

— PARTICIPANTS

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Jeffrey C. Sprecher – Chairman & Chief Executive Officer

Other Participants

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— MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the IntercontinentalExchange Second Quarter 2011 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will follow at that time. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to introduce your host for today's conference, Kelly Loeffler, Vice President of Investor Relations and Communications.

Kelly L. Loeffler, VP-Investor Relations & Corporate Communications

Good morning. ICE's second quarter 2011 earnings release and presentation can be found in the investor section of our website at theice.com. These items will be archived and our call will be available for replay. Today's call may contain forward-looking statements. These statements, which we undertake no obligation to update, represent our current judgment and are subject to risks, assumptions and uncertainties. For a description of the risks that could cause our results to differ materially from those described in the forward-looking statements, please refer to the company's Form 10-Q, which was filed with the SEC this morning as well as the company's Form 10-K.

Please note that the numbers discussed today refer to our adjusted operating results. We believe these are more reflective of the performance of our business. You'll find a non-GAAP reconciliation in the earnings release and presentation.

With us today are Jeff Sprecher, Chairman and CEO; Scott Hill, Chief Financial Officer; and Chuck Vice, President and Chief Operating Officer.

I'll now turn the call over to Scott.

Scott A. Hill, Chief Financial Officer & Senior Vice President

Thanks, Kelly. Good morning, everyone, and thanks for joining us today. The second quarter, which included monthly volume records at ICE Futures Europe and ICE Futures U.S. was the best second quarter we've ever had following the best first quarter in our history, all adding up to a record first half of 2011. These results were achieved despite economic and regulatory headwind and were enabled by our drive and determination to meet the continuously evolving needs of our customers and the markets we serve. The result for our investors is consistent growth on top of growth, solid margins, and strong cash flows and returns on investment.

I'll begin this morning on slide 4, which shows our strong performance in the first half of this year. We delivered record revenues, up 14% year-to-year, record net income up 19% year-to-year, margin expansion, and record cash generation. This was enabled by strong volume growth in both futures and OTC energy as well as continued progress in CDS clearing. We also continue to bring greater efficiencies to our market well ahead of Dodd-Frank implementation and we launched 181 new OTC and futures products during the first half.

Let's move now to slide 5, where I'll review our quarterly results. Second quarter consolidated revenues rose 10% to \$325 million driven by 11% volume growth in futures and OTC energy and a 7% increase in CDS clearing revenues. Adjusted net income attributable to ICE grew 11% to \$125 million, and adjusted diluted earnings per share in the quarter increased 12% to \$1.69. Our tax rate continues to improve as our European business continues to grow. And CapEx and capitalized software were \$17 million, and cash flow from operations increased to \$166 million.

Let's turn to slide 6 to take a closer look at the components of our consolidated revenue and expenses for the second quarter. As I just mentioned, consolidated futures and OTC energy volume grew 11% to 191 million contracts. This resulted in transaction and clearing revenues growing 9% to \$289 million. Futures revenues rose 15% to \$149 million as a result of the relevant of our oil contracts and the addition of our emissions markets. Ag futures benefited from a higher revenue capture per contract.

In our OTC energy business, revenues increased 7% to \$99 million while OTC credit declined 5% to \$41 million. Our CDS clearing business, however, delivered a solid quarter, up 7% year-to-year to \$17 million. And increased reliance on ICE's data services produced a 13% increase in revenues to a record \$31 million.

Shifting to the right side of slide 6, you can see our second quarter expense details. Second quarter adjusted operating expense rose 10% to \$128 million driven in part by the Climate Exchange, which was not included in last year's second quarter.

Adjusted operating margin was 60%. Operating margin excluding our CDS brokerage business was 67%. We continue to expect full year adjusted operating expense growth of 4% to 6%, which will support double-digit revenue growth, margin expansion and net income that grows faster than revenue.

Moving now to slide 7, I'll walk through the performance of our futures business segment. Average daily volumes increased 5% from the prior year to 1.5 million contracts, while revenues rose 15% due to the Climate Exchange acquisition and solid revenue capture trends. Open interest in our futures market stood at 7 million contracts, an increase of 18% year-over-year. Volume in revenues

at ICE Futures Europe continued to grow at a strong clip in our Brent and Gasoil futures. Average daily volume for Brent and Gasoil grew 26% and 18% respectively from the second quarter one year ago.

Volatility in crude oil prices was driven by strong demand from emerging economies, concerns about the recovery of western economies and a release of inventories from the International Energy Agency. These factors, combined with the increased reliance on ICE Brent and Gasoil futures as benchmark contracts for the global energy market served as catalysts for continued volume growth. We believe this trend, which is already in its 14th year, could continue to play out for several years as emerging economies continue to increase their use of hedging. Demand for energy resources is only increasing and our platform provides the products, the transparency and the confidence required by our customers for managing their risks.

I'd like to spend a moment on the Climate Exchange acquisition, which has now reached its one-year anniversary. Integration is complete and our expected synergies have been achieved. While emissions volumes early in the quarter were soft as a result of spot market issues in Europe, revenues from emission futures and options improved 51% to \$15 million in the second quarter.

Emissions revenues have increased sequentially in each quarter since closing the acquisition. We are very pleased with the transaction and our positioning in this early-stage market. We think the business will continue to be a strong positive for us, particularly as some of the Phase III catalysts come into play in Europe next year.

Turning to ICE Futures U.S., we recorded record ADV during June. Our sugar contract volume grew 13% year-to-year in June following a muted start to the year and our cotton contract volumes continue to grow amidst a very volatile market. Our FX products continue to demonstrate healthy growth and we again set volume records in our U.S. Dollar Index contract in June.

Finally, yesterday we reported a 14% increase in ADV for our consolidated futures market and we are pleased with the healthy performance in revenue capture trends during these summer months.

Please turn to slide 8 where I'll review our OTC business. Average daily commissions in energy improved year-over-year to \$1.5 million, an increase of 7% over the prior second quarter. Natural gas revenues grew 5% and global oil revenues continued on a robust growth trajectory, up 75% year-to-year. The second quarter was an exceptionally strong period for new product launches as we introduced 145 cleared energy, global oil and refined products and North American natural gas and power contracts. ICE's product launches are driven by customer input and demand as we seek to provide a comprehensive set of products for hedging.

During the quarter, revenue from new products contributed \$8 million, up \$3 million compared to last year. Open interest in our cleared OTC energy contracts increased 29% in the second quarter to 43 million contracts, with North American natural gas and global oil up 69% and 35% respectively. And in July, our OTC commissions were a healthy \$1.5 million, up more than 10% from the prior July despite range bound natural gas prices and low volatility.

In our credit derivatives businesses, revenues in the second quarter were \$41 million. This includes \$17 million from clearing and \$24 million from Creditex. The CDS execution market continues to be soft as we await further regulatory clarity. But Creditex has maintained or gained market share in its core single name and index market and continues to deliver efficiencies ahead of final rulings.

During the quarter, we introduced Creditex's odd lot auction platform to grow participation among broker dealers for high-grade and high-yield corporate bonds. And we are seeing growing interest in all of our electronic solutions and we believe we are well positioned to be the leading SEF in the CDS marketplace based on our liquidity and connectivity.

We've led the CDS business in taking transactions electronic with 61% of Creditex revenues in the quarter coming from screen-based trade compared to only 45% a year ago.

Through July, ICE has cleared over \$20 trillion in gross notional value of CDS. During the second quarter alone, we cleared nearly \$3 trillion in notional value and open interest hit a new record in both single-names and embassies. As I mentioned, this produced \$17 million in clearing revenues and we anticipate that revenues will continue at current levels for the balance of the year. We expect revenues in the range of \$35 million to \$37 million for the second half of the year despite delay in implementation of Dodd-Frank. We remain confident that as rules impacting the CDS industry are finalized and the CDS marketplace continues its evolution towards mandated clearing, standardization and greater transparency, that ICE's leadership position with our full range of risk management tools and infrastructure uniquely positions us to benefit from the eventual market recovery.

