

Welcome

2016 Annual Meeting of Stockholders

Thursday, May 19, 2016





William J. Brodsky
Chairman

Meeting Agenda

- **Introduction of Board of Directors and Senior Executives**
- **Vote on Proposals**
- **Business Review and Update**
- **Questions & Answers**
- **Report Preliminary Voting Results**

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Edward T. Tilly
Chief Executive Officer

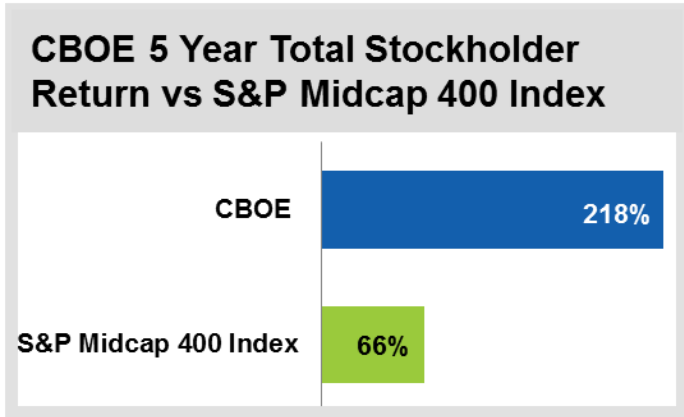
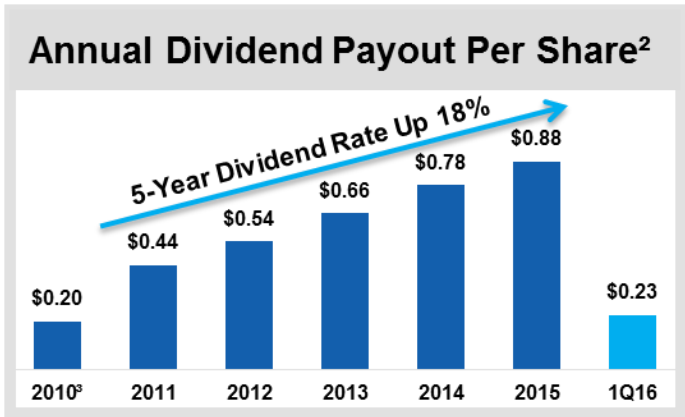
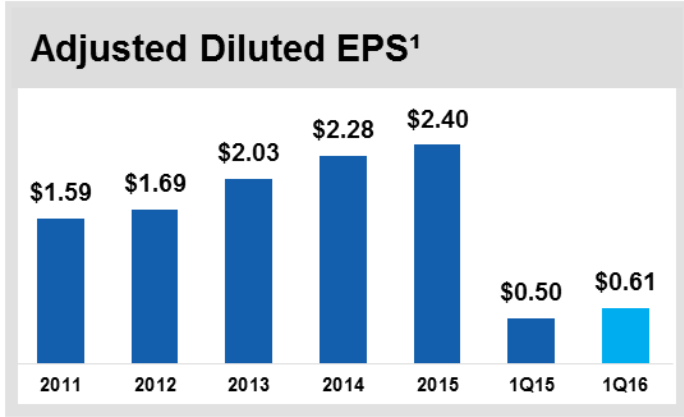
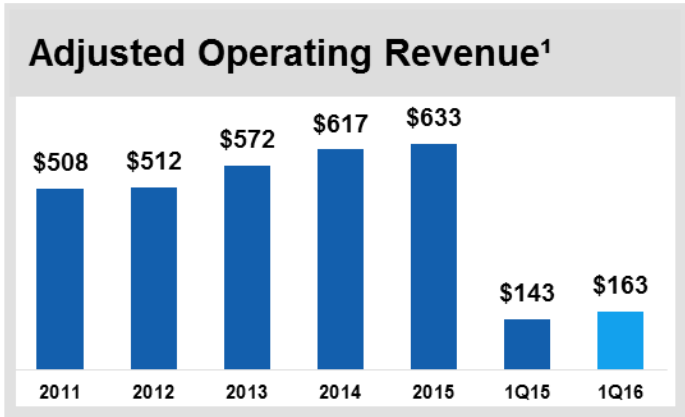
Forward-Looking Statements

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. 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.

