

— PARTICIPANTS

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Scott A. Hill – Senior Vice President and Chief Financial Officer
Jeffrey C. Sprecher – Chairman and Chief Executive Officer
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— MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the IntercontinentalExchange, Incorporated (ICE) Third Quarter 2012 Earnings Conference Call and Webcast. [Operator Instructions] Later, we will conduct a question-and-answer session, and instructions will follow at that time. [Operator Instructions] As a reminder, today's conference is being recorded.

I would now like to introduce your host of this conference call, Ms. Kelly Loeffler. You may begin, ma'am.

Kelly Loeffler, VP-Investor Relations & Corporate Communications

Good morning. ICE's third quarter 2012 earnings release and presentation can be found in the Investors 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 judgments and are subject to risks, assumptions and uncertainties. Please note that the numbers presented today refer to our adjusted operating results, which we believe are more reflective of the performance of our business. You'll find a non-GAAP reconciliation in the earnings release and presentation as well as an explanation of why we deem this information to be meaningful and how management uses these measures.

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-K and quarterly reports, including our third quarter Form 10-Q, which was filed with the SEC this morning.

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

I'll now turn the call over to Scott.

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

Thanks, Kelly. Good morning, and thank you all for joining us on the call today. Our third quarter results continue to distinguish ICE from our peers. And our revenue, profit and cash growth through the first nine months of this year, despite the challenging environment, delivered meaningful value to our shareholders.

During the quarter, we successfully transitioned our 800 cleared OTC energy contracts to our futures market, while maintaining capital efficiency and without market disruption. And we continue to develop many new strategic opportunities across geographies and asset classes. Our financial performance, our operational execution and our strategic investments provide us with momentum as we work to close out a solid 2012 and as we establish plans for growth and strong returns again in 2013.

Please turn to Slide 4, where I'll start with an overview of our performance in the first nine months of this year. Revenues grew 4% year to year to a record \$1 billion. Net income attributable to ICE was \$422 million, up 10% year to year. And operating margin increased to 61%. Diluted earnings per share rose 11%, and operating cash flow grew 6%. This strong performance has enabled us to continue to prudently invest in several initiatives, ranging from our APX-ENDEX agreement to the acquisition of WhenTech.

Moving to slide 5, I'll detail our third quarter results. Consolidated revenues were \$323 million, a decline of 5% year to year. Consolidated operating expenses declined by 6%. Operating income of \$194 million produced an operating margin of 60%. Continued growth in our non-U.S. businesses and further reductions in the UK corporate tax rate currently have us on track towards a 29% tax rate for the year. We true up to our full-year expectation each quarter, which resulted in a third quarter tax rate of 27%. Diluted earnings per share were down 1% from the prior year to \$1.79.

Turning to Slide 6, I will detail the revenue and expense components of our third quarter results. This year's third quarter was characterized by significant regulatory uncertainty, a stagnant U.S. economy and concerns relating to European economic and monetary policy. You can see on the left side in the page that, despite these challenges, futures revenues increased 1% to \$156 million. This was driven by energy futures revenue, which increased 3% from the same period last year.

On the OTC energy side, revenues declined 10% to \$90 million, due to less volatile North American natural gas and power markets. We believe that the continued uncertainty around regulations for swaps has also impacted our OTC results over the last several months. However, in the short time since we transitioned to futures, we have seen a good improvement in the market liquidity in those products.

OTC credit markets were impacted by regulatory uncertainty to an even greater extent, leading to revenues declining to \$33 million. In total, our consolidated transaction and clearing revenues were down by 7% to \$279 million. Market data revenue, however, grew 12% year to year to \$36 million, demonstrating the continued demand for our globally relevant commodity market and related market data.

Moving to the right side of Slide 6, operating expenses were \$129 million, down 6% from the prior third quarter and down 5% from second quarter 2012 levels. Year to date, operating expenses rose modestly, and we now expect full-year expense to grow by no more than 2%. In response to the

current economic environment and regulatory uncertainty, we continue to efficiently manage our resources, even as we invest for future growth.

I want to pause here and talk specifically about third quarter compensation expenses, which include a year-to-date true up, reflecting a reduction in our bonus – performance bonus accrual, together with an offsetting impact from severance expenses recorded in the third quarter. As you know, we have a strong pay-for-performance culture that provides alignment with our shareholders. Though we continue to significantly outperform our global peer group, we benchmark our financial performance objectives to a higher standard. As noted, the reduction in our bonus accrual was largely offset by severance-related expenses, following staff reduction, primarily in our credit business.

We continue to take steps to reduce expenses and improve operating efficiency while investing in the technology that has made us a leader in the CDS execution, clearing and post-trade services. With a lean infrastructure and strong expense discipline, ICE generates leading margins and returns, regardless of market conditions.

Let's turn to Slide 7 to review the third quarter performance in our futures segments. Futures revenue increased 1% over the prior year, despite a 4% decline in average daily volume. At ICE Futures Europe, growth on top of growth continues to a theme. Brent, emissions and energy options posted strong volume increases. Brent average daily volume grew 20% in the quarter. Market participants have continued to shift to the North Sea marker to ensure proper hedging of global oil prices. Notably, Brent futures and options open interest is up over 100% from the end of the 2011.

For the quarter, emissions average daily volume increased 13%, as demand for carbon reduction contracts strengthened as we near Phase III deadlines. Currency conversion negatively impacted revenue growth for emissions during the third quarter. But underlying demand is solid, and new participants continue to enter the market. We believe the opportunity in this space will contribute to our growth as participation in this new asset class continues to expand. Gasoil futures saw a slight pull back in volumes during the quarter related to the forward curve [ph] AO2 electric and (7:56) the transition phase between product specification, building interest in our Low Sulphur Gasoil contract as the premier diesel benchmark continues, with dozens of firms now active in the new contract.

Smaller, but also promising contracts, such the U.S. Heating Oil and RBOB Gasoline posted volume growth of 90% and 105% respectively versus last year's third quarter. These are reflective of ICE's growing role in serving the global middle distillate market as well as the benefits that margin offsets provide within what has become the broadest energy market globally. Open interest across our energy complex continues to reach new highs, rising 74% from the end of the 2011.

Moving to ag products, volume grew in sugar, coffee and cocoa. And our new corn, wheat and soybean futures continue to attract interest. Open interest at ICE Futures U.S. has increased 5% from the start of the year, with an improved environment post MF Global, and the return of commodity financing to the market.

Finally, this morning we reported October futures volumes, which were up 2% from October 2011, with energy up 5% and ag volume up 12%. While a number of events have pressured volume, we anticipate that the current environment is more cyclical than secular, and expect a return to more active hedging and trading in the new year, as uncertainty around regulatory and political outcomes is resolved.

On Slide 8, I'll review our OTC business in the third quarter. Prior to our swaps-to-futures transition in October, we believe many OTC participants paused, as rule-makings were drafted and as market participants began to assess the requirement of transacting in OTC markets.

In the third quarter, OTC Energy average daily commissions declined 9% from the prior third quarter to \$1.4 million. North American natural gas and power revenues declined on lower volatility and lower absolute price levels, regulatory uncertainty and muted economic activity levels that impacted energy production and consumption. However, consistent with increased demands for hedging and clearing in Europe and Asia, global oil revenues rose 17% to \$14 million.