I'll conclude my remarks on slide 9 with a discussion of ICE's financial strength and the flexibility we have to approach new opportunities. Most recently, that flexibility enabled us to increase our exposure to Brazil. With the Cetip transaction we announced in July, we are extending our reach into Brazil's market and leveraging our work in clearing. Early in the second quarter, we also announced our venture to develop Brazilian energy markets with the BRIX Transaction. ICE is committed to ensuring these investments produce healthy returns and growth.

As you can see, ICE continues to produce strong cash flow and prudently invest with an eye towards continuing to generate industry-leading capital return. Strong cash generation coupled with low leverage positions us to opportunistically invest for the future and we continue to see many attractive strategic opportunities to grow our business and deliver consistently positive returns to our shareholders.

Before I turn it over to Jeff, I'll refer you to our earnings release for detailed guidance, and as always, I'll be happy to answer any questions during our Q&A session. Jeff, over to you.

Jeffrey C. Sprecher, Chairman & Chief Executive Officer

Thank you, Scott, and good morning, everyone. With the strongest first half in our history completed and with solid growth in July volumes reported yesterday, we continue to build on our track record of results. Despite the economic challenges of the past few years, our results continue to exceed expectations. We're expanding our global derivatives business in a strategic and disciplined manner, while we drive best-in-class returns on capital.

The results that Scott just reviewed with you are the product of initiatives that began several years ago. So I'll update you on our current initiatives and recent business trends.

First of all an update on financial reform. Dodd-Frank became effective in the United States two weeks ago on July 16. The passage of this law a year ago began a rulemaking process covering roughly 400 new rules, of which about 10% have been finalized. With an anticipated six-month delay in implementing significant parts of U.S. financial reform, it appears that most of the rules will be finalized by early 2012. Despite these delays, we're moving ahead to deliver on key provisions to bring needed certainty to the markets. The additional implementation time allows us to prepare to serve the OTC markets in more ways. Our team is working with the industry to deliver solutions for clearing, electronic trading, and reporting requirements well in advance of implementation.

Many of our solutions are widely used by the over-the-counter markets today, long before they're required under the law and not simply in response to Dodd-Frank. These include things like Creditex's electronic credit platform, which will likely become a SEF, ICE's CDS clearing houses and our cleared and electronically traded over-the-counter energy markets. Given the commercial

concentration in our global markets, we believe that the new rules will not materially limit market activity for us. In fact, reform is likely to increase demand for our cleared products, whether they're futures or swaps. The majority of our OTC volume comes from commercial market participants. You can see the depth of this commercial participation in our ICE Futures Europe contracts as we now publish U.S. style Commitment of Trader reports for our European Futures business.

The data confirms that Brent crude is heavily weighted towards commercial end users. From both an end user and regulatory perspective, our reports clearly demonstrate that concerns regarding excessive speculative activity in European oil markets are not substantiated by the facts. By publishing this data, we're being proactive in finding ways to provide market transparency to ensure that regulatory oversight is well informed.

I'd also like to recognize the seamless transition of our former Fed-regulated CDS clearing house to its ultimate regulatory status a couple of weeks ago. ICE Trust is now known as ICE Clear Credit having dropped its Trust name because it is no longer a bank. The business has seamlessly become a CFTC regulated derivatives clearing organization and an FTC regulated securities clearing agency.

We designed our clearing model with the flexibility and the intent to complete this transition, even though we understood that initially some of our investors were concerned because competitors suggested that our regulatory roadmap would make the business uncompetitive. We executed on our plan and we were correct. In July, we lowered clearing membership requirements in anticipation of new CFTC rules and we add 11 futures commission merchants as new clearing members. At the same time we surpassed \$20 trillion in gross notional cleared, representing the vast majority of the outstanding clearable CDS market.

ICE Clear Credit is an open access model and we believe it is fully compliant with Dodd-Frank. It retains significant operational advantages, including the widest range of clearable products, straight-through processing and a strong risk management framework.

Regulatory change will continue to require significant efforts from exchanges, clearing houses and our markets participants, but the daily need to manage price risk and counter price risk will not stop. Thus, our business continues to move forward at a healthy clip. As Dodd-Frank and ultimately the anticipated EMIR legislation in Europe takes shape, we'll continue to update you as the changes influence our business.

I'd now like to move on to discuss our recent global initiatives on slide 10, along with past initiatives that we continue to build upon. We've grown organically and through M&A becoming more ingrained into the global derivatives markets with each move. We've enabled OTC clearing and electronic trading in commodity markets, actively growing our addressable markets based on the needs of our customers.

In May, we ended a bid for the Liffe business of NYSE Euronext. Virtually all exchange mergers this year have taken different paths than originally anticipated as a result of competitive challenges. And the regulatory landscape may continue its shift from one that supported national champions to one that preserves competition.

So today, we're focused on building our markets and clearing expertise to innovate, to serve customers in new competitive ways. With perhaps the most globally relevant product suite and customer relationships, we're able to observe attractive areas for growth and investment. Commodities are an increasingly scarce set of resources that require continuous hedging due to natural volatility regardless of the economic cycle or regardless of their price level. The demand for risk management continues to rise and emerging economies are only beginning now to manage the risk in these markets.

Our core commodity markets provide ICE with substantial exposure to this trend. However, we've never waited for the market to come to us and we prefer to create openings for ourselves. So in July, we announced the beginning of two opportunities that we believe will enhance our ability to innovate, extend our global reach, and enhance a defensible growth franchise for our shareholders.

First of all, we led the development of exchange traded energy markets in Brazil through our venture known as BRIX. On Monday, we announced that BRIX launched successfully with 30 market participants and with active trading that exceeded our expectations. This marks the first time in that country that electric power has traded electronically. This new marketplace relies on the ICE OTC platform and on our experience in creating modern power markets. We believe that the product suite will grow and that it will evolve into standardized and cleared markets. Together with our team in Brazil, we've spent the last year preparing for the launch and we look forward to building on this very strong start.

Based on the same rationale of expanding leadership in the global derivatives markets, we've become the largest shareholder of Cetip. Cetip is Brazil's leading custody, registration, and settlement clearing house and the largest custodian of OTC derivatives in Brazil. Essentially, Cetip integrates hundreds of the country's financial services business through its network of products and services. This infrastructure positioning is one that we've grown to understand and to like and it often tends to be underappreciated. Our company uniquely appreciated the role of settlement and clearing long before we built our own back office businesses and we're using this knowledge to deliver important industry infrastructure.

So through this stake in Cetip, we believe we will mutually benefit. Based on our shared culture of entrepreneurship and growth and appreciation of Brazil as one of the fastest-growing financial markets, we will look to leverage our respective areas of expertise. Though it's a publicly traded company, we conducted a thorough valuation analysis of Cetip and established return requirements that we believe will be achieved as a result of our cooperation.

We've already conducted our first set of meetings with the leadership of Cetip since making the investment, and as we begin working on the strategic relationship in Brazil, our Chief Strategic Officer, David Goone, will join the Cetip board.

Moving onto slide 11, you can see the solid trends in our futures and OTC businesses are continuing. Our energy business at ICE Futures Europe remains very robust. July volume rose 19% and revenue capture trends were positive. We also achieved record open interest levels last week including record open interest in our Brent futures and options markets. In July our oils futures market share was above 50% for the third consecutive month. This performance is largely driven by the fact that ICE Brent and Gasoil serve as leading global physical price references.

The marginal demand is coming from growth economies and as these regions continue to consume more energy, this decade long trend shows no sign of abating. While WTI remains an important U.S. oil benchmark to us, it no longer reflects global prices. Brent's fundamentals, customer composition and forward term structure differ from WTI. These are some of the reasons why the price spread between Brent and WTI has persisted and the divergence may continue for some time.

