

Intercontinental Exchange, Inc.  
Form 10-Q  
November 04, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2014

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-36198

INTERCONTINENTAL EXCHANGE, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
5660 New Northside Drive,  
Atlanta, Georgia  
(Address of principal executive offices)  
(770) 857-4700

46-2286804  
(IRS Employer  
Identification Number)  
30328  
(Zip Code)

Registrant's telephone number, including area code

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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As of October 31, 2014, the number of shares of the registrant's Common Stock outstanding was 112,707,217 shares.

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INTERCONTINENTAL EXCHANGE, INC.  
 Form 10-Q  
 Quarterly Period Ended September 30, 2014  
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## PART I. Financial Statements

## Item 1. Consolidated Financial Statements (Unaudited)

## Intercontinental Exchange, Inc. and Subsidiaries

## Consolidated Balance Sheets

(In millions, except per share amounts)

(Unaudited)

	As of September 30, 2014	As of December 31, 2013
Assets:		
Current assets:		
Cash and cash equivalents	\$638	\$961
Short-term investments	1,241	74
Short-term restricted cash and investments	314	277
Customer accounts receivable, net of allowance for doubtful accounts of \$1 at September 30, 2014 and December 31, 2013	446	482
Margin deposits and guaranty funds	46,527	42,216
Prepaid expenses and other current assets	212	249
Total current assets	49,378	44,259
Property and equipment, net	839	891
Other non-current assets:		
Goodwill	8,471	9,501
Other intangible assets, net	7,754	9,404
Long-term restricted cash and investments	230	161
Long-term investments	496	324
Other non-current assets	118	278
Total other non-current assets	17,069	19,668
Total assets	\$67,286	\$64,818
Liabilities and Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$282	\$343
Accrued salaries and benefits	185	301
Deferred revenue	139	48
Short-term debt	1,889	1,135
Margin deposits and guaranty funds	46,527	42,216
Other current liabilities	315	299
Total current liabilities	49,337	44,342
Non-current liabilities:		
Non-current deferred tax liability, net	2,137	2,771
Long-term debt	2,247	3,923
Accrued employee benefits	320	412
Other non-current liabilities	458	433
Total non-current liabilities	5,162	7,539
Total liabilities	54,499	51,881
Commitments and contingencies		
Redeemable non-controlling interest	144	322



Equity:

Intercontinental Exchange, Inc. shareholders' equity:

Preferred stock, \$0.01 par value; 100 shares authorized; no shares issued or outstanding at September 30, 2014 and December 31, 2013	—	—
Common stock, \$0.01 par value; 500 shares authorized; 116 and 113 shares issued and outstanding at September 30, 2014, respectively, and 115 shares issued and outstanding at December 31, 2013	1	1
Treasury stock, at cost; 3 shares at September 30, 2014	(540	) (53 )
Additional paid-in capital	9,909	9,794
Retained earnings	3,000	2,482
Accumulated other comprehensive income	244	359
Total Intercontinental Exchange, Inc. shareholders' equity	12,614	12,583
Non-controlling interest in consolidated subsidiaries	29	32
Total equity	12,643	12,615
Total liabilities and equity	\$67,286	\$64,818

See accompanying notes.

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Intercontinental Exchange, Inc. and Subsidiaries  
Consolidated Statements of Income  
(In millions, except per share amounts)  
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2014	2013	2014	2013
<b>Revenues:</b>				
Transaction and clearing fees, net	\$2,190	\$899	\$708	\$280
Market data fees	304	121	105	40
Listing fees	251	—	86	—
Other revenues	332	42	107	18
Total revenues	3,077	1,062	1,006	338
<b>Transaction-based expenses:</b>				
Section 31 fees	240	—	86	—
Cash liquidity payments, routing and clearing	545	—	175	—
Total revenues, less transaction-based expenses	2,292	1,062	745	338
<b>Operating expenses:</b>				
Compensation and benefits	448	193	144	60
Technology and communication	136	36	46	13
Professional services	161	23	52	7
Rent and occupancy	61	23	19	5
Acquisition-related transaction and integration costs	102	32	40	6
Selling, general and administrative	92	28	31	10
Depreciation and amortization	244	100	83	35
Total operating expenses	1,244	435	415	136
Operating income	1,048	627	330	202
<b>Other income (expense):</b>				
Interest expense	(73	) (29	) (22	) (9
Other income, net	20	3	5	—
Other expense, net	(53	) (26	) (17	) (9
Income from continuing operations before income tax expense	995	601	313	193
Income tax expense	284	161	90	48
Income from continuing operations	711	440	223	145
Income (loss) from discontinued operations, net of tax	11	—	(10	) —
Net income	\$722	\$440	\$213	\$145
Net income from continuing operations attributable to non-controlling interest	(29	) (10	) (7	) (4
Net income attributable to Intercontinental Exchange, Inc.	\$693	\$430	\$206	\$141
<b>Basic earnings (loss) per share attributable to Intercontinental Exchange, Inc. common shareholders:</b>				
Continuing operations	\$5.96	\$5.91	\$1.90	\$1.94
Discontinued operations	0.09	—	(0.09	) —
Basic earnings per share	\$6.05	\$5.91	\$1.81	\$1.94
Basic weighted average common shares outstanding	115	73	114	73
<b>Diluted earnings (loss) per share attributable to Intercontinental Exchange, Inc. common shareholders:</b>				
Continuing operations	\$5.93	\$5.86	\$1.89	\$1.92
Discontinued operations	0.09	—	(0.09	) —
Diluted earnings per share	\$6.02	\$5.86	\$1.80	\$1.92

