

Barclays

# 2012 Global Financial Services Conference

September 11, 2012

Edward T. Tilly, President and Chief Operating Officer



# Forward Looking Statements

*This presentation may contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those statements that reflect our expectations, assumptions or projections about the future and involve a number of risks and uncertainties. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause actual results to differ materially from that expressed or implied by the forward-looking statements, including: the loss of our exclusive licenses to list certain index options; decreases in the amount of trading volumes or a shift in the mix of products traded on our exchanges; legislative or regulatory changes affecting the options markets; increasing competition by foreign and domestic entities, including increased competition from new entrants into our markets and consolidation of existing entities; increasing price competition; our ability to maintain access fee revenues; economic, political and market conditions; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to accommodate increases in trading volume and order transaction traffic without failure or degradation of performance of our systems; our ability to protect our systems and communication networks from security risks, including cyber attacks; our ability to attract and retain skilled management and other personnel; our ability to maintain our growth effectively; our dependence on third party service providers; and the ability of our compliance and risk management methods to effectively monitor and manage our risks.*

*More detailed information about factors that may affect our performance may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2011 and other filings made from time to time with the SEC.*

# At a Glance

## ➤ Leading Brand and Market Position

- Leading U.S. options exchange
- CBOE and VIX are industry's leading brands
- Well positioned to benefit from secular growth

## ➤ Leading Product Innovator

- Exclusive index franchise differentiates CBOE
- Volatility suite provides strong growth potential

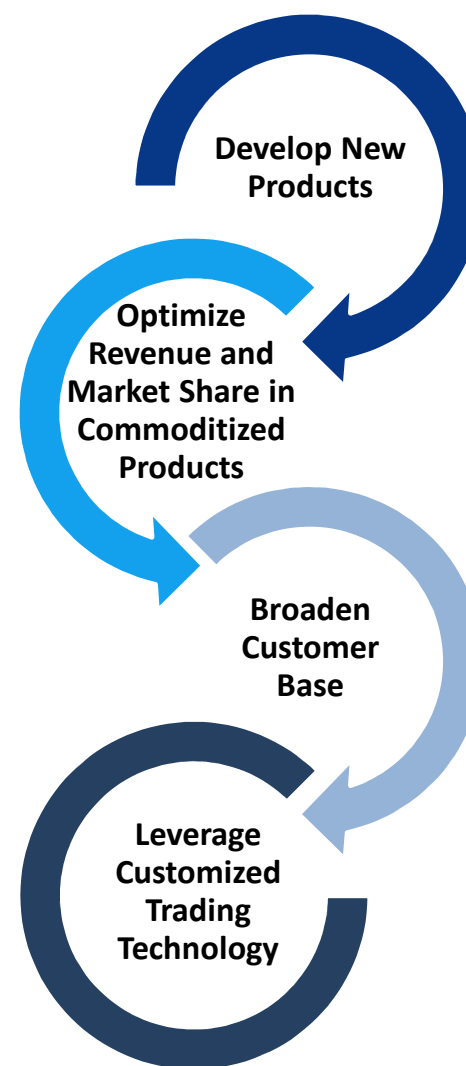
## ➤ High Performance Trading Technology

- CBOE Command™ - proprietary, state of the art electronic platform; built and maintained in-house
- Powers CBOE, C2, CFE, CBSX and OneChicago



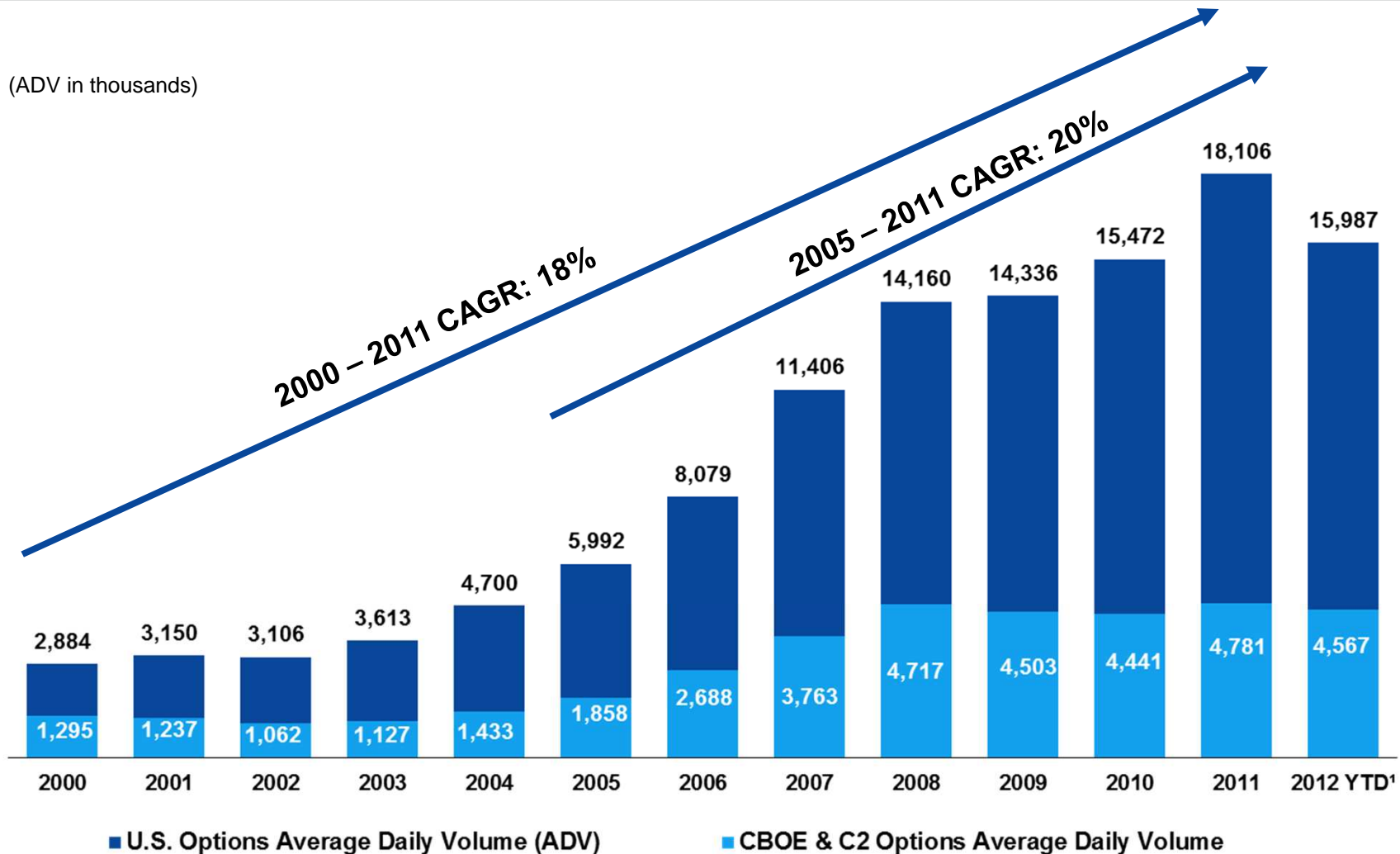
# Translating Our Mission into Value

Create value for stockholders by offering a diversified portfolio of risk management products and services which generate industry leading profit margins and growth rates while maintaining the highest standards of market regulation



# Large and Growing U.S. Options Market

(ADV in thousands)

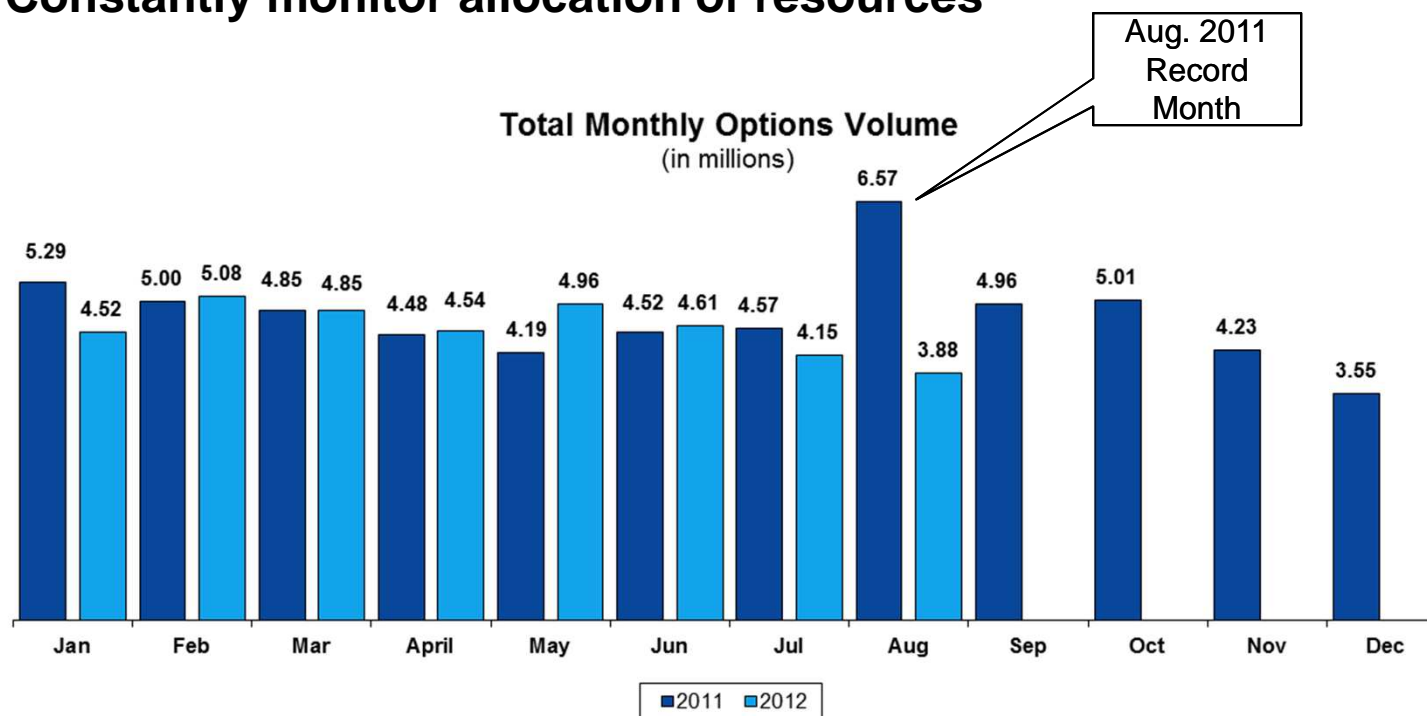


Source: OCC and CBOE

<sup>1</sup>YTD through August 2012

# CBOE Maintains Disciplined Cost Management & Focus on Growth

- Industry-wide options volume down 14% through August
- CBOE's diverse product line helps to mitigate effects of broader industry decline
  - Consolidated options ADV down just 8% through August
- Constantly monitor allocation of resources



