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CBOE Holdings, Inc.  
Form 425  
July 17, 2007

Filed by CBOE Holdings, Inc.  
pursuant to Rule 425 under the Securities Act of 1933, as amended

Subject Company: CBOE Holdings, Inc.  
Subject Company's Commission File No.: 333-140574

On July 17, 2007, the Chicago Board Options Exchange, Incorporated posted the following information circular on its website.

IC07-103

July 17, 2007

To: CBOE Members

From: Bradley R. Griffith  
Chairman, Financial Planning Committee

Alan J. Dean  
Chief Financial Officer

Re: Unaudited Second Quarter 2007 Financial Statements

**Summary**

Attached are CBOE's unaudited financial statements as of June 30, 2007. During the second quarter of 2007 CBOE recorded a pre-tax profit of \$32.2 million on average volume of 3,499,000 options contracts per day. During the same quarter last year CBOE recorded a pre-tax profit of \$23.7 million on average volume of 2,918,000 options contracts per day. Year-to-date, CBOE is reporting a pre-tax profit of \$62.5 million on average volume of 3,435,000 options contracts per day. During the same period last year CBOE reported a pre-tax profit of \$32.0 million on average volume of 2,705,000 options contracts per day.

**Revenue**

Gross revenue totaled \$84.6 million for the second quarter of 2007 compared to \$70.5 million for the same period in 2006. The \$14.1 million increase (20% over 2006) resulted from higher trading volumes that increased transaction fees by \$11.3 million. All other revenue categories increased by \$2.8 million during the second quarter of 2007 compared to the same quarter last year.

Year-to-date, gross revenue totaled \$162.5 million compared to \$129.7 million for the same period in 2006. The \$32.8 million increase (25% over 2006) reflects the higher trading volume in 2007 compared to 2006.

**Expenses**

Expenses totaled \$52.4 million for the second quarter of 2007 compared to \$46.8 million for the same period in 2006. Employee costs increased by \$3.1 million as a result of severance costs (\$1.6 million increase) and accrued expense for year-end staff bonuses (\$1.3 million increase). Severance expenses increased for the quarter ended June 30, 2007 as CBOE enacted a restructuring in May 2007 that resulted in the elimination of approximately 25 positions, while no



such action occurred in the same period in 2006. The increase in the bonus provision is driven by increased profitability. Depreciation and amortization decreased by \$0.7 million in the second quarter 2007 due to capital expenditures in 2004 and 2005 being slightly lower than historical averages. Outside services increased by \$1.5 million mostly because of increased legal costs. Travel and promotional expenses increased by \$0.8 million and is attributable to our corporate branding program. Royalty fees increased by \$1.4 million because of high volume in licensed products. Other expense declined \$0.6 million mainly due to a reduction in trade engine related systems errors.

On a year-to-date basis, total expense is \$100.0 million for the six months ended June 30, 2007 compared to \$97.6 million for the same period in 2006. Decreases in employee costs (\$1.4 million) and depreciation and amortization (\$1.4 million) are offset by increases in outside services (\$1.5 million, mostly for legal costs); royalty fees (\$1.7 million, because of increased volume); and travel and promotional expenses (\$1.3 million for the corporate branding initiative).

### **Consolidated Balance Sheets**

Working capital (current assets minus current liabilities) increased by \$13.6 million to \$122.9 million during the second quarter while cash and investments increased by \$3.0 million to \$131.5 million at June 30, 2007. These increases are attributable to revenue exceeding cash expenses less capital expenditures resulting from high trading volume during the quarter. CBOE also spent \$11.7 million for capital expenditures mostly for systems hardware and capitalized software during the three months ended June 30, 2007.

Questions may be directed to Don Patton at 312-786-7026 or patton@cboe.com or Alan Dean at 312-786-7023 or dean@cboe.com.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

In connection with the proposed restructuring transaction, CBOE Holdings, Inc. ( CBOE Holdings ) has filed certain relevant materials with the United States Securities and Exchange Commission (SEC), including a registration statement on Form S-4. Members are encouraged to read the registration statement, including the proxy statement/prospectus that are a part of the registration statement, because it contains important information about the proposed transaction. Members are able to obtain a free copy of the proxy statement/prospectus, as well as the other filings containing information about CBOE Holdings and the Chicago Board Options Exchange, Incorporated ( CBOE ), without charge, at the SEC's Web site, <http://www.sec.gov>, and the companies' website, [www.CBOE.com](http://www.CBOE.com). In addition, CBOE members may obtain free copies of the proxy statement/prospectus and other documents filed by CBOE Holdings or the CBOE from CBOE Holdings by directing a request to the Office of the Secretary, CBOE Holdings, Inc., 400 South LaSalle Street, Chicago, Illinois 60605.