This morning, we reported average daily commission in our historically OTC markets for October, along with our futures volumes to provide transparency into both metrics for the month. Average daily commissions in October were \$1.5 million, up from September, which was also up from August. Prior to the storm last week, the number was tracking closer to \$1.6 million. So we have seen healthy improvement off of sluggish summer level and continue to see strong open interest trends post transition.

Turning to our credit derivatives business, third quarter revenues were \$33 million. This included \$17 million from Creditex and \$16 million from CDS clearing. The downward trend in [ph] CDS has (11:06) required that we develop a more efficient and electronic execution business that is well positioned for the expected CDS market recovery. And, while clearing has slowed along with the execution business, we believe that the implementation of mandated clearing early next year will reverse that trend.

We remain the leader in CDS clearing, with \$35 trillion in gross notional cleared through October, over 370 cleared products and open interest of nearly \$1.6 trillion. We will continue to build on our lead in CDS by offering additional new product, such CDS index features, and by enhancing our clearing services with, for example, portfolio margining, which is pending regulatory approval and which is a critical element of clearing for buy-side clients.

Next, on Slide 9, I'll highlight a few enhancements to our reporting as a result of the swaps-to-futures conversion. Volume for our transition contracts is now reported daily via the ICE website. On a monthly basis, we'll report detailed energy volumes, as you can see in this morning's volume report. With the transition, the third quarter will be our last to include an OTC Energy average daily commission number. Instead, ICE's rate for contract for energy now includes all prior ICE futures Europe contract plus those that were formerly OTC swaps. This should provide more visibility into our revenues throughout the quarter.

Another change related to the move of the bulk of our OTC business to futures is that we will most likely consolidate our segment reporting into a single segment starting in the fourth quarter. We believe that each of these changes will provide you with greater real-time information and a streamline approach to modeling.

I'll conclude my prepared remarks on Slide 10, with a review of our balance sheet and cash flows. ICE continues to generate consistent cash flows and maintain a strong balance sheet. In the first nine months of the year, we generated \$573 million of operating cash flow, and we ended the third quarter with \$1.2 billion in cash. In September, our repurchase authorization was increased to \$500 million. And in the following month of October, we purchased over 100,000 shares of ICE stock. We will continue to pursue repurchases, given our expanded authorization. But our primary focus remains on organic growth and disciplined M&A to produce consistently strong returns on invested capital.

We have continued to make strategic investments this year that will further distinguish our performance and opportunity set for years to come. We remain focused on deploying our capital in a manner that we believe will provide the optimal return on investment to our shareholders. I encourage you to review our earnings release for additional guidance, and I'll be happy to take your questions during Q&A. Jeff, over to you.

Jeffrey C. Sprecher, Chairman and Chief Executive Officer

Thank you, Scott, and thank you all for joining us today.

Our thoughts are with our colleagues, customers and all of those that have been impacted by the tragic effects of the storm as they continue their recovery efforts. I would be a remiss if I did not mention ICE's efforts for backup and continuity leading up to and through the aftermath of the storm. Thanks to the efforts of our team, ICE's markets operated normally. Our tested backup systems were utilized to ensure readiness, and all of our offices followed our contingency plans to provide for continuity. So thank you to our team, many of whom were personally impacted by the storm, for both their preparation and their work to ensure that our markets remained available for service.

This morning, I want to update you on the many initiatives underway here at ICE. We again outperformed our sector amid significant regulatory and economic uncertainty. However, our culture is not one that makes plans for or accepts excuses for average performance or low growth rates. As you might imagine, our current results are not consistent with our long-term expectations. And as Scott noted, our downsized bonus accrual adjustments reflect our pay-for-performance culture. We continue to focus on strategic opportunities that will enhance our ability to drive growth as we move through the significant headwinds of this last quarter.

Our successful transition from swaps to futures just three weeks ago took place as planned and provided much needed regulatory certainty for thousands of customers at a critical time. Our transition decision was a result of significant feedback from the marketplace that was gathered over many months. And the ICE team worked tirelessly to inform our customers as we undertook this significant move on an expedited basis.

Given the complexity of the new swaps regulation regime in the United States, customers uniformly agreed that futures markets would best serve their hedging and risk management need in the energy and commodity space, allowing them to operate in a highly regulated regime that they know and understand. This transition marks an evolution of our market structure, beginning with ICE's electronification and standardization of the bilateral OTC energy markets, beginning in the year 2000, with the addition of clearing in 2002, and with the incorporation of position limits and increased regulation in more recent years.

We have had consistently positive feedback from our customers, despite a very dynamic time for U.S. rule makings. A time, which included no less than 12 press releases from the CFTC in the 24 hours leading up to a delay of the effective date of key swaps rules, as third parties requested relief in order to have time to reposition themselves in response to ICE's leadership. I want to recognize the efforts of our customers and the brokerage community who contributed to the incredible success of moving a huge OTC market into a regulated futures regime over a single weekend.

On Slide 11, we highlight a few additional areas of focus within financial reform. A timeline for completion and implementation of rule makings in the U.S. is largely occurring in the first half of 2013. Out of the swap definition rules that were passed this summer and the requirements that they triggered came a preference for futures markets in contracts where standardization already exists.

In January, the swap dealer threshold will come into effect for energy and agricultural swaps. The CFTC confirmed that exchange of swaps for futures trades do contain a swap contract that will count towards the \$8 billion swap dealer threshold. ICE offers this EFS option in our new energy futures markets, in addition to screen traded futures, futures block trades and screen-based crosses. It is, however, a shrinking portion of the market's volume and is already less than 2% of our energy business.

The demand for this EFS transaction type is quickly being replaced by futures trading.

Position limits have been another closely watched rule making in the U.S. While the new regime was recently struck down by the courts, ICE continues to oversee our existing position limit and position management regimes. The market is looking forward to the finalization of SEF rules, which are expected by year end. Indications are that voice trades will continue to be an acceptable form of trade execution. Creditex, our leading inter-dealer brokerage firm for CDS and bonds, will likely file as a credit SEF once these rules are finalized.

In the meantime, Creditex continues to develop efficient electronic trading tools. Also, we have previously stated that we anticipated registering as a SEF in the energy space. And our continued interest in doing so will now depend on how the final rules impact the market's demand for electronic swap execution facilities. We believe that ICE is certainly well positioned if there is to be an electronic component, but customer demand will be determined by the details of the final rules.

Last months, ICE launched the industry's first swaps data repository. ICE Trade Vault is currently processing all CDS trades that are submitted to our clearing house. Once next year's compliance deadlines go into effect for commodities trading, we will also begin processing energy and commodity trades. Scott mentioned that we expect more certainty in the U.S. CDS clearing requirements by year end, with industry compliance phasing in during the first part of 2013. And in Europe, we anticipate greater certainty around derivatives clearing provisions in EMIR by year end, also with implementation in the first half of 2013.

We expect that EMIR's impact on ICE will largely mirror our existing efforts around swap clearing and swap data repositories. Where EMIR may differ, even if temporarily, is in regard to the possible capital requirements for central counterparties, some of which have been proposed by the European Banking Authority. ICE's clearing houses are well capitalized, and we have ample access to credit, should we require additional capital. However, we do not anticipate that any additional capital needs will be material to our earnings or to our financial flexibility.

