

NYMEX HOLDINGS INC
Form 425
March 17, 2008

Filed by CME Group Inc. pursuant
to Rule 425 under the Securities Act of 1933, as amended, and
deemed filed pursuant to Rule 14a-12 under the Securities
Exchange Act of 1934, as amended.

Subject Company: NYMEX Holdings, Inc.

Subject Company's Commission File No.: 001-33149

Investor Presentation
March 17, 2008

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Discussion of Forward-Looking Statements

Statements in this presentation that are not historical facts are forward-looking statements. These statements are not guarantees and assumptions that are difficult

to
predict.
Therefore,
actual
outcomes
and
results
may
differ
materially
from
what
is
expressed
or
implied
in
any
forward-looking
statements.

Among
the factors that might affect our performance are: our ability to successfully integrate the businesses of CME Group and NYMEX may be more difficult, time consuming or costly than expected and revenues following the merger may be lower than expected; increased competition, including increased competition from new entrants into our markets and consolidation of existing entities; our ability to keep prices low; our ability to complete the development and implementation of the enhanced functionality required by our customers; our ability to provide services on a timely, cost-effective basis, including through our electronic trading capabilities, and our ability to maintain the cost of our services; our ability to adjust our fixed costs and expenses if our revenues decline; our ability to continue to generate revenues from our products; our ability to maintain existing customers and attract new ones; our ability to expand to offer our products in foreign jurisdictions; changes in domestic and foreign

regulations;
changes
in
government policy, including policies relating to common or directed clearing; the costs associated with protecting our intellectual property rights of others; our ability to generate revenue from our market data that may be reduced;
changes
in
our
rate
per
contract
due
to
shifts
in
the
mix
of
the
products
traded,
the
trading
venue
and
the
mix
of
customers
(whether
the
customer
receives
member
or
non-member
fees or participates in one of our various incentive programs) and the impact of our tiered pricing structure; the ability of our firm to manage the credit risks of clearing members; changes in price levels and volatility in the derivatives markets and in underlying fixed income securities;
economic,
political,
geopolitical
and
market
conditions;
natural
disasters
and
other
catastrophes,
our

ability
to
accommodate
increases
in
trading
volume
and
order
transaction
traffic
without
failure
or
degradation
of
performance
of
our
systems;
our
ability
to
execute
our
growth
strategy
and
maintain
our
growth
effectively;
our
ability
to
manage
the
risks
and
control
the
costs
associated
with
our
acquisition,
investment
and
alliance
strategy;

our
ability
to
continue
to
generate
funds
and/or
manage
our
indebtedness
to
allow
us
to
continue
to
invest
in

our business; industry and customer consolidation; decreases in trading and clearing activity; the imposition of a transaction tax; and the seasonality of the futures business. More detailed information about factors that may affect our performance may be found in our Annual Report on Form 10-K, including our most recent Annual Report on Form 10-K, which is available in the Investor Relations section of the CME Group website. See also any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

This material is not a substitute for the proxy statement/prospectus and any other documents CME Group and NYMEX Holdings Inc. are required to file with the Securities and

Exchange Commission (SEC). Investors and security holders are urged to read such proxy statement and any other such documents that

contain
important
information
about
the
proposed
transaction.

The
prospectus/proxy
statement
and
other
documents
filed
or
to
be
filed
by
CME
Group
and
NYMEX

Holdings with the SEC are or will be, available free of charge at the SEC's website (www.sec.gov) or from CME Group by direct mail to:
CME Group, 540 South Wacker

Drive, Chicago, IL 60606, Attention: Shareholder Relations, or from NYMEX Holdings by directing a request to World Financial Center,
88 Pine Street, New York, NY 10282-1101, Attention: Investor Relations.

