

Edgar Filing: CBOT HOLDINGS INC - Form 425

CBOT HOLDINGS INC  
Form 425  
June 20, 2007

Filed by Chicago Mercantile Exchange Holdings Inc. pursuant  
to Rule 425 under the Securities Act of 1933, as amended, and  
deemed filed pursuant to Rule 14a-6 under the  
Securities Exchange Act of 1934, as amended.

Subject Company: CBOT Holdings, Inc.

Subject Company's Commission File No.:001-32650

On June 20, 2007, representatives of Chicago Mercantile Exchange Holdings Inc. made the following investor presentation.

June 20, 2007  
William Blair & Company  
27  
th  
Annual Growth Stock Conference  
Craig Donohue, CEO  
Terry Duffy, Executive Chairman

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Discussion of Forward-Looking Statements

Forward-Looking Statements

This presentation may contain forward-looking information regarding Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings, Inc. and the combined company after the completion of the merger that are intended to be covered by the safe harbor

for forward-looking statements

provided by the Private Securities Litigation Reform Act of 1995. These statements include,

but are not limited to, the benefits of the business combination

transaction involving CME and CBOT, including future financial

and operating results, the new company's plans, objectives, expectations and intentions and other statements that are not

historical facts. Such statements are based on current beliefs, expectations, forecasts and assumptions of CME and CBOT's

management which are subject to risks and uncertainties which could cause actual outcomes and results to differ materially

from these statements. Other risks and uncertainties relating to

the proposed transaction include, but are not limited to, the

satisfaction of conditions to closing; including receipt of shareholder, member, antitrust, regulatory and other approvals on the

proposed terms; the proposed transaction may not be consummated on the proposed terms; uncertainty of the expected

financial performance of CME following completion of the proposed transaction; CME may not be able to achieve the expected

cost savings, synergies and other strategic benefits as a result

of the proposed transaction; the integration of CBOT with CME's

operations may not be successful or may be materially delayed or

may be more costly or difficult than expected; general

industry and market conditions; general domestic and international economic conditions; and governmental laws and

regulations affecting domestic and foreign operations.

For more information regarding other related risks, see Item 1A of the Company's Annual Report on Form 10-K for the year

ended December 31, 2006 and Item 1A of CME's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007. Cop

such documents are available online at <http://www.sec.gov> or on request from the CME. You should not place undue reliance

on forward-looking statements, which speak only as of the date of this presentation. Except for any obligation to disclose

material information under the Federal securities laws, CME undertakes no obligation to release publicly any revisions to any

forward-looking statements to reflect events or circumstances after the date of this presentation.

Statements included in this document relating to the ICE offer reflect the views of CME's management.

Certain Information Regarding the Tender Offer after Closing of the Transaction

The information in this document describing CME's planned tender offer following closing of the proposed transaction is for

informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of CME's

common stock in the tender offer. The tender offer will be made only pursuant to an Offer to Purchase and related materials

that CME will distribute to shareholders of the combined company

and only if the proposed transaction with CBOT is

consummated. Shareholders should read the Offer to Purchase and the related materials carefully when they become available

because they will contain important information, including the various terms and conditions of the tender offer. Subsequent to

the closing of the proposed transaction with CBOT, shareholders will be able to obtain a free copy of the Tender Offer Stateme

on Schedule TO, the Offer to Purchase and other documents that CME will file with the SEC free of charge at [www.sec.gov](http://www.sec.gov) or

from Chicago Mercantile Exchange Holdings Inc., Shareholder Relations and Membership Services, 20 South Wacker Drive,

Chicago, Illinois 60606, Attention: Beth Hausoul.

NOTE:

Unless

otherwise

noted,

all

references

to

CME

volume,

open

interest

and

rate

per  
contract  
information  
in  
the  
text  
of  
this  
document  
exclude  
CME's  
non-  
traditional  
TRAKRS  
SM  
products,  
for  
which  
CME  
receives  
significantly  
lower  
clearing  
fees  
of  
less  
than  
one  
cent  
per  
contract  
on  
average,  
as  
well  
as  
CME  
Auction  
Markets  
products  
and  
Swapstream  
®  
products.  
Unless  
otherwise  
noted,  
all  
year,  
quarter

and  
month  
to  
date  
volume  
is  
through  
6/15/07.