Net-net, we see global regulation codifying much – what is already in place or is coming into place very soon at ICE. Whether it's clearing, transparency, reporting or customer collateral protection, we are very well positioned to continue to lead in the provision of these requirements.

With the regulatory environment now becoming much more transparent and manageable, I want to look ahead to our core growth drivers on Slide 12. These are some of the factors that drive our confidence in our business. Not only are some of these drivers helping us deliver the outperformance you see today, but they offer confidence for continued expansion of our markets around the world.

Because ICE is the home to a number of global benchmark contracts, we are not confined to geographic markets. Our secular growth is driven not only demand for commodities but by demand for risk management tools as well as greater market transparency and access. This quarter, our year's long initiative to expand our options business played out. Our open-outcry options trading floor transitioned exclusively to the trading of screen-based options. 50% of our agricultural options were traded electronically at the end of 2011, and that number grew to 90% by August of this year.

With the ability to expand our distribution via the Internet, ICE has become a key venue for options trading. Similarly, in energy markets, Brent option volume was up 349% in the third quarter. We followed this up with our acquisition of WhenTech during the third quarter. WhenTech is a widely relied upon options trading technology provider across commodity markets.

We're expanding this technology across ICE to all of our adjacent markets. And this initiative is just one example of the meaningful impact that a small but strategically important investment can have for us. We have a number of additional initiatives that we believe will continue to shape our business in the coming quarters. For example, we believe that CDS futures will help expand credit

risk management to firms who seek to hedge their credit risk and do so via futures, thereby broadening the market.

As we've seen in other markets, futures can drive liquidity in the underlying market. And so together with mandatory clearing, we believe the swaps market will benefit. We are also working to leverage our clearing experience to non-deliverable foreign exchange products in the coming year. And in the commodity markets, you could see here that we've set out a number of additional growth drivers.

With regard to energy, you could see the strength of ICE's oil markets on Slide 13. Brent has continued its decade-long trend of becoming the global oil maker, pricing over two-thirds of the world's physical oil. And we expect to continue to grow in our oil markets.

ICE Brent Futures and Options daily trading volume is up 18% year to year in the first 10 months of this year. And our open interest is up over 100%. You could see the growth of our total energy swaps markets prior to their transition to futures in the lower left-hand chart here. These results demonstrate the continued demand for the capital efficiencies and liquidity that our markets offer.

Our strategic approach to driving growth and shareholder value is to seek opportunities that keep us at the forefront of secular trends. Our focus on customers' evolving needs have paid off. And you can see on Slide 14. ICE continues to deliver growth on top of growth, and that includes double-digit earnings growth through the first nine months of 2012. So whether you look at revenue, EPS or profitability, these metrics are a result of a conscious effort to provide great solutions to a sophisticated customer base.

I'll conclude on Slide 15 with a summary of the metrics and objectives that are key to growth and value creation. Year to date, we again delivered record volume and revenue. In the third quarter, we reached an agreement to become the majority shareholder in APX-ENDEX, in an effort to create efficient gas and power markets in Europe.

We delivered technology for a major fixed-income platform in Brazil. We increased our options capability with the acquisition of WhenTech, and we launched the industry's first Swaps Data Repository. Most importantly, we successfully transitioned our energy swaps markets to regulated futures markets. And we did all of this while outperforming our sector on financial metrics.

ICE had a significant list of achievements in just the last 90 days' time. You can see that we're not sitting still, waiting for the economy to improve. My colleagues and I continue to execute because markets play a vital role in every business cycle, and we see many ways to continue to evolve and transform markets.

I'd like to close my prepared remarks by thanking our customers for their business in the third quarter. But, most importantly, I want to thank you for your willingness to work with ICE to evolve the markets that we serve. I also want to thank my colleagues at ICE for your hard work and for remaining focused on serving our customers' needs.

Operator, with that, I'll now turn the call over to you to moderate our question-and-answer session.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] We ask that you limit yourself to one question and one follow-up in the interest of time. [Operator Instructions] Our first question comes from Rich Repetto with Sandler O'Neill.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Jeff; good morning, Scott.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Good morning.

And I guess the first question, similar to question I asked last quarter, is on the capital, Scott and capital built. And you did come through with what you described. You said there was potential M&A opportunities and, obviously, you announced a couple transactions. I guess the question is, are there similar opportunities going forward? Jeff mentioned that you didn't see the capital requirements being material in Europe. When – could you expect an acceleration of sort of a capital return at some point, or are these opportunities still out there, these bolt-on acquisitions?

<A – Scott Hill – IntercontinentalExchange, Inc.>: Yeah. I don't think much has changed in the three-month period since the last time you asked that, Rich. I think our thinking is still the same. We did increase, as I mentioned in my prepared remarks, our buyback authorization to \$500 million. I think you'll continue to see us return capital via that vehicle. We do believe that there still is a lot of growth opportunity in the space.

You saw it with the WhenTech acquisition. You saw it with the announcement of our intention to acquire a controlling share in APX-ENDEX. So – and in addition to the growth opportunities, there are still some uncertainties, the same ones that we talked about last time. There are tax policy questions that are left to be unanswered – or that are left to be answered, in addition to a number of other questions like regulatory capital.

As Jeff mentioned, we don't expect those regulatory capital requirement will materially alter the strength of our balance sheet or materially alter our P&L in any way. But as we sit here today, the items of uncertainty that we talked about last time and our view that there's a lot of growth opportunity left in this space really hasn't changed. But I'll close, as I did last time – this is something we spend a lot of time think about internally. It's something we talked about with our board as recently as September, and something that we feature with them, each of our board meetings, during the year. So we'll continue to look at it. But I do think that the kind of headline is lots of opportunity to grow. And as long as we think we can do that and generate the kinds of returns we've done historically, we're going to continue to make those investments.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Okay. That's helpful. And then, Jeff, you talked about Creditex potentially being a SEF. And I guess the question is, why doesn't ICE just – do you need to be a SEF at Creditex? Your former partner at truEX, they got a DCM license, and they're going to be trading swaps with just the exchange license. So I guess – yeah, the question is, you got the – now the index futures products in CDS. Why does not ICE just, itself, go more aggressively on the over-the-counter side?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Well, first of all, we are being incredibly aggressive in the way we've been approaching the credit space. The negotiation to license the market indices was a negotiation that happened over many years. It's a vision that we had at the time we bought Creditex with our former partner that we – we thought that the markets would become more transparent, more standardized and, ultimately, cleared. And you'll recall that we were saying that before the collapse of Lehman Brothers, which collapse fundamentally changed the regulatory environment that is also pushing towards those goals.

We don't know what a SEF is. And so the reason that we say we say we intend to become one – and not that we are definitely becoming one – is that we don't know what a SEF is. If a voice brokerage operation qualifies as a SEF, then, obviously, we would register our voice operation as such. It has a separate broker/dealer embedded within it, which we use for bond trading, which is the underlying of credit default swaps and is increasingly being used by CDS market participants. So that's really just an organizational tact.