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Diluted weighted average common shares outstanding	115	73	114	74
Dividend per share	\$1.95	\$—	\$0.65	\$—
See accompanying notes.				

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Intercontinental Exchange, Inc. and Subsidiaries  
Consolidated Statements of Comprehensive Income (Loss)  
(In millions)  
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$722	\$440	\$213	\$145
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax expense (benefit) of (\$3) and \$2 for the nine months ended September 30, 2014 and 2013, respectively, and (\$3) and (\$1) for the three months ended September 30, 2014 and 2013, respectively	(194	) (4	) (278	) 40
Change in fair value of available-for-sale securities	58	(61	) (60	) 1
Discontinuance of net investment hedge, net of tax benefit of \$12 for the nine months ended September 30, 2014	21	—	—	—
Other comprehensive income (loss)	(115	) (65	) (338	) 41
Comprehensive income (loss)	\$607	\$375	\$(125	) \$186
Comprehensive income attributable to non-controlling interest	(29	) (10	) (7	) (4
Comprehensive income (loss) attributable to Intercontinental Exchange, Inc.	\$578	\$365	\$(132	) \$182

See accompanying notes.

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Intercontinental Exchange, Inc. and Subsidiaries  
 Consolidated Statements of Changes in Equity, Accumulated Other Comprehensive Income  
 and Redeemable Non-Controlling Interest  
 (In millions)  
 (Unaudited)

	Intercontinental Exchange, Inc. Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Shareholders' Equity		Non-Controlling Interest in Consolidated Subsidiaries	Total Equity	Redeemable Non-Controlling Interest
	Shares	Value	Shares	Value			Accumulated Other Comprehensive Income (Loss)				
Balance, as of December 31, 2012	80	\$1	(7 )	\$(717)	\$1,903	\$2,509	\$ (52 )	\$ 33	\$3,677	\$ —	
Other comprehensive income	—	—	—	—	—	—	411	—	411	—	
Stock consideration issued for NYSE acquisition	42	—	—	(53 )	8,347	—	—	—	8,294	—	
Exercise of common stock options	—	—	—	—	13	—	—	—	13	—	
Payments relating to treasury shares received for restricted stock tax payments and stock option exercises	—	—	(1 )	(24 )	—	—	—	—	(24 )	—	
Issuance of restricted stock	1	—	—	—	—	—	—	—	—	—	
Stock-based compensation	—	—	—	—	69	—	—	—	69	—	
Tax benefits from stock option plans	—	—	—	—	8	—	—	—	8	—	
Adjustment to redemption value of redeemable non-controlling interest	—	—	—	—	—	(6 )	—	—	(6 )	6	
Acquisition of non-controlling interest	—	—	—	—	—	—	—	30	30	—	
Acquisition of redeemable non-controlling interest	—	—	—	—	—	—	—	—	—	313	
Distributions of profits to non-controlling interest	—	—	—	—	—	—	—	(12 )	(12 )	—	
Purchase of subsidiary shares	—	—	—	—	(5 )	—	—	(32 )	(37 )	—	

