

# INTERCONTINENTAL EXCHANGE FOURTH QUARTER & FULL YEAR 2016

EARNINGS SUPPLEMENT  
FEBRUARY 7, 2017

Intercontinental Exchange®



ICE  
LISTED  
NYSE

# Forward-Looking Statement and Legends

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This presentation may contain “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements regarding ICE’s business that are not historical facts are forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in these forward-looking statements are reasonable, these statements are not guarantees of future results, performance, levels of activity or achievements, and actual results may differ materially from what is expressed or implied in any forward-looking statement. The factors that might affect our performance include, but are not limited to: conditions in global financial markets, the economy and political and social conditions; changes in domestic and foreign laws, regulations, rules or government policy with respect to financial markets, or our businesses generally, including increased regulatory scrutiny or enforcement actions and our ability to comply with these requirements; volatility in our markets; our business environment and industry trends; the success of our clearing houses and our ability to minimize the risks associated with operating multiple clearing houses in multiple jurisdictions; the success of our equity exchanges and their compliance with regulatory and oversight responsibilities; the resilience of our electronic platforms and soundness of our business continuity and disaster recovery plans; continued high renewal rates of subscription-based data revenues; our ability to identify and effectively pursue acquisitions and strategic alliances and successfully integrate the companies we have acquired or acquire in the future; our ability to effectively maintain our growth; performance and reliability of our technology and the technology of our third party service providers; our ability to ensure that the technology we utilize is not vulnerable to security risks, hacking and cyber-attacks; our ability to identify trends and adjust our business to respond to such trends; the accuracy of our estimates and expectations; our belief that cash flows from operations will be sufficient to service our current levels of debt and fund our working capital needs and capital expenditures for the foreseeable future; our ability to maintain existing customers and attract new customers and offer new products; our ability to attract and retain our key talent; our ability to protect our intellectual property rights, including the costs associated with such protection, and our ability to operate our business without violating the intellectual property rights of others; and potential adverse results of litigation and regulatory actions and proceedings. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE’s Securities and Exchange Commission (SEC) filings, including, but not limited to ICE’s most recent Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on February 7, 2017. These filings are available in the Investors section of our website. We caution you not to place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of an unanticipated event. New factors emerge from time to time, and it is not possible for management to predict all factors that may affect our business and prospects. Further, management cannot assess the impact of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## GAAP AND NON-GAAP RESULTS

This presentation includes non-GAAP measures that exclude certain items we do not consider reflective of our cash operations and core business performance. We believe that the presentation of these non-GAAP measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. These adjusted non-GAAP measures should be considered in context with our GAAP results. A reconciliation of Adjusted Net Income from Continuing Operations, Adjusted Earnings Per Share from Continuing Operations, Adjusted Operating Income, Adjusted Operating Margin and Adjusted Operating Expenses to the equivalent GAAP measure and an explanation of why we deem these non-GAAP measures meaningful appears in our Form 10-K and in the appendix to this presentation. The reconciliation of Adjusted Effective Tax Rate and Adjusted Debt-to-EBITDA to the equivalent GAAP results appear in the appendix to this presentation. Our Form 10-K, earnings press release and this presentation are available in the Investors and Media section of our website at [www.theice.com](http://www.theice.com).

## EXPLANATORY NOTES

All net revenue figures represent revenues less transaction based expenses for periods shown. All earnings per share figures represent diluted weighted average share count on continuing earnings.

# ICE Fourth Quarter 2016 Earnings Call Participants

## Participants:



**Jeff Sprecher**  
Chairman & CEO  
Chairman, NYSE



**Chuck Vice**  
President & COO



**Scott Hill**  
Chief Financial Officer

## Investor Relations:

Kelly Loeffler, CFA

SVP, Corporate Comm., Marketing & Investor Relations  
*kelly.loeffler@theice.com*

Dan Aldridge III

Senior Director, Investor Relations  
*dan.aldridge@theice.com*

# Record Results Continue with Best Year in ICE's History

INCOME STATEMENT HIGHLIGHTS (in millions except per share amounts and percentages)			
	FY16	FY15 Pro-forma <sup>(1)</sup>	% Chg
<b>Net Revenues</b>	<b>\$4,499</b>	<b>\$4,311</b>	<b>4%</b>
<b>Net Revenues in Constant Currency<sup>(2)</sup></b>			<b>6%</b>
<b>Adj. Operating Expenses</b>	<b>\$1,947</b>	<b>\$2,012</b>	<b>(3)%</b>
<b>Adj. Operating Margin</b>	<b>57%</b>	<b>53%</b>	<b>+4pts</b>
<b>Adj. Diluted EPS</b>	<b>\$2.78</b>	<b>\$2.51</b>	<b>11%</b>
	FY16	FY15	
<b>Operating Cash Flow</b>	<b>\$2,149</b>	<b>\$1,311</b>	<b>64%</b>
<b>Annual Dividend</b>	<b>\$409</b>	<b>\$331</b>	<b>24%</b>

- Eleventh consecutive year of record revenues and adjusted earnings
- Achieved 2016 financial & operational objectives, identified additional \$25 - \$30MM of synergies
- Recurring revenues 53% of total, up from 9% five years ago
- Significant progress on integration and data growth strategy
- Disciplined capital allocation for organic & strategic investments, de-leveraging and capital return

(1) 2015 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

(2) Net revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from 2015.

Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# Fourth Quarter 2016 Performance

## INCOME STATEMENT HIGHLIGHTS

(in millions except per share amounts and percentages)

	4Q16	4Q15 Pro-forma <sup>(1)</sup>	% Chg
<b>Net Revenues</b>	<b>\$1,138</b>	<b>\$1,086</b>	<b>5%</b>
<b>Net Revenues in Constant Currency<sup>(2)</sup></b>			<b>7%</b>
<b>Adj. Operating Expenses</b>	<b>\$493</b>	<b>\$507</b>	<b>(3)%</b>
<b>Adj. Operating Income</b>	<b>\$645</b>	<b>\$579</b>	<b>12%</b>
<b>Adj. Operating Margin</b>	<b>57%</b>	<b>53%</b>	<b>+4pts</b>
<b>Adj. Tax Rate</b>	<b>30%</b>	<b>29%</b>	<b>+1pt</b>
<b>Adj. Net Income Attributable to ICE</b>	<b>\$428</b>	<b>\$383</b>	<b>12%</b>
<b>Adj. Diluted EPS</b>	<b>\$0.71</b>	<b>\$0.64</b>	<b>11%</b>

(1) 4Q15 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

(2) Net revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from 4Q15.

