

The background of the slide is a close-up, slightly blurred image of a stock market display. It shows a grid of many small, glowing lights in various colors (red, green, yellow, blue) against a dark background, creating a sense of depth and activity.

**Welcome**

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**2014**  
**Annual Meeting of Stockholders**

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Thursday, May 22, 2014



**William J. Brodsky**  
*Executive 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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# 2014 Annual Meeting of Stockholders

Thursday, May 22, 2014



**Edward T. Tilly**  
*Chief Executive Officer*

# Forward-Looking Statements

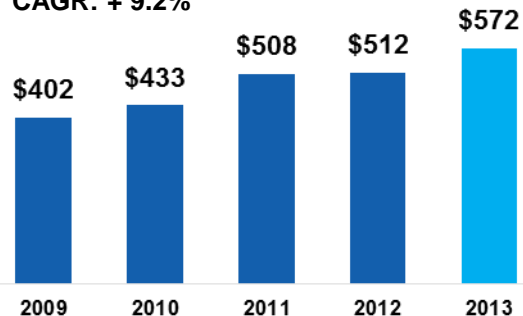
*This presentation may contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those statements that reflect our expectations, assumptions or projections about the future and involve a number of risks and uncertainties. These statements are only predictions based on our current expectations and projections about future events. 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 and trade 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; legislative or regulatory changes; increasing competition by foreign and domestic entities; 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 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; economic, political and market conditions; our ability to maintain access fee revenues; our ability to meet our compliance obligations; 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, 2013 and other filings made from time to time with the SEC.*

# 2013 Marks Third Consecutive Year of Record Results

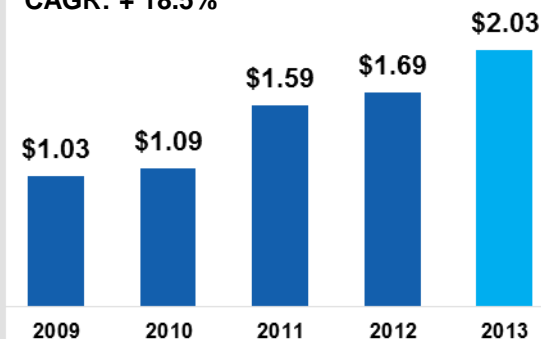
## Adjusted Operating Revenues<sup>1</sup> (in millions)

CAGR: + 9.2%

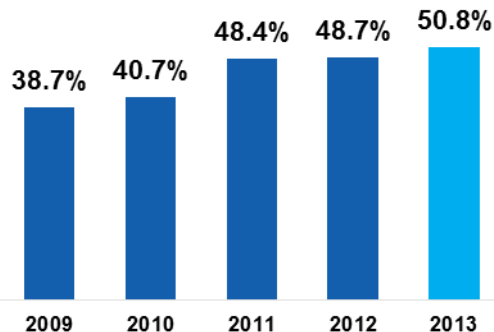


## Adjusted Diluted EPS<sup>1</sup>

CAGR: + 18.5%



## Adjusted Operating Margin<sup>1</sup>



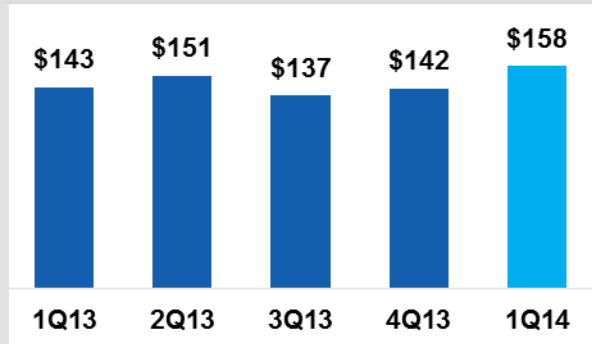
## YOY Change in Options ADV



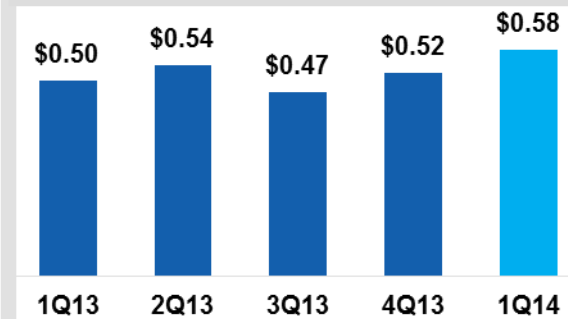
<sup>1</sup>Adjusted to reflect the impact of certain items. See appendix for "Non-GAAP Information."

