CBOE Holdings, Inc.
Form 424A
May 27, 2010

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Registration File No. 333-165393

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated May 27, 2010.

11,700,000 Shares

CBOE Holdings, Inc.

Unrestricted Common Stock

This is an initial public offering of shares of unrestricted common stock of CBOE Holdings, Inc. We are offering 9,614,226 of the shares in this offering, and the selling stockholders named in this prospectus, which includes certain underwriters and their affiliates, are offering 2,085,774 of the shares in this offering. See "Principal and Selling Stockholders." We will not receive any of the proceeds from shares that are being sold by the selling stockholders.

Prior to this offering, there has been no public market for the unrestricted common stock. It is currently estimated that the initial public offering price per share will be between $27 and $29. CBOE Holdings, Inc. intends to list the unrestricted common stock on the NASDAQ Global Select Market under the symbol "CBOE."

See "Risk Factors" to read about factors you should consider before buying shares of unrestricted common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total

Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to CBOE Holdings, Inc.	$	$
Proceeds, before expenses, to the selling stockholders	$	$

To the extent that the underwriters sell more than 11,700,000 shares of unrestricted common stock, the underwriters have the option to purchase up to an additional 1,755,000 shares from CBOE Holdings, Inc. at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares of unrestricted common stock against payment in New York, New York on , 2010.

Goldman, Sachs & Co.

BofA Merrill Lynch **Barclays Capital** **Citadel Securities** **Citi** **J.P. Morgan** **UBS InvestmentBank**

BMO Capital Markets **Credit Suisse** **Morgan Stanley** **Oppenheimer & Co.** **Raymond James**

Cabrera Capital Markets, LLC **Keefe, Bruyette & Woods** **Loop Capital Markets**

Macquarie Capital **Rosenblatt Securities Inc.** **Sandler O'Neill+Partners, L.P.**

Prospectus dated , 2010.

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PROSPECTUS

Through and including , 2010 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

CERTAIN DEFINED TERMS

Unless otherwise specified or if the context so requires:

"Article Fifth(b)" refers to Paragraph (b) of Article Fifth of the CBOE's Certificate of Incorporation.

The "CBOE," "Chicago Board Options Exchange" or the "Exchange" refers to (1) prior to the completion of the restructuring transaction, Chicago Board Options Exchange, Incorporated, a Delaware non-stock corporation, and (2) after the completion of the restructuring transaction, the Chicago Board Options Exchange, Incorporated, a Delaware stock corporation.

"CBOE Holdings" refers to CBOE Holdings, Inc., a Delaware stock corporation, and, following the completion of the restructuring transaction, the parent corporation of the CBOE.

"CBOE Seat" refers to a regular membership that was made available by the CBOE in accordance with its Rules and which was acquired by a CBOE member.

"CBOE Temporary Member" refers to a person who temporarily retained CBOE membership status pursuant to the Interim Access Interpretation (as defined herein) filed with the SEC on July 2, 2007 or the Continued Membership Interpretation (as defined herein) filed with the SEC on September 10, 2007.

"CBOT" refers to The Board of Trade of the City of Chicago, Inc.

"CBOT Holdings" refers to CBOT Holdings Inc., the former parent corporation of the CBOT.

"CME/CBOT Transaction" refers to the merger of CBOT Holdings into CME Holdings.

"CME Holdings" refers to Chicago Mercantile Exchange Holdings, Inc. and its successor CME Group Inc.

"Delaware Action" refers to the lawsuit, which was entitled CME Group Inc. et al. v. Chicago Board Options Exchange, Incorporated et al. (Civil Action No. 2369-VCN) and filed in the Delaware Court on August 23, 2006, in which the CBOE and its directors were sued in the Delaware Court by the CBOT, CBOT Holdings and two members of the CBOT who purported to represent the Exercise Member Claimants. The Delaware Action has been settled as described in this Registration Statement.

"Delaware Court" refers to the Court of Chancery of the State of Delaware.

The "restructuring transaction" refers to the transaction, effected through the Merger which will occur concurrently with this offering, in which the CBOE will change from a Delaware non-stock corporation owned by its members to a Delaware stock corporation and a wholly-owned subsidiary of CBOE Holdings, a Delaware stock corporation.

"Exercise Member Claimants" refers to a purported class of individuals who claimed in the Delaware Action that they were, or had the right to become, members of the CBOE pursuant to the Exercise Right.

"Exercise Right" refers to the grant under Article Fifth(b) to members of CBOT of the right to be members of CBOE without having to acquire a separate CBOE membership.

"Exercise Right Privilege" refers to the privilege, whether or not that privilege or right had been unbundled from a CBOT B-1 membership, that when held together with a CBOT B-1 membership and the requisite shares of CBOT common stock qualified a person as holding an Exercise Right.

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"Form S-4 Registration Statement" refers to the Registration Statement on Form S-4 (Registration No. 333-140574) of CBOE Holdings, including all amendments thereto.

"Group A Package" refers to the package of interests held by a Participating Group A Settlement Class Member.

"member" or "members" refers to (1) prior to the completion of the restructuring transaction, any person or organization (or any designee of any organization) that held a membership in the CBOE and (2) after the completion of the restructuring transaction, any individual, corporation, partnership, limited liability company or other entity authorized by the Rules of the CBOE (a) that is a Trading Permit Holder or (b) that is otherwise deemed a member pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The term "member" or "members" shall not, under any circumstances, include the Participating Group A Settlement Class Members or the Participating Group B Settlement Class Members.

"Merger" refers to the merger of CBOE Merger Sub, Inc., a wholly-owned subsidiary of CBOE Holdings, with and into CBOE, with CBOE surviving the merger; upon the effectiveness of the Merger, the outstanding stock of CBOE Merger Sub, Inc. will be converted into common stock of the CBOE, the CBOE Seats existing on the date of the restructuring transaction will be converted into CBOE Holdings Class A common stock; and CBOE Holdings common stock held by the CBOE will be cancelled for no consideration and cease to exist, making CBOE Holdings the sole stockholder of the CBOE.

"Participating Group A Settlement Class Members" refers to all persons who, prior to August 22, 2008, simultaneously beneficially owned or possessed at least one CBOT B-1 membership, at least one Exercise Right Privilege and at least 27,338 shares of CBOT stock or (after the closing of the CME/CBOT Transaction) 10,251.75 shares of CME Group Inc. stock and (1) owned the package of these three interests as of 5:00 p.m. (central time) on October 14, 2008 and continued to own that package until October 31, 2008 and (2) have met certain other eligibility and procedural conditions contained in the Settlement Agreement.

"Participating Group B Settlement Class Members" refers to all persons who owned an Exercise Right Privilege as of 5:00 p.m. (central time) on October 14, 2008 (excluding those whose Exercise Right Privileges are being used as components of Group A Packages) and their transferees and assigns and who meet certain other eligibility and procedural conditions contained in the Settlement Agreement.

"SEC" refers to the U.S. Securities and Exchange Commission.

"Settlement Agreement" means the Stipulation of Settlement, as amended, approved by the Delaware Court in the Delaware Action.

"Trading Permit Holder" refers to persons who obtain trading permits at the CBOE following the completion of the restructuring transaction.

"We," "us" or "our" refers to (1) prior to the completion of the restructuring transaction, the CBOE, and, as the context may require, CBOE Holdings, and (2) after the completion of the restructuring transaction, CBOE Holdings and its wholly-owned subsidiaries.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our unrestricted common stock. You should read this entire prospectus carefully, including the "Risk Factors" section, our historical consolidated financial statements and the notes thereto, and unaudited pro forma financial statements, each included elsewhere in this prospectus.

Our Company

Founded in 1973, the CBOE was the first organized marketplace for the trading of standardized, listed options on equity securities. Today, CBOE is one of the largest options exchanges in the world and the largest options exchange in the U.S., based on both contract volume and notional value of contracts traded. We are recognized globally for our leadership role in the trading of options on individual equities, market indexes and exchange-traded funds, our suite of innovative products, our liquid markets and our hybrid trading model. This model integrates both traditional open outcry methods and our electronic platform, CBOE*direct*, into a single market. In addition to our core options trading business, we provide marketplaces for trading futures contracts and cash equities through our subsidiary CBOE Futures Exchange and our affiliate CBOE Stock Exchange.

During 2009, the volume of options contracts traded at the CBOE was 1.13 billion, or 4.5 million contracts per day, and our leading market share in U.S. listed options based on contract volume was 31.4%. CBOE's average daily trading volume was 4.7 million and 3.8 million contracts in 2008 and 2007, respectively. For the quarter ended March 31, 2010, our average daily trading volume was 4.5 million contracts per day, and our market share position was 30.0%. The core products driving our options volume and leading market position include:

Equity Options. We offer trading in options with terms of up to nine months on the stocks of over 2,400 corporations that are listed on the NYSE, NYSE Amex and NASDAQ. In addition, we also offer trading in long-term options, known as LEAPS (Long-term Equity AnticiPation Securities), on approximately 800 stocks with terms of up to thirty-nine months.

Index Options. We offer trading in options on 10 different broad- and narrow-based market indexes, including proprietary indexes that we have developed, such as the CBOE S&P 500 Volatility Index (VIX). The index options we list include some of the most widely recognized measures of the U.S. equity markets, such as the S&P 500, the Dow Jones Industrial Average (DJIA), the NASDAQ 100 and the Russell 2000. We also offer trading in index options based on several benchmarks, including VIX, which has become a widely recognized measure of equity market volatility. Options based on indexes are among our most actively traded products, with several options listed exclusively on the CBOE (for example, options on the S&P 500, S&P 100, DJIA and VIX). We also trade LEAPS on several of our index products.

Options on ETFs. We offer trading in options on over 250 exchange-traded funds, or ETFs, based on various domestic and foreign market indexes. We also offer trading in LEAPS on 66 ETFs. The contract volume of options on ETFs traded at CBOE has experienced a 38% compound annual growth rate from 2005 through 2009, which was the highest rate of growth across all of our product categories.

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The chart below highlights trends in our options contract volume, product mix and U.S. market share of listed options over the past five years.

Source: Options Clearing Corporation Data

In 2009, we generated $426.1 million in total operating revenues and $106.4 million of net income. Our revenues in that period were derived primarily from transaction fees (74%), access fees (11%) and market data fees (5%). For the quarter ended March 31, 2010, we generated $101.1 million in total operating revenues and $22.7 million of net income. Our revenues in that period were derived primarily from transaction fees (83%), access fees (2%) and market data fees (6%). Following the restructuring transaction described below, based on our current assumptions, we expect a significant amount of incremental operating revenues to be generated through fees related to trading permits, which will provide Trading Permit Holders access to the Exchange.

Our Markets and Opportunities

Over the past 10-15 years, the use of financial derivatives has expanded dramatically and evolved into a key tool with which money managers and investors attempt to transfer risk and achieve higher risk-adjusted returns. CBOE provides a marketplace for the execution of transactions in exchange-traded options, which provide investors a means for hedging, speculation and income generation while at the same time providing leverage with respect to the underlying asset.

Based on World Federation of Exchanges data, 8.8 billion options were traded globally on exchanges in 2009. According to The Options Clearing Corporation (OCC), 3.6 billion options contracts were traded on United States exchanges in 2009, reflecting a 25.0% compound annual growth rate over the past five years and a 25.2% compound annual growth rate since our inception in 1973.

The continued growth in options trading can be attributed to a variety of factors including greater familiarity with options among investors; increased acceptance of options by institutions and industry professionals; improved technology, which has expanded the pool of potential options traders, lowered the cost of trading and facilitated the use of electronic trading strategies; the use of options by hedge funds; the continued introduction of new and innovative products; a narrowing of bid/ask spreads; and the lowering of transaction fees.

Despite the attractive industry dynamics, the options exchange industry was not immune to the financial crisis that began in the fall of 2008. Most participants in the options markets, including major investment banks, hedge funds and institutional and retail investors, suffered reductions in their asset and capital bases and generally reduced their level of trading activity. As a result, the growth in options trading on exchanges in 2009 did not keep pace with historical and recent trends as total U.S. industry volume of 3.6 billion contracts in 2009 represented an increase of only 1% over 2008 levels. Despite the

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lower levels of growth experienced in 2009, we believe the increased acceptance and use of options as a core risk management tool and attractive investment vehicle will continue to drive market growth. Furthermore, we believe significant opportunities exist to continue to expand the suite of exchange-traded options products and trading tools available to both institutional and individual investors and for the migration of activity from the over-the-counter market to exchanges.

The chart below shows total contract volume for the U.S. options industry from its inception in 1973 through 2009.

Source: Options Clearing Corporation Data

Our Competitive Strengths

The CBOE has established itself as the global leader and innovator in the options industry. We believe we are well positioned to further enhance our leadership position through several key competitive strengths:

Leading Brand, Reputation and Market Position. As the world's first options exchange, the CBOE's leadership role in options trading is recognized worldwide. We are one of the largest options exchanges in the world and the largest options exchange in the U.S., based on both contract volume and notional value. Our opinions and positions on industry issues are sought by regulators, elected officials, industry and finance leaders and policy experts worldwide.

Innovation and Product Development. In addition to being the original marketplace for standardized, exchange-traded options, we created the world's first index options and have been the source of many other innovations with respect to products, systems and market structure in the options industry.

Innovation We work closely and collaboratively with market participants to introduce new products and services to meet the evolving needs of the derivatives industry. We have introduced innovative products such as LEAPS, FLEX options, volatility options and, most recently, options on the S&P 500 Dividend Index. CBOE products, such as the CBOE S&P 500 BuyWrite Index, the CBOE S&P 500 PutWrite Index and futures and options on VIX, have received industry awards for innovation.

Exclusive Licenses We have the exclusive right to list securities options based on the S&P 500, the S&P 100 and the DJIA indexes. Many of our products based on these exclusive licenses are among the most actively traded products on the CBOE and in the industry.

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Proprietary Products We have created our own proprietary indexes and index methodologies, including VIX, which provide benchmarks for option users, serve as the basis for exclusive products and provide licensing revenue for the Exchange.

Hybrid Trading Model. Our hybrid trading model integrates open outcry and electronic trading into a single market. We believe that this innovative approach offers our users more choices, a diverse pool of liquidity and the ability to execute complex strategies that may not be available on purely screen-based trading systems.

Leading Proprietary Technology Platform. We own, operate and maintain our core trading and information technology and systems and we continue to commit substantial resources towards ongoing development and implementation of these capabilities. We believe the CBOE*direct* trading platform is among the most advanced trading platforms in the world and is designed to be scalable for both capacity and throughput. It can simultaneously support both screen and floor-based trading for multiple trading models, multiple products and multiple matching algorithms.

Liquidity. We support the options trading activities of 944 members, including 188 trading firms representing leading financial and securities firms. We believe that this diverse pool of liquidity providers, in combination with our broad range of products, hybrid trading model and the CBOE*direct* trading platform, offers our users the liquid markets they require to effectively execute their trading strategies.

Experienced Management Team. CBOE's management team has extensive experience in the options industry. William J. Brodsky, our Chairman and Chief Executive Officer, and Edward J. Joyce, our President and Chief Operating Officer, each has over 35 years of experience with exchange management and derivative products. In addition, Mr. Brodsky currently serves as Chairman of the World Federation of Exchanges. The remaining seven members of the senior management team have an average of over 25 years of experience in the options industry. We believe that our management team has demonstrated an ability to grow our business through continued product and technological innovations and has evidenced the ability to respond to changing industry dynamics through ongoing adaptation of the CBOE's market model.

Our Growth Strategies

We are undertaking the restructuring transaction to convert our business model from a member owned, non-stock corporation to a stock corporation, as described elsewhere in this prospectus. We believe that our continued focus on a for-profit strategy (a strategy we initiated in 2006) and adoption of a corporate and governance structure more like that of a for-profit business will provide us with greater flexibility to respond to the demands of a rapidly changing business and regulatory environment. We also intend to further expand our business and increase our revenues and profitability by pursuing the following growth strategies:

Continue to Enhance Our Market Model and Trading Platform. We recognize that the opportunity to participate in the growth of the derivative markets will be driven in great part by the trading functionality and systems capabilities that an exchange offers to market participants. We believe that our hybrid trading model offers flexibility to market participants, while the CBOE*direct* trading platform offers state-of-the-art functionality, speed, performance, capacity and reliability. We intend to use our strong in-house development capabilities and continued investment to further augment the functionality and capacity of our trading systems. In addition, the CBOE created C2 Options Exchange, Incorporated, or C2, a second, all-electronic options market that is capable of trading all of CBOE's products, including options on the S&P 500 Index (SPX), which currently trade primarily in open outcry. C2 is expected to launch in late 2010, and will operate under a separate exchange license with its own board of directors, rules, connectivity, systems architecture and access structure.

Develop Innovative Products. We intend to continue to build on our reputation as an industry innovator through the development of new and innovative products. We intend to use licensed products and CBOE proprietary intellectual property to create exclusive products that meet the needs of the derivatives industry and enhance the CBOE brand. We anticipate that our new and innovative products will help drive trading volumes by attracting new customers to our Exchange and expanding the array of products available to existing customers. In addition, we believe our continuing product innovations will generate increased use of other CBOE products, in the same way that VIX and the CBOE S&P 500 BuyWrite Index have generated additional trading activity in SPX.

Attract Over-the-Counter Market Participants. As a result of the 2008 financial crisis, over-the counter market participants have been under pressure from regulators to move much of their trading from the over-the-counter market to an exchange-traded, centrally cleared environment. We seek to attract participants from the over-the-counter market to CBOE and are developing strategies that target this market segment. For example, CFLEX, our internet-based, electronic system for trading FLEX options, allows participants to customize key contract terms including strike price, exercise style and expiration dates of up to fifteen years with the administrative ease and clearing guarantees of standardized listed options.

Expand Service Offerings. We believe there are significant opportunities to derive revenue from new and expanded service offerings. For example, our subsidiary, Market Data Express (MDX), sells historical options data, value-added proprietary information and a datafeed of certain S&P and CBOE index values to market data users. In addition, through a set of arrangements with S&P, CBOE permits S&P to license CBOE's proprietary indexes and index methodologies for certain purposes to securities firms and other exchanges.

Pursue Select Strategic Opportunities. Technology, globalization and competition have led to the emergence of a number of diverse, world-class exchanges offering large pools of liquidity across multiple asset classes and product types. At the same time, new technologies and the internet have also created a fertile testing ground for new risk management products and market models. We expect these trends to continue, and we intend to evaluate consolidation and alliance opportunities that we believe will enhance stockholder value.

The Restructuring Transaction

Concurrently with the completion of this offering, the CBOE will complete its restructuring transaction in which the CBOE will change from a Delaware non-stock corporation owned by its members to a Delaware stock corporation and wholly-owned subsidiary of CBOE Holdings. As a result of the restructuring transaction, CBOE members will become stockholders of CBOE Holdings. For more information on the restructuring transaction, please see "Our Structure The Restructuring Transaction."

Recent Developments

For the period April 1, 2010 through May 21, 2010, CBOE's average daily options contract volume was 6.07 million. Within that total, equity contracts averaged 3.04 million per day, index contracts averaged 1.41 million per day, and ETF contracts averaged 1.61 million contracts per day. Also, within the index category, SPX averaged 0.94 million contracts per day and VIX averaged 0.30 million contracts per day for the period April 1, 2010 through May 21, 2010.

As of May 26, 2010, CBOE has confirmed requests for 817 trading access permits following the restructuring transaction. These requests consist of 706 market maker permits and 111 floor broker permits. Of the 706 market maker permits, 184 include access to SPX. In addition, 36 electronic access permits have been requested. The initial trading permits will have a term of one month and will automatically renew on a monthly basis, subject to the holders' right to terminate.

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Risks That We Face

You should carefully consider the risks summarized below and described under "Risk Factors" and elsewhere in this prospectus. These risks could materially and adversely impact our business, financial condition, operating results and cash flow, which could cause the trading price of our unrestricted common stock to decline and could result in a partial or total loss of your investment.

- The CBOE operates in a highly regulated industry. As a result, government action, such as changes in regulation by the SEC or changes in federal taxation, could materially affect the behavior of market participants and, consequently, our business.

- Loss of our exclusive licenses to trade certain index options could have a material adverse effect on our financial performance.

- Our business is subject to intense competition, including price competition, that could have a material adverse effect on our market share and financial performance.

- Computer and communications systems failures and capacity constraints could harm our reputation and our business.

Company Information

We are incorporated in the State of Delaware. Our principal executive offices are located at 400 South LaSalle Street, Chicago, Illinois 60605 and our telephone number is (312) 786-5600. Our web site is *www.CBOE.com*. Information contained on our web site is not incorporated by reference into this prospectus. You should not consider information contained on our web site as part of this prospectus.

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The Offering

Unrestricted common stock we are offering	9,614,226 shares of unrestricted common stock.
Unrestricted common stock offered by the selling stockholders	2,085,774 shares of unrestricted common stock.
Common stock to be outstanding immediately after this offering	13,917,911 shares of unrestricted common stock; 44,323,803 shares of Class A-1 common stock; 44,323,803 shares of Class A-2 common stock; and 102,565,517 shares of all classes of common stock
Voting rights	Holders of our unrestricted common stock will be entitled to one vote per share, voting together with all other holders of CBOE Holdings voting common stock, with respect to CBOE Holdings matters, including for the election of directors and on other matters required by the bylaws, certificate of incorporation or the laws of the State of Delaware. See "Description of Capital Stock Common Stock Voting."
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $249.7 million (based on the midpoint of the price range set forth on the front cover of this prospectus). We will not receive any proceeds from the sale of shares of unrestricted common stock by the selling stockholders, which include certain underwriters and their affiliates. See "Principal and Selling Stockholders." We intend to use the net proceeds for general corporate purposes, including two proposed concurrent tender offers for our outstanding Class A-1 and Class A-2 common stock. Certain underwriters and their affiliates that will own Class A-1 or Class A-2 common stock following this offering will be entitled to participate in the proposed tender offers. We currently expect that each tender offer will be made for the same number of shares, and that the price per share offered in the tender offers will roughly approximate the prevailing market price for the unrestricted common stock at the time the offers are commenced. See "Use of Proceeds" and "Our Structure Tender Offers."
Dividend policy	We intend to pay regular quarterly dividends to our stockholders beginning in the third quarter of 2010. The annual dividend target will be approximately 20% to 30% of the prior year's net income adjusted for unusual items. The decision to pay a dividend, however, remains within the discretion of our board of directors. See "Dividend Policy."
Risk Factors	See "Risk Factors" and other information appearing elsewhere in this prospectus for a discussion of factors you should carefully consider before deciding whether to invest in our unrestricted common stock.
Listing symbol	CBOE

The number of shares of common stock to be outstanding after this offering gives effect to:

- the issuance of 74,400,000 shares of Class A common stock in the restructuring transaction;

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- the issuance of 16,333,380 shares of Class B common stock pursuant to the Settlement Agreement;
- the grants to be made immediately following the restructuring transaction of 2,217,911 shares of restricted stock to certain officers, directors and employees of CBOE Holdings pursuant to CBOE Holdings' Long-Term Incentive Plan (the "Long-Term Incentive Plan"), which are subject to vesting under the terms of the grants;
- the conversion of 1,698,000 shares of Class A common stock and 387,774 shares of Class B common stock into 2,085,774 shares of unrestricted common stock in connection with the sale of such shares by the selling stockholders in this offering; and
- the automatic conversion of the shares of Class A and Class B common stock not converted into unrestricted common stock and sold in this offering into 44,323,803 shares of Class A-1 common stock and 44,323,803 shares of Class A-2 common stock upon consummation of this offering;

but does not give effect to:

- the tender offers described in "Our Structure Tender Offers";
- 271,128 shares of unrestricted common stock available for issuance under the Long-Term Incentive Plan; and
- 1,755,000 shares of unrestricted common stock issuable upon exercise of the underwriters' option to purchase additional shares.

