

An abstract background image featuring a grid of glowing dots in blue, green, and red, creating a sense of depth and digital connectivity.

Raymond James

**37th Annual Institutional
Investors Conference**

Edward Tilly, CEO

March 7, 2016

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. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. There are important factors that could cause actual results, level of activity, performance or achievements to differ materially from that expressed or implied by the forward-looking statements, including: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations, including our obligations under agreements with regulatory agencies; increasing price competition in our industry; decreases in trading volumes or a shift in the mix of products traded on our exchanges; legislative or regulatory changes; increasing competition by foreign and domestic entities; our dependence on third party service providers; 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 accommodate trading volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; our ability to protect our systems and communication networks from security risks, including cyber-attacks; the accuracy of our estimates and expectations; our ability to maintain access fee revenues; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to attract and retain skilled management and other personnel; and our ability to manage our growth and strategic acquisitions or alliances effectively.

More detailed information about factors that may affect our performance may be found in our filings with the U.S. Securities and Exchange Commission, including in our Annual Report on Form 10-K for the year ended December 31, 2015 and other filings made from time to time with the SEC.

Translating our Mission and Strategic Initiatives into Value

Our mission is to be the market leader in providing innovative products that facilitate and enhance trading in a global marketplace

Strategic Initiatives

- **Develop unique products**
- **Expand our customer base globally**
- **Form alliances that leverage and complement our core business**
- **Define and lead the options and volatility space globally**

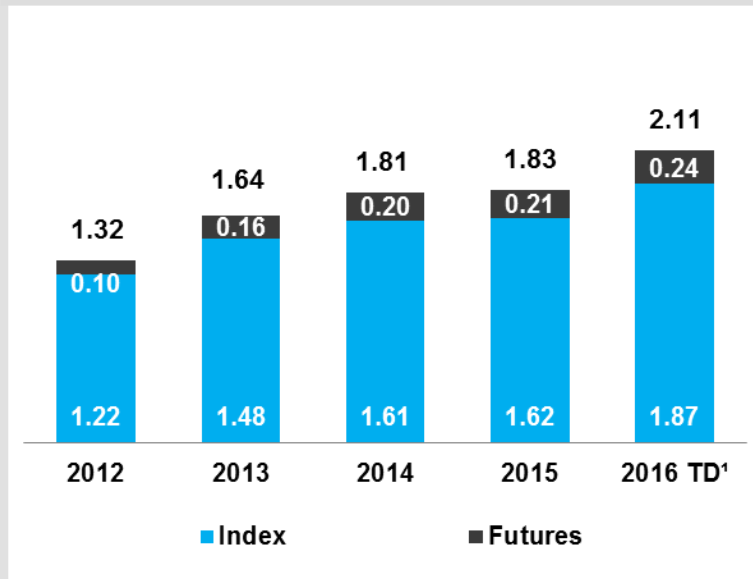
Fifth Consecutive Year of Record Financial Results for CBOE in 2015

Product innovation is central to our value proposition and enables CBOE to offer the world's widest array of options and volatility products

➤ **Posted record ADV in index complex in 2015**

- Lead by record trading in SPX options and VIX futures

Total ADV for Index Complex:
Index Options and VIX Futures
(in millions)



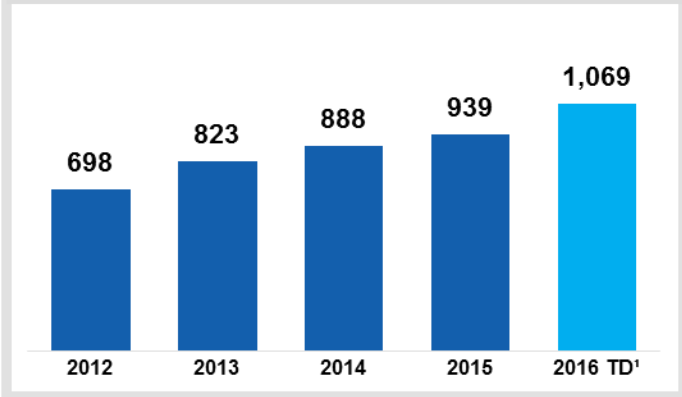
¹Through February 29, 2016

Further Developing Current Products to Grow Index Product Line

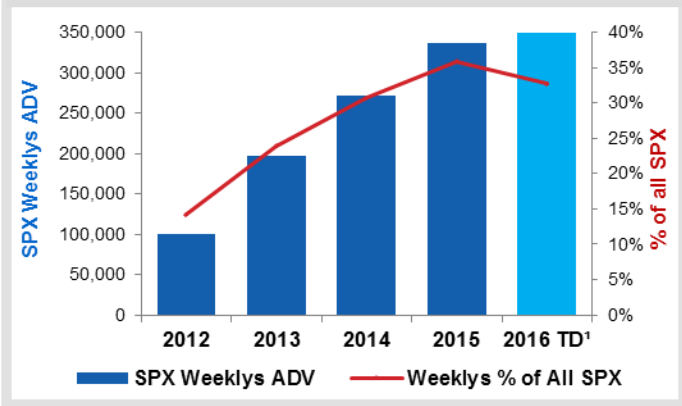
S&P 500 Index (SPX) options, the most actively traded U.S. index option

- **SPX ADV up 15% YTD 2016 versus same period in 2015**
- **SPX Weeklys have attracted a fast-growing base of retail investors**
- **Introduced SPX Weeklys with Wednesday Expirations in February 2016**
 - Increases opportunities to trade SPX
 - Enables investors to better target expirations

SPX ADV* by Year (in thousands)



SPX Weeklys by Year



*Includes SPX Weeklys

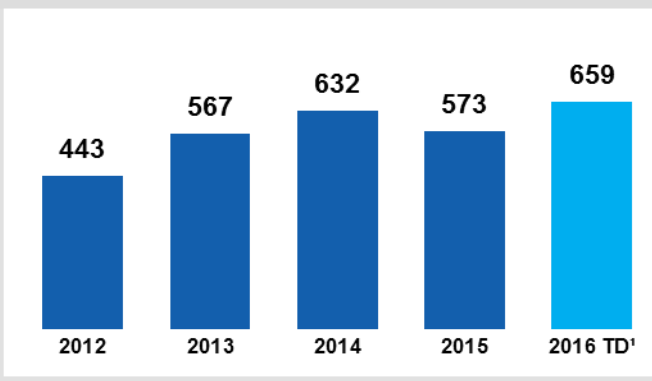
¹Through February 29, 2016

Leveraging VIX Methodology to Create New Products and Grow Index Product Line

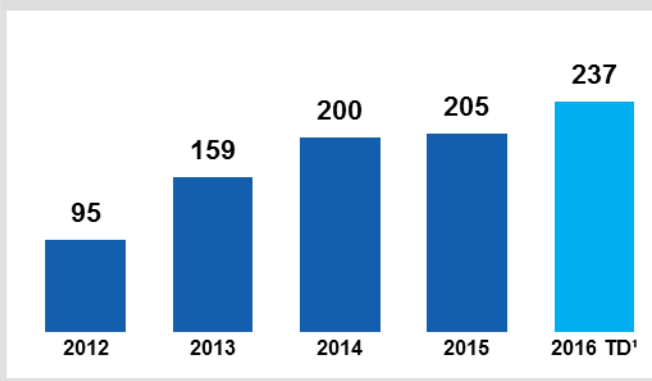
CBOE Volatility Index (VIX Index) is considered the world's barometer of equity market volatility