# Off to Strong Start in 2014

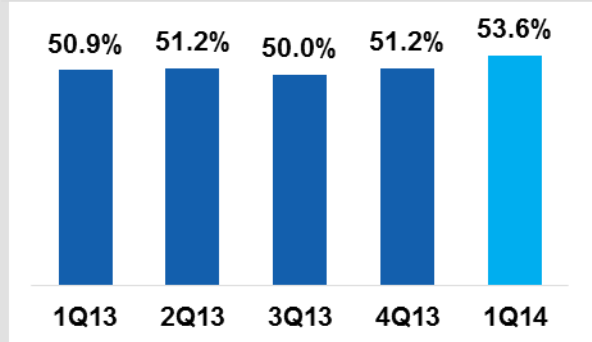
**Operating Revenues**  
(in millions)



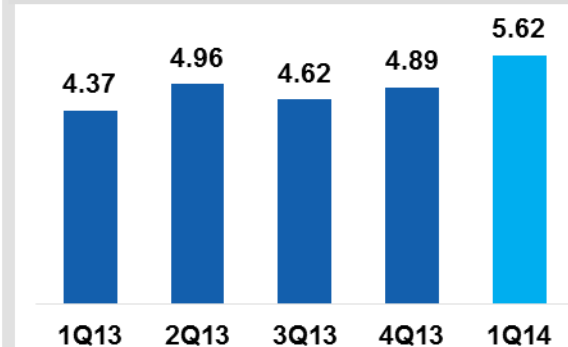
**Adjusted Diluted EPS<sup>1</sup>**



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



**Total ADV (in millions)**



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



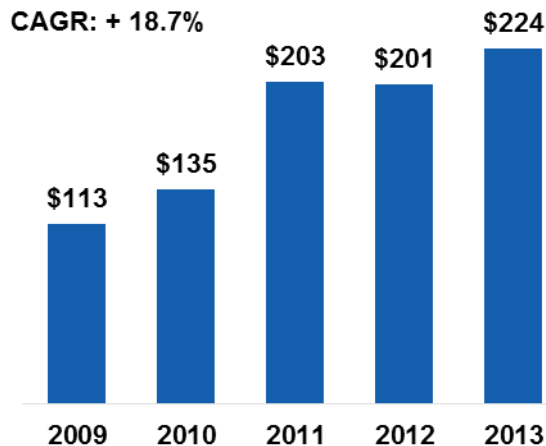
# Creating Value for Stockholders

## Returned increased value to stockholders in 2013

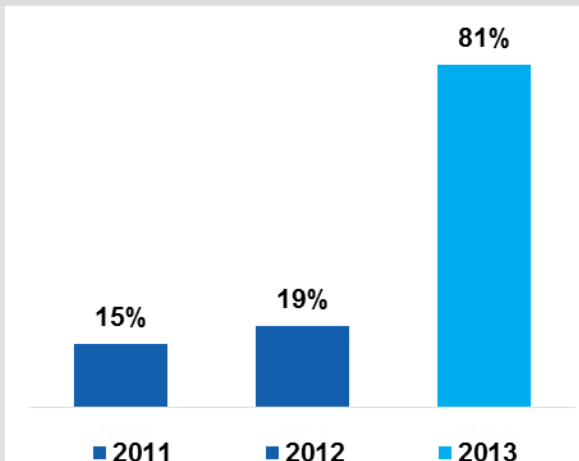
- Share price advanced 76% in 2013
- Returned nearly \$100 million in capital
- Increased quarterly dividend by 20% to \$0.18 per share
- Returned more than \$900 million in capital since IPO

Operating Cash Flow (in millions)