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Summary Consolidated Financial Data

The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Financial Data," "Unaudited Pro Forma Consolidated Financial Statements" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus. We have derived the balance sheet data as of March 31, 2010 and 2009 and operating data for the three months ended March 31, 2010 and 2009 from our unaudited consolidated financial statements and related notes included in this prospectus. We have derived the balance sheet data as of December 31, 2009 and 2008 and operating data for the years ended December 31, 2009, 2008 and 2007 from the audited consolidated financial statements and related notes included in this prospectus. We have derived the balance sheet data as of December 31, 2007, 2006 and 2005 and the operating data for the years ended December 31, 2006 and 2005 from our audited consolidated financial statements which are not included in this prospectus. We have prepared our unaudited information on the same basis as our audited consolidated financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of the financial information set forth in that information.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006(1)	Year Ended Dec 31, 2005
	(in thousands, except contract data, average lease rate and per share data)						
Operating Data							
Operating Revenues:							
Transaction fees	$ 83,411	$ 79,889	$ 314,506	$ 343,779	$ 272,716	$ 190,224	$ 144,917
Access fees(2)	2,204	2,253	45,084	5,695	3,527	6,767	6,894
Exchange services and other fees	4,361	6,074	22,647	24,479	22,941	15,503	16,453
Market data fees	5,748	5,275	20,506	21,082	20,379	20,293	16,903
Regulatory fees	3,829	2,888	15,155	11,000	14,346	13,817	11,835
Other revenue	1,528	1,688	8,184	10,748	10,361	6,639	4,037
Total operating revenues	101,081	98,067	426,082	416,783	344,270	253,243	201,039
Operating expenses	62,352	57,747	248,497	229,473	207,804	185,081	180,082
Operating income	38,729	40,320	177,585	187,310	136,466	68,162	20,957
Other income/(expense)	(327)	69	(355)	6,097	3,485	3,865	(1,064)
Income before income taxes	38,402	40,389	177,230	193,407	139,951	72,027	19,893
Income tax provision	15,726	16,111	70,779	78,119	56,783	29,919	8,998
Net income	$ 22,676	$ 24,278	$ 106,451	$ 115,288	$ 83,168	$ 42,108	$ 10,895
Pro forma net income per share per common share (Unaudited)(3):							
Basic	$ 0.23	$ 0.24	$ 1.06	$ 1.15	$ 0.83	$ 0.42	$ 0.11
Diluted	0.22	0.24	1.04	1.12	0.81	0.41	0.11
Weighted average shares used in computing pro forma net income per share(4):							
Basic	100,348	100,348	100,348	100,348	100,348	100,348	100,348
Diluted	102,566	102,566	102,566	102,566	102,566	102,566	102,566
Balance Sheet Data							
Total assets	$ 632,527	$ 544,080	$ 571,948	$ 496,139	$ 341,695	$ 255,826	$ 202,185
Total liabilities	421,703	138,142	383,814	114,479	75,328	72,437	61,277
Total members' equity	210,824	405,938	188,134	381,660	266,367	183,389	140,908

Pro Forma Balance Sheet Data(Unaudited)(5)	
Total assets	519,110
Total equity	97,407

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	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006(1)	Year Ended Dec 31, 2005
	(in thousands, except contract data, average lease rate and employees)						
Other Data (Unaudited)							
Working capital(6)	97,212	293,989	74,328	270,297	173,963	94,081	59,912
Capital expenditures(7)	6,562	9,830	37,997	43,816	32,095	28,700	21,011
Number of full time employees at the end of the period	597	591	597	576	586	626	673
Sales price per CBOE Seat:							
High	$ 2,950	$ 1,750	$ 2,800	$ 3,300	$ 3,150	$ 1,775	$ 875
Low	2,575	1,200	1,200	1,750	1,800	850	299
Average daily volume by product(8)							
Equities	2,396	2,437	2,519	2,387	1,996	1,556	1,094
Indexes	1,109	880	884	1,026	918	628	459
Exchange-traded funds	1,040	1,160	1,100	1,304	849	504	305
Total options average daily volume	4,545	4,477	4,503	4,717	3,763	2,688	1,858
Futures	10	2	5	5	4	2	1
Total average daily volume	4,555	4,479	4,508	4,722	3,767	2,690	1,859
Average transaction fee per contract(9)							
Equities	$ 0.184	$ 0.195	$ 0.181	$ 0.177	$ 0.180	$ 0.182	$ 0.205
Indexes	0.597	0.569	0.567	0.576	0.544	0.500	0.553
Exchange-traded funds	0.236	0.285	0.255	0.259	0.257	0.312	0.317
Total options average transaction fee per contract	0.297	0.292	0.275	0.286	0.286	0.280	0.309
Futures	1.952	1.689	1.990	1.860	2.130	1.974	1.977
Total average transaction fee per contract	$ 0.300	$ 0.292	$ 0.277	$ 0.288	$ 0.288	$ 0.282	$ 0.309
Average monthly lease rate(10)	$ 6,079	$ 10,152	$ 10,444	$ 9,695	$ 5,875	$ 4,984	$ 5,594

Certain 2008, 2007, 2006 and 2005 amounts have been reclassified to conform to current year presentation. See Note 1 of Notes to Consolidated Financial Statements for the year ended December 31, 2009.

(1)
On January 1, 2006, CBOE began operating its business on a for-profit basis.

(2)
In December 2009, CBOE recognized as revenue $24.1 million of access fees assessed and collected in 2008 and 2007, which were included in deferred revenue pending the final, non-appealable resolution of the Delaware Action.

(3)
Pro forma net income per common share is calculated by dividing historical net income for each of the periods presented by the weighted average pro forma number of common shares (basic and diluted).

(4)
Basic weighted average shares used in computing pro forma net income per common share reflects (i) the issuance of 74,400,000 shares of Class A common stock and 16,333,380 shares of Class B common stock as part of our restructuring transaction and pursuant to the Settlement Agreement, respectively, (ii) an assumed sale and issuance of 9,614,226 shares of unrestricted common stock by the Company in this offering following the requisite approval of the restructuring transaction by CBOE members and (iii) the conversion of all 74,400,000 shares of Class A common stock and of all 16,333,380 shares of Class B common stock into either shares of unrestricted common stock for purposes of being sold in the initial public offering or into shares of Class A-1 and Class A-2 common stock. Diluted weighted average shares used in computing pro forma net income per share equals the basic weighted average shares outstanding in each period plus potentially dilutive common shares to be issued in the form of restricted stock to directors, officers and employees on the date of the restructuring transaction. See "Our Structure The Restructuring Transaction" and Notes 2 and 16 of Notes to Consolidated Financial Statements for the year ended December 31, 2009 and Note 12 of Notes to Consolidated Financial Statements for the three months ended March 31, 2010 and 2009.

(5)

Adjusted to reflect the impact, as of March 31, 2010, of a special dividend pursuant to board authorization of a special committee. See "Our Structure Payment of Special Dividend" in this prospectus.

(6) Working capital equals current assets minus current liabilities. See Note 2 of Notes to Consolidated Financial Statements for the years ended December 31, 2009, 2008 and 2007, for the impact of the Settlement Agreement on working capital in 2009.

(7) Does not include new investments in affiliates or the disposition of interests in affiliates.

(8) Average daily volume equals the total contracts traded during the period divided by the number of trading days in the period.

(9) Average transaction fee per contract equals transaction fees recognized during the period divided by the total contracts traded during the period.

(10) Average monthly lease rates prior to February 2008 are based on membership leases reported to CBOE, which may not be representative of all membership leases. Beginning February 2008, the average lease rate is calculated based on the monthly access fee assessed to temporary members. The average monthly lease rate for January through May 2010 was $6,647.

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RISK FACTORS

Investing in our unrestricted common stock involves a high degree of risk. You should carefully consider each of the following risks, together with all other information set forth in this prospectus, including the consolidated financial statements and the related notes, before making a decision to buy our unrestricted common stock. If any of the following risks actually occurs, our business could be harmed. In that case, the trading price of our unrestricted common stock could decline, and you may lose all or part of your investment.

Risks Relating to Our Business

Regulatory changes affecting the listed options market, or changes to the tax treatment for options trading, could have a significant affect on the behavior of market participants, which could have a material adverse affect on our business.

The listed options market depends on a national market structure that facilitates the efficient buying and selling of underlying stocks, futures and other products. Government action, such as changes in regulation by the SEC or changes in federal taxation, could materially affect the behavior of market participants. For example, the SEC recently approved new rules related to short selling that could impact the use of options by both members and customers. In particular, new restrictions on short selling do not contain an options market maker exception and could adversely affect the ability of options market makers to conduct their business on the CBOE and elsewhere. In addition, the SEC has proposed a rule that would ban the use of "flash orders." We believe that prohibiting flash orders would eliminate price improvement opportunities and create additional execution costs for our customers. We cannot predict what future actions the SEC might take with respect to its rulemakings on short selling, flash orders or other matters, or the impact that any such actions may have on our business. If our market participants reduce or otherwise modify their trading activity on the CBOE due to either proposed or actual regulatory changes, our business, operating results and financial condition may be materially impacted. See also " Regulatory changes, particularly in response to adverse financial conditions, could have a material adverse effect on our business."

In 2009, the current administration proposed a change to the existing tax treatment for futures traders and certain options market participants, including options market makers. The proposal calls for repeal of the "60/40 Rule," which allows market makers to pay a blend of capital gains and ordinary tax rates on their income. In addition, legislation has been introduced that would impose a new tax on securities, futures and swap transactions, including exchange-traded options. If either the proposed repeal of the "60/40 Rule" or a transaction tax were to become law, the resulting additional taxes could have a negative impact on the options industry and CBOE by making options transactions more costly to market participants.

The SEC recently published for comment proposed rule amendments that, if adopted as proposed, would place a $0.30 per contract limit on the total access fees that an exchange may charge for the execution of an order against a quotation that is the best bid or best offer of such exchange in a listed option. The SEC estimated in its release, based on December 2009 options trade data available to the SEC, that if the $0.30 fee cap were applied as proposed in the release, the potential reduction in annual revenue to CBOE could be approximately $23.9 million. We do not have complete information on how the SEC arrived at this figure. We undertook our own review of December 2009 trade data in which we only applied the proposed fee cap to the execution of orders that traded against CBOE's displayed best bid or offer. Although the proposed rule is drafted broadly, our review was based on CBOE's interpretation of the SEC's discussion in the release which largely focuses on access to displayed bids and offers and makes statements such as: "the proposed access fee would apply only to quotations that market participants are required to access to comply with the Trade-Through Rules." Based on this interpretation and our analysis (using our December 2009 contract volume), we currently estimate that the potential reduction to the transaction fee component of annual operating revenue of CBOE could be approximately $14.2 million. We note that we did not exclude transactions in singlylisted options for this analysis in order to allow a more consistent comparison with how we understand the SEC to have calculated its estimate.

We cannot predict whether the SEC will adopt the fee cap as proposed, a modified version, or at all. The potential impact to our revenues, however, could be higher or lower depending on changes in our contract volume and product mix in future periods as well as other factors, including those that are currently being considered as part of the rulemaking process. For example, in its release, the SEC asks whether the proposed fee cap should only apply to multiply-listed options. If the proposed rules are adopted as proposed, or are adopted in a form substantially similar to that proposed, and CBOE is unable to make changes to its fee structure in response to the rules as adopted, they would have a material adverse effect on our business, result of operations and financial condition.

Loss of our exclusive licenses to list certain index options could have a material adverse effect on our financial performance.

We hold exclusive licenses to list securities index options on the S&P 500 Index, the S&P 100 Index and the DJIA, granted to us by the owners of such indexes. In 2009, approximately 32% of CBOE's transaction fees were generated by our exclusively-licensed index products. Revenue attributable to SPX, our S&P 500 Index option product and our largest product by revenue, represented 92% of the transaction fees generated by our exclusively-licensed index products. As a result, our operating revenues are dependent in part on the exclusive licenses we hold for these products.

The value of our exclusive licenses to list securities index options depends on the continued ability of index owners to grant us licenses or require licenses for the trading of options based on their indexes. Although recent court decisions have allowed the trading of options on ETFs based on indexes without licenses from the owners of the underlying indexes, none of these decisions has overturned existing legal precedent that requires an exchange to be licensed by the owner of an underlying index before it may list options based on the index. However, in two pending cases between International Securities Exchange, Inc., or ISE, and the owners of the S&P 500 Index and the DJIA, and, in one of the cases, the CBOE, ISE seeks a judicial determination that it (and, by extension, other options exchanges) has the right to list options on those indexes without licenses and, therefore, without regard to the CBOE's exclusive licenses to list securities options on those indexes. These cases are currently pending. See "Business Legal Proceedings." Because of these cases, there is a risk that ISE may be successful in obtaining a judicial determination eliminating the right of index owners to require licenses to use their indexes for options trading, including on an exclusive basis. In addition, competing exchanges may convince the SEC, or seek a judicial action, to limit the right of index owners to grant exclusive licenses for index options trading or to prevent exchanges from entering into such exclusive licenses. If unlicensed trading of index options were permitted or if exclusive licenses for index options trading were prohibited or limited, the value of the CBOE's exclusive licenses would be eliminated, and the CBOE likely would lose market share in these index options. An adverse ruling in the ISE litigation could also result in legal challenges to our exclusive use of our proprietary indexes for options.

There is also a risk, with respect to each of our current exclusive licenses, that the owner of the index may determine not to renew the license on an exclusive basis, or not to renew it at all, upon the expiration of the current term. In the first event, we would be subject to multiple listing in the trading of what is now an exclusive index product, resulting in a loss of market share and negatively impacting the profitability to the CBOE of trading in the licensed products. In the second event, we could lose the right to list the index product entirely. The loss or limited use of any of our exclusive index licenses for any reason could have a material adverse effect on our business and profitability.

Furthermore, our competitors may succeed in providing a market for the trading of index-based products that are economically similar to those for which we have exclusive licenses. It is also possible that a third party may offer trading in index-based products that are the same as those that are the

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subject of one of our exclusive licenses, but in a jurisdiction in which the index owner cannot require a license or in a manner otherwise not covered by our exclusive license.

Recently, CBOE and S&P agreed that S&P may license one or more clearing agencies to clear OTC options based on the S&P 500 index which meet certain criteria, some of which are currently under negotiation, and that S&P will compensate CBOE for any transaction cleared under such a license based on the notional value of the transaction. Although CBOE expects these transactions to generate incremental revenue, the clearing of options on the S&P 500 index that are traded OTC could lead to the migration to the OTC market of some trades that today would be entered into on CBOE, and there can be no assurance that any revenue gained will replace the revenue lost due to any migration.

A significant portion of our operating revenues are generated by our transaction-based business. If the amount of trading volume on the CBOE decreases, our revenues from transaction fees will decrease.

In 2009, 2008 and 2007, approximately 74%, 83% and 79% of our operating revenues, respectively, and for the three months ended March 31, 2010 and 2009, 82.5% and 81.5% of our operating revenues, respectively, were generated by our transaction-based business. This business is dependent on our ability to attract and maintain order flow, both in absolute terms and relative to other market centers. CBOE's total trading volumes could decline if our market participants decide to reduce their level of trading activity for any reason, such as: (i) a reduction in the number of traders that use us, (ii) a reduction in trading demand by customers, (iii) heightened capital maintenance requirements or other regulatory or legislative requirements, (iv) reduced access to capital required to fund trading activities or (v) significant market disruptions. If the amount of trading volume on the CBOE decreases, our revenues from transaction fees will decrease. There may also be a reduction in revenue from market data fees or other sources of revenue. If the CBOE's share of total trading volumes decreases relative to our competitors, our markets may be less attractive to market participants and we may lose trading volume and associated transaction fees and market data fees as a result.

Intense competition could materially adversely affect our market share and financial performance.

Competition among options exchanges has intensified since the CBOE was created in 1973, and we expect this trend to continue. We compete with a number of entities on several different fronts, including the cost, quality and speed of our trade execution, the functionality and ease of use of our trading platform, the range of our products and services, our technological innovation and adaptation and our reputation. Our principal competitors are the seven other U.S. options exchanges. We also compete against investment banks and others writing options over-the-counter.

We currently face greater competition than ever before in our history. Virtually all of the equity options and options on ETFs listed and traded on the CBOE are also listed and traded on other U.S. options exchanges. Some order-providing firms have taken ownership positions in options exchanges that compete with us, thereby giving those firms an added incentive to direct orders to the exchanges they own. As a result of these competitive developments, our market share of options traded in the U.S. fell from approximately 45% in 2000 to approximately 31% in 2009.

In response to these developments, we developed our own electronic trading facility that we operate as part of a "hybrid" model, combining electronic trading and remote off-floor market-makers with traditional floor-based, open outcry trading. We also administer a program through which we collect a marketing fee on market maker transactions. The funds collected are made available to the specialist and preferred market makers for use in payment for order flow. These changes may not be successful in maintaining or expanding our market share in the future. Likewise, our future responses to these or other competitive developments may not be successful in maintaining or expanding our market share.

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In addition, many of our competitors and potential competitors may have greater financial, marketing, technological, personnel and other resources than we do. These factors may enable them to develop similar or more innovative products, to offer lower transaction fees or better execution to their customers or to execute their business strategies more quickly or efficiently than we can.

Furthermore, our competitors may:

- respond more quickly to competitive pressures;
- develop products that compete with our products or are preferred by our customers;
- price their products and services more competitively;
- develop and expand their technology and service offerings more efficiently;
- provide better, more user-friendly and more reliable technology;
- take greater advantage of acquisitions, alliances and other opportunities;
- market, promote and sell their products and services more effectively;
- leverage existing relationships with customers and alliance partners more effectively or exploit more recognized brand names to market and sell their services; and
- exploit regulatory disparities between traditional, regulated exchanges and alternative markets, including over-the-counter markets, that benefit from a reduced regulatory burden and lower-cost business model.

In recent years, the derivatives industry has witnessed increased consolidation among market participants, including option exchanges and marketplaces. Consolidation and alliances among our competitors may create greater liquidity than we offer. As a result, the larger liquidity pools may attract orders away from us, leading to reductions in trading volume and liquidity on the CBOE, and therefore to decreased revenues. In addition, consolidation or alliances among our competitors may achieve cost reductions or other increases in efficiency, which may allow them to offer better prices or customer service than we do.

If our products, markets, services and technology are not competitive, our business, financial condition and operating results will be materially harmed. A decline in our transaction fees or any loss of customers would lower our revenues, which would adversely affect our profitability. For a discussion of the competitive environment in which we operate, see "Business Competition."

Our business may be adversely affected by price competition.

The business of operating an options exchange is characterized by intense price competition. The pricing model for trade execution for options has changed in response to competitive market conditions and CBOE and its competitors have adjusted their transaction fees and fee structures accordingly. Some competitors have introduced a market model in which orders that take liquidity from the market are charged a transaction fee and orders that provide liquidity receive a rebate. These changes have resulted in significant pricing and cost pressures on the CBOE. It is likely that this pressure will continue and even intensify as our competitors continue to seek to increase their share of trading by further reducing their transaction fees or by offering other financial incentives to order providers and liquidity providers to induce them to direct orders to their markets. In addition, one or more competitors may engage in aggressive pricing strategies and significantly decrease or completely eliminate their profit margin for a period of time in order to capture a greater share of trading. If any of these or other events occur, our operating results and profitability could be adversely affected. For example, the CBOE could lose a substantial percentage of its share of trading if it is unable to price its transactions in a competitive manner. Also, the CBOE's profit margins could decline if competitive pressures force it to reduce its fees.

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We may not be able to generate a significant amount of incremental operating revenues by making trading access available in exchange for a fee paid directly to the CBOE.

Prior to CBOE's restructuring transaction, the ability to trade on the CBOE was an inherent right of every CBOE membership and owners of CBOE Seats either used the CBOE Seat to trade or leased the CBOE Seat to an individual or firm who used it to trade. As a result of the restructuring transaction, trading access will be separated from ownership. Upon the effectiveness of the restructuring transaction, the right to trade on the CBOE will be made available through trading permits issued by the CBOE that will be subject to fees paid directly to the CBOE. These fees are expected to account for a significant portion of our future operating revenues. If the demand for access to the CBOE is less than historic levels or if we are unable to maintain anticipated permit rates, our ability to generate incremental operating revenues through the granting of permits for trading access would be negatively impacted, which could adversely affect our profitability. For a discussion of trading access after the restructuring transaction, please see "Our Structure The Restructuring Transaction."

Market fluctuations and other factors beyond our control could significantly reduce demand for our products and services and harm our business.

The volume of options transactions and the demand for our products and services are directly affected by economic, political and market conditions in the United States and elsewhere in the world that are beyond our control, including:

- broad trends in business and finance;
- concerns about terrorism and war;
- concerns over inflation and wavering institutional or retail confidence levels;
- changes in government monetary policy and foreign currency exchange rates;
- the availability of short-term and long-term funding and capital;
- the availability of alternative investment opportunities;
- changes in the level of trading activity in underlying instruments;
- changes and volatility in the prices of securities;
- changes in tax policy;
- the level and volatility of interest rates;
- legislative and regulatory changes; and
- unforeseen market closures or other disruptions in trading.

General economic conditions affect options trading in a variety of ways, from influencing the availability of capital to affecting investor confidence. The economic climate in recent years has been characterized by challenging business, economic and political conditions throughout the world. Adverse changes in the economy can have a negative impact on our revenues by causing a decline in trading volume or in the demand for options market data. Because our management structure and overhead costs will be based on assumptions of certain levels of market activity, significant declines in trading volumes or demand for market data may have a material adverse effect on our business, financial condition and operating results.

Damage to the reputation of the CBOE could have a material adverse effect on our businesses.

One of our competitive strengths is our strong reputation and brand name. This reputation could be harmed in many different ways, including by regulatory failures, governance failures or technology failures. Damage to the reputation of the CBOE could adversely affect our ability to attract customers, liquidity providers and order flow, which in turn could impair the competitiveness of our markets and have a material adverse effect on our business, financial condition and operating results.

We may not be able to protect our intellectual property rights.