The Asian region continues to represent a healthy pipeline of new customers coming into our market. We continue to develop new business in the region as the use of hedging for both futures and over the counter markets there increases. While we're very pleased with our leadership in energy, we must continue to evolve our products, and towards that end, we announced in June that we're consulting with the market to modify our Gasoil contract specification to make it even more relevant to more customers and their evolving hedging needs. We anticipate that the modified contract specifications will be announced within the next few weeks.

In terms of our newer markets, the Climate Exchange acquisition has been a strong contributor of European revenues and a good source of internal efficiencies. While the European markets were muted in the first half of the year due to the closure of the spot emissions markets, we saw a strong recovery in June and July with volumes up 42% and 35% respectively over 2010 levels. We're now preparing for additional European requirements that we believe will likely drive increased emissions market participation.

On the over-the-counter energy side, we continue to introduce new products that have made a meaningful contributions in terms of revenue with upwards of \$20 million year-to-date and with little associated expense. Scott mentioned our OTC average daily commissions in July were roughly \$1.5 million, which is pretty remarkable given the lack of volatility and the low prices in the U.S. natural gas markets. Our agricultural commodity markets set consecutive exchange-wide monthly volume records in both May and June and solid growth in July.

We've added trading enhancements to the ICE Futures U.S. options markets and now we've seen a significant increase in screen traded options. We're also focused on the opportunities in the foreign exchange market and we've added several new FX futures contracts to ensure that we're competitively positioned in that market. Our volumes in FX grew 51% in July.

We're often asked about how financial reform will affect the growth trajectory for exchanges. While we remain realistic about the risks that are inherent with change, we're excited about our positioning.

A number of exchanges have begun to discuss an increase in return of capital, potentially signaling limited reinvestment and growth alternatives. However, we believe well executed strategies will produce more sustainable and defensible returns than relying on stock buybacks. We've demonstrated that opportunistic stock repurchases have a place, yet we don't view financial engineering as the best catalyst for producing consistent shareholder returns. We believe the demand for derivatives trading and clearing will increase over the coming decades, and as such, there remains plenty of opportunity for high-yielding capital deployment by ICE.

Our team at ICE continues to manage through the current environment in a very positive way. We're generating the highest returns and the most consistent growth in our sector for the sixth consecutive years. Regulatory reforms are creating more opportunities for us by requiring that exchanges and clearinghouses become the backbone of the marketplace. We've effectively addressed OTC opportunities well ahead of our peers and we're driving the transition towards transparent markets well in advance of reform.

When financial reform requires increased electronic trading, we will be well positioned with a leading swap execution facility in the energy and credit space. And finally, our derivatives market infrastructure is now global and we stand to benefit from the continued commodity market expansion.

So let me just say on behalf of my colleagues, I want to thank all of our customers for trusting us with their business last quarter and I want to thank the ICE team for delivering another strong quarter. With that, I'll now turn it back to the operator and moderate our Q&A session. [ph] Givan (25:38), back to you.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from Howard Chen with Credit Suisse.

<Q – Howard Chen – Credit Suisse (United States)>: Hi. Good morning, everyone.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Good morning.

<Q – Howard Chen – Credit Suisse (United States)>: Congrats on a strong quarter. Jeff, with respect to the Cetip investment, the deal makes a lot of sense where with you and the team had been wanting to take the company over the years. With that said, curious about two things. First, custody is a bit of a newer business so can you speak to where you see ICE kind of fitting in that longer-term? And second, what financial parameters are you going to look at to gauge success of the relationship and investment?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure, thanks. First of all, a little about Cetip, they are the largest holder of fixed income securities and bonds in Brazil and they actually create daily marks, and mark those positions to market, although they do not move the cash as we would in a traditional futures clearing house. So they provide those marks to the individual counterparties who then move the cash outside of Cetip. So Cetip sees a number of opportunities for itself in moving deeper into the custodial clearing back office services business and potentially into providing electronic trading and other venues around the market that it currently serves.

Separately, we have BRIX which is now a bilateral, non-cleared energy market that's just getting started, and as I've said in my prepared remarks, we see that moving into other commodity -- energy commodities and ultimately into clearing and we have that technology and domain knowledge. So we're hoping that a combination of their connectivity to the major banks and the relationships that they have and our infrastructure now in Brazil along with our technology and domain knowledge can come together in a number of future ventures where we will mutually benefit. And we've had a lot of conversation with senior management down there, we like them, they're very entrepreneurial, they have a lot of ideas. We obviously are quite entrepreneurial and have a lot of ideas. So we're quite positive on the opportunity set that between the two of us we think we can generate.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: And just, Howard, picking up on that a little bit on the question of how we're going to look the success of the investment. We're going to measure it like we do all of our other investments. As you know, we provide or we deliver high teens return on invested capital to our investors today and our expectation is a combination of all the things that Jeff just talked about will allow us to do that in our Brazilian investments over time. So with the combination of Cetip and what we've invested in BRIX, we've deployed over \$0.5 billion and our expectation is that we'll deliver the returns on that investment just as we have with the returns on the other investments that we've made.

<Q – Howard Chen – Credit Suisse (United States)>: Great, thanks, very helpful. And then second, we get a lot of questions on the potential for Fed or FSOC oversight on derivatives clearing houses, but at the same time, the company seems to be going the other direction in that the Fed regulated ICE Trust now transitions to a CFDC clearing house. So I'm just wondering, Jeff, like how do you think about all that? How do you reconcile all that for us? Thanks.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure. I think it proved to be incredibly helpful to us to be regulated by the Fed for the last year-and-a-half in our CDS clearing house because we formed a direct relationship with regulators inside the organization and we got a very deep view into how they look at risk and custody and clearing, which is slightly different than

the CFTC and the FTC, which we also have a relationship with. So the Fed will now become in the United States the chair, if you will, of the systemic risk council. And we believe that they will be asking the FTC and the CFTC to be moving some of the techniques and some of the views that the Fed has into typical commodity clearing. And so we've set up the systems, hired the people internally, obviously, as we were under the Fed and we've now been exporting those techniques and systems into all of our clearing infrastructure globally because we think ultimately that will become the global standard.

<Q – Howard Chen – Credit Suisse (United States)>: Great. Thanks so much.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Thank you.

Operator: Our next question comes from the line of Rich Repetto with Sandler O'Neill.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Good morning, Jeff and Scott.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Interesting comments you had on the buyback. I don't know what peer you're referring to, but I think I can infer. I guess first question is you've talked a whole lot about OTC on the call and regulatory changes. In past calls you said you'd add derivative clearing technology whenever you could. So I guess there is a property, LCH I'm talking about, that has a significant footprint right now in an OTC – one of the largest products. So I'm just wondering whether you could talk about – others have been public about their dealings with LCH, just wondering how you stand.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: I'm taking a deep breath trying to think what I can and cannot say. Well, first of all I made the comment in my prepared remarks that we really do see a fundamental shift in the way regulators are looking at the exchange business, that they want to ensure that there is more competition between exchanges and clearing houses. And so our customers are also suggesting to us that they want to have at least primary and secondary connectivity to trading venues and clearinghouses and even various post trade services in order to keep pressure on rates and to keep the market innovating.