# Optimizing Revenue and Market Share In Commoditized Products

## Achieved significant market share gains

### ➤ Positive customer response to VIP

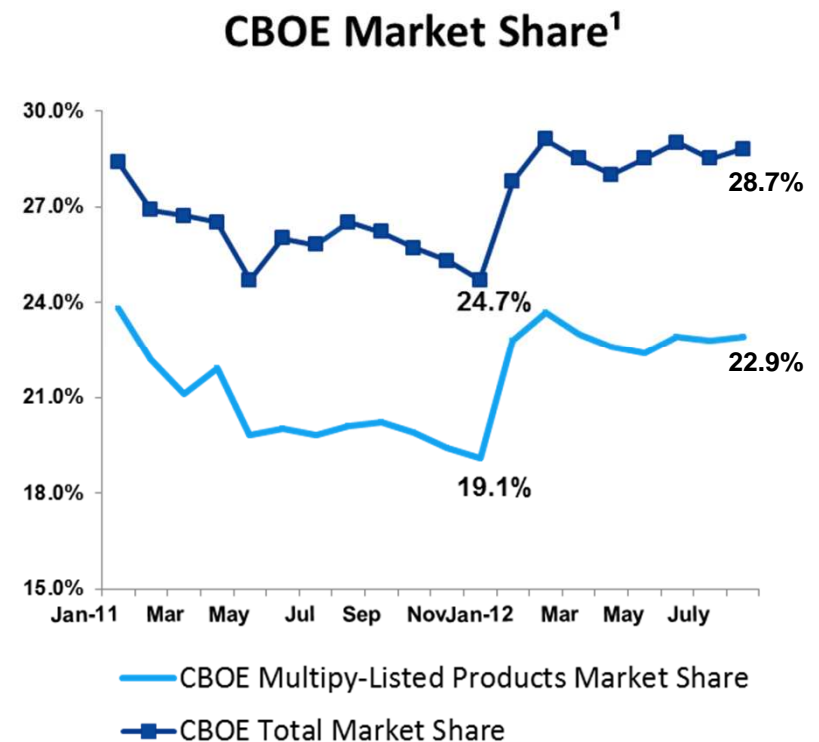
- Pays credit to firms for certain types and levels of business at CBOE

### ➤ Market share in multiply-listed options was 22.9% for August, up 380 bps versus December of 2011

### ➤ Through August, total market share of U. S. options of 29.8% (CBOE and C2), up 230 bps versus last year

### ➤ Ensure optimal returns in proprietary products

- Revised liquidity provider sliding scale to exclude proprietary products



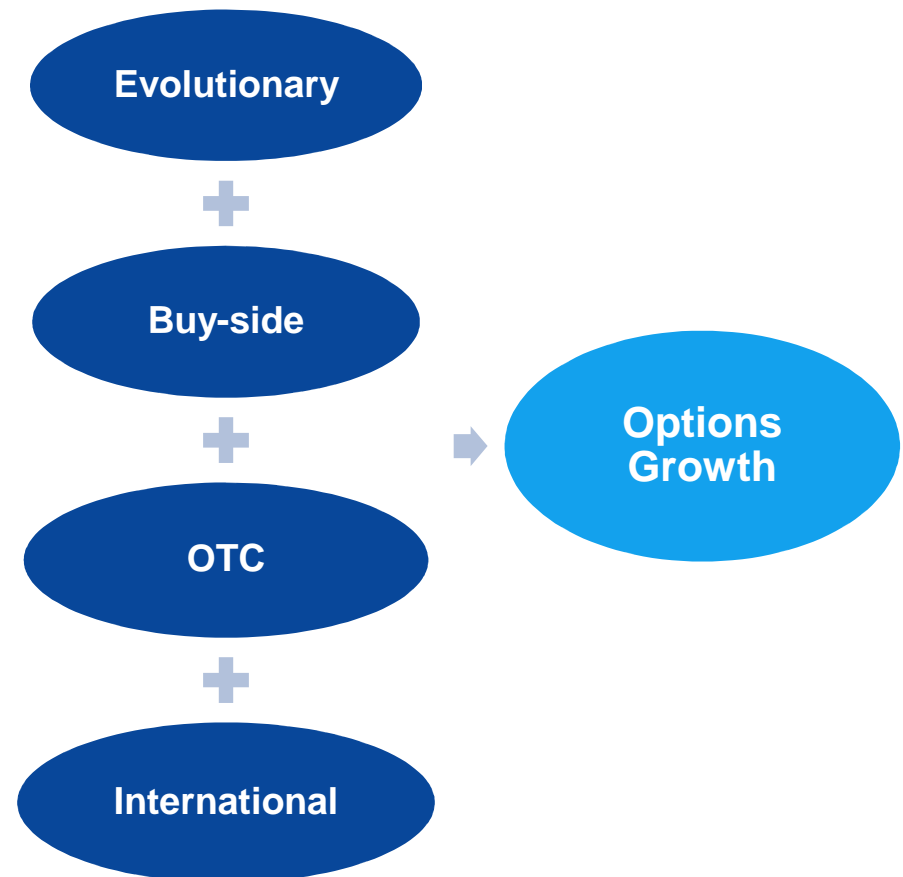
<sup>1</sup>Market share stats exclude dividend trades

# Demand for Options Use Increasing

Studies and research point to increasing demand for options across a variety of customer segments

➤ **June 2012, Tabb Group Study**

- Called continued growth in options trading a “foregone conclusion”
- Predicted buy-side trading would lead the growth in options trading





# Shaping the Industry's Long-Term Growth

Focus on developing exclusive products that generate premium fees



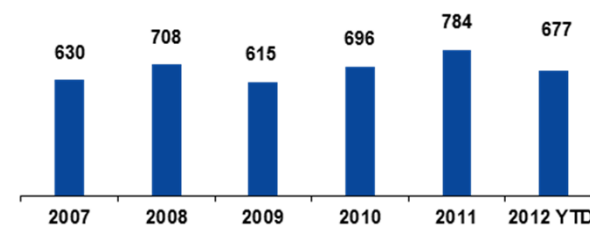
**VX - CBOE S&P  
500 Volatility  
Index (VIX)  
Futures**



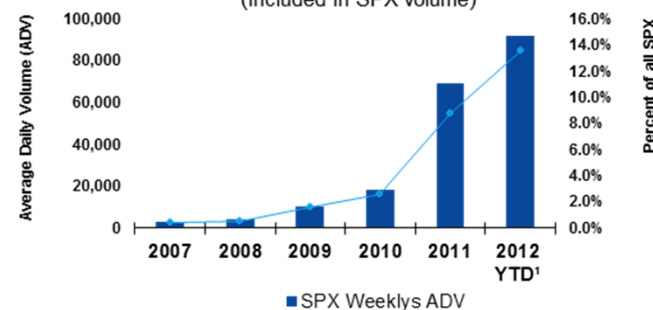
# SPX Complex Drives Strong Index Volume

- CBOE dominates index options trading with 95% market share
- SPX is premier U.S. index option for institutions trading large, complex orders
- SPXpm provides cost-effective alternative to SPY options
- SPX Weeklys, also pm settled, important component of SPX complex
  - Up 39% YTD 2012
- Continue to design new SPX products
  - Introduced SPX Range Options

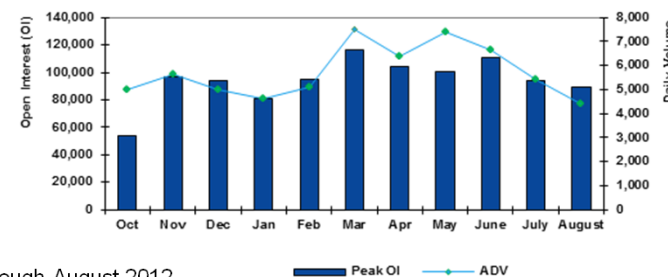
SPX Annual ADV  
(in thousands)



SPX Weeklys  
Annual ADV and Percent of All SPX  
(included in SPX volume)



