
Second Quarter 2015 Earnings Presentation

July 31, 2015



Agenda

Strategic Review

Edward Tilly

Chief Executive Officer

Financial Review

Alan Dean

*Executive Vice President,
CFO and Treasurer*

Questions and Answers

Edward Tilly

Alan Dean

Edward Provost

President and Chief Operating Officer

Forward-Looking Statements

This press release 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 right to exclusively list certain index options and futures products; increasing price competition in our industry; compliance with legal and regulatory obligations and obligations under agreements with regulatory agencies; decreases in the amount of trading volumes or a shift in the mix of products traded on our exchanges; our ability to operate our business, monitor and maintain our systems or program them so that they operate correctly, including in response to increases in trading volume and order transaction traffic; the accuracy of our estimates and expectations; legislative or regulatory changes; increasing competition by foreign and domestic entities; our index providers ability to perform under our agreements; 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 maintain access fee revenues; our ability to protect our systems and communication networks from security risks, including cyber-attacks; economic, political and market conditions; 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, 2014 and other filings made from time to time with the SEC.

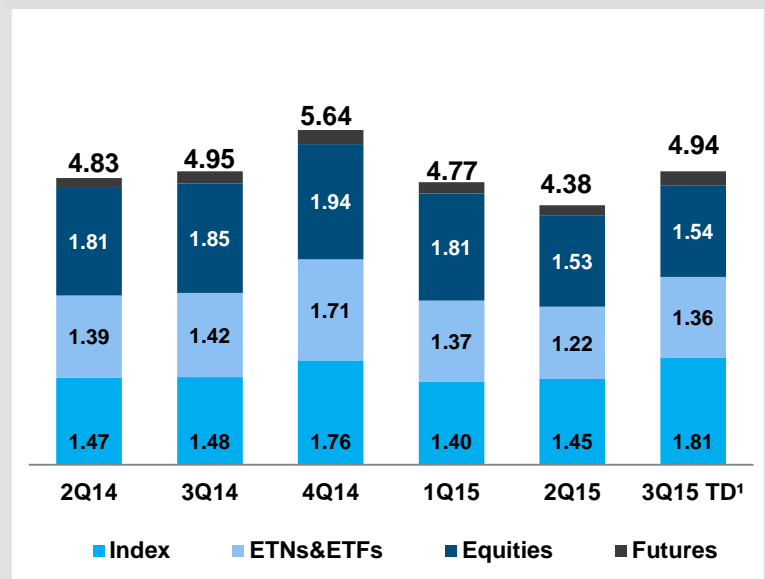
➤ Strategic Review
Edward Tilly
CEO

Solid 2Q15 Financial Results

CBOE was well positioned to benefit as market conditions changed in 2Q15

- Low-volume, low-volatility environment persisted throughout most of 2Q15
- Volume in volatility products picked up towards end of quarter and into July

Total ADV by Product
(in millions)



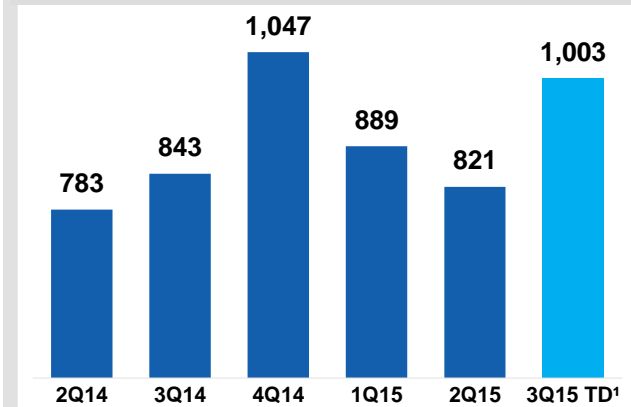
¹3Q15 TD through July 29, 2015

Strong Trading Continues in SPX Index Options

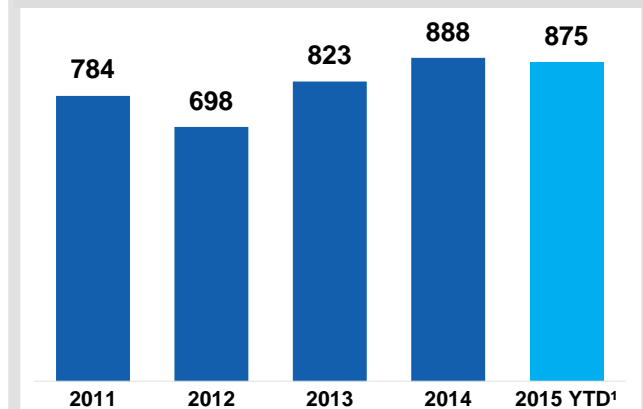
SPX Options ADV:

- Down 8% in 2Q15 vs 1Q15
- Rose 5% in 2Q15 vs 2Q14
- Up 6% YOY through July 2015

SPX ADV by Quarter (in thousands)



SPX ADV by Year (in thousands)

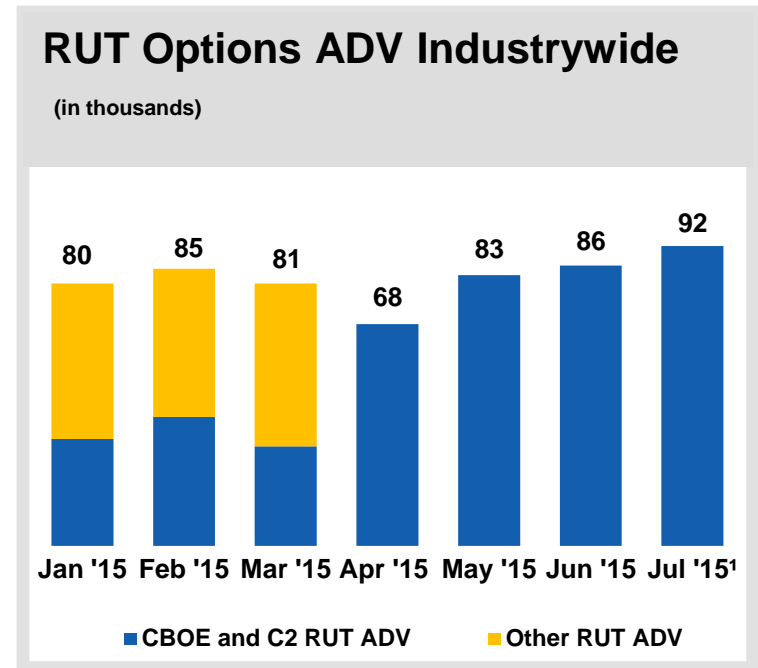


¹3Q15 and YTD through July 29, 2015

CBOE Became the Exclusive Home of Russell 2000 Index (RUT) Trading on April 1st

RUT options volume continues to build; July ADV strongest YTD

- RUT options volume has increased each month since April
- Focused on further developing RUT marketplace
 - Growing concentrated pool of liquidity
 - Expanding customer base through heightened marketing and educational efforts

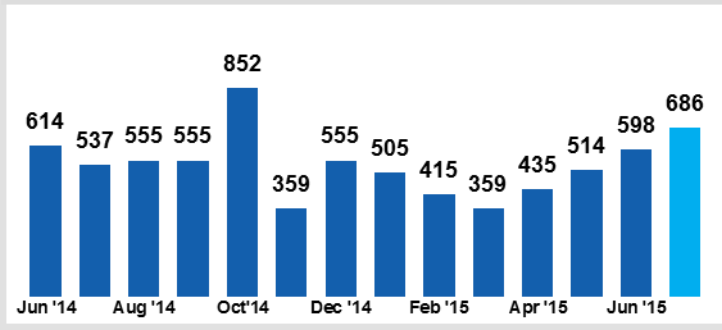


Source: OCC and CBOE

¹Through July 29, 2015

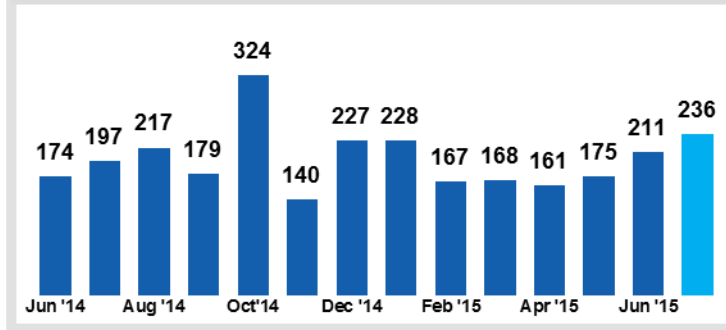
July Volume for VIX Options and Futures Highest This Year and Since Record Oct. '14

VIX Options Monthly ADV (in thousands)



VIX Options July ADV up 15% MoM

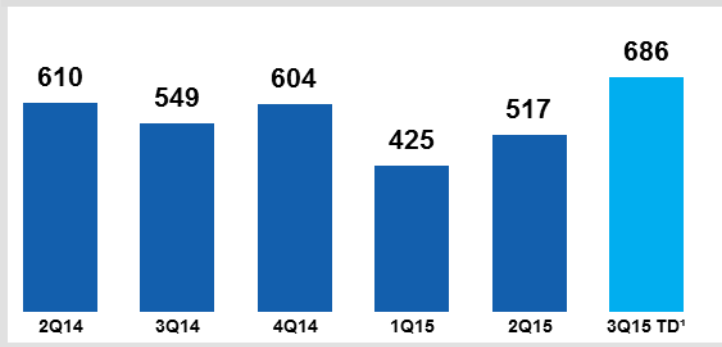
VIX Futures Monthly ADV (in thousands)



VIX Futures July ADV up 12% MoM

VIX Options ADV by Quarter

(in thousands)