I will tell you, though, what we have done – Scott alluded to it a bit in his prepared remarks – but we have transitioned our U.S. index business to exclusively electronic with no voice intermediation in it. We have convinced the major dealers to stream prices to us and do that fully electronically. And that puts us in a good position for the launch of CDS futures, where we think the market will be accustomed to market making in an exclusively electronic format. And so all of that has been a long-term goal that we've been working behind the scenes to prepare for the day when we can launch our credit futures, which we think will be a very well-received product.

<Q – Rich Repetto – Sandler O'Neill & Partners LP>: Okay. That's helpful, Jeff. Thank you.

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

<Q – Ken Worthington – JPMorgan Securities LLC>: Good morning.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Good morning.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Good morning.

<Q – Ken Worthington – JPMorgan Securities LLC>: First, I'd like to start on the OTC market. How do you think the competitive dynamics play out in the OTC energy market once new capital disclosure rules go in to full effect next year? It seems to me like your and CME's models – OTC models – are converging. And I'd just love to hear your thoughts on how the changes that you and CME are making impact where clients are trading and the growth rate of what has historically been your OTC platforms.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Sure. That's a good question, and it's complicated. So I'll just try to hit the highlights. The market, when we started ICE, was completely not organized and not standardized. And we put an electronic platform out there to just bring bilateral execution. And it just so happens that we designed that platform to be a central limit order book, with FIFO matching. That's – first person in best price matches. And that – our energy markets have become standardized around that platform, particularly once we added clearing, and have gotten used to trading on a central limit order book.

ICE, over time, started to publish the data that came off of that central limit order book. End of day, obviously, there're end-of-day settlement prices that come out of the clearing house. And we would sell a view-only version of that central limit order book so that people could see the pace in real time.

So the movement of the futures is really just the final step in that process. The market's gotten used to a real-time tape; it's gotten used to a central limit order book; it's got used to clearing, and it's standardized. And I would just say to you that unlike other markets, ICE trades, for example, five-year deals, one-year deals, quarterly deals, monthly deals, balance of month, weekly deals, balance of week, daily deals, balance of day. So we have every possible tenor of contract that allows a dealer or somebody who's building a customized swap for a unique buy-side customer to take all of these building blocks and put them together and build something that is highly tailored. And that process of creating all those tenors and liquidity [ph] unit (34:23) has happened over a decade.

So we believe that the market seamlessly converged on futures trading. Right now, we're in a interim period where we have lowered our block trading rules to make it very, very easy for off-exchange deals to make their way in. But increasingly, we think the block trade rules will be rationalized between us and government, and find a balance. And we think more and more business will move onto the central limit order book.

Similarly, in the brokerage community, brokers moved from year 2000, where they were inter-dealer brokers; they seamlessly moved, over time, to become not only inter-dealer but dealer-to-client brokers. And under Dodd-Frank, there is a requirement that brokers increase their certifications of their individual brokers, increase their data and compliance functions. And so the movement in the intermediary market was already moving towards becoming full-fledged futures brokers. And we now see our colleagues in the brokerage community, as a result of our actions, moving quickly to get themselves set up to trade around our futures platform.

I think, obviously, we're very competitive with CME in certain markets. And I would expect that competition to continue. And I would expect CME to take steps to organize their market similar to ICE. And we will continue to fight each other for market share.

<Q – Ken Worthington]: Okay. Great. And then as a follow-up, on carbon, open interest, I think 1.6 million contracts; buying was up a lot September year over year. How do you feel about 2013? It seems like a lot of things are going well under the circumstances, but there's a number of pending rule changes and meetings that could heavily influence policy and ultimately trading volume. So are you kind of leaning towards the optimistic in terms of volume exploding? Or are you kind of cautious, and it's kind of a wait and see, based on set aside and some other rules that are being talked about?

<A – Scott Hill]: Well we always lean towards optimistic, Ken. And I think the emissions market's not really any different. We actually are quite encouraged by what we've seen in volumes over the course of this year. As you know, we're heading towards the Phase III implementation next year. But even in advance of that, we're starting to see big industrial companies move into the market. The trading activity from those industrial customers has been very strong. It's what helped drive the 13% volume growth that we saw in the most recent quarter.

We – I think some of the first auctions toward the emission certificates are scheduled to take place in the near future. I think those auctions will create more price volatility, and price volatility tends to be good for our volume. And so as we look at it, there's no question that you're going to see expanding participation. I think with the auctions, you'll see expanding volatility. There are questions about what actions the government may or may not be wanting to take with regards to pricing and trying to influence the cost [ph] of our certificate higher (37:40). And it's not optimal for markets when the government plays a big role in it. But nonetheless, on balance, I think we're very optimistic on what we've seen and quite optimistic about where we think that market potential is.

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

Operator: Our next question comes from Jillian Miller with BMO Capital Markets.

<Q – Jillian Miller – BMO Capital Markets (United States)>: Back to the CDS futures product. This isn't the first time that CDS futures have been attempted; that you guys tend to – only to launch products when the market participants really want them. So my feeling is that this time is going to be different. So maybe you can walk us through what the draw of the CDS future product is, and then also why you think the dealers are going to be more supportive of this kind of competing product this time around?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Sure. A couple things that are different right now than we've seen in past attempts. One is, there's been a lot of regulatory change. And as

we sit here today, we have a better view into how regulation globally around credit is going to play out. So there are people that recognize that trading in a futures environment is a regulatory regime that is respected around the world and is known and understood around the world and is likely to overcome the fear that exists in the new form of regulations that will exist in the OTC markets.

Secondly, we have seen where well-designed futures contracts help stimulate growth in underlying markets. And so in terms of the dealers, we're spending a lot of time with major dealers and with major buy-side participations. And we're laying out a number of different alternatives that we have in mind on how we could evolve and unfold the market. So we're getting a lot of balanced input from the client base. And there is definitely an interest and excitement about putting a product out there that will help grow volumes.

We've seen how, since the Lehman collapse, a decline in the trading of derivative products in credit and an increase in trading the underlying cash products, that being bonds. And as you know, the bond market is a complicated market. With the capital rules that are coming into play now, it's going to be hard for dealers to keep inventory of bonds, and it's not a particularly efficient market. So generally speaking, when you see those kinds of attributes, people prefer to trade a listed derivative. And therefore, that's why we're seeing more and more interest in this particular product.

I think last, I would say to you that we're going to be very, very thoughtful in the way we roll out these products; the timing and the specific design of the products, with an idea of building an entire credit franchise over time. And so we're taking our time doing it. I expect that we'll have more to say on our next earnings call on the specifics.

<Q – Jillian Miller – BMO Capital Markets (United States)>: Okay. Thanks. That's helpful. And then I just wanted to get your thoughts on some of the high-frequency trading regulation that's going on in Europe. The minimum resting time provisions contained in MiFID II, at least the Parliament draft, seemed to, at least from my reading, apply to kind all financial instruments trading on exchange, potentially including derivatives. And I just wanted to get an idea for kind of how you view the scope of that rule? And then if do you think it may apply to derivatives, at some point, what extent – or, I guess, what is the extent of the impact on your trading markets, potentially?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Sure. Well first of all, that whole rule and the discussions around high-frequency trading, in general, is subject to a lot of debate and is very fluid. So it's really hard to know. Our position is that government should not be mandating how technology should work. No one knows what the unintended consequences of resting orders are. I suspect that it's good for some market participants and bad for other market participants, and it doesn't solve the problem.