We rely on patent, trade secret, copyright and trademark laws, the law of the doctrine of misappropriation and contractual protections to protect our proprietary technology, proprietary index products and index methodologies and other proprietary rights. In addition, we rely on the intellectual property rights of our licensors in connection with our listing of exclusively-licensed index products. We and our licensors may not be able to prevent third parties from copying, or otherwise obtaining and using, our proprietary technology without authorization or from listing our proprietary or exclusively-licensed index products without licenses or otherwise infringing on our rights. We and our licensors may have to rely on litigation to enforce our intellectual property rights, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. We and our licensors may not be successful in this regard. Such litigation, whether successful or unsuccessful, could result in substantial costs to us, diversions of our resources or a reduction in our revenues, any of which could materially adversely affect our business. For a description of current litigation involving these matters, please see "Business Legal Proceedings."

Computer and communications systems failures and capacity constraints could harm our reputation and our business.

We must operate, monitor and maintain our computer systems and network services, including those systems and services related to our electronic trading system, in a secure and reliable manner. A failure to do so could have a material adverse effect on the functionality and reliability of our market and on our reputation, business, financial condition and operating results. System failure or degradation could lead our customers to file formal complaints with industry regulators, file lawsuits against us or cease doing business with us or could lead regulators to initiate inquiries or proceedings for failure to comply with applicable laws and regulations, any of which could harm our reputation, business, financial condition and operating results.

The computer systems and communication networks upon which we rely in the operation of our Exchange may be vulnerable to security risks and other disruptions.

The secure and reliable operation of our computer systems and of our own communications networks and those of our service providers, our members and our customers is a critical element of our operations. These systems and communications networks may be vulnerable to unauthorized access, computer viruses and other security problems, as well as to acts of terrorism, natural disasters and other *force majeure* events. If our security measures are compromised or if there are interruptions or malfunctions in our systems or communications networks, our business, financial condition and operating results could be materially impacted. We may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including harm to reputation and litigation, caused by any breaches in security or system failures. Although we intend to continue to implement industry-standard security measures and otherwise to provide for the integrity and reliability of our systems, these measures may prove to be inadequate in preventing system failures or delays in our systems or communications networks, which could lower trading volume and have an adverse effect on our business, financial condition and operating results.

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We may be unable to keep up with rapid technological changes.

Our industry has experienced, and will continue to experience, rapid technological change, changes in use and customer requirements and preferences, frequent product and service introductions embodying new technologies and the emergence of new industry standards and practices. To remain competitive, we must continue to enhance and improve the responsiveness, functionality, accessibility and features of our automated trading and communications systems. This will require us to continue to attract and retain a highly-skilled technology staff and invest the financial resources necessary to keep our systems up to date. If we fail to do so, our systems could become less competitive, which could result in the loss of customers and trading volume and have a material adverse effect on our business, financial condition and operating results.

Our decision to operate a second marketplace may have a material adverse effect on our operating results.

Our current business strategy involves the operation of C2, which we expect to launch in late 2010. This second exchange will operate separately from CBOE with its own governance structure and systems. C2 will operate as an electronic marketplace and will be capable of trading all of CBOE's products, including SPX. In addition, C2 will serve as a backup trading facility for CBOE.

The CBOE is spending substantial funds on the development of C2 and, as of March 31, 2010, has incurred $22.9 million in expenditures. C2 may be unable to generate sufficient transaction volume and cash flow to provide a satisfactory return on CBOE's investment. It also is possible that member firms may choose not to connect to C2, for instance, because they may conclude that doing so will not attract sufficient order flow to justify the connection cost. A failure of C2 as an exchange could result in a write off of all or some portion of our investment in C2's development. Alternatively, if C2 is successful, it could cause a shift of trading volume from CBOE to the C2 platform.

A significant portion of our cost structure is fixed. If our operating revenues decline and we are unable to reduce our costs, our profitability will be adversely affected.

A significant portion of our cost structure is fixed, meaning that such portion of our cost structure is generally independent of trading volume. Salaries and benefits, which represented 30% of our total operating expenses in 2009, are our largest expense category and tend to be driven by both our staffing requirements and the general dynamics of the employment market, rather than trading volumes. If demand for our products and services declines, our operating revenues will decline. We may not be able to adjust our cost structure, at all or on a timely basis, to counteract a decrease in revenue, which would result in an adverse impact on our profitability. Moreover, if demand for future products that we acquire or license is not at the level necessary to offset the cost of the acquisition or license, our net income would decline.

Our market data revenues may be reduced or eliminated due to a decline in our market share, regulatory action or a reduction in the number of market data users.

We obtain approximately 5% of our operating revenues from our share of the revenues collected by the Options Price Reporting Authority, or OPRA, for the dissemination of options market data. If our share of options trading were to decline, our share of OPRA market data revenue would also decline. Market data revenue could also decline as a result of a reduction in the numbers of market data users, for example because of consolidation among market data subscribers or due to a decline in professional subscriptions as a result of staff reductions in the financial services industry, or otherwise. Finally, the SEC could take regulatory action to revise the formula for allocating options market data revenues among the options exchanges similar to the action it took in 2005 when it adopted Regulation NMS in respect of market data revenue in the stock market, or it could take other regulatory action that could have the effect either of reducing total options market data revenue or our share of that revenue. Any significant decline in the revenue we realize from the dissemination of market data could have an adverse effect on our profitability.

If we fail to attract or retain highly skilled management and other employees, our business may be harmed.

Our future success depends in large part on our management team, which possesses extensive knowledge and managerial skill with respect to the critical aspects of our business. The failure to retain certain members of our management team could adversely affect our ability to manage our business effectively and execute our business strategy.

Our business is also dependent on highly skilled employees who provide specialized services to our clients and oversee our compliance and technology functions. Many of these employees have extensive knowledge and experience in highly technical and complex areas of the options trading industry. Because of the complexity and risks associated with our business and the specialized knowledge required to conduct this business effectively, and because the growth in our industry has increased demand for qualified personnel, many of our employees could find employment at other firms if they chose to do so, particularly if we fail to continue to provide competitive levels of compensation. If we fail to retain our current employees, it would be difficult and costly to identify, recruit and train replacements needed to continue to conduct and expand our business. In particular, failure to retain and attract qualified systems and compliance personnel could result in systems errors or regulatory infractions. Consequently, our reputation may be harmed, we may incur additional costs and our profitability could decline.

We may not effectively manage our growth, which could materially harm our business.

We expect that our business will continue to grow, which may place a significant strain on our management, personnel, systems and resources. We must continue to improve our operational and financial systems and managerial controls and procedures, and we will need to continue to expand, train and manage our technology workforce. We must also maintain close coordination among our technology, compliance, accounting, finance, marketing and sales organizations. We cannot assure you that we will manage our growth effectively. If we fail to do so, our business could be materially harmed.

Our continued growth will require increased investment by us in technology, facilities, personnel, and financial and management systems and controls. It also will require expansion of our procedures for monitoring and assuring our compliance with applicable regulations, and we will need to integrate, train and manage a growing employee base. The expansion of our existing businesses, any expansion into new businesses and the resulting growth of our employee base will increase our need for internal audit and monitoring processes that are more extensive and broader in scope than those we have historically required. We may not be successful in identifying or implementing all of the processes that are necessary. Further, unless our growth results in an increase in our revenues that is proportionate to the increase in our costs associated with this growth, our operating margins and profitability will be adversely affected.

We have limited experience in operating as a for-profit exchange.

From the formation of CBOE in 1973 until its change to a for-profit business model at the beginning of 2006, CBOE operated as a member-owned organization essentially on a break-even basis and for the benefit of its members. In that capacity, CBOE's business decisions were focused not on maximizing its own profitability but on delivering member benefits and enhancing member opportunity at reasonable cost in conformity with its obligations under the Exchange Act. Beginning in 2006, CBOE began operating its business on a for-profit basis for the long-term benefit of its owners rather than primarily for the purpose of delivering member benefits and enhancing member opportunities. CBOE's management, therefore, has limited experience operating a for-profit business. Consequently, CBOE's

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continued transition to for-profit operations will be subject to risks, expenses and difficulties that we cannot predict.

We depend on third party service providers for certain services that are important to our business. An interruption or cessation of such service by any third party could have a material adverse effect on our business.

We depend on a number of service providers, including banking and clearing organizations such as the OCC and its member clearing firms; processors of market information such as the Consolidated Tape Association and OPRA; and various vendors of communications and networking products and services. We cannot assure you that any of these providers will be able to continue to provide these services in an efficient manner or that they will be able to adequately expand their services to meet our needs. An interruption or malfunction in or the cessation of an important service by any third party and our inability to make alternative arrangements in a timely manner, or at all, could have a material adverse impact on our business, financial condition and operating results.

If our risk management methods are not effective, our business, reputation and financial results may be adversely affected.

We have methods to identify, monitor and manage our risks; however, these methods may not be fully effective. Some of our risk management methods may depend upon evaluation of information regarding markets, customers or other matters that are publicly available or otherwise accessible by us. That information may not in all cases be accurate, complete, up-to-date or properly evaluated. If our methods are not fully effective or we are not always successful in monitoring or evaluating the risks to which we are or may be exposed, our business, reputation, financial condition and operating results could be materially adversely affected. In addition, our insurance policies may not provide adequate coverage.

Current economic conditions could make it difficult for us to finance our future operations.

Companies in many different industries have recently found it difficult to borrow money from banks and other lending sources, and have also experienced difficulty raising funds in the capital markets. Continued instability in the financial markets, as a result of recession or otherwise, may affect our cost of capital and our ability to raise capital. Although we have no current need for additional financing, if we need to raise funds in the future, our ability to do so could be impaired if rating agencies, lenders or investors develop a negative perception of our long-term or short-term financial prospects, or of the prospects for our industry. Although we do not currently anticipate substantial difficulties in accessing the bank lending or debt capital markets when needed, if difficult market conditions continue or if a negative perception of our financial prospects were to develop, we cannot be sure that we will be able to obtain financing on acceptable terms or at all.

We may selectively explore acquisition opportunities or strategic alliances relating to other businesses, products or technologies. We may not be successful in identifying opportunities or integrating other businesses, products or technologies successfully with our business. Any such transaction also may not produce the results we anticipate.

We may selectively explore and pursue acquisition and other opportunities to strengthen our business and grow our company. We may enter into business combination transactions, make acquisitions or enter into strategic partnerships, joint ventures or alliances, any of which may be material. We may enter into these transactions to acquire other businesses, products or technologies to expand our products and services, advance our technology or take advantage of new developments and potential changes in the industry.

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The market for acquisition targets and strategic alliances is highly competitive, particularly in light of ongoing consolidation in the exchange sector. As a result, we may be unable to identify strategic opportunities or we may be unable to negotiate or finance future acquisitions successfully. Further, our competitors could merge, making it more difficult for us to find appropriate entities to acquire or merge with and making it more difficult to compete in our industry due to the increased resources of our merged competitors. If we are required to raise capital by incurring additional debt or issuing additional equity for any reason in connection with a strategic acquisition or investment, financing may not be available or the terms of such financing may not be favorable to us.

The process of integration may produce unforeseen regulatory and operating difficulties and expenditures and may divert the attention of management from the ongoing operation of our business. Further, as a result of any future acquisition or strategic transaction, we may issue additional shares of our common stock that dilute stockholders' ownership interest in us, expend cash, incur debt, assume contingent liabilities or create additional expenses related to amortizing intangible assets with estimable useful lives, any of which could harm our business, financial condition or results of operations and negatively impact our stock price.

We may fail to realize the anticipated cost savings, growth opportunities and synergies and other benefits anticipated from mergers and acquisitions or strategic transactions, which could adversely affect the market price of our unrestricted common stock.

Integration of companies is complex and time consuming, and requires substantial resources and effort. If we engage in a merger or acquisition, we must successfully combine the businesses in a manner that permits the expected cost savings and synergies to be realized. In addition, we must achieve the anticipated savings and synergies without adversely affecting current revenues and our investments in future growth. The integration process and other disruptions resulting from the mergers or acquisitions may also disrupt each company's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that could adversely affect our relationships with market participants, employees, regulators and others with whom we have business or other dealings or our ability to achieve the anticipated benefits of the merger or acquisition. In addition, difficulties in integrating the businesses or any negative impact on the regulatory functions of any of our companies could harm the reputation of the companies. We may not successfully achieve the integration objectives, and we may not realize the anticipated cost savings, revenue growth and synergies in full or at all, or it may take longer to realize them than expected, which could negatively impact our results of operations, financial condition or the market price of our unrestricted common stock.

Risks Relating to Litigation and Regulation

Any infringement by us on patent rights of others could result in litigation and could have a material adverse effect on our operations.

Our competitors as well as other companies and individuals have obtained, and may be expected to obtain in the future, patents that concern products or services related to the types of products and services we offer or plan to offer. We may not be aware of all patents containing claims that may pose a risk of infringement by our products, services or technologies. In addition, some patent applications in the United States are confidential until a patent is issued, and therefore we cannot evaluate the extent to which our products and services may be covered or asserted to be covered in pending patent applications. Thus, we cannot be sure that our products and services do not infringe on the rights of others or that others will not make claims of infringement against us. Claims of infringement are not uncommon in our industry. For instance, in a lawsuit filed on November 22, 2006, ISE claims that the CBOE's hybrid trading system infringes ISE's patent directed towards an automated exchange for trading derivative securities. If our hybrid trading system or one or more of our other products, services or technologies were determined to infringe a patent held by another party, we may be required to stop developing or marketing those products, services or technologies, to obtain a license to develop and market those services from the holders of the patents or to redesign those products, services or technologies in such a way as to avoid infringing the patent. If we were required to stop developing or marketing certain products, our business, results of operations and financial condition would be materially harmed. Moreover, if we were unable to obtain required licenses, we may not be able to redesign our products, services or technologies to avoid infringement, which could materially adversely affect our business, results of operations or financial condition. For a discussion of patent litigation involving the CBOE, please see "Business Legal Proceedings."

We are subject to significant risks of litigation.

Many aspects of our business involve substantial risks of litigation. We could incur significant legal expenses defending claims, even those we believe are without merit. An adverse resolution of any lawsuits or claims against us could have a material adverse effect on our reputation, business, financial condition or operating results. We are currently subject to various litigation matters. For a discussion of litigation involving the CBOE, please see "Business Legal Proceedings."

The CBOE operates in a highly regulated industry and may be subject to censures, fines and other legal proceedings if it fails to comply with its legal and regulatory obligations.

The CBOE is a registered national securities exchange and self-regulatory organization, or SRO, and, as such, is subject to comprehensive regulation by the SEC. The CBOE's ability to comply with applicable laws and rules is largely dependent on its establishment and maintenance of appropriate systems and procedures, as well as its ability to attract and retain qualified personnel. The SEC has broad powers to audit, investigate and enforce compliance and to punish noncompliance by SROs with the Exchange Act, the SEC's rules and regulations under the Exchange Act and the rules and regulations of the SRO. If the SEC were to find the CBOE's program of enforcement and compliance to be deficient, the CBOE could be the subject of SEC investigations and enforcement proceedings that may result in substantial sanctions, including revocation of its registration as a national securities exchange. Any such investigations or proceedings, whether successful or unsuccessful, could result in substantial costs and the diversion of resources and potential harm to CBOE's reputation, which could have a material adverse effect on our business, results of operations or financial condition. In addition, although CBOE intends to retain its responsibilities as an SRO, it may be required to modify or restructure its regulatory functions in response to any changes in the regulatory environment, or it may be required to rely on third parties to perform regulatory and oversight functions, each of which may require us to incur substantial expenses and may harm our reputation if our regulatory services are deemed inadequate.

Although CBOE Holdings itself will not be an SRO, CBOE Holdings, as the parent company of the CBOE following the restructuring transaction, will be subject to regulation by the SEC of its activities that involve the CBOE because CBOE Holdings will control the CBOE. Specifically, the SEC will exercise oversight over the governance of CBOE Holdings and its relationship with the CBOE. See "Regulatory Environment and Compliance Regulatory Responsibilities."

Legislative or regulatory changes, particularly in response to adverse financial conditions, could have a material adverse effect on our business.

In recent years, the securities trading industry and, in particular, the securities markets have been subject to significant regulatory changes. Moreover, in the past two years, the securities markets have been the subject of increasing government and public scrutiny in response to the global economic crisis.

During the coming year, it is likely that there will be legislative changes and changes in the regulatory environment in which we operate our businesses, although we cannot predict the nature of these changes or their impact on our business at this time. For example, the SEC published a concept release early in 2010 related to trading in equity markets that could result in changes in the competitive

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landscape in the options market. Actions on any of the specific regulatory issues currently under review in the U.S., such as fee caps, co-location, high-frequency trading, derivatives clearing, market transparency, taxes on stock transactions, restrictions on proprietary trading by certain of our customers and other related proposals could have a material impact on our business. For a discussion of the regulatory environment in which we operate and proposed regulatory changes, see "Regulatory Environment and Compliance."

CBOE and our market participants also operate in a highly regulated industry. Congress, the SEC and other regulatory authorities could impose legislative or regulatory changes that could adversely impact the ability of our market participants to use our markets. Legislative and regulatory changes by Congress, the SEC or other regulatory authorities could result in the loss of a significant number of market participants or a reduction in trading activity on our markets, any of which could have a material adverse effect on our business.

Potential conflicts of interest between our for-profit status and our regulatory responsibilities may adversely affect our business.

As a for-profit business with regulatory responsibilities, there may be a conflict of interest between the regulatory responsibilities of the CBOE and the interests of some of its customers. Any failure by the CBOE to diligently and fairly regulate or to otherwise fulfill its regulatory obligations could significantly harm our reputation, prompt regulatory scrutiny and adversely affect our business, results of operations or financial condition.

Our compliance methods might not be effective and may result in outcomes that could adversely affect our financial condition and operating results.

Our ability to comply with applicable laws and rules is largely dependent on our establishment and maintenance of compliance, audit and reporting systems, as well as our ability to attract and retain qualified compliance personnel. Our policies and procedures to identify, monitor and manage compliance risks may not be fully effective. Management of legal and regulatory risk requires, among other things, policies and procedures to properly monitor, record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will always be effective or that we will always be successful in monitoring or evaluating the compliance risks to which we are or may be exposed.

As a regulated entity, CBOE's ability to implement or amend rules could be limited or delayed, which could negatively affect its ability to implement needed changes.

The CBOE must submit proposed rule changes to the SEC for its review and, in many cases, its approval. Even where a proposed rule change may be effective upon its filing with the SEC, the SEC retains the right to abrogate such rule changes. The SEC review process can be lengthy and can significantly delay the implementation of proposed rule changes that the CBOE believes are necessary to the operation of our markets. If the SEC refuses to approve a proposed rule change or delays its approval, this could negatively affect the ability of the CBOE to make needed changes or implement business decisions.

Similarly, the SEC must approve amendments to the CBOE's certificate of incorporation and bylaws as well as certain amendments to the certificate of incorporation and bylaws of CBOE Holdings. The SEC may not approve a proposed amendment or may delay such approval in a manner that could negatively affect CBOE's or CBOE Holdings' ability to make a desired change.

Misconduct by members or others could harm us.

Although the CBOE performs significant self-regulatory functions, we run the risk that the members of the CBOE, other persons who use our markets or our employees will engage in fraud or other misconduct, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to deter misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases.

Risks Relating to this Offering of Our Unrestricted Common Stock

There has been no public market for our unrestricted common stock and an active market may not develop or be sustained, which could limit your ability to sell shares of our unrestricted common stock.

There currently is no public market for our unrestricted common stock, and our unrestricted common stock will not be traded in the open market prior to this offering. Although CBOE Holdings intends to list the unrestricted common stock on the NASDAQ Global Select Market in connection with this offering, an adequate trading market for our unrestricted common stock may not develop or be sustained after this offering. The initial public offering price will be determined by negotiations between the underwriters and our board of directors and may not be representative of the market price at which our shares of unrestricted common stock will trade after this offering. In particular, we cannot assure you that you will be able to resell your shares at or above the initial public offering price.

Current trends in the global financial markets could cause significant fluctuations in our stock price.

Stock markets in general, and stock prices of participants in the financial services industry in particular, have experienced significant price and volume fluctuations. The market price of our unrestricted common stock may be subject to similar fluctuations, which may be unrelated to our operating performance or prospects, and increased volatility could result in a decline in the market price of our unrestricted common stock. Factors that could significantly impact the volatility of our stock price include:

- developments in our business or in the financial sector generally, including the effect of direct governmental action in financial markets generally and with respect to options exchanges in particular;
- regulatory changes affecting our industry generally or our business and operations;
- the operating and securities price performance of companies that investors consider to be comparable to us;
- changes in global financial markets and global economies and general market conditions;
- operating results that may be worse than the expectations of management, securities analysts and investors;
- market developments that affect our customers causing a decrease in the use of our products; and
- investors' perceptions of our prospects and, more generally, the prospects of the options industry.

If securities or industry analysts do not publish research or reports about us, or if they adversely change their recommendations regarding our unrestricted common stock, then our stock price and trading volume could decline.

The trading market for our unrestricted common stock will be influenced by the research and reports that industry or securities analysts publish about us, our industry and our market. If no analyst elects to cover us and publish research or reports about us, the market for our unrestricted common stock could be severely limited and our stock price could be adversely affected. In addition, if one or more analysts ceases coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. If one or

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more analysts who elect to cover us adversely changes their recommendation regarding our unrestricted common stock, our stock price could decline.

Purchasers in this offering will experience immediate and substantial dilution in net tangible book value.

The initial public offering price per share is expected to be substantially higher than the net tangible book value per share of our common stock to be issued in the restructuring transaction. Purchasers of shares in this offering will experience immediate dilution in the net tangible book value of their shares. Based on an assumed initial public offering price of $28.00 per share, the midpoint of the price range set forth on the front cover of this prospectus, dilution per share in this offering will be $24.54 per share (or 87.6% of the initial public offering price). See "Dilution."

Your ownership of CBOE Holdings may be diluted if additional capital stock is issued to raise capital, to finance acquisitions or in connection with strategic transactions.

CBOE Holdings may seek to raise additional funds, finance acquisitions or develop strategic relationships by issuing equity or convertible debt securities in addition to the shares issued in this offering, which would reduce the percentage ownership of existing CBOE Holdings stockholders. Following the restructuring transaction, the CBOE Holdings board of directors will have the authority, without action or vote of the stockholders, to issue all or any part of our authorized but unissued shares of common or preferred stock. Our certificate of incorporation authorizes 325,000,000 shares of unrestricted common stock and 20,000,000 shares of preferred stock. Following the issuance of the Class A common stock in the restructuring transaction, the issuance of the Class B common stock under the Settlement Agreement, the issuance of shares of unrestricted common stock as restricted stock grants under the Long-Term Incentive Plan, the issuance of unrestricted common stock in this offering and the conversion of the Class A and Class B common stock into Class A-1 and Class A-2 common stock and into unrestricted common stock for purposes of being sold in this offering by the selling stockholders, 311,082,089 shares of unrestricted common stock and 20,000,000 shares of preferred stock will be authorized and unissued. However, to the extent the outstanding shares of Class A-1 and Class A-2 common stock are converted into unrestricted common stock upon the expiration of the applicable transfer restrictions, the number of authorized and unissued shares of unrestricted common stock will be reduced. Future issuances of common or preferred stock would reduce your influence over matters on which stockholders vote and would be dilutive to earnings per share. In addition, any newly issued preferred stock could have rights, preferences and privileges senior to those of the CBOE Holdings' common stock. Those rights, preferences and privileges could include, among other things, the establishment of dividends that must be paid prior to declaring or paying dividends or other distributions to holders of our common stock, greater or preferential liquidation rights, which could negatively affect the rights of holders of our common stock, and the right to convert such preferred stock into shares of our unrestricted common stock at a rate or price which would have a dilutive effect on the outstanding shares of our unrestricted common stock.