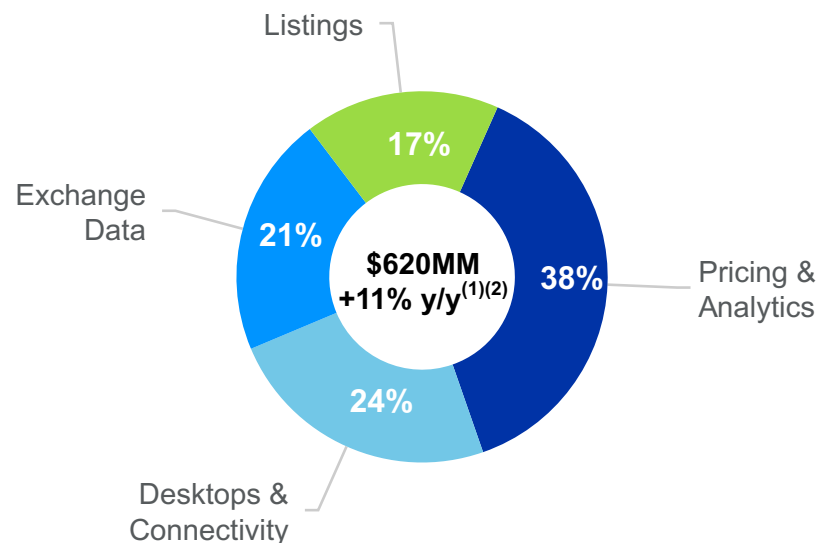
Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# Fourth Quarter 2016 Data & Listings Results

- Data & Listings revenue +11% y/y in constant currency<sup>(1)(2)</sup>
  - +6% y/y in constant currency<sup>(2)</sup> excluding S&P businesses acquired in 4Q16
- Adj. op. margin +4 points to 52%; best in class margin profile
- Recurring revenue reached 54% of consolidated revenues

\$ (in millions)	4Q16	4Q15 Pro Forma <sup>(1)</sup>	% Chg	Const <sup>(2)</sup> Curr
Revenue:				
Pricing and Analytics	\$234	\$206	14%	16%
Desktops and Connectivity	149	144	3%	7%
Exchange Data	132	118	12%	12%
<b>Data SubTotal</b>	<b>515</b>	<b>468</b>	<b>10%</b>	<b>12%</b>
Listings	105	102	3%	3%
<b>Total Revenue</b>	<b>\$620</b>	<b>\$570</b>	<b>9%</b>	<b>11%</b>
<b>Adj. Operating Expenses</b>	\$299	\$298	flat	
<b>Adj. Operating Margin</b>	<b>52%</b>	48%	+4pts	

## 4Q16 Data & Listings Revenue



(1) 4Q15 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

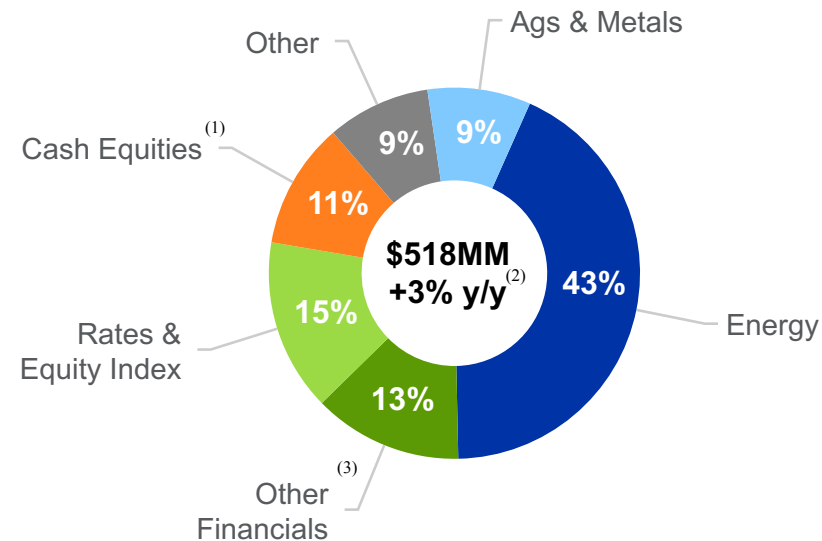
(2) Net revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from 4Q15. Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# Fourth Quarter 2016 Trading & Clearing Results

- Trading & Clearing revenue +3% y/y in constant currency<sup>(2)</sup>
  - Energy rev. +9% y/y; financials -16% y/y due largely to currency;
  - Total ADV +10%, energy +12%, EU interest rates +9% y/y
- Adj. op. margin +4 points due to continued expense discipline and synergy realization

\$ (in millions)	4Q16	4Q15	% Chg	Const Curr <sup>(2)</sup>
Revenue, net:				
Commodities	\$284	\$262	8%	9%
Financials <sup>(1)</sup>	188	208	(9)%	(3)%
Other	46	46	1%	2%
<b>Total Revenue</b>	<b>\$518</b>	<b>\$516</b>	<b>flat</b>	<b>3%</b>
<b>Adj. Operating Expenses</b>	<b>\$194</b>	<b>\$209</b>	<b>(7)%</b>	
<b>Adj. Operating Margin</b>	<b>63%</b>	<b>59%</b>	<b>+4pts</b>	

## 4Q16 Trading & Clearing Revenue



(1) Net of transaction based expenses.

(2) Net revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from 4Q15.

(3) Other financials includes equity options, net and credit transactions.

Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# Full Year 2016 Performance

- Consolidated revenues of \$4.5 billion; up 4% y/y<sup>(1)</sup>; up 6% on a constant currency basis<sup>(1)(2)</sup>



(1) 2015 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during 2015. 2015 pro forma results by quarter are available in the Investor Relations section of our website.

(2) Net revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from 2015.