June 20, 2007

Introduction

Terry Duffy, Executive Chairman

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4  
Pro Forma Q107 ADV  
6,454  
741  
3,866



3,866  
0  
2,000  
4,000  
6,000  
8,000  
10,000  
12,000  
CBOT/CME  
Eurex  
CBOT/ICE  
Euronext.liffe  
NYMEX  
CME/CBOT Proposed Merger  
contracts in 000s  
10,320  
4,607

---

Note:

[1] Eurex  
and

Euronext.liffe

include  
individual

equity  
and

equity  
index

options

[2] NYMEX includes Clearport

[3] Sources are company press releases and analyst presentations

7,295

3,431

1,512

CME

and

CBOT

will

create

the

largest

exchange

in

the

world

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5  
CME/CBOT Proposed Merger

Greater immediate and long term growth  
opportunities

Greater synergy potential than ICE offer

Minimal execution risk

Unique benefits for members and  
customers

Best strategic alternative

Most long term value

June 20, 2007  
CME Overview  
Craig Donohue, CEO

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7  
0  
2,000  
4,000  
6,000

8,000  
CME Globex  
®  
CME Average Daily Volume  
Open Outcry  
Privately Negotiated  
(contracts in 000 s)  
6,358  
03  
02  
01  
00  
04  
917  
74%  
05  
06  
07  
May07 ADV 6.1M  
3  
rd  
highest month  
Jun07 ADV to date  
9.1M  
2H  
May  
07  
1H  
May  
07  
2H  
Apr  
07  
1H  
Apr  
07  
Jun  
07  
to date  
9,120  
(contracts in 000 s)  
Annual  
Long Term  
Monthly  
Short Term  
4,537  
Reached daily open  
interest record of  
near 61M in June  
0

2,000  
4,000  
6,000  
8,000  
10,000

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8  
CME's Growth Strategy

Globalizing our business



Being a leading service provider of  
transaction processing services

Expanding into over-the-counter/spot  
markets

Leading product and technology innovation  
CME will be the leading global derivatives company by:

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9  
Core Business Growth Driver -  
CME Electronic Options

0  
40

80  
120  
160  
Electronic E-mini  
Equity Options ADV  
\*Based upon annualizing current YTD ADV  
Potential annual revenue opportunity from full migration  
\*250M Contracts  
30¢+/  
contract  
X  
=  
\$75M+  
Eurodollar options  
example  
0  
30  
60  
90  
120  
Electronic Eurodollar  
Options ADV  
JUN  
07  
FEB  
07  
APR  
07  
JAN  
07  
MAR  
07  
MAY  
07  
JUN  
07  
FEB  
07  
APR  
07  
JAN  
07  
MAR  
07  
MAY  
07  
115K  
156K

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Globalizing Our Business  
CME Globex live  
access from more  
than 80 countries

7 European/  
Asian hubs

Regionally focused  
sales, education and  
marketing to key targets

Broadening relationships  
in emerging markets  
CME provides access to highly liquid markets across all major  
asset classes on an industry leading technology platform

Interest rates

Equities

Foreign exchange

Agricultural commodities

Alternative investments

Energy

Metals

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Future opportunities in  
Asia, South America and  
possibly Europe

Leading Service Provider in Transaction Processing

Treasuries

Ags

Equities

Metals

Energy

Metals

Soft Commodities

Transaction Processing

Customer Benefits

Scalable platforms

Advanced functionality

CME customer service  
standards

Broad distribution/network  
effects

Proven integration/ time-to-  
market advantages

Increased profit potential  
through CME scale  
advantages

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12  
WTI ADV  
NYMEX on CME Globex Leads Electronic Energy Trading  
(notionally adjusted;  
contracts in thousands)



NYMEX WTI  
on CME Globex  
ICE WTI  
0  
160  
320  
480  
640  
Total Energy ADV  
(contracts in thousands)  
Q3  
06  
Q4  
06  
Q1  
07  
Q2  
07  
to date  
NYMEX Energy  
on CME Globex  
ICE Futures  
601  
523  
0  
100  
200  
300  
400  
Q3  
06  
Q4  
06  
Q1  
07  
Q2  
07  
to date  
370  
189

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13  
Significant Opportunities In Larger OTC/Spot Markets

OTC Foreign Exchange

OTC Interest Rate Swaps

1,880

1,025

498

80

53

Global

FX

OTC

Interest Rates

US

Treasuries

US

Equities

Europe, Middle East

& Africa

Equities

Average Daily Turnover

(\$ in billions)