CAGR: + 18.7%

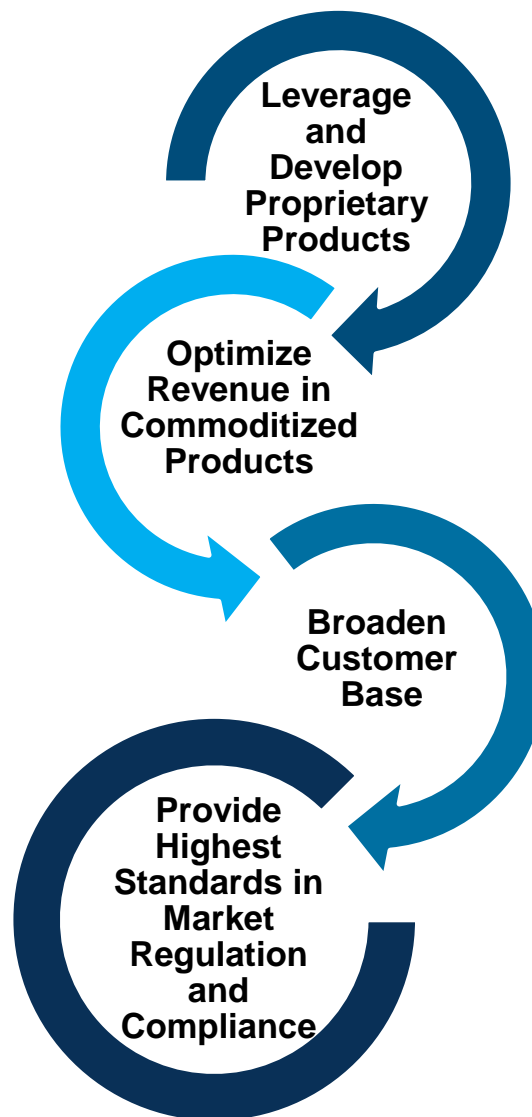


Total Shareholder Return



# Remain Focused on Core Mission and Strategic Initiatives

**Create value for stockholders by generating industry-leading profit margins and growth rates through a diversified portfolio of risk management products and services.**

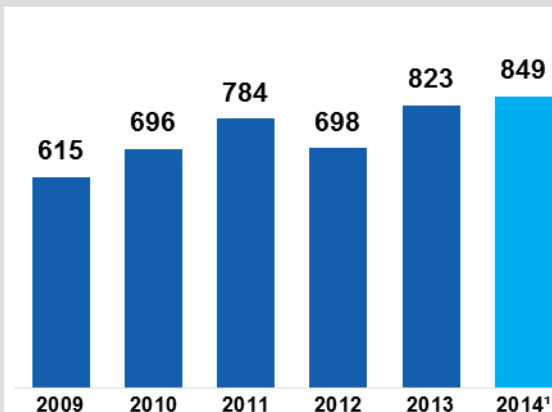


# Strong Growth from S&P 500 Index (SPX) Product Line

## Volume gains in SPX options driven primarily by growth in SPX Weeklys

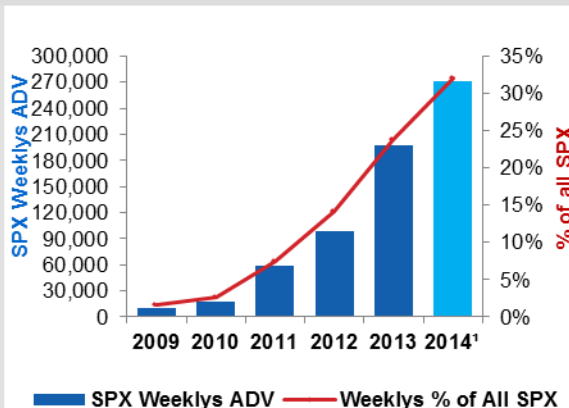
- **SPX ADV rose 18% in 2013**
  - SPX Weeklys grew by 98% in 2013
- **SPX ADV up 5% through April 2014**
  - SPX Weeklys up 46% through April 2014
- **See significant untapped potential to grow SPX users**
- **Intensifying educational and marketing efforts in 2014**

SPX Annual ADV\* (in thousands)



