

CME GROUP INC.
Form 8-K
November 07, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported)

November 4, 2011

CME GROUP INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction)

001-31553
(Commission File No.)

36-4459170
(IRS Employer)

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of Incorporation)

20 South Wacker Drive

Identification No.)

Chicago, Illinois 60606

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (312) 930-1000

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

On November 4, 2011, The McGraw-Hill Companies, Inc. ("McGraw-Hill"), CME Group Inc. ("CME Group") and CME Group Index Services LLC ("CGIS"), a joint venture between CME Group and Dow Jones & Company, Inc., entered into a Contribution Agreement (the "Contribution Agreement"). Pursuant to the Contribution Agreement, McGraw-Hill will contribute its S&P index business into a newly formed joint venture entity (the "Joint Venture"), and CGIS will contribute its Dow Jones index business into the Joint Venture. In addition, the Contribution Agreement provides for the purchase by McGraw-Hill from CME Group of Credit Market Analysis Ltd. and the contribution of the consideration therefor by CME Group to the Joint Venture. Following the respective contributions to the Joint Venture, McGraw-Hill will own a 73% interest in the Joint Venture and CGIS and CME Group will together own a 27% interest in the Joint Venture.

The consummation of the transactions contemplated by the Contribution Agreement is subject to certain conditions, including receipt of required regulatory approvals. Upon the consummation of the transactions contemplated by the Contribution Agreement, the parties will enter into a limited liability company agreement for the Joint Venture (the "LLC Agreement") to provide for the management and governance of the Joint Venture. Pursuant to the LLC Agreement, the Joint Venture will be managed by a board of directors consisting of designees of McGraw-Hill and CGIS and CME Group in approximate proportion to their ownership interests. Board decisions will be made by majority vote, except that CGIS and CME Group will have customary protective minority approval rights with respect to certain matters.

The LLC Agreement will contain certain restrictions on each party's ability to transfer its Joint Venture interests. Until December 31, 2017, McGraw-Hill will not be permitted to dispose of its interests in the joint venture except pursuant to certain spin-off transactions. Thereafter, McGraw-Hill will be able to sell its interest in the Joint Venture subject to certain rights of first offer and first refusal in favor of CGIS and CME Group. In the event of any such sale, McGraw-Hill also will have drag-along rights and CGIS and CME Group will have tag-along rights.

CGIS and CME Group will have the right to put all or part of its interest in the Joint Venture to McGraw-Hill after 2017 or earlier in certain limited circumstances, based on a fair market value

appraisal. Under the LLC Agreement, McGraw-Hill will only have the right to buy out CGIS and CME Group's Joint Venture interests in very limited circumstances.

Each of McGraw-Hill and CME Group will agree in the LLC Agreement not to compete in the index business for as long as each owns at least five percent of the Joint Venture, subject to certain exceptions, including for existing businesses of McGraw-Hill (such as Platts).

Upon consummation of the transactions contemplated by the Contribution Agreement, a new license agreement will be entered into that will replace the existing license agreement between Standard & Poor's Financial Services LLC and Chicago Merchant Exchange Inc. Under the new license, the Joint Venture will provide CME a license to use certain S&P stock indexes as the basis for futures, options on futures, swaps and other derivative contracts. CME Group's license for the S&P 500 Index will be exclusive for futures and options on futures until one year prior to the termination of the license and non-exclusive for the last year. The license for the other S&P stock indexes will generally be exclusive for futures and options on futures. In exchange for the license, CME Group will pay a quarterly fee based on a percentage of CME Group's overall equity index complex profits.

The term of the license will continue until the later of (i) December 31, 2017 or (ii) the date that is one year after the date that CME Group ceases to own at least five percent (accounting for dilution) of the outstanding Joint Venture interests. Upon the occurrence of certain events, including certain terminations of the Joint Venture, the term may be extended up to an additional ten years.

The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated in this Item 8.01 by reference.

The information contained in Exhibit 99.1 and 99.2 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in filings under the Securities Act of 1933.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are furnished with this report:

99.1 Press Release, dated November 4, 2011

99.2 Investor Presentation, dated November 4, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CME Group Inc.

Registrant

Date: November 4, 2011

By: /s/ Kathleen M. Cronin
Name: Kathleen M. Cronin
Title: Managing Director, General Counsel and Corporate Secretary

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release, dated November 4, 2011
99.2	Investor Presentation, dated November 4, 2011