SPXpm Monthly Volume



<sup>1</sup>YTD through August 2012

# Strong Growth in Volatility Trading

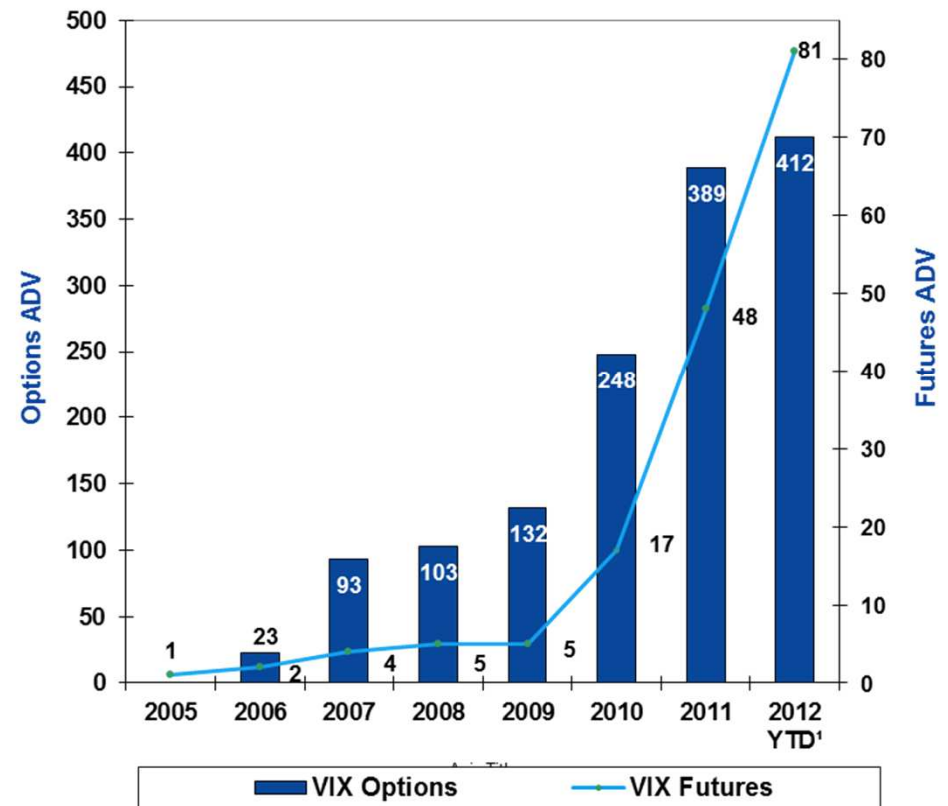
## ➤ Strong growth potential

- VIX options ADV down 1% YTD 2012
- VIX futures ADV up 58% YTD 2012

## ➤ Growth fueled in part by ETPs tied to VIX index

- AUM increased to \$4.9 billion at August 31, 2012 from \$2.8 billion in December 2011
- Shares outstanding at an all-time high

**VIX Options & Futures ADV**  
(in thousands)



<sup>1</sup>YTD through August 2012

# Fueling Growth Through Education

## CBOE is world's go-to source for options education



**The Gold Standard in Options Education**



# Institutional Buy-Side Opportunity

## Number of funds using CBOE index options strategies increasing

- **CBOE S&P 500 BuyWrite Index (BXM)**
  - Introduced 10 years ago
  - First major benchmark index for options investment performance
- **Russell Investments introduced its first U.S. fund to use CBOE-inspired options-based strategies**



**CBOE** FUTURES  
EXCHANGE™

# OTC Opportunity

## OTC participants poised to drive increased options and volatility trading

- **Traditional OTC participants seeking exchange-traded alternatives**
- **Introduced new CFLEX 2.0, customized trading technology**
  - Enables more convenient access to FLEX options, using same CBOE interface
- **Introduced new products aimed at OTC users**
  - SPX variance strips or V Strips
  - CBOE Interest Rate Swap Volatility Index (IRVX)



# International Opportunity

## Expect continued demand for U.S. options from European institutional investors

- **Tabb study estimates 10% of U.S. listed options volume from Europe**
- **CBOE estimates 15-20% of its volume comes from outside U.S.**
  - SPX enables overseas investors to take a position in or to hedge the broader U.S. equity market with a single transaction
  - VIX index serves as proxy for worldwide market volatility
  - Growing interest in VIX options and futures globally



# International Opportunity

## Intensifying our international marketing focus

- ▶ **Held first CBOE Risk Management Conference outside U.S.**
  - Strong focus on SPX and VIX options and futures
- ▶ **Announced plans to establish a CFE London hub and to expand VIX futures trading to virtually 24 hours a day, five days a week in 2013**



**CBOE RMC** CBOE Risk Management Conference  
EUROPE 2012

RMC comes to Europe! Hosted by the Chicago Board Options Exchange, the highly acclaimed Risk Management Conference (RMC), now in its 28th year in the U.S., announces it is making its European debut.

**September 5 - 7, 2012**  
**The Ritz-Carlton Powerscourt, County Wicklow, Ireland**

RMC is the leading educational forum where institutional users of equity derivatives come to learn about new products, strategies and tactics to manage risk exposure and enhance yields.

[www.cboeRMC.com/Europe](http://www.cboeRMC.com/Europe)

Register Today!

The advertisement features a blue header with the CBOE RMC logo and conference title. Below the header, there is a white background with text describing the event. At the bottom, there are two images: a golf course on the left and a conference room on the right. A blue diagonal banner with the text 'Register Today!' is positioned in the bottom right corner.



# CBOE Ramping Up to Meet the Demand of Options Customers

**Tabb study: “Firms are investing in options trading infrastructures and expanding their options trading capabilities to include new products, new markets and more complex strategies.”**

- **Rollout of new trade engine technology – CBOE Command™**
  - Next generation of trade engine technology
  - Servers move to east coast 4Q12
- **Continually modify Command to incorporate new products, market models and functionality**

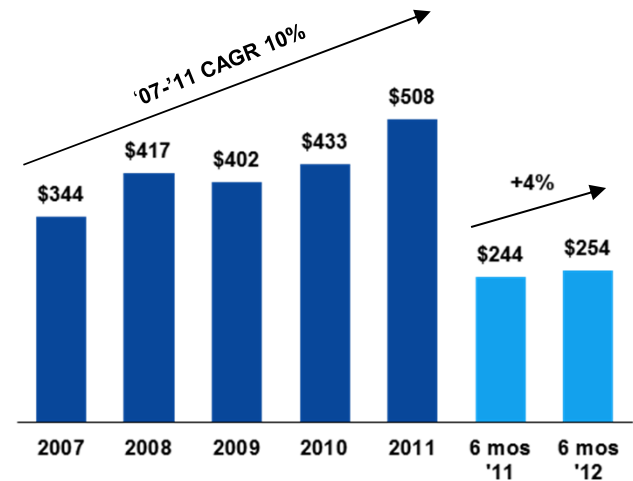


# Strong Financial Performance

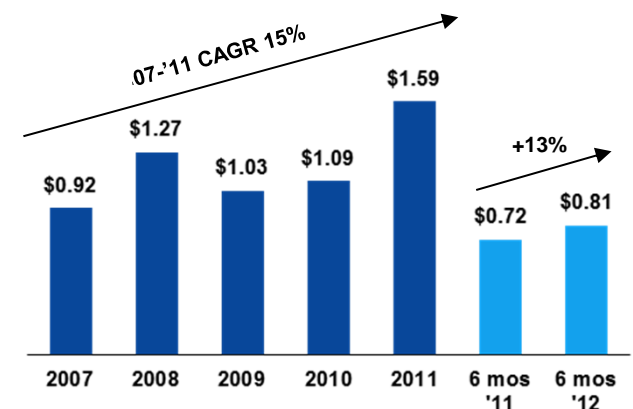
**Second quarter 2012 marked eighth consecutive quarter of YOY adjusted EPS growth**

- **YTD operating revenues up 4%**
- **YTD adjusted operating margin of 48.7%, up 190 bps versus prior year**
- **YTD adjusted diluted EPS of \$0.81, up 13%**

**Adjusted Operating Revenues<sup>1</sup>**



**Adjusted Diluted EPS<sup>1</sup>**

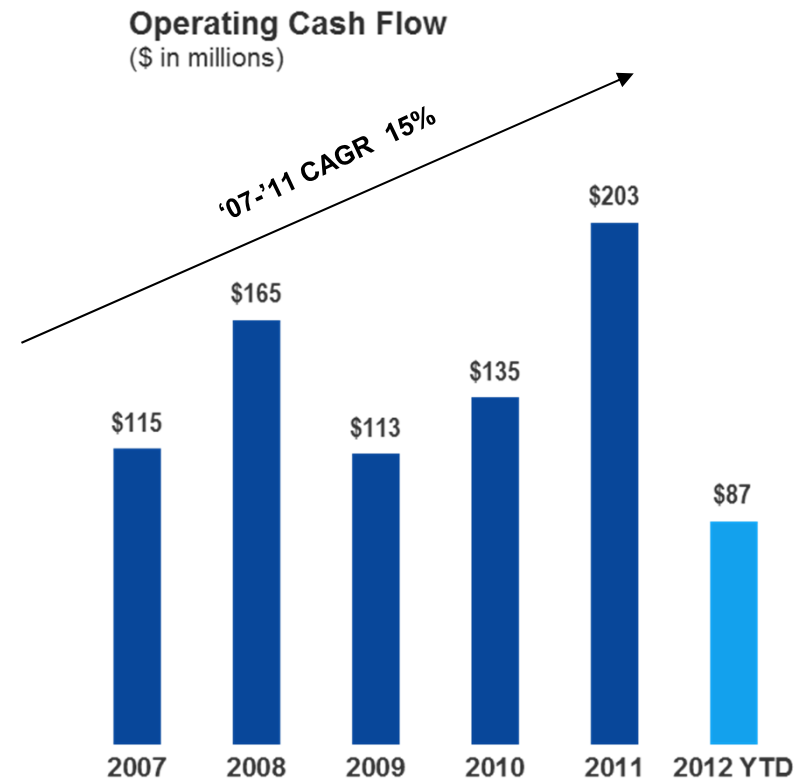


<sup>1</sup>Adjusted to reflect the impact of certain items. See Appendix for "Non-GAAP Information."