\*includes SPX Weeklys

SPX Weeklys



¹Through April 30, 2014

# VIX Trading Continues to Achieve Strong Growth

**Posted all-time volume records in VIX options and futures in 2013 and 1Q14**

➤ **VIX options ADV rose 28% in 2013**

- ADV up 19% through April 2014

➤ **VIX futures ADV increased 67% in 2013**

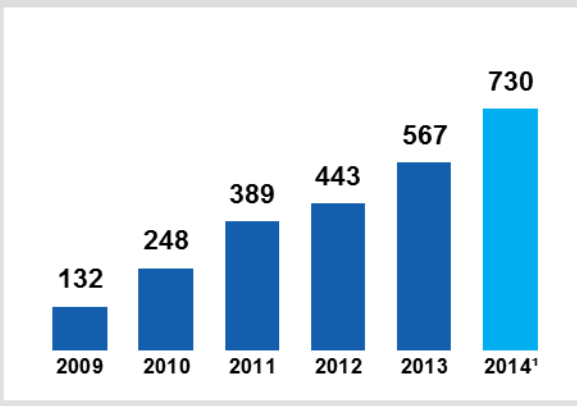
- ADV up 22% through April 2014

➤ **Volatility space poised for growth**

- Enhanced investor education
- Broadening access to volatility marketplace
- New product development

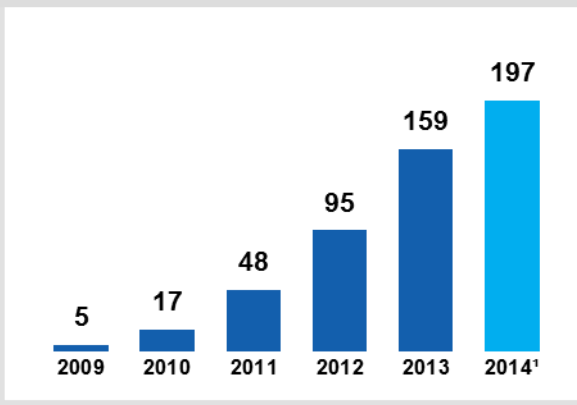
## VIX Options ADV

(in thousands)



## VIX Futures ADV

(in thousands)

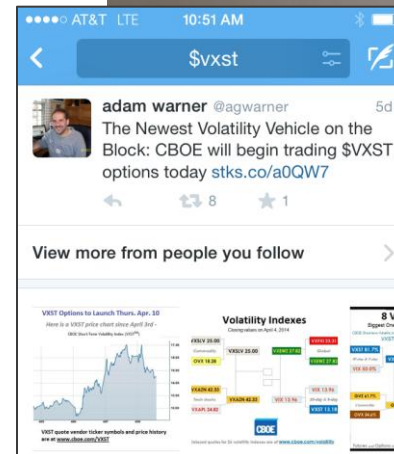


<sup>1</sup>Through April 30, 2014

# Responding to Growing Demand for Education in Volatility Trading

## Investor education goes hand in hand with new products


- Options Institute classes and webinars in high demand
- Options Institute curriculum heavily weighted toward VIX futures and options and SPX trading
- Social media programs reflect strong interest in VIX-related online chatter and blogs



# CBOE RMC Attracts Most Active and Sophisticated VIX Customers

## Boosting awareness of CBOE's proprietary products

- CBOE's 2014 RMC U.S. drew more than 320 participants
- Content-rich program focused on options and VIX-related strategies and trends
- Third annual RMC Europe to be held Sept. 3-5



The screenshot displays the CBOE RMC website for the 30th Annual CBOE Risk Management Conference. The header includes the CBOE RMC logo and the conference title. A navigation bar lists links: RMC DETAILS, AGENDA, HOTEL & TRAVEL DETAILS, SPONSORS, RMC EUROPE, GOLF TOURNAMENT, and VIDEO & SOCIAL MEDIA. The main image shows a large, ornate conference hall with rows of tables and chairs, set up for a formal event. Below the image, the dates 'March 17-19th, 2014', the venue 'Hyatt Regency Coconut Point', and the location 'Bonita Springs, Florida' are listed. A section titled 'Looking for an edge in managing risk?' provides a summary of the conference's success and promotes the upcoming RMC Europe event. A blue box on the right highlights the RMC Europe dates: September 3-5, 2014, at the Powerscourt Hotel in County Wicklow, Ireland. At the bottom, a paragraph describes the conference's 30th anniversary and its focus on risk management, followed by a 'MORE' link.