2015 Fifth Consecutive Year of Record Financial Results; Record First-Quarter Results

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



¹Adjusted to reflect the impact of certain items. See appendix for “Non-GAAP Information.”
²Excludes special dividends.
³Dividends paid for the last two quarters of the year, post IPO.

Translating our Mission and Strategic Initiatives into Long-Term Shareholder Value

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

Strategic Initiatives

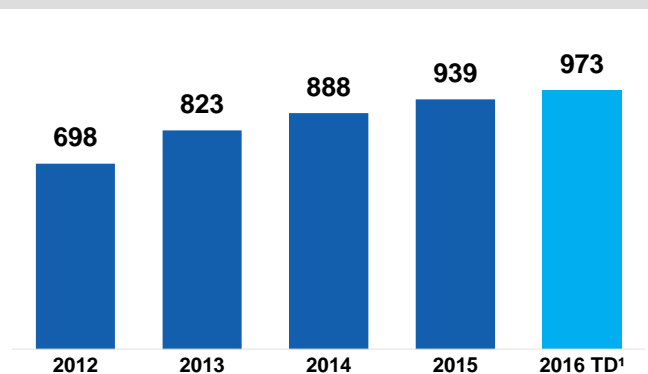
- Develop unique products
- Form strategic alliances that leverage and complement our core business
- Expand our customer base
- Define and lead the options and volatility space globally

Further Developing Current Products to Grow Index Product Line

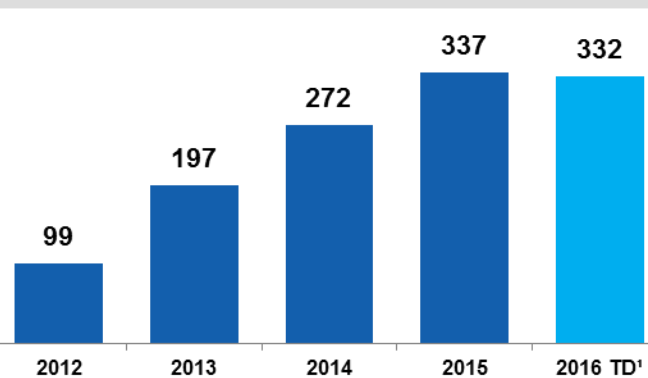
S&P 500 Index (SPX) options, the most actively traded U.S. index option

- **Introduced SPX Weeklys with Wednesday Expirations on Feb. 23**
 - Increases opportunities to trade SPX
 - Enables investors to better target expirations
 - Wednesday expirations averaged 73,000 contracts per day in April, 9% of total SPX
- **Plan to add Monday-expiring Weeklys, pending SEC approval**

SPX ADV* (in thousands)



SPX Weeklys ADV (in thousands)



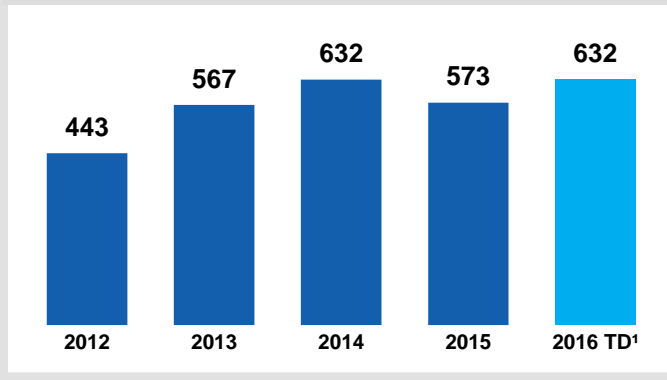
*Includes SPX Weeklys
¹Through April 30, 2016