# Creating Value for Stockholders

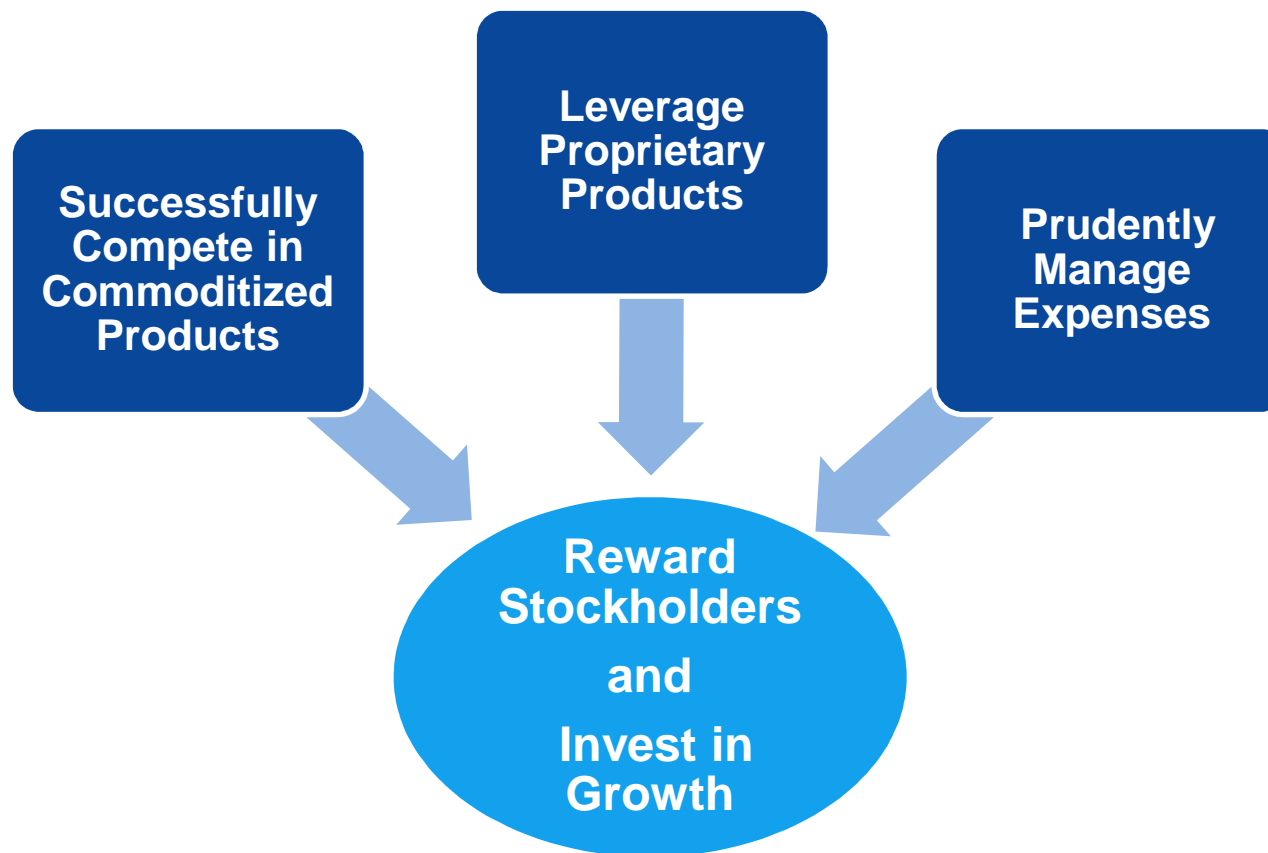
## Strong cash flow generation and return of capital

- Returned nearly \$600 million to stockholders since IPO
- Authorized another \$100 million in share repurchases on July 31, 2012
- Increased dividend by 25% to \$0.15 per share, effective with 3Q12 dividend



<sup>1</sup>YTD through June 2012

# Well Positioned to Benefit from Growth of Options and Volatility Space



 **Q&A**

**➤ Appendix Materials**

# YTD Financial Overview

<b>Adjusted Basis<sup>1</sup></b> (in millions, except EPS and RPC)	<b>6 mos '12</b>	<b>6 mos '11</b>	<b>\$ Chg.</b>	<b>% Chg.</b>
Operating Revenues	\$253.9	\$244.3	\$ 9.6	4%
Adjusted Operating Expenses	130.2	129.9	-0.3	-
Adjusted Operating Income	\$123.7	\$114.4	\$ 9.3	8%
<i>Adjusted Operating Margin %</i>	<i>48.7%</i>	<i>46.8%</i>		190 bps
Adjusted Net Income Allocated to Common Stockholders	\$ 70.9	\$ 65.2	\$ 5.7	9%
Adjusted Diluted EPS	\$ 0.81	\$ 0.72	\$ 0.09	13%
Total Contracts per Day	4.84	4.76		2%
Rate per Contract	\$0.297	\$0.296	\$0.001	-

<sup>1</sup>Adjusted to reflect the impact of certain items. See Appendix for "Non-GAAP Information."

# 2012 Full-Year Guidance<sup>1</sup>

Updated August 2, 2012 (\$ in millions)	2011 Actual	2012 Guidance
Exchange services and other fees	\$18.2	\$27 to \$29
Access fees	\$68.7	\$64 to \$67
Core operating expenses <sup>2</sup>	\$166.2	\$173 to \$178 <sup>3</sup>
Tax rate	41.9%	41.2% to 41.7%
Depreciation and amortization	\$34.1	\$33 to \$35
Capital expenditures	\$29.1	\$30 to \$35

<sup>1</sup>Reflects the full-year guidance issued on February 9, 2012 and updated on August 2, 2012. CBOE Holdings is not reconfirming or updating its 2012 guidance in this presentation.

<sup>2</sup>The company expects core expenses to be at the low end of the guidance range if volume in 2012 is flat to up 4 percent and at the high end of the range if volume growth is 5 percent or higher.

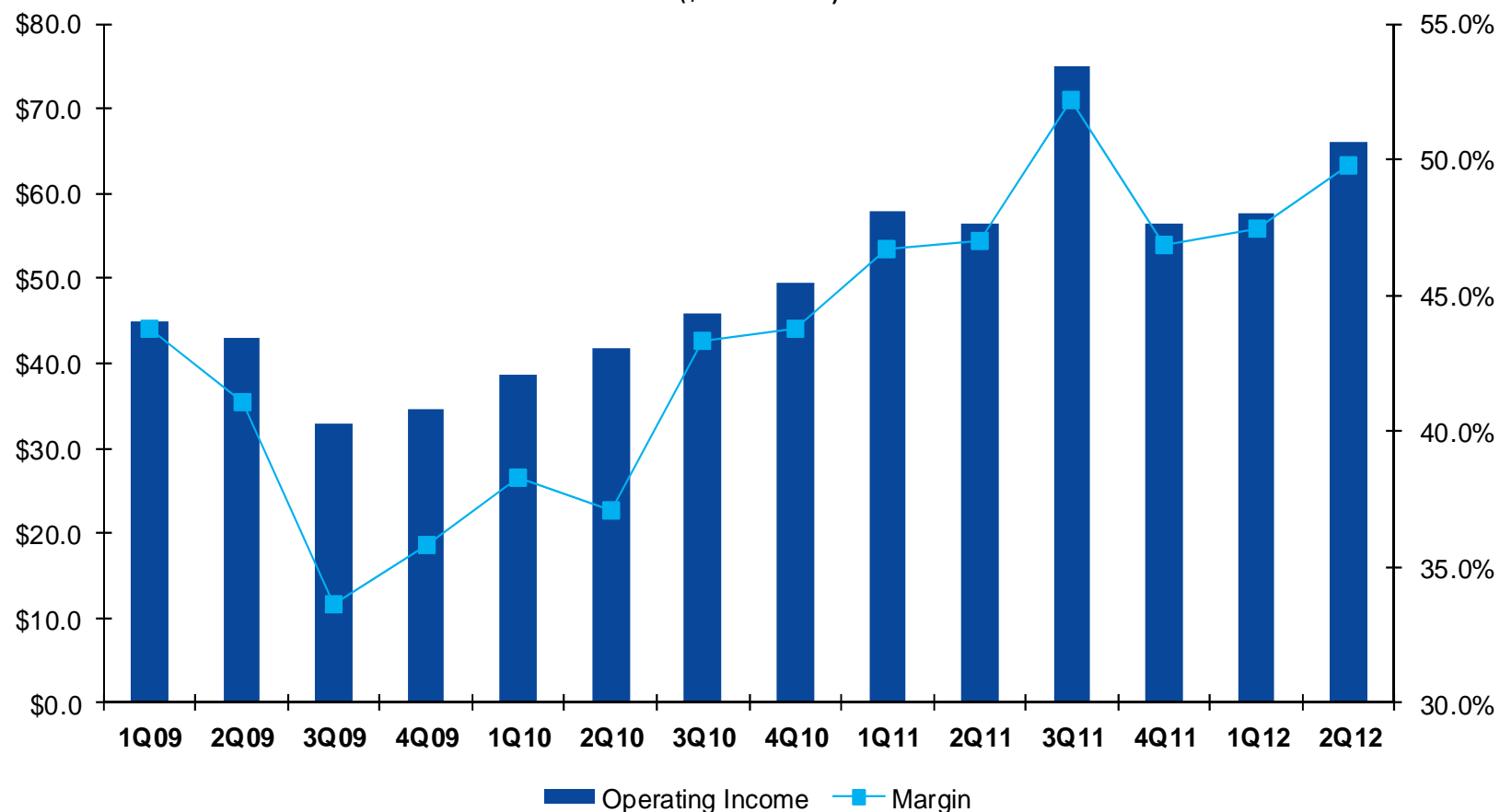
<sup>3</sup>Continuing stock-based compensation expense, included in core expenses, is expected to be in the range of \$12.2 to \$12.7 million, included in employee costs; 2011 core expenses included continuing stock based compensation of \$12.2 million.