**CBOE RMC** The 30th Annual CBOE Risk Management Conference

RMC DETAILS | AGENDA | HOTEL & TRAVEL DETAILS | SPONSORS | RMC EUROPE | GOLF TOURNAMENT | VIDEO & SOCIAL MEDIA

March 17-19th, 2014 Hyatt Regency Coconut Point Bonita Springs, Florida

### Looking for an edge in managing risk?

The 30th Annual CBOE Risk Management Conference, held March 17-19, 2014, was a great success. Videos and presentations will be posted to the [Agenda](#) page as they become available. Mark your calendar and join us for the 3rd RMC Europe, to be held Sept 3-5, 2014 in County Wicklow, Ireland and the next US RMC, slated for early March, 2015.

Learn the latest options from leading practitioners.

Now in its 30<sup>th</sup> year, the annual CBOE Risk Management Conference (RMC) is the only educational forum dedicated to exploring the latest trends in using equity derivatives and volatility products to manage risk and increase returns. Each year, RMC brings together market experts and leading practitioners to explore the latest products and strategies being used to manage risk and enhance yields... [MORE](#)

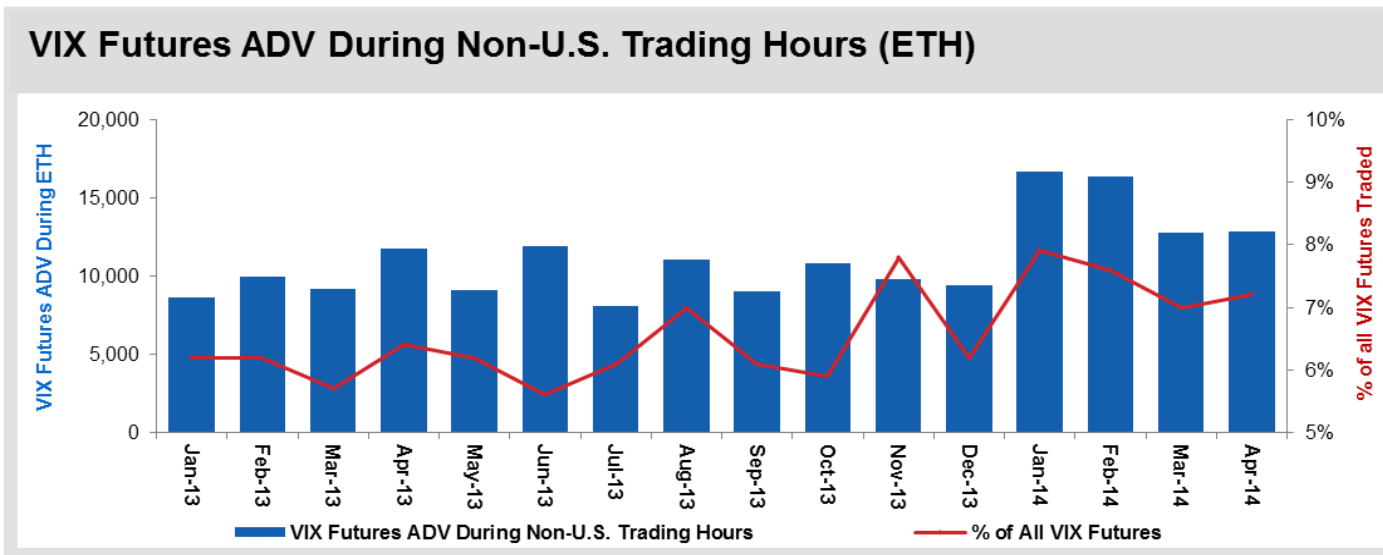
**RMC Europe**  
Join us for the upcoming CBOE RMC Europe

**September 3-5, 2014**  
at  
**Powerscourt Hotel**  
County Wicklow, Ireland

# Increasing Access to VIX Futures Trading Through Extended Trading Hours

**YTD 7.4% of VIX futures trading outside of regular U.S. trading hours, through April 2014**

- **June 22 plan to extend trading hours to nearly 24X5, pending regulatory review**
- **Plan to add trading hours for VIX and SPX options later this year, pending regulatory approval**
  - Initial launch 2:00 am to 8:15 am CT Monday through Friday