- **Launched VIX Weeklys futures in July, options in October of 2015**
- **Plan to begin overnight dissemination of “spot” VIX Index**
 - Allows overseas investors to reference VIX during their regular trading hours
- **VIX options ADV up 43% YTD**
- **VIX futures ADV up 20% YTD**

VIX Options ADV
(in thousands)



VIX Futures ADV
(in thousands)



¹Through February 29, 2016

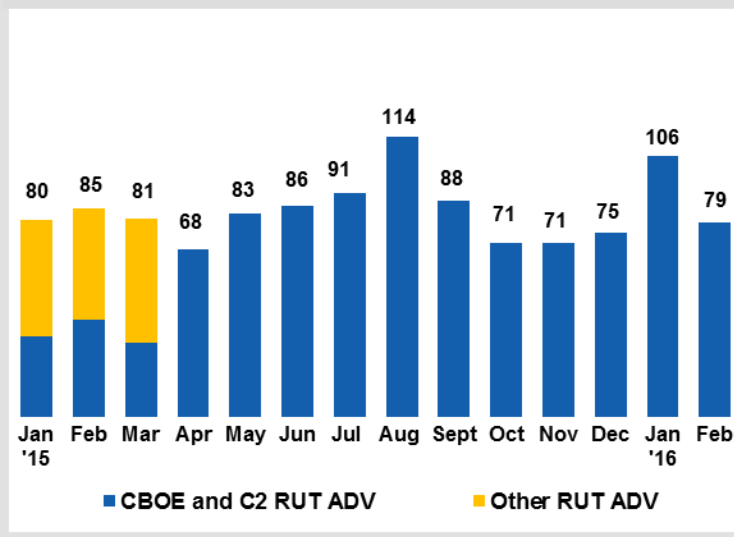
Leveraging Partnerships With Index Providers to Grow Index Product Line

Sole U. S. provider of major FTSE Russell Products beginning with Russell 2000 Index (RUT) on April 1

- Focused on further developing RUT marketplace
- On October 20, began rollout of new FTSE Russell products:
 - Russell 1000 Index (ticker: RUI)
 - Russell 1000 Value Index (ticker: RLV)
 - Russell 1000 Growth Index (ticker: RLG)
- FTSE 100 and FTSE China 50 indexes to launch in March

RUT Options ADV Industrywide

(in thousands)



Source: OCC and CBOE

FTSE
Russell

Leveraging Partnerships With Index Providers to Grow Index Product Line

CBOE exclusive U.S. exchange for trading several MSCI Index options

- **December 2014 licensing agreement with MSCI**
- **First CBOE MSCI options launched April 21:**
 - MSCI EAFE Index (Europe, Australasia, Far East)
 - MSCI Emerging Markets Index
- **Adds global dimension to CBOE's index options franchise**



Expanding Our Global Customer Base

Expanding outreach and investor education around the world

- Launched the first extension of CBOE's Options Institute with Singapore Exchange (SGX) in December
- In 2015, expanded CBOE Risk Management Conference (RMC) to include Asia
 - First RMC Asia held in Hong Kong in December
- In 2016, CBOE plans to establish its first international business development outpost with the opening of an office in London



Enhancing Customers Trading Experience

CBOE acquired the market data services and trading analytics platforms of Livevol, Inc.

- **Livevol is a leading provider of equity and index options technology and market data services for professional and retail traders**
- **Livevol's trade analysis and volatility modeling technologies are a natural fit with CBOE's trade support services**
- **Completed acquisition on August 7, 2015**



OPTIONS ANALYTICS AND DATA TOOLS

Expanding Options and Volatility Trading

CBOE made a majority equity investment in Vest Financial (VEST), an investment advisor that provides options-centric products

➤ **Vest through its subsidiaries provides:**

- Options-based investment advisory services through packaged products
- Develops technology solutions for options-based investments

➤ **Vest allows for enhanced integration of CBOE's proprietary products, strategy indexes and options expertise with Vest's platform**

- Substantially reduces the complexity of options trading
- Provides investors with targeted protection, enhanced returns, and a level of predictability unattainable with most other investments



Forming Alliances that Leverage our Strengths

Teamed with London Stock Exchange Group (LSEG) and major dealer banks to form CurveGlobal, a new interest rate derivatives platform

- **Products will trade on the LSE Derivatives Market and clear through LCH.Clearnet**
- **Expected to provide more product choices, increased trading efficiencies and reduced transition costs**
- **CBOE plans to develop products suited for this venue and introduce the platform to our U.S. customer base**
- **Planned to launch in 2Q16**

CURVEGLOBAL

Forming Alliances to Develop New Products and Markets

Teamed with Environmental Financial Products (EFP) to launch American Financial Exchange (AFX), an interbank lending exchange

- **AFX is an electronic marketplace for small and mid-sized banks to lend and borrow short-term funds**
- **CBOE hosts and operates the AFX trading platform and also supports surveillance and membership services**
- **In 2016, AFX plans to launch a 30-day unsecured loan product and a new transaction-based interest rate benchmark, Ameribor**



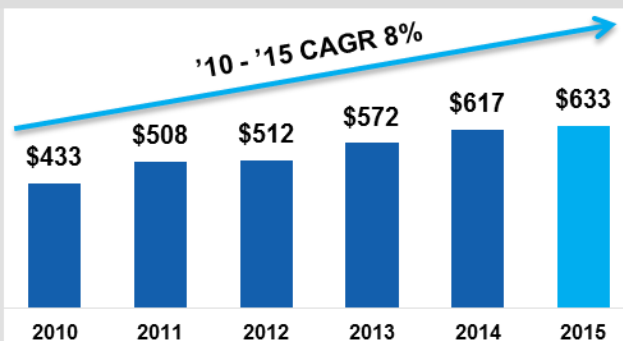
AMERICAN FINANCIAL EXCHANGE

Strong Track Record of Creating Value for Shareholders

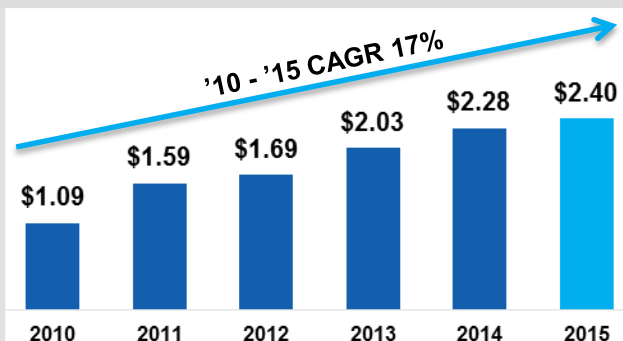
Focused on executing strategic initiatives while prudently managing expenses and deploying capital

- CBOE remains the market leader of the industry it created 43 years ago
- CBOE's goal is to continue to shape and define our industry

Adjusted Operating Revenue¹
(in millions)



