group or its affiliates or as to which appraisal rights have been demanded in accordance with Section 262 of the DGCL. The opinion does not address the merits of the underlying decision of NYMEX Holdings to engage in the proposed merger and does not constitute, nor should it be construed as, a recommendation to any stockholder as to how the stockholder should vote with respect to the proposed merger or on any matters related thereto. In addition, Merrill Lynch was not asked to address, and nor does its opinion address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of NYMEX Holdings, other than the holders of NYMEX Holdings common stock (excluding NYMEX Holdings common stock owned by CME Group or its affiliates or as to which appraisal rights have been demanded in accordance with Section 262 of the DGCL). In rendering the opinion, Merrill Lynch expressed no view or opinion with respect to the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation payable to or to be received by any officers, directors, or employees of any parties to the proposed merger, or any class of such persons, relative to the consideration to be paid to holders of NYMEX Holdings common stock in the proposed merger. Merrill Lynch's opinion was authorized for issuance by the U.S. Fairness Opinion (and Valuation Letter) Committee of Merrill Lynch.

Merrill Lynch's opinion does not express any opinion as to the prices at which shares of NYMEX Holdings common stock or shares of CME Group Class A common stock will trade following the announcement or consummation of the proposed merger.

In arriving at its opinion, Merrill Lynch has, among other things:

Reviewed certain publicly available business and financial information relating to NYMEX Holdings and CME Group that Merrill Lynch deemed to be relevant;

Reviewed certain information, including financial forecasts relating to the business, earnings, cash flow, assets, liabilities and prospects of NYMEX Holdings and CME Group, as well as the amount and

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timing of the cost savings and related expenses and synergies expected to result from the proposed merger, referred to as the expected synergies, furnished to Merrill Lynch by NYMEX Holdings;

Conducted discussions with members of senior management and representatives of NYMEX Holdings and CME Group concerning the matters described in the two preceding bullet points, as well as their respective businesses and prospects before and after giving effect to the proposed merger and the expected synergies;

Reviewed the market prices and valuation multiples for NYMEX Holdings common stock and CME Group Class A common stock and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

Reviewed the results of operations of NYMEX Holdings and CME Group and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

Compared the proposed financial terms of the proposed merger with the financial terms of certain other transactions that Merrill Lynch deemed to be relevant;

Participated in certain discussions and negotiations among representatives of NYMEX Holdings and CME Group and their respective financial and legal advisors;

Reviewed the potential pro forma impact of the proposed merger;

Reviewed a presentation by Sandler O'Neill, dated March 16, 2008, relating to the fairness, from a financial point of view, to NYMEX Holdings of the aggregate consideration to be paid by NYMEX for the outstanding NYMEX Class A memberships;

Reviewed a draft of the Original Merger Agreement dated March 16, 2008; and

Reviewed such other financial studies and analyses and took into account such other matters as Merrill Lynch deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing its opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to it, discussed with or reviewed by or for it, or publicly available. Merrill Lynch did not assume any responsibility for independently verifying this information and did not undertake an independent evaluation or appraisal of any of the assets or liabilities of NYMEX Holdings or CME Group and was not furnished with any such evaluation or appraisal, nor did Merrill Lynch evaluate the solvency or fair value of NYMEX Holdings or CME Group under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, Merrill Lynch did not assume any obligation to conduct any physical inspection of the properties or facilities of NYMEX Holdings or CME Group. With respect to the financial forecast information and the expected synergies furnished to or discussed with Merrill Lynch by NYMEX Holdings or CME Group, Merrill Lynch assumed that the information had been reasonably prepared and reflected the best currently available estimates and judgment of NYMEX Holdings' management as to the expected future financial performance of NYMEX Holdings and the expected synergies. Merrill Lynch expressed no view as to such forecasts, expected synergies or the assumptions on which they were based. Merrill Lynch further assumed that the proposed merger will qualify as a tax-free reorganization for U.S. federal income tax purposes. Merrill Lynch also assumed that the final form of the Original Merger Agreement would be substantially similar to the last draft reviewed by it.

Merrill Lynch's opinion was necessarily based upon market, economic and other conditions as they existed and could be evaluated on, and on the information made available to Merrill Lynch as of, the date of its opinion. Merrill Lynch has no obligation to update, revise or reaffirm its opinion to take into account events occurring after the date that its opinion was delivered to the NYMEX Holdings board of directors. Circumstances could develop prior to the consummation of the proposed merger that, if known at the time Merrill Lynch rendered its opinion,

would have altered such opinion. Merrill Lynch has assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the proposed merger, no

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restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the proposed merger. Under the terms of the Original Merger Agreement, NYMEX Holdings is required to make an offer to purchase 100% of the outstanding NYMEX Class A memberships. Merrill Lynch's opinion does not address the fairness of the purchase price that would be offered for the NYMEX Class A memberships. Merrill Lynch understood that the NYMEX Holdings board of directors received a presentation and an opinion from Sandler O'Neill as to the fairness of that purchase price.

At the March 16, 2008 NYMEX Holdings board of directors meeting and in connection with preparing its opinion for the board of directors, Merrill Lynch made a presentation of certain financial analyses of the transaction. The following is a summary of the material financial and comparative analyses performed by Merrill Lynch in arriving at its March 16, 2008 opinion. Some of the summaries of financial analyses include information presented in tabular format. In order to understand fully the financial analyses performed by Merrill Lynch, the tables must be read together with the accompanying text of each summary. The tables alone do not constitute a complete description of the financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Merrill Lynch.

Neither the reference to a specific analysis nor its order of appearance in the summary below is meant to indicate that the analysis was given more weight than any other analysis. In reaching its conclusion, Merrill Lynch arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believes the totality of the factors considered and performed by Merrill Lynch in connection with its opinion operated collectively to support its determinations as to the fairness from a financial point of view of the consideration to be received by the holders of NYMEX Holdings common stock pursuant to the proposed merger. Merrill Lynch did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis.

In arriving at its opinion, Merrill Lynch made its determination as to the fairness, from a financial point of view, as of the date of the opinion, of the consideration to be received by holders of NYMEX Holdings common stock on the basis of the financial analyses described below. The following summary is not a complete description of all of the analyses performed and factors considered by Merrill Lynch in connection with its opinion, but rather is a summary of the material financial analyses performed and factors considered by Merrill Lynch. The preparation of a fairness opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis. Selecting portions of the analyses or of the summary below, without considering the analyses as a whole, could create an incomplete view of the processes underlying Merrill Lynch's analyses.

With respect to the comparable company and comparable transactions analyses summarized below, such analyses reflect selected companies and transactions, and not necessarily all companies or transactions, that may be considered relevant in evaluating the proposed merger. In addition, no company or transaction used as a comparison is either identical or directly comparable to NYMEX Holdings, CME Group or the proposed merger. These analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

The estimates of future performance of NYMEX Holdings and CME Group in or underlying Merrill Lynch's analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond NYMEX Holdings or CME Group's control. Estimates of the financial value of companies do not purport to be appraisals or reflect the prices at which these companies actually may be sold. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, neither Merrill Lynch nor any other person assumes responsibility if future results are materially different from those forecasted.



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The consideration payable in the proposed merger was determined through negotiation between NYMEX Holdings and CME Group and the decision to enter into the Original Merger Agreement was solely that of NYMEX Holdings and CME Group. The opinion and financial analyses of Merrill Lynch were only one of many factors considered by NYMEX Holdings in its evaluation of the proposed merger and should not be viewed as determinative of the views of NYMEX Holdings with respect to the proposed merger or the consideration offered.

**For purposes of its opinion, in deriving the prices per NYMEX Holdings share using the comparable company analysis, the precedent transaction analysis, the discounted cash flow analysis and the contribution analysis, Merrill Lynch assumed that all NYMEX Class A memberships were purchased for \$500 million in accordance with the Original Merger Agreement and that NYMEX Class A memberships acquired by NYMEX were not leased post transaction. Merrill Lynch also assumed a 100% stock transaction based upon the closing prices on March 14, 2008 of the NYMEX Holdings common stock and the CME Group Class A common stock.**

### *Historical trading analysis*

Merrill Lynch compared the historical respective trading price performance of NYMEX Holdings common stock over the 52-week period from March 14, 2007 to March 14, 2008 and CME Group Class A common stock over the same time period. During that period, NYMEX Holdings common stock achieved a closing price high of \$142.12 per share on June 15, 2007 and a closing price low of \$87.88 per share on February 6, 2008. During the same time period, CME Group Class A common stock achieved a closing price high of \$710.75 per share and a closing price low of \$461.25 per share on December 21, 2007 and March 10, 2008, respectively. Merrill Lynch noted that the implied exchange ratio as calculated using the volume weighted average price, or VWAP, of NYMEX Holdings common stock and CME Group Class A common stock over this period was 0.2120. This implied exchange ratio was compared to the merger exchange ratio of 0.2064.

### *Comparable company analysis*

Merrill Lynch compared the financial and operating performance of NYMEX Holdings and CME Group with publicly available information of selected publicly traded companies engaged in businesses which Merrill Lynch deemed relevant to NYMEX Holdings and CME Group's businesses. For the purposes of its analyses, Merrill Lynch divided the comparable companies into three different categories: (i) North American Derivatives Exchanges, consisting of CME, NYMEX and IntercontinentalExchange Inc., (ii) North American Cash Equities Exchanges, consisting of the NYSE Euronext, NASDAQ OMX Group Inc. and TSX Group, Inc. and (iii) International Exchanges, consisting of the Deutsche Börse, Hong Kong Exchanges & Clearing, Bovespa Holding, S.A., Bolsa de Mercadorias & Futuros BM&F S.A., London Stock Exchange Group PLC, Singapore Exchange Ltd., ASX Ltd., Bolsas y Mercados Espanoles SA, Hellenic Exchanges Holding S.A. and Bursa Malaysia Bhd.

These companies were deemed relevant because they share similar business and financial characteristics to NYMEX Holdings and CME Group. However, none of the companies selected is identical or directly comparable to NYMEX Holdings or CME Group. Accordingly, Merrill Lynch further narrowed the list of companies deemed relevant to the publicly traded derivatives exchanges whose primary business and listing is in the U.S. Merrill Lynch also made judgments and assumptions concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the selected companies.

For each of the selected companies and for NYMEX Holdings and CME Group, Merrill Lynch divided the company's closing stock price as of March 14, 2008 by its estimated EPS for the calendar years ending December 31, 2008 and December 31, 2009, the result of which is referred to as Price/Earnings multiple. For each of the selected companies and for NYMEX Holdings and CME Group, Merrill Lynch divided the Price/

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Earnings multiples for the years ending December 31, 2008 and December 31, 2009 by each company's estimated long-term growth rate, referred to as Price/Earnings to Growth ratios or PEG. The estimates of EPS and long-term growth rates for each of the selected companies and for NYMEX Holdings and CME Group were based on publicly available estimates of certain securities research analysts.

The following tables reflect the results of the analysis:

		2008E Price/EPS	2009E Price/EPS	2008E PEG	2009E PEG
<b>Trading Comparables</b>					
North American Derivatives Exchanges	Mean	26.0	20.4	1.27	1.00
	Median	26.1	20.4	1.32	1.06
North American Cash Equities Exchanges	Mean	17.3	14.2	1.16	0.92
	Median	18.1	14.4	1.16	0.92
International Exchanges	Mean	19.0	16.1	1.09	0.96
	Median	16.9	14.9	1.26	1.13

		2008E Price/EPS	2009E Price/EPS	2008E PEG	2009E PEG
<b>Trading Comparables</b>					
North American Derivatives Exchanges					
NYMEX Holdings, Inc.		26.7	20.8	1.41	1.10
CME Group Inc.		25.1	20.1	1.32	1.06
IntercontinentalExchange, Inc.		26.1	20.4	1.08	0.84

Based on the Price/Earnings multiples set forth in the tables above, a range of 25.0 to 27.0 was applied to NYMEX Holdings projected 2008 EPS of \$3.38, which implied a valuation for NYMEX Holdings common stock of \$79.18 to \$85.94 per share, after adjusting for the assumed purchase of the NYMEX Class A memberships. This range applied to CME Group projected 2008 EPS implied a valuation for CME Group Class A common stock of \$481.28 to \$519.78 per share. Merrill Lynch noted that the implied range of exchange ratios given these ranges was 0.152 to 0.179.

Based on the Price/Earnings multiples set forth in the table above, a range of 19.0 to 21.0 was applied to NYMEX Holdings projected 2009 EPS of \$5.04, which implied a valuation for NYMEX Holdings common stock of \$90.51 to \$100.59 per share, after adjusting for the assumed purchase of the NYMEX Class A memberships. This range applied to CME Group projected 2009 EPS implied a valuation for CME Group Class A common stock of \$483.12 to \$533.98 per share. Merrill Lynch noted that the implied range of exchange ratios given these ranges was 0.169 to 0.208.

Based on the Price/Earnings to Growth ratios set forth in the table above, a range of 1.1 to 1.3 was applied to NYMEX Holdings projected 2008 EPS and estimated long-term growth rate of 19.0%, which implied a valuation for NYMEX Holdings common stock of \$65.34 to \$78.17 per share, after adjusting for the assumed purchase of the NYMEX Class A memberships. This range applied to CME Group projected 2008 EPS and estimated long-term growth rate implied a valuation for CME Group Class A common stock of \$402.35 to \$475.51 per share. Merrill Lynch noted that the implied range of exchange ratios given these ranges was 0.137 to 0.194.

Based on the Price/Earnings to Growth ratios set forth in the table above, a range of 0.8 to 1.0 was applied to NYMEX Holdings projected 2009 EPS and estimated long-term growth rate of 19.0%, which implied a valuation for NYMEX Holdings common stock of \$71.36 to \$90.51 per share, after adjusting for the assumed purchase of the NYMEX Class A memberships. This range applied to CME Group projected 2009 EPS and estimated long-term growth rate implied a valuation for CME Group Class A common stock of \$386.50 to \$483.12 per share. Merrill Lynch noted that the implied range of exchange ratios given these ranges was 0.148 to 0.234.

Merrill Lynch also noted that the merger exchange ratio was 0.2064.

**Table of Contents****Precedent transaction analysis**

Merrill Lynch performed a precedent transaction analysis, which compares the per share merger consideration to be received in the proposed merger to an implied range of per share values for NYMEX Holdings derived from an analysis of selected precedent transactions deemed by Merrill Lynch to be similar to the proposed merger. Using publicly available information, Merrill Lynch examined selected transactions within the derivatives exchanges and the cash and diversified exchanges industries that Merrill Lynch, based on its experience with mergers and acquisitions analysis, deemed relevant to arriving at its opinion. Merrill Lynch calculated the next-twelve-months net income multiples by dividing the publicly announced equity value of each selected transaction by the next-twelve-month net income of the target company prior to the announcement of the transaction. Specifically, Merrill Lynch reviewed the following transactions:

**DERIVATIVES EXCHANGES**

<b>Announcement date</b>	<b>Acquiror</b>	<b>Target</b>	<b>Equity Value/ NTM Net Income</b>
11/29/2007	TSX Group, Inc.	Montréal Exchange	33.6
07/06/2007	Chicago Mercantile Exchange Holdings Inc.	CBOT Holdings, Inc.	40.6
06/22/2007	IntercontinentalExchange, Inc.	Winnipeg Commodity Exchange	N/A
04/30/2007	Eurex	International Securities Exchange Holdings, Inc.	35.4
03/15/2007	IntercontinentalExchange, Inc.	CBOT Holdings, Inc.	38.0
10/17/2006	Chicago Mercantile Exchange Holdings Inc.	CBOT Holdings, Inc.	30.7
09/15/2006	IntercontinentalExchange, Inc.	Board of Trade of the City of New York, Inc.	N/A
10/29/2001	Euronext	London International Financial Futures and Options Exchanges	N/A
<b>Median</b>			36.7
<b>Mean</b>			36.2

**CASH & DIVERSIFIED EXCHANGES**

<b>Announcement date</b>	<b>Acquiror</b>	<b>Target</b>	<b>Equity Value/ NTM Net Income</b>
01/17/2008	NYSE Euronext	Amex	N/A
06/25/2007	London Stock Exchange	Borsa Italiana	N/A
05/25/2007	NASDAQ	OMX AB	24.5
05/22/2006	NYSE	Euronext	23.7
04/22/2005	NASDAQ	INET	N/A
04/20/2005	NYSE	Archipelago	N/A
<b>Median</b>			24.1
<b>Mean</b>			24.1

Based on various judgments concerning the relative comparability of each of the selected transactions to the proposed merger, Merrill Lynch did not rely solely on the quantitative results of the selected transaction analysis in developing a reference range or otherwise applying its analysis. Merrill Lynch, based on its experience with mergers and acquisitions and this segment of the derivatives exchanges and cash and diversified exchanges industries, and using the above transaction multiples as a general guide, selected a range of multiples of equity values to next-twelve-months net income that it believed reflected an appropriate range of transaction multiples applicable to NYMEX Holdings. Merrill Lynch applied a range of comparable transaction multiples of 30.0x to 35.0x to NYMEX Holdings' next-twelve-months net income of \$321.4 million, and arrived at an estimated range of equity values for NYMEX Holdings common stock of \$95.88 to \$112.73, after adjusting for the assumed purchase of the NYMEX Class A memberships.

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*Discounted cash flow analysis*

Merrill Lynch calculated ranges of implied equity value per share for both NYMEX Holdings common stock and CME Group Class A common stock by performing a discounted cash flow analysis. The discounted cash flow analysis assumed a valuation date of March 31, 2008 and did not take into effect the impact of any synergies as a result of the proposed merger.

A discounted cash flow analysis is a traditional method of evaluating an asset by estimating the future cash flows of an asset and taking into consideration the time value of money with respect to those future cash flows by calculating the present value of the estimated future cash flows of the asset. Present value refers to the current value of one or more future cash payments, or cash flows, from an asset and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macro-economic assumptions, estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. Other financial terms utilized below are terminal value, which refers to the value of all future cash flows from an asset at a particular point in time, and unlevered free cash flows, which refers to a calculation of the future cash flows of an asset without including in such calculation any debt servicing costs.

In arriving at the estimated equity values per share of NYMEX Holdings common stock and CME Group Class A common stock, Merrill Lynch calculated terminal values as of March 31, 2017 by applying a range of perpetual revenue growth rates of 3.5% to 4.5% and a range of discount rates of 11.0% to 13.0%. The unlevered free cash flows from April 1, 2008 through March 31, 2017 and the terminal value were then discounted to present values using a range of discount rates of 11.0% to 13.0% and added together in order to derive the unlevered enterprise values for each of NYMEX Holdings and CME Group. Merrill Lynch's decision to use perpetual revenue growth rates of 3.5% to 4.5% was based on its judgment that the long-term growth prospects of NYMEX Holdings, CME Group and the industry in which they participate are superior to the long-term growth prospects of the overall economy. The range of discount rates used by Merrill Lynch in its analysis was estimated using traditional investment banking methodology, including the analysis of selected publicly traded companies engaged in businesses that Merrill Lynch deemed relevant to NYMEX Holdings and CME Group's businesses.

In arriving at the estimated equity values per share of NYMEX Holdings common stock and CME Group Class A common stock, Merrill Lynch calculated the equity value for both NYMEX Holdings and CME Group by increasing the unlevered enterprise values of each of NYMEX Holdings and CME Group by the estimated value of their respective cash, cash equivalents and marketable securities as of March 31, 2008.

Based on the assumptions set forth above, this analysis implied for NYMEX Holdings common stock a range of \$86.32 to \$124.03 per share, and for CME Group Class A common stock a range of \$512.30 to \$730.39 per share. Merrill Lynch also noted that the merger exchange ratio was 0.2064.