# Expanding Suite of Volatility Products

**Launched Futures on Short-Term Volatility Index (VXST)  
on February 13<sup>th</sup> – Options on April 10<sup>th</sup>**

- **Leverage most compelling features of SPX Weeklys and volatility products**
- **Short-term VIX uses SPX options that expire in one week versus SPX monthly options**
- **Trading opportunities:**
  - Pinpoint volatility around economic releases, geopolitical events
  - Spread between VIX and VXST
  - Capture time value decay on shorter-term index





# Expanding Volatility-Related Products and Benchmarks

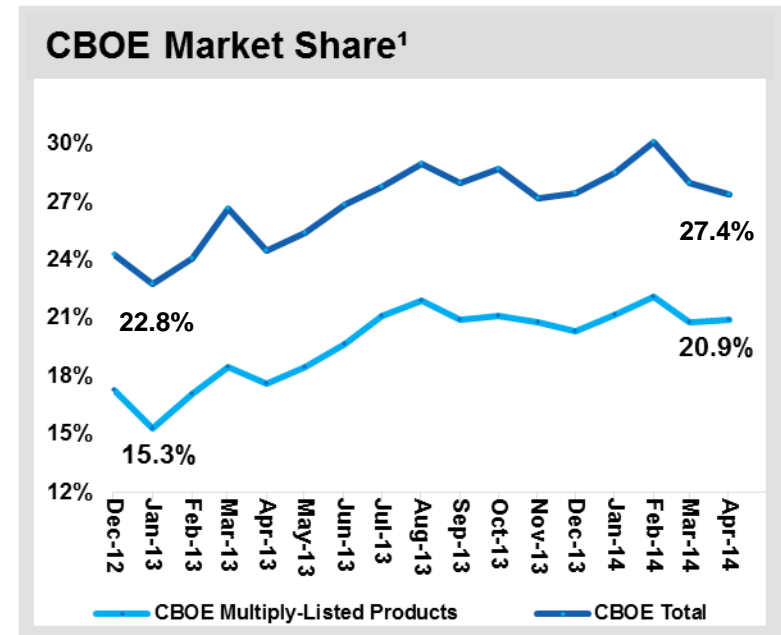
## Diversifying VIX product line across asset classes provides growth opportunity

- **Plan to launch futures on the CBOE/CBOT 10-year U.S. Treasury Note Volatility Index (VXTYN Index) later this year, pending regulatory review**
  - Began disseminating index values in May 2013
- **We view interest-rate volatility as an exciting new frontier in the volatility marketplace**