Adjusted Diluted EPS¹

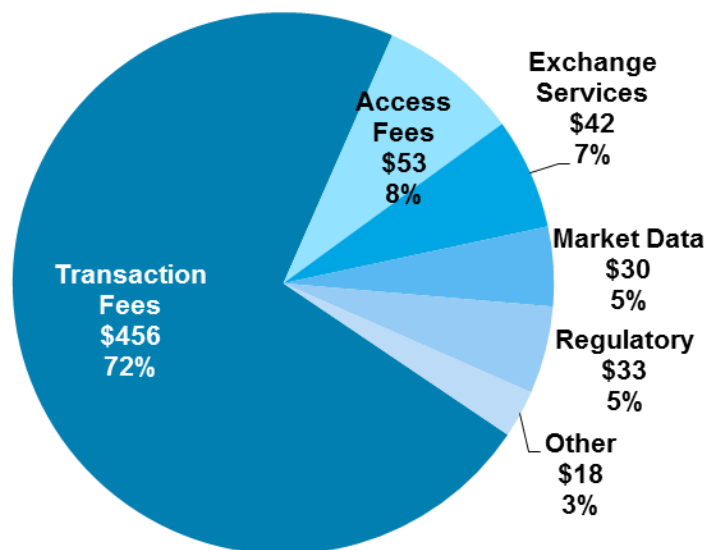


¹Adjusted to reflect the impact of certain items. See appendix for "Non-GAAP Information."

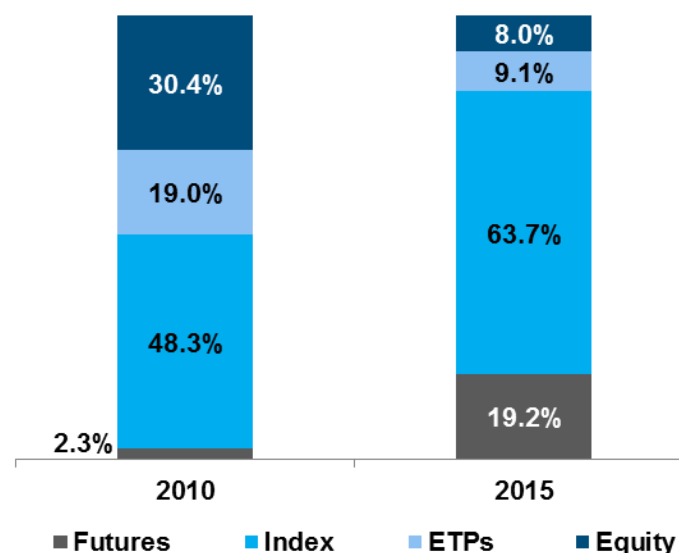
Focused on Growing Proprietary Products

Proprietary products account for a growing percentage of transaction fees: 82.9% in 2015 versus 50.6% in 2010

Mix of Adjusted Operating Revenue¹
2015 Fiscal Year (\$ in millions)



Mix of Transaction Fee Revenue
2015 vs 2010



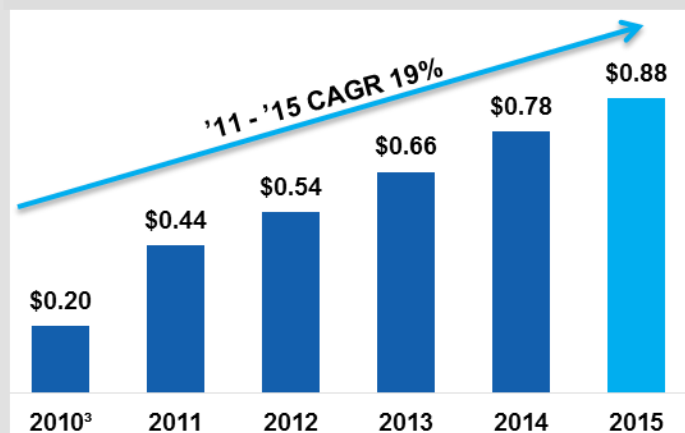
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Committed to Returning Capital to Shareholders

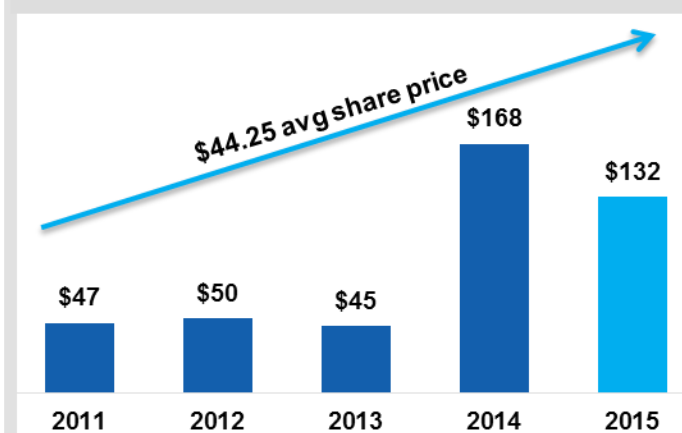
► Capital allocation philosophy

- Reinvest in our business to fund growth
- Sustainable dividends and steady growth
- Opportunistic share repurchases

Annual Dividend Rate Per Share^{1,2}



Cash Used Under Share Repurchase Plan (\$ in millions)



¹Excludes special dividends

²Starting in 2016, dividend declarations may not align with quarterly earnings announcements due to the timing of Board actions

³Dividends paid for last two quarters of the year, post IPO

Questions & Answers

Appendix Materials

2016 Full-Year Guidance

As of February 3, 2016¹ (\$ in millions)	2016 Full-Year Guidance	2015 Actual
Core operating expenses	\$211 to \$215	\$195
Continuing stock-based compensation ²	\$13.5	\$12
Depreciation and amortization	\$46 to \$48	\$46
Capital expenditures	\$47 to \$49	\$39
Effective tax rate	38.5% to 39.5%	38.0% ³

¹Reflects full-year guidance as of February 3, 2016; CBOE Holdings is not reconfirming or updating its 2016 guidance in this presentation

²Stock-based compensation expense is included in compensation and benefits

³Presented on a non-GAAP basis for comparison purposes

4Q15 Financial Overview

Adjusted Basis¹ (in millions, except EPS and RPC)	4Q15	4Q14	\$ Change	% Change
Adjusted Operating Revenues	\$154.0	\$166.5	\$(12.5)	-8%
Adjusted Operating Expenses	80.1	77.7	2.4	3%
Adjusted Operating Income	\$ 73.9	\$ 88.8	\$(14.9)	-17%
<i>Adjusted Operating Margin %</i>	<i>48.0%</i>	<i>53.4%</i>		-540 bps
Adjusted Net Income Allocated to Common Stockholders	\$ 48.9	\$ 53.6	\$ (4.7)	-9%
Adjusted Diluted EPS	\$ 0.59	\$ 0.64	\$(0.05)	-8%
Total ADV	4.25	5.64		-25%
Revenue per Contract	\$0.408	\$0.340	\$0.068	20%