We have been trying to be constructive by demonstrating the kinds of things that the futures market and ICE, specifically, has put in the market that has made high-frequency trading on our platform, very beneficial to the market. And we don't think it's provided negative implications. And where we believe it has, we've taken steps to prevent it.

So we block certain kinds of trading behavior. We don't even allow that trading behavior of certain types into our market. We penalize people who are simply using high-frequency trading to do sort of fishing expeditions. And we analyze the individual behavior of high-frequency traders to see whether or not they are adding liquidity or taking liquidity from our markets. And by developing very targeted programs that – and in our case in our futures markets, we tend to have a limited number of seats that we make available to high-frequency traders. And we tie their access to those seats to certain behavior that we want in the markets.

And I think if you look at that in total, you would see that those high-frequency traders are taking the place of liquidity providers that used to exist in the markets, either on the telephone or on open-outcry trading floors. And they're an important part of the market. So we've been constructive in

that dialogue. I think by describing that, it answers the second part of your question, which is, these market participants are important to us. They are not the driver of our volume growth.

Our volume growth is being driven by [ph] access V (43:58) for risk management and hedging, by end users, but they are an our important part of creating the liquidity to match the time differences between when a end user wants to buy and a second end user wants to sell, and that is the real value of having that liquidity. And so we are not that dependent on it because we are in more control of it than most exchanges.

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

Operator: Our next question comes from Howard Chen with Credit Suisse.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Howard?

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Hi. Can you hear me okay?

<A – Scott Hill – IntercontinentalExchange, Inc.>: Hi.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Yeah. Yeah. Good morning.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Great. Good morning. Jeff and Scott, I just wanted to revisit the double-digit revenue and earnings growth targets. I know you hold yourselves to a really high standard, and we can see that in the reversal of the comp [ph] control (44:47) this quarter. But just looking forward and across all your businesses, how would you prioritize the three, four drivers that reattach you to that double-digit top line growth rate that you want?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Well, it's a goal that we have that we hold ourselves to. And we haven't changed that. If you just look at what – so, I'm in a unique position as a senior leader here that I'm taking down the bonus pool because we measure ourselves by our shareholder return. But this year, alone, we've moved this major asset class into futures. We've finally rolled out and matured our – this multiyear effort that we've had to bring options from the telephone onto the screen.

In fact, we migrated all of our ag options to the screen and were able to take costs out of our futures business by closing the open-outcry trading floor. We've got this new Swaps Data Repository that's been working for credit. It will soon expand into commodities when the law pushes that. We've got this multiyear negotiation of a license with market that has finally concluded for the launch of credit futures. We've built in new tech capabilities for legally separating customer assets in our clearing house. We've built out our clearing house to do non-deliverable forward FX. We've built out our clearing house with new modeling and rules to handle sovereign CDS. We have built out a bond platform, both in English and in Portuguese, and launched it in Brazil. We pushed on our BRIX exchange down there and dramatically raised the volume of electronic trading.

We've fully electronified our OTC Credit business on the U.S. index area. We launched new agricultural futures. We agreed to buy the majority of APX-ENDEX. We've acquired WhenTech. All of those initiatives are the things that management and our colleagues here can do to put solid growth drivers ahead of the business. And in that long list of things that we've accomplished this year, I'm confident that there are a lot of solid singles that are going to continue to drive growth.

Beyond that, I think if you just step back and look at this quarter, this was a unique quarter in that in August, it seemed like our trading world stopped. There was a combination of the Olympics, people going on holiday because of fatigue. It became a risk-off marketplace. There was concerns about

what would happen in Europe when Europeans returned from holiday in September. We had this unknown about how Dodd-Frank was going to affect the U.S. swaps markets and commodities. And all of that sort of manifested itself in August.

And since that time, we've seen increased growth. And, as Scott mentioned, our OTC business, just prior to our conversion to futures and the storm, was back up to \$1.6 million a day, which is about on par to where we were last year. So we think our core business will continue to grow, notwithstanding that list of 12 or 15 new initiatives that I went through that I think will bring future growth.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Great. Thanks, Jeff. That's really helpful color. And then just switching gears over the regulatory side. Thanks for the update. I just wanted to follow up on your comment regarding the recent ESMA CCP recommendations. When you say you don't think that increases your capital needs or impedes capital flexibility of ICE, are you implying that you just touch up the debt-to-EBITDA target for the company? And could you just frame some numbers around how you're thinking about that? Thanks.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Yeah. We're still a little bit early, Howard, in trying to figure out exactly where those numbers are likely to fall out. But I think to be very precise, what we're saying is, given the cash balance that we have and the financial flexibility that we've got, that even at the highest estimates of what the additional regulatory capital requirements may be, it won't change our financial flexibility. It won't materially change the cash balance we've got. It won't impact our P&L, and it won't get in our way of making the other investments we need to make.

So the numbers that we calculated are a fairly wide range, which is why I'm not going to toss them out there until we know with some greater certainty what they are. But the key point from us, we've given ourselves enough flexibility, with the strength of the balance sheet and strength of the cash balance, specifically, that we're not worried that those regulatory capital requirements – even if they go up \$50 million, \$150 million – will change in any meaningful way our ability to invest in growth.

<Q – Howard Chen – Credit Suisse Securities (USA) LLC (Broker)>: Great. That's very clear. Thanks, Scott.

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

<Q – Dan Fannon – Jefferies & Co., Inc.>: Great. I guess, Scott, a couple numerical questions. First, what was the severance in the quarters? I think you quantified that as being what the bonus accrual reversal was. And then what's your starting point – just remind us again – for 2011 end-of-period guidance for expenses so we think about the year-over-year growth?

<A – Scott Hill – IntercontinentalExchange, Inc.>: Yeah. So the severance was roughly 2.5%. The reduction in the bonus accrual was almost identical. I mean they literally offset each other. So 2.5% up, and 2.5% down, net wash in the quarter. And, look, I'll just – I'll be very precise. In the fourth quarter, I expect spending's going to be somewhere between \$130 million to \$134 million. If you look at the base, the only adjustment we make in 2011 is for the [ph] Satit (59:28) one-time fee that we had in the third quarter. So the base is somewhere around \$528 million, \$529 million, which, flat to 2% would suggest the quarter in the kind of \$130 million to \$134 million.

<Q – Dan Fannon – Jefferies & Co., Inc.>: Okay. Great. That's helpful. And then just kind of building upon the outlook. I guess, a couple comments from both of you that you expect kind of a return to normalcy of as we head into the new year and get some clarity around the regulatory stuff. So I mean is that coming from conversations you've had with the customers you're seeing and, I

guess, in some of the activity levels in October, and so you expect that just to continue as we get more the rule making kind of complete?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Let me – if you think about our core business now that we've transitioned to futures, we – whatever happens in Dodd-Frank, the final rules on trading as it relates to our footprint in commodities is almost irrelevant to us. And so I think our customers now, trading a fully futures type market are going to continue on. What we've seen in the dealer community – in the Wall Street dealer community where there have been changes in capital – changes in – on the desk because of [ph] perceived (51:47) capital reads, to the extent that anything has gone down there, it seems to be immediately picked up by other market participants.