# Optimizing Revenue and Market Share in Multiply-Listed Options

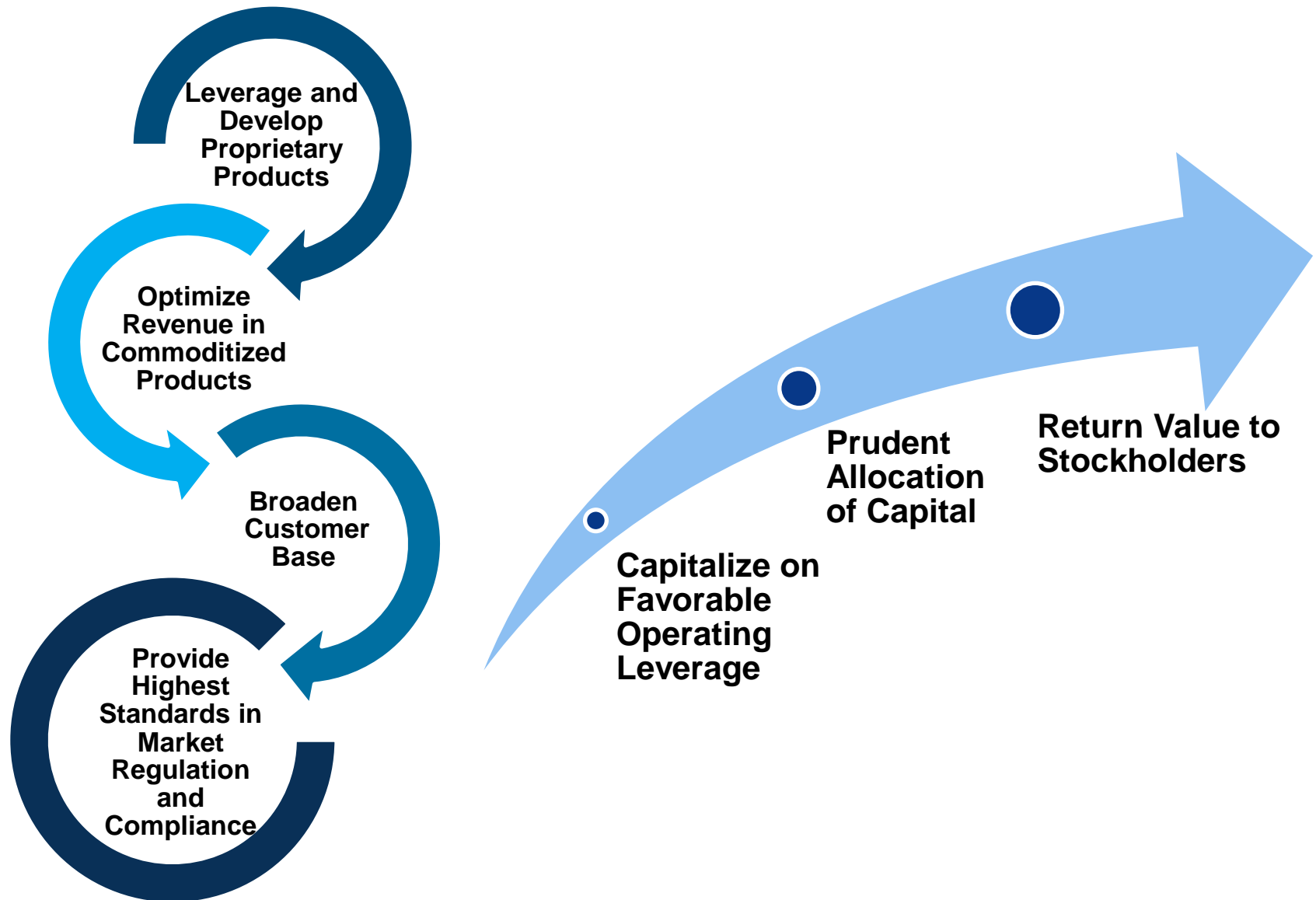
**Focused on being among the leaders in options market share**

- **CBOE total industry market share - 27.4% in April 2014, down slightly from 27.5% in December 2013**
- **CBOE & C2 combined market share - 29.3% in April 2014 and December 2013**
- **Maximize market share in multiply-listed options**



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

# See Considerable Opportunities to Grow and Lead the Options and Volatility Space





## Questions & Answers

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# 2014 Annual Meeting of Stockholders

Thursday, May 22, 2014

## **Appendix Materials**

# GAAP to Non-GAAP Reconciliation For Years 2009, 2010 and 2011

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

	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	FY 2009	FY2010	FY2011
<b><u>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</u></b>									
GAAP net income allocated to common stockholders	\$ 20,020	\$ 30,687	\$ 32,089	\$ 32,609	\$ 40,597	\$ 31,287	\$ 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				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)	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)		(76)	(109)
<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>\$ 93,237</b>	<b>\$ 104,238</b>	<b>\$ 143,134</b>
<b><u>Reconciliation of GAAP Diluted EPS to Non-GAAP</u></b>									
GAAP diluted earnings per common share	\$ 0.20	\$ 0.31	\$ 0.36	\$ 0.36	\$ 0.45	\$ 0.35	\$ 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>\$ 1.03</b>	<b>\$ 1.09</b>	<b>\$ 1.59</b>
<b><u>Reconciliation of GAAP Operating Margin to Non-GAAP</u></b>									
GAAP operating revenue	\$ 106,015	\$ 117,391	\$ 124,042	\$ 120,290	\$ 143,604	\$ 120,208	\$ 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>\$ 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	\$ 177,584	\$ 167,341	\$ 241,632
Non-GAAP adjustments noted above	10,965	(2,402)	340	113	-	3,709	(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>\$ 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>38.7%</b>	<b>40.7%</b>	<b>48.4%</b>