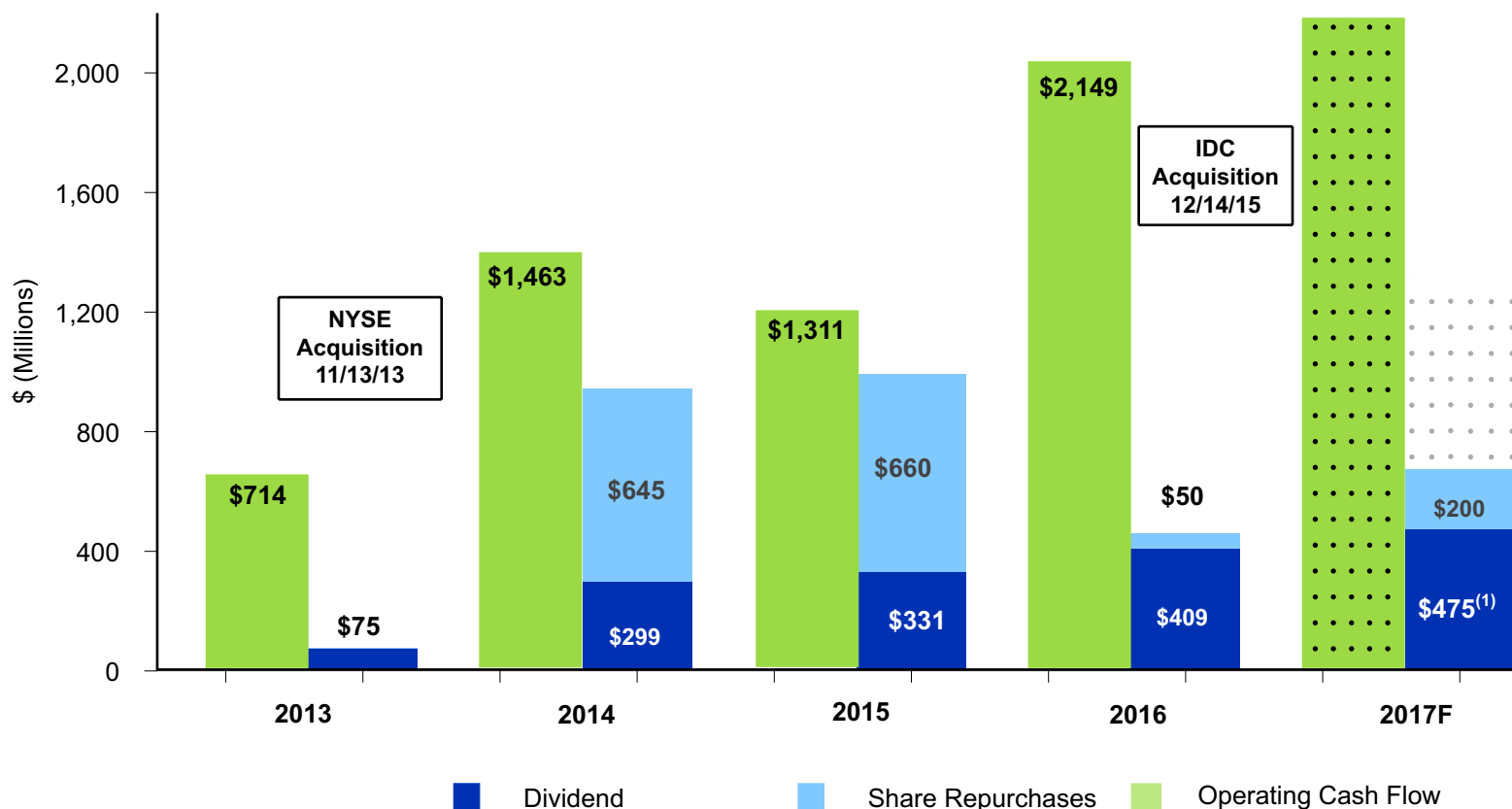
Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.



# Disciplined Use of Capital to Deliver Shareholder Value

- ICE expects to return over \$1 billion to shareholders in 2017 including announced plans for:
  - An 18% increase in our quarterly dividend
  - \$950MM in share repurchase authorization; \$200MM share repurchases in 1Q17