So the commodity space, because of how evolved it is and widely distributed it is and global it is, seems to be able to continue on. And that's what gives us some confidence. The one OTC market that we remain in is the credit market. And we've laid out, obviously, this goal of launching credit futures for that market. And that, I think, will bring growth next year for us. So from a regulatory standpoint, we're sort of playing on a different ball field.

<A – Scott Hill – IntercontinentalExchange, Inc.>: You can go business by business and see in each of them a reason to be optimistic about where 2013 can be. I talked about it in my prepared remarks, ag open interest is up 5%. That is still the best leading indicator of subsequent ag volumes. Emission volumes are very strong. I answered earlier that we've got a good confidence as we move to Phase III that, that will continue to improve. There continues to be a material shift from TI to Brent, and we're seeing OI build there. We see our share build every day. In OTC Energy, I mentioned October was better than September, which was better than August.

In CDS, we've had European sovereigns approved by the FSA. We're awaiting the SEC approval right now. We have mandatory clearing starting in the first quarter of next year, with the buy side in the portfolio margining that's critical to that offering. We expect to be approved by the SEC in the not-too-distant-future.

So in every one of our businesses, we think there's an opportunity for growth. And importantly, what we've done this year is, we really aggressively managed our investments right at those key growth opportunities. So not only do we think we've got a lower-than-anticipated expense growth this year, but I think the run rate, as you get into 2013, is likely to yield a relatively modest growth in 2013 as well. So to the extent we get the growth, that growth on the top line will only be amplified at the profit line.

<Q – Dan Fannon – Jefferies & Co., Inc.>: Great. Thank you.

Operator: Our next question comes from Roger Stream [Freeman] (54:00) with Barclays.

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

<A – Scott Hill – IntercontinentalExchange, Inc.>: Good morning.

<Q – Roger Freeman – Barclays Capital, Inc.>: What percent of the customers in the OTC contracts have been converted to futures so far that the traders have actually started trading them as such? And are they doing it – are they switching over completely, or still kind of testing it out? And also curious, have you seen anything interesting with respect to trading behavior and mix so far, relative to what you thought?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Well interestingly, 100% of our customers have shifted over. We did a big survey. We triangulated around the market before we made the announcement, and we were convinced that 100% would shift. And so it went seamlessly over a

weekend. We no longer offer any OTC trading, except for bilateral trading that's done, and those are largely more physical markets where people still trade bilaterally. But the bulk of our markets are now futures, and everybody's shifted over.

What we've seen is a – sort of sigh of relief and growth in the volumes of those markets, relative to what was going on before the transition. And so I think it's a credit to a lot of hard work here by a lot of customer-facing people at ICE that helped people to get set up. And also, we made changes in our technology that were seamless and were able to implement those over a weekend and move everybody's positions over and move the compliance teams and what have you into a futures regime over a weekend.

<A – Chuck Vice – IntercontinentalExchange, Inc.>: Hi. This is Chuck. I would just add, too, I think while Dodd-Frank is a – obviously a U.S. regulation, there were some important global benefits to us in this change. One, we've historically offered all of our swaps on U.S.-based ECM, CFTC regulated. That includes a lot of swaps that are more European and Asian based and oriented. So this change allowed us to convert those to futures but also move them to ICE Futures Europe under a UK regulation and, I think, both geographically and regulatory wise, a little more appealing to that customer base.

The other benefit, while Jeff mentioned in his prepared remarks the swaps dealer determination is being a big driver for this change. The other one is the extra-territoriality aspects of Dodd-Frank, and lot of them certainly remaining around the U.S. person definition. And so what we were seeing amongst our European and Asian customers was a lot, of who typically should not be affected by Dodd-Frank, a lot of concern about, what happens if I get matched up, maybe, knowingly or maybe be unknowingly, depending on the matter of execution with a U.S. person? Is it an affiliate of a U.S. bank? Is it a foreign affiliate of a U.S. bank? Is it a U.S. affiliate of a foreign bank? And so forth and so on. And so that relief Jeff talked about amongst the customer base, when we converted to futures, I think, was not limited to U.S. customers. It was a global.

<Q – Roger Freeman – Barclays Capital, Inc.>: Okay. Thanks. That's helpful. And then just secondly and lastly, the – and you might have talked about this earlier – but on sovereign CDS or on the peripheries in Europe, where do you stand on that? I know there there's an article – Bloomberg on Friday, you were saying you were going for SEC approval. Are the European regulators close on that? I know you were waiting on that because the market wasn't stable enough.

<A – Scott Hill – IntercontinentalExchange, Inc.>: We've got, Roger FSA approval, and we are awaiting final SEC approval before we can launch.

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

Operator: Our next question comes from Alex Kramm with UBS.

<Q – Alex Kramm – UBS Securities LLC>: So just a couple of little things to follow up on. Market data, I don't think you mentioned this before. But while you had decent growth year over year, it declines on a quarter-over-quarter basis which, I think, is the first time [ph] we (58:05) saw that. Any particular things going on there? I guess you usually say see more and more customers coming on the platform if – when actually some people have [ph] less (58:12)? Or what's going on here? Thank you.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Now we – if you look over on a year-over-year basis, it was way up. It was down a little bit \$1 million dollars on a \$36 million number quarter to quarter. The things that I look at that I have talked about before, whether it's new market IDs, new people coming onto the platform, all those continue to trend up, as we look at it. So my expectation

is, you'll continue to see the market data line of our revenue grow on a year-over-year basis. And any slight decline from 2Q to 3Q is likely momentary.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Alex, I would mention to you that our – one of the major changes to our business when switching our OTC products to futures is the way market data is accessed. And so we have had to move our market data into a futures-style regime, which is different than the way we were selling OTC data. And so there was a period here where we were having to come up with new agreements and new methods on how we were going to monetize that data. Generally speaking, it should be about the same. But the details are different, so there was a lot of that going on during the quarter, which we hope is behind us now.

<Q – Alex Kramm – UBS Securities LLC>: Okay. Good. And then, secondly, also a follow up, I think, to Rich at the beginning on the capital side. Maybe you can talk a little bit more specifically on the buybacks, in case I missed that before? Obviously, you bought something – little bit back in the third quarter here, I mean the stock went from \$140 to \$130. So I assume that was opportunistically? But going forward, I think your guidance also implies that the share count could come down again a little bit more. So do you think there will be a healthy amount of buying back here going forward? Or is it still more of a, stock is attractive; let's buy a little bit? Or how you're thinking about buybacks, particular? Thanks.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Yeah – no, that's a good question. There's nothing implicit in our share count guidance with regards to buybacks. You don't have to go try and figure that calculus out. We didn't buy any back in the third quarter. We got a new authorization at our September board meeting to move up to \$500 million and then, immediately, in October, bought 100,000 shares. Spent a little over \$13 million doing that. But, Alex, I would characterize as we have historically, our repurchase activity is being largely opportunistic, when we feel like the share price disconnects from its fundamental value. As I mentioned earlier, our primary expectation with regards to capital is that we can continue to put it to work, to invest, to grow and generate solid returns.

<Q – Alex Kramm – UBS Securities LLC>: All right. Very good. Thanks.

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

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Can you hear me?