CME Group, NYMEX Holdings and their respective directors, executive officers and other employees may be deemed to be participating in the proposed transaction from the security holders of CME Group or NYMEX Holdings in connection with the proposed transaction. Information about the interests of potential participants is available in CME Group's proxy statement, dated March 15, 2007, for its 2007 annual meeting of stockholders, and in NYMEX Holdings' proxy statement, dated April 9, 2007 for its 2007 annual meeting of shareholders. Additional information about the interests of potential participants will be included in the proxy statement/prospectus when it becomes available. This offering does 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 jurisdiction where such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

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Compelling Transaction

Provides access to a full spectrum of commodity products

Combines complementary product lines and shared technologies

Enhances over-the-counter (OTC) capabilities

Expands NYMEX product growth opportunities by leveraging CME Group's global capabilities (marketing, sales, distribution, relationships)

Creates operational, risk management and product benefits for customers

Strategically

Attractive

Approximately \$60 million in estimated
expense synergies

Potential growth opportunities

Enhances operating scale advantages

Expected to be accretive on a GAAP basis
within 12-18 months post close

Financially
Compelling

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WTI ADV Comparison
CME Group Is the Best Partner for NYMEX
0
250
500
750
1,000

0
100
200
300
400
500
NYMEX on CME Globex
ADV
(contracts in thousands)
79
999
Q2
06
Q3
06
Q4
06
Q1
07
Q2
07
Q3
07
Q4
07
Q2
06
Q3
06
Q4
06
Q1
07
Q2
07
Q3
07
Q4
07
489
213
2.3X
ICE
(contracts in thousands)
NYMEX on CME Globex
ICE
6 consecutive
record quarters
Q1
08

Q1
08

Note: Q108 ADV through March 14, 2008

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Transaction Summary

Accretive to earnings on a GAAP basis 12

18 months after the closing

Expected Accretion:

Terrence A. Duffy, Executive Chairman; Craig S. Donohue, CEO

Executive Management:

NYMEX is required to offer to purchase the 816 outstanding NYMEX

Class A memberships for consideration not to exceed \$500 million in the aggregate, or approximately \$612,000 per membership.

NYMEX Class A Memberships:

Each NYMEX Holdings shareholder will receive the equivalent of:

-

0.1323 CME Group shares for each NYMEX Holdings share, and

-

\$36.00 per share in cash per NYMEX Holdings share

Shareholders will be given the opportunity to elect to receive either cash or CME Group shares in exchange for their NYMEX Holdings shares

-

Subject

to

pro

ration

so

that

the

aggregate

cash

amount

for

the

Transaction

is

equal

to

approximately

\$3.4 billion or \$36.00 times the number of outstanding NYMEX Holdings shares at closing

CME Group may choose to increase the cash amount if NYMEX Holdings shareholders elect to receive more than \$3.4 billion in cash, under certain circumstances

Consideration Mix:

4Q-2008 (subject to regulatory, CME Group shareholder, NYMEX Holding shareholder and NYMEX member approvals)

Anticipated Closing:

\$308 million

CME Group obligated to pay the same break-up fee in limited circumstances

Reciprocal Break-Up Fee:

\$100.30 per share

(1)

Price Per Share:

CME Group to add 3 new directors from NYMEX Holdings

Board of Directors:

CME Group Shareholders: minimum of 81.4% (based on NYMEX Holdings shareholder elections)

NYMEX Holdings Shareholders: up to 18.6% (based on NYMEX Holdings shareholder elections)

Pro Forma Ownership:

Aggregate Consideration:

\$9.5 billion

(1) Based on CME Group's closing price of \$486.05 on March 14, 2008

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Expected Strategic Benefits
Substantial Benefits
Financially
Attractive
Increased
Diversification
Cost Synergies and

Growth
Opportunities
Worldwide
Partnerships
Enhanced OTC
Expertise
Global Growth
Customer
Benefits

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Positioned to Drive Global Growth

CME Group will utilize its global capabilities and platform to drive NYMEX growth

Experienced and deep management

Proven strategy to grow electronic markets

Global marketing and sales infrastructure, and brand

Global distribution and relationships

NYMEX's established energy and metals expertise will help fuel CME Group's growth

NYMEX and COMEX brands well-known globally

Established OTC platform to strengthen CME Group's OTC commodity strategy

Energy and metals products enhancing long-term CME Group growth opportunities

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Positioned to Drive Global Growth
Annual
Global Energy Futures
Volume
Global Futures Volume
6-Year CAGR (2001
2007)