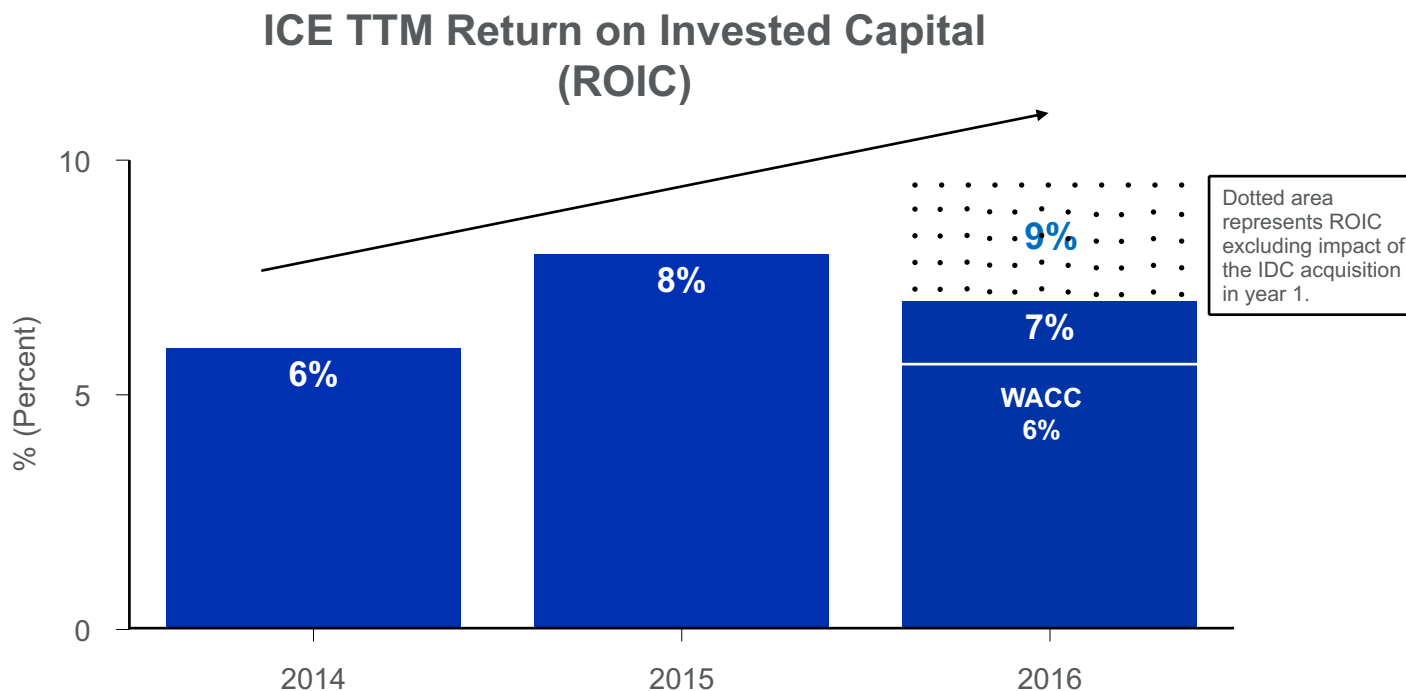
## Operating Cash Flow & Capital Return



(1) Estimated quarterly dividends that will require Board approval

# ROIC Increases as Integration & Synergies are Completed

- M&A analysis focuses on longterm value creation built on the foundation of integration and cost reductions delivered in the first three years
- ROIC<sup>(1)</sup> consistently above cost of capital and at or above key competitors; targeted to deliver double digit returns over time



(1) ROIC = TTM (Operating Income x (1-Tax Rate)) / (Avg Debt + Avg Shareholders Equity + Avg Minority Interest - Avg Cash, Cash Equiv, & ST Investments). Source: Bloomberg, Company filings. Figures reflect the most recently reported fiscal quarter as of 12-31-16.

# 2017 Guidance

## Financial Guidance

- **Data Revenue** at least +6% in constant currency<sup>(1)</sup>
  - **Data revenues** under contract entering 2017 up 8% vs. prior year
- **Adj. expenses** \$1.94 - \$1.98B; flat y/y
  - **1Q17 adj. expenses** \$495 - \$505MM
- **Interest Expense** \$44 - 45MM / quarter
- **Effective Tax Rate** 28% - 31%
- **Cap ex/software** \$280 - \$300MM; real estate capex of \$40 - \$45MM
- **Share Count** 595 - 605MM for 1Q17; includes planned Q1 repurchases

## Capital Return

- **Dividend** \$0.20/quarter, +18% y/y
- **Existing repurchase authorization** of \$950MM at beginning of 2017
- **Share Repurchases** \$200MM planned in 1Q17

## Expenses/Synergies

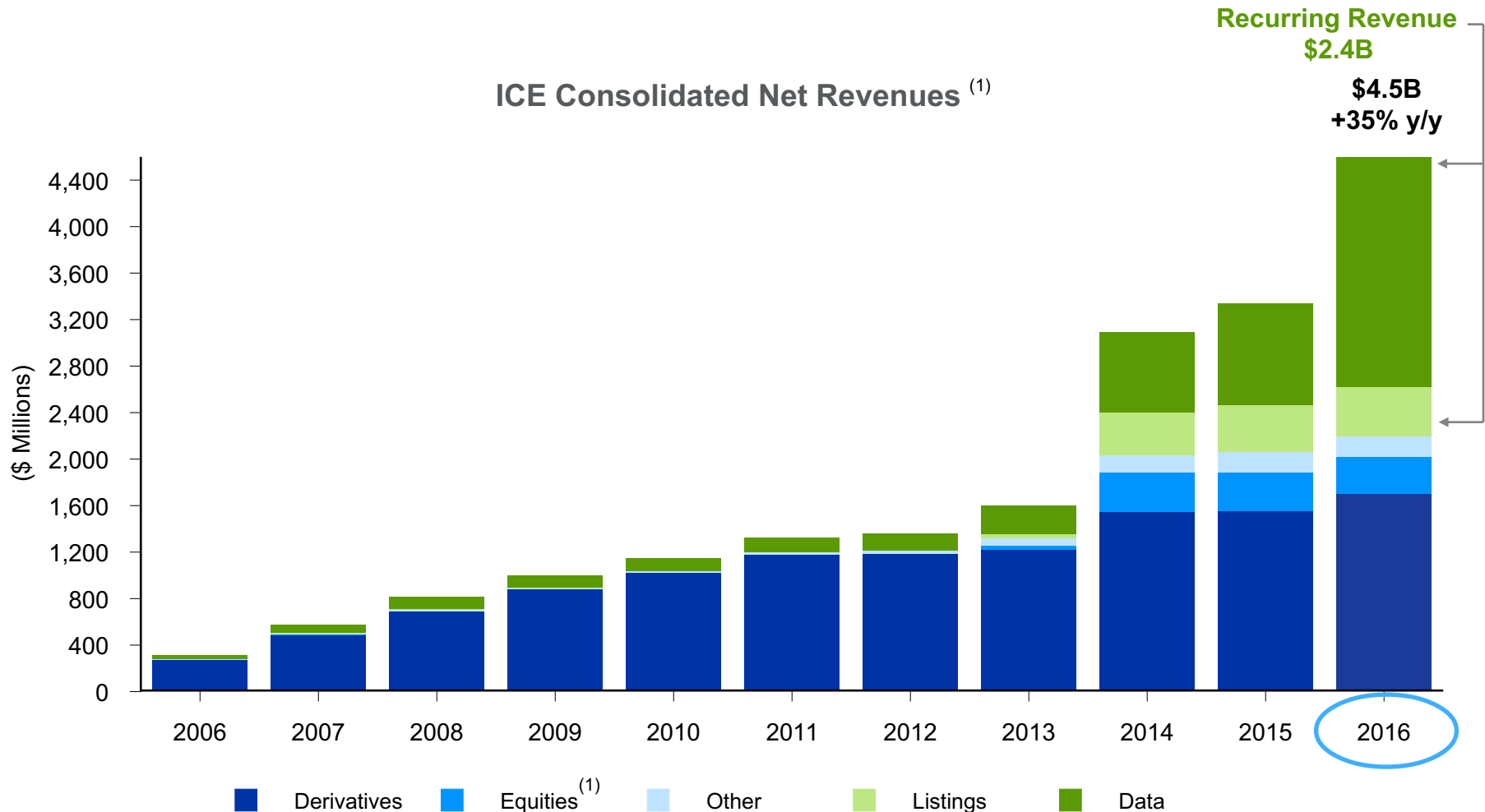
- **Delivered \$120MM in FY16 synergies**
- **Expect increased synergies** of \$25 - \$30MM to be realized in 2018 & 2019
- **FY17 adj. expenses flat y/y including:**
  - \$60MM in synergies
  - \$30MM benefit from FX
  - \$8-10MM net increase from 4Q16/1Q17 acquisitions/divestitures
  - \$20MM tied to data revenue growth
  - \$40MM in comp including moving IDC to ICE structure
  - \$30MM investments in tech resiliency and security