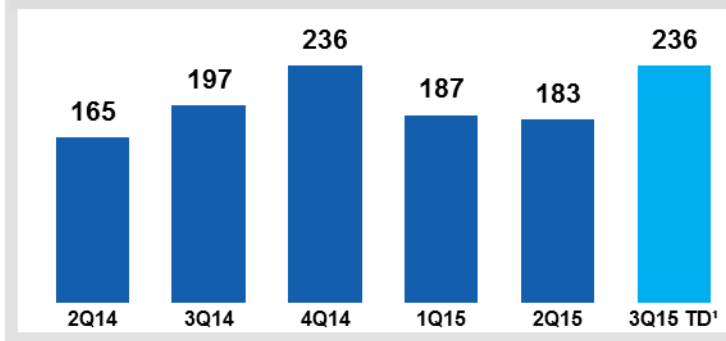


VIX Options ADV up 22% in 2Q15 vs 1Q15

¹July and 3Q15 through 7/29/15

VIX Futures ADV by Quarter

(in thousands)



VIX Futures ADV up 11% in 2Q15 vs 2Q14

Advancing CBOE's Index Growth Story

Create

Collaborate

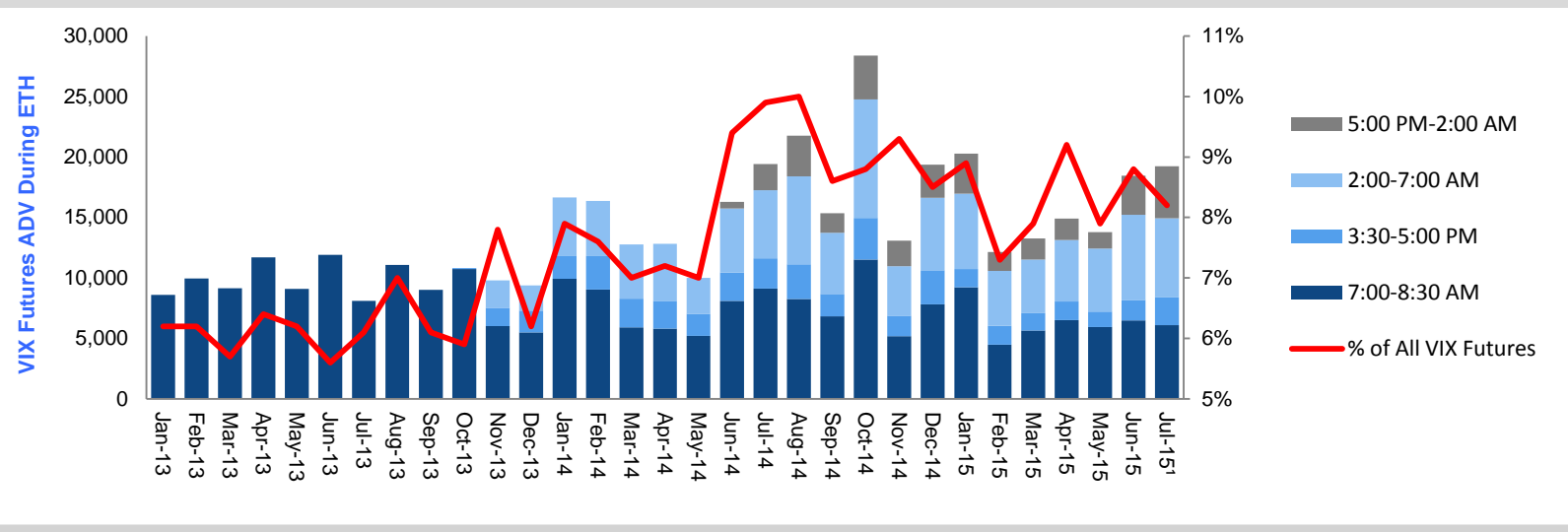
Connect

Connect: Broadening Access to Our Premium Products

More than 8% of VIX futures trading during non-U.S. hours YTD¹

- ▶ When volatility spiked in early July, overnight session accounted for as much as 13% of VIX futures volume, on higher volume overall

VIX Futures ADV During Non-U.S. Trading Hours (ETH) - By Time Period²



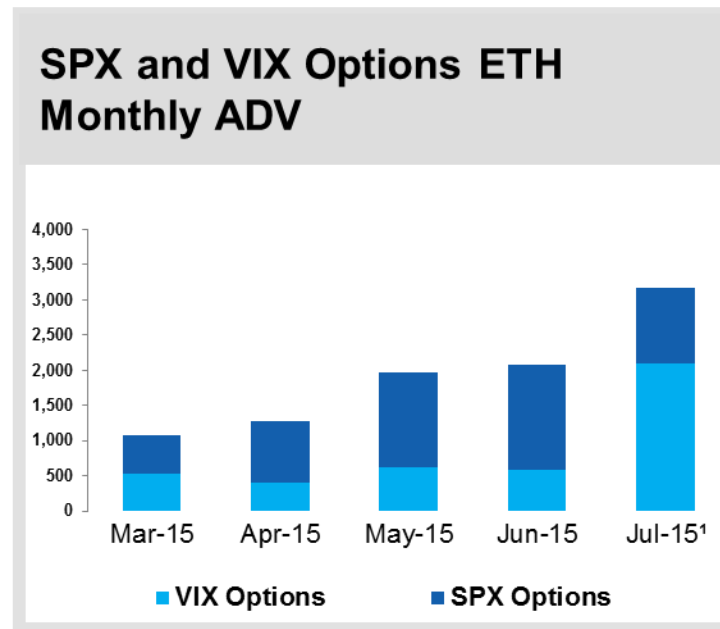
¹Through July 29, 2015

²Extended hours to nearly 24X5 on June 22, 2014

Connect: Broadening Access to Our Premium Products

Extended trading hours (ETH) for VIX and SPX options in March

- Six-hour session begins at 2:00 a.m. CT
- Aligns with open of trading in London and close in Asia
- Steady build in volume during ETH; spike in July for VIX options



¹Through July 29, 2015

Create: Weekly VIX Futures and Options

Launched Weekly VIX futures on July 23rd, rollout of options planned for October 8th

- **Weeklys complement standard VIX futures and options**
- **Provides volatility exposures that more closely track our benchmark VIX Index**
 - Allows users to fine tune the timing of their volatility trades and hedge against event-driven market moves
 - Investors will be able to trade expiring VIX and SPX contracts each week
 - Creates more trading opportunities



Create: New Tools to Facilitate the Trading of CBOE's Premium Products

Plan to disseminate 10 new CBOE options-based strategy performance benchmarks

- ▶ Highlight the long-term utility of options as risk management and yield enhancing investment tools
- ▶ Two of the benchmarks will use popular SPX Weekly options to create new versions of CBOE S&P500 BuyWrite Index (BXM) and PutWrite (PUT) Indexes
- ▶ Other indexes highlight completely new systematic hedging and risk-managed option selling strategies featuring SPX and VIX options
- ▶ Aimed at providing tangible measures of how options, particularly CBOE's proprietary options, can be used creatively to improve risk-adjusted returns within an investment portfolio

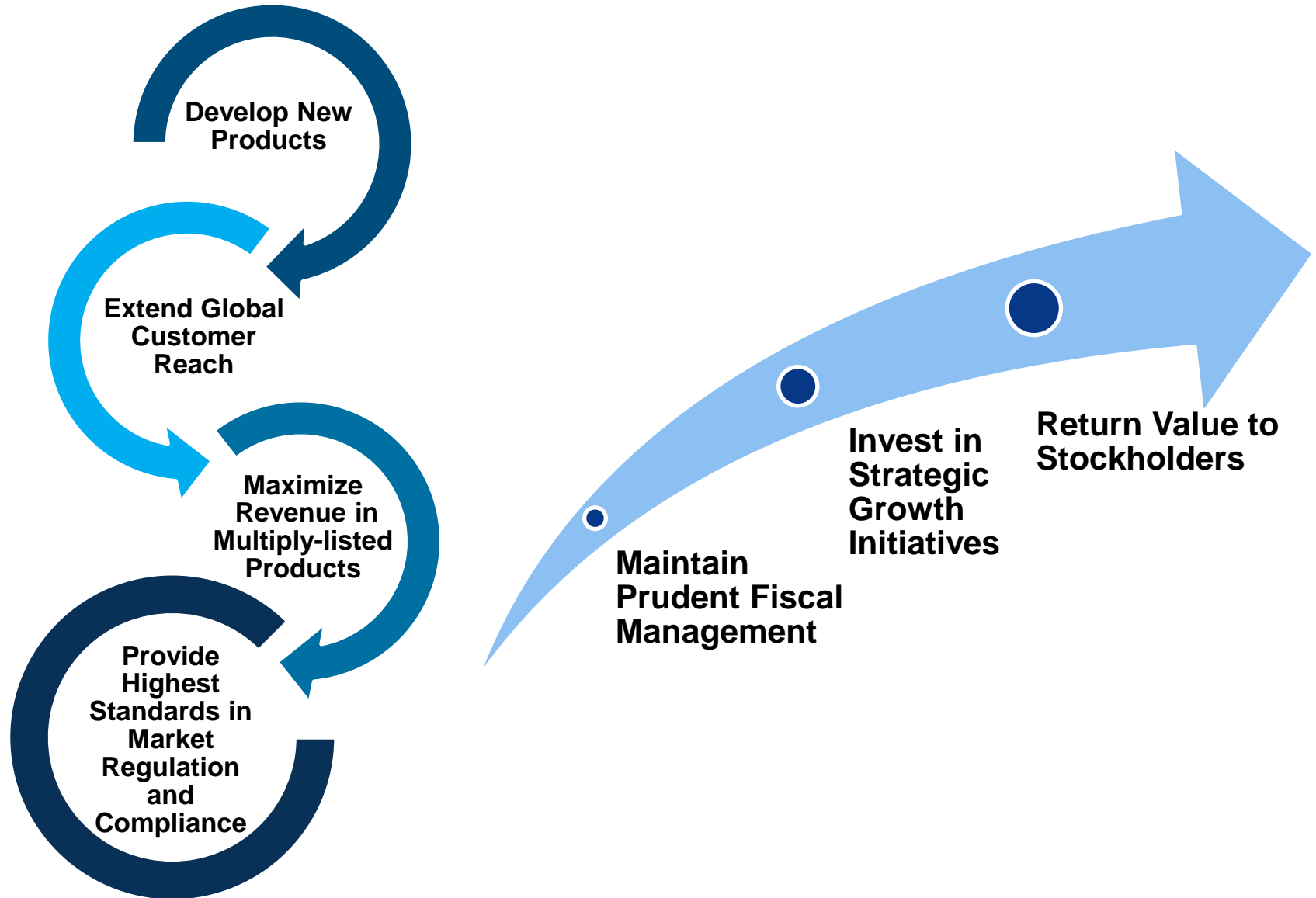
Collaborating with SGX to Educate Investors in Asia