So I do think that regardless of where incumbents lie today, there are going to be opportunities for new entities to enter markets. And I also think that where we are the incumbent in many cases, it's important for us to continue to reinvest and to get those businesses properly set up for increasing competition. And so both of those things are going on inside. You can see that we have a slight increase in our CapEx guidance to you, which is really indicating through our public disclosures that we are making investments in areas that we think will deliver in a new regulatory world.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Okay, I guess you can infer some of that CapEx might be pointed towards the interest rate product, but we'll guess at that, I guess. And then the next question, my last follow-up question here, Jeff, the new Dodd-Frank on OTC requires that clearing houses connect to the qualified SEFs and you get all kinds of people creating SEFs. A former partner of yours was creating a SEF, Sunil. So I guess the question is how many SEFs have come to you both in energy and CDS and have requested connections or begun the work to connect to your clearing facilities, both energy and CDS, and what's the process there?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure, a lot of people have started a dialogue with us, raised their hand and said we are intending to be participants in various markets. But as we all sit here today, none of us know what a SEF is from a regulatory standpoint and none of us know what the rules are going to be about open access in clearing houses. And so there are draft proposals out there, but there have been thousands of comments to the CFTC and FTC on these proposed rules. And they are doing a pretty diligent review of all those comments

and fine tuning the rules. So we really don't, as we sit here today, know exactly who can be a SEF and what the obligations will be for connectivity.

I do think that, as an aside, in my conversation with the major market players, they're drinking from a fire hose and I think that's there's going to be a lot of difficulty in the early days in having multiple SEFs and multiple clearing houses in every single asset class. It's just too much for market participants to digest. So I think that it bodes well for incumbents and it bodes well for people that have connectivity, that have strong customer relationships, because I think that the customers will be forced to make some decisions and there will be a limited subset of early market participants. We'll see how that pans out. Over time, I suspect there'll be more competition, not less, but in the early days it's just going to be hard for everybody to get organized and I think that again bodes well for our clearing infrastructure, our post trade pipes and also the SEFs – potential SEF and OTC platforms that we have that are already very liquid and connected.

<Q – Richard Repetto – Sandler O'Neill & Partners>: Super. Thank you for your responses. Thanks.

Operator: Our next question comes from Ken Worthington with JPMorgan.

<Q – Kenneth Worthington – JPMorgan Securities LLC>: Hi, good morning.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning, Ken.

<Q – Kenneth Worthington – JPMorgan Securities LLC>: Jeff, just can you talk about what's going on with Brent options and maybe implications for the Brent futures over time?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure. That's a good question and I appreciate you asking it, because we have a lot of our investors who follow open interest trends and try to figure out if those are predictive. And in the case of Brent, I would say that that many of our investors have it a bit wrong. So I appreciate the opportunity to comment on it.

There was no options market in Brent historically. All options on oil were traded against WTI because Brent and WTI were so closely correlated that the market found that by the time you were doing an option that you only needed to do it on one of the two. And all of the liquidity formed up in WTI and it was helped by the fact that our competitor had an open outcry trading floor, which really served as the focal point for liquidity in the options market.

We have been working for years to build electronic options, functionality and capability in order to try to move that business electronic, which is in and of itself difficult. But we've been aided by the fact that WTI and Brent have now disconnected and are no longer highly correlated. And that's happened at the same time that we've made a push to launch options trading in Brent. And you've seen a dramatic take up in that initiative. And at the same time that we've been going on, WTI and Brent have disconnected where WTI is in contango and Brent has flattened and is starting to backwardate, which is the normal condition.

When a market is in contango as is WTI, the market actually pays you to hold open interest because future prices are higher than current prices. And in fact, there was an article recently about that in The Wall Street Journal, I think two days ago, saying again, we have people renting ships and filling them with oil and floating them out on the Gulf of Mexico because the market is paying you to hold open interest.

In the case of a normalized backwardated market, it's expensive to hold open interest and what's interesting is that that's happening at the same time we now have an electronic Brent options market going and so you've seen the open interest move into our options market. Our options open interest is about \$400,000 compared to the underlying which is about \$800,000. So a huge

significant increase, the \$400,000 up from basically zero, so total OI in Brent today is about 1.2 million contracts between options and futures and that's up from 900,000 contracts in the beginning of the year. So what you see is a movement of Brent of people into Brent increasing OI in Brent, a record OI, but people holding much of those positions now in a brand new options market that didn't exist years ago.

<Q – Kenneth Worthington – JPMorgan Securities LLC>: And what are the implications for the futures over time? I assume you're – I don't know, are you making more money in the futures than the option per contract traded. But should one kind of lead to another if we're all looking for the leading indicators for future growth? Is this a good leading indicator for futures volume?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Yes in the sense that options expire into the underlying, so that if you hold an options into expiration you actually get the underlying future. So the two are incredibly intimately linked and we now have a product in the form of an option that in these backwardated markets many people can hold and without – a hold for the upside or downside of their hedge without having to hold the underlying. We do have incentive pricing in the options market right now. That is in order to get that market started. It is a limited period and over time those incentives will roll off and I think that the prediction that I would give you is that the Brent options market will sustain and grow and along with it the underlying market will sustain and grow as many people hedge their options positions as well.

<Q – Kenneth Worthington – JPMorgan Securities LLC>: Thank you very much.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Thank you.

Operator: Our next question comes from the line of Roger Freeman with Barclays Capital.

<Q – Roger Freeman – Barclays Capital, Inc.>: Hi, good morning.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<Q – Roger Freeman – Barclays Capital, Inc.>: I guess first on the CDS clearing, you had a pretty decent jump from first quarter to second quarter. I guess I had heard that there were – there was some push to get dealers to move some of the single-name contracts over into the clearing house prior to DCO conversion. I'm just curious what sort of was going on there and whether – how much of that legacy volume or legacy open interest has been moved over. Presumably you're still planning to go – you're keeping full year guidance at the same level as what you did in the second quarter.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Yeah, so Roger, as you look 1Q to 2Q, as I mentioned, we've continued to add a few new members this year. We have clearly continued to add products although we had anticipated we would have launched sovereigns by now. We haven't gotten that done, but we have continued to launch new single name. We also made some pricing adjustments as we moved into the second quarter versus the first quarter. And it's really not one of those single things alone that drove the quarter-to-quarter increase, it was a combination of those. I don't think there was any big push from anybody to start clearing single names. Our clearing members today already clear a very high percentage of what is clearable. Nonetheless, there is clearly opportunity out in front of us as we look to bring in more clearing members, as we continue to launch new names that clear in the clearing house.

And then as rules get finalized in the back half of this year to bring in the buy-side in volume. As you know, we do have a buy-side offering in the U.S. that's gotten some uptake, but that's a big opportunity for us and frankly, that customer set is simply waiting for the rules to be written.

<Q – Roger Freeman – Barclays Capital, Inc.>: Right.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: And so that's where I see a lot of opportunity for us, in the continued product launch, bringing new members, but then clearly bringing in the buy-side and getting the big segments of the market, like sovereigns, that we don't clear today.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Roger -

<Q – Roger Freeman – Barclays Capital, Inc.>: Yeah.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Let me mention that Scott and the people that oversee the clearing house have been working for months to be prepared to clear sovereign CDS. And we've been waiting for regulatory approval. It's been complicated by the fact that there's been a lot of dislocation in sovereign debt and so I think the regulators and even our own board of directors have not wanted to necessarily rush into that market in the middle of a potential dislocation. We do have confidence and I think the regulators know that if there was a market emergency, we are set to go and we could become part of a remedy if it was required. But in terms of an ordinary launch, these are extraordinary times in looking at underlying sovereign debt and so both the regulator and our Board are being quite cautious in picking our moment in entering that. All of that boils down to trying to give guidance on...