*Contribution analysis*

Merrill Lynch reviewed the relative contribution of NYMEX Holdings and CME Group to the forecasted revenue, EBITDA and net income of CME Group post-merger (excluding synergies and integration costs) for the calendar years ending December 31, 2008 and 2009. The relative contribution analysis did not take into effect the impact of any synergies as a result of the proposed merger.

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The relative contribution percentages based on revenue, EBITDA and net income were used to determine the implied pro forma ownership percentages of CME Group post-merger for the common stockholders of CME Group and NYMEX Holdings. The following table presents the results of the relative contribution analysis:

Reference Metric	Percentage Implied Pro Forma Ownership of CME Group	
	NYMEX Holdings Stockholders	CME Group Stockholders
Revenue 2008E	25%	75%
Revenue 2009E	25%	75%
EBITDA 2008E	23%	77%
EBITDA 2009E	24%	76%
Net Income 2008E	23%	77%
Net Income 2009E	25%	75%

Merrill Lynch also noted that the merger exchange ratio was 0.2064.

*Value creation analysis*

Merrill Lynch estimated the potential impact on the value of NYMEX Holdings stockholders' holdings of common stock due to the transaction. Merrill Lynch calculated the potential increase/(decrease) in the equity value per share of NYMEX Holdings common stock by comparing (a) the estimated discounted cash flow valuations of NYMEX Holdings common stock with (b) \$36 per share cash consideration (\$3.4 billion in the aggregate) and the estimated value of the pro forma CME Group Class A common stock calculated by adding the mid-points of (i) the estimated discounted cash flow valuation for NYMEX Holdings common stock, (ii) the estimated discounted cash flow valuation for CME Group Class A common stock and (iii) the estimated discounted cash flow valuation for the estimated synergies (less estimated integration costs), multiplied by a factor of 19%, representing NYMEX Holdings stockholders' pro forma ownership of CME Group. Based on the assumptions set forth above, this analysis implied value creation for NYMEX Holdings common stock of \$11.85 per share.

*Miscellaneous*

The NYMEX Holdings board of directors retained Merrill Lynch based upon Merrill Lynch's experience and expertise. Merrill Lynch is an internationally recognized investment banking firm with substantial experience in transactions similar to the proposed transaction. Merrill Lynch, as part of its investment banking business, is continually engaged in the valuation of businesses and securities in connection with business combinations and acquisitions and for other purposes.

NYMEX Holdings has paid Merrill Lynch a fee of \$1.5 million less out-of-pocket expenses incurred by NYMEX Holdings up to \$175,000 (other than fees and expenses of legal counsel and other advisors to NYMEX Holdings) upon Merrill Lynch delivering its fairness opinion at the time NYMEX Holdings entered into the Original Merger Agreement. Additionally, upon the consummation of the proposed merger, NYMEX Holdings has agreed to pay Merrill Lynch a fee of 0.22% of the purchase price paid to the holders of NYMEX Holdings common stock in connection with the proposed merger less out-of-pocket expenses incurred by NYMEX Holdings up to \$175,000 (taking into account the out-of-pocket expenses incurred by NYMEX Holdings that reduced the fee paid to Merrill Lynch at the time of delivery of its fairness opinion); however, this fee will be reduced by the fee paid to Merrill Lynch at the time of the delivery of its fairness opinion. Furthermore, NYMEX Holdings may, in its sole discretion pay Merrill Lynch a discretionary fee of 0.02% of the purchase price paid to the holders of NYMEX Holdings common stock in connection with the proposed merger. NYMEX Holdings has also agreed to reimburse Merrill Lynch for an agreed upon amount of its reasonable out of pocket expenses, including the reasonable fees and disbursements of legal counsel. In addition, NYMEX Holdings has agreed to indemnify Merrill Lynch or any employee, agent, officer, director, advisor, representative and any person who controls

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Merrill Lynch, from and against all losses arising out of or in connection with its engagement. If, at any time during Merrill Lynch's engagement or one year thereafter, NYMEX Holdings receives a break-up, termination, topping or expense reimbursement or similar fee or payment upon termination of the Original Merger Agreement, NYMEX Holdings has agreed to pay Merrill Lynch an additional fee equal to 10% of any such fee.

Merrill Lynch has, in the past, provided financial advisory and financing services to NYMEX Holdings and CME Group and/or their respective affiliates and may continue to do so and has received, and may receive, fees for the rendering of such services. Merrill Lynch acted as joint book-running manager and representative of the underwriters in connection with the initial public offering of NYMEX Holdings common stock in November 2006 as well as the subsequent offering of NYMEX Holdings common stock in March 2007. During the fourth quarter of 2007 and the first quarter of 2008, Merrill Lynch acted as financial advisor to NYMEX Holdings in connection with its acquisition of a minority interest in IMAREX ASA. In December 2007, Merrill Lynch, together with a subsidiary of NYMEX Holdings and others, formed The Green Exchange™ venture. In July 2007, Merrill Lynch became a member of the syndicate in CME Group's commercial paper program, the proceeds of which were used to finance CME Group's tender offer to repurchase shares in connection with its acquisition of CBOT Holdings, Merrill Lynch is also one of the institutions providing CME Group with a 364-day revolving loan facility that serves as a backup facility for the commercial paper program. In addition, in the ordinary course of its business, Merrill Lynch or its affiliates may actively trade NYMEX Holdings common stock, as well as CME Group Class A common stock and other securities of CME Group for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. Merrill Lynch and its affiliates also own six NYMEX Class A memberships 12 CBOT memberships, 23 CME memberships and three COMEX memberships.

### **Opinion of Sandler O'Neill, Financial Advisor to NYMEX Holdings**

Sandler O'Neill acted as financial advisor to NYMEX Holdings in connection with the Membership Rights Payments. At the July 16, 2008 meeting of the NYMEX Holdings board of directors, Sandler O'Neill delivered to the NYMEX Holdings board of directors its oral opinion, subsequently confirmed in writing, that, as of such date, the \$750,000 per NYMEX Class A membership to be paid as the Membership Rights Payments, which we refer to as the Membership Rights Payment Amount, was fair to NYMEX Holdings from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Annex G to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. NYMEX Holdings stockholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the NYMEX Holdings board of directors and is directed only to the fairness to NYMEX Holdings from a financial point of view of the Membership Rights Payment Amount. It does not address the underlying business decision of NYMEX Holdings to engage in the merger or to make the Membership Rights Payments or any other aspect of the merger or the Membership Rights Payments and is not a recommendation to any NYMEX Holdings stockholder as to how such stockholder should vote at the special meeting with respect to the merger or any other matter.**

In connection with rendering its July 16, 2008 opinion, Sandler O'Neill reviewed and considered, among other things:

- (1) the Original Merger Agreement;
- (2) a draft of the Amendment No. 2 to the Original Merger Agreement;

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- (3) certain publicly available financial statements and other historical financial information of NYMEX Holdings and its subsidiaries that Sandler O Neill deemed relevant;
- (4) internal financial projections for NYMEX for the years ending December 31, 2008 through 2018 as provided by and reviewed with senior management of NYMEX Holdings;
- (5) earnings per share estimates for NYMEX Holdings for the years ending December 31, 2009, 2010 and 2011 as provided by and reviewed with senior management of NYMEX Holdings;
- (6) consensus earnings per share estimates for NYMEX Holdings for the years ending December 31, 2007, 2008 and 2009 as published by I/B/E/S and a consensus estimated long term earnings per share growth rate as published by I/B/E/S;
- (7) the publicly reported historical price and trading activity for the NYMEX Class A memberships;
- (8) the current market environment generally and the futures exchange industry environment in particular; and
- (9) such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O Neill considered relevant.

Sandler O Neill also discussed with certain members of senior management of NYMEX Holdings the business, financial condition, results of operations and prospects of NYMEX Holdings and its subsidiaries.

In performing its review and in rendering its opinion, Sandler O Neill relied upon the accuracy and completeness of all the financial and other information that was available to Sandler O Neill from public sources or that was provided to Sandler O Neill by NYMEX Holdings or its representatives, and assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O Neill further relied on the assurances of the management of NYMEX Holdings that it is not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O Neill has not been asked to undertake, and has not undertaken, any independent verification of any of such information and Sandler O Neill does not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O Neill did not make an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of NYMEX Holdings or any of its subsidiaries, nor has Sandler O Neill been furnished with any such evaluations or appraisals.

The internal financial projections of NYMEX and earnings estimates for NYMEX Holdings relied upon by Sandler O Neill in its analyses of NYMEX Holdings were discussed with NYMEX Holdings senior management, who confirmed to Sandler O Neill that those projections and estimates reflected the best currently available estimates and judgments of the future financial performance of NYMEX Holdings and NYMEX. Sandler O Neill assumed that the financial performances reflected in all such projections and estimates used by it in its analyses would be achieved and expressed no opinion as to such projections and estimates or the assumptions on which they were based. In particular, Sandler O Neill assumed, upon the advice of NYMEX Holdings, that the effective tax rate of NYMEX Holdings after completion of the Membership Rights Payments, the timing for reaching certain thresholds of electronic trading of various products and the pricing of commissions with respect to such products will be as indicated to Sandler O Neill by NYMEX Holdings management, and that NYMEX will receive no revenue from providing access to floor trading rights after consummation of the transaction. Sandler O Neill expressed no opinion as to such tax rate, timing, pricing or absence of revenues or the assumptions on which they were based. Sandler O Neill also assumed that there has been no material change in the assets, financial condition, results of operations, business or prospects of NYMEX Holdings and its subsidiaries since the date of the last financial statements made available to Sandler O Neill and that NYMEX Holdings will remain as a going concern for all periods relevant to Sandler O Neill's analyses.

With respect to the Amended Merger Agreement, Sandler O Neill assumed that all of the representations and warranties contained in the Amended Merger Agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under the





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agreements and that the conditions precedent in the Amended Merger Agreement will not be waived. Finally, with NYMEX Holdings' consent, Sandler O'Neill relied upon the advice received from NYMEX Holdings' legal, accounting and tax advisors as to all legal, accounting and tax matters, including with respect to the rights of the NYMEX Class A members as set forth in the bylaws of NYMEX relating to the merger, the Membership Rights Payments and the other transactions contemplated by the Amended Merger Agreement.

Sandler O'Neill's opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of its opinion. Events occurring after the date of the opinion could materially affect the opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion. Sandler O'Neill expressed no opinion as to the prices at which the NYMEX Class A memberships may trade at any time. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger or the Membership Rights Payments by the officers, directors, members or employees of NYMEX Holdings or its subsidiaries, or class of such persons, relative to the compensation to be received in the merger or the Membership Rights Payments by any other shareholders or members of NYMEX Holdings or its subsidiaries.

In rendering its July 16, 2008 opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. **In order fully to understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of NYMEX Holdings and Sandler O'Neill. The analysis performed by Sandler O'Neill is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the NYMEX Holdings board of directors at the board of directors' July 16, 2008 meeting. Estimates of the values of companies or their relative ownership rights do not purport to be appraisals or necessarily reflect the prices at which companies or their relative ownership rights may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of the NYMEX Class A memberships, or the prices at which the NYMEX Class A memberships may be sold at any time. The analyses of Sandler O'Neill and the opinion provided by Sandler O'Neill were among a number of factors taken into consideration by the NYMEX Holdings board of directors in making its determination to approve the Amended Merger Agreement and the analyses described below should not be viewed as determinative of the decision of the NYMEX Holdings board of directors or management with respect to the fairness to NYMEX Holdings of the Membership Rights Payment Amount.

*Membership Trading History*

Sandler O'Neill reviewed the history of the publicly reported trading prices of NYMEX Class A memberships for the period between March 6, 2007 and July 15, 2008.

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During the period between March 6, 2007 and July 15, 2008, individual NYMEX Class A memberships traded within the following range:

**NYMEX Class A Membership Market Price Analysis (in thousands)**

	<b>Period Ending July 15, 2008</b>
High	\$ 700.0
Low	\$ 460.0
Mean	\$ 614.6
Median	\$ 615.0

In addition, Sandler O'Neill reviewed the history of the publicly reported trading prices of NYMEX Class A memberships for the period between March 6, 2007 and July 15, 2008 as a distribution of trading ranges versus a percentage of total trading volume. Sandler O'Neill observed that all such total trading volume was at prices below the Membership Rights Payment Amount.

*Net Present Value Analysis*

Sandler O'Neill performed an analysis that estimated the net present value of the NYMEX Class A memberships under various circumstances. In the analysis, Sandler O'Neill assumed that NYMEX Holdings and its subsidiaries performed in accordance with the financial projections for the years ended December 31, 2009 through 2018 (including with respect to the estimated royalty payments to NYMEX Class A members pursuant to Section 311 of the bylaws of NYMEX) as provided by NYMEX Holdings' management. To approximate the terminal value of the savings to NYMEX Holdings from the elimination of the estimated royalty payments to NYMEX Class A members at December 31, 2018, Sandler O'Neill applied a perpetuity growth model to the estimated royalty payments for the year ended December 31, 2019 at a perpetuity growth rate range of 1.0% to 5.0%.

The after-tax royalty payment savings for the financial projections for the periods set forth above and the terminal values were then discounted to present values using discount rates ranging from 11.0% to 14.0%, chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of the NYMEX Class A memberships.

In addition, the net present value of the after-tax royalty payment savings to NYMEX Class A members from December 31, 2008 to December 31, 2018 and the terminal value at December 31, 2018 were calculated using the same range of discount rates (11.0% - 14.0%) applied to (1) a range of discounts and premiums to the estimated royalty payments to NYMEX Class A members and (2) assuming a range of dates for the inception of the royalty payments to NYMEX Class A members as a result of crossing the 90% threshold for electronic trading volume for certain products, as contemplated by section 311(G) of the bylaws of NYMEX. The range applied to the estimated royalty payment savings was 10% under budget to 10% over budget, using a perpetuity growth rate of 3.0% and a royalty payment trigger date of January 1, 2009. The range applied to the dates for the triggering of the royalty payments ranged from January 1, 2009 to January 1, 2010, on a quarterly basis, using a perpetuity growth rate of 3.0% for the analysis.

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As illustrated in the following tables, the analysis indicated an imputed range of values for the NYMEX Class A memberships of \$425 million to \$764 million when applying the range of perpetuity growth rates, \$411 million to \$708 million when applying the -10% / +10% projected result range, and \$456 million to \$618 million when applying the range of royalty payment inception dates.

**311(G) Royalty Perpetuity Growth Rate (dollars in millions)**

Discount Rate	1.0%	2.0%	3.0%	4.0%	5.0%
11.00%	\$ 572	\$ 604	\$ 644	\$ 695	\$ 764
11.50%	\$ 541	\$ 569	\$ 603	\$ 647	\$ 704
12.00%	\$ 513	\$ 537	\$ 567	\$ 604	\$ 652
12.50%	\$ 488	\$ 509	\$ 535	\$ 567	\$ 607
13.00%	\$ 465	\$ 484	\$ 506	\$ 533	\$ 568
13.50%	\$ 444	\$ 460	\$ 480	\$ 504	\$ 533
14.00%	\$ 425	\$ 439	\$ 456	\$ 477	\$ 502

**Change from Projected Result (dollars in millions)**

Discount Rate	(10.0%)	(5.0%)	0.0%	5.0%	10.0%
11.00%	\$ 579	\$ 612	\$ 644	\$ 676	\$ 708
11.50%	\$ 543	\$ 573	\$ 603	\$ 633	\$ 663
12.00%	\$ 510	\$ 539	\$ 567	\$ 595	\$ 624
12.50%	\$ 481	\$ 508	\$ 535	\$ 562	\$ 588
13.00%	\$ 455	\$ 481	\$ 506	\$ 531	\$ 557
13.50%	\$ 432	\$ 456	\$ 480	\$ 504	\$ 528
14.00%	\$ 411	\$ 434	\$ 456	\$ 479	\$ 502

**Royalty Trigger Event (dollars in millions)**

Discount Rate	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
11.00%	\$ 644	\$ 638	\$ 632	\$ 625	\$ 618
11.50%	\$ 603	\$ 597	\$ 591	\$ 584	\$ 578
12.00%	\$ 567	\$ 561	\$ 555	\$ 548	\$ 542
12.50%	\$ 535	\$ 529	\$ 523	\$ 516	\$ 510
13.00%	\$ 506	\$ 500	\$ 494	\$ 487	\$ 481
13.50%	\$ 480	\$ 474	\$ 468	\$ 461	\$ 455
14.00%	\$ 456	\$ 451	\$ 445	\$ 438	\$ 431

In connection with its analyses, Sandler O'Neill considered and discussed with the NYMEX Holdings board of directors how the present value analyses would be affected by changes in the underlying assumptions. Sandler O'Neill noted that the terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

**Pro Forma EPS Analysis**

Sandler O'Neill analyzed certain potential pro forma effects of the purchase of the NYMEX Class A memberships upon NYMEX Holdings earnings per share for the years ending December 31, 2009 through 2011, assuming the following: (1) the Membership Rights Payments occur on January 1, 2009; (2) the aggregate Membership Rights Payment Amount is \$612 million; (3) NYMEX Holdings performs in accordance with the estimated earnings per share provided by senior management of NYMEX Holdings; (4) royalty payments are

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made to the NYMEX Class A members in accordance with the financial projections for the years ended December 31, 2009 through 2011; (5) an assumed mix of cash on hand and debt comprising the financing of the proposed Membership Rights Payments, including the respective financing costs for both cash on hand and debt financing; and (6) the absence of goodwill amortization from the purchase of the NYMEX Class A memberships, all as provided by the senior management of NYMEX Holdings. The analyses indicated that for the years ending December 31, 2009 through 2011, the Membership Rights Payments would be accretive to NYMEX Holdings' projected earnings per share.

*Miscellaneous*

Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. The NYMEX Holdings board of directors selected Sandler O'Neill based on its reputation and experience in comparable transactions.

NYMEX Holdings has agreed to pay Sandler O'Neill a nonrefundable fee of \$750,000 in connection with the rendering of its opinion. NYMEX Holdings previously paid Sandler O'Neill \$1 million in connection with its opinion delivered in connection with the Original Merger Agreement. NYMEX Holdings has also agreed to indemnify Sandler O'Neill and its affiliates and their respective partners, directors, officers, employees, agents, and controlling persons against certain expenses and liabilities, including liabilities under the securities laws.

In the ordinary course of its respective broker and dealer businesses, Sandler O'Neill may purchase securities from and sell securities to NYMEX Holdings and CME Group and their respective affiliates. Sandler O'Neill may also actively trade the debt and/or equity securities of NYMEX Holdings, CME Group or their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. Sandler O'Neill owns no memberships in NYMEX, CME, CBOT or COMEX.