CBOE Holdings, the CBOE and their respective directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of CBOE Holdings and of the CBOE is available in the prospectus/proxy statement.

**CHICAGO BOARD OPTIONS EXCHANGE, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

| (In thousands)                           | Quarter Ended<br>6/30/2007 | 6/30/2006        | YTD<br>6/30/2007 | 6/30/2006        |
|--|----------------------------|------------------|------------------|------------------|
| <b>REVENUES:</b>                         |                            |                  |                  |                  |
| Transaction fees                         | \$ 64,566                  | \$ 53,224        | \$ 123,382       | \$ 94,525        |
| Other member fees                        | 6,297                      | 5,680            | 12,268           | 11,454           |
| Options Price Reporting Authority income | 5,289                      | 4,900            | 10,289           | 9,940            |
| Regulatory fees                          | 3,550                      | 3,049            | 6,906            | 6,840            |
| Investments income                       | 1,875                      | 1,175            | 3,611            | 2,049            |
| Other                                    | 3,042                      | 2,472            | 6,007            | 4,852            |
| <b>Total Revenues</b>                    | <b>84,619</b>              | <b>70,500</b>    | <b>162,463</b>   | <b>129,660</b>   |
| <b>EXPENSES:</b>                         |                            |                  |                  |                  |
| Employee costs                           | 20,960                     | 17,869           | 39,777           | 41,168           |
| Depreciation and amortization            | 6,326                      | 7,020            | 12,651           | 14,040           |
| Data processing                          | 4,797                      | 4,819            | 9,458            | 9,497            |
| Outside services                         | 6,274                      | 4,737            | 11,321           | 9,774            |
| Royalty fees                             | 7,351                      | 5,902            | 13,385           | 11,642           |
| Travel and promotional expenses          | 2,803                      | 2,028            | 5,109            | 3,816            |
| Facilities costs                         | 1,090                      | 1,070            | 2,387            | 2,182            |
| Net loss from investment in affiliates   | 295                        | 227              | 523              | 596              |
| Other                                    | 2,506                      | 3,147            | 5,348            | 4,921            |
| <b>Total Expenses</b>                    | <b>52,402</b>              | <b>46,819</b>    | <b>99,959</b>    | <b>97,636</b>    |
| <b>INCOME BEFORE TAXES</b>               | <b>32,217</b>              | <b>23,681</b>    | <b>62,504</b>    | <b>32,024</b>    |
| <b>PROVISION FOR INCOME TAXES</b>        | <b>13,534</b>              | <b>9,471</b>     | <b>26,256</b>    | <b>12,806</b>    |
| <b>NET INCOME</b>                        | <b>\$ 18,683</b>           | <b>\$ 14,211</b> | <b>\$ 36,248</b> | <b>\$ 19,218</b> |
| <b>Other Statistics</b>                  |                            |                  |                  |                  |
| Trading Days                             | 63                         | 63               | 124              | 125              |
| Contracts Traded                         | 220,417,000                | 183,815,000      | 425,995,000      | 338,073,000      |
| Contracts Per Day                        | 3,499,000                  | 2,918,000        | 3,435,000        | 2,705,000        |
| Transaction Fees Per Contract            | \$ 0.293                   | \$ 0.290         | \$ 0.290         | \$ 0.280         |

## CHICAGO BOARD OPTIONS EXCHANGE, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

| (In thousands)                              | Unaudited<br>6/30/2007 | Unaudited<br>3/31/2007 | 12/31/2006        | Unaudited<br>6/30/2006 |
|---|------------------------|------------------------|-------------------|------------------------|
| <b>ASSETS</b>                               |                        |                        |                   |                        |
| Cash and investments                        | \$ 131,517             | \$ 128,542             | \$ 102,098        | \$ 117,308             |
| Other Current Assets                        | 46,430                 | 53,716                 | 42,851            | 11,236                 |
| <b>Total Current Assets</b>                 | <b>\$ 177,947</b>      | <b>\$ 182,258</b>      | <b>\$ 144,949</b> | <b>\$ 128,544</b>      |
| Investments in Affiliates/Subsidiary        | 12,320                 | 12,612                 | 12,830            | 12,619                 |
| Land  | 4,914                  | 4,914                  | 4,914             | 4,914                  |
| Property and Equipment - Net                | 66,456                 | 61,406                 | 59,971            | 57,977                 |
| Other Assets Net                            | 34,488                 | 34,134                 | 33,162            | 32,419                 |
| <b>Total Assets</b>                         | <b>\$ 296,125</b>      | <b>\$ 295,324</b>      | <b>\$ 255,826</b> | <b>\$ 236,473</b>      |
| <b>LIABILITIES &amp; MEMBERS EQUITY</b>     |                        |                        |                   |                        |
| Total Current Liabilities                   | \$ 55,046              | \$ 72,928              | \$ 50,869         | \$ 51,154              |
| Total Long-Term Liabilities                 | 21,568                 | 21,568                 | 21,568            | 22,600                 |
| Total Members Equity                        | 219,511                | 200,828                | 183,389           | 162,719                |
| <b>Total Liabilities and Members Equity</b> | <b>\$ 296,125</b>      | <b>\$ 295,324</b>      | <b>\$ 255,826</b> | <b>\$ 236,473</b>      |