(1) Net revenues in constant currency are calculated holding both the pound sterling and euro at the average exchange rate from 2016. Adjusted figures represent non-GAAP measures

# Record Annual Revenues Driven By Strategic Growth

- Strategy focuses on delivering consistent growth in dynamic economic, regulatory and volatility environments
- **Recurring revenue of 53% of consolidated revenues in FY16**
- Serves as a strong platform for continued growth

ICE Consolidated Net Revenues <sup>(1)</sup>



(1) Net of Transaction Based Expenses

# Key Growth Drivers are Complimentary Across ICE

## Data & Listings

- **Secular trends driving data demand:** real-time information and analytics requirements, growth in indexation and passive investing, market fragmentation, automated trading and risk management
- **Connectivity and more data capacity** to efficiently grow trading, compliance and risk management infrastructure
- **Regulations** driving independent valuations, increased price transparency and reporting
- **Cost efficient, flexible** solutions for proprietary data, global market feeds and connectivity
- **NYSE listings leadership**, expanding set of corporate solutions; robust listings pipeline with strong start for capital markets in 2017

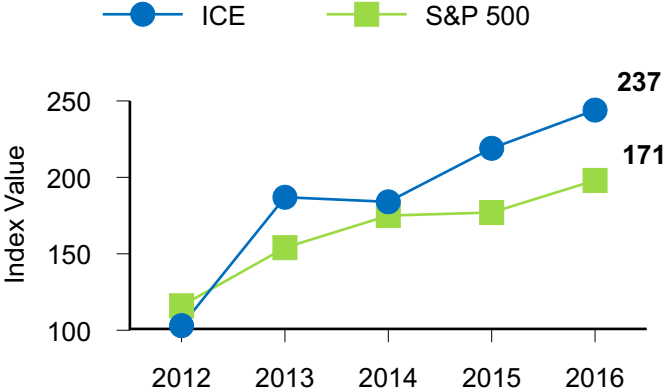
## Trading & Clearing

- **Demand for hedging and trading solutions across all assets;** solid long term volume and OI trends in energy & ags, upside in EU/UK rates
- **Volatility** due to geopolitical and central-bank moves creating demand for risk management across all asset classes
- **Demand for capital efficient risk management** solutions driving value and utility of our global clearing houses
- **New product** development across commodity and financial markets by leveraging clearing & data
- **Integrated trading and data platform** offers cost efficient enterprise platform across clients' workflow
- **Leadership in equities and ETFs**, expanding to add more choice in execution models in 2017

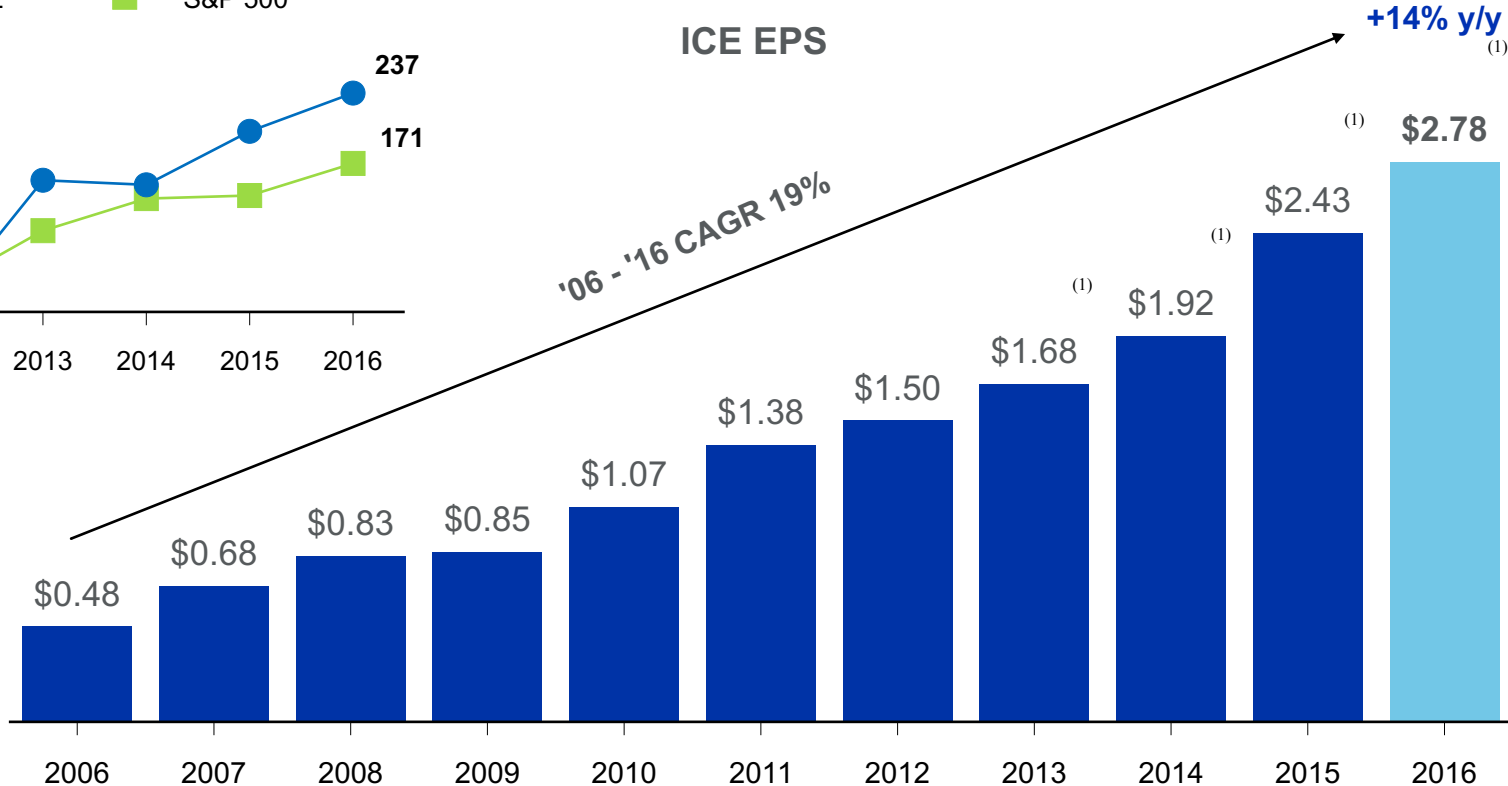
# Consistent Track Record of Revenue & Earnings Growth