**Financial Projections**

In connection with its consideration of a transaction with CME Group, NYMEX Holdings provided JPMorgan, Merrill Lynch and Sandler O'Neill with certain non-public financial projections for the years 2008 through 2017. The projections were not prepared with a view to public disclosure and are included in this proxy statement only because such projections were made available to JPMorgan, Merrill Lynch and Sandler O'Neill as part of NYMEX Holdings' consideration of a transaction with CME Group. The projections were not prepared with a view to compliance with the published guidelines and auditing standards of the SEC. NYMEX Holdings' independent registered public accounting firm has not examined, compiled or performed any procedures with respect to the projections and accordingly does not provide any form of assurance with respect to the projections. The financial projections provided to JPMorgan, Merrill Lynch and Sandler O'Neill included the following estimates of NYMEX Holdings' future financial performance (in millions):

	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	07-17 CAGR
<b>Total revenue</b>	<b>\$ 864</b>	<b>\$ 1,091</b>	<b>\$ 1,340</b>	<b>\$ 1,589</b>	<b>\$ 1,895</b>	<b>\$ 2,109</b>	<b>\$ 2,365</b>	<b>\$ 2,544</b>	<b>\$ 2,690</b>	<b>\$ 2,795</b>	<b>15%</b>
% growth	28%	26%	23%	19%	19%	11%	12%	8%	6%	4%	
Expenses (excl. one-time expenses & D&A)	\$ 273	\$ 288	\$ 322	\$ 350	\$ 386	\$ 429	\$ 482	\$ 518	\$ 548	\$ 569	9%
% growth	10%	6%	12%	8%	10%	11%	12%	8%	6%	4%	
<b>EBITDA</b>	<b>\$ 591</b>	<b>\$ 803</b>	<b>\$ 1,018</b>	<b>\$ 1,240</b>	<b>\$ 1,509</b>	<b>\$ 1,679</b>	<b>\$ 1,883</b>	<b>\$ 2,026</b>	<b>\$ 2,142</b>	<b>\$ 2,226</b>	<b>18%</b>
% margin	65%	69%	76%	78%	80%	80%	80%	80%	80%	80%	
D&A	15	14	14	14	15	16	18	20	21	22	5%
<b>EBIT</b>	<b>\$ 576</b>	<b>\$ 790</b>	<b>\$ 1,004</b>	<b>\$ 1,225</b>	<b>\$ 1,495</b>	<b>\$ 1,663</b>	<b>\$ 1,865</b>	<b>\$ 2,006</b>	<b>\$ 2,121</b>	<b>\$ 2,204</b>	<b>18%</b>
% margin	63%	68%	75%	77%	79%	79%	79%	79%	79%	79%	
<b>Earnings per share</b>	<b>\$ 3.38</b>	<b>\$ 5.04</b>	<b>\$ 6.44</b>	<b>\$ 7.94</b>	<b>\$ 9.70</b>	N/A	N/A	N/A	N/A	N/A	N/A
% growth	26%	49%	36%	23%	22%	N/A	N/A	N/A	N/A	N/A	
Capex	\$ 14	\$ 32	\$ 34	\$ 36	\$ 38	\$ 37	\$ 36	\$ 33	\$ 29	\$ 24	8%

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The projections provided to JPMorgan, Merrill Lynch and Sandler O'Neill are subjective in many respects and thus susceptible to various interpretations based on actual experience and business developments. The projections were based on a number of assumptions that may not be realized and are subject to significant uncertainties and contingencies, many of which are beyond the control of NYMEX Holdings. The risk that these uncertainties and contingencies will cause the assumptions to fail to prove accurate (including based on NYMEX Holdings' actual 2008 performance) is further increased due to the length of time in the future over which these assumptions were made. The assumptions in early periods have a compounding affect on the projections shown for the later periods. Thus, any failure of an assumption to prove accurate in an early period (including based on NYMEX Holdings' actual 2008 performance) would have a greater affect of the projected results failing to prove accurate in the later periods. The projections in years after 2009 were only used in one of the analyses performed by JPMorgan and Merrill Lynch, the Discounted Cash Flow analysis.

### **Interests of CME Group Executive Officers and Directors in the Merger**

CME Group stockholders considering the recommendation of the CME Group board of directors regarding the merger should be aware that the directors and executive officers of CME Group may have interests in the merger that are different from, or in addition to, the interests of CME Group stockholders generally. The CME Group board of directors was aware of these potentially conflicting interests when it adopted the Original Merger Agreement and Amended Merger Agreement and approved the merger. At the effective time of the merger, the number of directors on the CME Group board of directors will be 33, and all current members of the CME Group board of directors will continue as members of the CME Group board of directors immediately following the merger.

### **Interests of NYMEX Holdings Executive Officers and Directors in the Merger**

NYMEX Holdings stockholders considering the recommendation of the NYMEX Holdings board of directors regarding the merger should be aware that the directors and executive officers of NYMEX Holdings may have interests in the merger that are different from, or in addition to, the interests of NYMEX Holdings stockholders generally. The NYMEX Holdings board of directors was aware of these potentially conflicting interests when it adopted the Original Merger Agreement and Amended Merger Agreement and approved the merger.

### *Board Seats Following Completion of the Merger*

At the effective time of the merger, the number of directors on the CME Group board of directors will be increased to 33, and three individuals that will be selected by CME Group from a list of potential directors provided by NYMEX Holdings will become members of the CME Group board of directors immediately following the merger. Such individuals will be entitled to receive board compensation under the CME Group board compensation program.

### *Stock Options and Restricted Stock Units*

All outstanding NYMEX Holdings stock options granted under or pursuant to the NYMEX Holdings, Inc. 2006 Omnibus Long-Term Incentive Plan, whether or not exercisable, will be assumed by CME Group and automatically become options to purchase shares of CME Group Class A common stock on the same terms and conditions applicable to such NYMEX Holdings stock options. The number of shares of CME Group Class A common stock issuable upon exercise of each such option will be equal to the number of shares of NYMEX Holdings common stock subject to the assumed option immediately prior to the effective time of the merger multiplied by the number of shares of CME Group Class A common stock to be received per share of NYMEX Holdings common stock for which a valid stock election is made (assuming no proration of stock consideration),

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rounded down to the nearest whole number. The exercise price of each such option will be equal to the exercise price of the assumed NYMEX Holdings option immediately prior to the effective time of the merger divided by the number of shares of CME Group Class A common stock to be received per share of NYMEX Holdings common stock for which a valid stock election is made, assuming no proration of stock consideration and rounded up to the nearest whole cent. In addition, all outstanding restricted stock units with respect to NYMEX Holdings common stock granted under the NYMEX Holdings, Inc. 2006 Omnibus Long-Term Incentive Plan will be converted into a number of restricted stock units with respect to CME Group Class A common stock equal to the number of NYMEX Holdings restricted stock units outstanding immediately prior to the effective time of the merger multiplied by the number of shares of CME Group Class A common stock to be received per share of NYMEX Holdings common stock for which a valid stock election is made (assuming no proration of stock consideration). Except as described below with respect to accelerated vesting of certain stock options and restricted stock units held by certain executive officers of NYMEX Holdings, each adjusted option and restricted stock unit grant will be subject to the same terms and conditions, including expiration date, vesting and exercise provisions, as were applicable to the corresponding option or restricted stock unit immediately prior to the effective time of the merger.

Following the effective time of the merger, all stock options and restricted stock units granted to executive officers will become fully vested upon either (i) an involuntary termination of the executive's employment without cause or (ii) a voluntary termination of the executive's employment upon a constructive discharge (each as defined in the Change in Control Severance Plan discussed below), in either case that occurs within 18 months of the effective time of the merger.

The following table sets forth, for each executive officer of NYMEX Holdings, as of July 15, 2008, the aggregate number of shares subject to outstanding options to purchase shares of NYMEX Holdings common stock, the aggregate number of shares of NYMEX Holdings common stock subject to vested options, the weighted average exercise price of all such outstanding options and the number of restricted stock units with respect to NYMEX Holdings common stock.

Name of Executive Officer	Aggregate Number of Shares Subject to Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Restricted Stock Units
James Newsome	175,500	\$ 72.84	33,250
Kenneth Shifrin	65,650	\$ 74.44	6,850
Richard Schaeffer	175,500	\$ 72.84	33,250
Christopher Bowen	56,250	\$ 59.00	6,000
Samuel Gaer	73,150	\$ 72.85	7,600
Richard Kerschner	61,900	\$ 75.37	6,100
Thomas LaSala	65,650	\$ 74.44	6,850
Sean Keating	58,500	\$ 72.84	5,700
Robert Levin (1)	62,250	\$ 72.01	5,700
Joseph Raia	58,500	\$ 72.84	5,700

- (1) Mr. Levin's aggregate number of shares subject to outstanding options include 3,750 options which are vested but not yet exercised. Those options are subject to a previously adopted plan intended to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934.

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Non-employee directors of NYMEX Holdings are awarded annual grants of restricted stock units, which are automatically converted upon the grant into deferred stock units pursuant to the NYMEX Holdings, Inc. 2006 Non-Employee Director Compensation Plan. All outstanding deferred stock units held by non-employee directors will fully vest upon the effective time of the merger. As of July 15, 2008, the non-employee directors of NYMEX Holdings held the following interests in NYMEX Holdings.

Name of Non Executive Director	NYMEX Class A Membership	Common Stock (including indirect ownership)	Options	Deferred Stock Units
Stephen Ardizzone	1	60,000	0	1,262
Neil Citrone	1	90,380	0	1,262
Melvyn Falis	0	0	0	1,262
William Ford	0	6,259,100	0	1,262
Howard Gabler	0	0	0	681
A. George Gero	2	196,800	0	1,262
Thomas Gordon	1	107,200	0	1,806
Harvey Gralla (1)	1	90,380	0	753
William Maxwell	0	0	0	923
John McNamara	2	54,460	0	509
Daniel Rappaport	2	122,800	0	1,262
Frank Siciliano	1	109,800	0	1,262
Robert Steele	0	0	0	1,262
Dennis Suskind	0	0	0	1,262

(1) Harvey Gralla ceased to be a director of NYMEX Holdings as of May 20, 2008.

*Separation Allowance*

NYMEX Holdings has a separation allowance policy, referred to as the Separation Allowance Policy, applicable to certain executives who are not party to specific employment agreements. The Separation Allowance Policy provides a discretionary severance payment upon certain types of no fault terminations, including: job elimination, physical incapacity (disability), lack of qualifications, changed job requirements or reasons considered by NYMEX Holdings as hardship, which may include childcare obligations caused by the death of a spouse or relocation of a spouse. Factors considered to determine separation payments are years of service and position. Senior vice presidents of NYMEX Holdings and above with six months to one year of service are eligible to receive two weeks of base salary as separation pay. Senior vice presidents of NYMEX Holdings and above with one but less than three years of service are eligible to receive four weeks of base salary as separation pay. Senior vice presidents of NYMEX Holdings and above with three but less than ten years of service are eligible to receive two weeks of base salary as separation pay for each year of service; those with ten or more years of service are eligible to receive two weeks base salary per half year of service as separation pay. In all events, separation pay is capped at 52 weeks of payments.

*Grant Agreements*

Certain officers and directors of NYMEX Holdings entered into Non Qualified Stock Option Agreements and Restricted Stock Unit Agreements, collectively referred to as Grant Agreements, in connection with the granting of equity awards upon the occurrence of NYMEX Holdings initial public offering, on November 17, 2006 and the granting of equity awards on January 9, 2008. Under the terms of the Grant Agreements, 100% of the outstanding non qualified stock options, or NSOs, and restricted stock units, or RSUs, will vest if the named individual's employment is terminated without cause or because of a constructive discharge during the 18-month period following a change in control.

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**Table of Contents***Employment Agreements*

Certain executives of NYMEX Holdings have employment agreements with NYMEX Holdings that provide for payments and benefits upon certain types of termination of employment.

*Employment Agreement with Christopher Bowen*

Mr. Bowen entered into an employment agreement with NYMEX Holdings, effective as of March 1, 2006, which was amended on November 17, 2006, which we refer to as the Bowen Agreement. Mr. Bowen serves as NYMEX Holdings' general counsel and chief administrative officer. Mr. Bowen served as NYMEX Holdings' Corporate Secretary from 2006 until January 2008. The Bowen Agreement is effective through February 28, 2009, at which point it automatically renews for subsequent one-year periods unless either party provides the other with thirty days advance written notice of his or its desire not to renew the then-current term. Under the terms of the Bowen Agreement, Mr. Bowen is paid a base salary of \$500,000 per year and an annual bonus in an amount determined by the compensation committee, which bonus must be at least \$250,000. If Mr. Bowen is terminated without cause or if he resigns for good reason, he will be entitled to: (A) a cash termination payment equal to 150% of the sum of (x) his annual salary and (y) the minimum annual bonus, payable in prescribed installments over a one-year period, (B) health insurance benefits for up to 12 months after termination of employment, and (C) immediate vesting of 50% of all outstanding unvested equity awards granted under NYMEX Holdings' long term incentive plan. Pursuant to the Bowen Agreement, the term "cause" includes Mr. Bowen's conviction of a felony or any other crime involving dishonesty or breach of trust; a violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation that results in sanctions against Mr. Bowen or NYMEX Holdings; deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement; failure to devote substantially all of his business time and efforts to NYMEX Holdings; or the uncured material breach of the terms of the Bowen Agreement. The term "good reason" is defined as relocation by more than 50 miles of Mr. Bowen's principal place of employment or a material uncured breach by NYMEX Holdings.

*Employment Agreement with Samuel Gaer*

Mr. Gaer entered into an employment agreement with NYMEX Holdings, effective as of March 31, 2003, which was subsequently amended on each of March 31, 2006 and November 17, 2006, which we refer to as the Gaer Agreement. Mr. Gaer serves as NYMEX Holdings' executive vice president and chief information officer. The Gaer Agreement is effective through March 30, 2009, at which point it automatically renews for subsequent one-year periods unless either party provides the other with thirty days' advance written notice of his or its desire not to renew the then current term. Under the terms of the Gaer Agreement, Mr. Gaer is paid a base salary of \$600,000 per year, which was recently increased from \$500,000 per year by the compensation committee, effective April 1, 2008, to reflect his increased responsibilities as executive vice president, and an annual bonus in an amount determined by the compensation committee, which bonus must be at least \$250,000. If Mr. Gaer is terminated without cause or if he resigns for good reason, he will be entitled to: (A) a cash termination payment equal to 150% of the sum of (x) his annual salary and (y) the minimum annual bonus, payable in prescribed installments over a one-year period, (B) health insurance benefits for up to 12 months after termination of employment, and (C) immediate vesting of 50% of all outstanding unvested equity awards granted under NYMEX Holdings' long term incentive plan. Pursuant to the Gaer Agreement, the term "cause" includes Mr. Gaer's conviction of a felony or any other crime involving dishonesty or breach of trust; a violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation that results in sanctions against Mr. Gaer or NYMEX Holdings; deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement; failure to devote substantially all of his business time and efforts to NYMEX Holdings; or the uncured material breach of the terms of the Gaer Agreement. The term "good reason" is defined as relocation by more than 50 miles of Mr. Gaer's principal place of employment or a material uncured breach by NYMEX Holdings.



**Table of Contents***Change in Control Plan*

The NYMEX Holdings Change in Control Severance Plan, which we refer to as the Change in Control Plan, was adopted on January 9, 2008, and provides payments and benefits to certain officers of NYMEX Holdings if they are terminated without cause or if they resign for good reason (each as defined in the Change in Control Plan) (i) during the 18-month period following a change in control or (ii) at the request of a third party in contemplation of a change in control (and such change in control is consummated) (each a Qualified Termination). The Change in Control Plan provides a lump sum payment upon a Qualified Termination in an amount equal to (i) the executive's pro-rata target bonus for the year in which the termination occurs plus (ii) a multiple of the sum of (a) the executive's base salary for the year in which the termination occurs and (b) the average of the executive's prior two years' normal annual bonus payments, where such multiple is, for Messrs. Schaeffer and Newsome, three, and for Messrs. Shifrin, Bowen and Gaer, two.

In addition, the Change in Control Plan provides for a modified tax gross-up to certain participants who become entitled to receive payments or benefits in connection with a change in control of NYMEX Holdings (whether under the Change in Control Plan or any other agreement between NYMEX Holdings and the participant, notwithstanding any contrary provision in any such agreement, as applicable), to the extent such payments and benefits (individually or in the aggregate) subject participants to excise tax obligations under Sections 280G and 4999 of the Code. Under the Change in Control Plan, participants whose severance payments and benefits upon a qualified termination are less than 110% of their capped amount (defined below), will have their payments and benefits reduced to their capped amount. Participants whose severance payments and benefits upon a qualified termination equal or exceed 110% of their capped amount, will receive a gross-up payment from NYMEX Holdings with respect to the amount of any excise tax imposed under Section 4999 of the Code. An individual's capped amount equals 2.99 multiplied by his or her base amount. A participant's base amount, determined in accordance with Section 280G of the Code, is the average of his or her total compensation paid by NYMEX Holdings for employment services during the five-year (or such lesser number of years of employment) period ending on the last day of the calendar year preceding the year in which the change in control occurs.

*Potential Payments Upon Termination or Qualifying Termination After a Change in Control*

The following table shows potential payments to certain NYMEX Holdings officers, directors and employees pursuant to contracts, agreements, plans or arrangements existing as of July 15, 2008, for various scenarios involving a change in control or termination of employment of each of the individuals, assuming either no-fault termination under the Separation Allowance Policy, good reason or without cause termination under an employment agreement, without cause or constructive discharge termination under a Grant Agreement, or upon a Qualified Termination after a change in control pursuant to the Change in Control Plan, and in each case, a September 30, 2008 termination date and using as applicable, an estimated closing price of NYMEX Holdings common stock of \$80 at the termination date. In connection with entering into the Amended Merger Agreement, NYMEX Holdings has agreed to provide, prior to the special meeting of NYMEX Holdings stockholders, waivers from the executive officers listed in the table below with respect to approximately 26% of certain change in control and tax gross-up payments, equal to an aggregate amount of approximately \$16.5 million, that may be payable to them under the Change in Control Plan in connection with the termination of their employment. The amounts included in the table below do not reflect these waivers.