Global Energy Futures: 19%

CME Group CAGR: 27%

Source: FIA

Note: Futures volume only, not including options on futures

0

50

100

150

200

250

300

350

400

450

(contracts in millions)

83

425

98

99

00

01

02

03

04

05

06

07

Individual

Equities

Equity

Indexes

FX/Index

Metals

Energy

Ag

Commodities

Interest

Rates

9%

44%

24%

4%

4%

6%

9%

Goldman Sachs Commodity Index

Weightings

Energy

72%, Metals

10%, Ag Commodities

18%

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Expected Customer Benefits

Single point of contact, expanded
futures and OTC product set

CME Group growth model will
increase customer trading

opportunities
Customer Service

Combination of financial
safeguards of CME Clearing

Reduce \$15 million NYMEX
member firm equity holding
requirements to lower CME/CBOT
levels

Monetize memberships
Capital Efficiencies

Reduce monitoring and
compliance costs

Harmonize rules
Harmonization

Combined clearing development

Maintain electronic trading
efficiencies

Reduce back office connections
and other points of contact

Smaller back office staff
requirements

Operational Efficiencies
CME Group / NYMEX

Expected customer benefits include:

Increased liquidity across a range of products

Hundreds of millions in freed up capital

Approximately \$25m in annual customer savings

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Increased Diversification
CME Group Standalone 2007
Transaction Revenue Mix
NYMEX Standalone 2007
Transaction Revenue Mix
Pro Forma 2007
Transaction Revenue Mix

Source: Company information.

Note: CME Group transaction revenue is pro forma for CBOT acquisition.

\$1.77 billion

\$.57 billion

\$2.33 billion

Energy

22%

Notes, Bonds

& Other

20%

Equities

22%

Foreign

Exchange

6%

Commodities

& Other

8%

Metals

3%

Eurodollar

19%

Commodities

& Other

11%

Notes, Bonds

& Other

26%

Eurodollar

26%

Foreign

Exchange

8%

Equities

29%

Metals

11%

Energy

89%

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Cost Synergy Opportunities

Cost synergies are primarily driven by consolidation across
Corporate areas and IT and Clearing platforms

Cost Synergies

(Approximately \$60m)

50%

50%

Administrative
IT/Clearing/
Operations

NYMEX to adopt CME
Group clearing model

Consolidate NYMEX trading
floors from 2 to 1 at
the current location in New
York City

Migrate NYMEX ClearPort
®
electronic trading and
clearing to Chicago

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Business Opportunities

Leverage marketing and
product development to increase
volumes and expand customer
base

Engage CME Group's global
presence to expand customer
and energy product base
Apply CME Group Capabilities
Global Expansion
Growing NYMEX Markets

Advance OTC Clearing growth
through combined product suites
and
combined
clearing/ClearPort
®
capabilities

Example: Commodities

Utilize resources in selling
complementary products to
combined customer base

Examples: Weather products,
GSCI
OTC Growth
Cross Selling
Growing CME Group Markets

Apply CME Group
strategies to accelerate
market growth
CME Group / NYMEX

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Combined OTC Expertise

With the addition of NYMEX, CME Group will have an expanded
OTC presence in:

Energy

NYMEX
ClearPort
®

Interest Rates
Swapstream, with cleared swaps to launch
shortly

FX

FXMarketSpace

The acquisition creates increased ability to serve OTC customers
in the agricultural commodities market

Cross selling opportunities exist with NYMEX's OTC customer
base and CME Group's commodity and alternative investment
products

Weather

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Worldwide Partnerships

CME Globex access from over 80 countries

Six telecommunications hubs in Europe and Asia

New hubs planned in Seoul, Sao Paolo and Shanghai

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Road Map to Completion

File Joint Proxy Statement/Prospectus with SEC

CME Group shareholder vote, NYMEX Holdings shareholder vote
and NYMEX member vote

Repurchase of at least 75 percent of NYMEX memberships

Regulatory approvals

Hart-Scott-Rodino (HSR)

Regulatory notifications

Commodity Futures Trading Commission

Notice filings required in certain foreign jurisdictions

Financing

The transaction is anticipated to close during the fourth quarter 2008