# 2Q12 Reported 8th Consecutive Quarter of YOY Margin Improvement

## Quarterly Adjusted Operating Income and Margin<sup>1</sup>

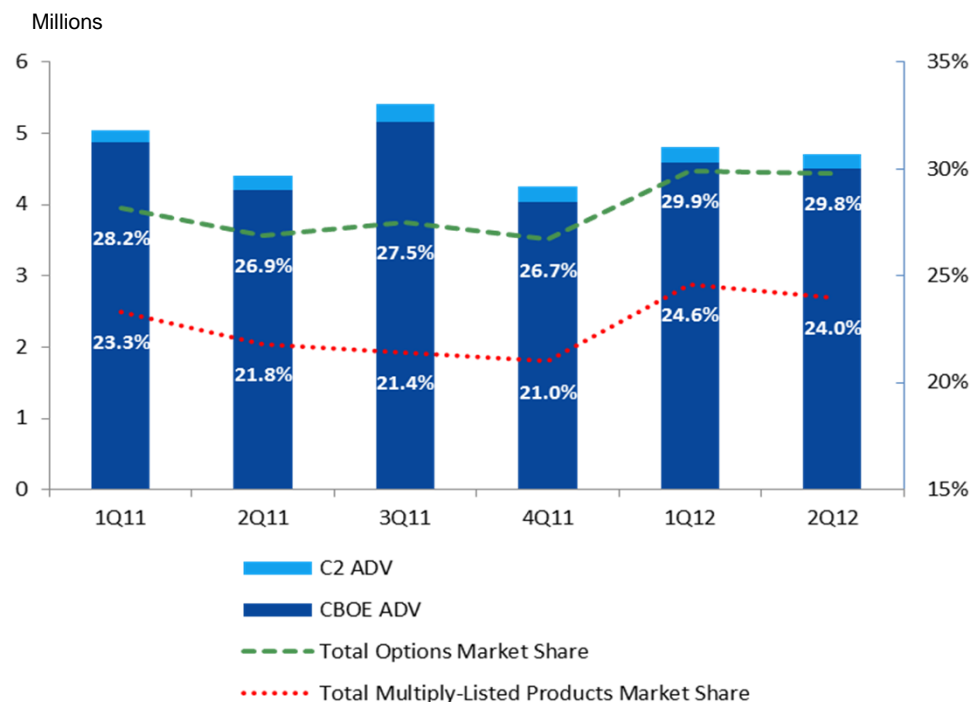
(\$ in millions)



<sup>1</sup>Adjusted to reflect the impact of certain items. See Appendix for "Non-GAAP Information."

# Highlights of 2012 Fee Changes

## CBOE achieved significant gains in market share due to VIP<sup>1</sup>



<sup>1</sup>Market share excludes dividend trades

### Fee changes included:

- Implemented a new volume incentive program (VIP)
- Revised liquidity provider sliding scale to exclude proprietary and exclusive products
- Increased fees for certain exchange services
- Increased fees at CFE

### Market share gains accrue other benefits:

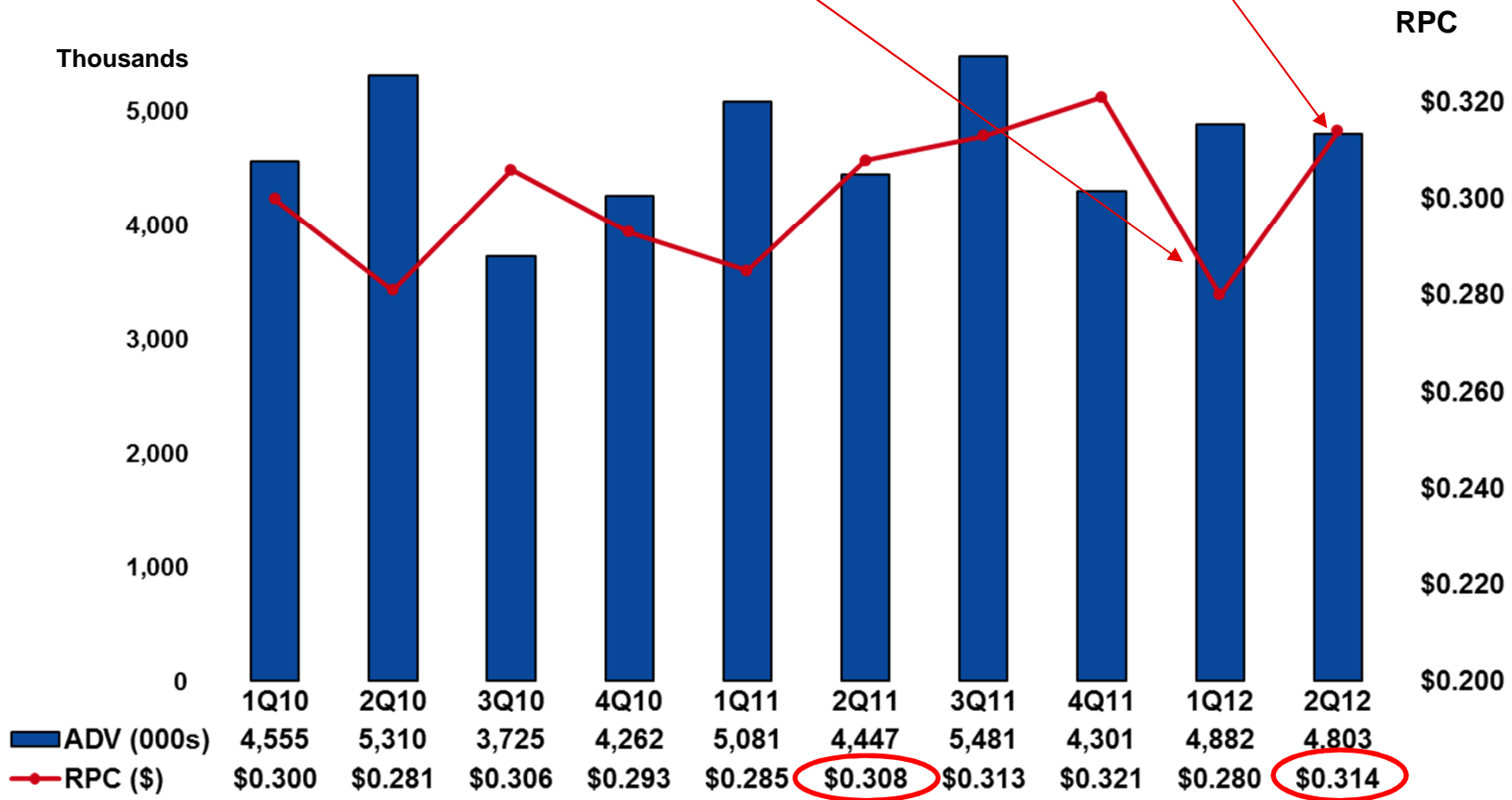
- Growth of market data fees
- Supports other fees and services
- Reduced trading volume incentives

# Transaction Fees Driven by Volume and Rate Per Contract

Overall Transaction Fee per Contract (RPC)

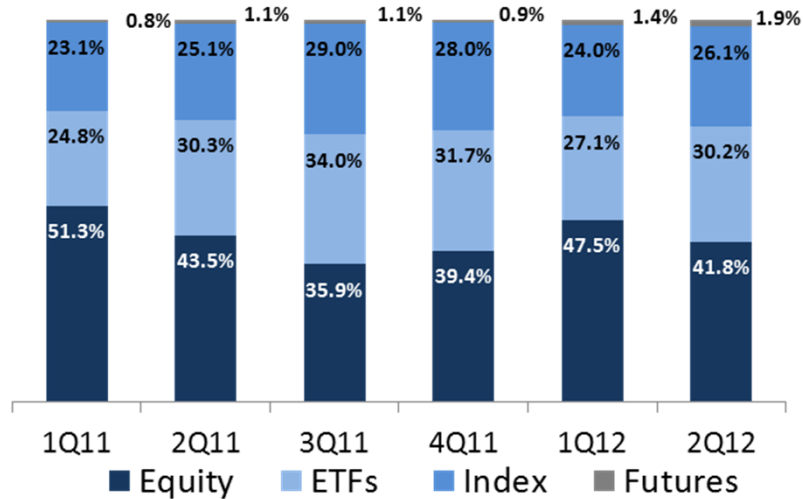
RPC decline reflects net impact of VIP, volume discounts and other fee changes

2Q12 RPC up versus 2Q11 and 1Q12 primarily due to higher mix of index options and futures contracts