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

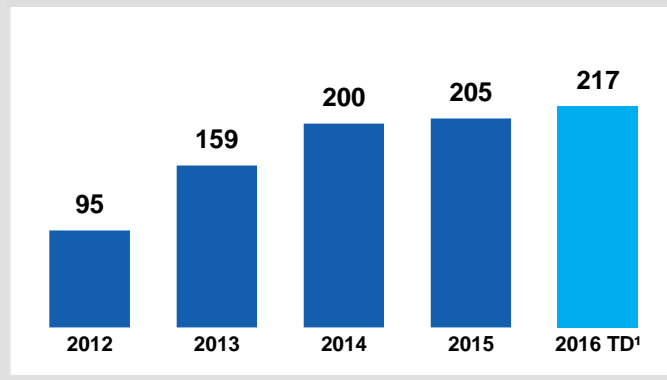
CBOE Volatility Index (VIX Index) is considered the world's barometer of equity market volatility

- **Launched VIX Weeklys futures in July, options in October 2015**
- **Began overnight dissemination of VIX Index on April 15**
 - Allows overseas investors to reference VIX during their regular trading hours

VIX Options ADV
(in thousands)



VIX Futures ADV
(in thousands)



¹Through April 30, 2016

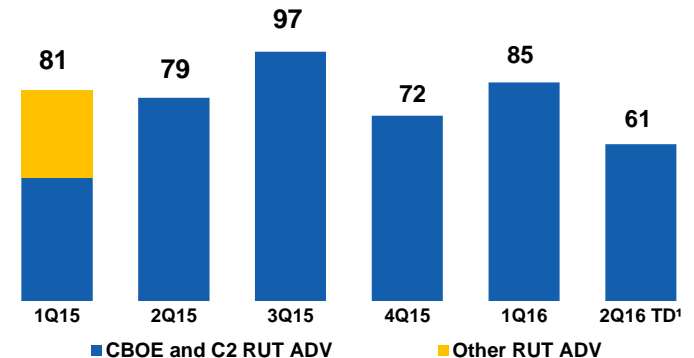
Leveraging Partnerships With Index Providers to Grow Index Product Line

Sole U.S. provider of major FTSE Russell products and MSCI index products

- In April 2015, CBOE became exclusive home for trading options on the Russell 2000 Index (RUT)
- In March 2016, launched options on FTSE 100 and FTSE China 50 indexes
 - Adds to the growing international dimension of our index options franchise

RUT Options ADV Industrywide

(in thousands)



¹Through April 30, 2016
Source: OCC and CBOE



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, launched in mid-December
- CBOE hosts and operates the AFX trading platform and also supports surveillance and membership services
- Over \$2.5 billion of unsecured overnight loans transacted through April
- Number of participants has more than doubled since launch
- In 2016, AFX plans to launch a 30-day unsecured loan product and a new transaction-based interest rate benchmark, Ameribor



AMERICAN FINANCIAL EXCHANGE

Forming Alliances that Enhance 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

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 transaction costs**
- **CBOE plans to develop products suited for this venue and introduce the platform to our U.S. customer base**

CURVEGLOBAL

Expanding Options and Volatility Trading

CBOE made a majority equity investment in Vest Financial (VEST), an asset management firm that provides options-based 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



Expanding Our Global Customer Base

Expanding outreach and investor education around the world

- **In 2015, expanded CBOE Risk Management Conference (RMC) to include Asia**
 - First RMC Asia held in Hong Kong in December
 - CBOE RMC now includes RMC U.S., RMC Europe and RMC Asia
- **Launched the first extension of CBOE's Options Institute with the Singapore Exchange**