<A – Scott Hill – IntercontinentalExchange, Inc.>: Yeah. Hi, Brian.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Hi, Brian.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Okay. Great. A question for Jeff. Can you comment – you talked about the transition to the futures from swaps in the energy space. But can you talk a little bit about your expectations for trading velocity on those futures relative to the legacy OTC contracts, both maybe in the near term, say, over the next two to three, four months? And then structurally longer term; say, one to two years. Do you expect a big improvement in velocity? Or should we expect a significant improvement in volumes, based on that?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: At the margin, yes, because – just simply because futures will have a wider distribution [ph] sort of (1:01:5) market design. For example, we were limited as to who could have access to our screen. With futures, you can go all the way to the retail investor. And secondly, our OTC platform was a principals-only platform, which meant that the principals had to push the bottom and there were no broker intermediary. And now, as brokers become members, and set up to trade futures, we can have broker intermediary.

So in that regard, I think, the distribution, alone, should allow the velocity to go up. We had allowed some algorithmic trading in a certain, small number of our markets that were highly liquid. I don't think that will change. And generally speaking, we have hundreds of markets now that have become futures. And many of them are just not conducive to algorithmic trading, in general. So I don't think it's the algorithmic component, necessarily, that's going to drive that velocity. I think it's the distribution.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: It sounds like we could see that relatively soon then, given the expanded distribution.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: I think so – we – one of the things that's going on – and you saw in the request for delays at the CFTC – was to quickly get brokers certified to trade futures. That means that for many individual brokers have to take a Series 7 or Series 3 exam and become registered and put compliance systems in place, et cetera. So there's a fair amount of movement going on in the brokerage community to get set up. And they were not that well prepared, unfortunately, for our transition. But I think as they come into the market, you're going to see them for the first time having user IDs and passwords and pushing the button on behalf of their clients.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: Okay. Great. That's helpful. And just lastly on the tax rate, it looks like we're returning about 30% in the first half; now about 28% for the second half, if we come to a full year of 29%. Should we be thinking of a 28% percentage tax rate, given how we've – with a consistent business mix going forward into 2013? Or do you perceive something different than that?

<A – Scott Hill – IntercontinentalExchange, Inc.>: Yeah. I think the range we had given you previously had been 28% to 31%. I think that's probably the right range to keep in mind. As you indicated, we were expecting closer to 30% through the first half. It's now for the full year closer to 29%, which is why we trued up in the quarter to that number. But I think the prior guidance at 28% to 31% is likely to hold, certainly, for this year and then as we look to 2013. Although, if the UK continues to take its corporate tax rate down and continue to improve its corporate tax rate, we certainly will benefit from that, as we're seeing the faster-growing parts of our business are in the UK, outside the U.S.

<Q – Brian Bedell – International Strategy & Investment Group, Inc.>: That's great. Okay. Thanks very much.

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

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: [indiscernible] (1:05:08) With regards to credit derivatives and the futures, it is quite an exciting opportunity. You didn't disclose that there was an exclusive license, but I assume that we won't see other exchanges with access to those indices. What can you share with respect to helping us model, think about the opportunity? Is it something where maybe you might be paying a licensing fee to other the participants, like market and the dealers? Or is it more like shared economics on that business unit like with the clearing derivatives?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: That's a good question. I don't exactly know what we disclosed so I'll just say to you that we – it is a license fee to markets for their intellectual property and is the kind of thing that is typical in the futures industry. And there are – if we both do our job and can create some valuable trading for the two companies, then ICE will be the home for that trading.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Fair enough. Thanks, Jeff. And then on MiFIDs, I know you talked about EMEA earlier on, but MiFID II is still in kind of in

negotiations. I know you got some questions on high-frequency trading. But from what we saw, I mean one of the proposals we were kind of watching, too, was, in effect, kind of suggesting maybe open clearing or requiring that you open up your clearing house to maybe competitive products. And that's seems to have gotten watered down. Is that something that you are encouraged by, or are you kind of still not in – what are your thoughts on that section?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Well we're actively involved in the dialogue over there. And the concern we have is that if the remedy for making sure that we don't have an interconnected banking system is to interconnect a bunch of clearing houses, then we haven't done anything. And so we've been talking about just the unintended consequence of having access that would allow the market to just re-link and become co-dependent on each other in a different manner, and not create the firewalls that, I think, clearing was intended to do. You're right in that it is an on-going dialogue and discussion, and a lot of this stuff is very, very technical and complicated. And we're having to deal with the European legislatures that have not seen these issues before. So the pace is kind of slow, and the number of people involved is large. But we are encouraged by the direction, and we've been received well. And people have been willing and interested in hearing our views and learning about these kinds of details. So that's always a good thing, as legislation's being crafted.

With respect to, do we care? We don't want to put excess risk in the system, particularly risk that we have to manage. But when we ran our energy markets, our OTC energy markets, we accepted trades from 150 different venues. Today in our CDS clearing house, we're accepting trades from dozens of venues. And so we also have, obviously, futures contracts that are traded on a central limit order book that is a vertical. So we have both models and have been successful in both models. And we'll react accordingly.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. Fine.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: But as Chuck mentioned when he spoke, we took the opportunity of converting our U.S. OTC energy markets to futures to also covert our foreign OTC energy markets to foreign futures. And that was not a Dodd-Frank – necessarily directly related to Dodd-Frank. But we think the trend in the marketplace is for standardized contracts to be traded as futures.

<Q – Niamh Alexander – Keefe, Bruyette & Woods, Inc.>: Okay. That's helpful. Thanks, Jeff.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Okay.

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

<Q – Matt Heinz – Stifel, Nicolaus & Co., Inc.>: You mentioned the need for more efficient means of execution in CDS. And in light of your recent product announcement on the CDS indices, clearly, it seems you believe the indices are well suited for a future. So, I guess, I've kind of interpreted this to mean that you envision somewhat of a bifurcation in the execution models for index and single-name, and with single-names kind of remaining on the OTC side. And do you think I'm on the right track here? And if this is the case, what could that mean for capital efficiencies and cross-margining between the two products?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: It's a very good question. And really, what we're trying to do and you're trying to do in your question is predict the evolution of a market. It is very, very clear right now in the OTC markets that we have major firms streaming real-time prices in the index complex, and matching up on a central limit order book type match. That is not the case in single-names. There's electronic trading around – particularly, ICE on our Creditex platform, tends to be broker intermediated. There's a lot of indicative pricing. There are a lot of rules

around how that electronic – the rules are what they call protocols in the space. But [ph] they're (1:10:53) basically rules on how things get executed in the single-name market.

So it is not yet that evolved in the OTC space. As we develop index-type credit futures products, it will, I guess, remain to be seen whether or not that drags along certain types of single-name products. You could imagine that certain names in the single-name complex or certain sovereigns in the single-name complex might be bellwethers and be used as indicative of industries as opposed to indices. But I think that'll take some time.

The most important thing that we're focused on is having our initial launch of index futures be a successful launch, be well received by both buy side and sell side, and provide real value so that we can have a flagship that can drag along other business.