The sale of large amounts of our unrestricted common stock following the automatic conversion of our Class A-1 and A-2 common stock into shares of unrestricted common stock may have an adverse impact on the market price of our unrestricted common stock.

Our shares of Class A-1 and Class A-2 common stock are subject to significant transfer restrictions. These transfer restrictions, however, expire on the 180-day and 360-day anniversary of the closing of this offering, respectively. Upon expiration of these restrictions, the shares of Class A-1 and Class A-2 common stock held by existing stockholders will automatically convert into shares of unrestricted common stock, and will be freely transferable unless the shares are held by "affiliates" within the meaning of Rule 144 under the Securities Act of 1933, as amended. If our stockholders sell a large number of shares of our unrestricted common stock upon the expiration of the applicable transfer restrictions and the conversion of the Class A-1 or Class A-2 shares into shares of unrestricted common stock, the market price for our unrestricted common stock could decline significantly. For a more detailed description of the transfer restrictions imposed on our Class A-1 and Class A-2 common stock, see "Description of Capital Stock."

Immediately following this offering, our stockholders who obtain trading permits will own a substantial portion of our voting stock. The share ownership of our Trading Permit Holders could be used to influence how our business is operated to the detriment of the holders of our unrestricted common stock who purchase shares in this offering.

Our stockholders who are also Trading Permit Holders may have interests that differ from or conflict with those of stockholders who are not Trading Permit Holders. Following the closing of this offering, stockholders who are Trading Permit Holders will own a substantial portion of our voting stock. As a result, they could exert substantial influence over the operation of our business.

Many of our Trading Permit Holders derive a substantial portion of their income from their trading on or through the Exchange. The amount of income that members derive from their trading activities is in part dependent on the fees they are charged to trade and access our markets and the rules and structure of our markets. Our Trading Permit Holders, many of whom act as floor brokers and floor traders, benefit from trading rules, access privileges and fee discounts that enhance their trading opportunities and profits. As a result, holders of our unrestricted common stock may not have the same economic interests as our Trading Permit Holders. Consequently, Trading Permit Holders may advocate that we enhance and protect their trading opportunities and the value they receive through the use of their trading permits over their economic interest in us represented by the unrestricted common stock they own. The share ownership of our Trading Permit Holders could be used to influence how our business is changed or developed, including how we address competition and how we seek to grow our volume and revenue and enhance stockholder value.

We may be unable to complete our proposed tender offers on anticipated terms or at all.

CBOE Holdings currently plans to make two concurrent tender offers, one for shares of Class A-1 common stock and one for shares of Class A-2 common stock, between the 60^{th} and 120^{th} day after completion of this offering. CBOE Holdings anticipates that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate CBOE Holdings' net proceeds of this offering.

CBOE Holdings' board of directors may determine not to launch, or to reduce the size of, the tender offers as a result of market conditions, our operating results or outlook or other developments following this offering. If the offers are launched, there can be no assurances that the offers will be fully subscribed, which will be largely dependent on the price offered and the prevailing market price of the unrestricted common stock at the time the offers expire. In the event that the offers are not completed or are not fully subscribed, the number of shares of outstanding common stock may be significantly higher than the pro forma share amounts set forth in "Capitalization" and "Unaudited Pro Forma Consolidated Financial Statements."

In addition, the pro forma share amounts set forth in "Capitalization" and "Unaudited Pro Forma Consolidated Financial Statements" have been presented on the assumption that the offers will be made at the midpoint of the price range set forth on the front cover of this prospectus. The price offered may be higher or lower than this amount, depending on market prices prevailing at the time the offers are commenced, and if the price offered is higher than the assumed price, the number of shares of outstanding common stock after the offers are closed may be significantly higher than the pro forma share amounts set forth in "Capitalization" and "Unaudited Pro Forma Consolidated Financial Statements."

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Any decision to pay dividends on CBOE Holdings common stock will be at the discretion of the CBOE Holdings board of directors. The ability of CBOE Holdings to pay dividends will depend upon the earnings of its operating subsidiaries. Accordingly, there can be no guarantee that CBOE Holdings will, or will be able to, pay dividends to its stockholders.

We intend to pay regular quarterly dividends to our stockholders, with an annual dividend target of approximately 20% to 30% of the prior year's net income adjusted for unusual items. However, any decision to pay dividends on CBOE Holdings' common stock will be at the discretion of its board of directors, which may determine not to declare dividends at all or at a reduced percentage of the prior year's adjusted net income, as conditions warrant. The board's determination to declare dividends will depend upon the profitability and financial condition of CBOE Holdings and its subsidiaries, contractual restrictions, restrictions imposed by applicable law and the SEC and other factors that the CBOE Holdings board of directors deems relevant. As a holding company with no significant business operations of its own, CBOE Holdings will depend entirely on distributions, if any, it may receive from its subsidiaries to meet its obligations and pay dividends to its stockholders. If these subsidiaries are not profitable, or even if they are and they determine to retain their profits for use in their businesses, CBOE Holdings will be unable to pay dividends to its stockholders.

Certain provisions in the CBOE Holdings organizational documents could enable the board of directors of CBOE Holdings to prevent or delay a change of control.

Following the restructuring transaction, CBOE Holdings' organizational documents will contain provisions that may have the effect of discouraging, delaying or preventing a change of control of, or unsolicited acquisition proposals for, CBOE Holdings that a stockholder might consider favorable. These include provisions:

- prohibiting the stockholders from acting by written consent;
- requiring advance notice of director nominations and of business to be brought before a meeting of stockholders;
- requiring the vote of majority of the outstanding shares of common stock to amend the bylaws; and
- limiting the persons who may call special stockholders' meetings.

In addition, CBOE Holdings' organizational documents will include provisions that:

- restrict any person (either alone or together with its related persons) from voting or causing the voting of shares of stock representing more than 20% of CBOE Holdings' outstanding voting capital stock (including as a result of any agreement by any other persons not to vote shares of stock); and
- restrict any person (either alone or together with its related persons) from beneficially owning shares of stock representing more than 20% of the outstanding shares of CBOE Holdings' capital stock.

For a more detailed description of these provisions, see "Description of Capital Stock," as well as the form of CBOE Holdings' certificate of incorporation and bylaws filed as exhibits to the registration statement to which this prospectus is a part.

Furthermore, the CBOE Holdings board of directors has the authority to issue shares of preferred stock in one or more series and to fix the rights and preferences of these shares without stockholder approval. Any series of CBOE Holdings preferred stock is likely to be senior to the CBOE Holdings common stock with respect to dividends, liquidation rights and, possibly, voting rights. The ability of the CBOE Holdings board of directors to issue preferred stock also could have the effect of

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discouraging unsolicited acquisition proposals, thus adversely affecting the market price of the unrestricted common stock.

In addition, Delaware law makes it difficult for stockholders that recently have acquired a large interest in a corporation to cause the merger or acquisition of the corporation against the directors' wishes. Under Section 203 of the Delaware General Corporation Law, a Delaware corporation may not engage in any merger or other business combination with an interested stockholder for a period of three years following the date that the stockholder became an interested stockholder except in limited circumstances, including by approval of the corporation's board of directors.

Certain aspects of the certificate of incorporation, bylaws and structure of CBOE Holdings and its subsidiaries will be subject to SEC oversight. See "Regulatory Environment and Compliance."

We will incur increased costs as a result of being a publicly-traded company.

As a company with publicly-traded securities, we will incur additional legal, accounting and other expenses not presently incurred. In addition, the Sarbanes-Oxley Act of 2002, as well as rules promulgated by the SEC and the national securities exchange on which we list, require us to adopt corporate governance practices applicable to U.S. public companies. These rules and regulations may increase our legal and financial compliance costs.

If CBOE Holdings is unable to favorably assess the effectiveness of its internal controls over financial reporting, or if its independent registered public accounting firm is unable to provide an unqualified attestation report on CBOE Holdings' internal controls, the stock price of CBOE Holdings could be adversely affected.

The rules governing Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 that must be met for management to assess CBOE Holdings' internal controls over financial reporting are complex, and require significant documentation, testing and possible remediation. The CBOE currently is in the process of reviewing, documenting and testing its internal controls over financial reporting. The continuing effort to comply with regulatory requirements relating to internal controls will likely cause us to incur increased expenses and will cause a diversion of management's time and other internal resources. We also may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal controls over financial reporting. In addition, in connection with the attestation process by CBOE Holdings' independent registered public accounting firm, CBOE Holdings may encounter problems or delays in completing the implementation of any requested improvements or receiving a favorable attestation. If CBOE Holdings cannot favorably assess the effectiveness of its internal controls over financial reporting, or if its independent registered public accounting firm is unable to provide an unqualified attestation report on CBOE Holdings' internal controls, investor confidence and the stock price of the unrestricted common stock could be adversely affected.

Certain underwriters for this offering or their affiliates are also selling stockholders and, therefore, have interests in this offering beyond customary underwriting discounts and commissions.

Certain underwriters for this offering or their affiliates are participating as selling stockholders in this offering. There may be a conflict of interest between their interests as selling stockholders (*i.e*., to maximize the value of their investment) and their respective interests as underwriters (*i.e*., in negotiating the initial public offering price) as well as your interest as a purchaser. As participants in this offering that are seeking to realize the value of their investment in us, these underwriters have interests beyond customary underwriting discounts and commissions.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements under the "Prospectus Summary," "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in other sections of this prospectus. In some cases, you can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties described under "Risk Factors."

While we believe we have identified material risks, these risks and uncertainties are not exhaustive. Other sections of this prospectus describe additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this prospectus to conform our prior statements to actual results or revised expectations, and we do not intend to do so.

Forward-looking statements include, but are not limited to, statements about:

- our business' possible or assumed future results of operations and operating cash flows;
- our business' strategies and investment policies;
- our business' financing plans and the availability of capital;
- our business' competitive position;
- potential growth opportunities available to our business;
- the risks associated with potential acquisitions or alliances by us;
- the recruitment and retention of our officers and employees;
- our expected levels of compensation;
- our business' potential operating performance, achievements, productivity improvements, efficiency and cost reduction efforts;

the likelihood of success in and impact of litigation;

our protection or enforcement of our intellectual property rights;

our expectation with respect to securities, options and future markets and general economic conditions;

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- our ability to keep up with rapid technological change;

- the effects of competition on our business; and

- the impact of future legislation and regulatory changes on our business.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus.

WE EXPRESSLY QUALIFY IN THEIR ENTIRETY ALL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE CBOE OR CBOE HOLDINGS OR ANY PERSON ACTING ON OUR BEHALF BY THE CAUTIONARY STATEMENTS CONTAINED OR REFERRED TO IN THIS SECTION.

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OUR STRUCTURE

The Restructuring Transaction

Concurrently with this offering, the CBOE will complete the restructuring transaction in which it will change from a Delaware non-stock corporation owned by its members to a Delaware stock corporation and wholly-owned subsidiary of CBOE Holdings. In the proxy statement and prospectus filed with the Form S-4 Registration Statement, the CBOE board of directors recommended that the CBOE memberships outstanding and entitled to vote approve the Merger effecting the restructuring transaction. In addition, the CBOE and CBOE Holdings boards determined that the restructuring transaction would occur only if CBOE Holdings completed this offering of unrestricted common stock concurrently with the restructuring transaction. At a special meeting of voting members of CBOE on May 21, 2010, the voting members of CBOE approved the agreement and plan of merger by the affirmative vote of 89.6% of the memberships outstanding and entitled to vote at the special meeting.

The restructuring transaction will be completed through the Merger, and upon the effectiveness of the Merger: (1) the outstanding stock of CBOE Merger Sub, Inc., a wholly-owned subsidiary of CBOE Holdings prior to the Merger, will be converted into common stock of the CBOE; (2) the CBOE Seats existing on the date of the restructuring transaction will be converted into CBOE Holdings Class A common stock; and (3) the outstanding CBOE Holdings common stock already held by the CBOE will be cancelled for no consideration and shall cease to exist.

As a result of the restructuring transaction, CBOE Holdings will hold all of the outstanding common stock of the CBOE, and the owners of CBOE memberships will become stockholders of CBOE Holdings through the conversion of their memberships into shares of Class A common stock, par value $0.01 per share, of CBOE Holdings. Each CBOE Seat existing on the date of the restructuring transaction will be immediately converted into 80,000 shares of Class A common stock of CBOE Holdings. In addition, as required by the Settlement Agreement, each Participating Group A Settlement Class Member will be issued, immediately following the effectiveness of the Merger, 18,774 shares of Class B common stock, par value $0.01 per share, of CBOE Holdings for each Group A Package held by such class members and approved by the Delaware Court.

Upon completion of this offering, each outstanding share of Class A common stock and Class B common stock not converted into unrestricted common stock for purposes of being sold in this offering will automatically convert into one-half of one share of Class A-1 common stock and one-half of one share of Class A-2 common stock. The Class A-1 and A-2 common stock will have all the same rights and privileges as the Class A common stock; however, the Class A-1 and A-2 common stock will be issued subject to certain transfer restrictions that will apply for 180 days and 360 days, respectively, following this offering. For a description of these transfer restrictions, please see "Description of Capital Stock."

After the restructuring transaction, the CBOE will continue to function as a self-regulatory organization (SRO) and to operate its options exchange business. Immediately following the restructuring transaction, the CBOE will transfer all of its interests in its subsidiaries to CBOE Holdings. As a result, the following entities will become wholly-owned subsidiaries of CBOE Holdings: CBOE Futures Exchange, LLC, Chicago Options Exchange Building Corporation, CBOE, LLC, DerivaTech Corporation, Market Data Express, LLC, The Options Exchange, Incorporated, CBOE Execution Services, LLC and C2 Options Exchange, Incorporated. CBOE Stock Exchange, LLC (CBSX) will remain a partially-owned facility of the CBOE.

Exercise Right Settlement Agreement

On August 23, 2006, the CBOE and its directors were sued in the Delaware Court, by the CBOT, CBOT Holdings Inc. and two members of the CBOT who purported to represent a class of individuals who claimed that they were, or had the right to become, members of the CBOE by virtue of the Exercise Right granted to CBOT members pursuant to Article Fifth(b). The plaintiffs sought a judicial declaration that an Exercise Member Claimant was entitled to receive the same consideration in any proposed restructuring transaction involving the CBOE as a CBOE Seat owner, and the plaintiffs also sought an injunction to bar the CBOE and the CBOE's directors from issuing any stock to CBOE Seat owners as part of a proposed restructuring transaction, unless each Exercise Member Claimant received the same stock and other consideration as a CBOE Seat owner.

On August 20, 2008, the CBOE entered into the Settlement Agreement with the plaintiffs pursuant to which the plaintiffs agreed to dismiss the Delaware Action, with prejudice, in exchange for the agreed upon settlement consideration. On July 29, 2009, the Delaware Court entered an order of approval and final judgment approving the Settlement Agreement, ruling that the Settlement Agreement was "fair, reasonable, adequate and in the best interest of the settlement class," resolving all open issues about the settlement and dismissing the Delaware Action. Five appeals from the order of approval and final judgment (brought on behalf of eight appellants) were filed with the Delaware Supreme Court. On December 2, 2009, the Delaware Supreme Court entered an order dismissing all appeals that were filed in opposition to the Delaware Court's approval of the Settlement Agreement. Upon the Delaware Supreme Court's order, the Delaware Court's July 29, 2009 order of approval and final judgment became final, and that order and judgment is no longer subject to appeal. As a result of the Settlement Agreement becoming final, there no longer are members of the CBOT who qualify to become a member of the CBOE under Article Fifth(b).

Pursuant to the Settlement Agreement, the Participating Group A Settlement Class Members will receive a total of 16,333,380 shares of Class B common stock of CBOE Holdings after the Merger effecting the restructuring transaction is completed. Each Participating Group A Settlement Class Member will receive 18,774 shares of Class B common stock for each Group A Package approved by the Delaware Court.

In addition, Participating Group A Settlement Class Members and Participating Group B Settlement Class Members will share in a cash pool equal to $300,000,000. From the cash pool, each Participating Group A Settlement Class Member will receive $235,327 for each Group A Package approved by the Delaware Court, and each Participating Group B Settlement Class Member will receive $250,000 for each Exercise Right Privilege approved by the Delaware Court. Certain Participating Group A Settlement Class Members will receive a payment, separate from the cash pool, equal to the amount each of those class members paid in access fees as CBOE Temporary Members from July 11, 2007 to May 31, 2008. The total amount of CBOE's liability for these payments is $828,029. Subject to SEC approval, certain Participating Group A Settlement Class Members may also receive a payment from CBOE, separate from the cash pool, equal to the access fees which that Participating Group A Settlement Class Member paid to the CBOE as a CBOE Temporary Member from June 1, 2008 until the date the CBOE completes a restructuring transaction.

Trading Access

In the restructuring transaction, all memberships in the CBOE and the trading rights they represent will be cancelled when the CBOE Seats are converted into shares of Class A common stock of CBOE Holdings. Following the restructuring transaction, all physical and electronic access to the trading facilities of the CBOE will be made available through trading permits issued by the CBOE in exchange for a monthly fee to be determined by the CBOE. The initial trading permits will have a term of one month and will automatically renew on a monthly basis, subject to the holders' right to terminate. As of May 1, 2010, CBOE had 944 memberships in use consisting of CBOE Seats, CBOE Temporary Members, and interim trading permits. Following the restructuring transaction, the number of trading permits made available will be based on demand for trading access and will be determined by the CBOE, subject to certain restrictions. It is currently expected that not fewer than 1,025 permits will be made available at the time of the restructuring transaction. The initial permit fees that CBOE currently plans to assess are $7,500 per month for market maker and floor broker permits, $2,000 per month for electronic access permits, and no permit fee for CBSX permits. CBOE currently plans to discount these permit fees by 20% through the end of 2010. CBOE currently anticipates initially charging $3,750 per month for quoting and order entry bandwidth packets and $2,000 per month for order entry bandwidth packets and also discounting these fees by 20% through the end of 2010. Additionally, CBOE currently intends to initially assess a $3,000 per month surcharge to market makers that trade SPX options. CBOE currently plans to begin assessing these fees on the first day of the month following the month in which the restructuring transaction is completed. We refer to revenues derived from trading permits as "access fees."

Payment of Special Dividend

The CBOE Holdings board of directors has appointed a special committee for purposes of declaring a special dividend. The committee has been authorized to declare a dividend of $1.25 per share of Class A and Class B common stock outstanding immediately following the completion of the restructuring transaction and the issuance of Class B common stock pursuant to the Settlement Agreement. The special dividend will be paid immediately prior to the closing of this offering. The committee may not declare or pay the special dividend unless the restructuring transaction is approved by a majority of the CBOE memberships entitled to vote and the Merger has been completed.

Tender Offers

CBOE Holdings currently intends to make two concurrent tender offers, one for its shares of Class A-1 common stock and one for its shares of Class A-2 common stock. It is currently expected that each offer will be commenced between the 60th and 120th day after the closing of this offering, and will be made for the same number of shares. CBOE Holdings anticipates that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate CBOE Holdings' net proceeds of this offering. We currently expect the price per share offered in the tender offers will approximate the prevailing market price for the unrestricted common stock at the time the offers are commenced. The timing and terms of each tender offer, including the price per share offered, however, are subject to the discretion of the CBOE Holdings board of directors. For purposes of conducting the tender offers, the board of directors of CBOE Holdings will remove the transfer restrictions associated with any shares of Class A-1 or Class A-2 common stock that it purchases, as permitted by Article Fifth(d)(i) of CBOE Holdings' amended and restated certificate of incorporation. The purpose of the tender offers is both to provide liquidity to former owners of CBOE Seats during the term of the transfer restrictions associated with the shares of Class A-1 and A-2 common stock and to reduce the number of shares of our common stock outstanding following the restructuring transaction and this offering. Although it is CBOE Holdings' intention to complete the tenders offers as described above, the CBOE Holdings board of directors may determine not to launch, or to reduce the size of, the tender offers as a result of market conditions, our operating results or outlook or other developments following this offering. As such, there can be no assurance that the tender offers will occur at all or as described in this prospectus. Certain underwriters and their affiliates that will own Class A-1 or Class A-2 common stock following this offering will be entitled to participate in the proposed tender offers.

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USE OF PROCEEDS

We estimate that our net proceeds (after deducting the underwriting discount payable to the underwriters and our estimated offering expenses) from this offering will be $249.7 million ($295.5 million if the underwriters exercise their option to acquire additional shares from us in full), based upon an assumed initial public offering price of $28 per share, which is the midpoint of the price range set forth on the front cover of this prospectus. We will not receive any proceeds from the sale of shares of unrestricted common stock by the selling stockholders, which include certain underwriters and their affiliates. See "Principal and Selling Stockholders."

We will not receive any of the proceeds from the sale of unrestricted common stock by any selling stockholder in this offering.

We intend to use the net proceeds for general corporate purposes, including two proposed tender offers for our outstanding Class A-1 and Class A-2 common stock. Certain underwriters and their affiliates that will own Class A-1 or Class A-2 common stock following this offering will be entitled to participate in the proposed tender offers. We currently anticipate that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate the net proceeds from this offering. See "Our Structure Tender Offers."

Until we use the net proceeds as described above, we intend to invest the net proceeds in short-term securities.

DIVIDEND POLICY

We intend to pay regular quarterly dividends to our stockholders beginning in the third quarter of 2010. The annual dividend target will be approximately 20% to 30% of the prior year's net income adjusted for unusual items. The decision to pay a dividend, however, remains within the discretion of our board of directors and may be affected by various factors, including our earnings, financial condition, capital requirements, level of indebtedness and other considerations our board of directors deems relevant. Future credit facilities, other future debt obligations and statutory provisions, may limit, or in some cases prohibit, our ability to pay dividends.

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CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2010:

- on a historical basis;
- on a restructuring adjusted basis to give effect to:
  - the issuance of 74,400,000 shares of Class A common stock pursuant to the restructuring transaction;
  - the issuance of 16,333,380 shares of Class B common stock pursuant to the Settlement Agreement; and
  - the payment of a special dividend of $1.25 per share of Class A common stock and Class B common stock immediately after the restructuring transaction and before the closing of this offering.
- on an initial public offering adjusted basis to give effect to, in addition to the adjustments above:
  - the receipt of the net proceeds of the offering, at an assumed offering price of $28 per share, the midpoint of the price range set forth on the front cover of this prospectus;
  - the conversion of shares of Class A and Class B common stock into 2,085,774 shares of unrestricted common stock in connection with sales by selling stockholders in the initial public offering; and
  - the automatic conversion of the remaining shares of Class A and Class B common stock into 44,323,803 shares of Class A-1 common stock and 44,323,803 shares of Class A-2 common stock.
- on a pro forma as adjusted basis to give effect to, in addition to the adjustments above, the effect of the tender offers described in "Our Structure Tender Offers."