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

2015 Financial Overview

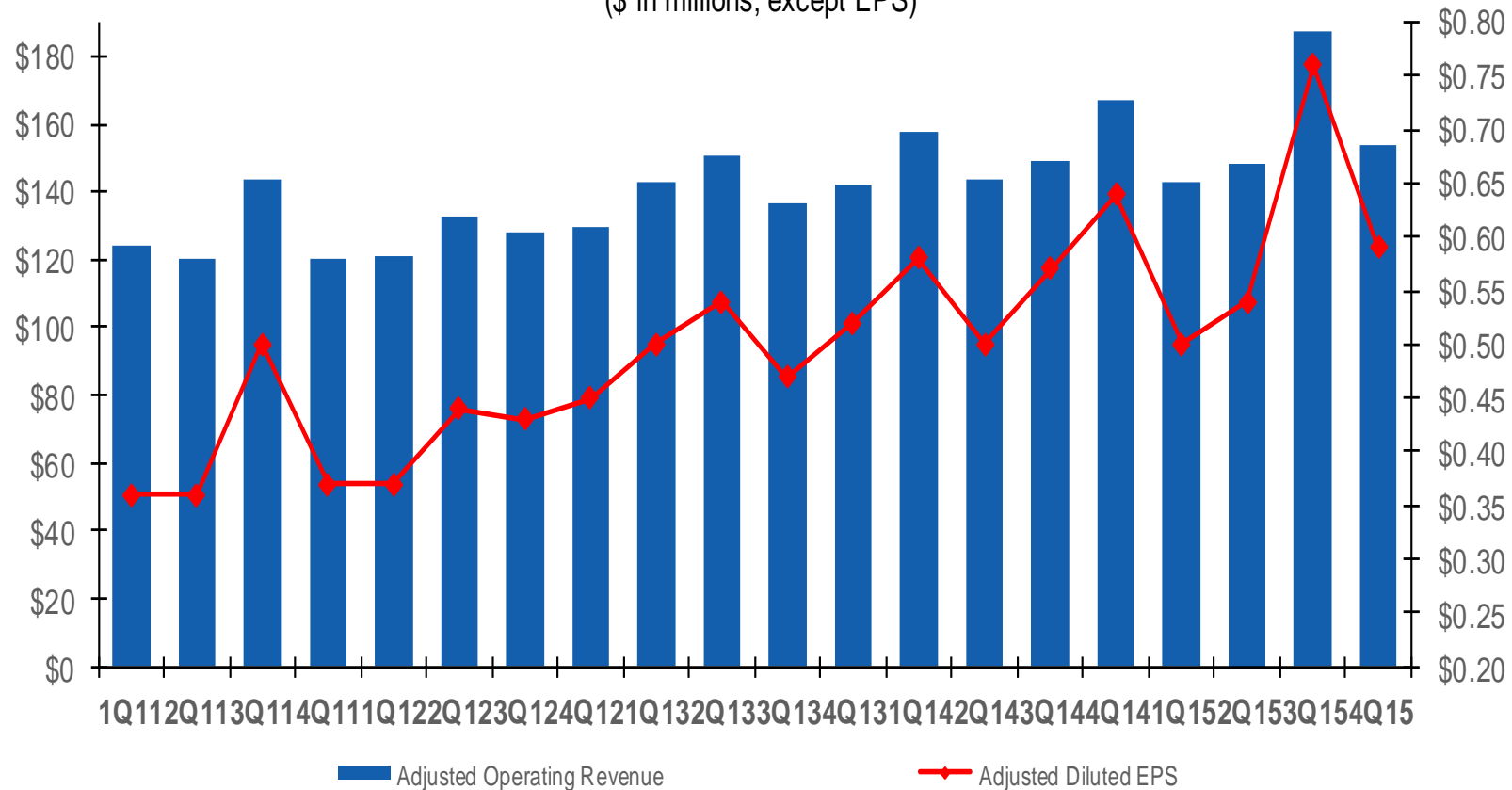
Adjusted Basis¹ (in millions, except EPS and RPC)	2015	2014	\$ Change	% Change
Adjusted Operating Revenues	\$632.5	\$617.2	\$ 15.3	2%
Adjusted Operating Expenses	314.6	299.0	15.6	5%
Adjusted Operating Income	\$317.9	\$318.2	\$ (0.3)	--
<i>Operating Margin %</i>	<i>50.3%</i>	<i>51.6%</i>		-130 bps
Adjusted Net Income Allocated to Common Stockholders	\$198.9	\$194.5	\$ 4.4	2%
Adjusted Diluted EPS	\$ 2.40	\$ 2.28	\$ 0.12	5%
Total ADV	4.66	5.26		-11%
Revenue per Contract	\$0.388	\$0.330	\$0.058	18%

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

Optimistic About Long-Term Growth Prospects

Adjusted Operating Revenue and Adjusted Diluted EPS¹

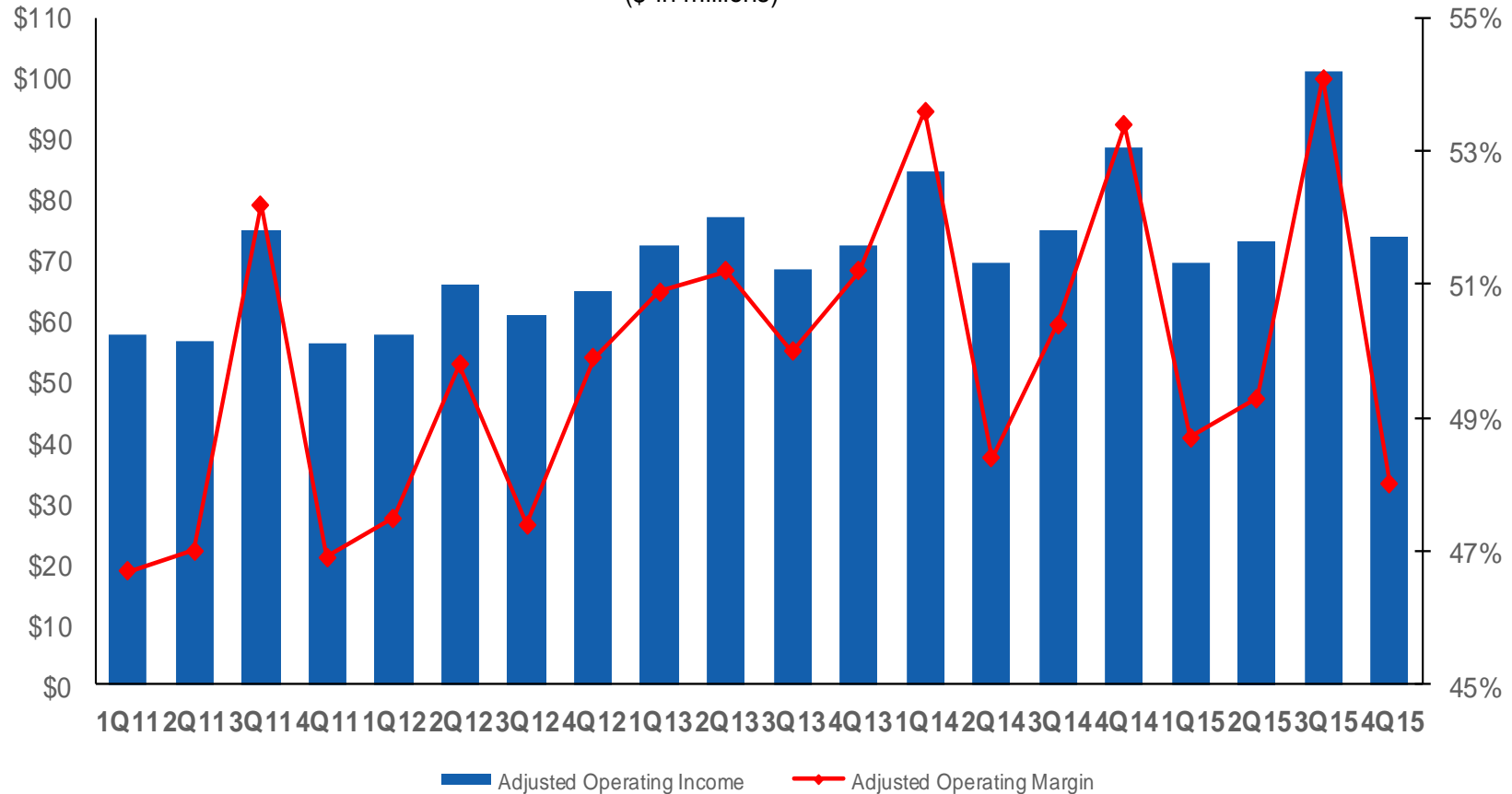
(\$ in millions, except EPS)