Source: BIS 2004 Triennial Survey, SIA, Federal Reserve Bank of New York & World Federation of Exchanges  
Celent Report

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OTC/Spot Market Opportunities

Client acquisition and participation on the platform  
is continuing to diversify; pipeline is strong

Liquidity is building; customers expressing satisfaction with bid/ask spreads and depth of book

Broad geographic reach  
Favorable Market Trends

Electronic

Centralized clearing

Algorithmic trading

Transparency/anonymity

0

150

300

450

600

Apr-07

May-07

\$331

\$509

ADV

(notional value in millions, USD)

June ADV

to date

is running

above \$1B

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15  
0  
CME  
CBOT  
ICE

CBOT

CME/CBOT Proposed Merger

CBOT/CME have much greater presence

across all major asset classes and are well positioned to

leverage significant new growth opportunities

CBOT/ICE

CBOT/CME

Note: CME ADV includes NYMEX products on CME Globex and ICE ADV

includes ICE futures and NYBOT futures and options on futures

Q1 2007 Combined ADV by Product Line (*in 000 s*)

0

2,000

4,000

6,000

8,000

8,000

6,000

4,000

2,000

0

Interest

Rates

Equities

FX

Comm

Energy

Metals

6,671

2,305

555

724

586

154

3,032

142

15

818

531

65

Comm

Energy

Metals

Interest

Rates

Equities

FX

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16  
\$262,296  
\$38,111  
\$20,352  
\$6,783



\$6,394

\$0

\$50,000

\$100,000

\$150,000

\$200,000

\$250,000

\$300,000

Interest Rate

Market

FX Market

Credit Market

Equity Market

Commodity

Market

Larger, More Valuable OTC Growth Opportunities

ICE

Source: June 2006 Notional Value Outstanding per March 2007 BIS

Quarterly Review

CBOT/CME will have:

Largest global exchange-traded derivatives market

Largest global derivatives clearing house

Largest global exchange-traded derivatives customer  
base

Swapstream

IDBs active

in cash

treasuries

Corporate

bond

platforms

Repo

facilities

FX MarketSpace

CME/CBOT is better positioned to immediately pursue the  
full scope of OTC growth opportunities

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17  
CBOT/CME Enhanced Agreement Provides Value  
OR  
Option 1  
Minimum

Guarantee +  
Upside  
Option 2  
Early  
Cash-Out  
Eligible  
full  
member  
with  
ERP  
receives  
guarantee  
of  
minimum  
value  
of  
\$250K  
with  
potential  
to  
realize  
value  
substantially  
above  
through  
settlement  
or  
judgment  
Eligible full member with ERP may transfer  
ERP interest to CME in exchange for cash  
payment  
of **\$250K**  
(45 days post-closing)  
Cash  
dividend  
of  
\$9.14  
per  
CBOT  
share  
for  
ALL  
CBOT shareholders

Full Member/ERP Holder:  
27,338 shares = \$250K  
PLUS

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18  
CBOE ERP Implied Equity Value  
\$1.5 million  
Implied  
equity

value  
per  
membership

[2]

930

1,331

2,261

CBOE Full Members

CBOE ERP holders

Total CBOE potential memberships

\$3.3 billion

Implied

equity

value

of

CBOE

[1]

CBOE Implied Equity Value

\$3.3bn

CBOE Full

Members

41%

ERP

Holders

59%

\$1.9bn

\$1.4bn

[1]

Implied equity value based on Investment Banker market comp analysis; equity value could be higher if value of CBOE is higher

[2]

Assumes ERP CBOE members share equally

Maintains ability to achieve full value of ERP, retain trading right and benefit from upfront dividend payment

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Summary Timeline

Original merger agreement -

October 17, 2006

ICE offer rejected by CBOT -

May 11, 2007

Revised merger agreement -

May 11, 2007

DOJ clearance of merger agreement -

June 11, 2007

Revised ICE offer rejected -

June 14, 2007

CME/CBOT cash dividend

and ERP solution adopted -

June 14, 2007

CBOT member and

CME/CBOT shareholder votes -

July 9, 2007

Post-close, CME/CBOT in a position to integrate quickly and smoothly, while maintaining focus on growth initiatives

June 20, 2007

Questions?

Craig Donohue, CEO

Terry Duffy, Executive Chairman