The table does not give effect to the grants of 2,217,911 shares of restricted stock to certain officers, directors and employees of CBOE Holdings immediately prior to the closing of this offering, which shares are subject to vesting under the terms of the grants.

You should read this capitalization table together with "Use of Proceeds," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Consolidated Financial Statements" and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

	As of March 31, 2010 (in thousands except share data)			
	Historical	Restructuring Adjusted	Initial Public Offering Adjusted	Pro Forma As Adjusted
Short-term debt	$	$	$	$
Equity:				
Members' equity	19,574			

Unrestricted common stock, $0.01 par value: 325,000,000 shares authorized; 11,700,000 shares issued and outstanding, on an adjusted initial public offering basis and pro forma as adjusted basis	117	117

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	As of March 31, 2010 (in thousands except share data)			
	Historical	Restructuring Adjusted	Initial Public Offering Adjusted	Pro Forma As Adjusted
Class A common stock, $0.01 par value: 74,400,000 shares authorized; 74,400,000 shares issued and outstanding, on a restructuring adjusted basis; no shares issued and outstanding, on an initial public offering adjusted basis and pro forma as adjusted basis		744		
Class B common stock, $0.01 par value: 16,333,380 shares authorized; 16,333,380 shares issued and outstanding, on a restructuring adjusted basis; no shares issued and outstanding, on an initial public offering adjusted basis and pro forma as adjusted basis		163		
Class A-1 common stock, $0.01 par value: 45,366,690 shares authorized; no shares outstanding on a restructuring adjusted basis; 44,323,803 shares issued and outstanding, on an initial public offering adjusted basis; and 44,323,803 shares issued and 39,841,170 shares outstanding, on a pro forma as adjusted basis			443	443
Class A-2 common stock, $0.01 par value: 45,366,690 shares authorized; no shares outstanding on a restructuring adjusted basis; 44,323,803 shares issued and outstanding, on an initial public offering adjusted basis; and 44,323,803 shares issued and 39,841,170 shares outstanding, on a pro forma as adjusted basis			443	443
Preferred stock, $0.01 par value: 20,000,000 shares authorized; no shares issued and outstanding, on an as adjusted basis; and no shares issued and outstanding, on a pro forma as adjusted basis				
Additional paid-in-capital	2,592	97,287	348,218	348,218
Retained earnings	189,445			
Accumulated other comprehensive income (loss)	(787)	(787)	(787)	(787)
Treasury stock, at cost				(251,027)
Total equity	210,824	97,407	348,434	97,407
Total capitalization	$ 210,824	$ 97,407	$ 348,434	$ 97,407

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DILUTION

Purchasers of our unrestricted common stock in this offering will experience an immediate dilution of net tangible book value per share from the initial public offering price. Dilution in net tangible book value per share represents the difference between the amount per share paid by the purchasers of shares of unrestricted common stock and the net tangible book value per share immediately after this offering.

After giving effect to the restructuring transaction and the sale of our unrestricted common stock by us in this offering at an assumed initial public offering price of $28.00 per share (the midpoint of the price range set forth on the front cover of this prospectus) and after deducting the underwriting discount, special dividend and estimated offering expenses payable by us, our adjusted net tangible book value at March 31, 2010 would have been $347.1 million or $3.46 per share. This represents an immediate increase in net tangible book value per share of $2.39 to the existing stockholder and dilution in net tangible book value per share of $24.54 to new investors who purchase shares in the offering. The following table illustrates this per share dilution to new investors:

Assumed initial public offering price per share			$	28.00
Net tangible book value per share at March 31, 2010	$	1.07		
Increase in net tangible book value per share to the existing stockholders attributable to this offering		2.39		
Adjusted net tangible book value per share after this offering				3.46
Dilution in net tangible book value per share to new investors			$	24.54

A $1.00 increase or decrease in the assumed initial public offering price of $28.00 per share, the midpoint of the price range set forth on the front cover of this prospectus, would increase or decrease our adjusted net tangible book value by approximately $9.0 million, or approximately $0.09 per share, and the dilution per share to investors in this offering by approximately $0.09 per share, assuming that the number of shares offered by us set forth on the front cover of this prospectus remains the same and after deducting the underwriting discount and estimated offering expenses payable by us.

We may also increase or decrease the number of shares we are offering. An increase of 1.0 million shares in the number of shares offered by us would result in an adjusted net tangible book value of approximately $373.2 million, or approximately $3.68 per share, and the dilution per share to investors in this offering would be approximately $24.32 per share, assuming an initial public offering price of $28.00 per share (the midpoint of the price range set forth on the front cover of this prospectus) remains the same and after deducting the underwriting discount and estimated offering expenses payable by us. Similarly, a decrease of 1.0 million shares in the number of shares offered by us would result in an adjusted net tangible book value of approximately $321.0 million, or approximately $3.23 per share, and the dilution per share to investors in this offering would be approximately $24.77 per share, assuming the assumed initial public offering price of $28.00 per share (the midpoint of the price range set forth on the front cover of this prospectus) remains the same and after deducting the underwriting discount and estimated offering expenses payable by us.

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Introduction

The following unaudited pro forma consolidated financial statements reflect adjustments to our historical consolidated balance sheet and statements of income to give effect to:

- the issuance of 74,400,000 shares of Class A common stock in connection with the proposed restructuring transaction and 16,333,380 shares of Class B common stock to the Participating Group A Settlement Class Members under the Settlement Agreement (as described in Note 2 of Notes to Consolidated Financial Statements for the Year Ended December 31, 2009 and elsewhere in this prospectus);

- a special dividend of $1.25 per share of Class A common stock and Class B common stock immediately following the restructuring transaction and before the closing of the initial public offering;

- the conversion of 1,698,000 shares of Class A common stock and 387,774 shares of Class B common stock into 2,085,774 shares of unrestricted common stock to be sold by the selling stockholders in this offering;

- the initial public offering;

- the conversion of 72,702,000 shares of Class A common stock and 15,945,606 shares of Class B common stock into 44,323,803 shares each of Class A-1 and Class A-2 common stock; and

- the tender offers for the Class A-1 common stock and the Class A-2 common stock.

The unaudited pro forma consolidated balance sheet as of March 31, 2010 gives pro forma effect to such transactions as if they had occurred on March 31, 2010. The unaudited pro forma consolidated statement of income for the three months ended March 31, 2010 gives pro forma effect to such transactions as if they had occurred on January 1, 2010, the beginning of our fiscal year. The unaudited pro forma consolidated statement of income for the year ended December 31, 2009 gives pro forma effect to such transactions as if they had occurred on January 1, 2009. The number of shares used in the calculation of net income per share is based on the number of shares to be issued to the holders of CBOE Seats and Participating Group A Settlement Class Members and the number of shares to be issued and sold in the initial public offering, less shares repurchased in the tender offers, and are assumed to be outstanding from the beginning of the period.

The unaudited pro forma consolidated financial statements have been presented based on:

- 80,000 shares of Class A common stock of CBOE Holdings to be issued to each of the 930 CBOE Seats existing on the date of the restructuring transaction;

- 18,774 shares of Class B common stock of CBOE Holdings to be issued in respect of each Group A package approved by the Delaware Court to each Participating Group A Settlement Class Member immediately following the effectiveness of the restructuring transaction;

- a special dividend of $1.25 per share of the Class A common stock and the Class B common stock immediately following the restructuring transaction and before the closing of the initial public offering;

an initial public offering of 9,614,226 million shares of unrestricted common stock to be sold by the Company and 2,085,774 million shares to be sold by the selling stockholders at an assumed public offering price of $28 per share, based on the midpoint of the price range set forth on the front cover of this prospectus with an assumed underwriting discount of 6.75%;

the conversion of 1,698,000 shares of Class A common stock and 387,774 shares of Class B common stock into 2,085,774 shares of unrestricted common stock for purposes of being sold by selling stockholders in the initial public offering and the conversion of the remaining 72,702,000 shares of Class A common stock and 15,945,606 shares of Class B common stock into 44,323,803 shares of Class A-1 common stock and 44,323,803 shares of Class A-2 common stock; and

tender offers resulting in the purchase of approximately 4,482,633 million shares of Class A-1 common stock and 4,482,633 million shares of Class A-2 common stock at an assumed purchase price of $28 per share.

Our board of directors has approved the grant of restricted stock to our directors, officers and other employees upon effectiveness of the restructuring transaction. Total grants are expected to have a fair value at the date of grant of approximately $62.1 million, based on an assumed initial public offering price of $28 per share. The restricted stock will vest over stated time periods, and we will recognize the fair value of the grants as compensation expense in our statement of income over these periods. The unaudited pro forma consolidated financial statements reflect these restricted stock grants.

Based on the final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement, CBOE, in December 2009, recorded a $300 million current liability in settlements payable and a $300 million reduction in retained earnings in the Consolidated Balance Sheet for the year ended December 31, 2009. CBOE considers the payment to be a redemption of claimed ownership interests of CBOE, and thus, the liability for the payment is accounted for as an equity transaction. The $300 million represents the cash payment required to be made by CBOE under the Settlement Agreement at the earlier of the date of demutualization or one year after the order approving the Settlement Agreement. For purposes of the unaudited pro forma financial statements, the amounts due under the Settlement Agreement are reflected as paid on the date of demutualization.

For purposes of the unaudited pro forma financial statements, upon demutualization, consistent with ASC 944-805-45, *Other Presentation Matters*, retained earnings and members' equity are reclassified to capital stock and additional paid-in capital accounts.

The unaudited pro forma consolidated financial statements are based on available information and on assumptions management believes are reasonable and that reflect the effects of the transactions described above. These unaudited pro forma consolidated financial statements are provided for informational purposes only and should not be construed to be indicative of our consolidated financial position or results of operations had these transactions been consummated on the dates assumed and do not in any way represent a projection or forecast of our consolidated financial position or results of operations for any future date or period. **The assumed price to be paid in the tender offers does not represent a projection or forecast of the expected trading prices for CBOE Holdings' unrestricted common stock and is provided for illustrative purposes only**. The unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements together with the related notes and report of independent registered public accounting firm, and with the information set forth under our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

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Chicago Board Options Exchange, Incorporated and Subsidiaries
Unaudited Pro Forma Consolidated Balance Sheet
March 31, 2010
(in thousands)

	Historical	Restructuring Transaction Adjustments	Subtotal	Pro Forma Initial Public Offering Adjustments	Tender Offer Adjustments	As Adjusted
Assets						
Current Assets:						
Cash and cash equivalents	$ 439,497	$ (302,688)(a) (113,417)(c)	$ 23,392	$ 251,027(d)	$ (251,027)(e)	$ 23,392
Accounts receivable net of allowances of $70	37,252		37,252			37,252
Marketing fee receivable	9,028		9,028			9,028
Income taxes receivable	295		295			295
Prepaid medical benefits	589		589			589
Other prepaid expenses	6,656		6,656			6,656
Settlement receivable	1,500		1,500			1,500
Other current assets	691		691			691
Total Current Assets	495,508	(416,105)	79,403	251,027	(251,027)	79,403
Investments in Affiliates	2,885		2,885			2,885
Land	4,914		4,914			4,914
Property and Equipment:						
Construction in Progress	20,791		20,791			20,791
Building	60,916		60,916			60,916
Furniture and equipment	216,332		216,332			216,332
Less accumulated depreciation and amortization	(208,048)		(208,048)			(208,048)
Total property and equipment net	89,991		89,991			89,991
Other Assets:						
Software development work in progress	7,079		7,079			7,079
Data processing software and other assets (less accumulated amortization $98,447)	32,150		32,150			32,150
Total Other Assets Net	39,229		39,229			39,229
Total	**$ 632,527**	**$ (416,105)**	**$ 216,422**	**$ 251,027**	**$ (251,027)**	**$ 216,422**
Liabilities and Equity						
Current Liabilities:						
Accounts payable and accrued expenses	$ 32,649		$ 32,649			$ 32,649
Marketing fee payable	9,878		9,878			9,878
Deferred revenue	32,825		32,825			32,825
Post-Retirement Medical Benefits	72		72			72
Exercise right privilege payable	305,806	(302,688)(a)	3,118			3,118
Income tax payable	17,066		17,066			17,066
Total Current Liabilities	398,296	(302,688)	95,608			95,608
Long-term Liabilities:						
Post-Retirement Medical Benefits	1,465		1,465			1,465
Income taxes payable	3,185		3,185			3,185
Deferred income taxes	206		206			206
Other long-term liabilities	18,551		18,551			18,551

Total Long-term Liabilities	23,407		23,407			23,407
Total Liabilities	421,703	(302,688)	119,015			119,015
Equity						
Members' equity	19,574	(19,574)(b)				
Preferred stock						
Common stock				117(d)		117
Class A common stock		744(b)	744	(744)(d)		
Class A-1 common stock				443(d)		443
Class A-2 common stock				443(d)		443
Class B common stock		163(b)	163	(163)(d)		
Additional paid-in capital	2,592	208,112(b) (113,417)(c)	97,287	250,931(d)		348,218
Retained earnings	189,445	(189,445)(b)				
Accumulated other comprehensive loss	(787)		(787)			(787)
Treasury stock, at cost					(251,027)(e)	(251,027)
Total Equity	210,824	(113,417)	97,407	251,027	(251,027)	97,407
Total	**$ 632,527**	**$ (416,105)**	**$ 216,422**	**$ 251,027**	**$ (251,027)**	**$ 216,422**

The accompanying introduction and notes are an integral part of this
Unaudited Pro Forma Consolidated Balance Sheet

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Chicago Board Options Exchange, Incorporated and Subsidiaries
Unaudited Pro Forma Consolidated Statement of Income
For the Three Months Ended March 31, 2010
(in thousands, except per share data)

	Historical	Pro Forma Restructuring Transaction Adjustments	Pro Forma Initial Public Offering Adjustments	Pro Forma Tender Offer Adjustments	As Adjusted
Operating Revenues:					
Transaction fees	$ 83,411				$ 83,411
Access fees	2,204				2,204
Exchange services and other fees	4,361				4,361
Market data fees	5,748				5,748
Regulatory fees	3,829				3,829
Other	1,528				1,528
Total Operating Revenues	101,081				101,081
Operating Expenses:					
Employee costs	23,137	3,881(a)			27,018
Depreciation and amortization	7,301				7,301
Data processing	5,082				5,082
Outside services	8,123				8,123
Royalty fees	10,898				10,898
Trading volume incentives	3,696				3,696
Travel and promotional expenses	1,986				1,986
Facilities costs	1,384				1,384
Exercised Right appeal settlement					
Other	745				745
Total Operating Expenses	62,352	3,881			66,233
Operating income	38,729	(3,881)			34,848
Other loss	(327)	(100)(b) (227)(c)			(654)
Income Before Income Taxes	38,402	(4,208)			34,194
Income Tax Provision	15,726	(1,683)(d)			14,043
Net Income	$ 22,676	$ (2,525)	$	$	$ 20,151
Net Income Per Share:					
Primary					$ 0.22
Diluted					$ 0.22
Basic weighted average shares outstanding					91,382
Diluted weighted average shares outstanding					93,600

The accompanying introduction and notes are an integral part of this Unaudited Pro Forma Consolidated Statement of Income

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Chicago Board Options Exchange, Incorporated and Subsidiaries
Unaudited Pro Forma Consolidated Statement of Income
For the Year Ended December 31, 2009
(in thousands, except per share data)

	Historical	Restructuring Transaction Adjustments	Pro Forma Initial Public Offering Adjustments	Tender Offer Adjustments	As Adjusted
Operating Revenues:					
Transaction fees	$ 314,506	$	$	$	$ 314,506
Access fees	45,084				45,084
Exchange services and other fees	22,647				22,647
Market data fees	20,506				20,506
Regulatory fees	15,155				15,155
Other	8,184				8,184
Total Operating Revenues	**426,082**				**426,082**
Operating Expenses:					
Employee costs	84,481	15,525(a)			100,006
Depreciation and amortization	27,512				27,512
Data processing	20,475				20,475
Outside services	30,726				30,726
Royalty fees	33,079				33,079
Trading volume incentives	28,631				28,631
Travel and promotional expenses	10,249				10,249
Facilities costs	5,624				5,624
Exercise Right appeal settlement	2,086				2,086
Other	5,634				5,634
Total Operating Expenses	**248,497**	**15,525**			**264,022**
Operating Income	**177,585**	**(15,525)**			**162,060**
Other Loss	**(355)**	**(1,607)**(b) **(4,488)**(c)			**(6,450)**
Income Before Income Taxes	**177,230**	**(21,620)**			**155,610**
Income Tax Provision	**70,779**	**(8,648)**(d)			**62,131**
Net Income	**$ 106,451**	**$ (12,972)**	**$**	**$**	**$ 93,479**
Net Income Per Share:					
Primary					$ 1.02
Diluted					$ 1.00
Basic weighted average shares outstanding					91,382
Diluted weighted average shares outstanding					93,600

The accompanying introduction and notes are an integral part of this Unaudited Pro Forma Consolidated Statement of Income

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NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma consolidated financial statements reflect such adjustments as necessary, in the opinion of management, to reflect the restructuring transaction, the Settlement Agreement, the special dividend, the initial public offering and the tender offers.

For the purposes of these unaudited pro forma consolidated financial statements, the assumed effective dates of the restructuring transaction, the Settlement Agreement, the special dividend, the initial public offering and the tender offers are as follows:

Unaudited Pro Forma Consolidated Balance Sheet as of March 31, 2010	March 31, 2010
Unaudited Pro Forma Consolidated Statement of Income For the Three Months Ended March 31, 2010	January 1, 2010
Unaudited Pro Forma Consolidated Statement of Income For the Year Ended December 31, 2009	January 1, 2009

Pro forma adjustments reflect the following:

Restructuring Transaction: Pursuant to the Settlement Agreement, qualifying members of the plaintiff class will receive a cash payment of $300.0 million, and an equity interest in the form of shares of Class B common stock of CBOE Holdings that is equal to approximately 21.9% of the total equity interest in CBOE Holdings issued to the owners of the CBOE Seats in the restructuring transaction.

For the purposes of the unaudited pro forma consolidated financial statements, funds for the cash payments of $300.0 million and the fee-based payments of $2.7 million pursuant to the Settlement Agreement and the payment of the special dividend of $113.4 million are provided from cash on hand of $376.1 and $301.3 million and borrowings under the CBOE credit facility of $40.0 and $115.0 million at January 1, 2010 and January 1, 2009, respectively. At March 31, 2010, the funds are provided from cash on hand.

Interest income and interest expense reflect the pro forma impact of the cash payments and the borrowings under the credit facility.

In the restructuring transaction, each CBOE Seat existing on the date of the restructuring transaction will be converted into the right to receive 80,000 shares of Class A common stock of CBOE Holdings.

Each Participating Group A Settlement Class Member will be issued 18,774 shares of Class B common stock.

For the purposes of the unaudited pro forma consolidated financial statements, 74,400,000 shares of Class A common stock, with a par value of $0.01, will be issued on the effective date of the restructuring transaction.

For purposes of the unaudited pro forma consolidated financial statements, 16,333,380 shares of Class B common stock, with a par value of $0.01, will be issued on the effective date of the restructuring transaction.

For purposes of the unaudited pro forma consolidated financial statements, a special dividend of $1.25 per share of Class A common stock and Class B common stock outstanding will be paid immediately following the completion of the restructuring transaction and before the closing of the initial public offering.

For purposes of the unaudited pro forma consolidated financial statements, 2,217,911 shares of restricted stock of CBOE Holdings, with a par value of $0.01 per share, will be granted to directors, officers and employees on the date of the restructuring transaction. For the purposes of the unaudited

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (Continued)

pro forma consolidated financial statements, grants are expected to have a fair value at the date of grant of approximately $62.1 million, based on an assumed initial public offering price of $28 per share.

Initial Public Offering: The Company intends to conduct an initial public offering of 11,700,000 million shares of unrestricted common stock of CBOE Holdings, consisting of 9,614,226 shares to be sold by the Company and 2,085,774 shares to be sold by selling stockholders. For purposes of the unaudited pro forma consolidated financial statements, the initial public offering price per share is assumed to be $28 per share, based on the midpoint of the price range set forth on the front cover of this prospectus and the underwriting discount is assumed to be 6.75%.

Shares of Class A and Class B common stock will be converted into shares of unrestricted common stock for purposes of being sold in the initial public offering by the selling stockholders. Upon completion of the initial public offering, each outstanding share of Class A and Class B common stock not converted into unrestricted common stock and sold by the selling stockholders in the initial public offering will automatically convert into one-half of one share of Class A-1 common stock and one-half of one share of Class A-2 common stock.

Tender Offers: Following the initial public offering, the Company intends to make two tender offers, one for its shares of Class A-1 common stock and one for its shares of Class A-2 common stock.

For purposes of the unaudited pro forma consolidated financial statements, we have assumed that the aggregate dollar amount of the two tender offers will be equal to CBOE Holdings' net proceeds of the initial public offering. Also for purposes of the unaudited pro forma consolidated financial statements, the aggregate dollar amount will be split equally between Class A-1 and Class A-2 common stock.

Balance Sheet

(a) To record payments pursuant to the Settlement Agreement (under which qualifying members of the plaintiff class receive a cash payment of $300.0 million and fee-based payments of $2.7 million).

(b) To reflect the issuance of common stock (Class A and Class B) and the conversion of members' equity into stockholders' equity.

(c) To record payment of a special dividend.

(d) To record CBOE Holdings' net proceeds from the initial public offering, to record the conversion of Class A and Class B common stock sold in the initial public offering into unrestricted common stock, and to record the conversion of Class A and Class B common stock not sold in the initial public offering into Class A-1 common stock and Class A-2 common stock. The Class A-1 common stock and Class A-2 common stock will have all the rights and privileges of the unrestricted common stock but will be issued subject to transfer restrictions; the shares of Class A-1 common stock will be subject to a 180-day lockup, and the shares of Class A-2 common stock will be subject to a 360-day lockup.

(e) To record the cash payment for the repurchase of Class A-1 and Class A-2 common stock pursuant to the tender offers. The repurchased Class A-1 and Class A-2 common stock are recorded as treasury stock, at cost. The cash payment presented anticipates that the aggregate dollar amount of the two tender offers, if fully subscribed, would roughly approximate CBOE Holdings' net proceeds from the initial public offering. The net proceeds, divided by the actual price per share offered in the tender offers, will determine the maximum number of shares that may be subject to the tender offers. If the two tender offers are not fully subscribed, As Adjusted Cash and Cash Equivalents and Total Equity would each increase by the amount

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NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (Continued)

that the net proceeds exceeded the total value of the shares purchased in the two tender offers. There is no minimum number of shares that may be subject to the tender offers.

Statements of Income

(a) To record compensation expense as a result of the grant of restricted shares of common stock to officers, directors and employees on the date of the restructuring transaction.