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

Well Positioned to Gain Additional Leverage

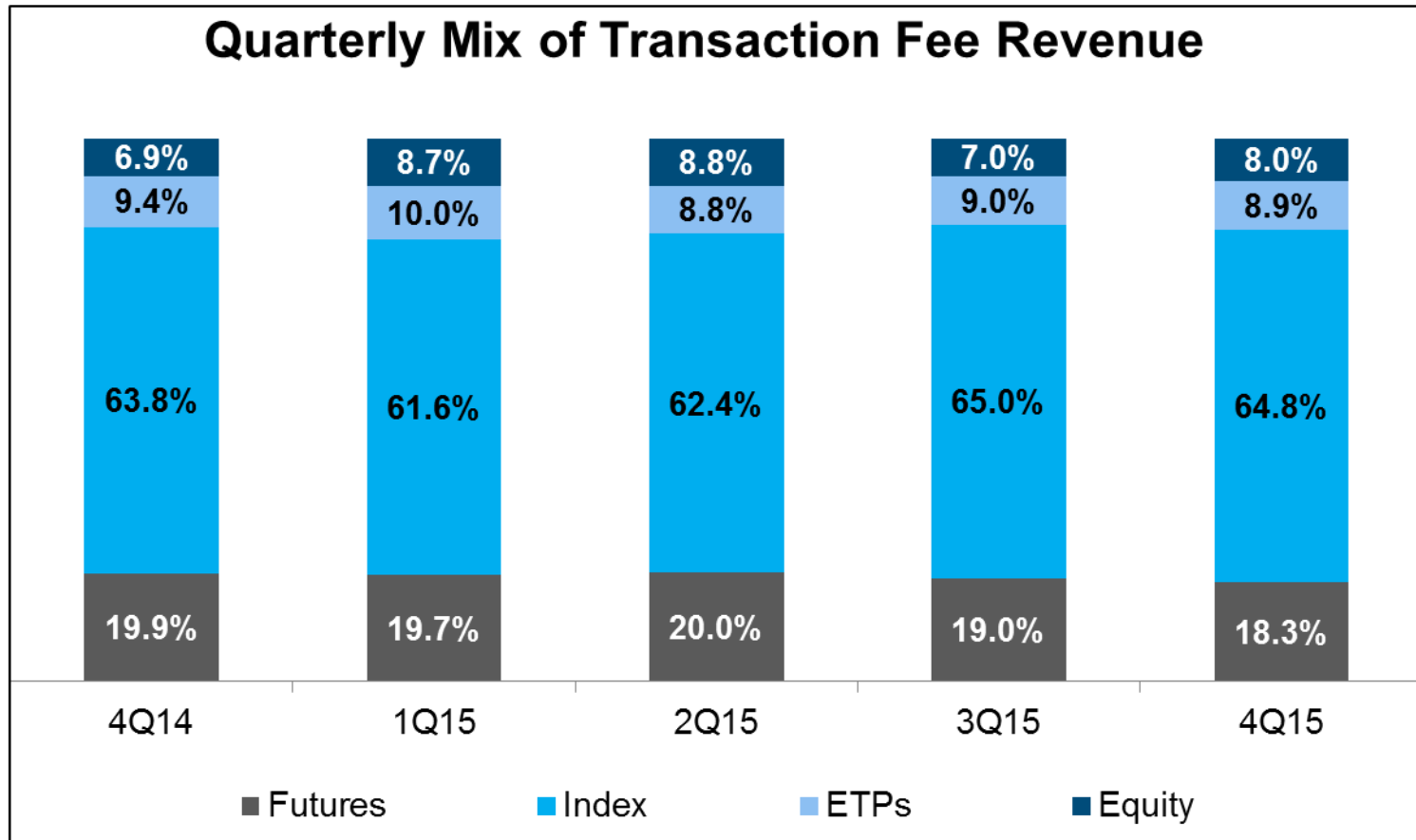
Adjusted Operating Income and Margin¹
(\$ in millions)