Launching the first extension of CBOE's Options Institute with Singapore Exchange (SGX)

- ▶ **Leverages the strengths of CBOE and SGX to efficiently respond to the tremendous interest we see for products in Asia**
- ▶ **Expanding our Risk Management Conference to Asia for the first time in 2015**
 - In Hong Kong, Nov. 30 to Dec. 1



Continue to Further Define and Expand Options and Volatility Space





Financial Review
Alan Dean
EVP, CFO and Treasurer

2Q15 Financial Overview

GAAP Basis (in millions, except EPS and RPC)	2Q15	2Q14	\$ Change	% Change
Operating Revenues	\$148.7	\$143.9	\$4.8	3%
Operating Expenses	75.3	74.2	1.1	2%
Operating Income	\$73.4	\$ 69.7	\$3.7	5%
<i>Adjusted Operating Margin %</i>	<i>49.3%</i>	<i>48.4%</i>		90 bps
Net Income Allocated to Common Stockholders	\$44.6	\$ 42.6	\$2.0	5%
Diluted EPS	\$0.54	\$ 0.50	\$0.04	8%
Total ADV	4.38	4.83		-9%
Revenue per Contract	\$0.368	\$0.322	\$0.046	14%

Overview of Operating Revenues

Key drivers:

➤ Increases in:

- Transaction fees up \$3.7MM
- Other revenue of \$3.8MM

➤ Decreases in:

- Access fees of \$1.4MM
- Regulatory fees of \$1.1MM

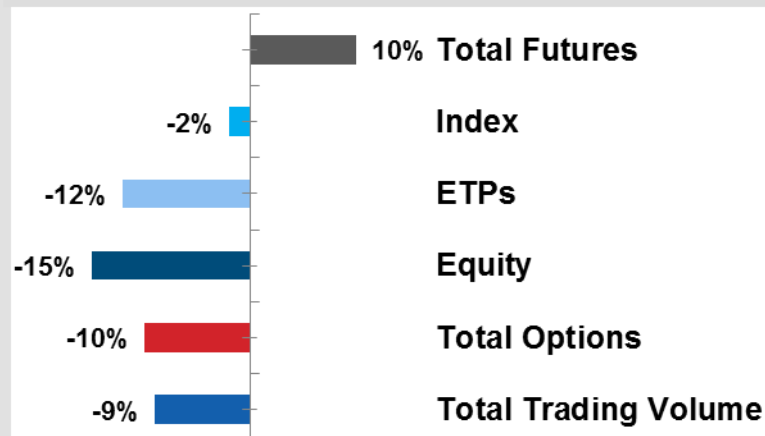
Operating Revenues (in millions)	2Q15	2Q14	% Chg
Transaction fees	\$101.6	\$ 97.9	4%
Access fees	13.4	14.8	-10%
Exchange services and other fees	9.7	9.7	--
Market data fees	7.6	7.8	-3%
Regulatory fees	8.7	9.8	-10%
Other revenue	7.7	3.9	97%
Total Operating Revenues	\$148.7	\$143.9	3%

Transaction Fees Increased 4%

Transaction fees up \$3.7MM

- 14% increase in RPC
 - Shift in product mix
 - Lower volume discounts
- 9% decrease in trading volume

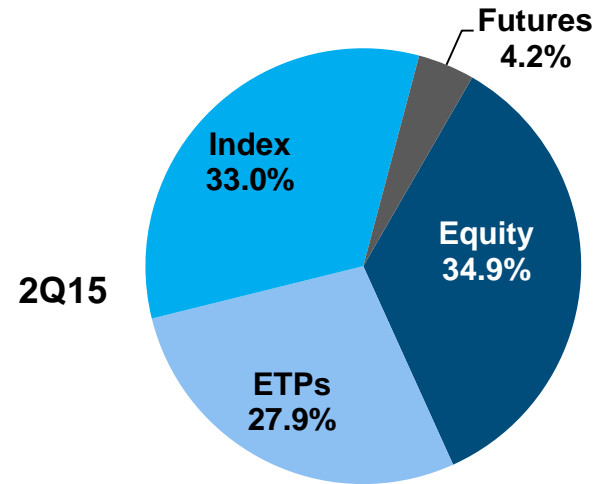
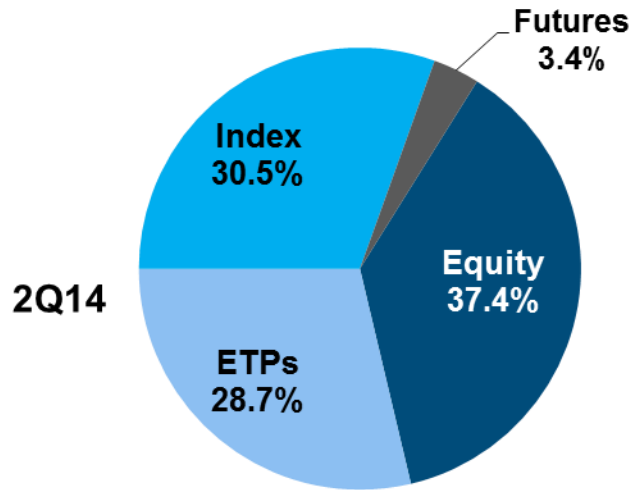
Trading Volume Chg 2Q15 vs 2Q14



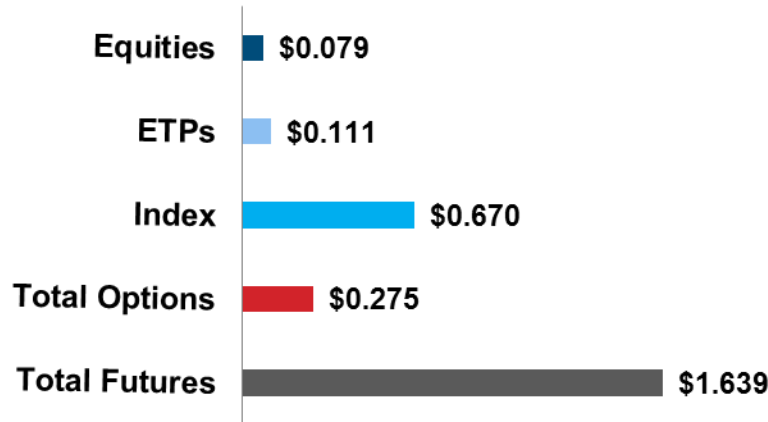
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Change in RPC Reflects Mix Shift, Fee Adjustments and Lower Volume-Based Incentives

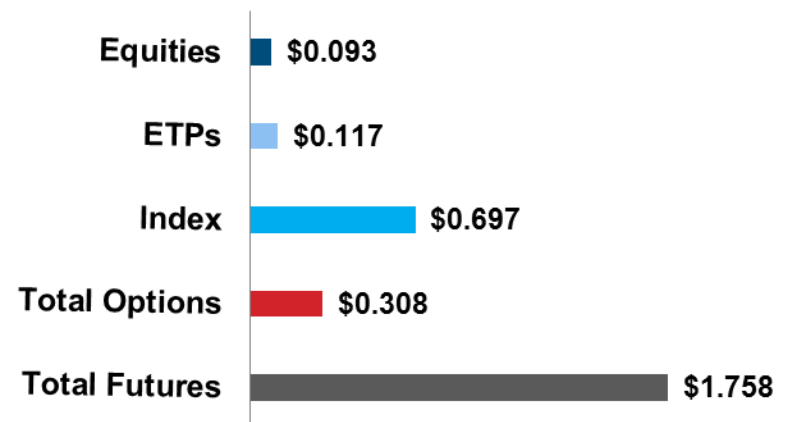
Trading volume mix and RPC 2Q14 versus 2Q15