<Q – Roger Freeman – Barclays Capital, Inc.>: Right.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: On where we go and it's complicated Scott's ability to give you a view that goes too much into the future.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay, that's helpful. And then I guess just a follow-up on the DCO conversion and your comments, Jeff, about lowering the minimal net capital requirements. So the \$100 million, is that kind of where the CFTC has been pushing the clearing houses to move to? And I'm kind of – I'm curious your thoughts on any sort of systemic risk that opens you up to with fairly low capital requirements for broker-dealer that could – may or may not have good risk management on their own end. I mean are there other things that might keep less – maybe some of the smaller ones that would qualify on a capital basis out?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Yeah, we, first of all, in moving to \$100 million, we had to pick a number because, as you know, the CFTC rules are not finalized yet. I think there had been some proposals to set the limit as low as \$50 million. We chose \$100 million after having extensive conversations with the staff and the commissioners and we gave them a lot of visibility into where we were going to go and we got comfortable that that was a good landing spot. Whether they promulgate a rule that says \$100 million or whether it's higher or whether it's lower, I can't predict, but I can tell you that that there was a consensus view that this was a good landing point for us to start. And we wanted – we were pushing as a clearing organization to get started ahead of Dodd-Frank and to make buy-side clearing available and to allow people to get tested and get started so that we could hit the ground running when the rules were promulgated.

In terms of having lowered those standards, we – the clearing house itself looks at individual member concentration on a minute by minute basis and has all kinds of rules about what a member can hold and how they can be concentrated and how much capital we'd have to margin. And so we're comfortable that the rules that for some of the lower balance sheet entities will allow them to be in the clearing house with meaningful business and as they grow their balance sheets, they will be able to take on more risk. But that's how we've mitigated that the neutralized risk in the clearing house is by a concentration limit that exists within the clearing margining algorithms.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Yeah, I think that's a really important point. People like to talk about the big – the simple headline number of the capital requirement, but there are many – we require the firms that join to have certain operational capabilities, they have to have the ability to operate in the CDS market, and as Jeff said, they don't just get to come in and bring as much risk as they want to the clearing house. We've got controls around that as well. So the headline is it was \$5 billion, now it's \$100 million. The reality is there are a number of factors that clearing house looks at beyond that simple \$100 million number.

<Q – Roger Freeman – Barclays Capital, Inc.>: Great. That's helpful. Thanks.

Operator: Our next question comes from the line of Matthew Heinz with Stifel, Nicolaus.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Hi. Good morning, guys.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: It seems like the open interest growth in your core futures franchise and also within the OTC business has been accelerating over the last few months, while trading activity has slowed somewhat. Just wondering what you're seeing there from a customer participation perspective and maybe what geographic regions have been particularly strong?

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: From a customer mix standpoint, we really haven't seen a dramatic shift. I look each month, for example, at our top 20 firms in the OTC market, and if I look last month, if I look last quarter, if I look last year, the participation in that top 20 really hasn't changed. The concentration among those top 20 really hasn't changed. We've started to put out the equivalent of the large trader report in futurist markets. We've said consistently that we have relatively more commercial market, that data has supported that, and that's been a consistent. So what I really think is occurring is you're continuing to see the market move more towards what they view as a global benchmark contract. And more and more it's Brent, it's Gasoil, and so that's really the shift that I think is occurring, is you're seeing people move our way towards our benchmark contracts. There has really not been a dramatic shift in the customer mix that we're seeing.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Okay, thanks. And then as a follow-up, if we could just go back to the Brazil strategy for a moment, particularly how you plan to incorporate the Cetip investment, maybe into your BRIX venture and also how you plan to use this to grow your core futures business? And then lastly if you could also comment on the relationship that Cetip has with Deutsche Boerse and may be the odds that the two of you cross paths again at some point over this Brazilian asset?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure. I think one way of looking at our entry into Brazil is we have entered the market through the over-the-counter markets, which is what BRIX is doing, it's organizing a brand-new OTC energy. And Cetip has entered the market through custodial collateral and mark-to-market connectivity in the over-the-counter markets as well. And while Brazil has a relatively defined futures and equity market that is manifest inside BM&FBOVESPA, it has an emerging OTC market infrastructure that is following the growth in financial services. And in talking to many of our global customers, we see them putting people and resources into Brazil right now.

We really have witnessed the increase of desks being – trading desks going into Brazil from global banks and other merchant trading operations. We've seen many OTC inter-dealer brokers moving into Brazil. So there is this emerging over-the-counter market, it's young. We think it could be big and we think it can grow very quickly because the people that are going into Brazil are taking the

domain knowledge that they've earned from the rest of the world, capital markets activity and are quickly interjecting that. It's why Cetip was interested in having us as a partner. We're entrepreneurial, we've gone into the over-the-counter markets, we've organize them and it's why we were interested in having Cetip as a partner. Cetip was a bank consortium that went public and the banks all have connectivity to it. They still sit on the board of it and so it gave us a very nice entry venue to form those relationships.

We were invited onto the board. We were asked to provide leadership and help to provide direction in that board. It is a mutually beneficial relationship, I believe. You're right, Cetip does have a relationship with Clearstream, part of Deutsche Boerse, has licensed collateral, custodial software from them. That's a world class software in that area and I think they're quite happy with that. And there are very few places in the world where you can get that kind of software. But in terms of new venture activity, we're very pleased that they have a strong desire to have us involved because I think it's a testament to an outsider's view of how ICE has conducted itself and an interest in aligning with us as well.

<Q – Matthew Heinz – Stifel, Nicolaus & Co., Inc.>: Okay, that's very helpful. Thank you.

Operator: Our next question comes from Chris Harris with Wells Fargo.

<Q – Chris Harris – Wells Fargo Securities LLC>: Thanks. Good morning, guys.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Good morning.

<Q – Chris Harris – Wells Fargo Securities LLC>: I'm wondering if you could talk to us a little bit about the competitive environment for BRIX in Brazil? Just kind of curious to get your perspective on who BRIX might be competing with, whether BM&F might have an interest in this market. And then lastly, how you plan to differentiate yourself from any potential competitors there?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Well, I mean as we look at Brazil and to be very complimentary, BM&FBOVESPA has merged up and is really the organized futures and cash equities markets in Brazil and they also have their own clearing infrastructure for those products and so very much look like a national champion in organized markets. Similarly, Cetip is the country's investment in the over-the-counter markets and the custodial collateral movement of fixed income securities around Cetip So I think the two exist side by side. They have a lot of employees that have worked at each other, they know each other quite well. I don't view them as competitors per se, but there is a huge financial market opportunity there and they – between two of them seem to be carving them up.

There's really no competitor right now for BRIX other than the telephone. We have a similar phenomenon there that we have every place that we try to make markets transparent and electronified in that there is some resistance to change. There are some people that prefer opaque markets, thinking that they'll do better in a low velocity opaque market than they will in a high velocity transparent market. I personally have never seen those substantiated, those fears substantiated by any major participant. Most people do better in a growing market and transparency tends to grow and distribution tends to grow the markets.

So we really don't have a natural competitor there. This is an area where we really did put a lot of domain knowledge, Chuck Vice, our President, who's sitting next to me in the room here, has spent the last couple of years working with people down there to help design the power contracts, we took our participant agreement and we translated it into Portuguese, worked with Brazilian lawyers to help them set up the infrastructure for how an OTC market can organize. And there really wasn't

domain knowledge in Brazil to do that without looking outside to find that and we're pleased that our partners down there looked to us.

I would mention that one of our partners in BRIX is Eike Batista who is a huge entrepreneur in Brazil that controls a lot of the offshore oil markets along with Petrobras, the nationalized oil company. And it's been very, very helpful to have a major holder of energy assets affiliated with us. Not only are they participating on the platform, but it brings us a lot of credibility in terms of getting introductions and getting the platform ready to expand into other energy products.

<Q – Chris Harris – Wells Fargo Securities LLC>: Thanks for that, Jeff. And then a quick follow-up, if I could. It sounds like you guys continue to get really strong growth from new product introductions. I think in the prepared comments you talked about a 145 new products in OTC energy. How big is that number relative to history and then maybe what do you think the outlook for new product introductions is maybe for the remainder of the year?