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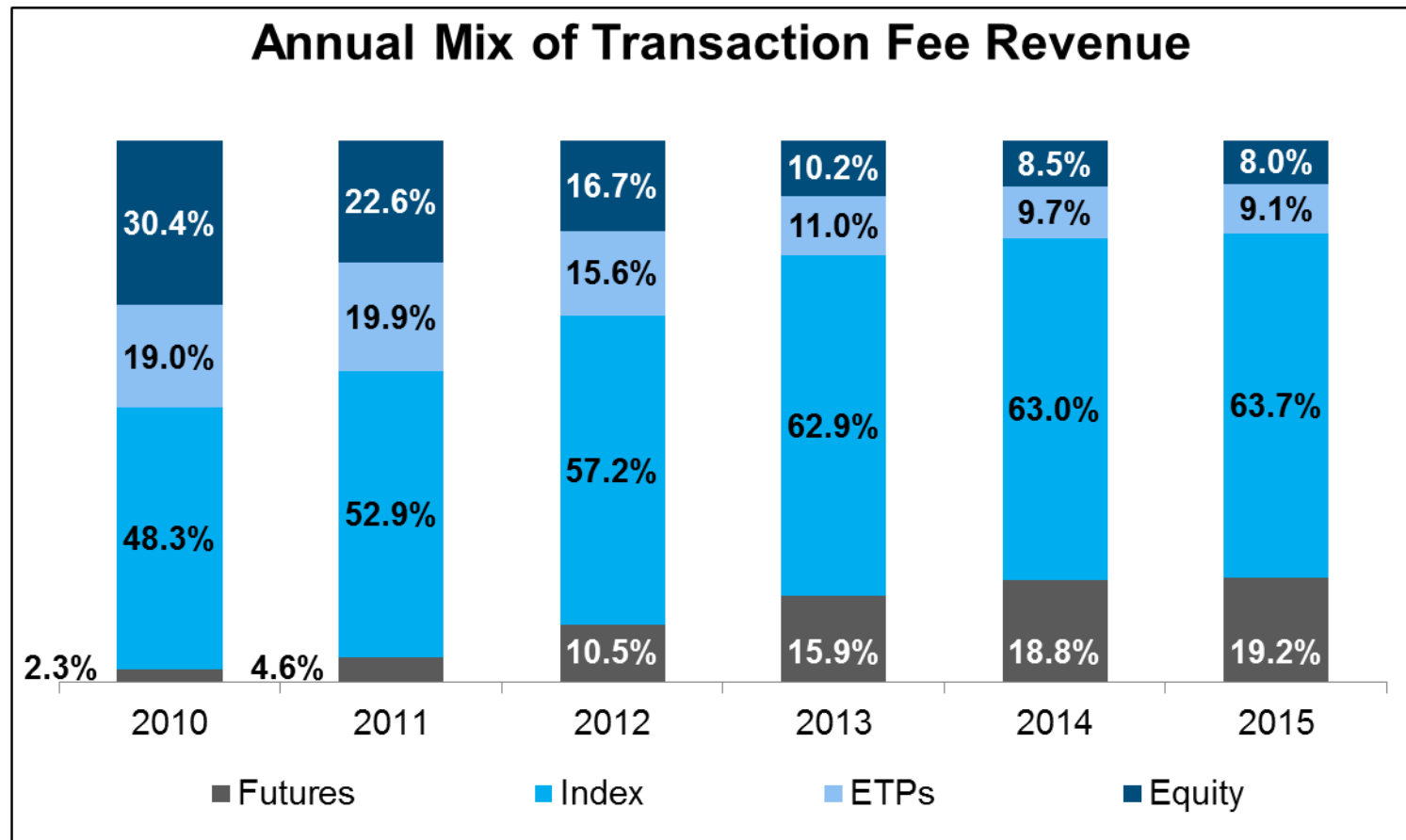
Proprietary Products Account for Growing Percentage of Transaction Fee Revenue

Index options and futures contracts accounted for 82.1% of transaction fees in 4Q15 versus 83.7% in 4Q14



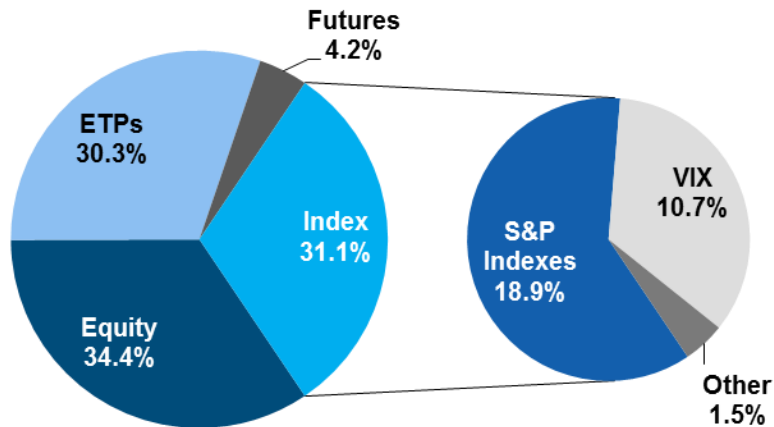
Proprietary Products Account for Growing Percentage of Transaction Fee Revenue

Index options and futures contracts account for 82.9% of transaction fees in 2015, up from 50.6% in 2010

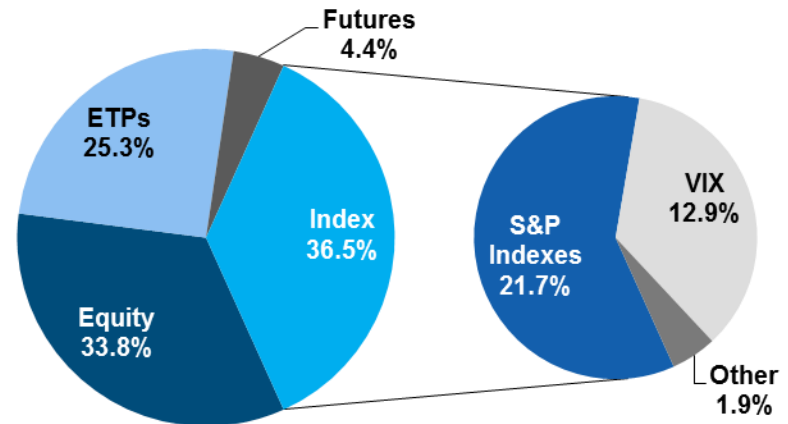


Increase in Rate Per Contract (RPC) Primarily Reflects Favorable Shift in Mix of Products Traded