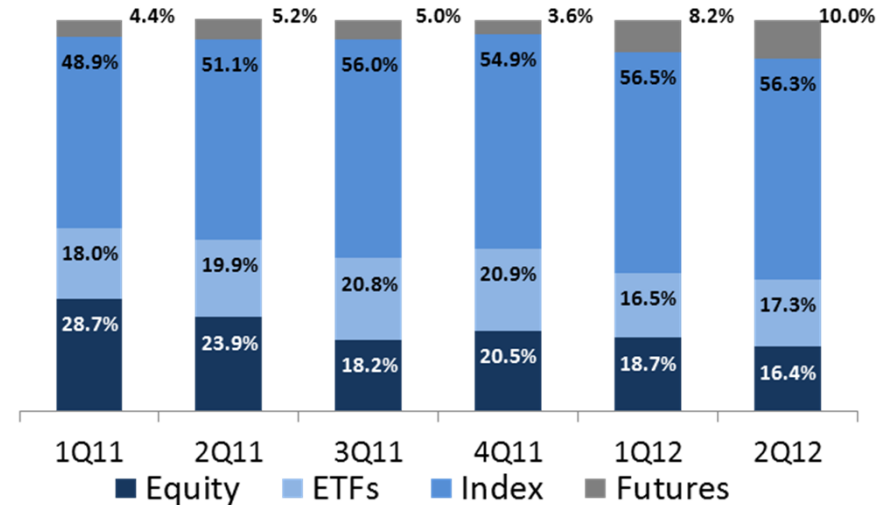


# Mix of Products Traded and Transaction Fees

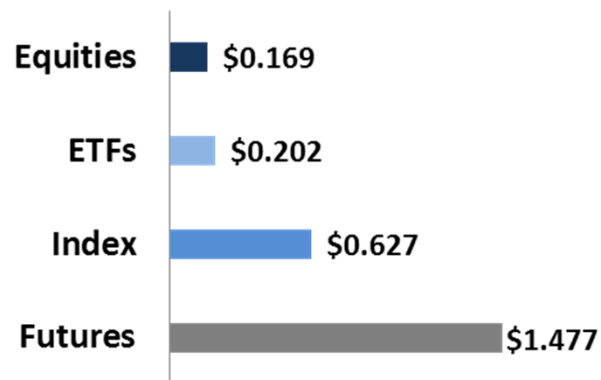
### Mix of Products Traded



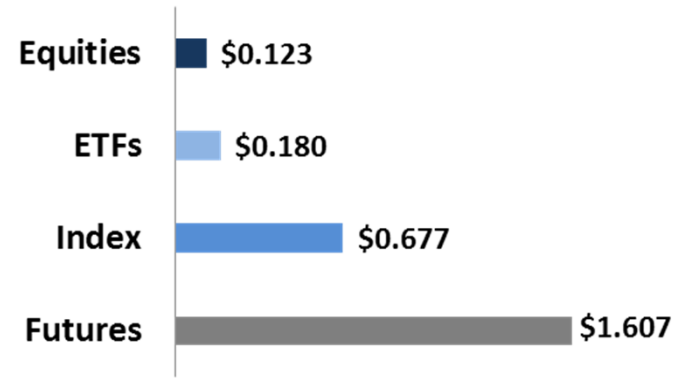
### Mix of Transaction Fees



### 2Q11 RPC \$0.308



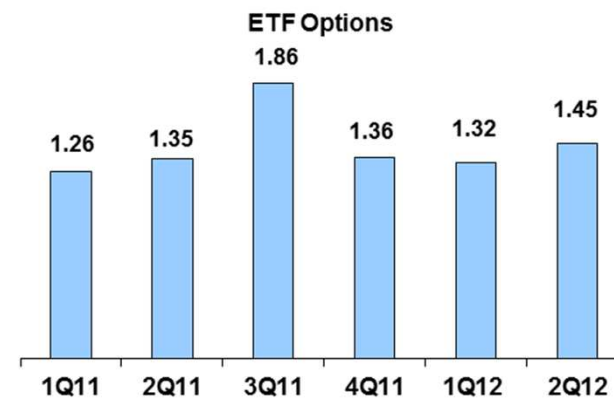
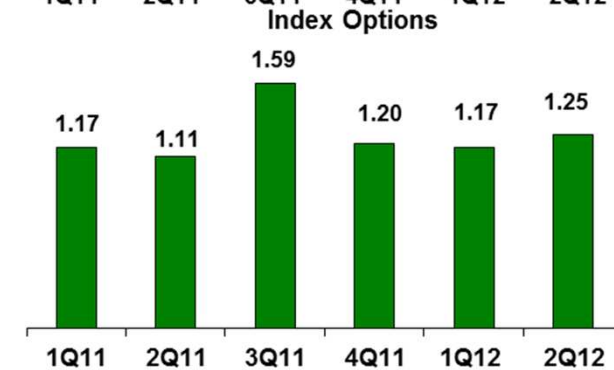
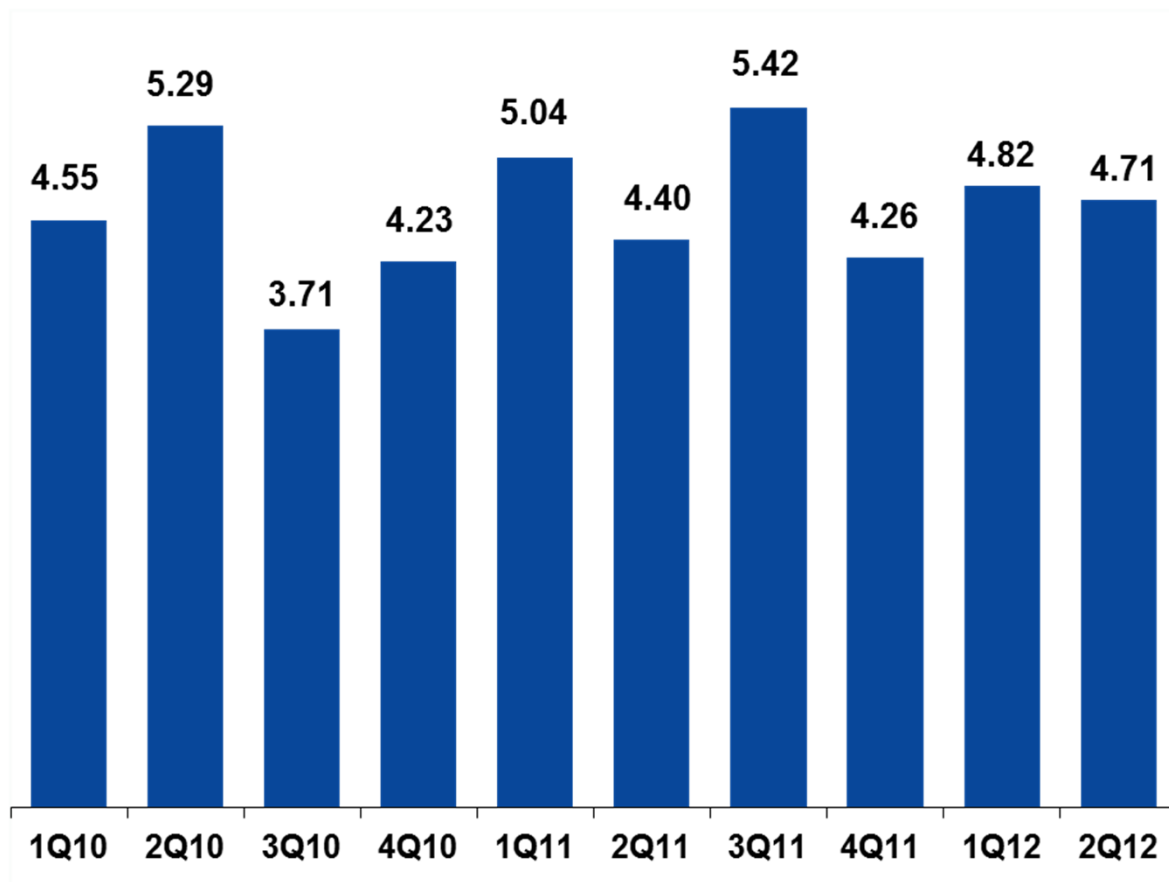
### 2Q12 RPC \$0.314



# Quarterly Options ADV

## CBOE Holdings Quarterly Options ADV

(contracts in millions)



# CBOE Holdings Rolling 3-Month RPC

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.151	\$0.128	\$0.110	\$0.112	\$0.117	\$0.123	\$0.124					
Indexes	0.640	0.651	0.658	0.667	0.673	0.677	0.680					
Exchange-traded funds	0.206	0.188	0.171	0.172	0.176	0.180	0.177					
Total options average	0.297	0.275	0.261	0.267	0.279	0.288	0.289					
Futures	1.474	1.610	1.697	1.655	1.650	1.607	1.598					
Total average transaction fee per contract	\$0.308	\$0.289	\$0.280	\$0.290	\$0.304	\$0.314	\$0.316					