- Consistent financial performance and operational execution; delivering on strategic growth to drive excess ROIC and double-digit earnings growth over the long term
- Rising cash flow, declining leverage, growing dividends and share repurchases**

ICE Total Return



ICE EPS



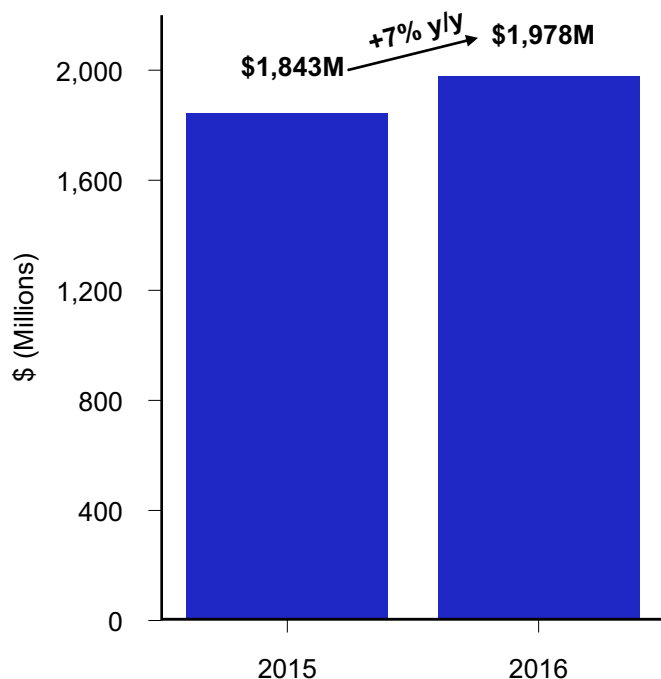
(1) Adjusted figures represent non-GAAP measures. Please refer to slides in the appendix for reconciliations to the equivalent GAAP measures.

# APPENDIX

# Diverse, Global & Proprietary Data Services

**End to end data services for trade life-cycle, risk management and connectivity**

**Data Services Revenue <sup>(1)</sup>**



## **Pricing & Analytics – 2016 Rev \$858MM, +6% y/y<sup>(1)</sup>**

- Leader in continuous and end of day fixed income pricing
  - Independent evaluations for 2.7 million instruments daily
- Reference data on more than 10 million financial instruments
- Benchmark indices for energy, LIBOR, Gold Price and swaps

## **Exchange Data – 2016 Rev \$535MM, +14% y/y<sup>(1)</sup>**

- Data across 9 asset classes from our 12 global exchanges, including proprietary data for equities, fixed income & commodities
- Scalable and flexible formats to serve trading desks, automated systems, risk managers and quote vendors