(b) To eliminate interest income on cash and cash equivalents due to the cash payments pursuant to the Settlement Agreement and the payment of a special dividend.

(c) To record interest expense on borrowings against the credit facility. Interest rate of 2.27% and 3.90% assumed for the three months ended March 31, 2010 and year ended December 31, 2009 (based on the three month LIBOR rate as of January 1, 2010 and twelve month LIBOR rate as of January 1, 2009, respectively, plus applicable margin). An 1/8th of one percent increase or decrease in interest rates would result in an increase or decrease in interest expense of $13,000 and $144,000 for the three months ended March 31, 2010 and year ended December 31, 2009, respectively.

(d) 40.0% effective income tax rate was used for the provision for income taxes.

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SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Consolidated Financial Statements" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus. We have derived the balance sheet data as of March 31, 2010 and 2009 and operating data for the three months ended March 31, 2010 and 2009 from our unaudited consolidated financial statements and related notes included elsewhere in this prospectus. We have derived the balance sheet data as of December 31, 2009 and 2008 and operating data for the years ended December 31, 2009, 2008 and 2007 from the audited consolidated financial statements and related notes included in this prospectus. We have derived the balance sheet data as of December 31, 2007, 2006 and 2005 and the operating data for the years ended December 31, 2006 and 2005 from our audited consolidated financial statements which are not included in this prospectus. We have prepared our unaudited information on the same basis as our audited consolidated financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of the financial information set forth in that information.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006(1)	Year Ended Dec 31, 2005
			(in thousands, except per contract data, average lease rate and per share data)				
Operating Data							
Operating Revenues:							
Transaction fees	$ 83,411	$ 79,889	$ 314,506	$ 343,779	$ 272,716	$ 190,224	$ 144,917
Access fees(2)	2,204	2,253	45,084	5,695	3,527	6,767	6,894
Exchange services and other fees	4,361	6,074	22,647	24,479	22,941	15,503	16,453
Market data fees	5,748	5,275	20,506	21,082	20,379	20,293	16,903
Regulatory fees	3,829	2,888	15,155	11,000	14,346	13,817	11,835
Other revenue	1,528	1,688	8,184	10,748	10,361	6,639	4,037
Total Operating Revenues	**101,081**	**98,067**	**426,082**	**416,783**	**344,270**	**253,243**	**201,039**
Operating Expenses:							
Employee costs	23,137	20,274	84,481	83,140	83,538	79,782	74,678
Depreciation and amortization	7,301	6,884	27,512	25,633	25,338	28,189	28,349
Data processing	5,082	4,517	20,475	20,556	19,612	19,078	19,304
Outside services	8,123	6,584	30,726	27,370	23,374	20,455	18,404
Royalty fees	10,898	7,971	33,079	35,243	28,956	23,552	21,950
Trading volume incentives	3,696	5,704	28,631	15,437	5,108	2,186	

Travel and promotional expenses	1,986	2,276	10,249	10,483	9,640	7,209	6,796
Facilities costs	1,384	1,377	5,624	4,730	4,844	4,798	4,431
Exercise Right appeal settlement			2,086				
Class action settlement refund						(7,118)	
Other expenses	745	2,160	5,634	6,881	7,394	6,950	6,170
Total Operating Expenses	**62,352**	**57,747**	**248,497**	**229,473**	**207,804**	**185,081**	**180,082**
Operating Income	**38,729**	**40,320**	**177,585**	**187,310**	**136,466**	**68,162**	**20,957**
Other Income/(Expense):							
Investment income	100	512	1,607	6,998	8,031	4,743	2,016
Net loss from investment in affiliates	(205)	(226)	(1,087)	(882)	(939)	(757)	(203)
Impairment of investment in affiliate and other assets						(121)	(2,757)
Loss on sale of investments in affiliates					(3,607)		
Interest and other borrowing costs	(222)	(217)	(875)	(19)			(120)
Total Other Income/(Expense)	**(327)**	**69**	**(355)**	**6,097**	**3,485**	**3,865**	**(1,064)**
Income Before Income Taxes	**38,402**	**40,389**	**177,230**	**193,407**	**139,951**	**72,027**	**19,893**
Income tax provision	15,726	16,111	70,779	78,119	56,783	29,919	8,998
	$ 22,676	**$ 24,278**	**$ 106,451**	**$ 115,288**	**$ 83,168**	**$ 42,108**	**$ 10,895**

Net Income

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	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006(1)	Year Ended Dec 31, 2005
	(in thousands, except per contract data, average lease rate and per share data)						
Pro forma net income per common share (Unaudited)(3):							
Basic	$ 0.23	$ 0.24	$ 1.06	$ 1.15	$ 0.83	$ 0.42	$ 0.11
Diluted	0.22	0.24	1.04	1.12	0.81	0.41	0.11
Weighted average shares used in computing pro forma net income(4):							
Basic	100,348	100,348	100,348	100,348	100,348	100,348	100,348
Diluted	102,566	102,566	102,566	102,566	102,566	102,566	102,566

Certain 2008, 2007, 2006 and 2005 amounts have been reclassified to conform to current year presentation. See Note 1 of Notes to Consolidated Financial Statements for the year ended December 31, 2009.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006(1)	Year Ended Dec 31, 2005
	(in thousands, except per contract data, average lease rate and employees)						
Balance Sheet Data							
Total assets	$ 632,527	$ 544,080	$ 571,948	$ 496,139	$ 341,695	$ 255,826	$ 202,185
Total liabilities	421,703	138,142	383,814	114,479	75,328	72,437	61,277
Total members' equity	210,824	405,938	188,134	381,660	266,367	183,389	140,908
Pro Forma Balance Sheet Data (Unaudited)(5)							
Total assets	519,110						
Total equity	97,407						
Other Data (Unaudited)							
Working capital(6)	97,212	293,989	74,328	270,297	173,963	94,081	59,912
Capital expenditures(7)	6,562	9,830	37,997	43,816	32,095	28,700	21,011
Number of full time employees at the end of the period	597	591	597	576	586	626	673
Sales price per CBOE Seat:							
High	$ 2,950	$ 1,750	$ 2,800	$ 3,300	$ 3,150	$ 1,775	$ 875
Low	2,575	1,200	1,200	1,750	1,800	850	299
Average daily volume by product(8):							
Equities	2,396	2,437	2,519	2,387	1,996	1,556	1,094
Indexes	1,109	880	884	1,026	918	628	459
Exchange-traded funds	1,040	1,160	1,100	1,304	849	504	305
Total options average daily volume	4,545	4,477	4,503	4,717	3,763	2,688	1,858

Futures	10	2	5	5	4	2	1
Total average daily volume	4,555	4,479	4,508	4,722	3,767	2,690	1,859

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	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007	Year Ended Dec 31, 2006(1)	Year Ended Dec 31, 2005
	(in thousands, except per contract data, average lease rate and per share data)						
Average transaction fee per contract(9)							
Equities	$ 0.184	$ 0.195	$ 0.181	$ 0.177	$ 0.180	$ 0.182	$ 0.205
Indexes	0.597	0.569	0.567	0.576	0.544	0.500	0.553
Exchange-traded funds	0.236	0.285	0.255	0.259	0.257	0.312	0.317
Total options average transaction fee per contract	0.297	0.292	0.275	0.286	0.286	0.280	0.309
Futures	1.952	1.689	1.990	1.860	2.130	1.974	1.977
Total average transaction fee per contract	$ 0.300	$ 0.292	$ 0.277	$ 0.288	$ 0.288	$ 0.282	$ 0.309
Average monthly lease rate(10)	$ 6,079	$ 10,152	$ 10,444	$ 9,695	$ 5,875	$ 4,984	$ 5,594

(1) On January 1, 2006, CBOE began operating its business on a for-profit basis.

(2) In December 2009, CBOE recognized as revenue $24.1 million of access fees assessed and collected in 2008 and 2007, which were included in deferred revenue pending the final, non-appealable resolution of the Delaware Action.

(3) Pro forma net income per common share is calculated by dividing historical net income for each of the periods presented by the weighted average pro forma number of common shares (basic and diluted).

(4) Basic weighted average shares used in computing pro forma net income per common share reflects (i) the issuance of 74,400,000 shares of Class A common stock and 16,333,380 shares of Class B common stock as part of our restructuring transaction and pursuant to the Settlement Agreement, respectively, (ii) an assumed sale and issuance of 9,614,226 shares of unrestricted common stock by the Company in this offering following the requisite approval of the restructuring transaction by CBOE members and (iii) the conversion of all 74,400,000 shares of Class A common stock and of all 16,333,380 shares of Class B common stock into either shares of unrestricted common stock for purposes of being sold in the initial public offering or into shares of Class A-1 and Class A-2 common stock. Diluted weighted average shares used in computing pro forma net income per share equals the basic weighted average shares outstanding in each period plus potentially dilutive common shares to be issued in the form of restricted stock to directors, officers and employees on the date of the restructuring transaction. See "Our Structure The Restructuring Transaction" and Notes 2 and 16 of Notes to Consolidated Financial Statements for the year ended December 31, 2009 and Note 12 of Notes to Consolidated Financial Statements for the three months ended March 31, 2010 and 2009.

(5) Adjusted to reflect the impact, as of March 31, 2010, of a special dividend pursuant to board authorization of a special committee. See "Our Structure" in this prospectus.

(6) Working capital equals current assets minus current liabilities. See Note 2 of Notes to Consolidated Financial Statements for the years ended December 31, 2009, 2008 and 2007 for the impact of the Settlement Agreement on working capital in 2009.

(7) Does not include new investments in affiliates or the disposition of interests in affiliates.

(8)

Average daily volume equals the total contracts traded during the period divided by the number of trading days in the period.

(9) Average transaction fee per contract equals transaction fees recognized during the period divided by the total contracts traded during the period.

(10) Average monthly lease rates prior to February 2008 are based on membership leases reported to CBOE, which may not be representative of all membership leases. Beginning February 2008, the average lease rate is calculated based on the monthly access fee assessed to temporary members. The average monthly lease rate for January through May 2010 was $6,647.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the CBOE's financial condition and results of operations should be read in conjunction with the consolidated financial statements of the CBOE and the notes thereto included in this prospectus. The following discussion contains forward-looking statements. Actual results could differ materially from the results discussed in the forward-looking statements. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" above.

Prior to the completion of the restructuring transaction, CBOE Holdings had not conducted any business as a separate entity and had no assets and, therefore, does not have its own set of financial statements. As a result, the financial condition and results of operations discussed here are those of CBOE, which will continue to operate the Exchange after the restructuring transaction as a wholly-owned subsidiary of CBOE Holdings. It is currently anticipated that CBOE will be the primary business of CBOE Holdings.

Overview

The primary business of the CBOE is the operation of markets for the trading of listed options contracts for three broad product categories: the stocks of individual corporations (equity options), various market indexes (index options) and securitized baskets of equity (exchange-traded funds). In addition to traditional open outcry markets, we offer electronic trading through our hybrid trading model that operates on a proprietary technology platform known as CBOE*direct*, which we developed and implemented, beginning in June 2003. Until June 2003, the majority of all of our options trading was conducted in an open outcry environment. We derive a substantial portion of our revenue from transaction fees relating to the trading in our markets; these fees accounted for 73.8% of our total operating revenues in 2009 and 82.5% of total operating revenues for the three months ended March 31, 2010. Other revenues are generated by access fees for trading permits and dues payments, user fees charged members for certain exchange services, the sale of market data generated by trading in our markets, and regulatory related fees, which accounted for 10.6%, 5.3%, 4.8% and 3.6%, respectively, of our total operating revenues in 2009 and 2.2%, 4.3%, 5.7% and 3.8%, respectively, of total operating revenues for the three months ended March 31, 2010. In general, our operating revenues are primarily driven by the number of contracts traded on the Exchange. In order to increase the volume of contracts traded on the Exchange, we strive to develop and promote contracts designed to satisfy the trading, hedging and risk-management needs of our market participants.

Until January 1, 2006, the CBOE operated generally as a non-profit organization. Our fee schedules and expense budgets were designed to achieve a break-even operation. When volume and revenue exceeded budgeted levels, transaction fees were generally reduced to avoid generating surpluses beyond the CBOE's needs for working capital. As of January 1, 2006, the board of directors of CBOE instructed management to begin a transition to operating the CBOE on a for-profit basis. Therefore, the historical financial information provided herein will not necessarily be indicative of our future performance and should be read in that context.

The restructuring transaction will convert our organization from a non-stock company with members into a stock holding company with stockholders. Our members will become stockholders of CBOE Holdings. Following the restructuring transaction, we will earn access fee revenue from Trading Permit Holders and will no longer generate revenue from membership dues. Based on our current assumptions, we expect that a significant amount of incremental operating revenues will be generated by access fees from Trading Permit Holders.

CBOE operates in one business segment.

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Components of Operating Revenues

Transaction Fees

The primary and largest source of the CBOE's operating revenues is transaction fee revenue. Transaction fee revenue is a function of three variables: (1) exchange fee rates, determined primarily by contract type; (2) trading volume; and (3) transaction mix between contract type (member versus non-member). Because our trading fees are assessed on a per contract basis, our exchange fee revenue is highly correlated to the volume of contracts traded on our markets. While exchange fee rates are established by the CBOE, trading volume and transaction mix are primarily influenced by factors outside the CBOE's control. These external factors include price volatility in the underlying securities and national and international economic and political conditions. In addition, the SEC recently published for comment proposed rule amendments that, if adopted as proposed, would place a $0.30 per contract limit on the total access fees that an exchange may charge for the execution of an order against a quotation that is the best bid or best offer of such exchange in a listed option. If the proposed rules are adopted as proposed, or are adopted in a form substantially similar to that proposed, they would reduce transaction fees materially. See "Regulatory Environment and Compliance Recent Regulatory Developments Discriminatory Terms and Fee Caps."

Revenue is recorded as transactions occur on a trade-date basis. Transaction fee revenue accounted for 73.8%, 82.5% and 79.2% of our total operating revenues in 2009, 2008 and 2007, respectively, and 82.5% and 81.5% for the three months ended March 31, 2010 and 2009, respectively.

Recent years have seen a steady increase in the total trading volume on U.S. options exchanges. According to OCC, total options contract volume in 2005, 2006, 2007, 2008 and 2009 was 1.50 billion, 2.03 billion, 2.86 billion, 3.58 billion and 3.61 billion contracts, respectively, representing year-over-year growth of 35% in 2006, 41% in 2007, 25% in 2008 and 1% in 2009. The options industry was not immune to the financial crisis that began in the fall of 2008. Most participants in the options markets, including major investment banks, hedge funds and institutional and retail investors, suffered reductions in their asset and capital bases and generally reduced their trading activity. As a result, the growth in options trading in 2009 did not keep pace with the historical trend.

For the quarter ended March 31, 2010, total options contract volume at CBOE was 277.3 million, an increase of 1% as compared with the same period in 2009. For 2009, total options contract volume at CBOE was 1,134.8 million, a decline of 5% compared with 2008. Total options contract volume at CBOE was 468.2 million, 674.7 million, 944.5 million and 1,193.4 million in 2005, 2006, 2007 and 2008, respectively, representing annual growth of 44% in 2006, 40% in 2007 and 26% in 2008. For the years 2005 through 2009, CBOE's options contract volume grew at a 25% compound annual growth rate. Contract trading volume levels in 2005, 2006, 2007 and 2008 were consecutive CBOE record highs.

The following chart illustrates trading volume across the different categories of products traded at CBOE for the first three months of 2010 and 2009:

	Options Contract Volume	
Three months ended March 31	**2010**	**2009**
Equities	146,171,101	148,665,177
Indexes	67,670,542	53,693,386
Exchange-traded funds	63,421,428	70,744,815
Total	277,263,071	273,103,378

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The following chart illustrates annual trading volume across the different categories of products traded at the CBOE for the periods indicated:

	Annual Options Contract Volume				
	2009	**2008**	**2007**	**2006**	**2005**
Equities	634,710,477	604,024,956	500,964,713	390,657,577	275,646,980
Indexes	222,787,514	259,499,726	230,527,970	157,596,679	115,723,454
Exchange-traded funds	277,266,218	329,830,388	212,979,241	126,481,092	76,878,867
Total	1,134,764,209	1,193,355,070	944,471,924	674,735,348	468,249,301

The equities category reflects trading in options contracts on the stocks of individual companies. Indexes include options contracts on market indexes and on the interest rates of U.S. Treasury Securities. Exchange-traded funds (ETFs) are baskets of stocks designed to generally track an index, but which trade like individual stocks.

Following six consecutive years of volume increases, CBOE's trading volume fell in 2009, reflecting a 14% decrease in indexes and a 16% decline in ETFs, partially offset by a 5% increase in equities. Within our index products, 70% of the volume in 2009 was attributable to SPX, our largest product and for which we have an exclusive license. Within our ETF products, 31% of the 2009 volume was attributable to contracts on the Standard & Poor's Depository Receipts, or SPY, our second highest volume product in 2009. We believe that the historical changes in trading volume were due to industry-wide factors, as well as CBOE-specific factors.

For CBOE specifically, our volume growth has equaled or exceeded industry averages driven by strong product offerings, as well as the implementation of our hybrid trading model. For the years 2005 through 2009, the industry growth rate was 24% versus 25% for CBOE. For the same time period, CBOE's market share increased to 31.4% in 2009 from 31.1% in 2005. For the first three months of 2010, CBOE's market share declined to 30.0% compared with 31.7% for the same period in 2009.

We believe that the number of investors that use options represents a growing proportion of the total investing public and that the growth in the use of options represents a long-term trend that will continue in the future. Furthermore, we believe significant opportunities exist to expand the use of options by both institutional and professional investors and for the migration of activity from the over-the-counter market to exchanges.

While there is no certainty, we expect that the industry-wide and CBOE-specific factors that contributed to past volume changes will continue to contribute to future volume levels. Therefore, if these same factors continue to exist, we may experience similar changes in contract trading volume. However, additional factors may arise that could offset future increases in contract trading volume or result in a decline in contract trading volume, such as new or existing competition or other events. Accordingly, our recent contract trading volume history may not be an indicator of future contract trading volume.

Access Fees

Access fees represent fees assessed to CBOE Temporary Members and interim trading permit holders for the right to trade at CBOE and dues charged to members. The interim trading permit program was initiated in July 2008.

CBOE has assessed access fees to CBOE Temporary Members since September 2007, but the revenue recognition was deferred pending the resolution of the Settlement Agreement. The Delaware Court issued a Memorandum Opinion in June 2009 approving the Settlement Agreement. Based on the favorable settlement ruling, CBOE, in June 2009, began recognizing as revenue the fees assessed to

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CBOE Temporary Members in 2009 that were not subject to the fee-based payments under the Settlement Agreement. Based on the final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement in December 2009, CBOE recognized as revenue fees assessed to and collected from CBOE Temporary Members in 2007 and 2008 that were not subject to the fee-based payments under the Settlement Agreement. This category of revenue accounted for 10.6%, 1.4% and 1.0% of our total operating revenues in 2009, 2008 and 2007, respectively, and 2.2% for each of the three months ended March 31, 2010 and 2009. Following the restructuring transaction, we will generate access fees from Trading Permit Holders, which, based on our current assumptions, we expect will represent a larger percentage of our operating revenues.

Exchange Services and Other Fees

To facilitate trading and provide technology services, the Exchange offers trading floor space, terminal, printer and other equipment rentals, maintenance services and telecommunications services. Trading floor and equipment rents are generally on a month-to-month basis. Facilities, systems services and other fees are generally monthly fee-based, although certain services are influenced by trading volume or other defined metrics, while others are based solely on demand. Revenue from exchange services and other fees has been flat to trending down as a greater number of our market participants access CBOE through electronic means rather than in an open outcry environment. This category of revenue accounted for 5.3%, 5.9% and 6.7% of our total operating revenues in 2009, 2008 and 2007, respectively, and 4.3% and 6.2% for the three months ended March 31, 2010 and 2009, respectively.

Market Data Fees

Market data fees represent income derived from the sale of our transaction information through the OPRA and CBOE's market data services. OPRA is not consolidated with CBOE. OPRA gathers market data from various options exchanges, including CBOE, and, in turn, disseminates this data to third parties who pay fees to OPRA to access the data. As a member exchange, we are members of a management committee with other member exchanges that administer the OPRA limited liability agreement. Revenue generated by OPRA from the dissemination of market data is shared among OPRA's members according to the relative number of trades executed by each of the member exchanges as calculated each quarter. A trade consists of a single transaction, but may consist of several contracts. Each member exchange's share of market data revenue generated by OPRA is calculated on a per trade basis and is not based on the underlying number of contracts. CBOE also derives revenue from the direct sale of a wide range of current and historical market data. This category of revenue accounted for 4.8%, 5.1% and 5.9% of our total operating revenues in 2009, 2008 and 2007, respectively, and 5.7% and 5.4% for the three months ended March 31, 2010 and 2009, respectively.

Regulatory Fees

We charge fees to our members and member firms in support of our regulatory responsibilities as a self regulatory organization under the Exchange Act. Historically, most of this revenue was based on the number of registered representatives that a CBOE member firm maintained. In 2008, CBOE eliminated the Registered Representative Fee and announced a new fee structure that was implemented in 2009, under which regulatory fees are based on the number of customer contracts executed by member firms. CBOE began charging the customer contracts-based Options Regulatory Fee as of March 1, 2009. CBOE expects the amount of revenue collected from the Options Regulatory Fee to be approximately the same as the amount of revenue collected from the former Registered Representative Fee. This source of revenue could decline in the future if the number of customer contracts executed by CBOE member firms declines and rates are not increased. This category of revenue accounted for 3.6%, 2.6% and 4.2% of our total operating revenues in 2009, 2008 and 2007, respectively, and 3.8% and 3.0% for the three months ended March 31, 2010 and 2009, respectively.

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Other Revenue

Other revenue accounted for 1.9%, 2.5% and 3.0% of our total operating revenues in 2009, 2008 and 2007, respectively, and 1.5% and 1.7% for the three months ended March 31, 2010 and 2009, respectively. The following sub-categories represent the largest source of revenue within other revenues:

- Revenue associated with advertisements through our corporate web site, *www.CBOE.com*;
- Rental of commercial space in the lobby of our building;
- Revenue generated through our order routing cancel fee; and
- Revenue derived from fines assessed for rule violations.

Components of Operating Expenses

Our operating expenses generally support our open outcry markets and hybrid trading model and are mainly fixed in nature, meaning that the overall expense structure is generally independent of trading volume. Salaries and benefits represent our largest expense category and tend to be driven by both our staffing requirements and the general dynamics of the employment market. Other significant operating expenses in recent years have been expenses associated with enhancements to our trading systems, royalty fees to licensors of licensed products, trading volume incentives and costs related to outside services.

Other Income/(Expense)

Income and expenses incurred through activities outside of our core operations are considered non-operating and are classified as other income/(expense). These activities primarily include investing of excess cash, financing activities and investments in other business ventures.