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Yeah, so I mean – I think I said in my prepared remarks that we've done 181 this year. We did 145 products in the quarter. So that gives you a sense it was a fairly active quarter. If I think back to when I started with ICE, we were kind of stuck at the 120 total cleared products to 150 total cleared products when we had LCH as a clearing house. And we have probably launched now four times to five times that since we launched our own clearing house. So 145 products is a lot in a quarter, but I would expect you'll continue to see us put out new products through the back half of the year. I don't predict what the numbers of those will be, but I would expect you'll continue to see us put out a meaningful number of new contracts. And then as you said, I did mention in my prepared remarks that the total of the new products we've launched generated \$8 million in the quarter, which was up \$3 million from last year. And as I've said before, that \$3 million largely comes at a very small incremental cost; that's about \$0.03 of earnings growth on a year-over-year basis.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: And I think Scott mentioned, we were up 75% just..

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: In global oil.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: In global oil and so you can see a quick uptake, obviously, in those products. The oil markets are generally the largest energy markets globally and they have been really the most resistant to going electronic and going cleared. With power, we started in power initially at ICE, moved into natural gas and then it was really only after we bought the IPE and convinced the markets to allow us to close the floor, or allow side-by-side trading next to the floor that we were able to get the most liquid part of the oil markets electronic and that was only in 2005. So you now have some of the illiquid parts, the niche products and the more global part of the market beginning to at least get cleared and ultimately get ready for Dodd-Frank and EMIR where they may have to be listed and traded.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Yeah, I think a good point: that 145 products and the 181 products for the half, that's not just OTC energy. That's OTC energy and in our futures business. And just as an indication of us continuing, we announced in our press release for volumes that we launched 18 new products on August 1. So again, you will continue to see us launch new products as we go through the back half of the year.

<Q – Chris Harris – Wells Fargo Securities LLC>: Great. Thanks a lot, guys.

Operator: [Operator Instructions] And next in line we have Jillian Miller with BMO Capital Markets.

<Q – Jillian Miller – BMO Capital Markets (United States)>: Thanks, guys. Jeff, you confirmed you didn't end up being selected for the SDR for commodities by the CFTC and I was just

wondering how that impacts your plan for the operation? And I guess more generally, apart from Cetip, what are you most focused on now in terms of a new opportunity to expand your capabilities as an OTC infrastructure provider?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure. The decision you're referring to was selection by Isda of the DTCC and that was a vote of nine for and three against on a 12 member panel. The nine votes for were all generally owners of DTCC. So I think – and amazingly, DTCC has been selected for every swaps data repository that's gone in front of that panel. So while we respect Isda and participate in Isda, I'm not sure Isda's positive on exactly how the market's going to unfold. And the reason I say that is that the rules for swaps data repositories have really not been promulgated. I think they will be among the first rules that will be promulgated. I think potentially in September or October, we will know specifically what the CFTC at least thinks about swaps data repositories, but it's very possible that one way the market may develop under CFTC regulation is that clearing houses become swaps data repositories.

And since there is a broad mandate for these products to become cleared, it may be that the eConfirm business that we have gets embedded essentially within the clearing house and that people will seek to just put product into the clearing house and have them deemed to have been thereby reported and not want to pay for or deal with the expense of shipping the positions to a third-party entity. So that is one way the market may evolve and until we know that, it's hard for us to put a business plan out there.

It may be that we – that DTCC is the ultimate swaps data repository. We have a lot of technology and intellectual property that exists around eConfirm that could be very valuable to anybody building a swaps data repository, so we may find ourselves in a licensing position to some third party buyer as well. So we won't know for a couple months, but I do think it will be one of the areas that we will know about sooner rather than later in potentially Dodd-Frank.

With respect to Cetip, I don't want to foreshadow the conversations that we're having and obviously, even beyond our own views that our partner is a public company and subject to disclosure requirements as well. So we – I don't really want to speak to their model or our model or where they intersect per se other than you can see a natural ability to – because of our deep knowledge in the over-the-counter markets and all the technology that we've built to trade clear and confirm and deliver the end results to our customers, all of that technology and knowledge and contractual relationships around all of those, I think could be deployed in Brazil. And we hope they can be. And Cetip is a natural partner for us as well as the BRIX exchange.

<Q – Jillian Miller – BMO Capital Markets (United States)>: Okay, thanks. And then, Scott, just a really quick numbers question. I just want to make sure I understand what the change was with the CDS clearing revenue guidance. The way I'm looking at it, if I'm calculating it right, it kind of went from like a guidance of 15% to 20% growth versus 2010 last quarter, to now it's implying more like 8% or 9%, so just wondering what changed between then and now. Is it the sovereigns, is it the timing of Dodd-Frank and maybe you could try to quantify how much each of these pieces made?

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Yeah, it's both of those, frankly. It's the delay in sovereigns for the reasons that Jeff touched on earlier and it's the delay in the rule writing and subsequently the delay in the buy-side coming in. We weren't kind of on a lot of buy-side activity. I think it's important, though, to keep it in perspective that the change in guidance is \$2 million to \$3 million on a \$70 million guidance number and \$1 billion plus full-year revenues. So I don't think we want to lose perspective on the impact of that changing guidance in the overall financial health of the company.

Nonetheless, as I mentioned, we're very confident about where we are and the clearing house that we built and the \$1.5 trillion open interest that we've got and the 300 plus products we've launched. So we're encouraged that we've still got sovereigns in front of us, we've still got the buy-side in

front of us and we're operating in an extraordinarily soft CDS market. So as that market recovers and the rules get written, we feel really good about where we're positioned and I look forward to giving guidance on it once that we get those rules done.

<Q – Jillian Miller – BMO Capital Markets (United States)>: Okay, thank you.

Operator: Our next question comes from Michael Carrier with Deutsche Bank.

<Q – Michael Carrier – Deutsche Bank Securities, Inc.>: Hey. Just one other one on the CDS, and kind of getting beyond the regulatory delay in the guidance, just when you look at the size of the market, meaning what you're clearing today versus the addressable market, like how much more do you have to go? And then obviously the buy side, that will be a big contributor, but more from like a product standpoint.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Well, I mean we only, I use the term loosely because a couple years ago there were no products cleared, we only cleared 320-something products in our clearing house today. So there are a number of products still to be cleared, sovereigns being a big example. And as we've talked about sovereigns, we've been really focused on Western European sovs, but also Latin American sovereigns and there are other sovereign products that we could launch. So I would tell you, there is a large part of the market that still is untapped in terms of our ability to continue to roll out products and to continue to bring others customers into the clearing house, either directly as clearing members or buy-side members coming through existing clearing members.

<Q – Michael Carrier – Deutsche Bank Securities, Inc.>: Okay. And then just one other one. We tend to focus on all the new initiatives, but the core business continues to do very well. When I look at the core and you guys have given some color on this and even in the slide you say participation has increased, but when you look across the products, whether it's oil, nat gas, power, FX, I guess two questions. One is, are there certain products where you're seeing an increase or an uptake in participation? Or said the opposite way, do you see certain products where the participation is nowhere near the penetration that you see in others?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Yeah, I mean that's an interesting question because the platform is global and so many people trade multiple asset classes and obviously we try to lever that distribution. Once we're inside somebody's walls, in other words, we try to lever to as many desktops as we can.

I think when you step back and look at the markets, just starting with energy, as I mentioned, the U.S. power market is where we started and that used to be a relatively small market in the sense that the only people that were in it were the U.S. electric utilities, and you can get a list of those and you could target every one of them and we pretty much have massive concentration in anybody who is a U.S. electric utility. But as you move up the food chain in energy, you get into large industrial consumers and global players, people that are doing business in emerging markets that are having to hedge as much as they can. And so the pyramid just gets bigger and bigger and bigger, it's an inverted pyramid as you go up. And so we don't know where the upper limit of that is. We do know that that increasingly, hedging is being used and that's where we target our sales efforts. We really have always been somebody that follows the commercial user. And so it's been widely reported that some of the airlines have moved over to Brent. I mean some of those airlines didn't even hedge two years ago. So these are U.S. massive players with significant exposure to fuel, who are just now hedging. So imagine if you're in an emerging market, how far behind you might be.