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Name / Event	Change in Control Plan Payment	Value of Unvested NSOs	Value of Unvested RSUs	Benefit Continuation	Total Payout Upon a Change of Control	Tax Gross-Up	Separation Allowance Payment (11)
<b>James Newsome (1)</b>							
President and Chief Executive Officer	\$ 10,725,000	\$ 2,835,000	\$ 2,660,000		\$ 16,220,000	\$ 4,792,654	\$ 103,846
<b>Kenneth Shifrin (2)</b>							
Chief Financial Officer	\$ 1,670,408	\$ 1,023,750	\$ 548,000		\$ 3,242,158		\$ 61,538
<b>Richard Schaeffer (3)</b>							
Executive Chairman	\$ 16,200,000	\$ 2,835,000	\$ 2,660,000		\$ 21,695,000	\$ 6,922,357	\$ 69,231
<b>Christopher Bowen (4)</b>							
General Counsel and Chief Administrative Officer	\$ 1,925,000	\$ 1,181,250	\$ 480,000	\$ 21,092	\$ 3,607,342		\$
<b>Samuel Gaer (5)</b>							
Executive Vice President and Chief Information Officer	\$ 2,482,501	\$ 1,181,250	\$ 608,000	\$ 21,092	\$ 4,292,843		\$
<b>Richard Kerschner (6)</b>							
General Counsel	\$ 2,375,000	\$ 945,000	\$ 488,000	\$	\$ 3,808,000	\$ 1,039,612	\$ 57,692
<b>Thomas LaSala (7)</b>							
Chief Regulatory Officer	\$ 1,571,715	\$ 1,023,750	\$ 548,000	\$	\$ 3,143,465		\$ 400,000
<b>Sean Keating (8)</b>							
Senior Vice President, Clearing Services	\$ 656,250	\$ 945,000	\$ 456,000	\$	\$ 2,057,250		\$ 34,615
<b>Robert Levin (9)</b>							
Senior Vice President, Research	\$ 637,500	\$ 1,023,750	\$ 456,000	\$	\$ 2,117,250	\$ 357,455	\$ 250,000
<b>Joseph Raia (10)</b>							
Senior Vice President, Marketing	\$ 568,750	\$ 945,000	\$ 456,000	\$	\$ 1,969,750		\$ 51,923

- (1) Dr. Newsome is not a party to an employment agreement and is thus eligible to participate in the Separation Allowance Policy, described above. Under the terms of the Separation Allowance Policy, Dr. Newsome would be eligible to receive a discretionary payment equal to six weeks of base pay, or \$103,846, in the event of a no-fault termination. Dr. Newsome participates in the Change in Control Plan. In accordance with its terms, if Dr. Newsome incurs a Qualified Termination on September 30, 2008, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$2,025,000. Dr. Newsome would also be eligible to receive a payment equal to three times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$2,700,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$6,000,000). In addition, under the terms of Dr. Newsome's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change in control. Dr. Newsome currently holds 135,000 NSOs at an exercise price of \$59.00 per share and 40,500 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$2,835,000. In addition, Dr. Newsome currently holds 33,250 unvested RSUs valued at \$2,660,000, based on an estimated price per share of \$80. Furthermore, pursuant to the Change in Control Plan, Dr. Newsome will be entitled to a tax gross-up to the extent the payments and



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- benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provided that such payments and benefits equal or exceed 110% of his capped amount. Based on the above payments and benefits, Dr. Newsome would be entitled to a tax gross-up of \$4,792,654 for his excise tax obligations resulting from a change in control.
- (2) Mr. Shifrin is not a party to an employment agreement with NYMEX Holdings. However, Mr. Shifrin is eligible to participate in the Separation Allowance Policy, described above. Under the terms of the Separation Allowance Policy, Mr. Shifrin would be eligible to receive a discretionary payment equal to eight weeks of base pay, or \$61,538, in the event of a no-fault termination. Mr. Shifrin participates in the Change in Control Plan. In accordance with its terms, if Mr. Shifrin incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$300,000. Mr. Shifrin would also be eligible to receive a payment equal to two times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$800,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$675,000). In addition, under the terms of Mr. Shifrin's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change in control. Mr. Shifrin currently holds 48,750 NSOs at an exercise price of \$59.00 per share and 16,900 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$1,023,750. In addition, Mr. Shifrin currently holds 6,850 unvested RSUs valued at \$548,000, based on an estimated price per share of \$80. Furthermore, pursuant to the Change in Control Plan, Mr. Shifrin will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provided that such payments and benefits equal or exceed 110% of his capped amount. Based on the above payments and benefits, Mr. Shifrin would not be entitled to a tax gross-up in the event of a change in control.
- (3) Mr. Schaeffer is not a party to an employment agreement with NYMEX Holdings. However, Mr. Schaeffer is eligible to participate in the Separation Allowance Policy, described above. Under the terms of the Separation Allowance Policy, Mr. Schaeffer would be eligible to receive a discretionary payment equal to four weeks of base pay, or \$69,231, in the event of a no-fault termination. Mr. Schaeffer participates in the Change in Control Plan. In accordance with its terms, if Mr. Schaeffer incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$2,700,000. Mr. Schaeffer would also be eligible to receive a payment equal to three times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$2,700,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$10,800,000). In addition, under the terms of Mr. Schaeffer's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of constructive discharge during the 18-month period following a change in control. Mr. Schaeffer currently holds 135,000 NSOs at an exercise price of \$59.00 per share and 40,500 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$2,835,000. In addition, Mr. Schaeffer currently holds 33,250 unvested RSUs valued at \$2,660,000, based on an estimated price per share of \$80. Furthermore, pursuant to the Change in Control Plan, Mr. Schaeffer will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provided that such payments and benefits equal or exceed 110% of his capped amount. Based on the above payments and benefits, Mr. Schaeffer would be entitled to a tax gross-up of 6,922,357 for his excise tax obligations resulting from a change in control.
- (4) Mr. Bowen participates in the Change in Control Plan. In accordance with its terms, if Mr. Bowen incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$375,000. Mr. Bowen would also be eligible to receive a payment equal to two times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$1,000,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$550,000). In addition, under the terms of Mr. Bowen's Grant Agreements, 100% of his unvested

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outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change in control. Mr. Bowen currently holds 56,250 NSOs at an exercise price of \$59.00 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$1,181,250. In addition, Mr. Bowen currently holds 6,000 unvested RSUs valued at \$480,000, based on an estimated price per share of \$80. In accordance with the terms of the Bowen Agreement, Mr. Bowen will receive up to 12 months of COBRA continuation benefits in the event of a Qualified Termination, with a value equal to \$21,092. Furthermore, Mr. Bowen will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provided that such payments and benefits equal or exceed 110% of his capped amount. In Mr. Bowen's case, this tax gross-up provision overrides a provision in the Bowen Agreement that would have required a cut back of his payments under that agreement in the event of a termination after a change in control. If severance payments are made under the Change in Control Plan to Mr. Bowen, he will not be eligible to receive severance payments under the Bowen Agreement. Based on the amount of the above payments and benefits, Mr. Bowen would not be entitled to a tax gross-up in the event of a change in control.

- (5) Mr. Gaer participates in the Change in Control Plan. In accordance with its terms, if Mr. Gaer incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$450,000. Mr. Gaer would also be eligible to receive a payment equal to two times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$1,200,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$900,000). In addition, under the terms of Mr. Gaer's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change in control. Mr. Gaer currently holds 56,250 NSOs at an exercise price of \$59.00 per share and 16,900 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$1,181,250. In addition, Mr. Gaer currently holds 7,600 unvested RSUs valued at \$608,000, based on an estimated price per share of \$80. In accordance with the terms of the Gaer Agreement, Mr. Gaer will receive up to 12 months of COBRA continuation benefits in the event of a Qualified Termination, with a value equal to \$21,092. Furthermore, Mr. Gaer will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provided that such payments and benefits equal or exceed 110% of his capped amount. In Mr. Gaer's case, this tax gross-up provision overrides a provision in the Gaer Agreement that would have required a cut back of his payments under that agreement in the event of a termination after a change in control. If severance payments are made under the Change in Control Plan to Mr. Gaer, he will not be eligible to receive severance payments under the Gaer Agreement. Based on the above payments and benefits, Mr. Gaer would not be entitled to a tax gross-up in the event of a change in control.
- (6) Mr. Kerschner participates in the Change in Control Plan. In accordance with its terms, if Mr. Kerschner incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$375,000. Mr. Kerschner would also be eligible to receive a payment equal to two times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$1,000,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$1,000,000). In addition, under the terms of Mr. Kerschner's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change of control. Mr. Kerschner currently holds 45,000 NSOs at an exercise price of \$59.00 per share and 16,900 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$945,000. In addition, Mr. Kerschner currently holds 6,100 unvested RSUs valued at \$488,000, based on an estimated price per share of \$80. Furthermore, Mr. Kerschner will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provide that such payments and

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benefits equal or exceed 110% of his capped amount. Based on the amount of the above payments, Mr. Kerschner would be entitled to a tax gross-up of \$1,039,612 for his excise tax obligations resulting from a change in control.

- (7) Mr. LaSala participates in the Change in Control Plan. In accordance with its terms, if Mr. LaSala incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$300,000. Mr. LaSala would also be eligible to receive a payment equal to two times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$800,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$525,000). In addition, under the terms of Mr. LaSala's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change of control. Mr. LaSala currently holds 48,750 NSOs at an exercise price of \$59.00 per share and 16,900 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$1,023,750. In addition, Mr. LaSala currently holds 6,850 unvested RSUs valued at \$548,000, based on an estimated price per share of \$80. Furthermore, Mr. LaSala will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provide that such payments and benefits equal or exceed 110% of his capped amount. Based on the amount of the above payments, Mr. LaSala would not be entitled to a tax gross-up in the event of a change in control.
- (8) Mr. Keating participates in the Change in Control Plan. In accordance with its terms, if Mr. Keating incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$168,750. Mr. Keating would also be eligible to receive a payment equal to one times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$225,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$262,500). In addition, under the terms of Mr. Keating's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change of control. Mr. Keating currently holds 45,000 NSOs at an exercise price of \$59.00 per share and 13,500 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$945,000. In addition, Mr. Keating currently holds 5,700 unvested RSUs valued at \$456,000, based on an estimated price per share of \$80. Furthermore, Mr. Keating will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provide that such payments and benefits equal or exceed 110% of his capped amount. Based on the amount of the above payments, Mr. Keating would not be entitled to a tax gross-up in the event of a change in control.
- (9) Mr. Levin participates in the Change in Control Plan. In accordance with its terms, if Mr. Levin incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$187,500. Mr. Levin would also be eligible to receive a payment equal to one times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$250,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$200,000). In addition, under the terms of Mr. Levin's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change of control. Mr. Levin currently holds 48,750 NSOs at an exercise price of \$59.00 per share and 13,500 NSOs at an exercise price of \$118.97 per share. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$1,023,750. In addition, Mr. Levin currently holds 5,700 unvested RSUs valued at \$456,000, based on an estimated price per share of \$80. Furthermore, Mr. Levin will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provide that such payments and benefits equal or exceed 110% of his capped amount. Based on the amount of the above payments, Mr. Levin would be entitled to a tax gross-up of \$357,455 for his excise tax obligations resulting from a change in control.

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- (10) Mr. Raia participates in the Change in Control Plan. In accordance with its terms, if Mr. Raia incurs a Qualified Termination, he will be eligible to receive a pro-rata payment of his target bonus for the year in which his Qualified Termination occurs totaling \$168,750. Mr. Raia would also be eligible to receive a payment equal to one times (i) his base salary for the year in which the Qualified Termination occurs (totaling \$225,000) and (ii) the average of his normal annual bonus for the prior two years (totaling \$175,000). In addition, under the terms of Mr. Raia's Grant Agreements, 100% of his unvested outstanding NSOs and RSUs will vest if his employment is terminated without cause or because of a constructive discharge during the 18-month period following a change of control. Mr. Raia currently holds 45,000 NSOs at an exercise price of \$59.00 per share and 13,500 NSOs at an exercise price of \$118.97. Based on an estimated price per share of \$80, the value of his unvested NSOs is \$945,000. In addition, Mr. Raia currently holds 5,700 unvested RSUs valued at \$456,000, based on an estimated price per share of \$80. Furthermore, Mr. Raia will be entitled to a tax gross-up to the extent any payments and benefits he receives (under the Change in Control Plan or all other agreements) subject him to excise tax obligations under Sections 280G and 4999 of the Code, provide that such payments and benefits equal or exceed 110% of his capped amount. Based on the amount of the above payments, Mr. Raia would not be entitled to a tax gross-up in the event of a change in control.

- (11) No discretionary severance payments will be made pursuant to the Separation Allowance Policy to officers who receive payments and benefits under the Change in Control Plan.

*Waiver of Certain Change in Control and Tax Gross-Up Payments by Management*

In connection with entering into the Amended Merger Agreement, NYMEX Holdings has agreed to provide, prior to the special meeting of NYMEX Holdings stockholders, waivers from certain executive officers with respect to approximately 26% of certain change in control and tax gross-up payments, equal to an aggregate amount of approximately \$16.5 million, that may be payable to them under the Change in Control Plan in connection with the termination of their employment.

*Director and Officer Indemnification*

Under the Amended Merger Agreement, from and after the effective time of the merger, CME Group and Merger Sub jointly and severally shall:

indemnify and hold harmless, against any costs or expenses (including attorney's fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, and provide advancement of expenses to, all past and present directors, officers and employees prior to the effective time of the merger of NYMEX Holdings and the NYMEX Holdings subsidiaries (in all of their capacities), which are referred to as the indemnified persons to the same extent such persons are indemnified or have the right to advancement of expenses as of the date of the Original Merger Agreement by NYMEX Holdings pursuant to NYMEX Holdings' constituent documents and indemnification agreements, if any, in existence on the date thereof with any indemnified persons and to the fullest extent permitted by law;

honor the provisions regarding elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses contained in NYMEX Holdings' constituent documents immediately prior to the effective time of the merger and ensure that the certificate of incorporation and bylaws of Merger Sub contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors, officers, employees and agents of NYMEX Holdings and the NYMEX Holdings subsidiaries that are presently set forth in the certificate of incorporation and bylaws of NYMEX Holdings; and

maintain for a period of six years after the effective time of the merger the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by NYMEX Holdings with

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respect to claims arising from facts or events that occurred on or before the effective time of the merger (including for acts or omissions occurring in connection with the approval of the Amended Merger Agreement and the consummation of the transactions contemplated thereby); provided, further, that in no event will Merger Sub be required to expend in any one year more than 250% of the current annual premium expended by NYMEX Holdings and NYMEX Holdings subsidiaries to maintain or procure such insurance immediately prior to the effective time of the merger.

The rights of any indemnified person under those provisions of the Amended Merger Agreement are in addition to any other rights such person may have under the certificate of incorporation or bylaws of Merger Sub or any of its subsidiaries, under the DGCL or otherwise. The foregoing provisions of the Amended Merger Agreement will survive the consummation of the merger. In the event Merger Sub or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then and in either such case, Merger Sub will cause the proper provision to be made so that the successors and assigns of Merger Sub shall assume the foregoing obligations.

**Interests of NYMEX Holdings Directors Related to the Membership Rights Payments**

NYMEX Holdings stockholders and NYMEX Class A members should note that, in addition to Harvey Gralla, whom ceased to be a director of NYMEX Holdings as of the annual stockholder meeting of NYMEX Holdings on May 20, 2008, the following directors of NYMEX Holdings are also NYMEX Class A members: Stephen Ardizzone, Neil Citrone, A. George Gero, Thomas Gordon, John McNamara, Daniel Rappaport, Richard Schaeffer and Frank Siciliano. The table below sets forth the number of NYMEX Class A memberships held by each of the above directors.

Name of Director	NYMEX Class A Memberships
Stephen Ardizzone	One
Neil Citrone	One
A. George Gero	Two
Thomas Gordon	One
John McNamara	Two
Daniel Rappaport	Two
Richard Schaeffer	One
Frank Siciliano	One

**CME Group Amended Charter and CME Group Amended Bylaws**

Upon the completion of the merger, the certificate of incorporation and bylaws of CME Group will be as set forth in Annexes H and I, respectively, to this joint proxy statement/prospectus. Significant differences between the current certificate of incorporation and bylaws of CME Group and the CME Group Amended Charter and CME Group Amended Bylaws are:

*Number of Directors.* The CME Group Amended Charter and CME Group Amended Bylaws provide for, at the effective time of the merger, a board of directors composed of 33 members, and specify that the number of directors is to be fixed exclusively by one or more resolutions adopted by the CME Group board of directors, which number shall be no more than 33. The current certificate of incorporation and bylaws of CME Group provide for a board of directors composed of 30 members.

*CME Group Amended Charter.* The CME Group Amended Charter requires the approval of a majority of the directors then in office, which must include a majority of the CME Directors (as so designated in connection with the merger of CME Holdings and CBOT Holdings) and a majority of the CBOT Directors (as so designated in connection with the merger of CME Holdings and CBOT Holdings) to amend the provisions of the certificate of incorporation of CME Group regarding the number,



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classification and removal of directors and filling of vacancies and the CME/CBOT product trading requirements, during the period ending with the annual meeting of stockholders to be held in 2012. The current certificate of incorporation of CME Group requires only the approval of (i) a majority of the CME Directors and (ii) a majority of the CBOT Directors to amend such provisions during the period ending with the annual meeting of stockholders to be held in 2012.

*Nominating Committee.* The CME Group Amended Bylaws provide that the nominating committee of the CME Group board of directors, in making its nominations for the board of directors, shall take into consideration, among other things, that the board of directors shall have meaningful representation of the constituents of CME, CBOT and any other exchange or market designated by the CFTC as a contract market and owned and operated by CME Group. The current certificate of incorporation of CME Group provides that such considerations shall be limited to the constituents of CME and CBOT only.

*CME Group Amended Bylaws.* The CME Group Amended Bylaws require the approval of a majority of the directors then in office, which includes a majority of the CME Directors and a majority of the CBOT Directors, to alter or amend or adopt any provision inconsistent with, or repeal, the articles of the bylaws regarding the board of directors, board committees and board and executive officers and the provisions regarding the governance arrangements during the period ending with the annual meeting of stockholders to be held in 2012. The current bylaws of CME Group require only the approval of (i) a majority of the CME Directors and (ii) a majority of the CBOT Directors to amend such provisions during the period ending with the annual meeting of stockholders to be held in 2012.

**CME Group Board of Directors after Completion of the Merger**

Upon the completion of the merger, the certificate of incorporation and bylaws of CME Group will provide for a board of directors composed of 33 members. The 33 members of the CME Group board of directors will initially consist of the 30 directors of CME Group as of immediately prior to the merger and three NYMEX Directors. At least two of the NYMEX Directors must be independent directors. Currently, the holders of CME Group Class B-1, Class B-2 and Class B-3 common stock have the right to elect six directors to CME Group's board of directors. Following the merger, the holders of CME Group Class B-1, Class B-2 and Class B-3 common stock will continue to have the right to elect six directors. The remaining 27 directors will be elected by holders of CME Group Class A and Class B common stock voting together as a single class.

**Stock Exchange Listing***Listing of CME Group Class A Common Stock*

It is a condition to the merger that the shares of CME Group Class A common stock issuable in connection with the merger, subject to official notice of issuance, be authorized for listing on Nasdaq.

*Delisting of NYMEX Holdings Common Stock*

If the merger is completed, NYMEX Holdings common stock will be delisted from the NYSE and deregistered under the Exchange Act.

**Material Contracts Between the Parties**

In April 2006, CME entered into a technology services agreement with NYMEX pursuant to which CME became the exclusive electronic trading service provider for NYMEX's energy futures and options contracts and for metals products listed on COMEX. The agreement has a ten-year term from the launch date with rolling three-year extensions unless either party elects not to renew the agreement upon written notice prior to the beginning of the applicable renewal term. For CME's services, it receives a minimum annual payment or per trade fees on CME Globex based on average daily volume, whichever is greater. During the term of the

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agreement, CME is prohibited from listing products on CME Globex that are competitive contracts (as defined in the agreement) to the NYMEX products that are listed on the CME Globex platform provided minimum trading volumes are met. NYMEX remains responsible for clearing its contracts listed on CME Globex and for the performance of all related regulatory oversight functions. The agreement may be terminated for certain reasons, including by either party in the event of an acquisition of a competitor or the listing of competitive products by CME. Prior to the agreement's amendment on July 18, 2008, either party could also effect a mid-term termination (as provided in the agreement) between the five- and six-year anniversaries of the first launch date upon written notice and payment of a termination fee.

On July 18, 2008, the agreement was amended to provide that if CME gives written notice at least six months prior to the end of the ten-year term of the agreement, the term shall be extended for an additional two years and the agreement shall terminate twelve years from the launch date with rolling three-year extensions unless either party elects not to renew the agreement upon written notice prior to the beginning of the applicable renewal term. The amendment also altered the mid-term termination provision so that the termination option occurs between the six- and seven-year anniversaries of the first launch date. This amendment will only be effective (i) following the special meeting of NYMEX Holdings stockholders or (ii) in the event that the special meeting of NYMEX Holdings stockholders is not held as a result of a breach of the Amended Merger Agreement by NYMEX Holdings, immediately after such breach.