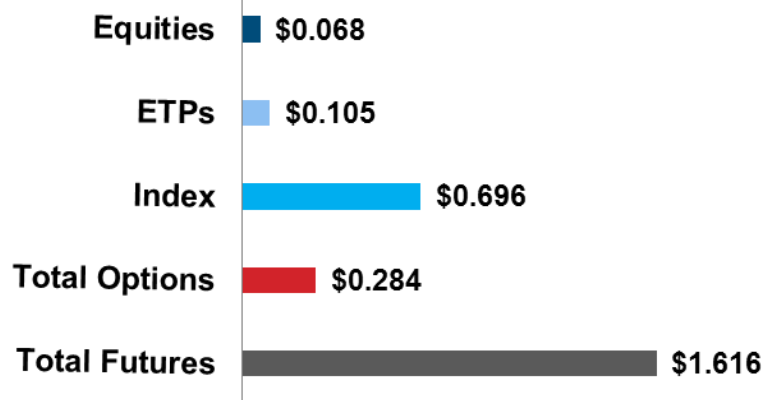
4Q14 Trading Volume Mix



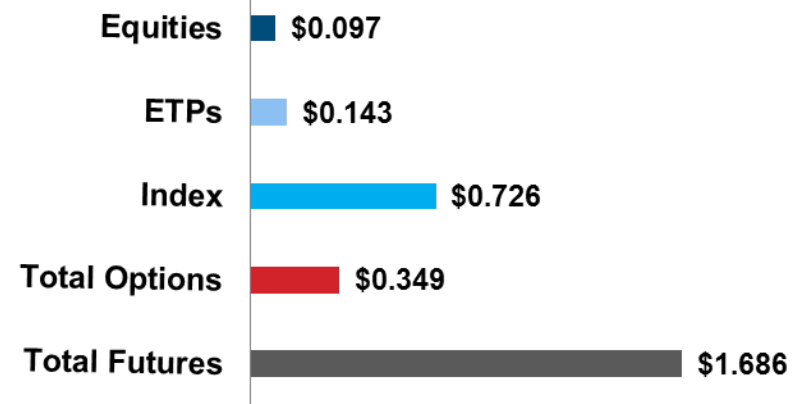
4Q15 Trading Volume Mix



4Q14 RPC \$0.340

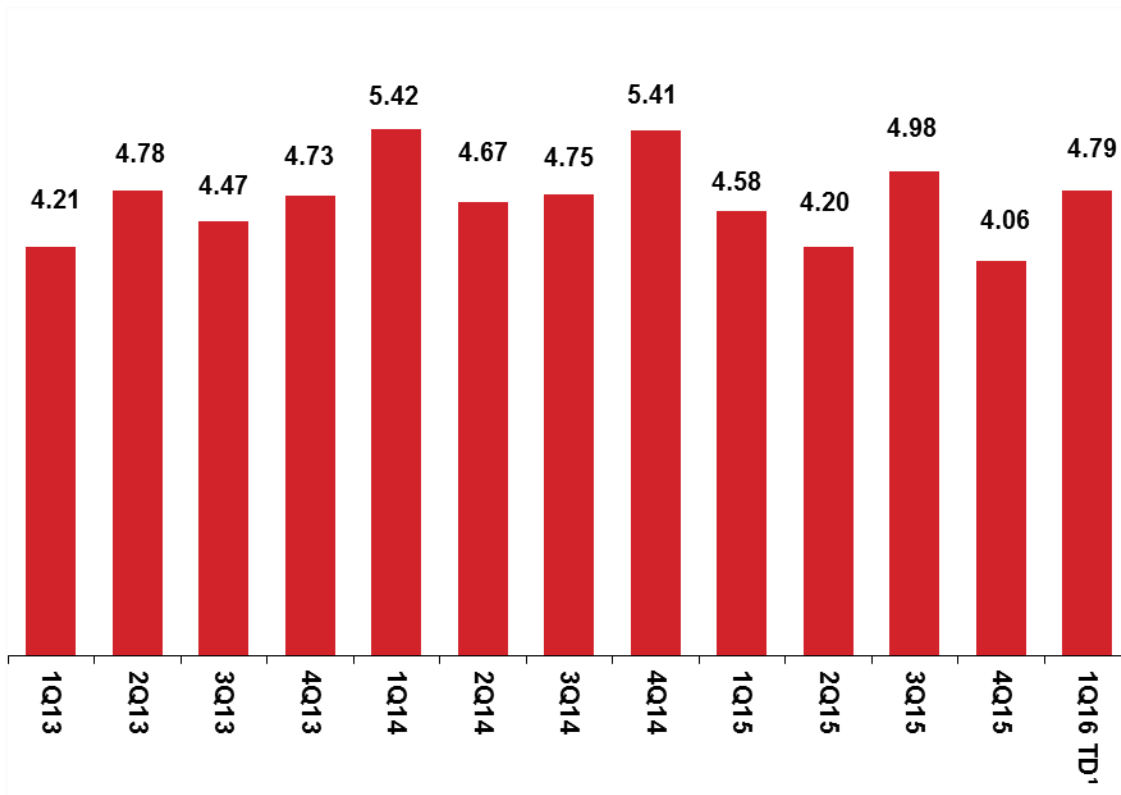


4Q15 RPC \$0.408

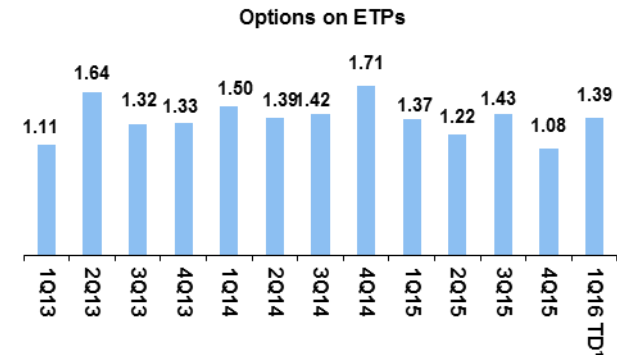
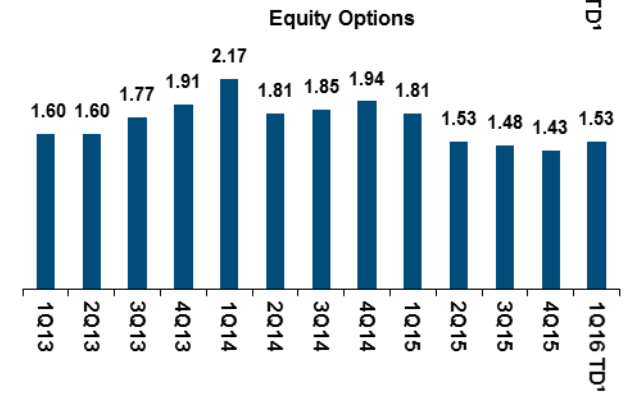
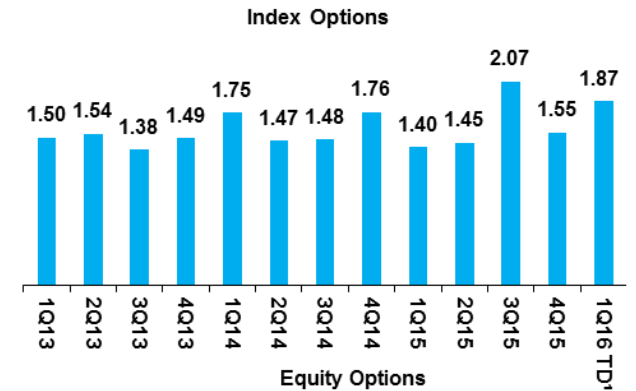


Quarterly Options ADV

CBOE and C2 Quarterly Options ADV (in millions)



¹Through February 29, 2016



CBOE Holdings Rolling 3-Month RPC

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Equities	\$0.095											
Indexes	0.738											
Exchange-traded products	0.138											
Total options RPC	0.351											
Futures	1.636											
Total RPC	\$0.412											

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	\$0.098	\$0.104	\$0.106	\$0.105	\$0.098	\$0.097
Indexes	0.702	0.704	0.712	0.707	0.701	0.697	0.702	0.703	0.709	0.706	0.718	0.726
Exchange-traded products	0.111	0.115	0.118	0.115	0.114	0.117	0.123	0.133	0.143	0.146	0.144	0.143
Total options RPC	0.279	0.283	0.284	0.280	0.290	0.308	0.328	0.352	0.368	0.370	0.357	0.349
Futures	1.647	1.649	1.705	1.762	1.775	1.758	1.712	1.661	1.647	1.662	1.686	1.686
Total RPC	\$0.333	\$0.340	\$0.340	\$0.336	\$0.348	\$0.368	\$0.391	\$0.416	\$0.431	\$0.432	\$0.417	\$0.408

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

Quarterly Core Operating Expenses¹

(\$ in thousands)