So I do think that there is a lot of potential upside. We are amazed at the number of requests for user IDs and passwords that we get every month that just continues and has continued all down the – all through the economic downturn. And where maybe some of the data providers saw people

giving up user IDs and passwords on traditional data venues, we saw an uptake in user IDs and passwords. So it's hard to explain other than when you step back and look at the fact that it's a – business is riskier and commodities are becoming scarcer and use of hedging is increasing and that's helping us as well as all of the derivative platforms that have global distribution.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: And I think there are couple of other examples that we don't spend a lot of time talking about, but if you look at the emission markets, for example, we moved to Phase III in Europe. That's going to bring new participants into that market.

So that's another expansion opportunity as we look forward.

And then one, if you follow our numbers, where we've been very pleased with the growth, look at our FX growth on a year-over-year basis again in July and look at the U.S. dollar index volumes that we're seeing. We're starting to get very strong interest, I mean you've seen how volatile the dollar has been, and we're starting to get a lot more interest and interest from some of the large banks who have not traditionally used the U.S. dollar index product moving in there. So that's a product that we don't talk a lot about, but it's one that under the covers has consistently, if you look back over the last few months and quarters, that has consistently been a strong grower and it's continuing to see additional customers come our way.

<Q – Michael Carrier – Deutsche Bank Securities, Inc.>: Okay. Thanks, guys.

Operator: Our next question comes from Niamh Alexander with KBW.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Hi. Thanks for taking my questions. And can I talk about the over-the-counter on the trading side, I know the SEFs have yet to be defined, but you're in constant discussion with the regulators. Help me understand, are we still looking at maybe the market going all to all as in some products it's very much a bifurcated market still, there is dealer-to-dealer and then there is dealer-to-client. And for example, where you're participating right now is in the dealer-to-dealer side of it. Do you think that kind of structure persists post regulatory reform or might you or Creditex being an opportunity to reach out to more directly to clients?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Well that is a, Niamh, by the way, the first time I've heard an operator pronounce your name correctly. So I have to pause on that one. You normally let it go, but I like to flag it. But that is the million dollar question, and I don't think as you sit here today that you can give an answer with any certainty. Clearly, the regulators broadly are trying to tear down walls and bring transparency to all parts of the market and to drive it to many-to-many. But in doing that, the regulators are realizing that every market is slightly different in market structure and various asset classes is different and they don't want to destroy liquidity or throw the baby out with the bath water. And so, it's not clear based on, in the U.S., the SEF rules and in the political debate around EMIR in Europe exactly how that's going to land. And it could well be that there is a, in certain asset classes, a wholesale market and a separate retail market. And some market participants themselves may strongly desire to have that sort of two-tier market structure.

I'm not hearing in some asset classes overwhelming demand by the users of the market to pare down, so it's very difficult. I do think that with respect to ICE specifically, we have a many-to-many market in energy, as you know, and I think our customers broadly look at us as having distributions that can get on a lot of desktops very quickly. And so while we have some inter-dealer markets and we have some one-to-many markets and many-to-many markets. I think when people – our customers step back and look at ICE, they see the many-to-many broad distribution as being a unique platform that a lot of others don't have.

So, we'll just have to see. We mentioned that, again, we've increased our CapEx a little bit. We want to make sure that now that we have some visibility into the thinking of regulators, that we have built all of the various scenarios into all of the platforms that we operate so they can be as flexible as possible. And we are -- this delay of six months in Dodd-Frank is incredibly helpful in that we will emerge with an incredibly powerful platform infrastructure to serve Dodd-Frank.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay, fair enough. Thanks so much.

Operator: And next from the line we have Daniel Harris with Goldman Sachs.

<Q – Daniel Harris – Goldman Sachs & Co.>: Hey. Good morning, guys.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<Q – Daniel Harris – Goldman Sachs & Co.>: Obviously, a lot of questions have been asked and answered. Just a couple of quick things here. On the Creditex trading business, as more business has gone towards the electronic format, what have you guys seen on the margin side or has competition continued to keep compensation at an elevated level keeping margins somewhat constrained?

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: I think we have been pretty good, as I've mentioned on prior calls, in terms of managing our broker payout ratios. The overall margins clearly suffer in a soft market, but with revenues that are down pretty significantly, we have been able to hold our operating margins at kind of the double digit level. And that's because I think we have done a good job of hanging on to our big producing, our good producing brokers and getting rid of the ones that aren't producing. So even in a soft market I feel pretty good about what we've done.

But make no mistake, in the way the market is right now with virtually no volatility and no clarity on rules, it is a very soft market and that business is challenged. But as I said on the clearing, and I'll repeat it on the execution side, and I think I said in my prepared remarks, we've held or gained share in the core single name and index products. We do believe that once the rules are finalized, we are hearing from customers, so it's not just what we think, that the market will come back. And when it comes back we're well positioned with a very efficient model and believe that we will more than participate in that upside.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: I will also just add on that we appreciate that a lot of the reason that our shareholders hold ICE is that they want to own a business model where we can grow the top line faster than our expense base. That is the inherent model that we operate. And so in acquiring Creditex, one of the things that we liked about that business is that former management had already instilled that kind of culture in building a hybrid electronic model and it's important to us and the management that's there has been working with the team to get everybody organized and get the pays set properly, get people incentivized in having equity in the company, to align our interests around a movement towards electronic trading. That is already going on in the areas that we participate, it's about 60% on our own platform right now. So very – we've been very conscious of getting the model right so that when the market comes back, we can be well positioned.

<Q – Daniel Harris – Goldman Sachs & Co.>: Okay. Thanks for that. And then just quickly on the RPC in the ag product, actually U.S. futures more broadly, just very strong despite the business continuing to be strong on the volume side, so up 9% year-over-year. I mean what's driving that? And with volume trends sort of where they are, should that persistently go higher or should we expect that that acceleration sort of slows down?

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: I always caution you not to get too sad on the downside, not too happy on the upside. RPC tends to be driven by mix, and it's no different now. Over the last few months we've seen an increased mix of commercial participation in the markets and those commercial participants tend to be a little less rate sensitive than some of the algorithmic trading firms, so it's a mix phenomenon. We're pleased with the revenue capture. We're pleased with the cotton volume growth that we've seen. We're pleased with the recovery that we've seen in the sugar markets and, as I mentioned earlier, the growth in our financial products. But I think the RPC trend that you're seeing right now are really being driven by customer mix as much as anything else.

<Q – Daniel Harris – Goldman Sachs & Co.>: Okay. Thanks, guys.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Thank you.

Operator: Our next question comes from Dan Fannon from Jefferies.

<Q – Daniel Fannon – Jefferies & Co., Inc.>: Hi, good morning.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Good morning.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<Q – Daniel Fannon – Jefferies & Co., Inc.>: Just a couple more questions on Brazil, first on the Cetip investment, I guess. What is the time period you're looking at to generate the returns on capital that you've talked about historically?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Look, we're going into – it's an emerging economy that we think is going to grow and continue to build a financial services infrastructure for decades. So we're going in with a long-term view. When we run our models and our numbers and looking at all the business ideas that we have, we have to lay out business cases with timetables and what have you in order to justify the investment. And we realize we live in a quarter-to-quarter public company world, but we were relatively cautious and patient in moving into Brazil and we did that knowing that it's going to be a long-term investment opportunity.

Operator: Ladies and gentlemen, due to time limits, we will have to limit you to one question. Our next question comes from Alex Kramm with UBS.