**Legal Proceedings Regarding the Merger**

On March 17, 2008, Cataldo J. Capozza filed a putative class action complaint in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors and CME Group. The complaint alleges, among other things, that NYMEX Holdings and its board of directors breached their fiduciary duties in approving the Merger Agreement by failing to take steps to maximize the value of NYMEX Holdings to its public stockholders, failing to properly value NYMEX Holdings and taking steps to avoid competitive bidding, capping the price of NYMEX Holdings common stock and giving CME Group an unfair advantage by failing to solicit other potential acquirors or alternative transactions. The complaint further alleges that CME Group aided and abetted the alleged breaches of fiduciary duty. Two additional putative class action complaints subsequently were filed in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors and CME Group. On May 16, 2008, the Court of Chancery ordered that the three class actions be consolidated and that all subsequently filed actions concerning the same subject matter be consolidated as well. The Court of Chancery also designated the complaint filed by Cataldo J. Capozza the operative complaint governing the class action moving forward.

On June 20, 2008, the stockholder plaintiffs filed a consolidated amended complaint in the Delaware Court of Chancery against NYMEX Holdings, the NYMEX Holdings board of directors, CME Group and Merger Sub. The complaint alleze:10.00pt">11,376

Loans collectively evaluated for impairment

192,116

95,260

155,193

132,647

0

575,216

Total ending loans balance

\$

200,651

\$

97,112

\$

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211

156,182

\$

132,647

\$

0

\$

586,592

The following tables present information related to impaired loans by class of loans as of September 30, 2013 and December 31, 2012:

(In Thousands of Dollars)	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated
<b>September 30, 2013</b>			
With no related allowance recorded:			
Commercial real estate			
Owner occupied	\$ 2,554	\$ 2,423	\$ 0
Non-owner occupied	518	418	0
Commercial	2,091	2,057	0
Residential real estate			
1-4 family residential	2,261	2,147	0
Home equity lines of credit	261	251	0
Subtotal	7,685	7,296	0
With an allowance recorded:			
Commercial real estate			
Owner occupied	2,963	2,727	220

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Non-owner occupied	1,605	1,605	25
Commercial	568	568	279
Subtotal	5,136	4,900	524
Total	\$ 12,821	\$ 12,196	\$ 524

(In Thousands of Dollars)	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated
December 31, 2012			
With no related allowance recorded:			
Commercial real estate			
Owner occupied	\$ 3,916	\$ 3,481	\$ 0
Non-owner occupied	560	461	0
Commercial	1,250	1,192	0
Residential real estate			
1-4 family residential	971	989	0
Subtotal	6,697	6,123	0
With an allowance recorded:			
Commercial real estate			
Owner occupied	2,207	2,169	59
Non-owner occupied	2,560	2,424	70
Commercial	948	660	51
Subtotal	5,715	5,253	180
Total	\$ 12,412	\$ 11,376	\$ 180

The following table presents the average recorded investment in impaired loans by class for the three and nine month periods ended September 30, 2013 and 2012:

(In Thousands of Dollars)	Average Recorded Investment for Three Months Ended September 30,		Average Recorded Investment for Nine Months Ended September 30,	
	2013	2012	2013	2012
With no related allowance recorded:				
Commercial real estate				
Owner occupied	\$ 2,557	\$ 1,558	\$ 2,533	\$ 974
Non-owner occupied	421	219	454	458
Other	0	0	0	152
Commercial	1,597	934	1,485	960
Residential real estate				
1-4 family residential	2,125	769	1,349	718
Home equity lines of credit	215	0	192	0
Subtotal	6,915	3,480	6,013	3,262
With an allowance recorded:				
Commercial real estate				
Owner occupied	2,498	4,241	2,714	4,391
Non-owner occupied	1,612	2,717	1,816	2,384
Other	0	0	0	91

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Commercial	253	688	295	495
Subtotal	4,363	7,646	4,825	7,361
Total	\$ 11,278	\$ 11,126	\$ 10,838	\$ 10,623

Interest income recognized during impairment for the three and nine month periods was immaterial.

Nonaccrual loans and loans past due 90 days or more still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

The following table presents the recorded investment in nonaccrual and loans past due 90 days or more still on accrual by class of loans as of September 30, 2013 and December 31, 2012:

(In Thousands of Dollars)	September 30, 2013		December 31, 2012	
	Nonaccrual	Loans Past Due 90 Days or More Still Accruing	Nonaccrual	Loans Past Due 90 Days or More Still Accruing
<b>Commercial real estate</b>				
Owner occupied	\$ 2,933	\$ 0	\$ 3,116	\$ 0
Non-owner occupied	416	0	799	0
Other	0	0	0	0
Commercial	2,143	0	1,081	0
<b>Residential real estate</b>				
1-4 family residential	2,607	618	2,342	197
Home equity lines of credit	286	0	294	236
<b>Consumer</b>				
Indirect	0	82	0	143
Direct	0	14	0	19
Other	0	7	0	1
<b>Total</b>	<b>\$ 8,385</b>	<b>\$ 721</b>	<b>\$ 7,632</b>	<b>\$ 596</b>

The following table presents the aging of the recorded investment in past due loans as of September 30, 2013 and December 31, 2012 by class of loans:

(In Thousands of Dollars)	30-59	60-89	90 Days or	Total Past	Loans Not	Total
	Days Past Due	Days Past Due	More Past Due and Nonaccrual			
<b>September 30, 2013</b>						
<b>Commercial real estate</b>						
Owner occupied	\$ 48	\$ 8	\$ 2,933	\$ 2,989	\$ 81,146	\$ 84,135
Non-owner occupied	17	0	416	433	95,798	96,231
Other	0	0	0	0	19,806	19,806
Commercial	0	50	2,143	2,193	106,565	108,758
<b>Residential real estate</b>						
1-4 family residential	206	0	3,225	3,431	135,620	139,051
Home equity lines of credit	26	0	286	312	25,839	26,151
<b>Consumer</b>						



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Indirect	1,376	248	82	1,706	122,379	124,085
Direct	109	17	14	140	10,386	10,526
Other	26	12	7	45	2,561	2,606
Total	\$ 1,808	\$ 335	\$ 9,106	\$ 11,249	\$ 600,100	\$ 611,349

(In Thousands of Dollars)	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due and Nonaccrual	Total Past Due	Loans Not Past Due	Total
<b>December 31, 2012</b>						
<b>Commercial real estate</b>						
Owner occupied	\$ 259	\$ 0	\$ 3,116	\$ 3,375	\$ 91,506	\$ 94,881
Non-owner occupied	0	0	799	799	82,320	83,119
Other	0	0	0	0	22,651	22,651
Commercial	233	15	1,081	1,329	95,783	97,112
<b>Residential real estate</b>						
1-4 family residential	718	352	2,539	3,609	128,463	132,072
Home equity lines of credit	183	82	530	795	23,315	24,110
<b>Consumer</b>						
Indirect	1,351	319	143	1,813	117,907	119,720
Direct	144	18	19	181	10,979	11,160
Other	15	13	1	29	1,738	1,767
<b>Total</b>	<b>\$ 2,903</b>	<b>\$ 799</b>	<b>\$ 8,228</b>	<b>\$ 11,930</b>	<b>\$ 574,662</b>	<b>\$ 586,592</b>

#### Troubled Debt Restructurings:

Total troubled debt restructurings were \$8.3 million and \$7.6 million at September 30, 2013 and December 31, 2012, respectively. The Company has allocated \$187 thousand and \$155 thousand of specific reserves to customers whose loan terms have been modified in troubled debt restructurings as of September 30, 2013 and December 31, 2012, respectively. There are \$16 thousand in commitments to lend additional amounts to borrowers with loans that were classified as troubled debt restructurings at September 30, 2013. There were no commitments at December 31, 2012.

During the three and nine month periods ended September 30, 2013 and 2012, the terms of certain loans were modified as troubled debt restructurings. The modification of the terms of such loans included one or a combination of the following: a reduction of the stated interest rate of the loan; an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk; a permanent reduction of the recorded investment in the loan; a permanent increase of the recorded investment in the loan due to a protective advance to pay delinquent real estate taxes or advance new monies; a deferral of principal payments; or a legal concession.

Troubled debt restructuring modifications involved a change in the notes stated interest rate in the range of an increase of 0.25% to a reduction of 3.25%. There were also extensions of the maturity dates on these and other troubled debt restructurings in the range of three months to 126 months.

The following table presents loans by class modified as troubled debt restructurings that occurred during the three and nine month periods ended September 30, 2013 and 2012:

#### Three Months Ended September 30, 2013

(In Thousands of Dollars)	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
Residential real estate			
1-4 family residential	1	\$ 10	\$ 10
HELOC	1	56	56
Total	2	\$ 66	\$ 66

Nine Months Ended September 30, 2013

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
Commercial real estate			
Owner occupied	2	\$ 226	\$ 239
Commercial	5	649	682
Residential real estate			
1-4 family residential	2	18	18
HELOC	5	214	214
Total	14	\$ 1,107	\$ 1,153

Three Months Ended September 30, 2012

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
Commercial real estate			
Owner occupied	1	\$ 356	\$ 374
Commercial	1	74	100
Residential real estate			
1-4 family residential	3	234	234
Total	5	\$ 664	\$ 708

Nine Months Ended September 30, 2012

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
Commercial real estate			
Owner occupied	3	\$ 1,143	\$ 1,166
Non-owner occupied	3	2,376	2,419
Commercial	1	74	100
Residential real estate			
1-4 family residential	4	286	286
Total	11	\$ 3,879	\$ 3,971

There were \$1 thousand in charge offs during the three month period and \$17 thousand in charge offs during the nine month period ended September 30, 2013 as a result of troubled debt restructurings. During these periods ended September 30, 2013, the charge offs did not cause an increase in the allowance for loan losses. There was a loan discussed in prior periods that resulted in a \$3 thousand increase in the allowance of loan losses as a result of the allowance adjustment due to the troubled debt restructurings described above that no longer has an impairment reserve due to the increase in the fair market value of the collateral. The troubled debt restructuring decreased the allowance for loan losses by \$161 thousand during the three and nine month periods ended September 30, 2012. There were no charge offs as a result of the allowance adjustment.

There were two commercial loans and one commercial real estate loan modified as troubled debt restructuring for which there were payment defaults within twelve months following the modification during the three and nine month periods ended September 30, 2013. Two of the three loans were past due at September 30, 2013. There were two residential real estate loans modified as troubled debt restructurings for which there were payment defaults within twelve months following the modification during the period ended September 30, 2012. The loans were not past due at September 30, 2012. There was no additional provision or any impact to the allowance for losses associated with these loans. A loan is considered to be in payment default once it is 30 days contractually past due under the modified terms.

## Credit Quality Indicators:

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company establishes a risk rating at origination for all commercial loan and commercial real estate relationships. For relationships over \$300 thousand management monitors the loans on an ongoing basis for any changes in the borrower's ability to service their debt. Management also affirms the risk ratings for the loans and leases in their respective portfolios on an annual basis. The Company uses the following definitions for risk ratings:

**Special Mention.** Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.

**Substandard.** Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. Substandard loans are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

**Doubtful.** Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans.

As of September 30, 2013 and December 31, 2012, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

(In Thousands of Dollars)	Pass	Special Mention	Sub-standard	Doubtful	Not Rated	Total
September 30, 2013						
Commercial real estate						
Owner occupied	\$ 70,512	\$ 7,419	\$ 6,204	\$ 0	\$ 0	\$ 84,135
Non-owner occupied	87,290	5,993	2,948	0	0	96,231
Other	19,459	0	347	0	0	19,806
Commercial	102,417	2,363	3,978	0	0	108,758
Total	\$ 279,678	\$ 15,775	\$ 13,477	\$ 0	\$ 0	\$ 308,930

Pass

Doubtful

Not Rated

Total

(In Thousands of Dollars)		Special Mention	Sub-standard			
December 31, 2012						
Commercial real estate						
Owner occupied	\$ 78,327	\$ 5,954	\$ 10,600	\$ 0	\$ 0	\$ 94,881
Non-owner occupied	72,270	6,519	4,330	0	0	83,119
Other	17,855	4,433	363	0	0	22,651
Commercial	89,312	3,891	3,909	0	0	97,112
Total	\$ 257,764	\$ 20,797	\$ 19,202	\$ 0	\$ 0	\$ 297,763

The Company considers the performance of the loan portfolio and its impact on the allowance for loan losses. For residential, consumer indirect and direct loan classes, the Company also evaluates credit quality based on the aging status of the loan, which was previously presented, and by payment activity.

The following table presents the recorded investment in residential, consumer indirect and direct auto loans based on payment activity as of September 30, 2013 and December 31, 2012. Nonperforming loans are loans past due 90 days or more and still accruing interest and nonaccrual loans.

(In Thousands of Dollars)	Residential Real Estate			Consumer	
	1-4 Family Residential	Home Equity Lines of Credit	Indirect	Direct	Other
September 30, 2013					
Performing	\$ 135,826	\$ 25,865	\$ 124,003	\$ 10,512	\$ 2,599
Nonperforming	3,225	286	82	14	7
Total	\$ 139,051	\$ 26,151	\$ 124,085	\$ 10,526	\$ 2,606

(In Thousands of Dollars)	Residential Real Estate			Consumer	
	1-4 Family Residential	Home Equity Lines of Credit	Indirect	Direct	Other
December 31, 2012					
Performing	\$ 129,533	\$ 23,580	\$ 119,577	\$ 11,141	\$ 1,766
Nonperforming	2,539	530	143	19	1
Total	\$ 132,072	\$ 24,110	\$ 119,720	\$ 11,160	\$ 1,767

#### Interest Rate Swaps:

During 2012, the Company began using a program that utilizes interest-rate swaps as part of its asset/liability management strategy. The interest-rate swaps are used to help manage the Company's interest rate risk position and not as derivatives for trading purposes. The notional amount of the interest-rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest-rate swap agreements.

The objective of the interest-rate swaps is to protect the related fixed rate commercial real estate loans from changes in fair value due to changes in interest rates. The Company has a program whereby it lends to its borrowers at a fixed rate with the loan agreement containing a two-way yield maintenance provision, which will be invoked in the event of prepayment of the loan, and is expected to exactly offset the fair value of unwinding the swap. The yield maintenance provision represents an embedded derivative which is bifurcated from the host loan contract and, as such, the swaps and embedded derivatives are not designed as hedges. Accordingly, both instruments are carried at fair value and changes in fair value are reported in current period earnings.



Summary information about these interest-rate swaps at periods ended September 30, 2013 and December 31, 2012 is as follows:

(In Thousands of Dollars)	September 30, 2013	December 31, 2012
Notional amounts	\$ 16,548	\$ 7,060
Weighted average fixed pay rate on interest-rate swaps	4.19%	4.07%
Weighted average variable receive rate on interest-rate swaps	3.08%	2.99%
Weighted average maturity (years)	4.3	5.8
Fair value of combined interest-rate swaps	\$ 160	\$ 120

The fair value of the yield maintenance provisions and interest-rate swaps is recorded in other assets and other liabilities, respectively, in the consolidated balance sheets. Changes in the fair value of the yield maintenance provisions and interest-rate swaps are reported in earnings, as other noninterest income in the consolidated statements of income. For the three and nine month periods ended September 30, 2013 there was no net gain or loss recognized in earnings. The Company had no interest-rate swaps recorded at September 30, 2012.

## Earnings Per Share:

The computation of basic and diluted earnings per share is shown in the following table:

(In Thousands, except Share and Per Share Data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
<b>Basic EPS computation</b>				
Numerator Net income	\$ 1,612	\$ 2,489	\$ 5,485	\$ 7,295
Denominator Weighted average shares outstanding	18,775,980	18,802,269	18,772,664	18,789,449
Basic earnings per share	\$ .09	\$ .13	\$ .29	\$ .39
<b>Diluted EPS computation</b>				
Numerator Net income	\$ 1,612	\$ 2,489	\$ 5,485	\$ 7,295
Denominator Weighted average shares outstanding for basic earnings per share	18,775,980	18,802,269	18,772,664	18,789,449
Effect of Stock Options	0	0	0	0
Weighted averages shares for diluted earnings per share	18,775,980	18,802,269	18,772,664	18,789,449
Diluted earnings per share	\$ .09	\$ .13	\$ .29	\$ .39

Stock options for 5,000 shares were not considered in the computing of diluted earnings per share for the three and nine months ended September 30, 2013 and 2012, respectively, because they were antidilutive.

## Stock Based Compensation:

During 2012, the Company, with the approval of shareholders, created the 2012 Equity Incentive Plan (the Plan). The Plan permits the award of up to 500 thousand shares to the Company's directors and employees to promote the Company's long-term financial success by motivating performance through long-term incentive compensation and to better align the interests of its employees with those of its shareholders. No share awards were issued during the periods ended September 30, 2013 and 2012 under the Plan.

The Company's Stock Option Plan, which was shareholder-approved and has since expired, permitted the grant of share options to its directors, officers and employees for up to 375 thousand shares of common stock. Option awards were granted with an exercise price equal to the market price of the Company's common stock at the date of grant; those option awards have vesting periods of 5 years and have 10-year contractual terms. Option exercises are expected to be satisfied with either newly issued shares or treasury shares. At September 30, 2013 there remained only 5,000 outstanding options that were fully vested and exercisable. The fair value of the Company's stock at September 30, 2013 was less than the fair value option exercise price; therefore the outstanding and exercisable options had no intrinsic value.

The fair value of each option award is estimated on the date of grant using a Black-Scholes model. Total compensation cost charged against income for the stock option plan for the three and nine month period ended September 30, 2013 was not material. No related income tax benefit was recorded.

## Other Comprehensive Income (Loss):

The following table represents the detail of other comprehensive income (loss) for the three and nine month periods ended September 30, 2013 and 2012.

(In Thousands of Dollars)	Three months ended September 30, 2013		
	Pre-tax	Tax	After-tax
Unrealized holding losses on available-for-sale securities during the period	\$ (5,939)	\$ 2,077	\$ (3,862)
Reclassification adjustment for (gains) losses included in net income (1)	(597)	209	(388)
Net unrealized losses on available-for-sale securities	\$ (6,536)	\$ 2,286	\$ (4,250)

(In Thousands of Dollars)	Nine months ended September 30, 2013		
	Pre-tax	Tax	After-tax
Unrealized holding losses on available-for-sale securities during the period	\$ (17,399)	\$ 6,090	\$ (11,309)
Reclassification adjustment for (gains) losses included in net income (1)	(853)	298	(555)
Net unrealized losses on available-for-sale securities	\$ (18,252)	\$ 6,388	\$ (11,864)

(In Thousands of Dollars)	Three months ended September 30, 2012		
	Pre-tax	Tax	After-tax
Unrealized holding gains on available-for-sale securities during the period	\$ 695	\$ (243)	\$ 452
Reclassification adjustment for (gains) losses included in net income (1)	(473)	166	(307)
Net unrealized gains on available-for-sale securities	\$ 222	\$ (77)	\$ 145

(In Thousands of Dollars)	Nine months ended September 30, 2012		
	Pre-tax	Tax	After-tax

Unrealized holding gains on available-for-sale securities during the period	\$ 2,438	\$ (853)	\$ 1,585
Reclassification adjustment for (gains) losses included in net income (1)	(473)	166	(307)
Net unrealized gains on available-for-sale securities	\$ 1,965	\$ (687)	\$ 1,278

(1) Pre-tax reclassification adjustments relating to available-for-sale securities are reported in security gains and the tax impact is included in income tax expense on the consolidated statements of income.

#### Fair Value:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Investment Securities: The Company used a third party service to estimate fair value on available for sale securities on a monthly basis. This service provider is considered a leading evaluation pricing service for U.S. domestic fixed income securities. They subscribe to multiple third-party pricing vendors, and supplement that information with matrix pricing methods. The fair values for

investment securities are determined by quoted market prices in active markets, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on quoted prices for similar assets in active markets, quoted prices for similar assets in markets that are not active or inputs other than quoted prices, which provide a reasonable basis for fair value determination. Such inputs may include interest rates and yield curves, volatilities, prepayment speeds, credit risks and default rates. Inputs used are derived principally from observable market data (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). The fair values of Level 3 investment securities are determined by using unobservable inputs to measure fair value of assets for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based on the best information at the time, to the extent that inputs are available without undue cost and effort by the Company's Chief Financial Officer and Controller. For the period ended September 30, 2013 and for the year ended December 31, 2012, the fair value of Level 3 investment securities was immaterial.

