



TERRENCE A. DUFFY

*Executive Chairman
and President*



**We made substantial progress in 2013
as we addressed regulatory issues on
behalf of customers and drove significant
value through share price appreciation
and capital return.**



DEAR SHAREHOLDERS

The past year was one of progress. Throughout 2013, we faced many challenges as we worked with regulators and industry participants to successfully navigate the three waves of the Dodd-Frank clearing mandate. Our team's efforts in dealing with a dynamically changing landscape inside and outside the United States have been exceptional. In addition, the economy showed signs of incremental improvement and the Federal Reserve began taking steps to reduce quantitative easing. We have made great strides in building our own business for the future. Further, we have been very proactive in the regulatory process, working with our customers to help move their businesses forward under the new and evolving market structure.

Total company volume in 2013 was 3.2 billion contracts traded, which generated \$1.3 billion in cash from operations. Reflecting this strength, and consistent with the principles guiding our capital structure, we paid quarterly dividends totaling approximately \$600 million, as well as the company's annual variable dividend of nearly \$870 million, which was paid in January 2014. When CME Group adopted its annual variable dividend structure in February 2012, the intention was to determine the excess cash available at the end of each year, with the level to increase or decrease from year to year based on operating results, potential investment activity and other forms of capital return. In total, including both regular and variable dividends, the company has returned more than \$2.7 billion to shareholders since the beginning of 2012.

As part of our global strategy, we continue to expand our customer base worldwide and offer the

most broadly diversified portfolio of benchmark products. During the year, we achieved multiple volume records across our core products, and we made a concerted effort to drive growth in our options business, which rose 20 percent. Another area of progress in 2013 was our over-the-counter (OTC) business. We have become the buy-side leader in OTC interest rate swap clearing in both average trades per day and open interest.

In addition, our international business continues to thrive. Trading volumes outside the United States grew 14 percent, with volumes up 29 percent in Latin America, 22 percent in Asia and 11 percent in Europe compared with the prior year. Further, we received regulatory approval to launch our new London-based derivatives exchange in the second quarter of 2014, and we have enhanced our ability to serve new customers in Asia by working closely with a number of major intermediaries.

In all of these efforts, our overriding goal is to drive value by continuing to expand the business worldwide and enhance our role in the global economy, while returning a significant amount of capital to our shareholders.

TERRENCE A. DUFFY

Executive Chairman and President

March 14, 2014

PHUPINDER S. GILL
Chief Executive Officer





TO OUR SHAREHOLDERS

We strengthened our core business, expanded over-the-counter (OTC) clearing and generated meaningful growth outside the United States during 2013. Average daily volume was up 10 percent, led by continued strong performance in our interest rate complex as well as record volumes in our options products. We also continued to launch new products, expand internationally and broaden our OTC clearing offering.

Customers value the breadth of our product offerings across all major asset classes. Our interest rate and energy products accounted for 24 percent and 19 percent of 2013 revenues, respectively. Equities (16 percent), agricultural commodities (12 percent), market data and information services (11 percent), foreign exchange (6 percent) and metals (5 percent) rounded out revenue contributions, with the remaining 7 percent coming from other sources.

Growing and Diversifying the Core

During the year, we broke numerous records in volume and open interest, and set a single-day trading record of 27 million contracts in May. This includes electronic trading records as well as all-time highs in our interest rate complex. Early in the year, we witnessed a record day across our FX products, exceeding \$239 billion in notional value.

During 2013, we made a concerted effort to drive growth in our options business globally, setting numerous records in both volume and open interest, including in Treasuries and E-mini equity products. This resulted in an increase of 20 percent in our options complex over 2012, and in particular we saw strength in the second half, with an increase of 35 percent.

We saw multiple volume and open interest records across our metals complex, including gold futures and options and copper futures. And we hit all-time highs for our global crude oil complex, including Brent and WTI contracts, and saw a seven-day consecutive open interest record in our Henry Hub Natural Gas contract.

As part of our company's long history of innovation, we launched 162 new products in 2013. Important new product launches in recent years gained strength, including deliverable interest rate swap futures and new mid-curve Eurodollar options products, as well as highly successful weekly options in all of our financial product areas.

Globalizing Our Business

We have achieved significant growth in attracting volume outside the United States in the last five years. In 2013, non-U.S. volume was 22 percent of our total electronic trading volume.

In this effort, we have expanded our product suite with the launch of a number of regionally specific products, including deliverable Chinese Renminbi futures and Chinese Steel Rebar swap futures, which appeal to risk management needs unique to a particular geography. We also continue to partner with leading exchanges around the world to make their products available on or through our CME Globex electronic trading platform.

We laid the groundwork to launch our new London-based derivatives exchange in 2014 following regulatory approval. Designed to serve customers outside the United States, CME Europe will leverage the



Engaging around the world, our team
grew the core business – achieving
multiple volume records across
product lines – and expanded our
over-the-counter initiatives.

central counterparty model of CME Clearing Europe and enable us to align more closely with our regional customers in both listed and OTC markets.

Expanding OTC Offerings

Another area where we saw progress in 2013 was our OTC business. With the implementation of the Dodd-Frank clearing mandate completed in the United States, the market is shifting from a compliance phase to an optimization phase. We cleared OTC transactions during the year with a notional value of more than \$15 trillion. Open interest at the end of December was \$9 trillion and has risen to more than \$12 trillion today.

We are the leader in open interest in the global dealer-to-customer OTC interest rate swap business. We have eight clearing members who now are live with portfolio margining, and more than 30 customer accounts already benefit from this scalable solution—which provides average portfolio capital savings of 40 percent. We now have more than 435 global market participants clearing swaps with CME Group, and we offer 18 clearable currencies, of which 11 were launched in 2013.

Also, the first phase of the swap execution facility (SEF) mandate went into place in February 2014. This final piece of OTC legislation outlines the rules for swap execution. Over the past several months, we have worked with all of the SEFs to ensure a successful launch and provide customers with the greatest operational flexibility possible.

Achieving Operational Excellence

We are pleased with the external recognition that we received in 2013. CME Clearing was named “Clearing House of the Year” by *Risk Magazine*, and CME Group was named “Exchange of the Year” by *Derivatives Intelligence*. For the tenth year in a row, CME Group was named one of the “Top Technology Innovators” by *InformationWeek*. CME Group also was named “International Exchange of the Year for Asia” by *Futures and Options World*.

What makes these awards especially meaningful is that they validate our efforts to provide exceptional service to our customers. By creating opportunities for our clients worldwide, we continue to deliver significant volume growth and strengthen our competitive position for the benefit of our investors.

PHUPINDER S. GILL

Chief Executive Officer

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