## CHICAGO BOARD OPTIONS EXCHANGE, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

| (In thousands)   | Quarter Ended     |                  | YTD               |                  |
|--|-------------------|------------------|-------------------|------------------|
|  | 6/30/2007         | 6/30/2006        | 6/30/2007         | 6/30/2006        |
| <b><u>Cash Flows from Operating Activities:</u></b>                              |                   |                  |                   |                  |
| Net Income   | \$ 18,683         | \$ 14,211        | \$ 36,248         | \$ 19,218        |
| Adjustments to reconcile net income to net cash flows from operating activities: |                   |                  |                   |                  |
| Depreciation and amortization  | 6,326             | 7,020            | 12,651            | 14,040           |
| Impairment of investment in affiliates and other assets                          | 0                 | 679              | 0                 | 679              |
| Equity in income of NSX  | 0                 | (656 )           | 0                 | (656 )           |
| Equity in loss of OneChicago, LLC  | 164               | 204              | 317               | 573              |
| Equity in loss of CBSX   | 131               | 0                | 206               | 0                |
| Amortization of discount on investments available for sale                       | (180 )            | 0                | (422 )            | 0                |
| Deferred income taxes  | 0                 | (2,250 )         | 0                 | (2,846 )         |
| Change in assets and liabilities:  | (10,596 )         | (7,061 )         | 598               | 3,741            |
| <b>Net Cash Flows from Operating Activities</b>                                  | <b>14,528</b>     | <b>12,147</b>    | <b>49,598</b>     | <b>34,749</b>    |
| <b><u>Cash Flows from Investing Activities:</u></b>                              |                   |                  |                   |                  |
| Capital and other assets expenditures  | (11,730 )         | (7,845 )         | (20,462 )         | (11,815 )        |
| Sale of investments available for sale   | 20,000            | 0                | 20,000            | 0                |
| Sale of NSX certificates of proprietary membership                               | 0                 | 0                | 0                 | 1,500            |
| HedgeStreet, Inc. investment   | 0                 | 0                | 0                 | (2,000 )         |
| OneChicago, LLC investment   | 0                 | (71 )            | 0                 | (1,215 )         |
| CBOE Stock Exchange investment   | (3 )              | 0                | (13 )             | 0                |
| <b>Net Cash Flows from Investing Activities</b>                                  | <b>8,267</b>      | <b>(7,916 )</b>  | <b>(475 )</b>     | <b>(13,530 )</b> |
| <b><u>Cash Flows from Financing Activities:</u></b>                              |                   |                  |                   |                  |
| CBOT exercise right purchase   | 0                 | 0                | (127 )            | 0                |
| <b>Net Increase in Cash and Cash Equivalents</b>                                 | <b>22,795</b>     | <b>4,231</b>     | <b>48,996</b>     | <b>21,219</b>    |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                          | <b>108,722</b>    | <b>82,068</b>    | <b>82,521</b>     | <b>65,080</b>    |
| <b>Cash and Cash Equivalents at End of Period</b>                                | <b>\$ 131,517</b> | <b>\$ 86,299</b> | <b>\$ 131,517</b> | <b>\$ 86,299</b> |
| <b><u>Supplemental Disclosure of Cash Flow Information:</u></b>                  |                   |                  |                   |                  |
| Cash paid for income taxes   | \$ 26,745         | \$ 15,500        | \$ 26,926         | \$ 16,600        |
| Non-cash investing activities:   |                   |                  |                   |                  |
| Sale of membership shares by OneChicago, LLC                                     | 0                 | 0                | 0                 | 4,320            |