2Q14 RPC \$0.322

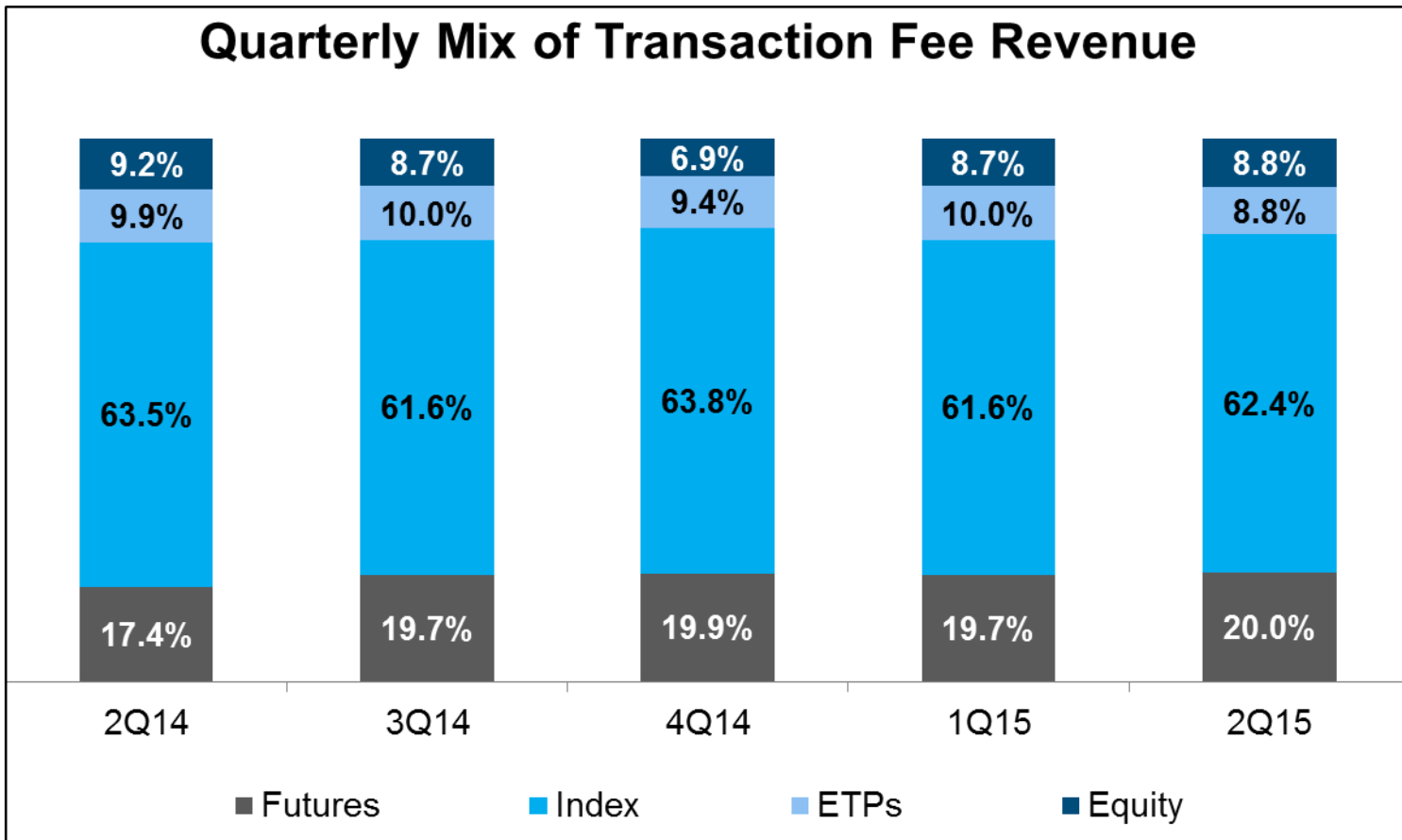


2Q15 RPC \$0.368



Proprietary Products Account for Growing Percentage of Transaction Fee Revenue

Index options and futures contracts accounted for 82.4% of transaction fees in 2Q15, up from 80.9% in 2Q14 and 81.3% in 1Q15



Other Factors Influencing Revenue

- **Other revenue up \$3.8MM**
 - Higher regulatory fines assessed
- **Access fees declined \$1.4MM**
 - Decrease in trading permits
- **Regulatory fees down \$1.1MM**
 - Lower rates for ORF in 2Q15 vs 2Q14
 - Elimination of fees related to CBSX

Operating Revenues (in millions)	2Q15	2Q14	% Chg
Transaction fees	\$101.6	\$ 97.9	4%
Access fees	13.4	14.8	-10%
Exchange services and other fees	9.7	9.7	--
Market data fees	7.6	7.8	-3%
Regulatory fees	8.7	9.8	-10%
Other revenue	7.7	3.9	97%
Total Operating Revenues	\$148.7	\$143.9	3%

Ongoing Focus on Controlling Expenses

Key drivers:

► Increases in -

- Professional fees and outside services of \$4.7MM
- Royalty fees of \$2.1MM
- Depreciation and amortization of \$1.4MM

► Decrease in -

- Compensation and benefits of \$6.2MM

Operating Expenses (in millions)	2Q15	2Q14	% Chg
Compensation and benefits	\$24.1	\$30.3	-20%
Depreciation and amortization	11.3	9.9	14%
Technology support services	4.8	4.8	--
Professional fees and outside services	12.6	7.9	60%
Royalty fees	16.8	14.7	14%
Order Routing	0.6	1.1	-44%
Travel and promotional	2.5	2.4	4%
Facilities costs	1.3	1.6	-19%
Other expenses	1.3	1.5	-13%
Total Operating Expenses	\$75.3	\$74.2	2%

Core Operating Expenses Down 4%

Key drivers:

➤ **Comp and benefits down \$6.2MM**

- Primarily due to lower costs for salaries, stock-based compensation and incentive compensation

➤ **Prof. fees and outside services up \$4.7MM**

- Primarily due to outsourcing of certain regulatory services to FINRA

Core Operating Expenses (in millions)	2Q15	2Q14	% Chg
Compensation and benefits	\$24.1	\$30.3	-20%
Technology support Services	4.8	4.8	--
Professional fees and outside services	12.6	7.9	60%
Travel and promotional	2.5	2.4	4%
Facilities costs	1.3	1.6	-19%
Other expenses	1.3	1.5	-13%
Total	\$46.7	\$48.5	-4%

May not foot due to rounding.

2015 Full-Year Guidance

As of July 31, 2015 (\$ in millions)	2015 Full-Year Guidance
Core operating expenses	\$190 to \$194
Continuing stock-based compensation ¹	\$12
Depreciation and amortization	\$46 to \$48
Capital expenditures	\$37 to \$40
Effective tax rate	38.5% to 39.5%

¹Stock-based compensation expense is included in benefits and compensation and benefits.

Volume-based Expenses

➤ Royalty fees up \$2.1MM

- Shift in mix of licensed products traded
 - resulting in an increase in the average royalty rate per licensed contract

Volume-based Expenses (in millions)	2Q15	2Q14	% Chg
Royalty fees	\$16.8	\$14.7	14%
Order routing	0.6	1.1	-44%
Total	\$17.4	\$15.8	10%

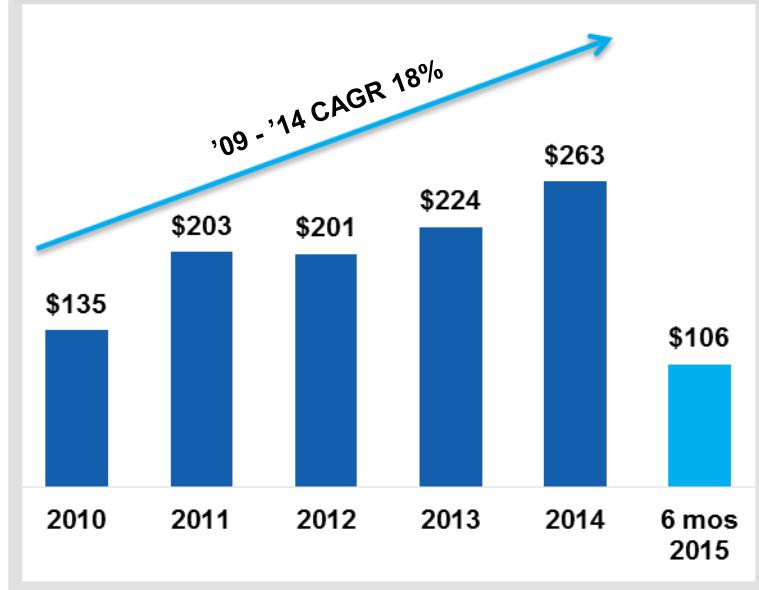
Enhancing Stockholder Value

Strong cash flow generation and disciplined approach to managing cash

- Cash of \$90MM at June 30, 2015
- Generated \$106MM in operating cash flow through June 30, 2015
- YTD Capital Outlays

Capital expenditures	\$ 18MM
Quarterly dividends	35MM
Share repurchases ¹	82MM
OCC contribution	30MM
Total	\$165MM

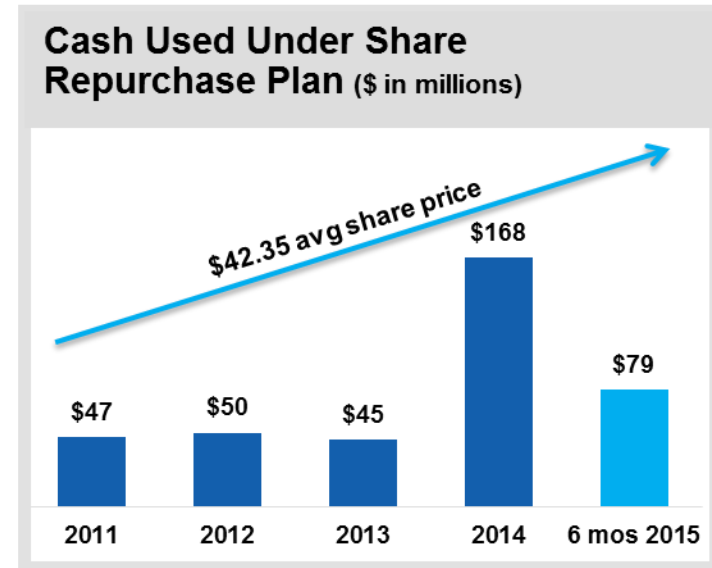
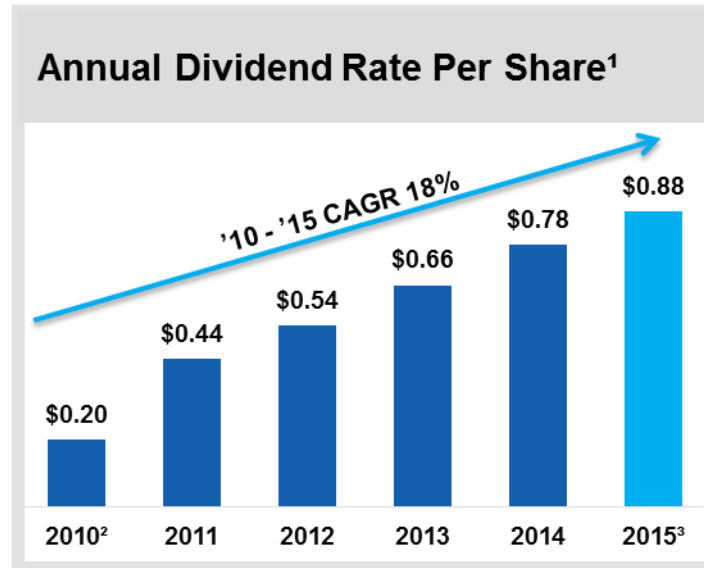
Operating Cash Flow (\$ in millions)



¹Includes stock purchased under repurchase plan and from employees

Committed to Returning Capital to Shareholders

- **\$111MM available under share repurchase program at June 30, 2015**
 - Includes additional \$100MM authorized in May 2015
- **Board increased quarterly dividend by 10%, to \$0.23 per share**
 - Effective with the third quarter 2015 dividend