**Derivative Instruments:** The fair values of derivative instruments are based on valuation models using observable market data as of the measurement date (Level 2).

**Impaired Loans:** At the time loans are considered impaired, collateral dependent impaired loans are valued at the lower of cost or fair value and non-collateral dependent loans are valued based on discounted cash flows. Impaired loans carried at fair value generally receive specific allocations of the allowance for loan losses. For collateral dependent loans fair value is commonly based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Impaired loans are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

**Other Real Estate Owned:** Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Fair values are commonly based on recent real estate appraisals. These appraisals may use a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value.

Appraisals for both collateral-dependent impaired loans and other real estate owned are performed by certified general appraisers (for commercial and commercial real estate properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Company. Once received, a member of the Appraisal Department reviews the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. On an annual basis, the Company compares the actual selling price of collateral that has been sold to the most recent appraised value to determine what adjustments should be made to appraisals to arrive at fair value.



Assets measured at fair value on a recurring basis, including financial assets for which the Company has elected the fair value option, are summarized below:

Fair Value Measurements at				
September 30, 2013 Using:				
(In Thousands of Dollars)	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		
		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Financial Assets</b>				
Investment securities available-for sale				
U.S. Treasury and U.S. government sponsored entities	\$ 55,236	\$ 0	\$ 55,236	\$ 0
State and political subdivisions	106,275	0	106,275	0
Corporate bonds	1,525	0	1,525	0
Mortgage-backed securities-residential	221,120	0	221,109	11
Collateralized mortgage obligations	29,628	0	29,628	0
Small business administration	24,222	0	24,222	0
Equity securities	121	121	0	0
Total investment securities	\$ 438,127	\$ 121	\$ 437,995	\$ 11
Yield maintenance provisions	\$ 160	\$ 0	\$ 160	\$ 0
<b>Financial Liabilities</b>				
Interest rate swaps	\$ 160	\$ 0	\$ 160	\$ 0

Fair Value Measurements at				
December 31, 2012 Using:				
(In Thousands of Dollars)	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		
		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Financial Assets</b>				
Investment securities available-for sale				
U.S. Treasury and U.S. government sponsored entities	\$ 67,978	\$ 0	\$ 67,978	\$ 0



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State and political subdivisions	95,288	0	95,288	0
Corporate bonds	2,128	0	2,128	0
Mortgage-backed securities-residential	236,218	0	236,207	11
Collateralized mortgage obligations	40,595	0	40,595	0
Small business administration	21,444	0	21,444	0
Equity securities	437	437	0	0
Total investment securities	\$ 464,088	\$ 437	\$ 463,640	\$ 11
Yield maintenance provisions	\$ 120	\$ 0	\$ 120	\$ 0
Financial Liabilities				
Interest rate swaps	\$ 120	\$ 0	\$ 120	\$ 0

There were no significant transfers between Level 1 and Level 2 during the three and nine month periods ended September 30, 2013 and 2012.

The table below presents a reconciliation for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

(In Thousands of Dollars)	Investment Securities Available-for-sale (Level 3)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	Beginning balance	\$ 11	\$ 11	\$ 11
Total unrealized gains or losses:				
Included in other comprehensive income or loss	0	0	0	0
Repayments	0	0	0	(1)
Transfer in and/or out of Level 3	0	0	0	0
Ending balance	\$ 11	\$ 11	\$ 11	\$ 11

Assets measured at fair value on a non-recurring basis are summarized below:

Fair Value Measurements				
at September 30, 2013 Using:				
(In Thousands of Dollars)	Carrying Value	Quoted Prices	Significant	Significant
		in Active	Other	Unobservable
		Markets for	Observable	Inputs
		Identical Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Financial assets:</b>				
Impaired loans				
Commercial real estate				
Owner occupied	\$ 2,370	\$ 0	\$ 0	\$ 2,370
Non-owner occupied	418	0	0	418
Commercial	703	0	0	703
1 4 family residential	409	0	0	409
HELOC	96	0	0	96
Other real estate owned				
1 4 family residential	33	0	0	33

Fair Value Measurements

at December 31, 2012 Using:

(In Thousands of Dollars)	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Financial assets:</b>				
<b>Impaired loans</b>				
<b>Commercial real estate</b>				
Owner occupied	\$ 928	\$ 0	\$ 0	\$ 928
Non-owner occupied	775	0	0	775
Commercial	869	0	0	869
1 4 family residential	43	0	0	43
<b>Other real estate owned</b>				
1 4 family residential	57	0	0	57

Impaired loans that are measured for impairment using the fair value of the collateral for collateral dependent loans, had a principal balance of \$4.4 million with a valuation allowance of \$450 thousand at September 30, 2013, resulting in an additional provision for loan losses of \$431 thousand and \$714 thousand for the three and nine month periods. At December 31, 2012, impaired loans had a principal balance of \$2.6 million, with a valuation allowance of \$25 thousand. For loans carried at fair value the additional provision for loan losses, for the three and nine month periods ended September 30, 2012, was \$246 thousand and \$665 thousand, respectively. Excluded from the fair value of impaired loans, at September 30, 2013 and December 31, 2012, discussed above are \$2.3 million and \$4.3 million of loans classified as troubled debt restructurings, which are not carried at fair value.

Impaired commercial real estate loans, both owner occupied and non-owner occupied are valued by independent external appraisals. These external appraisals are prepared using the sales comparison approach and income approach valuation techniques. Management makes subsequent unobservable adjustments to the impaired loan appraisals. Impaired loans other than commercial real estate and other real estate owned are not considered material.

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at period ended September 30, 2013 and December 31, 2012:

(In Thousands of Dollars)

September 30, 2013	Fair value	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
<b>Impaired loans</b>				
Commercial real estate	\$ 2,585	Sales comparison	Adjustment for differences between comparable sales	-42.96% - 47.57% (-3.43%)
	203	Income approach	Adjustment for differences in net operating income	-13.64% - 12.93% (-5.96%)
Commercial	703	Sales comparison	Adjustment for differences between comparable sales	-25.56% - 33.03% (21.49%)
Residential	505	Sales comparison	Adjustment for differences between comparable sales	-46.81% - 23.45% (-9.75%)

(In Thousands of Dollars)

December 31, 2012	Fair value	Valuation Technique(s)	Unobservable Input(s)	Range (Weighted Average)
<b>Impaired loans</b>				
Commercial real estate	\$ 1,548	Sales comparison	Adjustment for differences between comparable sales	-11.30% - 14.12% (-4.38%)
	155	Income approach	Adjustment for differences in net operating income	-28.36% - 19.40% (-5.47%)
Commercial	869	Sales comparison	Adjustment for differences between comparable sales	-45.19% - 20.19% (-27.05%)
Residential	43	Sales comparison	Adjustment for differences between comparable sales	-46.81% - 23.45% (-36.40%)

The carrying amounts and estimated fair values of financial instruments not previously disclosed at September 30, 2013 and December 31, 2012 are as follows:

(In Thousands of Dollars)	Fair Value Measurements at September 30, 2013 Using:				
	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	\$ 40,303	\$ 13,690	\$ 26,613	\$ 0	\$ 40,303
Restricted stock	4,224	n/a	n/a	n/a	n/a
Loans held for sale	1,016	0	1,034	0	1,034
Loans, net	603,980	0	0	610,718	610,718
Accrued interest receivable	3,783	0	2,173	1,610	3,783
<b>Financial liabilities</b>					
Deposits	903,410	675,349	229,627	0	904,976
Short-term borrowings	98,243	0	98,243	0	98,243
Long-term borrowings	20,079	0	20,872	0	20,872
Accrued interest payable	455	2	453	0	455

(In Thousands of Dollars)	Carrying Amount	Fair Value Measurements at December 31, 2012 Using:			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and cash equivalents	\$ 37,759	\$ 14,209	\$ 23,550	\$ 0	\$ 37,759
Restricted stock	4,224	n/a	n/a	n/a	n/a
Loans held for sale	3,624	0	3,691	0	3,691
Loans, net	578,963	0	0	586,359	586,359
Accrued interest receivable	3,679	0	2,051	1,628	3,679
<b>Financial liabilities</b>					
Deposits	919,009	683,660	240,830	0	924,490
Short-term borrowings	79,886	0	79,886	0	79,886
Long-term borrowings	10,423	0	11,690	0	11,690
Accrued interest payable	479	2	477	0	479

The methods and assumptions used to estimate fair value, not previously described, are described as follows:

**Cash and Cash Equivalents:** The carrying amounts of cash and short-term instruments approximate fair values and are classified as either Level 1 or Level 2. The Company has determined that cash on hand and non-interest bearing due from bank accounts are Level 1 whereas interest bearing federal funds sold and other are Level 2.

**Restricted Stock:** It is not practical to determine the fair value of restricted stock due to restrictions placed on its transferability.

**Loans:** Fair values of loans, excluding loans held for sale, are estimated as follows: For variable rate loans that repriced frequently and with no significant change in credit risk, fair values are based on carrying values resulting in a Level 3 classification. Fair values for other loans are estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality resulting in a Level 3 classification. Impaired loans are valued at the lower of cost or fair value as described previously. The methods utilized to estimate the fair value of loans do not necessarily represent an exit price.

**Loans held for sale:** The fair value of loans held for sale is estimated based upon binding contracts and quotes from third party investors resulting in a Level 2 classification.

**Accrued Interest Receivable/Payable:** The carrying amounts of accrued interest receivable and payable approximate fair value resulting in a Level 2 or Level 3 classification. The classification is the result of the association with securities, loans and deposits.

Deposits: The fair values disclosed for demand deposits – interest and non-interest checking, passbook savings, and money market accounts – are, by definition, equal to the amount payable on demand at the reporting date resulting in a Level 1 classification. The carrying amounts of variable rate certificates of deposit approximate their fair values at the reporting date resulting in a Level 2 classification. Fair value for fixed rate certificates of deposit are estimated using a discounted cash flows calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits resulting in a Level 2 classification.

Short-term Borrowings: The carrying amounts of federal funds purchased, borrowings under repurchase agreements, and other short-term borrowings, generally maturing within ninety days, approximate their fair values resulting in a Level 2 classification.

Long-term Borrowings: The fair values of the Company’s long-term borrowings are estimated using discounted cash flow analyses based on the current borrowing rates for similar types of borrowing arrangements resulting in a Level 2 classification.

Off-balance Sheet Instruments: The fair value of commitments is not considered material.

## Segment Information:

The reportable segments are determined by the products and services offered, primarily distinguished between banking and trust operations. They are also distinguished by the level of information provided to the chief operating decision makers in the Company, who use such information to review performance of various components of the business, which are then aggregated. Loans, investments, and deposits provide the revenues in the banking operation, and trust service fees provide the revenue in trust operations. NAI is included in others. All operations are domestic.

Significant segment totals are reconciled to the financial statements as follows:

(In Thousands of Dollars)	Trust Segment	Bank Segment	Eliminations and Others	Consolidated Totals
September 30, 2013				
Assets				
Cash and cash equivalents	\$ 591	\$ 39,627	\$ 85	\$ 40,303
Securities available for sale	4,675	433,330	122	438,127
Loans held for sale	0	1,016	0	1,016
Net loans	0	603,980	0	603,980
Premises and equipment, net	97	17,400	70	17,567
Goodwill and other intangibles	5,738	0	4,808	10,546
Other assets	562	35,293	725	36,580
Total Assets	\$ 11,663	\$ 1,130,646	\$ 5,810	\$ 1,148,119
Liabilities and Stockholders Equity				
Deposits, borrowings and other liabilities	\$ 640	\$ 1,034,674	\$ 281	\$ 1,035,595
Stockholders equity	11,023	95,972	5,529	112,524
Total Liabilities and Stockholders Equity	\$ 11,663	\$ 1,130,646	\$ 5,810	\$ 1,148,119

(In Thousands of Dollars)	Trust Segment	Bank Segment	Eliminations and Others	Consolidated Totals
December 31, 2012				
Assets				
Cash and cash equivalents	\$ 636	\$ 37,191	\$ (68)	\$ 37,759
Securities available for sale	4,695	459,246	147	464,088
Loans held for sale	0	3,624	0	3,624
Net loans	0	578,963	0	578,963
Premises and equipment, net	100	18,329	0	18,429
Goodwill and other intangibles	6,032	0	0	6,032
Other assets	546	29,758	496	30,800
Total Assets	\$ 12,009	\$ 1,127,111	\$ 575	\$ 1,139,695
Liabilities and Stockholders Equity				
Deposits, borrowings and other liabilities	\$ 302	\$ 1,022,092	\$ (3,491)	\$ 1,018,903
Stockholders equity	11,707	105,019	4,066	120,792



Total Liabilities and Stockholders Equity	\$ 12,009	\$ 1,127,111	\$ 575	\$ 1,139,695
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(In Thousands of Dollars) For the Three Months Ended September 30, 2013	Trust Segment	Bank Segment	Eliminations and Others	Consolidated Totals
Net interest income	\$ 11	\$ 8,840	\$ (3)	\$ 8,848
Provision for loan losses	0	340	0	340
Service fees, security gains and other noninterest income	1,389	2,489	295	4,173
Noninterest expense	1,213	8,774	939	10,926
Income before taxes	187	2,215	(647)	1,755
Income taxes	65	298	(220)	143
Net Income	\$ 122	\$ 1,917	\$ (427)	\$ 1,612

(In Thousands of Dollars)	Trust Segment	Bank Segment	Eliminations and Others	Consolidated Totals
For the Nine Months Ended September 30, 2013				
Net interest income	\$ 34	\$ 26,831	\$ (10)	\$ 26,855
Provision for loan losses	0	765	0	765
Service fees, security gains and other noninterest income	4,167	5,781	325	10,273
Noninterest expense	3,711	24,406	1,719	29,836
Income before taxes	490	7,441	(1,404)	6,527
Income taxes	170	1,349	(477)	1,042
Net Income	\$ 320	\$ 6,092	\$ (927)	\$ 5,485

(In Thousands of Dollars)	Trust Segment	Bank Segment	Eliminations and Others	Consolidated Totals
For the Three Months Ended September 30, 2012				
Net interest income	\$ 13	\$ 9,091	\$ (3)	\$ 9,101
Provision for loan losses	0	325	0	325
Service fees, security gains and other noninterest income	1,347	1,973	47	3,367
Noninterest expense	1,215	7,373	308	8,896
Income before taxes	145	3,366	(264)	3,247
Income taxes	51	797	(90)	758
Net Income	\$ 94	\$ 2,569	\$ (174)	\$ 2,489

(In Thousands of Dollars)	Trust Segment	Bank Segment	Eliminations and Others	Consolidated Totals
For the Nine Months Ended September 30, 2012				
Net interest income	\$ 35	\$ 27,624	\$ (17)	\$ 27,642
Provision for loan losses	0	725	0	725
Service fees, security gains and other noninterest income	4,166	4,728	58	8,952
Noninterest expense	3,742	21,793	809	26,344
Income before taxes	459	9,834	(768)	9,525
Income taxes	161	2,330	(261)	2,230
Net Income	\$ 298	\$ 7,504	\$ (507)	\$ 7,295

#### Business Combination:

On July 1, 2013, the Company completed the acquisition of all outstanding stock of the retirement planning consultancy National Associates, Inc. of Cleveland, Ohio. The transaction involved both cash and stock totaling \$4.4 million, including up to \$1.5 million of future payments, contingent upon NAI meeting income performance targets, with an estimated fair value at the acquisition date of \$920,000. The fair market value of the contingent consideration

was determined using the Monte Carlo Simulation. The simulation's key assumptions included a two year period with an estimated volatility of 20%. Expected EBITDA had a base of 6% with a maximum 12% and a discount rate of 11.9%. The acquisition is part of the Company's plan to increase the levels of noninterest income and to complement the existing retirement services currently being offered. Acquisition-related costs of \$9 thousand and \$270 thousand are included in the Company's consolidated income statements for the three and nine month periods ended September 30, 2013.

Goodwill of \$2.6 million, which is recorded on the balance sheet of NAI, arising from the acquisition consisted largely of synergies and the cost savings resulting from the combining of the operations of the companies. The goodwill is not expected to be deductible for income tax purposes. The fair value of other intangible assets of \$2.3 million is related to client relationships, company name and noncompetition agreements. The following table summarizes the consideration paid for NAI and the amounts of the assets acquired and liabilities assumed. All amounts are subject to certain adjustments contained in the purchase agreement.

(In Thousands of Dollars)	
<b>Consideration</b>	
Cash	\$ 2,100
Stock	1,400
Contingent consideration	920
Fair value of total consideration transferred	4,420
<b>Assets acquired and liabilities assumed</b>	
Cash	28
Accounts receivable	300
Premises and equipment	50
Other assets	1
Total assets acquired	379
Liabilities assumed	81
Net assets acquired	\$ 298
<b>Assets and liabilities arising from acquisition</b>	
Identified intangible assets	2,290
Deferred tax liability	(802)
Goodwill	2,634
Net assets acquired from acquisition	\$ 4,420

NAI contributed \$279 thousand of gross revenues to the Company with a resulting net loss of \$98 thousand during the three month period ended September 30, 2013. Net income of the Company would not have been materially affected if the acquisition occurred at the beginning of the nine month period ended September 30, 2013.

#### Subsequent Event:

Management of the Company has focused on increasing the levels of noninterest income and reducing the level of noninterest expenses. In addition to the acquisition of NAI, another step in this process was the decision to close two retail branch locations in Leetonia and Warren, Ohio. With declining branch transaction counts and banking trends driving customers towards online banking, the two branches were underutilized. Management is evaluating the financial statement impact of the closures but does not expect losses, if any, to be material. Efficiencies will be gained as these branches sit in close proximity to other branch locations. The two branches were closed on October 1, 2013.



Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations  
Forward Looking Statements

Discussions in this report that are not statements of historical fact (including statements that include terms such as will, may, should, believe, expect, anticipate, estimate, project, intend, and plan ) are forward-looking and involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual future results could differ materially from those contained in forward-looking information. Factors that could cause or contribute to such differences include, without limitation, risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission, including without limitation, the risk factors disclosed in Item 1A, Risk Factors, in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Many of these factors are beyond the Company's ability to control or predict, and readers are cautioned not to put undue reliance on those forward-looking statements. The following list, which is not intended to be an all-encompassing list of risks and uncertainties affecting the Company, summarizes several factors that could cause the Company's actual results to differ materially from those anticipated or expected in these forward-looking statements:

- general economic conditions in market areas where we conduct business, which could materially impact credit quality trends;
- business conditions in the banking industry;
- the regulatory environment;
- fluctuations in interest rates;
- demand for loans in the market areas where we conduct business;
- rapidly changing technology and evolving banking industry standards;
- competitive factors, including increased competition with regional and national financial institutions;
- new service and product offerings by competitors and price pressures; and other like items.