In terms of cross-margining, we're still waiting for even cross-margining in the OTC market between indexed and single-names, which is [ph] very (1:12:04) held up by regulatory action, not necessarily by the way risks should be managed because the indices in CDS are simply a collection of single-names. So they decompose, if you will. They're not necessarily continuous, readjusted indices. And so that's our first priority. And as Scott mentioned in his prepared remarks, we think that will – we will get approval for that soon.

And then, once we have that all going and we see how the market likes that decomposition and [indiscernible] (1:12:41), we can figure out how to introduce the futures contracts, which will be an important element of making sure futures and OTC can have capital efficiencies.

<Q – Matt Heinz – Stifel, Nicolaus & Co., Inc.: Okay. That's helpful. And then just following up. It seems like the swaps-to-futures transition on the energy side doesn't necessarily change a whole lot for your customers – your domestic customers from an operational perspective. But I'm wondering if there's something we might be missing on your international customers in terms of accessibility or regulatory restrictions? I'm pointing back to the time when I think I heard you say that there were a lot in flux with the regulatory regime in China with regards to commercial hedging. And I'm just wondering if there's any alleviation that takes place with the transition?

<A – Jeff Sprecher – IntercontinentalExchange, Inc.: That's a very good question. There's positives and negatives going on outside of the U.S. with our transition. The positive is that in China, Mainland Chinese traders were not able to access the foreign OTC markets, only foreign futures markets. So the fact that we have moved a big group of important Asian OTC products into futures gives us better ability to access China directly. And we already have screens in China and people in China doing business on our flagship energy products. And this will then bring the balance of our portfolio to them.

The negative side that's going on is that the brokerage community that serves the OTC market in Asia has been the community that's had the most issues on getting set up to trade futures. There are licenses that are required, certifications and other things, particularly in Singapore, that, that community was not that well prepared for. They're rushing to get certified. I've met with the Singapore government personally. We've written letters to the government, asking for help in moving the brokers through the certification process for giving them temporary relief as they move through that process. And our meetings with the Singapore government, we had multiple meetings now at very senior levels. And they are interested in what we're doing and see the benefit.

Singapore, I mention, because it had been the out of – in the non-China area where Chinese companies had come to do OTC business. So it's important that we get that Singapore community set up for futures so that they can further penetrate into Mainland China.

<A – Chuck Vice – IntercontinentalExchange, Inc.: Yeah. The only thing I would add to that is, I think, from an access standpoint – a access agreement standpoint, the Far East markets, they

may be interested in ICE Futures U.S. markets, ICE Futures Europe or our OTC markets. So we've effectively reduced the number of agreements or access points from three to two. And in the case of energy customers in the Far East, virtually all of them were already active in our Brent Gasoil, our other futures – legacy futures products at ICE Futures Europe. And because of the nature of OTC trading, Jeff mentioned earlier, principals only. We, as an exchange, have a higher obligation to know the end user.

Futures models a little different, intermediated through FCMs. And so to the extent a given customer in the Far East doesn't want to be an exchange member, for example, it's fairly easy – probably a little easier for them to become a customer of our exchange than it would have been to, say, sign an OTC Participant Agreement. So I think net-net, we've reduced the amount of overhead it takes to access those markets.

<Q – Matt Heinz – Stifel, Nicolaus & Co., Inc.>: That's very helpful. Thanks a lot.

Operator: Our next question comes from Akhil Bhatia Rosenblatt Securities.

<Q – Akhil Bhatia – Rosenblatt Securities, Inc.>: Hi. Good morning, guys.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Good morning.

<Q – Akhil Bhatia – Rosenblatt Securities, Inc.>: Just one quick question on the expense guidance, Scott. If I look at year-to-date expenses of \$405 million versus the \$528 million last year, it kind of implies \$123 million on the low end, is that the right math?

<A – Scott Hill – IntercontinentalExchange, Inc.>: No. As I mentioned in the earlier answers, our baseline from last year is around \$528 million to \$529 million. Flat to 2% would imply \$530 million to \$540 million. I think, as I mentioned earlier, in the spirit of trying to be helpful, you should expect somewhere between \$130 million and \$134 million in the quarter.

<Q – Akhil Bhatia – Rosenblatt Securities, Inc.>: Okay. Thank you.

Operator: Our next question comes from Rob Rutschow with CLSA.

<Q – Rob Rutschow – CLSA Ltd.>: Hey, good morning, everybody.

<A – Scott Hill – IntercontinentalExchange, Inc.>: Good morning.

<Q – Rob Rutschow – CLSA Ltd.>: I just wanted to follow up on the CDS. It sounded like from your commentary that there's some value in having side-by-side trading in derivatives and cash. And so I'm wondering if that's – if I'm reading you correctly, and what the initiatives are in terms of build versus buy to build out more of a cash trading platform.

<A – Jeff Sprecher – IntercontinentalExchange, Inc.>: Sure. Well, first of all, when we acquired Creditex, we acquired a bond desk that was there. And like everything that we do, ICE is really good at investing and building technology. So we have continued to build tools for our bond desk that ultimately resulted in us having a very, very high quality bond trading platform to the point that our partner, Cetip, in Brazil, wanted to license that platform from us. And I will tell you that we are a minority shareholder of Cetip, and so Cetip did an industry review to look for the best platform for them. And we were able to convince them that our bond platform was exactly what they needed and that we would undertake the difficult, complicated prospect of converting it so that worked for Brazilian markets and was accessed in Portuguese, which we have done.

So we do have that underlying platform. Our bond business does do well, and we are not necessarily going after the naked bond trader. We tend to go after people that are doing complex

derivatives, where there's a combination of bonds and CDS, and we can do a good job of providing that whole package to them. I do think that as we develop credit futures – I think the credit market desperately wants credit products that are widely accessible. And I said for years that I think that credit is an under-traded asset class, and part of that is its complicated products and access. And I think we can help solve that. And if we can do that right, it will drive not only growth in some of the over-the-counter markets, but also in the underlying bond markets.

<A – Scott Hill – IntercontinentalExchange, Inc.>: And just to give you a number on that, our bond desk at Creditex, in a world where everything in CDS is shrinking, is actually up double digits year over year.

<Q – Rob Rutschow – CLSA Ltd.>: Okay. That's helpful. Thanks. A follow-up would just be, there was a fine for Barclays. Do you expect any change to your power markets as a result? And was there any impact in the quarter from that?

<A – Chuck Vice – IntercontinentalExchange, Inc.>: We didn't have any impact from the quarter. I think that, that was from trading back in 2007, 2008, 2009. It was fairly dated. I think there's been a number of – JPMorgan, I think, was another one, and Barclays; kind of similar situations. I don't think that, that has been an impact at all into our swaps markets. As far as the physical markets in power, those, some time ago, migrated over to the ISOs, the regional markets that the [ph] cata- (1:21:02) quasi governmental entities operate. And they're largely driven by supply and demand, so I don't know. I don't know we have seen any impact from that, or would expect to.

<Q – Rob Rutschow – CLSA Ltd.>: Okay. Thank you.

Operator: And I'm not showing any further questions at this time. I'll like to turn the conference back to our host for closing remarks.

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

Well thank you all for the time you've spent with us today. And we look forward to reporting on our next call our full-year results. So with that, we'll say good bye, and have a great day.

Operator: Ladies and gentlemen, that does conclude today's presentation. You may now disconnect, and have a wonderful day.

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