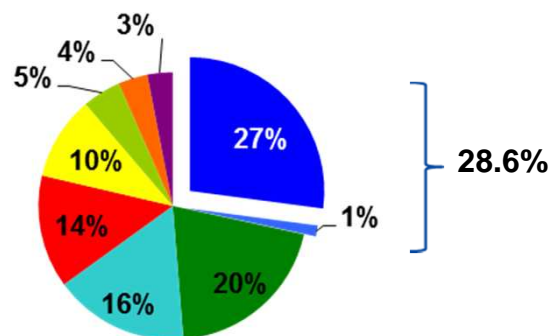
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.170	\$0.164	\$0.160	\$0.163	\$0.168	\$0.169	\$0.171	\$0.159	\$0.159	\$0.155	\$0.163	\$0.167
Indexes	0.592	0.601	0.604	0.615	0.618	0.627	0.624	0.606	0.605	0.605	0.621	0.631
Exchange-traded funds	0.223	0.215	0.207	0.207	0.208	0.202	0.197	0.187	0.192	0.194	0.205	0.212
Total options average	0.276	0.272	0.275	0.282	0.289	0.295	0.303	0.300	0.301	0.300	0.308	0.312
Futures	1.657	1.591	1.507	1.493	1.514	1.477	1.437	1.376	1.371	1.348	1.328	1.329
Total average transaction fee per contract	\$0.286	\$0.282	\$0.285	\$0.293	\$0.301	\$0.308	\$0.316	\$0.313	\$0.313	\$0.311	\$0.317	\$0.321

2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.177	\$0.180	\$0.184	\$0.172	\$0.163	\$0.162	\$0.170	\$0.180	\$0.182	\$0.180	\$0.179	\$0.177
Indexes	0.576	0.590	0.597	0.584	0.578	0.580	0.590	0.597	0.598	0.592	0.592	0.590
Exchange-traded funds	0.234	0.237	0.236	0.225	0.215	0.217	0.222	0.233	0.236	0.228	0.228	0.224
Total options average	0.282	0.290	0.297	0.282	0.274	0.277	0.288	0.296	0.300	0.296	0.292	0.284
Futures	2.092	2.004	1.952	1.879	1.832	1.717	1.694	1.600	1.661	1.669	1.674	1.679
Total average transaction fee per contract	\$0.286	\$0.294	\$0.300	\$0.286	\$0.279	\$0.281	\$0.293	\$0.301	\$0.306	\$0.302	\$0.300	\$0.293

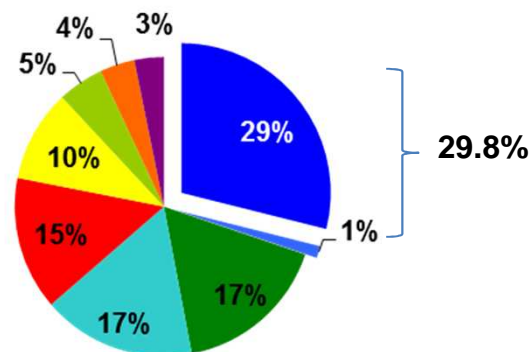
2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.179	\$0.188	\$0.195	\$0.188	\$0.183	\$0.188	\$0.187	\$0.181	\$0.171	\$0.168	\$0.172	\$0.172
Indexes	0.583	0.573	0.569	0.563	0.565	0.565	0.570	0.567	0.574	0.578	0.574	0.563
Exchange-traded funds	0.259	0.267	0.285	0.285	0.272	0.263	0.247	0.245	0.237	0.235	0.234	0.233
Total options average	0.287	0.287	0.292	0.282	0.273	0.272	0.272	0.270	0.264	0.266	0.273	0.274
Futures	1.728	1.696	1.689	1.657	1.670	1.738	1.819	1.927	1.938	2.077	2.106	2.186
Total average transaction fee per contract	\$0.288	\$0.288	\$0.292	\$0.283	\$0.274	\$0.273	\$0.273	\$0.272	\$0.266	\$0.268	\$0.277	\$0.278

# Leading Across Markets – 2012 YTD<sup>1</sup>

**Total Industry Volume**

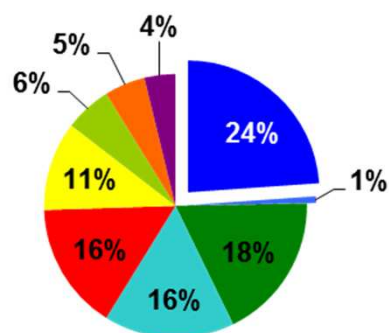


**Excl. Dividend Trades<sup>1</sup>**

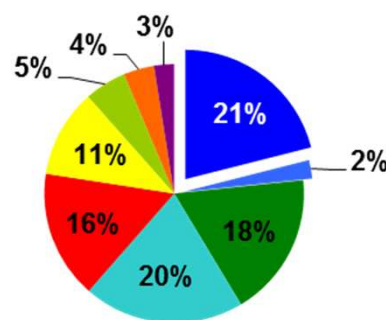


- CBOE
- C2
- PHLX
- ISE
- NYSE/Amex
- NYSE/Arca
- NOM
- BOX
- BATS

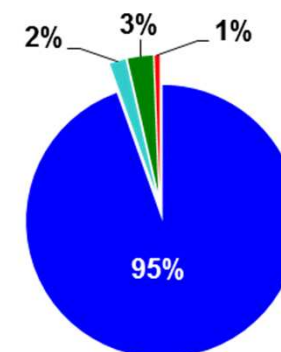
**Equity Options<sup>1</sup>**



**ETF Options<sup>1</sup>**



**Index Options<sup>1</sup>**



Source: Options Clearing Corporation and CBOE  
<sup>1</sup>YTD through August 2012, Excludes Dividend Trades  
 May not add to 100 percent due to rounding.

# Quarterly Core Operating Expenses<sup>1</sup>

(\$ in thousands)

	2Q 2012	% rev	1Q 2012	% rev	4Q 2011	% rev	3Q 2011	% rev	2Q 2011	% rev
<b>Total Operating Expenses</b>	\$66,480	50%	\$63,977	53%	\$67,529	56%	\$68,638	48%	\$63,838	53%
<b>Less:</b>										
Depreciation and Amortization	8,320	6%	8,320	7%	7,506	6%	8,897	6%	8,996	7%
Accelerated stock-based compensation	-	-	194	-	-	-	-	-	113	-
Severance expense pursuant to executive employment agreement	-	-	-	-	3,709	3%	-	-	-	-
<b>Volume-based Expense:</b>										
Royalty Fees	12,001	9%	11,191	9%	12,346	10%	13,956	10%	10,373	9%
Trading Volume Incentives	1,176	1%	2,649	2%	2,440	2%	3,525	2%	2,515	2%
<b>Core Operating Expenses (non-GAAP)<sup>1</sup>:</b>	<b>\$44,983</b>	<b>34%</b>	<b>\$41,623</b>	<b>34%</b>	<b>\$41,528</b>	<b>35%</b>	<b>\$42,260</b>	<b>29%</b>	<b>\$41,841</b>	<b>35%</b>
Less: Continuing stock-based compensation	(3,027)	-2%	(2,745)	-2%	(3,010)	-3%	(2,976)	-2%	(3,106)	-3%
<b>Core Operating Expenses excluding continuing stock-based compensation (non-GAAP)<sup>1</sup>:</b>	<b>\$41,956</b>	<b>32%</b>	<b>\$38,878</b>	<b>32%</b>	<b>\$38,518</b>	<b>32%</b>	<b>\$39,284</b>	<b>27%</b>	<b>\$38,735</b>	<b>32%</b>
<b>Core Operating Expense Detail:</b>										
Employee Costs	\$25,300	19%	\$25,096	21%	\$24,560	20%	\$25,945	18%	\$24,391	20%
Data Processing	4,927	4%	4,899	4%	4,263	4%	4,337	3%	4,905	4%
Outside Services	9,265	7%	7,170	6%	6,657	6%	6,881	5%	7,190	6%
Travel and Promotion Expenses	3,303	2%	2,167	2%	3,345	3%	2,416	2%	2,368	2%
Facilities Costs	1,226	1%	1,303	1%	1,426	1%	1,081	1%	1,400	1%
Other Expenses	962	1%	988	1%	1,277	1%	1,600	1%	1,587	1%
Total	\$44,983		\$41,623		\$41,528		\$42,260		\$41,841	
Number of Full Time Employees	618		601		596		591		588	

<sup>1</sup>Please see our disclaimer regarding Non-GAAP financial measures.

May not foot due to rounding



# Annual Core Operating Expenses<sup>1</sup>

(\$ in thousands)

	2011	% rev	2010	% rev	2009	% rev	2008	% rev
<b>Total Operating Expenses</b>	\$266,512	52%	\$269,763	62%	\$248,497	62%	\$229,473	55%
<b>Less:</b>								
Depreciation and Amortization	34,094	7%	29,891	7%	27,512	7%	25,633	6%
Accelerated stock-based compensation	453	0%	12,968	3%				
Severance	3,709	1%						
<b>Volume-based Expense:</b>								
Royalty Fees	47,822	9%	41,353	10%	33,079	8%	35,243	8%
Trading Volume Incentives	14,239	3%	21,294	5%	28,631	7%	15,437	4%
<b>Non-Operating Items:</b>								
Exercise Right Appeal Settlement					2,086	1%		
<b>Core Operating Expenses (non-GAAP)<sup>1</sup>:</b>	<b>\$166,195</b>	<b>33%</b>	<b>\$164,257</b>	<b>38%</b>	<b>\$157,189</b>	<b>39%</b>	<b>\$153,160</b>	<b>37%</b>
Less: Continuing stock-based compensation	(12,166)	-2%	(7,833)	-2%				
<b>Core Operating Expenses excluding continuing stock-based compensation (non-GAAP)<sup>1</sup>:</b>	<b>\$154,029</b>	<b>30%</b>	<b>\$156,424</b>	<b>36%</b>	<b>\$157,189</b>	<b>39%</b>	<b>\$153,160</b>	<b>37%</b>
<b>Core Operating Expense Detail (excluding stock-based compensation):</b>								
Employee Costs	\$88,126	17%	\$85,442	20%	\$84,481	21%	\$83,140	20%
Data Processing	17,933	4%	19,501	5%	20,475	5%	20,556	5%
Outside Services	27,310	5%	31,245	7%	30,726	8%	27,370	7%
Travel and Promotion Expenses	9,812	2%	9,569	2%	10,249	3%	10,483	3%
Facilities Costs	5,400	1%	5,801	1%	5,624	1%	4,730	1%
Other Expenses	5,448	1%	4,866	1%	5,634	1%	6,881	2%
Number of Full Time Employees	596		581		597		576	

<sup>1</sup>Please see our disclaimer regarding Non-GAAP financial measures.