- Investment income represents our return from the investment of our excess cash. Currently, CBOE invests its excess cash in highly liquid, short-term investments, such as money market funds. Historically, we have also invested our cash in highly-liquid, investment grade commercial paper, corporate bonds and U.S. Treasuries. Our highest priority in making investment decisions is to assure the preservation of principal and secondarily to retain liquidity to meet projected cash requirements and maximize yield within the specified quality and maturity restrictions.
- Net loss from investment in affiliates includes losses from our investment in OneChicago, LLC (OneChicago).
- Impairment of investment in affiliate and other assets primarily includes impairment charges taken to reduce the book value of an investment.
- Loss on sale of investments in affiliates includes the loss recognized upon the disposition of CBOE's investment in HedgeStreet, Inc. (HedgeStreet).
- Interest and other borrowing costs are associated with a $150 million senior credit facility. These costs primarily represent commitment fees paid on the unused portion of the facility and the amortization of deferred financing costs.

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Results of Operations

The following table sets forth our unaudited condensed consolidated statements of income data for periods presented as a percentage of total operating revenues.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Operating Data					
Operating Revenues:					
Transaction fees	82.5%	81.5%	73.8%	82.5%	79.2%
Access fees	2.2%	2.2%	10.6%	1.4%	1.0%
Exchange services and other fees	4.3%	6.2%	5.3%	5.9%	6.7%
Market data fees	5.7%	5.4%	4.8%	5.1%	5.9%
Regulatory fees	3.8%	3.0%	3.6%	2.6%	4.2%
Other revenue	1.5%	1.7%	1.9%	2.5%	3.0%
Total Operating Revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating Expenses:					
Employee costs	22.9%	20.7%	19.8%	19.9%	24.3%
Depreciation and amortization	7.2%	7.0%	6.5%	6.2%	7.4%
Data processing	5.0%	4.6%	4.8%	4.9%	5.7%
Outside services	8.0%	6.7%	7.2%	6.6%	6.8%
Royalty fees	10.8%	8.2%	7.8%	8.5%	8.4%
Trading volume incentives	3.7%	5.8%	6.7%	3.7%	1.5%
Travel and promotional expenses	2.0%	2.4%	2.4%	2.5%	2.8%
Facilities costs	1.4%	1.4%	1.3%	1.1%	1.4%
Exercise Right appeal settlement			0.5%		
Other expenses	0.7%	2.1%	1.3%	1.7%	2.1%
Total Operating Expenses	**61.7%**	**58.9%**	**58.3%**	**55.1%**	**60.4%**
Operating Income	**38.3%**	**41.1%**	**41.7%**	**44.9%**	**39.6%**

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Three months ended March 31, 2010 compared to the three months ended March 31, 2009

Overview

The following summarizes changes in financial performance for the three months ended March 31, 2010 compared to the same period in 2009.

	2010	2009	Inc./(Dec.)	Percent Change
	(dollars in millions)			
Total operating revenues	$ 101.1	$ 98.1	$ 3.0	3.1%
Total operating expenses	62.4	57.8	4.6	8.0%
Operating income	38.7	40.3	(1.6)	(4.0%)
Total other income/(expense)	(0.3)	0.1	(0.4)	(400.0%)
Income before income taxes	38.4	40.4	(2.0)	(5.0%)
Income tax provision	15.7	16.1	(0.4)	(2.5%)
Net income	$ 22.7	$ 24.3	$ (1.6)	(6.6%)
Operating income percentage	38.3%	41.1%		
Net income percentage	22.5%	24.8%		

Total operating revenues increased due to higher transaction fees, regulatory fees and market data fees, partially offset by a decrease in exchange services and other fees and other revenue.

Total operating expenses increased primarily due to increases in employee costs, royalty fees and outside services, partially offset by a decrease in trading volume incentives and other expenses.

Total other income/(expense) decreased primarily due to lower investment income for the first three months of 2010 as compared to the same period in 2009.

Significant Events in 2010

On April 21, 2010, the SEC published for comment proposed rule amendments that, if adopted as proposed, would place a $0.30 per contract limit on the total access fees that an exchange may charge for the execution of an order against a quotation that is the best bid or best offer of such exchange in a listed option. If the proposed rule amendments are adopted as proposed, or are adopted in a form substantially similar to that proposed, they would materially reduce transaction fees. A 60-day comment period ends June 21, 2010 after which the SEC will review responses from constituents. CBOE intends to comment on the proposal, seek clarification on omissions and inconsistencies and defend its pricing structure for its premium products. The results for the three months ended March 31, 2010 were not impacted by the proposed rule amendments.

On April 23, 2010, CBOE provided information regarding a post-demutualization access program. Following the restructuring transaction, physical and electronic access to the trading facilities of CBOE, subject to such limitations and requirements as will be specified in the Rules of the CBOE, will be available to individuals and organizations that have obtained a trading permit from CBOE. The initial trading permits will be issued at monthly rates established by the CBOE and filed with the SEC. The initial trading permits will have a term of one month and will automatically renew on a monthly basis, subject to the holders' right to terminate. The initial permit fees that CBOE currently plans to assess are $7,500 per month for market maker and floor broker permits and $2,000 per month for electronic access permits. CBOE currently plans to discount these permit fees by 20% through the end of 2010. CBOE currently anticipates initially charging $3,750 per month for quoting and order entry bandwidth packets and $2,000 per month for order entry bandwidth packets and also plans to discount these fees by 20% through the end of 2010. CBOE currently intends to initially assess a $3,000 per month surcharge to market makers that trade SPX options. CBOE currently plans to begin assessing these

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fees on the first day of the month following the month in which the restructuring transaction is completed. The revenue collected for trading permits, quoting and order entry bandwidth will be reflected in access fees.

Operating Revenues

Total operating revenues for the three months ended March 31, 2010 were $101.1 million, an increase of $3.0 million, or 3.1%, compared with the same period in 2009. The following summarizes changes in total operating revenues for the three months ended March 31, 2010 compared to the same period in 2009.

	2010	2009	Inc./(Dec.)	Percent Change
		(in millions)		
Transaction fees	$ 83.4	$ 79.9	$ 3.5	4.4%
Access fees	2.2	2.2		
Exchange services and other fees	4.4	6.1	(1.7)	(27.9%)
Market data fees	5.8	5.3	0.5	9.4%
Regulatory fees	3.8	2.9	0.9	31.0%
Other revenue	1.5	1.7	(0.2)	(11.8%)
Total operating revenues	$ 101.1	$ 98.1	$ 3.0	3.1%

Transaction Fees

Transaction fees increased 4.4% to $83.4 million for the three months ended March 31, 2010, representing 82.5% of total operating revenues, compared with $79.9 million for the same period in 2009, or 81.5% of total operating revenues. This increase was largely driven by increases of 1.7% and 2.7% in trading volume and average transaction fee per contract, respectively. The following summarizes transactions fees by product for the three months ended March 31, 2010 compared to the same period in 2009.

	2010	2009	Inc./(Dec.)	Percent Change
		(in millions)		
Equities	$ 26.9	$ 29.0	$ (2.1)	(7.2%)
Indexes	40.4	30.5	9.9	32.5%
Exchange-traded funds	14.9	20.2	(5.3)	(26.2%)
Total options transaction fees	82.2	79.7	2.5	3.1%
Futures	1.2	0.2	1.0	
Total transaction fees	$ 83.4	$ 79.9	$ 3.5	4.4%

Trading Volume

CBOE's average daily trading volume for the first three months of 2010 was 4.55 million contracts, up 1.6% compared with 4.48 million for the same period in 2009. Total trading days for the first three months of 2010 and 2009 was sixty-one. The following summarizes changes in total trading volume and

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average daily trading volume (ADV) by product for the three months ended March 31, 2010 compared to the same period in 2009.

	2010		2009		Volume Percent Change	ADV Percent Change
	Volume	ADV	Volume	ADV		
	(in millions)					
Equities	146.1	2.40	148.7	2.44	(1.7%)	(1.6%)
Indexes	67.7	1.11	53.7	0.88	26.1%	26.1%
Exchange-traded funds	63.4	1.04	70.7	1.16	(10.3%)	(10.3%)
Total options contracts	277.2	4.55	273.1	4.48	1.5%	1.6%
Futures contracts	0.6		0.1			
Total contracts	277.8	4.55	273.2	4.48	1.7%	1.6%

Average transaction fee per contract

The average transaction fee per contract was $0.300 for the three months ended March 31, 2010, an increase of 2.7% compared with $0.292 for the same period in 2009. Average transaction fee per contract represents transaction fees divided by total contracts. In general, CBOE faces continued pressure on transaction fees in the markets in which it competes. The following summarizes average transaction fee per contract by product for the three months ended March 31, 2010 compared to the same period in 2009.

	2010	2009	Percent Change
Equities	$ 0.184	$ 0.195	(5.6%)
Indexes	0.597	0.569	4.9%
Exchange-traded funds	0.236	0.285	(17.2%)
Total options average transaction fee per contract	0.297	0.292	1.7%
Futures	1.952	1.689	15.6%
Total average transaction fee per contract	$ 0.300	$ 0.292	2.7%

There are a number of factors that contributed to the increase in our average transaction fee per contract for the three months ended March 31, 2010 compared to the same period in 2009. These include:

Product mix The increase in the average transaction fee per contract reflects a shift in the volume mix by product. Indexes accounted for 24.4% and 19.7% of options contracts traded in the first three months of 2010 and 2009, respectively. Since indexes represent CBOE's highest-margin products, their increase as a percent of total volume contributed to the increase in the total average transaction fee per contract.

Premium products Premium products are those which we believe warrant the same or higher pricing for customer, professional and voluntary professional orders as our market-maker, member firm and broker-dealer orders and for all non-public customer transactions. These products include options on all licensed and proprietary index options and futures. Contract volume in premium products increased for the first three months ended March 31, 2010 as compared with same period in 2009, primarily due to a 14.4% and 175.4% increase in SPX and VIX, respectively. As a percentage of total index options volume for the three months ended March 31, 2010 and 2009, SPX and VIX accounted for 65.9% and 20.5%, respectively, and 72.6% and 9.4%, respectively. As a percentage of total index options transaction fees for the

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three months ended March 31, 2010 and 2009, SPX and VIX accounted for 71.0% and 16.4%, respectively, and 75.6% and 8.6%, respectively.

New order type In 2010, CBOE implemented a new order type, referred to as "Professional." The purpose of the new order type is to distinguish between those public customer orders routed to CBOE which are for non-professional, retail investors and those public customer orders which are for persons or entities that have access to information and technology that enables them to professionally trade listed options in the same manner as a broker-dealer. In the prior year, CBOE did not charge transaction fees for these types of orders as they were included in the order type "Customer."

We have and will continue to change our fees in response to competitive pressures in the options industry. Any future fee changes may increase or decrease our average transaction fee per contract. Our average transaction fee may also increase or decrease based on changes in trading patterns of market makers and order-flow providers which are based on factors not in our control. Our average transaction fee will also change if recently proposed SEC rule changes are adopted as proposed. See "Regulatory Environment and Compliance Recent Regulatory Developments Discriminatory Terms and Fee Caps."

At March 31, 2010, there were approximately 90 clearing firms, two of which cleared a combined 61% of our trades in the three months ended March 31, 2010. No one customer of either of these clearing firms represented more than 10% of our transaction fees revenue for the first three months of 2010 or 2009. Should a clearing firm withdraw from the Exchange, we believe the customer portion of that firm's trading activity would likely transfer to another clearing firm. Therefore, we do not believe CBOE is exposed to a significant risk from the loss of revenue received from a particular clearing firm.

Access Fees

Access fees for the three months ended March 31, 2010 and 2009 were $2.2 million, representing 2.2% of total operating revenues. Though the access fees for the first three months ended March 31, 2010 were comparable to the same period in 2009, components of the line item reflected significant variances. Temporary access fees increased $1.0 million for the three months ended March 31, 2010 compared to the same period in 2009. For the three months ended March 31, 2009, revenue recognition of the temporary access fees were deferred pending final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement. The increase in temporary access fees was primarily offset by a decrease in interim trading permit revenue. For the three months ended March 31, 2010 as compared to the same period in 2009, interim trading permit revenue decreased $0.9 million primarily due to a decline in permit fees, which reflects lower seat lease prices, the quantity of interim trading permits issued and an increase in amounts paid by CBOE to compensate members for unleased memberships in accordance with the interim trading permit program.

Exchange Services and Other Fees

Exchange services and other fees for the three months ended March 31, 2010 decreased 27.9% to $4.4 million from $6.1 million for the same period in 2009, representing 4.3% and 6.2% of total operating revenues, respectively. The decrease can primarily be attributed to the elimination of the hybrid electronic quoting fee, which totaled a net assessed amount of $1.2 million in the first three months of 2009. The hybrid quoting fee was established with the purpose of promoting and encouraging more efficient quoting by assessing or crediting liquidity providers based on a bid and offer table. For 2010, CBOE believes the fee is no longer necessary to help mitigate quote message traffic. CBOE believes liquidity providers generally are quoting more efficiently in response to the expansion of the Penny Pilot Program in order to remain competitive in the penny classes.

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Market Data Fees

Market data fees increased $0.5 million to $5.8 million for the three months ended March 31, 2010 from $5.3 million for the same period in 2009. This category accounted for 5.7% and 5.4% of total operating revenues, respectively. Market data fees represent income derived from OPRA as well as CBOE's market data services. For the three months ended March 31, 2010 and 2009, OPRA and CBOE market data fees were $4.5 million and $1.2 million, respectively, and $5.0 million and $0.3 million, respectively. OPRA income is allocated through OPRA based on each exchange's share of total options transactions cleared. CBOE's share of OPRA income for the three months ended March 31, 2010 decreased to 28.0% from 30.6% for the same period in 2009. CBOE's market data services provide users with current and historical options and futures data. The increase in CBOE market data fees is due to CBOE's introduction of new market data products in the first quarter of 2010 partially offset by a decrease in CBOE's share of total options transactions cleared.

Regulatory Fees

Regulatory fees increased 31.0% for the three months ended March 31, 2010 to $3.8 million from $2.9 million for the same period in 2009. As a percent of total operating revenues, regulatory fees accounted for 3.8% and 3.0%, respectively. Effective March 1, 2009, CBOE implemented a new fee structure under which regulatory fees are based on the number of customer contracts executed by member firms rather than the number of registered representatives. The increase is primarily due to the timing of the fee implementation in 2009.

Other Revenue

Other revenue was $1.5 million for the three months ended March 31, 2010 compared with $1.7 million for the same period in 2009, representing a decline of $0.2 million. This category accounted for 1.5% and 1.7% of total operating revenues, respectively.

Operating Expenses

Total operating expenses increased $4.6 million, or 8.0%, to $62.4 million for the three months ended March 31, 2010 from $57.8 million for the same period in 2009. This increase was primarily due to increases in employee costs, outside services and royalty fees, partially offset by a decrease in trading volume incentives and other expenses. Expenses increased to 61.7% of total operating revenues for the three months ended March 31, 2010 compared with 58.9% for the same period in 2009.

The following summarizes changes in operating expenses for the three months ended March 31, 2010 compared to the same period in 2009.

	2010	2009	Inc./(Dec.)	Percent Change
		(in millions)		
Employee costs	$ 23.1	$ 20.3	$ 2.8	13.8%
Depreciation and amortization	7.3	6.9	0.4	5.8%
Data processing	5.1	4.5	0.6	13.3%
Outside services	8.1	6.6	1.5	22.7%
Royalty fees	10.9	8.0	2.9	36.3%
Trading volume incentives	3.7	5.7	(2.0)	(35.1%)
Travel and promotional expenses	2.0	2.3	(0.3)	(13.0%)
Facilities costs	1.4	1.4		
Other expenses	0.8	2.1	(1.3)	(61.9%)
Total operating expenses	$ 62.4	$ 57.8	$ 4.6	8.0%

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Employee Costs

For the three months ended March 31, 2010, employee costs were $23.1 million, or 22.9% of total operating revenues, compared with $20.3 million, or 20.7% of total operating revenues, for the same period in 2009. This represents an increase of $2.8 million, or 13.8%. The increase is primarily attributed to increases in qualified and non-qualified benefit plan contributions of $0.8 million, an increase in projected incentive awards of $0.8 million reflecting the current portion of annualized expense which is aligned with CBOE's financial performance, increased severance expense of $0.6 million due to targeted staff reductions and higher salary costs of $0.5 million due to a slight increase in headcount coupled with compensation increases granted in July of the prior year.

Depreciation and Amortization

Depreciation and amortization increased by $0.4 million to $7.3 million for the three months ended March 31, 2010 compared with $6.9 million for the same period in 2009, primarily reflecting additions to fixed assets. Additions were primarily purchases of systems hardware and software to enhance CBOE's systems functionality and expand capacity. Depreciation and amortization charges represented 7.2% and 7.0% of total operating revenues for the three months ended March 31, 2010 and 2009, respectively.

Data Processing

Data processing expenses increased to $5.1 million for the three months ended March 31, 2010 compared with $4.5 million in the prior-year period, representing 5.0% and 4.6% of total operating revenues for the three months ended March 31, 2010 and 2009, respectively.

Outside Services

Expenses related to outside services increased to $8.1 million for the three months ended March 31, 2010 from $6.6 million in the prior-year period and represented 8.0% and 6.7% of total operating revenues for the three months ended March 31, 2010 and 2009, respectively. The $1.5 million increase primarily reflects higher legal expenses associated with the restructuring transaction and other litigation costs.

Royalty Fees

Royalty fees expense for the three months ended March 31, 2010 was $10.9 million compared with $8.0 million for the same period in 2009, an increase of $2.9 million, or 36.3%. This increase is directly related to higher trading volume in CBOE's licensed options products and a fee increase on certain licensed index products for the three months ended March 31, 2010 compared with the same period in 2009. Royalty fees represented 10.8% and 8.2% of total operating revenues for the three months ended March 31, 2010 and 2009, respectively.

Trading Volume Incentives

Trading volume incentives decreased by $2.0 million to $3.7 million for the three months ended March 31, 2010 compared to $5.7 million for the same period in 2009, representing 3.7% and 5.8% of total operating revenues for the three months ended March 31, 2010 and 2009, respectively. The decrease reflects a decline in expenses related to a market linkage program partially offset by an increase in expenses for an incentive program for market-makers related to penny pilot classes.

The market linkage program is intended to encourage broker-dealers to route customer orders to CBOE rather than to our competitors and provides our liquidity providers the opportunity to quote on the order while saving customers the execution fee they would otherwise incur by routing directly to a

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competing exchange. If a competing exchange quotes a better price, we route the customer's order to that exchange and pay the associated costs. Regardless of whether the transaction is traded at CBOE, the order flow potential enhances CBOE's overall market position and participation and provides cost savings to customers. Market linkage expenses vary based on the volume of contracts linked to other exchanges and fees charged by other exchanges. For the three months ended March 31, 2010, the decrease in the expense for the market linkage program represents a decrease in the number of customer orders routed to CBOE.

CBOE provides an incentive to market-makers for transactions in a penny pilot class. To qualify for the incentive, 60% of the market-maker's quotes in that class in the prior period must be on one side of the National Best Bid and Offer (NBBO). Due to increased offerings in the Penny Pilot Program, CBOE has experienced an increase in expenses related to the incentive program for the three months ended March 31, 2010 as compared to the same period in 2009. In the second half of 2009, the SEC approved a proposal to continue to expand the Penny Pilot Program through December 31, 2010. The expansion is achieved by adding the 300 most actively traded, multiply listed options classes, in groups of 75 through August 2010, that are not currently in the program. As of March 31, 2010, 150 of the 300 most actively traded, multiply listed options classes have been added to the Penny Pilot Program with the remaining 150 most actively traded, multiply listed classes being added, in groups of 75, in May and August 2010.

Facilities Costs

Facilities costs for the three months ended March 31, 2010 and 2009 were $1.4 million, representing 1.4% of total operating revenues for the three months ended March 31, 2010 and 2009.

Other Expenses

Other expenses totaled $0.8 million for the three months ended March 31, 2010, a decrease of $1.3 million from the same period in 2009. The decrease is primarily attributed to residual costs of $0.5 million recorded in the first quarter of 2009 for an autoquote subsidy program, which was eliminated at the end of 2008. In 2009, CBOE also experienced higher costs for interruptions or omissions which impacted trading operations. The interruptions or omissions can range from power outages to issues regarding data input. CBOE did not experience the same level of expense for the three months ended March 31, 2010 as compared to the same period in 2009. Other expenses were 0.7% and 2.1% of total operating revenues for the three months ended March 31, 2010 and 2009, respectively.

Operating Income

As a result of the items above, operating income for the three months ended March 31, 2010 was $38.7 million compared to $40.3 million for the same period in 2009, a reduction of $1.6 million.

Other Income/(Expense)

Investment Income

Investment income totaled $0.1 million for the three months ended March 31, 2010, a decrease of $0.4 million compared with the same period in 2009. The drop in investment income was due to lower yields realized on higher invested cash for the three months ended March 31, 2010 as compared to the same period in 2009.

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Net Loss from Investment in Affiliates

Net loss from investment in affiliates was $0.2 million for the three months ended March 31, 2010 and 2009. The loss reflects CBOE's share of the operating losses of OneChicago.

Other Borrowing Costs

On December 23, 2008, CBOE entered into a senior credit facility with three financial institutions. The credit agreement is a three-year revolving credit facility of up to $150 million and expires on December 23, 2011. CBOE pays a commitment fee on the unused portion of the facility. The commitment fee and amortization of deferred financing costs associated with the credit facility totaled $0.2 million for the three months ended March 31, 2010 and 2009. There have been no borrowings against the credit facility in 2010.

Income before Income Taxes

As a result of the items above, income before income taxes for the three months ended March 31, 2010 was $38.4 million compared to $40.4 million for the same period in 2009, a reduction of $2.0 million.

Income Tax Provision

For the three months ended March 31, 2010, the income tax provision was $15.7 million compared to $16.1 million for the same period in 2009. This decrease is directly related to the decline in income before income taxes partially offset by an increase in the effective tax rate. The effective tax rate was 41.0% and 39.9% for the three months ended March 31, 2010 and 2009, respectively. The increase in our effective tax rate was primarily due to an increase in permanent and other differences.

Net Income

As a result of the items above, net income for the three months ended March 31, 2010 was $22.7 million compared to $24.3 million for the same period in 2009, a reduction of $1.6 million.

Year Ended December 31, 2009 compared to the year ended December 31, 2008

Overview

The following summarizes changes in financial performance for the year ended December 31, 2009 compared to 2008.

	2009	2008	Inc./(Dec.)	Percent Change
	(dollars in millions)			
Total operating revenues	$ 426.1	$ 416.8	$ 9.3	2.2%
Total operating expenses	248.5	229.5	19.0	8.3%
Operating income	177.6	187.3	(9.7)	(5.2%)
Total other income/(expense)	(0.4)	6.1	(6.5)	(106.6%)
Income before income taxes	177.2	193.4	(16.2)	(8.4%)
Income tax provision	70.8	78.1	(7.3)	(9.3%)
Net income	$ 106.4	$ 115.3	$ (8.9)	(7.7%)
Operating income percentage	41.7%	44.9%		
Net income percentage	25.0%	27.7%		

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Total operating revenues increased due to higher access fees and regulatory fees, partially offset by decreases in transaction fees, exchange services and other fees, market data fees and other revenue.