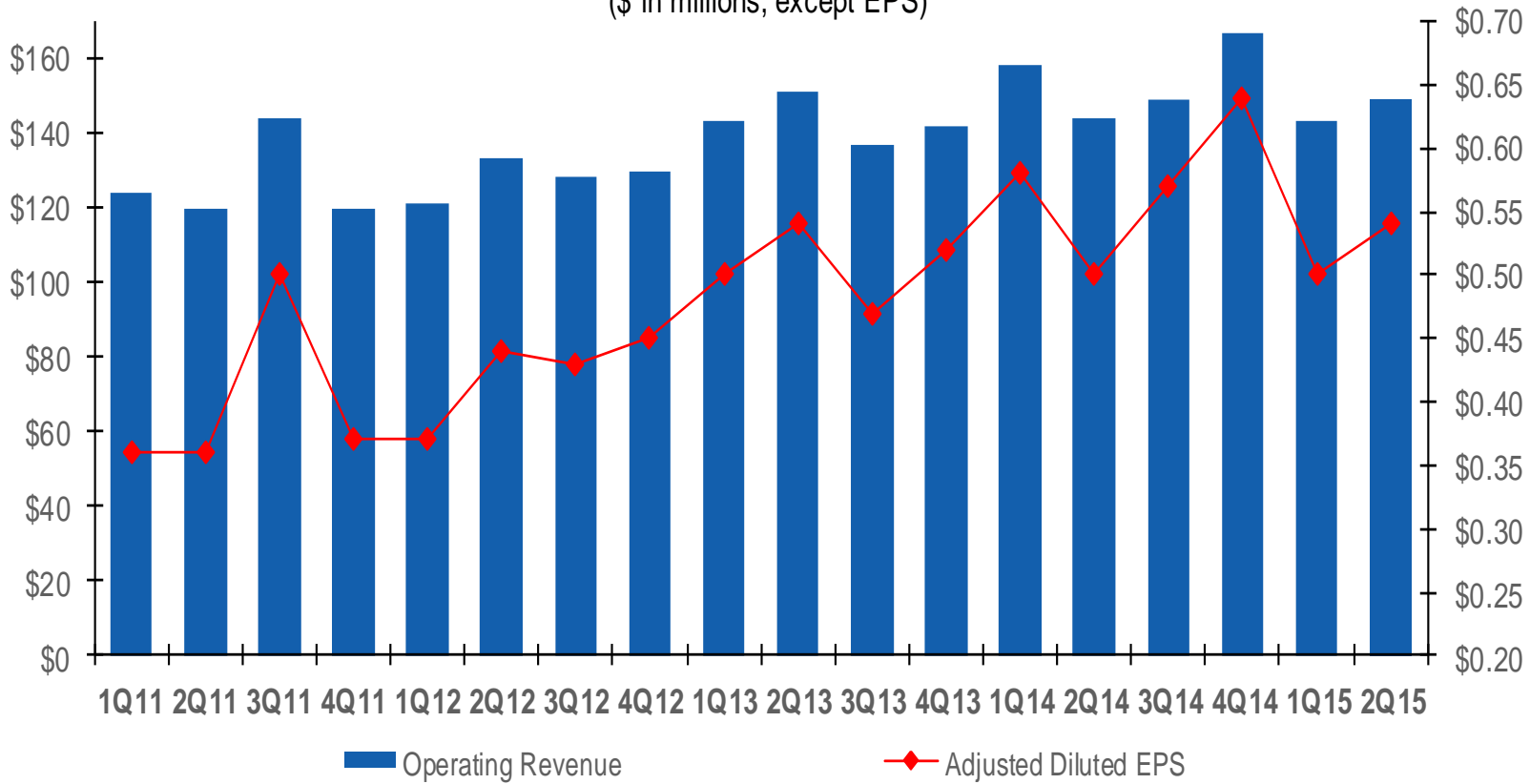
¹Excludes special dividends

²Dividends paid for last two quarters of the year, post IPO

³Estimate for 4Q15, based on 3Q15 dividend rate

Optimistic About Long-term Growth Prospects

Quarterly Operating Revenue and Adjusted Diluted EPS¹
 (\$ in millions, except EPS)



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

➤ Questions & Answers

➤ Appendix Materials

2015 YTD Financial Overview

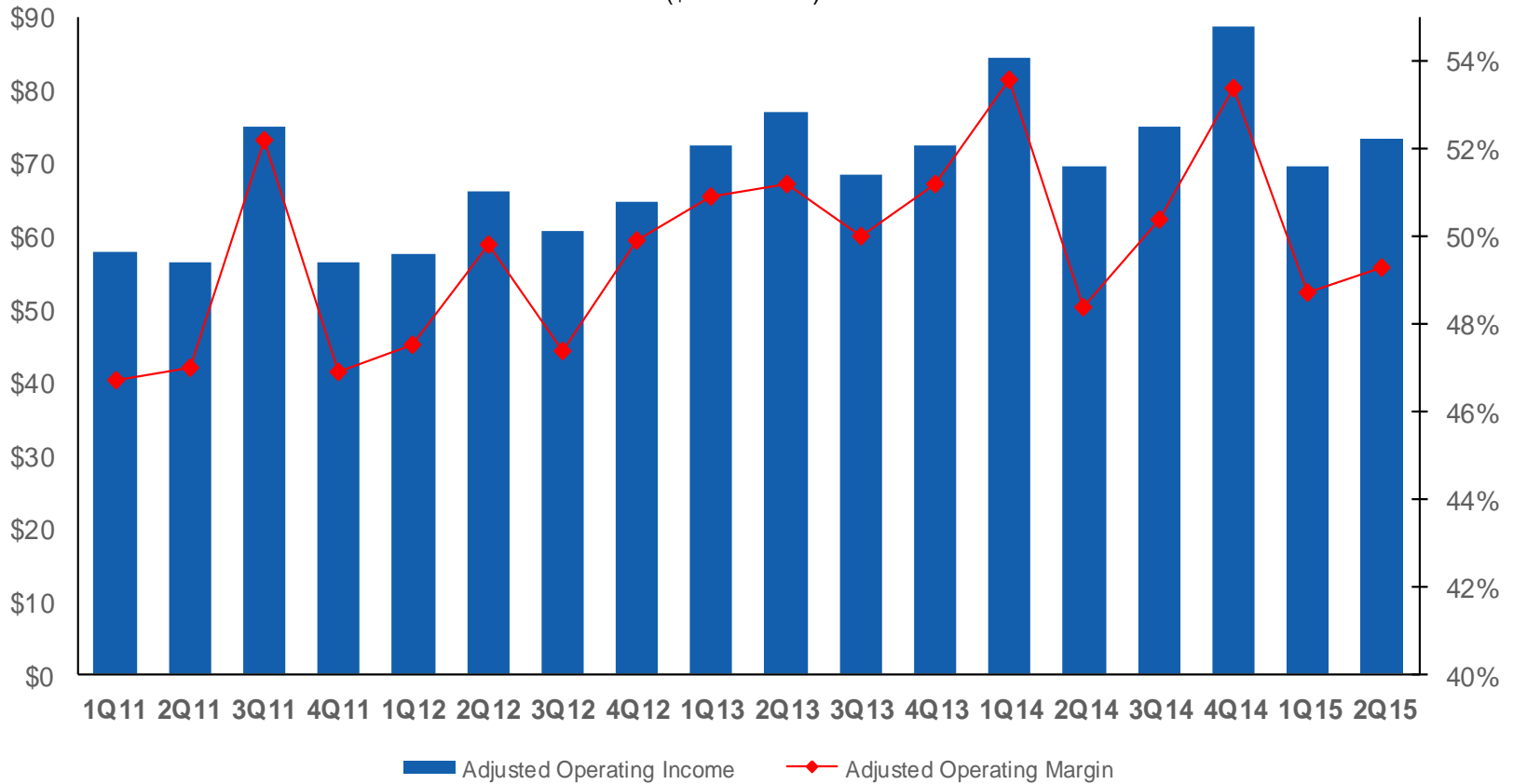
Adjusted Basis¹ (in millions, except EPS and RPC)	6 mos. End 06/2015	6 mos. End 06/2014	\$ Change	% Change
Operating Revenues	\$291.5	\$301.8	-\$10.3	-3%
Adjusted Operating Expenses	148.6	147.5	1.1	1%
Adjusted Operating Income	\$142.9	\$154.3	-\$11.4	-7%
<i>Adjusted Operating Margin %</i>	<i>49.0%</i>	<i>51.1%</i>		<i>(210) bps</i>
Adjusted Net Income Allocated to Common Stockholders	\$87.1	\$92.6	-\$5.5	-6%
Adjusted Diluted EPS	\$1.04	\$1.08	-\$0.04	-4%
Total ADV	4.57	5.22		-12%
Revenue per Contract	\$0.354	\$0.326	\$0.028	9%