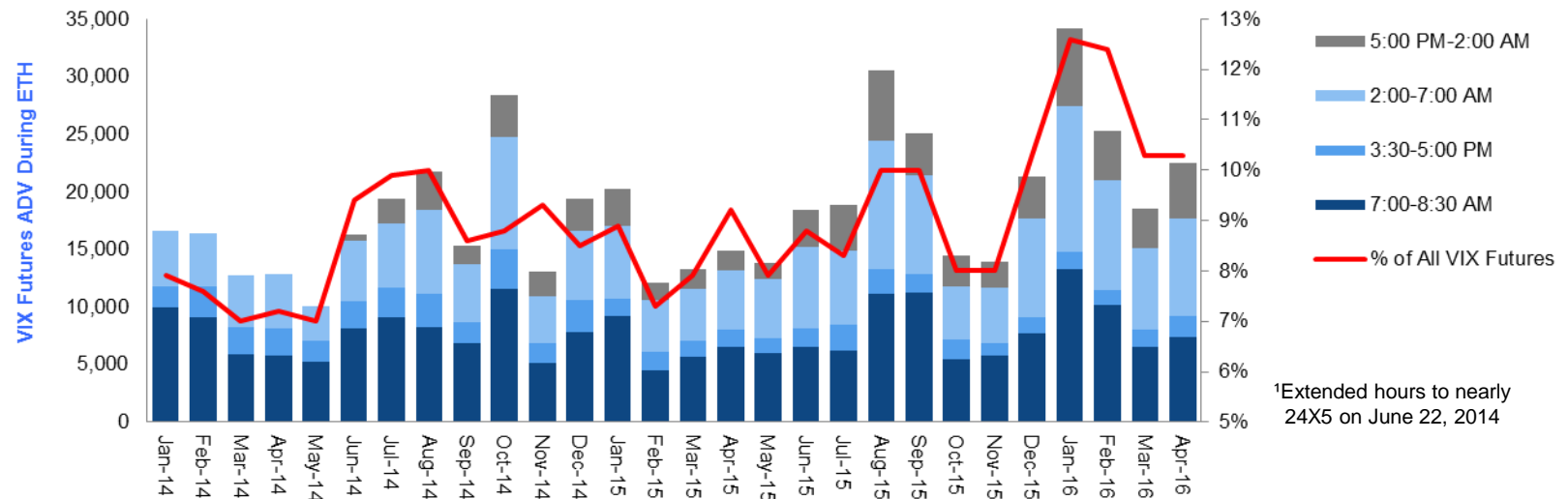


Broadening Access to Proprietary Products

Over 11% of VIX futures traded during non-U.S. hours through April 2016, up from 9% for full-year 2015

- **Extended trading hours for VIX and SPX options in March 2015**
 - Six-hour session begins at 2:00 a.m. CT; aligns with open of trading in London

VIX Futures ADV During Non-U.S. Trading Hours (ETH) - By Time Period¹



¹Extended hours to nearly 24X5 on June 22, 2014

CBOE Continues to Shape and Define the Industry it Created 43 Years Ago

CBOE offers the world's widest array of options and volatility products, as well as, deep liquid markets in which to trade them



Product
Innovation



Customer
Education



Trading
Technology



Industry
Advocacy

Shaping and Defining the Industry

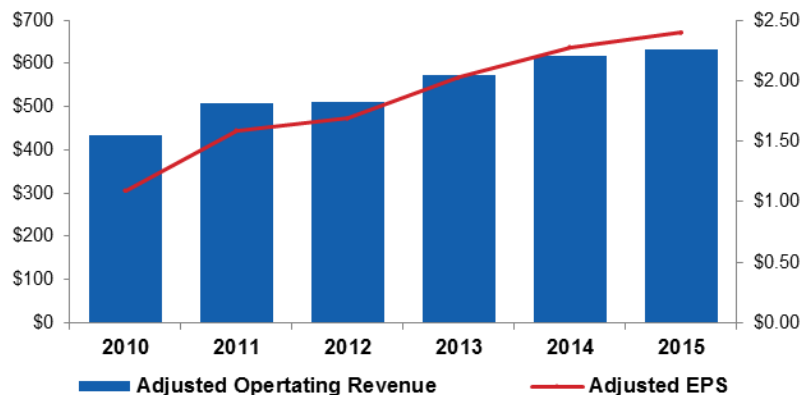
Committed to Creating Long-Term Shareholder Value