May not foot due to rounding

# Strong Debt-Free Balance Sheet

## Business model generates strong cash flow

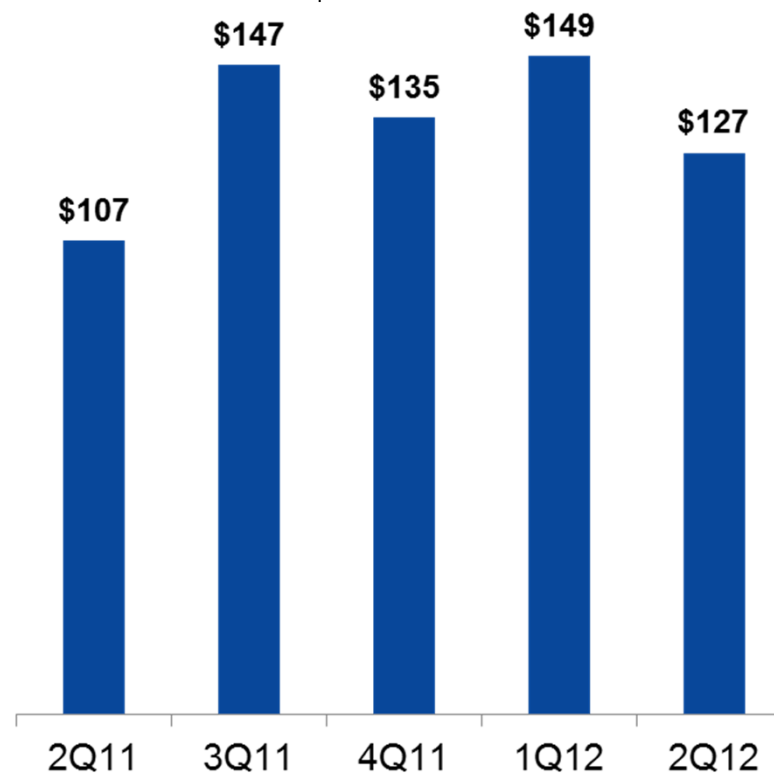
### Uses of Cash by Quarter

\$ in millions



### Cash and Cash Equivalents<sup>1</sup>

\$ in millions



<sup>1</sup> At quarter end

# Weighted Average Shares Calculation

	2Q 2012				YTD 2012			
	Shares	Days Outstanding	Total Days	Weighted Avg	Shares	Days Outstanding	Total Days	Weighted Avg
Unrestricted common stock	88,768,885	91	91	88,768,885	88,768,885	182	182	88,768,885
Vesting of participating securities (restricted stock) on 6/14/12	11,322	17	91	2,115	11,322	17	182	1,058
Vesting of participating securities (restricted stock) on 6/15/12	362,708	16	91	63,773	362,708	16	182	31,886
Vesting of participating securities (various dates)	144	various	91	142	144	various	182	97
Treasury share purchases (various dates)	(1,681,801)	various	91	(1,681,801)	(1,681,801)	various	182	(1,152,456)
<b>Total weighted average shares - basic and diluted</b>				<b>87,153,114</b>				<b>87,649,470</b>
Participating securities for the period	1,363,803			1,363,803	1,419,075			1,419,075
Weighted average shares including participating securities				88,516,917				89,068,545
Percentage of net income allocated to participating securities				1.54%				1.59%

Net income allocated to common stockholders equals net income less the percentage of net income allocated to participating securities.

GAAP EPS is calculated by dividing net income allocated to common stockholders by the total weighted average shares outstanding during the period for basic and diluted.

# GAAP to Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation (in thousands, except per share amounts)										
	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	FY 2009	FY2010	FY2011
<b>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</b>										
GAAP net income allocated to common stockholders	\$ 20,020	\$ 30,687	\$ 32,089	\$ 32,609	\$ 40,597	\$ 31,287	\$ 32,863	\$ 106,451	\$ 98,166	\$ 136,582
Less: Recognition of deferred access fee revenue								(24,086)		
Less: Recognition of prior-period revenue		(4,406)							(4,406)	
Add: Exercise right appeal settlement								2,086		
Add: Accelerated stock-based compensation	10,965	2,004	340	113			194		12,968	453
Add: Severance expense pursuant to an executive employment agreement						3,709				3,709
Add: Impairment change		1,620	460						1,620	460
Income tax benefit/(expense) related to the items above	(4,461)	291	(337)	(46)		(1,478)	(80)	8,786	(4,034)	(1,861)
Add: Income tax provision adjustment					4,223	(322)				3,901
Net income allocated to participating securities - effect on reconciling items	(144)	11	(11)	(2)	(75)	(32)	(2)		(76)	(120)
<b>Adjusted net income allocated to common stockholders</b>	<b>\$ 26,380</b>	<b>\$ 30,207</b>	<b>\$ 32,540</b>	<b>\$ 32,674</b>	<b>\$ 44,745</b>	<b>\$ 33,164</b>	<b>\$ 32,975</b>	<b>\$ 93,237</b>	<b>\$ 104,238</b>	<b>\$ 143,123</b>
<b>Reconciliation of GAAP Diluted EPS to Non-GAAP</b>										
GAAP diluted earnings per common share	\$ 0.20	\$ 0.31	\$ 0.36	\$ 0.36	\$ 0.45	\$ 0.35	\$ 0.37	\$ 1.17	\$ 1.03	\$ 1.52
Per share impact of items above	0.06	-	-	-	0.05	0.02	-	(0.14)	0.06	0.07
<b>Non-GAAP diluted earnings per common share</b>	<b>\$ 0.26</b>	<b>\$ 0.31</b>	<b>\$ 0.36</b>	<b>\$ 0.36</b>	<b>\$ 0.50</b>	<b>\$ 0.37</b>	<b>\$ 0.37</b>	<b>\$ 1.03</b>	<b>\$ 1.09</b>	<b>\$ 1.59</b>
<b>Reconciliation of GAAP Operating Margin to Non-GAAP</b>										
GAAP operating revenue	\$ 106,015	\$ 117,391	\$ 124,042	\$ 120,290	\$ 143,604	\$ 120,208	\$ 121,392	\$ 426,082	\$ 437,104	\$ 508,144
Non-GAAP adjustments noted above		(4,406)						(24,086)	(4,406)	
<b>Adjusted operating revenue</b>	<b>\$ 106,015</b>	<b>\$ 112,985</b>	<b>\$ 124,042</b>	<b>\$ 120,290</b>	<b>\$ 143,604</b>	<b>\$ 120,208</b>	<b>\$ 121,392</b>	<b>\$ 401,996</b>	<b>\$ 432,698</b>	<b>\$ 508,144</b>
GAAP operating income	\$ 34,933	\$ 51,854	\$ 57,535	\$ 56,452	\$ 74,966	\$ 52,679	\$ 57,415	\$ 177,584	\$ 167,341	\$ 241,632
Non-GAAP adjustments noted above	10,965	(2,402)	340	113	-	3,709	194	(22,000)	8,562	4,162
<b>Adjusted operating income</b>	<b>\$ 45,898</b>	<b>\$ 49,452</b>	<b>\$ 57,875</b>	<b>\$ 56,565</b>	<b>\$ 74,966</b>	<b>\$ 56,388</b>	<b>\$ 57,609</b>	<b>\$ 155,584</b>	<b>\$ 175,903</b>	<b>\$ 245,794</b>
<b>Adjusted operating margin</b>	<b>43.3%</b>	<b>43.8%</b>	<b>46.7%</b>	<b>47.0%</b>	<b>52.2%</b>	<b>46.9%</b>	<b>47.5%</b>	<b>38.7%</b>	<b>40.7%</b>	<b>48.4%</b>
For further information go to <a href="http://cboe.com/Investor Relations">cboe.com/Investor Relations</a>										

NOTE: May not foot due to rounding

# Non-GAAP Information

- In addition to disclosing results determined in accordance with GAAP, CBOE Holdings has disclosed certain non-GAAP measures of operating performance. The non-GAAP measures provided in this presentation include core operating expenses, adjusted operating revenue, adjusted operating expenses, adjusted operating income, adjusted operating margin, adjusted effective tax rate, adjusted net income, adjusted net income allocated to common stockholders and adjusted diluted earnings per share.
- Management believes that the non-GAAP financial measures presented in this presentation, including adjusted net income and core operating expenses, provide useful and comparative information to assess trends in our core operations and a means to evaluate period-to-period comparisons. Non-GAAP financial measures disclosed by management, including adjusted diluted EPS, are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies.
- Core operating expenses is the company's operating expenses after excluding (i) volume-based expenses, (ii) depreciation and amortization expense, (iii) accelerated stock-based compensation expense and (iv) other unusual or one-time expenses.

**➤ 400 South LaSalle Street  
Chicago, Illinois 60605  
[www.cboe.com](http://www.cboe.com)**