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

Well Positioned to Gain Additional Leverage

Quarterly Adjusted Operating Income and Margin¹

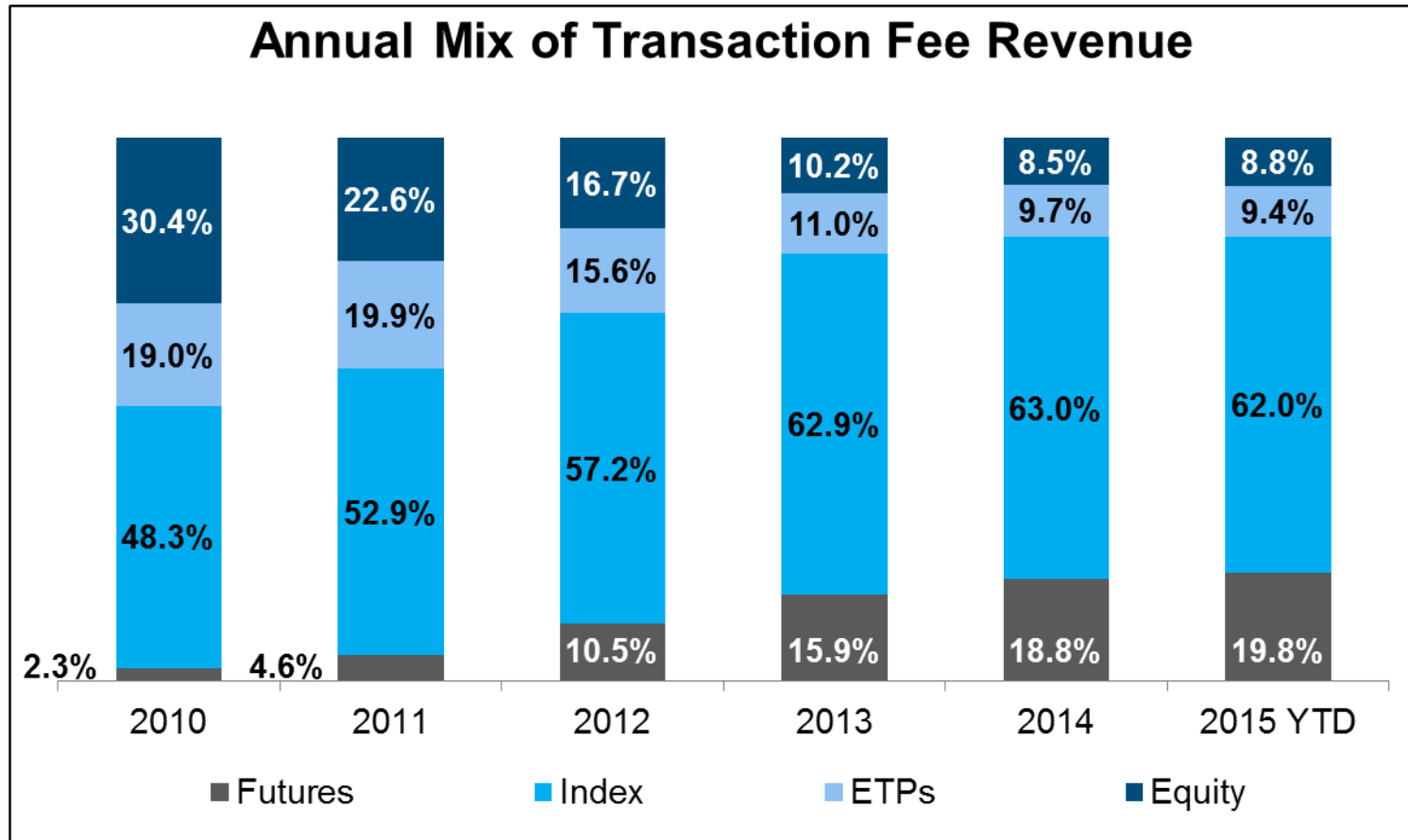
(\$ in millions)



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

Proprietary Products Account for Growing Percentage of Transaction Fee Revenue

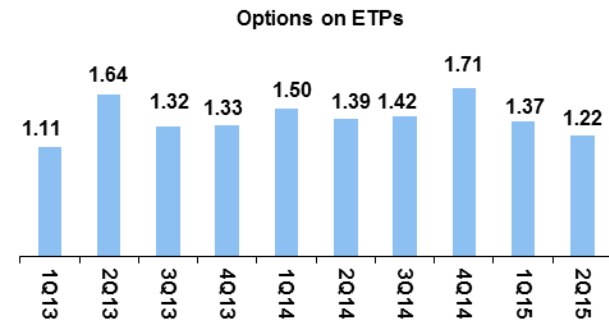
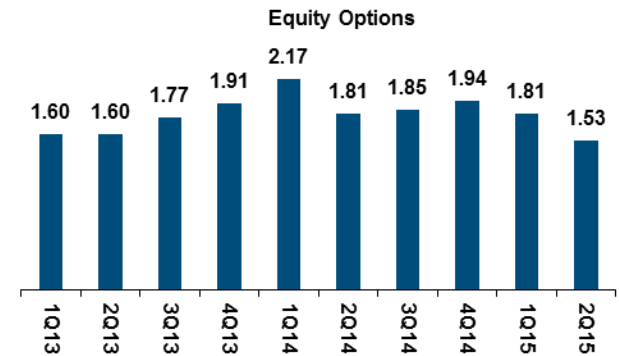
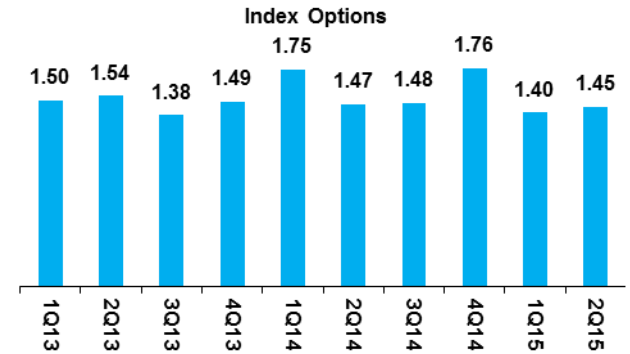
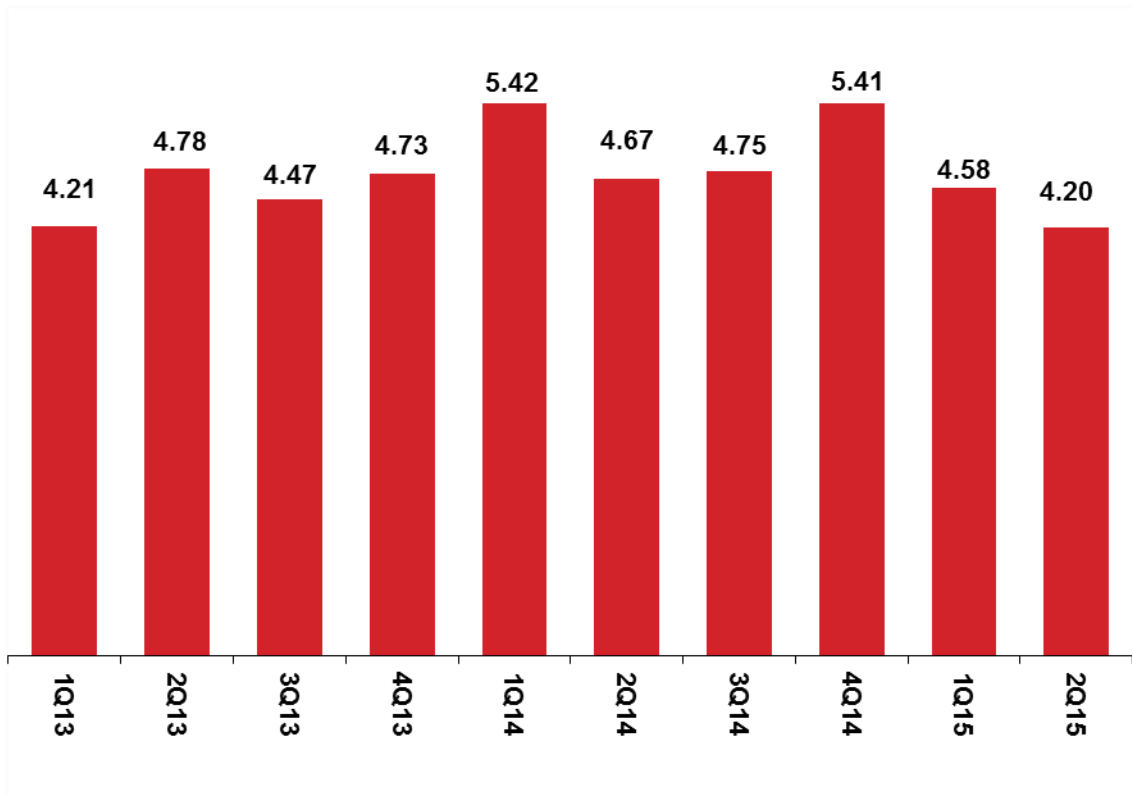
Index options and futures contracts account for 81.8% of transaction fees in 2014, up from 50.6% in 2010



Quarterly Options ADV

CBOE Holdings Quarterly Options ADV

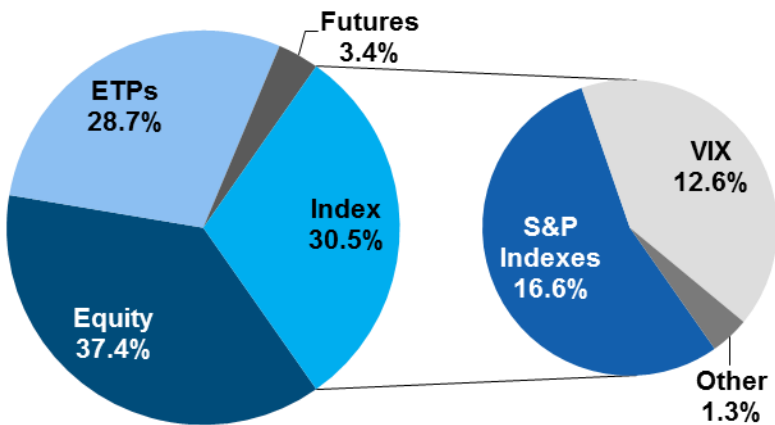
(contracts in millions)



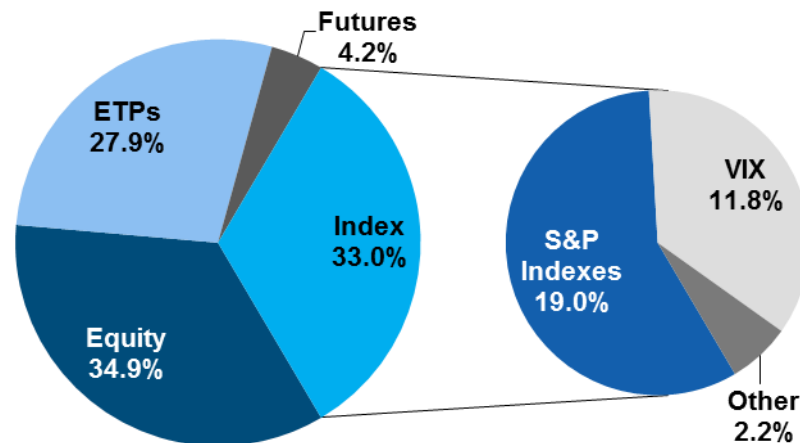
RPC Change Primarily Reflects Shift in Product Mix and Higher Volume-Based Incentives