## **Desktop & Connectivity – 2016 Rev \$585MM, +3% y/y<sup>(1)</sup>**

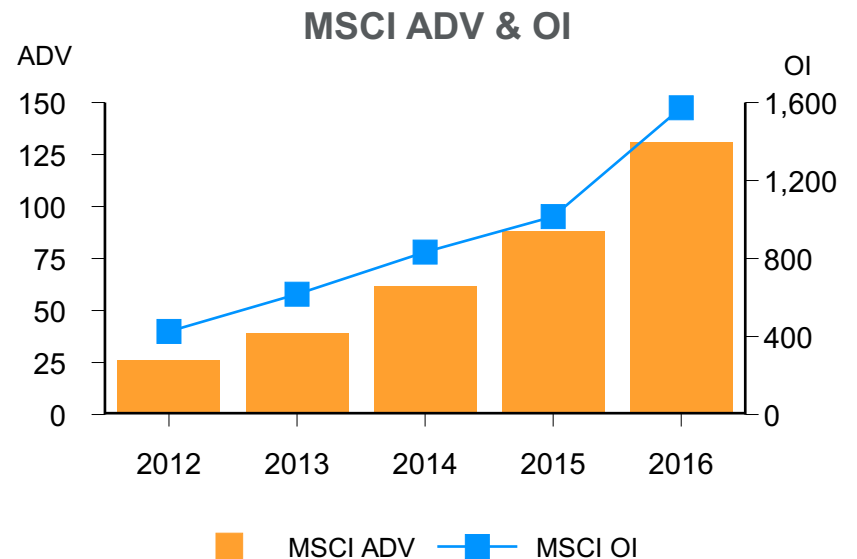
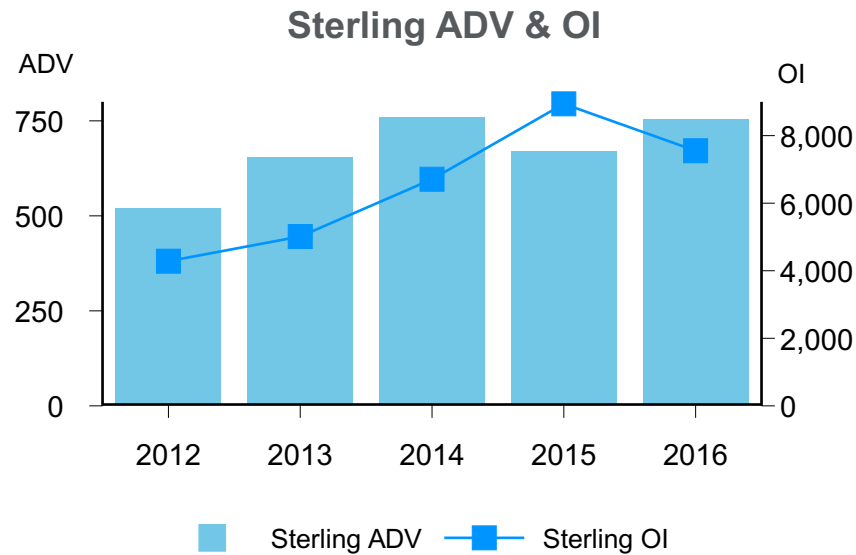
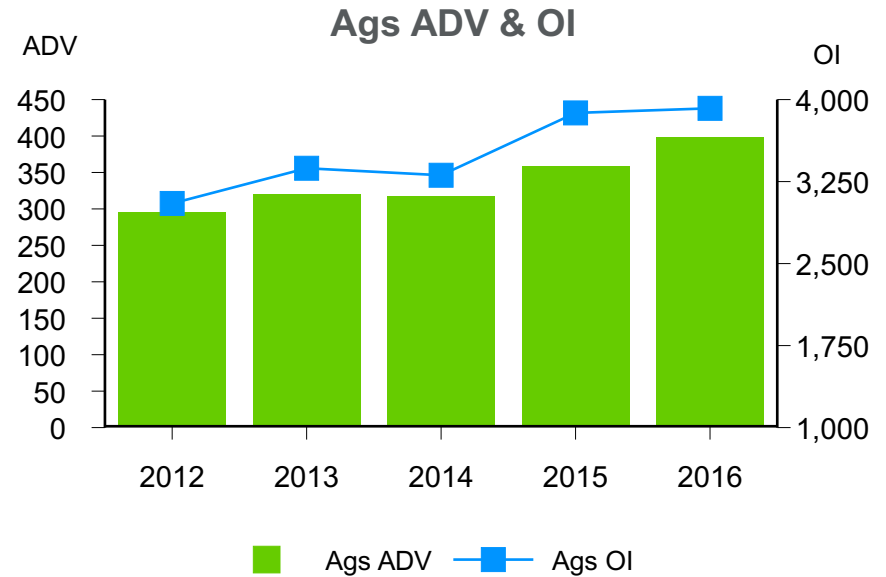
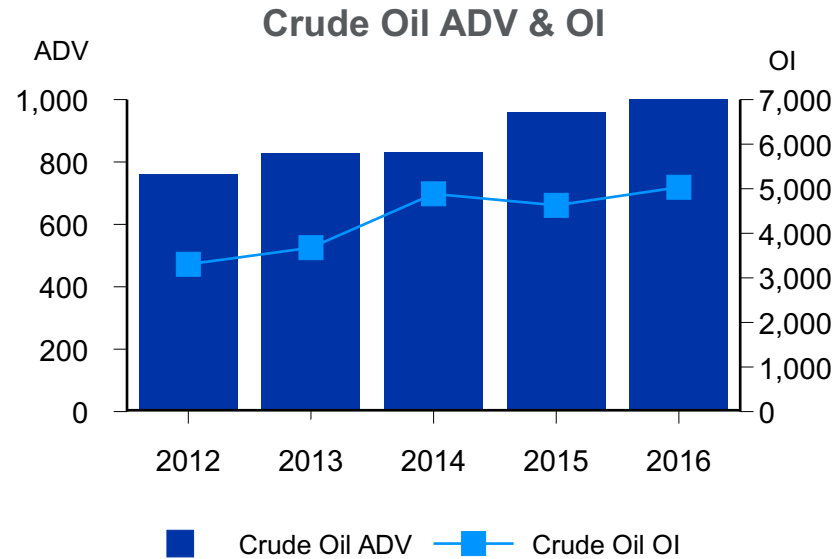
- Desktops and tools, including instant messaging, options analytics and desktops commodities & financial markets
- Feeds connecting to over 150 markets
- 13 hosting centers, 3 colocation centers
- SFTI Network- designed for resiliency and low latency

(1) 2015 figures reflect pro forma results which include Interactive Data Corporation and Trayport as if we had owned them during that period. 2015 pro forma results are available in the Investor Relations section of our website.



# Diverse Global Portfolio Driving Growth in ADV & OI

All figures in thousands



Financials, Ags and US Cash Equities shows volumes as if we owned NYSE prior to the November 2013 acquisition.

# ICE Summary Balance Sheet

In millions

BALANCE SHEET	12/31/2016	12/31/2015	CHANGE
<b>Assets</b>			
Unrestricted Cash	\$407	\$627	\$(220)
Other Current Assets	56,726	52,686	4,040
Current Assets	57,133	53,313	3,820
PPE (net)	1,129	1,037	92
Other Assets	23,741	23,637	104
<b>Total Assets</b>	<b>\$ 82,003</b>	<b>\$ 77,987</b>	<b>\$4,016</b>
<b>Liabilities &amp; Equity</b>			
Short-Term Debt	\$ 2,493	\$ 2,591	\$(98)
Other Current Liabilities	56,124	52,152	(3,972)
Long-Term Debt	3,871	4,717	(846)
Other Long-Term Liabilities	3,725	3,652	73
Total Liabilities	66,213	63,112	3,101
Redeemable Noncontrolling Int	36	35	1
Total Equity	15,754	14,840	914
<b>Total Liabilities &amp; Equity</b>	<b>\$ 82,003</b>	<b>\$ 77,987</b>	<b>\$4,016</b>

- \$407MM unrestricted cash
- Total debt of \$6.4B; Adj. Debt-to-EBITDA<sup>(1)</sup> of 2.2x
- \$365MM YTD 2016 capex
  - Op capex & cap software \$292MM
  - Real estate capex \$73MM
- TTM ROIC<sup>(2)</sup> of 7.2%; WACC 6%

(1) This is a non-GAAP measure. Please refer to slides in the appendix for reconciliation to the equivalent GAAP measure.

(2) ROIC = LTM (Operating Income x (1-Tax Rate)) / (Avg Debt + Avg Shareholders Equity + Avg Minority Interest - Avg Cash, Cash Equiv, & ST Investments).