In 2009, CBOE recorded revenue of $38.3 million in access fees and $2.1 million of expense as a result of the final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement.

Total operating expenses increased primarily due to increases in trading volume incentives and outside services.

Total other income/(expense) decreased primarily due to lower interest rates on investment balances over the past year.

Significant Events in 2009

On July 29, 2009, the Delaware Court entered an order of approval and final judgment approving the Settlement Agreement. While several appeals from the order of approval were filed, on November 30, 2009, CBOE reached a settlement with the appealing parties under which CBOE agreed to pay approximately $4.2 million. Separately, CME Group Inc. agreed to pay $2.1 million to CBOE in connection with CBOE's payments to the settling appellants. An expense of $2.1 million, representing the aggregate appellate settlement expense of $4.2 million, as reduced by $2.1 million due from CME Group Inc., is included in the Exercise Right appeal settlement in the Consolidated Statement of Income for the year ended December 31, 2009.

On December 2, 2009, the Delaware Supreme Court approved the Delaware Court's dismissal of all appeals from the order of approval and final judgment and, as a result, the Delaware Court's order of approval and final judgment is final and is no longer subject to appeal. Based on the final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement, CBOE recognized as revenue the access fees paid by CBOE Temporary Members from the inception of the temporary membership program that are not subject to the fee-based payments under the Settlement Agreement totaling $38.3 million, including $24.1 million of fees collected in 2007 and 2008 that had been deferred pending resolution of the Delaware Action. This revenue is included in access fees in the Consolidated Statement of Income for the year ended December 31, 2009.

The Settlement Agreement also requires a cash payment totaling $300 million by CBOE to the Participating Group A Settlement Class Members and the Participating Group B Settlement Class Members to be paid upon the earlier of the completion of CBOE's restructuring transaction or one year after the order approving the Settlement Agreement became final. CBOE considers the payment to be a redemption of claimed ownership interests of CBOE, and, thus, the liability for the payment is accounted for as an equity transaction. As a result of the final resolution of the Delaware Action, CBOE recorded a current liability of $300 million and a reduction of retained earnings of a like amount.

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Operating Revenues

Total operating revenues for the year ended December 31, 2009 were $426.1 million, an increase of $9.3 million, or 2.2%, compared with the prior year. The following summarizes changes in total operating revenues for the year ended December 31, 2009 compared to 2008.

	2009	2008	Inc./(Dec.)	Percent Change
	(in millions)			
Transaction fees	$ 314.5	$ 343.8	$ (29.3)	(8.5%)
Access fees	45.1	5.7	39.4	691.2%
Exchange services and other fees	22.6	24.5	(1.9)	(7.8%)
Market data fees	20.5	21.1	(0.6)	(2.8%)
Regulatory fees	15.2	11.0	4.2	38.2%
Other revenue	8.2	10.7	(2.5)	(23.4%)
Total operating revenues	$ 426.1	$ 416.8	$ 9.3	2.2%

Transaction Fees

Transaction fees decreased 8.5% to $314.5 million for the year ended December 31, 2009, representing 73.8% of total operating revenues, compared with $343.8 million for the prior-year period, or 82.5% of total operating revenues. This decrease was largely driven by a 4.9% decrease in trading volume and a 3.8% decrease in the average transaction fee per contract. The following summarizes transaction fees by product for 2009 compared to 2008.

	2009	2008	Inc./(Dec.)	Percent Change
	(in millions)			
Equities	$ 115.2	$ 106.9	$ 8.3	7.8%
Indexes	126.4	149.4	(23.0)	(15.4%)
Exchange-traded funds	70.6	85.3	(14.7)	(17.2%)
Total options transaction fees	312.2	341.6	(29.4)	(8.6%)
Futures	2.3	2.2	0.1	4.5%
Total transaction fees	$ 314.5	$ 343.8	$ (29.3)	(8.5%)

Trading Volume

CBOE's average daily trading volume was 4.50 million contracts in 2009, down 4.7% compared with 4.72 million for 2008. Total trading days in 2009 and 2008 were 252 and 253, respectively. The

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following summarizes changes in total trading volume and average daily trading volume (ADV) by product for 2009 compared to 2008.

	2009		2008		Volume Percent Change	ADV Percent Change
	Volume	ADV	Volume	ADV		
		(in millions)				
Equities	634.7	2.52	604.0	2.39	5.1%	5.4%
Indexes	222.8	0.88	259.5	1.03	(14.1%)	(14.6%)
Exchange-traded funds	277.3	1.10	329.9	1.30	(15.9%)	(15.4%)
Total options contracts	1,134.8	4.50	1,193.4	4.72	(4.9%)	(4.7%)
Futures contracts	1.2		1.2			
Total contracts	1,136.0	4.50	1,194.6	4.72	(4.9%)	(4.7%)

Average transaction fee per contract

The average transaction fee per contract was $0.277 in 2009, a decrease of 3.8% compared with $0.288 in 2008. Average transaction fee per contract represents transaction fees divided by total contracts. In general, CBOE faces continued downward pressure on transaction fees in the markets in which it competes. The following summarizes average transaction fee per contract by product for 2009 compared to 2008.

	2009	2008	Percent Change
Equities	$ 0.181	$ 0.177	2.3%
Indexes	0.567	0.576	(1.6%)
Exchange-traded funds	0.255	0.259	(1.5%)
Total options average transaction fee per contract	0.275	0.286	(3.8%)
Futures	1.990	1.860	7.0%
Total average transaction fee per contract	$ 0.277	$ 0.288	(3.8%)

There are a number of factors that have contributed to the decrease in our average transaction fee per contract in 2009 compared to 2008. These include:

Product mix The decrease in the average transaction fee per contract reflects a shift in the volume mix by product. Indexes and exchange-traded funds accounted for 19.6% and 24.4% and 21.7% and 27.6% of total options contracts in 2009 and 2008, respectively. Since these product categories represent CBOE's highest-margin products, their decline as a percent of total volume contributed to the decrease in the total average transaction fee per contract.

Premium products Premium products are those which we believe warrant the same or higher pricing for customer and voluntary professional orders as our market-maker, member firm and broker-dealer orders and for all non-public customer transactions. These products include options on all licensed and proprietary index options and futures. Contract volume in premium products declined in 2009 compared with 2008, primarily due to a 13.5% decline in SPX, which accounts for approximately 69.5% of the total index options volume. The decline in SPX volume was offset somewhat by a 28.4% increase in VIX in 2009 compared with 2008. As a percentage of total index revenue for the years ended December 31, 2009 and 2008, SPX and VIX accounted for 74.1% and 12.4%, respectively, and 73.4% and 9.8%, respectively.

Higher percentage of customer orders We generally do not charge our exchange members for executing customer orders on the Exchange with the exception of premium products. Generally, an increase in our customer orders reduces our average revenue per contract. As a percent of

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total contracts, customer orders have increased from 38.4% in 2008 to 40.3% in 2009. In addition, as a result of competitive pressures in 2009, we eliminated transaction fees for customer orders of 99 contracts or less in ETFs, as well as Holding Company Depositary Receipts, or HOLDRs.

Member firm proprietary volumes Our member firm proprietary volumes have increased; however, member firms pay a variable rate based on a sliding scale, which decreases as volumes increase. This increase in volume contributed to our overall decrease in average transaction fee per contract.

Large trade discounts To encourage large trades, CBOE has a customer large trade discount program in the form of a cap on customer transaction fees, including its premium products. These discounts contributed to the decrease in our average rate per contract in 2009.

We have and will continue to change our fees in the future in light of the competitive pressures in the options industry. These future fee changes may increase or decrease our average transaction fee per contract. Our average transaction fee may also increase or decrease based on changes in trading patterns of market makers and order-flow providers which is based on factors not in our control. Our average transaction fee will also change if recently proposed SEC rule changes are adopted as proposed. See "Regulatory Environment and Compliance Recent Regulatory Developments Discriminatory Terms and Fee Caps."

At December 31, 2009, there were approximately 90 clearing firms, two of which cleared a combined 68% of our trades in 2009. No one customer of either of these clearing firms represented more than 10% of our transaction fees revenue in 2009 or 2008. Should a clearing firm withdraw from the Exchange, we believe the customer portion of that firm's trading activity would likely transfer to another clearing firm. Therefore, we do not believe CBOE is exposed to a significant risk from the loss of revenue received from a particular clearing firm.

Access Fees

Access fees for the year ended December 31, 2009 increased to $45.1 million from $5.7 million in the comparable period last year, representing 10.6% and 1.4% of total operating revenues for 2009 and 2008, respectively. The increase in access fees primarily resulted from the recognition of $38.3 million in CBOE Temporary Member access fees due to the final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement and $5.8 million in interim trading permit revenue. The $38.3 million includes $24.1 million of fees collected in 2008 and 2007, included in deferred revenue at December 31, 2008 pending final, non-appealable resolution of the Delaware Action pursuant to the Settlement Agreement. These amounts were partially offset by $1.9 million paid by CBOE to compensate members for unleased memberships in accordance with the interim trading permit program. CBOE instituted the interim trading permit program and lessor compensation plan in July 2008.

Exchange Services and Other Fees

Exchange services and other fees for the year ended December 31, 2009 decreased 7.8% to $22.6 million from $24.5 million in the comparable period last year, representing 5.3% and 5.9% of total operating revenues for 2009 and 2008, respectively. The decrease can primarily be attributed to lower revenue from hybrid electronic quoting fees of $2.1 million.

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Market Data Fees

Market data fees decreased 2.8% to $20.5 million for the year ended December 31, 2009 from $21.1 million in the same period last year. This category accounted for 4.8% and 5.1% of total operating revenues for the years ended 2009 and 2008, respectively. Market data fees represent income derived from OPRA as well as CBOE's market data services. OPRA and CBOE market data fees were $19.1 million and $1.4 million, respectively, and $20.0 million and $1.1 million, respectively, for the years ended 2009 and 2008, respectively. OPRA income is allocated through OPRA based on each exchange's share of total options transactions cleared. CBOE's market data services provide users with current and historical options and futures data. The decrease in market data fees is due to a decrease in CBOE's share of total options transactions cleared. CBOE's share of OPRA income for the year ended December 31, 2009 decreased to an average of 30.6% from 31.9% for the same period in 2008.

Regulatory Fees

Regulatory fees increased 38.2% for the year ended 2009 to $15.2 million from $11.0 million in the same period last year. As a percent of total operating revenues, regulatory fees accounted for 3.6% and 2.6% in 2009 and 2008, respectively. In 2009, CBOE implemented a new fee structure under which regulatory fees are based on the number of customer contracts executed by member firms rather than the number of registered representatives. The change in fee structure increased regulatory revenue recognized by $4.2 million for the year ended December 31, 2009 as compared to 2008.

Other Revenue

Other revenue was $8.2 million for the year ended 2009 compared with $10.7 million for the comparable period in 2008, representing a decline of $2.5 million. This category accounted for 1.9% and 2.5% of total operating revenues for the year ended December 31, 2009 and 2008, respectively. The primary factor contributing to the decline was a $3.1 million decrease in order routing cancel fees, partially offset by an increase in position transfer fees of $0.5 million.

Operating Expenses

Total operating expenses increased $19.0 million, or 8.3%, to $248.5 million for the year ended 2009 from $229.5 million in the year ago period. This increase was primarily due to higher trading volume incentives, outside services, depreciation and amortization and facilities costs, partially offset by a decrease in royalty fees. Expenses increased to 58.3% of total operating revenues in the year ended 2009 compared with 55.1% in the same period in 2008. The following summarizes changes in operating expenses for the year ended December 31, 2009 compared to 2008.

	2009	2008	Inc./(Dec.)	Percent Change
		(in millions)		
Employee costs	$ 84.5	$ 83.1	$ 1.4	1.7%
Depreciation and amortization	27.5	25.6	1.9	7.4%
Data processing	20.5	20.6	(0.1)	(0.5%)
Outside services	30.7	27.4	3.3	12.0%
Royalty fees	33.1	35.3	(2.2)	(6.2%)
Trading volume incentives	28.6	15.4	13.2	85.7%
Travel and promotional expenses	10.3	10.5	(0.2)	(1.9%)
Facilities costs	5.6	4.7	0.9	19.1%
Exercise Right appeal settlement	2.1		2.1	100.0%
Other expense	5.6	6.9	(1.3)	(18.8%)
Total operating expenses	$ 248.5	$ 229.5	$ 19.0	8.3%

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Employee Costs

For the year ended December 31, 2009, employee costs were $84.5 million, or 19.8% of total operating revenues, compared with $83.1 million, or 19.9% of total operating revenues, in the same period in 2008. This represents an increase of $1.4 million, or 1.7%. The increase is primarily due to an increase in the number of employees and compensation increases granted in prior years, partially offset by lower expenses for incentive awards for the year ended 2009 as compared to the same period in 2008. The increase in employees primarily reflects staff hired to design, implement and support C2, which is expected to launch in late 2010.

Depreciation and Amortization

Depreciation and amortization increased by $1.9 million to $27.5 million for the year ended December 31, 2009 compared with $25.6 million for the same period in 2008, primarily reflecting additions to fixed assets placed in service in 2008 and 2009. Additions were primarily purchases of systems hardware and software to enhance CBOE's systems functionality and expand capacity. Depreciation and amortization charges represented 6.5% and 6.2% of total operating revenues for the years ended 2009 and 2008, respectively.

Data Processing

Data processing expenses decreased slightly to $20.5 million for the year ended December 31, 2009 compared with $20.6 million in the prior-year period, representing 4.8% and 4.9% of total operating revenues in the years ended 2009 and 2008, respectively.

Outside Services

Expenses related to outside services increased to $30.7 million for the year ended 2009 from $27.4 million in the prior-year period and represented 7.2% and 6.6% of total operating revenues, respectively. The $3.3 million increase primarily reflects higher legal expenses, which accounted for $3.0 million of the increase. The increase in legal expenses in 2009 compared to 2008 is primarily due to insurance reimbursements received in 2008, which reduced legal expenses for that year by $2.7 million compared to 2009 insurance reimbursements totaling $0.9 million. Excluding the insurance reimbursements, legal expenses increased due to higher expenses for ongoing litigation.

Royalty Fees

Royalty fees expense for the year ended 2009 was $33.1 million compared with $35.3 million for the prior year period, a decrease of $2.2 million, or 6.2%. This decrease is directly related to lower trading volume in CBOE's licensed options products for the year ended 2009 compared with 2008. Royalty fees represented 7.8% and 8.5% of total operating revenues for the years ended 2009 and 2008, respectively.

Trading Volume Incentives

Trading volume incentives increased $13.2 million to $28.6 million for the year ended 2009 compared to $15.4 million for the same period a year ago, representing 6.7% and 3.7% of total operating revenues in the years ended 2009 and 2008, respectively. Trading volume incentives primarily represent the costs of a market linkage program under which CBOE pays the expense for routing customer orders to other exchanges. The market linkage program is intended to encourage broker-dealers to route customer orders to the CBOE rather than to our competitors and provides our liquidity providers the opportunity to quote on the order while saving customers the execution fee they would otherwise incur by routing directly to a competing exchange. If a competing exchange quotes a better price, we route the customer's order to that exchange and pay the associated costs. Regardless of whether the transaction is traded at CBOE, the order flow potential enhances CBOE's overall market position and participation and provides cost savings to customers. Market linkage expenses vary based

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on the volume of contracts linked to other exchanges and fees charged by other exchanges. The increase in trading volume incentives in 2009 compared to 2008 primarily reflects an increase in the number of customer orders routed to CBOE.

Facilities Costs

Facilities costs for the year ended December 31, 2009 were $5.6 million, an increase of $0.9 million as compared to $4.7 million in 2008. The increase in 2009 compared to 2008 was primarily due to a non-recurring real estate tax refund received in the prior year of $0.9 million. Facilities costs represented 1.3% and 1.1% of total operating revenues for the years ended 2009 and 2008, respectively.

Exercise Right Appeal Settlement

In 2009, CBOE recognized $2.1 million of expense relating to the settlement of the appeals from the Delaware Court's order of approval and final judgment approving the Settlement Agreement. On November 30, 2009, CBOE reached a settlement with the parties appealing from the order approving the Settlement Agreement, resulting in an agreement for CBOE to pay an aggregate of approximately $4.2 million. Separately, CME Group Inc. agreed to pay $2.1 million to CBOE in connection with CBOE's payments to the settling appellants. CBOE recorded an expense of $2.1 million, representing the aggregate expense of $4.2 million reduced by $2.1 million due from CME Group.

Other Expenses

Other expenses totaled $5.6 million for the year ended 2009, a decrease of $1.3 million from the prior year. In 2009, CBOE ended an autoquote subsidy program resulting in a decrease in other expenses of $1.9 million, partially offset by increases in other miscellaneous accounts. Other expenses were 1.3% and 1.7% of total operating revenues for the years ended December 31, 2009 and 2008, respectively.

Operating Income

As a result of the items above, operating income in 2009 was $177.6 million compared to $187.3 million in 2008, a reduction of $9.7 million.

Other Income/(Expense)

Investment Income

Investment income was $1.6 million for the year ended December 31, 2009, representing a 77.1% decline compared with $7.0 million for the same period last year. The drop in investment income was due to lower yields realized on higher invested cash in the current year period compared with 2008.

Net Loss from Investment in Affiliates

Net loss from investment in affiliates was $1.1 million for the year ended December 31, 2009 compared with $0.9 million for the same period last year. The loss in 2009 primarily reflects CBOE's share of the operating losses of OneChicago, totaling $0.9 million.

Other Borrowing Costs

On December 23, 2008, CBOE entered into a senior credit facility with three financial institutions. The credit agreement is a three-year revolving credit facility of up to $150 million and expires on December 23, 2011. CBOE pays a commitment fee on the unused portion of the facility. The commitment fee and amortization of deferred financing costs associated with the credit facility totaled $0.9 million for the year ended December 31, 2009. There were no borrowings against the credit facility in 2009.

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Income before Income Taxes

As a result of the items above, income before income taxes in 2009 was $177.2 million compared to $193.4 million in 2008, a reduction of $16.2 million.

Income Tax Provision

For the year ended December 31, 2009, the income tax provision was $70.8 million compared with $78.1 million for the same period in 2008. This decrease is directly related to the decline in income before income taxes and a decrease in the effective tax rate. The effective tax rate was 39.9% and 40.4% for the years ended December 31, 2009 and 2008, respectively. The decrease in our effective tax rate was primarily due to a decrease in uncertain tax positions.

Net Income

As a result of the items above, net income in 2009 was $106.4 million compared to $115.3 million in 2008, a decrease of $8.9 million.

Year ended December 31, 2008 compared to the year ended December 31, 2007

Overview

The following summarizes changes in financial performance for the year ended December 31, 2008 compared to 2007.

	2008	2007	Inc./(Dec.)	Percent Change
	(dollars in millions)			
Total operating revenues	$ 416.8	$ 344.3	$ 72.5	21.1%
Total operating expenses	229.5	207.8	21.7	10.4%
Operating income	187.3	136.5	50.8	37.2%
Total other income	6.1	3.5	2.6	74.3%
Income before income taxes	193.4	140.0	53.4	38.1%
Income tax provision	78.1	56.8	21.3	37.5%
Net income	$ 115.3	$ 83.2	$ 32.1	38.6%
Operating income percentage	44.9%	39.6%		
Net income percentage	27.7%	24.2%		

Total operating revenues increased primarily due to higher transaction fees associated with record trading volume.

Total operating expenses increased primarily due to increases in trading volume incentives, outside services and royalty fees.

Total other income increased primarily due to a non-recurring loss on sale of investments in affiliates recorded in 2007.

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Operating Revenues

Total operating revenues for the year ended December 31, 2008 were $416.8 million, an increase of $72.5 million, or 21.1%, compared with the same period in 2007. The following summarizes changes in operating revenues for the year ended December 31, 2008 compared to 2007.

	2008	2007	Inc./(Dec.)	Percent Change
		(in millions)		
Transaction fees	$ 343.8	$ 272.7	$ 71.1	26.1%
Access fees	5.7	3.5	2.2	62.9%
Exchange services and other fees	24.5	23.0	1.5	6.5%
Market data fees	21.1	20.4	0.7	3.4%
Regulatory fees	11.0	14.3	(3.3)	(23.1%)
Other revenue	10.7	10.4	0.3	2.9%
Total operating revenues	$ 416.8	$ 344.3	$ 72.5	21.1%

Transaction Fees

Transaction fees grew 26.1% to $343.8 million for the year ended December 31, 2008, representing 82.5% of total operating revenues, compared with $272.7 million for the same period last year, or 79.2% of total operating revenues. The growth was largely driven by a 26.3% increase in trading volume compared to the prior year, whereas the average transaction fee per contract remained unchanged. The following summarizes transaction fees by product for 2008 compared to 2007.

	2008	2007	Inc./(Dec.)	Percent Change
		(in millions)		
Equities	$ 106.9	$ 90.3	$ 16.6	18.4%
Indexes	149.4	125.4	24.0	19.1%
Exchange-traded funds	85.3	54.7	30.6	55.9%
Total options transaction fees	341.6	270.4	71.2	26.3%
Futures	2.2	2.3	(0.1)	(4.3%)
Total transaction fees	$ 343.8	$ 272.7	$ 71.1	26.1%

Trading Volume

CBOE's average daily trading volume was 4.72 million contracts for the year ended December 31, 2008, up 25.5% compared with 3.76 million for the same period in 2007. In 2008, the options industry experienced record volume due in part to unprecedented events in the financial markets. Total trading days for 2008 and 2007 were 253 and 252, respectively. The following summarizes changes in total trading volume and average daily trading volume (ADV) by product for 2008 compared to 2007.

	2008		2007		Volume Percent Change	ADV Percent Change
	Volume	ADV	Volume	ADV		
		(in millions)				
Equities	604.0	2.39	501.0	1.99	20.6%	20.1%
Indexes	259.5	1.03	230.5	0.92	12.6%	12.0%
Exchange-traded funds	329.9	1.30	213.0	0.85	54.9%	52.9%

Total options contracts	1,193.4	4.72	944.5	3.76	26.4%	25.5%
Futures contracts	1.2		1.1		9.1%	
Total contracts	1,194.6	4.72	945.6	3.76	26.3%	25.5%

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Average transaction fee per contract

The average transaction fee per contract was $0.288 for the year ended 2008, which was unchanged compared with 2007. Average transaction fee per contract represents transaction fees divided by total contracts. The following summarizes average transaction fee per contract by product for 2008 compared to 2007.

	2008	**2007**	**Percent Change**
Equities	$ 0.177	$ 0.180	(1.7%)
Indexes	0.576	0.544	5.9%
Exchange-traded funds	0.259	0.257	0.8%
Total options transaction fee per contract	0.286	0.286	
Futures	1.860	2.130	(12.7%)
Average transaction fee per contract			