Trading Volume Mix & RPC 2Q14 vs 2Q15

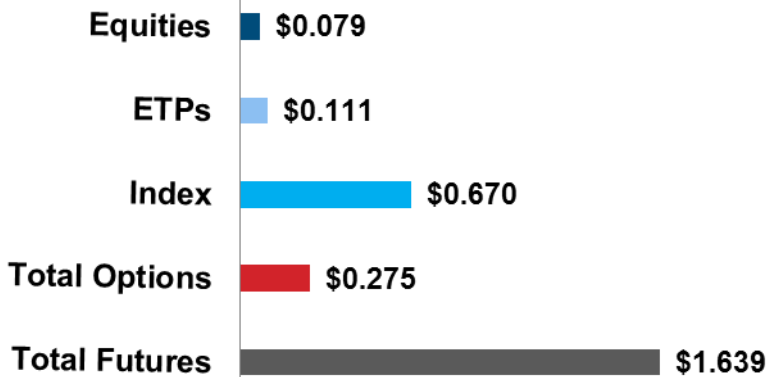
2Q14 Trading Volume Mix



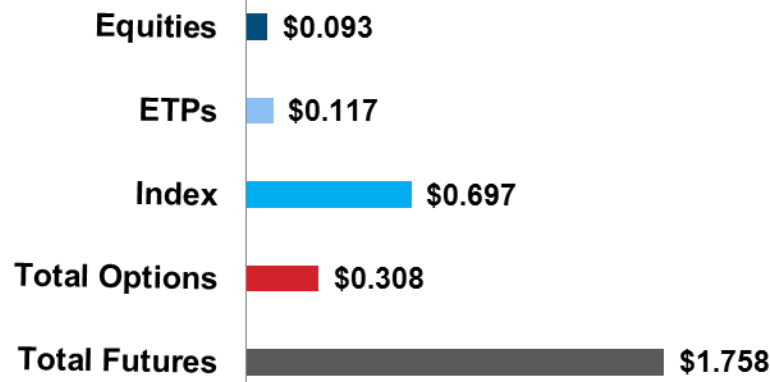
2Q15 Trading Volume Mix



2Q14 RPC \$0.322



2Q15 RPC \$0.368



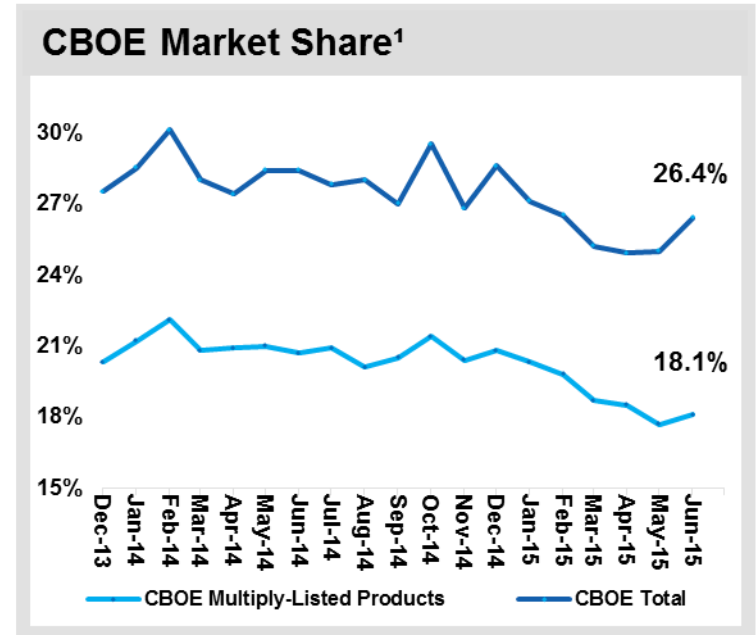
Optimizing Revenue and Market Share in Multiply-Listed Options

Focused on being among the leaders in options market share

► In June 2015:

- CBOE & C2 accounted for 28.5% of industry volume; up versus 27.2% in March 2015
- CBOE total market share of 26.4%; up versus 25.2% in March 2015
- CBOE multiply-listed market share of 18.1% versus 18.8% in March 2015

► Maximize market share in multiply-listed options



¹Market share stats exclude dividend trades

CBOE Holdings Rolling 3-Month RPC

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.069	\$0.070	\$0.077	\$0.077	\$0.087	\$0.093						
Indexes	0.702	0.704	0.712	0.707	0.701	0.697						
Exchange-traded products	0.111	0.115	0.118	0.115	0.114	0.117						
Total options RPC	0.279	0.283	0.284	0.280	0.290	0.308						
Futures	1.647	1.649	1.705	1.762	1.775	1.758						
Total RPC	\$0.333	\$0.340	\$0.340	\$0.336	\$0.348	\$0.368						

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.079	\$0.079	\$0.081	\$0.082	\$0.081	\$0.079	\$0.074	\$0.076	\$0.077	\$0.078	\$0.074	\$0.068
Indexes	0.664	0.667	0.669	0.674	0.674	\$0.670	\$0.671	\$0.677	0.680	0.690	0.692	0.696
Exchange-traded products	0.124	0.119	0.117	0.113	0.113	\$0.111	\$0.112	\$0.114	0.115	0.112	0.107	0.105
Total options RPC	0.273	0.281	0.281	0.277	0.275	\$0.275	\$0.275	\$0.281	0.275	0.288	0.279	0.284
Futures	1.602	1.614	1.617	1.610	1.616	\$1.639	\$1.651	\$1.631	1.625	1.598	1.628	1.616
Total RPC	\$0.317	\$0.329	\$0.329	\$0.325	\$0.321	\$0.322	\$0.324	\$0.336	\$0.329	\$0.344	\$0.331	\$0.340

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.149	\$0.153	\$0.140	\$0.114	\$0.094	\$0.090	\$0.082	\$0.081	\$0.077	\$0.076	\$0.076	\$0.075
Indexes	0.665	0.670	0.671	0.679	0.674	0.675	0.670	0.671	0.669	0.666	0.666	0.666
Exchange-traded products	0.194	0.181	0.155	0.127	0.119	0.119	0.121	0.122	0.123	0.124	0.126	0.125
Total options RPC	0.340	0.341	0.333	0.308	0.295	0.289	0.282	0.278	0.273	0.278	0.275	0.275
Futures	1.484	1.560	1.618	1.598	1.594	1.544	1.544	1.533	1.559	1.548	1.556	1.565
Total RPC	\$0.376	\$0.382	\$0.378	\$0.357	\$0.341	\$0.334	\$0.324	\$0.321	\$0.315	\$0.320	\$0.315	\$0.316

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	\$0.122	\$0.118	\$0.121	\$0.124	\$0.134
Indexes	0.640	0.651	0.658	0.667	0.673	0.677	0.680	0.684	0.682	0.675	0.670	0.670
Exchange-traded products	0.206	0.188	0.171	0.172	0.176	0.180	0.177	0.177	0.177	0.180	0.183	0.186
Total options RPC	0.297	0.275	0.261	0.267	0.279	0.288	0.289	0.286	0.287	0.294	0.309	0.322
Futures	1.474	1.610	1.697	1.655	1.650	1.607	1.598	1.626	1.606	1.573	1.473	1.442
Total RPC	\$0.308	\$0.289	\$0.280	\$0.290	\$0.304	\$0.314	\$0.316	\$0.315	\$0.317	\$0.326	\$0.342	\$0.355

Quarterly Core Operating Expenses¹

(\$ in thousands)

	2Q 2015	% rev	1Q 2015	% rev	4Q 2014	% rev	3Q 2014	% rev	2Q 2014	% rev
Total Operating Expenses	\$75,355	51%	\$73,286	51%	\$79,525	48%	\$73,826	50%	\$74,226	52%
Less:										
Depreciation and amortization	11,275	8%	10,402	7%	11,053	7%	10,361	7%	9,895	7%
Severance expense	-	-	-	-	1,863	1%	-	-	-	-
Volume-based expenses:										
Royalty fees	16,755	11%	14,150	10%	19,266	12%	16,235	11%	14,707	10%
Order routing	627	0%	787	1%	874	1%	961	1%	1,120	1%
Core Operating Expenses (non-GAAP)¹:	\$46,698	31%	\$47,947	34%	\$46,469	28%	\$46,269	31%	\$48,504	34%
Less: Continuing stock-based compensation	3,147	2%	2,655	2%	2,098	1%	2,109	1%	4,457	3%
Core Operating Expenses excluding continuing stock-based compensation (non-GAAP)¹:	\$43,551	29%	\$45,292	32%	\$44,371	27%	\$44,160	30%	\$44,047	31%
Core Operating Expense Detail:										
Compensation and benefits	\$24,136	16%	\$25,439	18%	\$27,493	17%	\$28,698	19%	\$30,306	21%
Technology support services	4,813	3%	5,325	4%	4,915	3%	4,769	3%	4,783	3%
Profession fees and outside services	12,594	8%	11,950	8%	8,539	5%	8,204	6%	7,855	5%
Travel and promotional expenses	2,526	2%	2,501	2%	2,727	2%	1,885	1%	2,446	2%
Facilities costs	1,293	1%	1,384	1%	1,445	1%	1,373	1%	1,590	1%
Other expenses	1,336	1%	1,348	1%	1,350	1%	1,340	1%	1,524	1%
Total	\$46,698	31%	\$47,947		\$46,469		\$46,269		\$48,504	
Number of full-time employees at quarter end	532		528		520		639		661	

¹Please see our disclaimer regarding non-GAAP financial measures.