# Adjusted Net Income from Continuing Ops and EPS from Continuing Ops

In millions (except per share amounts)

	3 Months Ended 12/31/16	3 Months Ended 12/31/15	12 Months Ended 12/31/16	12 Months Ended 12/31/15
Net income attributable to ICE	\$352	\$370	\$1,422	\$1,274
Add: NYSE and Interactive Data transaction and integration costs	15	52	46	83
Add: Amortization of acquisition-related intangibles	72	41	302	140
Add: Employee severance costs related to Creditex U.K. brokerage operations	—	—	4	—
Add: Creditex customer relationship intangible asset impairment	—	—	33	—
Add/(Less): Litigation settlements and accruals, net of insurance proceeds	—	—	—	15
Add: Pre-acquisition interest expense on debt issued for Interactive Data acquisition	—	5	—	5
Less: Income tax effect related to the items above	(32)	(31)	(143)	(83)
Add/(Less): Deferred tax adjustments on acquisition-related intangibles	(2)	(68)	(22)	(82)
Add/(Less): Other tax adjustments	23	—	23	7
Less: Income from discontinued operations, net	—	—	—	—
Adjusted net income attributable to ICE	<u>\$428</u>	<u>\$369</u>	<u>\$1,665</u>	<u>\$1,359</u>
Diluted EPS from continuing operations	<u>\$0.59</u>	<u>\$0.66</u>	<u>\$ 2.37</u>	<u>\$ 2.28</u>
Adjusted Diluted EPS from continuing operations	<u>\$0.71</u>	<u>\$0.65</u>	<u>\$2.78</u>	<u>\$2.43</u>
Diluted weighted average common shares outstanding	<u>600</u>	<u>562</u>	<u>599</u>	<u>559</u>

# Adjusted Net Income from Continuing Ops and EPS from Continuing Ops

In millions (except per share amounts)

	<u>12 Months Ended 12/31/14</u>	<u>12 Months Ended 12/31/13</u>
Net income attributable to ICE	\$981	\$254
Add: NYSE and Interactive Data transaction and integration costs and acquisition related success fees	124	140
Add: Amortization of acquisition-related intangibles	131	56
Add: Litigation settlements and accruals, net of insurance proceeds	—	—
Add: Pre-acquisition interest expense on debt issued for Interactive Data acquisition	—	—
Add: Cetip impairment loss	—	190
Add: Duplicate rent expense and lease termination costs	—	7
Add: Early payoff of outstanding debt	—	51
Less: Income from OCC equity investment	(26)	—
Less: Net gain of sale of 6% remaining ownership in Euronext	(4)	—
Less: Income tax effect related to the items above	(89)	(85)
Less: Deferred tax adjustments on acquisition-related intangibles	(14)	—
Add: Other tax adjustments	12	—
Add/Less: Income (loss) from discontinued operations, net of tax	(11)	50
Adjusted net income attributable to ICE	<u>\$1,104</u>	<u>\$663</u>
Diluted EPS from continuing operations	<u>\$ 1.69</u>	<u>\$ 0.77</u>
Adjusted Diluted EPS from continuing operations	<u>\$1.92</u>	<u>\$1.68</u>
Diluted weighted average common shares outstanding	<u>573</u>	<u>396</u>

# Adjusted Operating Income, Operating Margin & Operating Expense Reconciliation

In millions

	3 Months Ended 12/31/16	3 Months Ended 12/31/15	12 Months Ended 12/31/16	12 Months Ended 12/31/15
Total revenues, less transaction-based expenses	\$1,138	\$875	\$4,499	\$3,338
Total operating expenses	580	457	2,332	1,588
Less: NYSE and Interactive Data transaction and integration costs	15	52	46	83
Less: Employee severance costs related to Creditex U.K. brokerage operations	—	—	4	—
Less: Creditex customer relationship intangible asset impairment	—	—	33	—
Less: Amortization of acquisition-related intangibles	72	41	302	140
<b>Adjusted total operating expenses</b>	<b>\$493</b>	<b>\$364</b>	<b>\$1,947</b>	<b>\$1,365</b>
<b>Adjusted operating income</b>	<b>\$645</b>	<b>\$511</b>	<b>\$2,552</b>	<b>\$1,973</b>
Operating margin	49%	48%	48%	52%
<b>Adjusted operating margin</b>	<b>57%</b>	<b>58%</b>	<b>57%</b>	<b>59%</b>

# Adjusted EBITDA Reconciliation

In millions

	<b>Trailing 12 Months Ended 12/31/16</b>
<b>Adjusted net income</b>	<b>\$1,665</b>
Add: Income tax expense	580
Add: Income tax expense adjustment on Non-GAAP Items	142
Add: Interest expense	178
Add: Depreciation and amortization <sup>(1)</sup>	275
<b>Adjusted EBITDA from Continuing Ops</b>	<b>\$2,840</b>
<b>Adjusted EBITDA - Securities Evaluations &amp; Credit Market Analysis (pre acquisition)<sup>(2)</sup></b>	<b>\$34</b>
<b>Combined Adjusted EBITDA</b>	<b>\$2,874</b>
<b>Debt, as reported</b>	<b>6,364</b>
Add: Balance of unamortized premiums/discounts and debt issuance costs, net	30
<b>Principal amount of debt outstanding (Adjusted Debt)</b>	<b>\$6,394</b>
<b>Adjusted Debt-to-EBITDA leverage ratio</b>	<b>2.2x</b>

(1) Excludes adjustments already included in Non-GAAP financial measures.

(2) Represents pro forma EBITDA for the pre acquisition period covering 1/1/16 - 10/2/16 for Securities Evaluations and Credit Market Analysis.

# Adjusted Effective Tax Rate Reconciliation

In millions	3 Months Ended 12/31/16	3 Months Ended 12/31/15	12 Months Ended 12/31/16	12 Months Ended 12/31/15
Income before income tax expense	\$530	\$391	\$2,029	\$1,653
Less: Income tax expense	171	18	580	358
Net Income	\$359	\$373	\$1,449	\$1,295
Effective tax rate	32%	5%	29%	22%
Income before income tax expense	\$530	\$391	\$2,029	\$1,653
Add: NYSE and Interactive Data transaction and integration costs	15	52	46	83
Add: Amortization of acquisition-related intangibles	72	41	302	140
Add: Employee severance costs related to Creditex U.K. brokerage operations	—	—	4	—
Add: Creditex customer relationship intangible asset impairment	—	—	33	—
Add/(Less): Litigation settlements and accruals, net of insurance proceeds	—	—	—	15
Add: Pre-acquisition interest expense on debt issued for Interactive Data acquisition	—	5	—	5
Adjusted Income before income taxes	\$617	\$489	\$2,414	\$1,896
Income tax expense	\$171	\$18	\$580	\$358
Add: Income tax effect for the above items	32	31	143	83
Add: Deferred tax adjustments on acquisition related intangibles	2	68	22	82
Less: Other tax adjustments	(23)	—	(23)	(7)
Adjusted income tax expense	\$182	\$117	\$722	\$516
Adjusted Income before income tax expense	\$617	\$489	\$2,414	\$1,896
Adjusted income tax expense	182	117	722	516
Adjusted Net Income	\$435	\$372	\$1,692	\$1,380
Adjusted effective tax rate	30%	24%	30%	27%