	4Q 2015	% rev	3Q 2015	% rev	2Q 2015	% rev	1Q 2015	% rev	4Q 2014	% rev
Total Operating Expenses	\$80,052	52%	\$85,925	43%	\$75,355	51%	\$73,286	51%	\$79,525	48%
Less:										
Depreciation and amortization	12,202	8%	12,394	7%	11,275	8%	10,402	7%	11,053	7%
Severance expense	-	-	-	-	-	-	-	-	1,863	1%
Volume-based expenses:										
Royalty fees	17,830	12%	21,840	10%	16,755	11%	14,150	10%	19,266	12%
Order routing	299	0%	581	-	627	0%	787	1%	874	1%
Core Operating Expenses (non-GAAP)¹:	\$49,721	32%	\$51,110	27%	\$46,698	31%	\$47,947	34%	\$46,469	28%
Less: Continuing stock-based compensation	3,194	2%	3,185	2%	3,147	2%	2,655	2%	2,098	1%
Core Operating Expenses excluding continuing stock-based compensation (non-GAAP)¹:	\$46,527	30%	\$47,925	25%	\$43,551	29%	\$45,292	32%	\$44,371	27%
Core Operating Expense Detail:										
Compensation and benefits	\$26,768	17%	\$29,583	14%	\$24,136	16%	\$25,439	18%	\$27,493	17%
Technology support services	5,182	3%	5,342	3%	4,813	3%	5,325	4%	4,915	3%
Profession fees and outside services	12,897	8%	12,619	7%	12,594	8%	11,950	8%	8,539	5%
Travel and promotional expenses	2,548	2%	1,407	1%	2,526	2%	2,501	2%	2,727	2%
Facilities costs	1,446	1%	874	-	1,293	1%	1,384	1%	1,445	1%
Other expenses	880	1%	1,285	0%	1,336	1%	1,348	1%	1,350	1%
Total	\$49,721	32%	\$51,110	27%	\$46,698	31%	\$47,947	34%	\$46,469	28%
Number of full-time employees at quarter end	564		553		532		528		520	

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

May not foot due to rounding

Annual Core Operating Expenses¹

(\$ in thousands)

	2015	% rev	2014	% rev	2013	% rev	2012	% rev	2011	% rev
Total Operating Expenses	\$314,617	50%	\$303,424	51%	\$286,236	50%	\$268,241	52%	\$266,512	52%
Less:										
Depreciation and amortization	46,274	7%	39,913	7%	34,488	6%	31,485	6%	34,094	7%
Accelerated stock-based compensation	-	-	2,530	-	3,996	1%	343	-	453	-
Severance	-	-	1,863	-	-	-	-	-	3,709	1%
Estimated liability/expense related to SEC investigation	-	-	-	-	1,000	-	5,000	1%	-	-
Volume-based expenses:										
Royalty fees	70,574	11%	66,110	11%	56,576	10%	46,135	9%	47,822	9%
Order routing	2,293	0%	4,080	0%	4,355	1%	6,275	1%	14,239	3%
Core Operating Expenses (non-GAAP)¹:	\$195,476	31%	\$188,928	32%	\$185,821	32%	\$179,003	35%	\$166,195	33%
Less: Continuing stock-based compensation	12,181	2%	13,047	2%	16,828	3%	12,005	2%	12,166	2%
Core Operating Expenses excluding continuing stock-based compensation (non-GAAP)¹:	\$183,295	29%	\$175,881	30%	\$168,993	30%	\$166,998	33%	\$154,029	30%
Core Operating Expense Detail:										
Compensation and benefits	\$105,925	17%	\$117,341	17%	\$114,087	20%	\$103,853	20%	\$100,292	20%
Technology support services	20,662	3%	19,189	3%	17,898	3%	19,603	4%	17,933	4%
Professional fees and outside services	50,060	8%	31,976	8%	34,473	6%	36,300	7%	27,310	5%
Travel and promotion expenses	8,982	1%	9,046	1%	9,806	2%	10,006	2%	9,812	2%
Facilities costs	4,998	1%	5,721	1%	5,053	1%	5,066	1%	5,400	1%
Other expenses	4,849	1%	5,655	1%	4,504	1%	4,175	1%	5,448	1%
Total	\$195,476	31%	\$188,928	32%	\$185,821	32%	\$179,003	35%	\$166,195	33%
Number of Full Time Employees at year end	564		520		650		605		596	

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
<u>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</u>										
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
<u>Reconciliation of GAAP Diluted EPS to Non-GAAP</u>										
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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GAAP to Non-GAAP Reconciliation For 2014 and 2015

GAAP to Non-GAAP Reconciliation

(in thousands, except per share amounts)

	1Q14	2Q14	3Q14	4Q14	FY2014	1Q15	2Q15	3Q15	4Q15	FY2015
<u>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</u>										
GAAP net income allocated to common stockholders	\$ 48,528	\$ 42,598	\$ 48,146	\$ 49,119	\$ 188,392	\$ 42,079	\$ 44,646	\$ 67,219	\$ 50,180	204,125
Less: Revenue recognized from prior years									\$ (1,995)	(1,995)
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				364
Add: Tax adjustment related to prior year				1,600	1,600			(4,286)		(4,286)
Income tax benefit/(expense) related to the items above	(1,009)			(2,005)	(2,861)	(142)			732	620
Net income allocated to participating securities - effect on reconciling items	(15)			(20)	(43)	(3)		19	6	26
Adjusted net income allocated to common stockholders	\$ 50,034	\$ 42,598	\$ 48,146	\$ 53,557	\$ 194,481	\$ 42,299	\$ 44,646	\$ 62,952	\$ 48,923	\$ 198,854
<u>Reconciliation of GAAP Diluted EPS to Non-GAAP</u>										
GAAP diluted earnings per common share	\$ 0.56	\$ 0.50	\$ 0.57	\$ 0.58	\$ 2.21	\$ 0.50	\$ 0.54	\$ 0.81	\$ 0.61	\$ 2.46
Per share impact of items above	0.02			0.06	0.07			(0.05)	(0.02)	(0.06)
Non-GAAP diluted earnings per common share	\$ 0.58	\$ 0.50	\$ 0.57	\$ 0.64	\$ 2.28	\$ 0.50	\$ 0.54	\$ 0.76	\$ 0.59	\$ 2.40
<u>Reconciliation of GAAP Operating Margin to Non-GAAP</u>										
GAAP operating revenue	\$ 157,885	\$ 143,942	\$ 148,910	\$ 166,487	\$ 617,225	\$ 142,839	\$ 148,725	\$ 187,035	\$ 155,946	\$ 634,545
Non-GAAP adjustments noted above									(1,995)	(1,995)
Adjusted operating revenue	\$ 157,885	\$ 143,942	\$ 148,910	\$ 166,487	\$ 617,225	\$ 142,839	\$ 148,725	\$ 187,035	\$ 153,951	\$ 632,550
GAAP operating income	\$ 82,038	\$ 69,716	\$ 75,084	\$ 86,962	\$ 313,801	\$ 69,553	\$ 73,370	\$ 101,110	\$ 75,894	\$ 319,928
Non-GAAP adjustments noted above	2,530			1,863	4,393				(1,995)	(1,995)
Adjusted operating income	\$ 84,568	\$ 69,716	\$ 75,084	\$ 88,825	\$ 318,194	\$ 69,553	\$ 73,370	\$ 101,110	\$ 73,899	\$ 317,933
Adjusted operating margin	53.6%	48.4%	50.4%	53.4%	51.6%	48.7%	49.3%	54.1%	48.0%	50.3%
<u>Free Cash Flow Reconciliation</u>										
Net cash flows provided by operating activities										\$ 245,278
Capital expenditures										(39,340)
Free Cash Flow										\$ 205,938

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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. 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. 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, adjusted diluted earnings per share and free cash flow.
- Management believes that the non-GAAP financial measures 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.
- 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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