Other factors not currently anticipated may also materially and adversely affect the Company's results of operations, cash flows and financial position. There can be no assurance that future results will meet expectations. While the Company believes that the forward-looking statements in this report are reasonable, the reader should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. The Company does not undertake, and expressly disclaims, any obligation to update or alter any statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

## Overview

Net income for the three months ended September 30, 2013 was \$1.6 million, compared to \$2.5 million for the same period last year. On a per share basis, net income for the third quarter ended September 30, 2013 was \$0.09 per diluted share, compared to \$0.13 for the third quarter ended September 30, 2012 and \$0.10 for the second quarter ended June 30, 2013. During the third quarter ended September 30, 2013, the Company recorded charges of \$1.3 million related to severance costs for terminated employees. Excluding these severance expenses, net income for the quarter would have been \$2.4 million, or \$0.13 per share.

Net income for the nine months ended September 30, 2013 was \$5.5 million, compared to \$7.3 million for the same nine month period in 2012. On a per share basis, net income for the nine months ended September 30, 2013 was \$0.29, a decrease of 25.6% compared to the same nine month period in 2012. For the nine month period ended September 30, 2013, net income excluding the severance expenses was \$6.3 million, or \$0.34 per share.

Net loans increased \$39.7 million in comparing the third quarter of 2013 to the same quarter of 2012. Net loans were \$604.0 million at September 30, 2013, compared to \$564.3 million at the same time in 2012. Deposits increased \$3.3 million, from \$900.1 million at September 30, 2012 to \$903.4 million at September 30, 2013, as customers continue to seek the safety and security of FDIC insured deposit accounts. At September 30, 2013, core deposits savings and money market accounts, time deposits less than \$100 thousand, demand deposits and interest bearing demand deposits represented approximately 90% of total deposits.

Stockholders' equity totaled \$112.5 million, or 9.8% of total assets, at September 30, 2013, a decrease of \$8.5 million, or 7%, compared to \$121.0 million at September 30, 2012. Contributing to the decrease are mark to market adjustments in securities available for sale due to increases in long-term interest rates, partially offset by retained net income. Another contributing factor is the issuance of \$1.4 million in shares and the related goodwill associated with the acquisition of NAI, which closed at the beginning of the

third quarter. Shareholders received a total of \$0.15 per share in cash dividends paid in the past four quarters, including a special \$0.03 cash dividend paid on December 31, 2012. Book value per share decreased from \$6.44 per share at September 30, 2012 to \$5.99 per share at September 30, 2013. The Company's tangible book value per share also decreased from \$6.11 per share at September 30, 2012 to \$5.43 per share at September 30, 2013. The decreases in book value and tangible book value per share were also the result of the mark to market adjustments in securities available for sale and the issuance of shares and related goodwill from the acquisition of NAI.

## Results of Operations

The following is a comparison of selected financial ratios and other results at or for the three and nine months ended September 30, 2013 and 2012:

(In Thousands, except Per Share Data)	At or for the Three Months Ended September 30,		At or for the Nine Months Ended September 30,	
	2013	2012	2013	2012
Total Assets	\$ 1,148,119	\$ 1,132,746	\$ 1,148,119	\$ 1,132,746
Net Income	\$ 1,612	\$ 2,489	\$ 5,485	\$ 7,295
Basic and Diluted Earnings Per Share	\$ 0.09	\$ 0.13	\$ 0.29	\$ 0.39
Return on Average Assets (Annualized)	0.56%	0.88%	0.64%	0.88%
Return on Average Equity (Annualized)	5.60%	8.22%	6.26%	8.28%
Efficiency Ratio (tax equivalent basis)	81.64%	70.12%	77.21%	69.01%
Equity to Asset Ratio	9.80%	10.68%	9.80%	10.68%
Tangible Common Equity Ratio *	8.96%	10.20%	8.96%	10.20%
Dividends to Net Income	34.93%	22.66%	30.70%	30.90%
Net Loans to Assets	52.61%	49.82%	52.61%	49.82%
Loans to Deposits	67.67%	63.65%	67.67%	63.65%

\*The tangible common equity ratio is calculated by dividing total common stockholders' equity by total assets, after reducing both amounts by intangible assets. The tangible common equity ratio is not required by U.S. GAAP or by applicable bank regulatory requirements, but is a metric used by management to evaluate the adequacy of the Company's capital levels. Since there is no authoritative requirement to calculate the tangible common equity ratio, the Company's tangible common equity ratio is not necessarily comparable to similar capital measures disclosed or used by other companies in the financial services industry. Tangible common equity and tangible assets are non-U.S. GAAP financial measures and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with U.S. GAAP. With respect to the calculation of the actual unaudited tangible common equity ratio as of September 30, 2013 and 2012, reconciliations of tangible common equity to U.S. GAAP total common stockholders' equity and tangible assets to U.S. GAAP total assets are set forth below:

(In Thousands of Dollars)	September 30, 2013	December 31, 2012	September 30, 2012
Reconciliation of Common Stockholders' Equity to Tangible Common Equity			
Stockholders' Equity	\$ 112,524	\$ 120,792	\$ 121,008



Less Goodwill and other intangibles	10,546	6,032	6,134
Tangible Common Equity	\$ 101,978	\$ 114,760	\$ 114,874

(In Thousands of Dollars)	September 30, 2013	December 31, 2012	September 30, 2012
<b>Reconciliation of Total Assets to Tangible Assets</b>			
Total Assets	\$ 1,148,119	\$ 1,139,695	\$ 1,132,746
Less Goodwill and other intangibles	10,546	6,032	6,134
Tangible Assets	\$ 1,137,573	\$ 1,133,663	\$ 1,126,612

Net Interest Income. The following schedules detail the various components of net interest income for the periods indicated. All asset yields are calculated on a tax-equivalent basis where applicable. Security yields are based on amortized cost.

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Average Balance Sheets and Related Yields and Rates

(Dollar Amounts in Thousands)

	Three Months Ended			Three Months Ended		
	September 30, 2013			September 30, 2012		
	AVERAGE BALANCE	INTEREST	RATE (1)	AVERAGE BALANCE	INTEREST	RATE (1)
<b>EARNING ASSETS</b>						
Loans (3) (5) (6)	\$ 597,839	\$ 7,851	5.21%	\$ 566,382	\$ 8,067	5.67%
Taxable securities (4)	352,213	1,598	1.80	333,909	1,901	2.26
Tax-exempt securities (4) (6)	86,985	1,128	5.14	73,452	1,074	5.82
Equity securities (2)	4,307	47	4.33	4,363	50	4.56
Federal funds sold and other	29,596	11	0.15	61,084	29	0.19
Total earning assets	1,070,940	10,635	3.94	1,039,190	11,121	4.26
<b>NONEARNING ASSETS</b>						
Cash and due from banks	19,532	0	0	22,185	0	0
Premises and equipment	17,797	0	0	18,044	0	0
Allowance for loan losses	(7,364)	0	0	(8,945)	0	0
Unrealized gains (losses) on securities	(4,703)	0	0	14,680	0	0
Other assets (3)	52,538	0	0	45,081	0	0
Total assets	\$ 1,148,740	0	0	\$ 1,130,235	0	0
<b>INTEREST-BEARING LIABILITIES</b>						
Time deposits	\$ 229,675	\$ 960	1.66%	\$ 242,025	\$ 1,171	1.92%
Savings deposits	417,083	166	0.16	422,899	229	0.22
Demand deposits	124,168	10	0.03	117,045	9	0.03
Short term borrowings	99,517	13	0.05	95,681	22	0.09
Long term borrowings	17,654	125	2.81	10,532	98	3.70
Total interest-bearing liabilities	888,097	1,274	0.57	888,182	1,529	0.68
<b>NONINTEREST-BEARING LIABILITIES AND STOCKHOLDERS EQUITY</b>						
Demand deposits	139,263	0	0	117,096	0	0
Other liabilities	7,254	0	0	4,497	0	0

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Stockholders equity	114,126	0	0	120,460	0	0
Total liabilities and stockholders equity	\$ 1,148,740	0	0	\$ 1,130,235	0	0
Net interest income and interest rate spread		\$ 9,361	3.37%		\$ 9,592	3.58%
Net interest margin			3.47%			3.67%

(1) Rates are calculated on an annualized basis.

(2) Equity securities include restricted stock, which is included in other assets on the consolidated balance sheets.

(3) Non-accrual loans and overdraft deposits are included in other assets.

(4) Includes unamortized discounts and premiums. Average balance and yield are computed using the average historical amortized cost.

(5) Interest on loans includes fee income of \$677 thousand and \$562 thousand for 2013 and 2012, respectively, and is reduced by amortization of \$561 thousand and \$483 thousand for 2013 and 2012, respectively.

(6) For 2013, adjustments of \$127 thousand and \$386 thousand, respectively, are made to tax equate income on tax exempt loans and tax exempt securities. For 2012, adjustments of \$122 thousand and \$369 thousand, respectively, are made to tax equate income on tax exempt loans and tax exempt securities. These adjustments are based on a marginal federal income tax rate of 35%, less disallowances.

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Average Balance Sheets and Related Yields and Rates

(Dollar Amounts in Thousands)

	Nine Months Ended			Nine Months Ended		
	September 30, 2013			September 30, 2012		
	AVERAGE BALANCE	INTEREST	RATE (1)	AVERAGE BALANCE	INTEREST	RATE (1)
<b>EARNING ASSETS</b>						
Loans (3) (5) (6)	\$ 588,712	\$ 23,399	5.31%	\$ 563,642	\$ 24,195	5.73%
Taxable securities (4)	354,885	5,240	1.97	325,958	6,135	2.51
Tax-exempt securities (4) (6)	85,063	3,366	5.29	73,612	3,232	5.86
Equity securities (2)	4,335	148	4.56	4,363	152	4.65
Federal funds sold and other	23,557	29	0.16	54,293	80	0.20
Total earning assets	1,056,552	32,182	4.07	1,021,868	33,794	4.42
<b>NONEARNING ASSETS</b>						
Cash and due from banks	19,864	0	0	21,376	0	0
Premises and equipment	18,056	0	0	17,417	0	0
Allowance for loan losses	(7,486)	0	0	(9,289)	0	0
Unrealized gains (losses) on securities	5,050	0	0	13,663	0	0
Other assets (3)	47,118	0	0	44,891	0	0
Total assets	\$ 1,139,154	0	0	\$ 1,109,926	0	0
<b>INTEREST-BEARING LIABILITIES</b>						
Time deposits	\$ 231,027	\$ 2,905	1.68%	\$ 249,596	\$ 3,583	1.92%
Savings deposits	416,520	516	0.17	408,918	779	0.25
Demand deposits	124,723	29	0.03	115,143	32	0.04
Short term borrowings	92,153	38	0.06	94,720	89	0.13
Long term borrowings	15,482	318	2.75	10,609	294	3.70
Total interest-bearing liabilities	879,905	3,806	0.58	878,986	4,777	0.73
<b>NONINTEREST-BEARING LIABILITIES AND STOCKHOLDERS EQUITY</b>						
Demand deposits	136,319	0	0	109,411	0	0
Other liabilities	5,768	0	0	3,827	0	0

Stockholders equity	117,162	0	0	117,702	0	0
Total liabilities and stockholders equity	\$ 1,139,154	0	0	\$ 1,109,926	0	0
Net interest income and interest rate spread		\$ 28,376	3.49%		\$ 29,017	3.69%
Net interest margin			3.59%			3.80%

(1) Rates are calculated on an annualized basis.

(2) Equity securities include restricted stock, which is included in other assets on the consolidated balance sheets.

(3) Non-accrual loans and overdraft deposits are included in other assets.

(4) Includes unamortized discounts and premiums. Average balance and yield are computed using the average historical amortized cost.

(5) Interest on loans includes fee income of \$1.8 million and \$1.7 million for 2013 and 2012, respectively, and is reduced by amortization of \$1.6 million and \$1.4 million for 2013 and 2012, respectively.

(6) For 2013, adjustments of \$368 thousand and \$1.2 million, respectively, are made to tax equate income on tax exempt loans and tax exempt securities. For 2012, adjustments of \$267 thousand and \$1.1 million, respectively, are made to tax equate income on tax exempt loans and tax exempt securities. These adjustments are based on a marginal federal income tax rate of 35%, less disallowances.

Net interest income. Net interest income was \$8.8 million for the third quarter of 2013, compared to \$9.1 million in the third quarter of 2012. The net interest margin to average earning assets on a fully taxable equivalent basis decreased 20 basis points to 3.47% for the three months ended September 30, 2013, compared to 3.67% for the same period in the prior year. The decrease in net interest margin is largely a result of interest-earning assets repricing at lower rates. Also contributing to the decrease was the amortization of premiums related to the Company's holdings of mortgage-backed securities during the first month of the quarter, as the Company received significant prepayments of principal on these securities. Prepayments on mortgage-backed securities slowed in the latter half of the quarter. In comparing the quarters ending September 30, 2013 and 2012, yields on earning assets decreased 31 basis points, while the cost of interest bearing liabilities decreased 11 basis points.

Net interest income decreased to \$26.9 million for the nine month period ended September 30 2013, compared to \$27.6 million in the same period in 2012. The annualized net interest margin to average earning assets on a fully taxable equivalent basis was 3.59% for the nine months ended September 30, 2013, compared to 3.80% for the same period in the prior year. The decline is primarily a result of factors similar to the three months results previously stated.

Noninterest Income. Noninterest income was \$4.2 million for the third quarter of 2013, increasing 23.9% from \$3.4 million compared to the same quarter of 2012. Security gains were \$597 thousand in the third quarter of 2013 compared to \$473 thousand in 2012, as the Company sold shares of Fannie Mae preferred stock during the third quarter of 2013. Service charges on deposit accounts increased \$93 thousand or 17%, and retirement plan consulting fees increased to \$205 thousand compared to none in the third quarter of 2012, reflecting the income earned from the newly acquired entity, NAI. Insurance agency commissions increased from \$28 thousand in the third quarter of 2012 to \$56 thousand in the third quarter of 2013, and trust fees also increased \$40 thousand to \$1.4 million in comparing the same time periods. Bank owned life insurance increased \$208 thousand as the Company received tax free death benefits, which are included in income. Other operating income also increased \$271 thousand, which is primarily the result of a gain on the sale of land that was owned by the Company.

Noninterest income for the nine months ended September 30, 2013 was \$10.3 million, compared to \$9.0 million for the same period in 2012. The increase in noninterest income is due to security gains of \$853 thousand in 2013 compared to \$473 thousand in 2012 and retirement plan consulting fees increasing to \$205 thousand compared to none in 2012. Other operating income increased \$280 thousand as a result of the gain on sale of land as explained in the preceding paragraph. Bank owned life insurance increased \$181 thousand or 47%, and service charges on deposit accounts increased \$149 thousand or 10%.

Noninterest Expense. Noninterest expense totaled \$10.9 million for the third quarter of 2013, which is \$2.0 million more than the \$8.9 million in the same quarter in 2012. Most of this increase is a result of a \$1.7 million or 34.7% increase in salaries and employee benefits, mainly due to \$1.3 million recorded in severance costs. Professional fees increased \$252 thousand, mainly as a result of consulting fees. Other operating expenses decreased \$117 thousand.

Noninterest expenses for the nine months ended September 30, 2013 was \$29.8 million, compared to \$26.3 million for the same period in 2012, representing an increase of \$3.5 million, or 13.3%. The increase is mainly the result of the previously mentioned increase in salaries and employee benefits resulting from severance costs in the current year, an increase in merger related costs of \$270 thousand and a \$34 thousand increase in other operating expenses.

The Company's tax equivalent efficiency ratio for the nine month period ended September 30, 2013 was 77.2% compared to 69.0% for the same period in 2012. The change in the efficiency ratio was the result of the \$3.5 million increase in noninterest expenses as explained in the previous paragraph. Management has focused on increasing the levels of noninterest income and reducing the level of noninterest expenses. One of the steps implemented in this process was the decision to close two retail branch locations in Warren and Leetonia, Ohio. With declining branch transaction counts and banking trends driving our customers towards online banking offerings, the two branches were underutilized. Efficiencies will be gained as these branches sat in close proximity to other branch locations. The branches were closed on October 1, 2013.

Income Taxes. Income tax expense totaled \$143 thousand for the quarter ended September 30, 2013 and \$758 thousand for the quarter ended September 30, 2012. The decrease in the current quarter tax expense can be attributed to the \$1.5 million decrease in income before taxes, a larger percentage of tax exempt municipal securities and an increase in BOLI income from death benefits. The effective tax rate for the three month period ended September 30, 2013 was 8.1%, compared to 23.3% for the same period in 2012. The effective tax rate decrease compared to the same period in 2012 was primarily due to the increase in tax exempt income, as a percentage of total income, from both tax exempt municipal securities and loans to municipalities.

Income tax expense was \$1.0 million for the nine months of 2013 and \$2.2 million for the nine months of 2012. The effective tax rate for the nine month period of 2013 was 16.0%, compared to 23.4% for the same period in 2012. The effective tax rate decrease over the same period in 2012 was due to the increase in income from tax exempt municipal securities and loans and BOLI death benefits as mentioned in the quarter discussion above.

Other Comprehensive Income. For the quarter ended September 30, 2013, the change in net unrealized gains or losses on securities, net of reclassifications, resulted in an unrealized loss, net of tax, of \$4.2 million, compared to an unrealized gain of \$145 thousand for the same period in 2012. For the nine months of 2013, the change in net unrealized gains on securities, net of reclassifications, resulted in an unrealized loss, net of tax, of \$11.9 million, compared to an unrealized gain of \$1.3 million for the same period in 2012. The decrease in fair value for the three and nine month periods ended September 30, 2013 is the result of the increase in long term interest rates.

#### Financial Condition

Cash and cash equivalents. Cash and cash equivalents increased \$2.5 million during the nine months of 2013. The Company expects these levels to remain steady over the next few months.

Securities. Securities available-for-sale decreased by \$26.0 million since December 31, 2012. As securities matured and were paid down, the proceeds were used to fund increases in the loan portfolio as well as withdrawals on deposit accounts.

Loans. Gross loans increased \$25.0 million, or 4.2%, since December 31, 2012. Most of the loan growth occurred in the commercial and the indirect loan portfolios. The increase in loans is related to the modest economic growth being experienced in the Mahoning Valley. The demand experience for the Bank's business and consumer credit is consistent with the experience of other banks in the Federal Reserve's Fourth District and banks nationally per the Federal Reserve Beige Book. The increase in loan balances was not enough to overcome the low interest rate environment that caused a lower level of loan income for the nine months of 2013 compared to the same period in 2012. On a fully tax equivalent basis, loans contributed \$23.4 million of total interest income for the nine months ended September 30, 2013 compared to \$24.2 million during the same period in 2012.

Allowance for Loan Losses. The following table indicates key asset quality ratios that management evaluates on an ongoing basis. The unpaid principal balance of non-performing loans and non-performing assets was used in the calculation of amounts and ratios on the table below.