<Q – Alex Kramm – UBS Securities LLC>: Hey.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Hey, Alex.

<Q – Alex Kramm – UBS Securities LLC>: Just one more follow-up on the whole Brazil thing, but not really from a Brazil perspective, but more from a strategic perspective, I think. Jeff, you said yourself that the markets are pretty underdeveloped and the partners really needed a lot of help, so wondering if you think that strategy can be deployed in a lot of other places and maybe you can be a little bit more specific of what kind of discussions you're having. I mean thinking about places like Russia, for example, where the government has basically said we want to be a financial center by 2020, so are you engaging with the government and other exchanges in some of these regions and when do you think we can actually see some of that happen for you?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure. I think that's a very good question. I've been – tried to be transparent in the biggest single mistake that I've made as the CEO of ICE was making a \$50 million investment in India. We made that investment with the agricultural exchange – we invested in the agricultural exchange with an investment thesis that if you were going to be involved with an exchange in India, that that was the place to be and I still

believe that, we still have the investment. But when we went in there, the government outlawed the trading of agricultural commodities; when the prices went high, they reinstated them, then they came back and said our stake was too high and ordered us to sell down. And so we got an investment thesis that we think is correct, but with an infrastructure – government infrastructure that we did not understand and that ultimately came back and caused us to write down part of that investment.

So that has, when I say we entered Brazil cautiously, we have been looking at Brazil for quite a lot of time, and we mentioned that we had been – talked to Cetip and been approached by Cetip years ago before it was even a public company about working together. And so we are active in all of the emerging economies. They are giving us a lot of volume or a lot of hedging coming out of those economies that is coming through us in various locales even without our physical presence in some of these places.

But the biggest issue that we look at is can we make an investment that will allow us to have it sustain itself is the rule of law there. And we'll be able to extract money that as a public company our shareholders will be looking for bottom line results. And that's where it gets tricky. So I think in that sense, once burned, you see some level of caution on our part. I think at the end of the day, we're so excited about Brazil that for our company that we think of ourselves as being quite aggressive, having some patience as to entering that market, we think is – ultimately got us the right partner and got us a launch of an exchange that has really taken off quite nicely, so we have high hopes for.

Operator: Our next question comes from Chris Allen from Evercore.

<Q – Chris Allen – Evercore Partners (Securities)>: Good morning, guys.

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Good morning.

<A – Scott Hill – Chief Financial Officer & Senior Vice President>: Good morning, Chris.

<Q – Chris Allen – Evercore Partners (Securities)>: Most of my questions have been answered. I guess just one quick one just on Cetip, kind of looking at their asset class breakdown and they're in corporate bonds and auto loans and things like that that don't exactly lend themselves to electronic trading or clearing longer term, is there real opportunity around developing their over-the-counter derivative market whether it's in straight swaps or maybe into energy and other things down the road?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Yeah, I mean I think their opportunity set is to take that – the fact that they've got the connectivity and the custodial and the mark-to-market services and move, number one, more into traditional clearing in the sense that they would move the capital and provide guarantees around that. And then secondly, provide some electronic front-ends. I mean bonds, for example, are increasingly becoming electronically traded in the U.S., fixed income is likely to be traded under Dodd-Frank much more electronically. So they have an outward facing opportunity set that we hope to help them with as we build out the tools and technology.

Similarly, we've got our own exchange there that is moving into commodities and is not yet cleared, that does not yet have straight-through processing and so together we're hoping that we can expand on pipes and services that will ultimately – where our two companies will intersect. So I think it's early days, but a lot of upside opportunity and a market that's moving relatively quickly because of the injection of a lot of foreign trading desks that are now moving down there.

Operator: Our next question comes from Brian Bedell with ISI Group.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Hi Jeff. If you can, quick question on Brent. You've been obviously very successful in developing the commercial market and that, what is the game plan for developing a higher money market – I'm sorry, money manager volumes and high frequency trading volumes in that as you bring on the commercials? And then when do you think WTI would move back into backwardation from contango?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: So I think we've been relatively cautious about how we introduce algorithmic trading into our markets. And I think we've had among the fastest growing markets consistently, so we have a slightly different view than our peers in that market. I tend to think that algorithmic trading is going to become more regulated and more organized. I think it's going to grow, by the way, because I think every customer will have some kind of algorithm in terms of the way they interface with markets. But I think the pure algorithmic trading business is going to become more organized, more regulated, and as such, we had not gone off to build a data center to try to get into the co-location renting business that some of our peers have done simply because we've been a little more cautious. And frankly our market – our performance has allowed us to have that level of caution.

On the other side, we have been actively marketing to money managers. We have been actively marketing to index providers and other people that historically have not thought of us as being primary markets and have tended to use the market of our competitors. One of the nice things about the Russell contract and the agreement that we did with Russell is that it gave us a product that a lot of money managers knew and wanted to talk about and a lot of retail customers wanted to trade. And so when we're – that allowed us to form a relationship with those people and then allowed us to continue to try to up-sell them on the other products. And you're seeing some success in that.

We obviously have gotten lucky that Brent has unique differences than WTI, but we made a lot of our own luck by positioning ourselves for the last five years with the customer base so that when the two disconnected we made it very easy for them to transition because we had been basically pushing on them for years to do such and the market showed them the way.

I think with respect to WTI, it's got unique delivery issues due to pipeline and storage construction and lack of construction. And all of those things are – the market will not allow that dislocation to exist long, and so there's new stores that's quickly coming in that will in the short run try to alleviate some of that, and longer term new pipes that will be connected that will alleviate it. So I think it's going to be some period of time, probably more than a year, before it changes, but nonetheless, it will eventually find the proper structure and we'll backwardate again, I would assume.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Thank you so much.

Operator: Our next question comes from Jonathan Casteleyn with Susquehanna.

<Q – Jonathan Casteleyn – Susquehanna Financial Group LLP>: Yeah, thanks. Good morning. Just quickly to global oil and OTC, really rising from de minimis levels year-over-year to 8% of OTC revenues this quarter. Just wondering from a longer term perspective, what's the contracts potential here? I mean can this franchise grow to levels of natural gas or how do we think about scaling it against maybe the regulated futures market?

<A – Jeffrey Sprecher – Chairman & Chief Executive Officer>: Sure. Jonathan, one of the reasons that the market had never been cleared is that most of the major participants were major integrated oil companies or global investment banks, and they had great balance sheets and took each other's credit and never thought that they needed to pay money for clearing. But after this recent economic downturn, particularly with the stress on the investment banks, people said maybe we should go ahead and move into clearing. So it's only been a recent phenomenon that that market has gone to clearing. Of all of the energy markets, the oil markets are the largest, so it's the

largest untapped – the largest in energy is just beginning to be tapped and it is incredibly global. You're talking about all the different grades of oil and all the different delivery points for oil and then everything that comes out of a barrel of oil with all the different specifications for sulfur and what have you delivered in various delivery points around the world.

So it is a major market that is all integrated in the sense that price volatility moves on a basis relationship and I think it will be very sticky for those clearing houses that can provide that entire complex to a customer and then can recognize the true risk in a complex, multi-delivery point, multi-global portfolio. And that's what we've been building in our new clearing houses, partly why we wanted to control our own clearing house, to control the ability to run that model. And we have a lot of domain knowledge, as you can imagine, in this space. So I think we will do very, very well over the long term.

Operator: At this time I'd like to turn it back to our speakers for any closing remarks.

Jeffrey C. Sprecher, Chairman & Chief Executive Officer

Well, thank you very much for following us and, boy, thanks for being interested in the U.S. equity markets to begin with. And we appreciate you following our story. And again, thank you to our customers for another great quarter and our staff for doing a lot of hard work in a difficult area. We'll look forward to talking to you all again next quarter.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This concludes the program. You may all disconnect. Everyone have a great day.

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