For further information go to [cboe.com/Investor Relations](http://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
<b>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</b>										
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)
<b>Adjusted net income allocated to common stockholders</b>	<b>\$ 32,975</b>	<b>\$ 37,903</b>	<b>\$ 37,675</b>	<b>\$ 38,921</b>	<b>\$ 147,510</b>	<b>\$ 43,874</b>	<b>\$ 46,958</b>	<b>\$ 40,955</b>	<b>\$ 45,649</b>	<b>\$ 177,447</b>
<b>Reconciliation of GAAP Diluted EPS to Non-GAAP</b>										
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)	0.00	(0.09)	0.02	0.02			0.04
<b>Non-GAAP diluted earnings per common share</b>	<b>\$ 0.37</b>	<b>\$ 0.44</b>	<b>\$ 0.43</b>	<b>\$ 0.45</b>	<b>\$ 1.69</b>	<b>\$ 0.50</b>	<b>\$ 0.54</b>	<b>\$ 0.47</b>	<b>\$ 0.52</b>	<b>\$ 2.03</b>
<b>Reconciliation of GAAP Operating Margin to Non-GAAP</b>										
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										
<b>Adjusted operating revenue</b>	<b>\$ 121,392</b>	<b>\$ 132,549</b>	<b>\$ 128,319</b>	<b>\$ 130,077</b>	<b>\$ 512,338</b>	<b>\$ 142,705</b>	<b>\$ 150,772</b>	<b>\$ 136,743</b>	<b>\$ 141,830</b>	<b>\$ 572,050</b>
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
<b>Adjusted operating income</b>	<b>\$ 57,609</b>	<b>\$ 66,069</b>	<b>\$ 60,861</b>	<b>\$ 64,901</b>	<b>\$ 249,440</b>	<b>\$ 72,610</b>	<b>\$ 77,174</b>	<b>\$ 68,427</b>	<b>\$ 72,599</b>	<b>\$ 290,810</b>
<b>Adjusted operating margin</b>	<b>47.5%</b>	<b>49.8%</b>	<b>47.4%</b>	<b>49.9%</b>	<b>48.7%</b>	<b>50.9%</b>	<b>51.2%</b>	<b>50.0%</b>	<b>51.2%</b>	<b>50.8%</b>

For further information go to [cboe.com/Investor Relations](http://cboe.com/Investor Relations)

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# GAAP to Non-GAAP Reconciliation For 2014

## GAAP to Non-GAAP Reconciliation

(in thousands, except per share amounts)

	1Q14	2Q14	3Q14	4Q14	FY2014
<b><u>Reconciliation of GAAP Net Income Allocated to Common Stockholder to Non-GAAP</u></b>					
GAAP net income allocated to common stockholders	\$	48,528			
Add: Accelerated stock-based compensation		2,530			
Add: Estimated liability related to SEC investigation					
Add: Impairment charge					
Income tax benefit/(expense) related to the items above		(1,009)			
Add: Income tax provision adjustment					
Net income allocated to participating securities - effect on reconciling items			(15)		
<b>Adjusted net income allocated to common stockholders</b>	<b>\$</b>	<b>50,034</b>			
<b><u>Reconciliation of GAAP Diluted EPS to Non-GAAP</u></b>					
GAAP diluted earnings per common share	\$	0.56			
Per share impact of items above		0.02			
<b>Non-GAAP diluted earnings per common share</b>	<b>\$</b>	<b>0.58</b>			
<b><u>Reconciliation of GAAP Operating Margin to Non-GAAP</u></b>					
GAAP operating revenue	\$	157,885			
Non-GAAP adjustments noted above					
<b>Adjusted operating revenue</b>	<b>\$</b>	<b>157,885</b>			
GAAP operating income	\$	82,038			
Non-GAAP adjustments noted above		2,530			
<b>Adjusted operating income</b>	<b>\$</b>	<b>84,568</b>			
<b>Adjusted operating margin</b>		53.6%			

For further information go to [cboe.com/Investor Relations](http://cboe.com/Investor Relations)

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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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