► Continue to capitalize on the favorable operating leverage inherent in our business

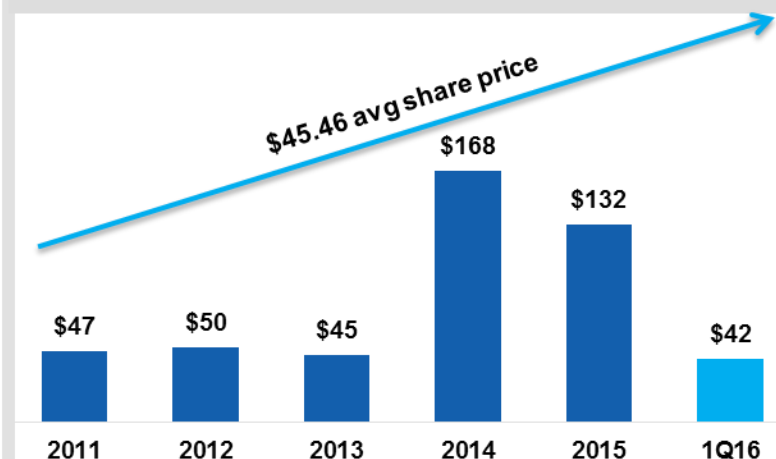
- Disciplined expense management
- Prudent allocation of capital

Adjusted Operating Revenue and EPS¹ (\$ in millions, except per share amounts)

CAGR Since 2010: Revenues 8%; EPS 17%



Cash Used Under Share Repurchase Plan (\$ in millions, except avg share price)



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

Questions & Answers

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Appendix Materials

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
<u>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</u>								
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%

For further information go to cboe.com/Investor Relations

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%

For further information go to cboe.com/Investor Relations

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

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
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	\$ 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
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	\$ 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

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	\$ 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%

Free Cash Flow Reconciliation

Net cash flows provided by operating activities										\$ 245,278
Capital expenditures										(39,340)
Free Cash Flow										\$ 205,938

For further information go to cboe.com/Investor Relations

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

GAAP to Non-GAAP Reconciliation For 2016

GAAP to Non-GAAP Reconciliation

(in thousands, except per share amounts)

	1Q16	2Q16	3Q16	4Q16	FY2016
<u>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</u>					
GAAP net income allocated to common stockholders	\$	49,198			
Add: Accelerated stock-based compensation		200			
Add: Acquisition related costs		368			
Add: Amortization of intangible assets		261			
Add: Statutory software lease tax related to prior periods		296			
Add: Impairment charge		-			
Income tax expense related to the items above		(378)			
Net income allocated to participating securities - effect on reconciling items		(3)			
Adjusted net income allocated to common stockholders	\$	49,942			
<u>Reconciliation of GAAP Diluted EPS to Non-GAAP</u>					
GAAP diluted earnings per common share	\$	0.60			
Per share impact of items above		0.01			
Non-GAAP diluted earnings per common share	\$	0.61			
<u>Reconciliation of GAAP Operating Margin to Non-GAAP</u>					
GAAP operating revenue	\$	162,330			
Non-GAAP adjustments noted above		-			
Adjusted operating revenue	\$	162,330			
GAAP operating income	\$	79,481			
Non-GAAP adjustments noted above		1,125			
Adjusted operating income	\$	80,606			
Adjusted operating margin		49.7%			
GAAP operating expenses	\$	82,849			
Non-GAAP adjustments noted above		(1,125)			
Adjusted operating expenses	\$	81,724			

For further information go to cboe.com/Investor Relations

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 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 allocated to common stockholders 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.

 CBOE
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