May not foot due to rounding

Annual Core Operating Expenses¹

(\$ in thousands)

	2014	% rev	2013	% rev	2012	% rev	2011	% rev	2010	% rev
Total Operating Expenses	\$303,424	49%	\$286,236	50%	\$268,241	52%	\$266,512	52%	\$269,763	62%
Less:										
Depreciation and amortization	39,913	6%	34,488	6%	31,485	6%	34,094	7%	29,891	7%
Accelerated stock-based compensation	2,530	-	3,996	1%	343	-	453	-	12,968	3%
Severance	1,863	-	-	-	-	-	3,709	1%	-	-
Estimated liability/expense related to SEC investigation	-	-	1,000	-	5,000	1%	-	-	-	-
Volume-based expenses:										
Royalty fees	66,110	11%	56,576	10%	46,135	9%	47,822	9%	41,353	10%
Order routing	4,080	1%	4,355	1%	6,275	1%	14,239	3%	21,294	5%
Core Operating Expenses (non-GAAP)¹:	\$188,928	31%	\$185,821	32%	\$179,003	35%	\$166,195	33%	\$164,257	38%
Less: Continuing stock-based compensation	13,047	2%	16,828	3%	12,005	2%	12,166	2%	7,833	2%
Core Operating Expenses excluding continuing stock-based compensation (non-GAAP)¹:	\$175,881	28%	\$168,993	30%	\$166,998	33%	\$154,029	30%	\$156,424	36%
Core Operating Expense Detail:										
Compensation and benefits	\$117,341	19%	\$114,087	20%	\$103,853	20%	\$100,292	20%	\$93,275	22%
Technology support services	19,189	3%	17,898	3%	19,603	4%	17,933	4%	19,501	5%
Professional fees and outside services	31,976	5%	34,473	6%	36,300	7%	27,310	5%	31,245	7%
Travel and promotion expenses	9,046	1%	9,806	2%	10,006	2%	9,812	2%	9,569	2%
Facilities costs	5,721	1%	5,053	1%	5,066	1%	5,400	1%	5,801	1%
Other expenses	5,655	1%	4,504	1%	4,175	1%	5,448	1%	4,866	1%
Number of Full Time Employees at year end	520		650		605		596		581	

¹Please see our disclaimer regarding non-GAAP financial measures.

May not foot due to rounding

GAAP to Non-GAAP Reconciliation For 2010 and 2011

GAAP to Non-GAAP Reconciliation
(in thousands, except per share amounts)

	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	FY2010	FY2011
Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP								
GAAP net income allocated to common stockholders	\$ 20,020	\$ 30,687	\$ 32,089	\$ 32,609	\$ 40,597	\$ 31,287	\$ 98,166	\$ 136,582
Less: Recognition of prior-period revenue		(4,406)					(4,406)	
Add: Accelerated stock-based compensation	10,965	2,004	340	113			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)	(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)	(76)	(109)
Adjusted net income allocated to common stockholders	\$ 26,380	\$ 30,207	\$ 32,540	\$ 32,674	\$ 44,745	\$ 33,164	\$ 104,238	\$ 143,134

Reconciliation of GAAP Diluted EPS to Non-GAAP

GAAP diluted earnings per common share	\$ 0.20	\$ 0.31	\$ 0.36	\$ 0.36	\$ 0.45	\$ 0.35	\$ 1.03	\$ 1.52
Per share impact of items above	0.06				0.05	0.02	0.06	0.07
Non-GAAP diluted earnings per common share	\$ 0.26	\$ 0.31	\$ 0.36	\$ 0.36	\$ 0.50	\$ 0.37	\$ 1.09	\$ 1.59

Reconciliation of GAAP Operating Margin to Non-GAAP

GAAP operating revenue	\$ 106,015	\$ 117,391	\$ 124,042	\$ 120,290	\$ 143,604	\$ 120,208	\$ 437,104	\$ 508,144
Non-GAAP adjustments noted above		(4,406)					(4,406)	
Adjusted operating revenue	\$ 106,015	\$ 112,985	\$ 124,042	\$ 120,290	\$ 143,604	\$ 120,208	\$ 432,698	\$ 508,144
GAAP operating income	\$ 34,933	\$ 51,854	\$ 57,535	\$ 56,452	\$ 74,966	\$ 52,679	\$ 167,341	\$ 241,632
Non-GAAP adjustments noted above	10,965	(2,402)	340	113	-	3,709	8,562	4,162
Adjusted operating income	\$ 45,898	\$ 49,452	\$ 57,875	\$ 56,565	\$ 74,966	\$ 56,388	\$ 175,903	\$ 245,794
Adjusted operating margin	43.3%	43.8%	46.7%	47.0%	52.2%	46.9%	40.7%	48.4%

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May not foot due to rounding and/or change in shares outstanding

GAAP to Non-GAAP Reconciliation For 2012 and 2013

GAAP to Non-GAAP Reconciliation
(in thousands, except per share amounts)

	1Q12	2Q12	3Q12	4Q12	FY2012	1Q13	2Q13	3Q13	4Q13	FY2013
Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP										
GAAP net income allocated to common stockholders	\$ 32,863	\$ 37,903	\$ 45,243	\$ 39,246	\$ 155,254	\$ 41,789	\$ 45,477	\$ 40,955	\$ 45,649	\$ 173,863
Add: Accelerated stock-based compensation	194			149	343	3,180	816			3,996
Add: Estimated liability related to SEC investigation				5,000	5,000		1,000			1,000
Add: Impairment charge						245				245
Income tax benefit/(expense) related to the items above	(80)			(63)	(139)	(1,311)	(313)			(1,611)
Add: Income tax provision adjustment			(7,654)	(5,415)	(13,054)					
Net income allocated to participating securities - effect on reconciling items	(2)		86	4	106	(29)	(22)			(46)
Adjusted net income allocated to common stockholders	\$ 32,975	\$ 37,903	\$ 37,675	\$ 38,921	\$ 147,510	\$ 43,874	\$ 46,958	\$ 40,955	\$ 45,649	\$ 177,447
Reconciliation of GAAP Diluted EPS to Non-GAAP										
GAAP diluted earnings per common share	\$ 0.37	\$ 0.44	\$ 0.52	\$ 0.45	\$ 1.78	\$ 0.48	\$ 0.52	\$ 0.47	\$ 0.52	\$ 1.99
Per share impact of items above			(0.09)		(0.09)	0.02	0.02			0.04
Non-GAAP diluted earnings per common share	\$ 0.37	\$ 0.44	\$ 0.43	\$ 0.45	\$ 1.69	\$ 0.50	\$ 0.54	\$ 0.47	\$ 0.52	\$ 2.03
Reconciliation of GAAP Operating Margin to Non-GAAP										
GAAP operating revenue	\$ 121,392	\$ 132,549	\$ 128,319	\$ 130,077	\$ 512,338	\$ 142,705	\$ 150,772	\$ 136,743	\$ 141,830	\$ 572,050
Non-GAAP adjustments noted above										
Adjusted operating revenue	\$ 121,392	\$ 132,549	\$ 128,319	\$ 130,077	\$ 512,338	\$ 142,705	\$ 150,772	\$ 136,743	\$ 141,830	\$ 572,050
GAAP operating income	\$ 57,415	\$ 66,069	\$ 60,861	\$ 59,752	\$ 244,097	\$ 69,430	\$ 75,358	\$ 68,427	\$ 72,599	\$ 285,814
Non-GAAP adjustments noted above	194			5,149	5,343	3,180	1,816			4,996
Adjusted operating income	\$ 57,609	\$ 66,069	\$ 60,861	\$ 64,901	\$ 249,440	\$ 72,610	\$ 77,174	\$ 68,427	\$ 72,599	\$ 290,810
Adjusted operating margin	47.5%	49.8%	47.4%	49.9%	48.7%	50.9%	51.2%	50.0%	51.2%	50.8%

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May not foot due to rounding and/or change in shares outstanding

GAAP to Non-GAAP Reconciliation For 2014 and 2015 YTD

GAAP to Non-GAAP Reconciliation

(in thousands, except per share amounts)

	1Q14	2Q14	3Q14	4Q14	FY2014	1Q15	2Q15	3Q15	4Q15	FY2015
Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP										
GAAP net income allocated to common stockholders	\$ 48,528	\$ 42,598	\$ 48,146	\$ 49,119	\$ 188,392	\$ 42,079	\$ 44,646			
Add: Accelerated stock-based compensation	2,530				2,530					
Add: Sevice expense related to outsourcing certain regulatory services				1,863	1,863					
Add: Impairment charge				3,000	3,000	364				
Add: Tax adjustment related to prior year				1,600	1,600					
Income tax benefit/(expense) related to the items above	(1,009)			(2,005)	(2,861)	(142)				
Net income allocated to participating securities - effect on reconciling items	(15)			(20)	(43)	(3)				
Adjusted net income allocated to common stockholders	\$ 50,034	\$ 42,598	\$ 48,146	\$ 53,557	\$ 194,481	\$ 42,299	\$ 44,646	\$ -	\$ -	\$ -
Reconciliation of GAAP Diluted EPS to Non-GAAP										
GAAP diluted earnings per common share	\$ 0.56	\$ 0.50	\$ 0.57	\$ 0.58	\$ 2.21	\$ 0.50	\$ 0.54			
Per share impact of items above	0.02			0.06	0.07					
Non-GAAP diluted earnings per common share	\$ 0.58	\$ 0.50	\$ 0.57	\$ 0.64	\$ 2.28	\$ 0.50	\$ 0.54	\$ -	\$ -	\$ -
Reconciliation of GAAP Operating Margin to Non-GAAP										
GAAP operating revenue	\$ 157,885	\$ 143,942	\$ 148,910	\$ 166,487	\$ 617,225	\$ 142,839	\$ 148,725			
Non-GAAP adjustments noted above										
Adjusted operating revenue	\$ 157,885	\$ 143,942	\$ 148,910	\$ 166,487	\$ 617,225	\$ 142,839	\$ 148,725	\$ -	\$ -	\$ -
GAAP operating income	\$ 82,038	\$ 69,716	\$ 75,084	\$ 86,962	\$ 313,801	\$ 69,553	\$ 73,370			
Non-GAAP adjustments noted above	2,530			1,863	4,393					
Adjusted operating income	\$ 84,568	\$ 69,716	\$ 75,084	\$ 88,825	\$ 318,194	\$ 69,553	\$ 73,370	\$ -	\$ -	\$ -
Adjusted operating margin	53.6%	48.4%	50.4%	53.4%	51.6%	48.7%	49.3%			

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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.

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