#### Asset Quality History

(In Thousands of Dollars)

	9/30/13	6/30/13	3/31/13	12/31/12	9/30/12
Nonperforming loans, unpaid principal balance	\$ 9,124	\$ 8,079	\$ 7,368	\$ 8,202	\$ 8,662
Nonperforming loans as a % of total loans	1.49%	1.35%	1.24%	1.40%	1.51%
Loans delinquent 30-89 days	\$ 2,348	\$ 2,497	\$ 3,536	\$ 3,702	\$ 3,173
Loans delinquent 30-89 days as a % of total loans	0.38%	0.42%	0.60%	0.62%	0.55%
Allowance for loan losses	\$ 7,369	\$ 7,590	\$ 7,508	\$ 7,629	\$ 8,625
Allowance for loan losses as a % of loans	1.21%	1.27%	1.27%	1.30%	1.51%
Allowance for loan losses as a % of nonperforming loans	80.77%	93.95%	101.90%	93.01%	99.57%
Annualized net charge-offs to average net loans outstanding	0.38%	0.06%	0.26%	0.71%	0.54%
Non-performing assets	\$ 9,332	\$ 8,374	\$ 7,778	\$ 8,536	\$ 8,833



Non-performing assets as a % of total assets	0.81%	0.75%	0.68%	0.75%	0.78%
Net charge-offs for the quarter	\$ 561	\$ 88	\$ 376	\$ 995	\$ 748

For the three months ended September 30, 2013, management recorded \$340 thousand of loss provision to the allowance for loan losses, compared to providing \$325 thousand over the same three month period in the prior year. The provision for the three month period ended September 30, 2013 was primarily a result of an increase in total loans of 2.4% over the current three month period and the \$561 thousand net charge-offs recorded during the quarter. Net charge-offs were \$748 thousand for the quarter ended September 30, 2012. The growth in total loans outpaced the provision for the three month period ended September 30, 2013, due to improved asset quality metrics, most notably a decrease in net charge-offs and a 7.0% decrease in classified loans, and improved historical loss factors. As a result, the ratio of allowance for loan losses to gross loans declined from 1.51% at September 30, 2012 to 1.21% at September 30, 2013. The level of charge-offs and a lower level of delinquencies from the previous year, are factors considered in management's quarterly estimate of loan loss provisions and the adequacy of the allowance for loan losses.

For the nine month period ended September 30, 2013, a \$765 thousand provision was recorded compared to \$725 thousand for the nine months of 2012. The slightly larger provision for the nine month period ended September 30, 2013 was primarily a result of a \$25.0 million increase in total loans compared to December 31, 2012. The unallocated portion of the allowance for loan losses was

\$264 thousand at December 31, 2012, compared to an unallocated portion of the allowance for loan losses of \$176 thousand at September 30, 2013. The decrease to the unallocated portion in the nine months of 2013 was primarily due to an increase in the allocated portion for environmental factors. Additionally, charge offs exceeded the provision during the nine month period ended September 30, 2013. Non-performing loans increased from \$8.2 million at December 31, 2012 to \$9.1 million at September 30, 2013. Loans 30 - 89 days delinquent decreased \$1.3 million, or 35.8%, to \$2.3 million since December 31, 2012.

Based on the evaluation of the adequacy of the allowance for loan losses, management believes that the allowance for loan losses at September 30, 2013 is adequate and reflects probable incurred losses in the portfolio. The provision for loan losses is based on management's judgment after taking into consideration all factors connected with the collectability of the existing loan portfolio. Management evaluates the loan portfolio in light of economic conditions, changes in the nature and volume of the loan portfolio, industry standards and other relevant factors. Specific factors considered by management in determining the amounts charged to operating expenses include previous credit loss experience, the status of past due interest and principal payments, the quality of financial information supplied by loan customers and the general condition of the industries in the community to which loans have been made.

Deposits. Total deposits decreased \$15.6 million, or 1.7%, since December 31, 2012. Money market accounts decreased \$17.0 million between December 31, 2012 and September 30, 2013. This large decrease in money market accounts was offset slightly by an increase of \$8.0 million in savings and non-interest bearing demand deposits between December 31, 2012 and September 30, 2013. The Company's strategy is to maintain deposit balances while pricing deposit rates to remain competitive within the market. At September 30, 2013, core deposits - savings and money market accounts, time deposits less than \$100 thousand and demand deposits - represented approximately 90% of total deposits.

Borrowings. Total borrowings increased \$28.0 million, or 31.0%, since December 31, 2012. The increase in borrowings is the result of a \$16.2 million increase in securities sold under repurchase agreements and a \$10 million increase in FHLB advances. The increase in repurchase agreements is mainly due to the public funds movement between securities sold under repurchase agreements and money market accounts in an effort to maximize interest rate returns.

Capital Resources. Total stockholders' equity decreased from \$120.8 million at December 31, 2012 to \$112.5 million at September 30, 2013. The decrease is mainly the result of mark to market adjustments in securities available for sale due to increases in long term interest rates, offset by retained net income and the issuance of \$1.4 million in stock and the related goodwill associated with the acquisition of National Associates, which closed at the beginning of the third quarter. Shareholders received a \$0.09 per share cash dividend paid during the nine months of 2013. Book value per share decreased from \$6.43 per share at December 31, 2012 to \$5.99 per share at September 30, 2013.

The capital management function is a regular process that consists of providing capital for both the current financial position and the anticipated future growth of the Company. As of September 30, 2013 the Company's total risk-based capital ratio stood at 16.28%, and the Tier I risk-based capital ratio and Tier I leverage ratio were at 15.22% and 9.29%, respectively. Management believes that the Company and the Bank meet all capital adequacy requirements to which they are subject, as of September 30, 2013.

### Critical Accounting Policies

The Company follows financial accounting and reporting policies that are in accordance with U.S. GAAP. These policies are presented in Note 1 of the consolidated audited financial statements in the Company's Annual Report to Shareholders included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012. Critical accounting policies are those policies that require management's most difficult, subjective or complex judgments, often

as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company has identified two accounting policies that are critical accounting policies and an understanding of these policies is necessary to understand the Company's financial statements. These policies relate to determining the adequacy of the allowance for loan losses and other-than-temporary impairment of securities. Additional information regarding these policies is included in the notes to the aforementioned 2012 consolidated financial statements, Note 1 (Summary of Significant Accounting Policies), Note 2 (Securities), Note 3 (Loans), and the sections captioned Investment Securities and Loan Portfolio.

Management believes that the accounting for goodwill and other intangible assets also involves a higher degree of judgment than most other significant accounting policies. U.S. GAAP establishes standards for the amortization of acquired intangible assets and the impairment assessment of goodwill. Goodwill arising from business combinations represents the value attributable to unidentifiable intangible assets in the business acquired. The Company's goodwill relates to the value inherent in the banking industry and that value is dependent upon the ability of the Company's trust subsidiary to provide quality, cost-effective trust services in a competitive marketplace. The goodwill value is supported by revenue that is in part driven by the volume of business transacted. A decrease in earnings resulting from a decline in the customer base or the inability to deliver cost-effective services over sustained periods can lead to impairment of goodwill that could adversely impact earnings in future periods. U.S. GAAP requires an annual evaluation of

goodwill for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The fair value of the goodwill, which resides on the books of the Trust, is estimated by reviewing the past and projected operating results for the subsidiary and trust banking industry comparable information.

## Liquidity

The Company maintains, in the opinion of management, liquidity sufficient to satisfy depositors' requirements and meet the credit needs of customers. The Company depends on its ability to maintain its market share of deposits as well as acquiring new funds. The Company's ability to attract deposits and borrow funds depends in large measure on its profitability, capitalization and overall financial condition. The Company's objective in liquidity management is to maintain the ability to meet loan commitments, purchase securities or to repay deposits and other liabilities in accordance with their terms without an adverse impact on current or future earnings. Principal sources of liquidity for the Company include assets considered relatively liquid, such as federal funds sold, cash and due from banks, as well as cash flows from maturities and repayments of loans, and securities.

Along with its liquid assets, the Bank has additional sources of liquidity available which help to ensure that adequate funds are available as needed. These other sources include, but are not limited to, loan repayments, the ability to obtain deposits through the adjustment of interest rates and the purchasing of federal funds and borrowings on approved lines of credit at major domestic banks. At September 30, 2013, these lines of credit totaled \$24.5 million and the Bank had not borrowed against these lines. In addition, the Company has a \$1.5 million revolving line of credit with a correspondent bank. The outstanding balance at September 30, 2013 was \$350 thousand. Management feels that its liquidity position is adequate and continues to monitor the position on a monthly basis. As of September 30, 2013, the Bank had outstanding balances with the Federal Home Loan Bank of Cincinnati (FHLB) of \$20.1 million with additional borrowing capacity of approximately \$79.6 million with the FHLB as well as access to the Federal Reserve Discount Window, which provides an additional source of funds. The Bank views its membership in the FHLB as a solid source of liquidity.

The primary investing activities of the Company are originating loans and purchasing securities. During the nine months of 2013, net cash used by investing activities amounted to \$23.7 million, compared to \$34.5 million used in investing activities for the same period in 2012. Purchases and settlements of securities amounted to \$111.7 million used during the nine months of 2013 compared to \$148.1 million used during the same period in 2012. There was \$25.9 million used for loan originations and payments during the nine months of 2013, compared to \$4.4 million in net cash used by loan originations and payments during the same period in 2012. The cash used by lending activities during this year's first nine month period can be attributed to the activity in the commercial and indirect loan portfolios. There was \$2.1 million used to purchase National Associates Inc. during the nine month period ended September 30, 2013.

The primary financing activities of the Company are obtaining deposits, repurchase agreements and other borrowings. Net cash provided by financing activities amounted to \$9.1 million for the nine months of 2013, compared to \$56.0 million provided by financing activities for the same period in 2012. The majority of this change can be attributed to the change in deposits. Deposits provided \$60.0 million during the nine months of 2012 and used \$15.6 million during the nine months of 2013. This increase in funds used was offset by the net change in both short and long-term borrowings. During the nine month period ended September 30, 2013 cash provided by short-term borrowings was \$18.4 million compared to \$1.2 million used during the same nine month period in 2012. There was \$10 million in new long-term advances during the nine month period ended September 30, 2013 compared to none last year. The Company used \$1.6 million for the acquisition of treasury shares during the nine month period ended September 30, 2013 compared to none in 2012.

## Off-Balance Sheet Arrangements

In the normal course of business, to meet the financial needs of our customers, we are a party to financial instruments with off-balance sheet risk. These financial instruments generally include commitments to originate mortgage, commercial and consumer loans, and involve to varying degrees, elements of credit and interest rate risk in excess of amounts recognized in the Consolidated Balance Sheets. The Bank's maximum exposure to credit loss in the event of nonperformance by the borrower is represented by the contractual amount of those instruments. Because some commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The same credit policies are used in making commitments as are used for on-balance sheet instruments. Collateral is required in instances where deemed necessary. Undisbursed balances of loans closed include funds not disbursed but committed for construction projects. Unused lines of credit include funds not disbursed, but committed for, home equity, commercial and consumer lines of credit. Financial standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Those guarantees are primarily used to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. Total unused commitments were \$121 million at September 30, 2013 and \$95.4 million at December 31, 2012. Additionally, the Company has committed up to a \$3 million subscription in a Small Business Investment Company fund (SBIC). At September 30, 2013 the Company had invested \$458 thousand in this fund.

## Recent Market and Regulatory Developments

In response to the current national and international economic recession, and in an effort to stabilize and strengthen the financial markets and banking industries, the United States Congress and governmental agencies have taken a number of significant actions over the past several years, including the passage of legislation and the implementation of a number of programs. The most recent of these actions was the passage into law, on July 21, 2010, of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). The Dodd-Frank Act is the most comprehensive change to banking laws and the financial regulatory environment since the Great Depression of the 1930s. The Dodd-Frank Act affects almost every aspect of the nation's financial services industry and mandates change in several key areas, including regulation and compliance, securities regulation, executive compensation, regulation of derivatives, corporate governance, and consumer protection.

The extent to which the Dodd-Frank Act and initiatives thereunder will succeed in addressing the credit markets or otherwise result in an improvement in the national economy is uncertain. In addition, because many aspects of this legislation still remain subject to intensive agency rulemaking and subsequent public comment prior to implementation, it is difficult to predict at this time the ultimate effect of the Dodd-Frank Act on the Company. It is likely, however, that the Company's expenses will increase as a result of new compliance requirements.

In July 2013, the Federal banking regulators approved a final rule to implement the revised capital adequacy standards of the Basel Committee on Banking Supervision, commonly called Basel III, and to address relevant provisions of the Dodd-Frank Act. The final rule strengthens the definition of regulatory capital, increases risk-based capital requirements, makes selected changes to the calculation of risk-weighted assets, and adjusts the prompt corrective action thresholds. Community banking organizations, such as the Company and the Bank, become subject to the new rule on January 1, 2015 and certain provisions of the new rule will be phased in over the period of 2015 through 2019.

The final rule:

- Permits banking organizations that had less than \$15 billion in total consolidated assets as of December 31, 2009 to include in Tier 1 capital trust preferred securities and cumulative perpetual preferred stock that were issued and included in Tier 1 capital prior to May 19, 2010, subject to a limit of 25% of Tier 1 capital elements, excluding any non-qualifying capital instruments and after all regulatory capital deductions and adjustments have been applied to Tier 1 capital.
- Establishes new qualifying criteria for regulatory capital, including new limitations on the inclusion of deferred tax assets and mortgage servicing rights.
- Requires a minimum ratio of common equity Tier 1 capital to risk-weighted assets of 4.5%.

- Increases the minimum Tier 1 capital to risk-weighted assets ratio requirement from 4% to 6%.
  
- Retains the minimum total capital to risk-weighted assets ratio requirement of 8%.
  
- Establishes a minimum leverage ratio requirement of 4%.
  
- Retains the existing regulatory capital framework for 1-4 family residential mortgage exposures.
  
- Permits banking organizations that are not subject to the advanced approaches rule, such as the Company and the Bank, to retain, through a one-time election, the existing treatment for most accumulated other comprehensive income, such that unrealized gains and losses on securities available for sale will not affect regulatory capital amounts and ratios.
  
- Implements a new capital conservation buffer requirement for a banking organization to maintain a common equity capital ratio more than 2.5% above the minimum common equity Tier 1 capital, Tier 1 capital and total risk-based capital ratios in order to avoid limitations on capital distributions, including dividend payments, and certain discretionary bonus payments. The capital conservation buffer requirement will be phased in beginning on January 1, 2016 at 0.625% and will be fully phased in at 2.50% by January 1, 2019. A banking organization with a buffer of less than the required amount would be subject to increasingly stringent limitations on such distributions and payments as the buffer approaches zero. The new rule also generally prohibits a banking organization from making such distributions or payments during any quarter if its eligible retained income is negative and its capital conservation buffer ratio was 2.5% or less at the end of the previous quarter. The eligible retained income of a banking organization is defined as its net income for the four calendar quarters preceding the current calendar quarter, based on the organization's quarterly regulatory reports, net of any distributions and associated tax effects not already reflected in net income.
  
- Increases capital requirements for past-due loans, high volatility commercial real estate exposures, and certain short-term commitments and securitization exposures.

- Expands the recognition of collateral and guarantors in determining risk-weighted assets.
- Removes references to credit ratings consistent with the Dodd Frank Act and establishes due diligence requirements for securitization exposures.

The Company's management is currently evaluating the provisions of the final rule and their expected impact on the Company.

Various legislation affecting financial institutions and the financial industry will likely continue to be introduced in Congress, and such legislation may further change banking statutes and the operating environment of the Company in substantial and unpredictable ways, and could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance depending upon whether any of this potential legislation will be enacted, and if enacted, the effect that it or any implementing regulations, would have on the financial condition or results of operations of the Company or any of its subsidiaries. With the enactment of the Dodd-Frank Act, the nature and extent of future legislative and regulatory changes affecting financial institutions remains very unpredictable at this time.

Also, such statutes, regulations and policies are continually under review by Congress and state legislatures and federal and state regulatory agencies and are subject to change at any time, particularly in the current economic and regulatory environment. Any such change in statutes, regulations or regulatory policies applicable to the Company could have a material effect on the business of the Company.



### Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's ability to maximize net income is dependent, in part, on management's ability to plan and control net interest income through management of the pricing and mix of assets and liabilities. Because a large portion of assets and liabilities of the Company are monetary in nature, changes in interest rates and monetary or fiscal policy affect its financial condition and can have significant impact on the net income of the Company. Additionally, the Company's balance sheet is currently liability sensitive and in the low interest rate environment that exists today, the Company's net interest margin should maintain current levels throughout the near future.

The Company considers the primary market exposure to be interest rate risk. Simulation analysis is used to monitor the Company's exposure to changes in interest rates, and the effect of the change to net interest income. The following table shows the effect on net interest income and the net present value of equity in the event of a sudden and sustained 300 basis point increase or 100 basis decrease in market interest rates:

Changes In Interest Rate (basis points)	September 30, 2013 Result	December 31, 2012 Result	ALCO Guidelines
<b>Net Interest Income Change</b>			
+300	-2.2%	-0.6%	15.00%
+200	-1.2%	-0.1%	10.00%
+100	-0.5%	0.1%	5.00%
-100	-2.7%	-3.4%	5.00%
<b>Net Present Value Of Equity Change</b>			
+300	-2.5%	3.3%	20.00%
+200	0.6%	5.7%	15.00%
+100	1.5%	4.4%	10.00%
-100	-13.8%	-16.8%	10.00%

The results of the simulation indicate that in an environment where interest rates rise 100, 200 and 300 basis points or fall 100 basis points over a 12 month period, using September 30, 2013 amounts as a base case, and considering the increase in deposit liabilities, and the volatile financial markets. It should be noted that the change in the net present value of equity exceeded policy when the simulation model assumed a sudden decrease in rates of 100 basis points. This was primarily because the positive impact on the fair value of assets would not be as great as the negative impact on the fair value of certain liabilities. Specifically, because core deposits typically bear relatively low interest rates, their fair value would be negatively impacted as the rates could not be adjusted by the full extent of the sudden decrease in rates. Management does not believe that a 100 basis rate decline is realistic in the current interest rate environment. The remaining results of this analysis comply with internal limits established by the Company. A report on interest rate risk is presented to the Board of Directors and the Asset/Liability Committee on a quarterly basis. The Company has no market risk sensitive instruments held for trading purposes, nor does it hold derivative financial instruments, and does not plan to purchase these instruments in the near future.

### Item 4. Controls and Procedures

Based on their evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's Interim Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and

procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) are effective. There were no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2013, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

In the opinion of management there are no outstanding legal actions that will have a material adverse effect on the Company's financial condition or results of operations.

Item 1A. Risk Factors

There have been no material changes to the Company's risk factors from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of equity securities by the issuer.

On September 28, 2012, the Company announced that its Board of Directors approved a stock repurchase program that authorizes the repurchase of up to 920,000 shares of its outstanding common stock in the open market or in privately negotiated transactions. No shares were purchased during the three months ended September 30, 2013.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following exhibits are filed or incorporated by reference as part of this report:

- 3.1 Articles of Incorporation of Farmers National Banc Corp., as amended (incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-3 filed with the SEC on October 3, 2001 (File No. 333-70806).
- 3.2 Amendment to Articles of Incorporation of Farmers National Banc Corp., as amended (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 1, 2013).
- 3.3 Amended Code of Regulations of Farmers National Banc Corp. (incorporated by reference from Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011 filed with the SEC on August 9, 2011).
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Kevin J. Helmick, Interim President and Chief Executive Officer of the Company (filed herewith).
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Carl D. Culp, Executive Vice President, Chief Financial Officer and Treasurer of the Company (filed herewith).
- 32.1 Certification pursuant to 18 U.S.C. Section 1350 of Kevin J. Helmick, Interim President and Chief Executive Officer of the Company (filed herewith).
- 32.2 Certification pursuant to 18 U.S.C. Section 1350 of Carl D. Culp, Executive Vice President, Chief Financial Officer and Treasurer of the Company (filed herewith).
- 101 The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income (iii) the Consolidated Statements of Comprehensive Income (Loss); (iv) the Consolidated Statements of Cash Flows; and (v) Notes to Unaudited Consolidated Financial Statements, tagged as blocks of text.

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.

FARMERS NATIONAL BANC CORP.

Dated: November 7, 2013

/s/ Kevin J. Helmick  
Kevin J. Helmick

Interim President and Chief Executive Officer  
Dated: November 7, 2013

/s/ Carl D. Culp  
Carl D. Culp

Executive Vice President and Treasurer