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from non-controlling interest										
Treasury shares retired in connection with formation of ICE	(8 )	—	8	741	(541 )	(200 )	—	—	—	—
Dividends paid to shareholders	—	—	—	—	—	(75 )	—	—	(75 )	—
Net income attributable to non-controlling interest	—	—	—	—	—	(16 )	—	13	(3 )	3
Net income	—	—	—	—	—	270	—	—	270	—
Balance, as of December 31, 2013	115	1	—	(53 )	9,794	2,482	359	32	12,615	322
Other comprehensive loss	—	—	—	—	—	—	(115 )	—	(115 )	—
Exercise of common stock options	1	—	—	—	10	—	—	—	10	—
Payments relating to treasury shares received for restricted stock tax payments and stock option exercises	—	—	—	(39 )	—	—	—	—	(39 )	—
Stock-based compensation	—	—	—	—	82	—	—	—	82	—
Repurchases of common stock	—	—	(3 )	(448 )	—	—	—	—	(448 )	—
Tax benefits from stock option plans	—	—	—	—	23	—	—	—	23	—
Adjustment to redemption value of redeemable non-controlling interest	—	—	—	—	—	50	—	—	50	(50 )
Distributions of profits to non-controlling interest	—	—	—	—	—	—	—	(17 )	(17 )	(14 )
Purchase of subsidiary shares from non-controlling interest	—	—	—	—	—	—	—	—	—	(129 )
Dividends paid to shareholders	—	—	—	—	—	(225 )	—	—	(225 )	—
Net income attributable to non-controlling interest	—	—	—	—	—	(29 )	—	14	(15 )	15
Net income	116	\$1	(3 )	\$(540)	\$9,909	\$3,000	\$244	\$29	\$12,643	\$144

Balance, as of  
September 30, 2014

	As of September 30, 2014	As of December 31, 2013
Accumulated Other Comprehensive Income was as follows:		
Foreign currency translation adjustments	\$183	\$377
Fair value of available-for-sale securities	58	—
Fair value of net investment hedge	—	(21 )
Employee benefit plans adjustments	3	3
Accumulated other comprehensive income	\$244	\$359

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
(In millions)  
(Unaudited)

	Nine Months Ended September 30,	
	2014	2013
Operating activities:		
Net income	\$722	\$440
Less: income from discontinued operations, net of tax	(11	) —
Income from continuing operations	711	440
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	244	100
Stock-based compensation	73	42
Deferred taxes	(57	) (34
Excess tax benefits from stock-based compensation	(23	) (6
Other	(43	) 4
Changes in assets and liabilities:		
Customer accounts receivable	(121	) (48
Other current and non-current assets	75	(10
Income taxes payable	128	43
Deferred revenue	137	(4
Accrued salaries and benefits	(106	) 13
Other current and non-current liabilities	(96	) 22
Total adjustments	211	122
Net cash provided by operating activities from continuing operations	922	562
Investing activities:		
Capital expenditures	(105	) (76
Capitalized software development costs	(56	) (28
Proceeds from sale of Euronext and sales of NYSE Technologies businesses	2,155	—
Cash paid for acquisitions, net of cash acquired	(150	) (49
Proceeds from sales of available-for-sale investments	54	—
Purchases of available-for-sale investments	(1,304	) (37
Increase in restricted cash and investments	(105	) (69
Net cash provided by (used in) investing activities from continuing operations	489	(259
Financing activities:		
Repayments of debt facilities and commercial paper, net	(768	) (342
Dividends to shareholders	(225	) —
Payments relating to treasury shares received for restricted stock tax payments and stock option exercises	(39	) (24
Excess tax benefits from stock-based compensation	23	6
Proceeds from exercise of common stock options	10	10
Repurchases of common stock	(448	) —
Distributions of profits to non-controlling interest	(31	) (12
Purchase of subsidiary shares from non-controlling interest	(129	) (10
Other	(11	) (4

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Net cash used in financing activities from continuing operations	(1,618	) (376	)
Net cash provided by operating activities from discontinued operations	51	—	
Net cash used in investing activities from discontinued operations	(504	) —	
Net cash provided by financing activities from discontinued operations	339	—	
Effect of exchange rate changes on cash and cash equivalents	(2	) (2	)
Net decrease in cash and cash equivalents	(323	) (75	)
Cash and cash equivalents, beginning of period	961	1,612	
Cash and cash equivalents, end of period	\$638	\$1,537	
Supplemental cash flow disclosure:			
Cash paid for income taxes	\$265	\$143	
Cash paid for interest	\$107	\$17	

See accompanying notes.

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Intercontinental Exchange, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements  
(Unaudited)

1. Description of Business

Intercontinental Exchange, Inc. (the "Company" or "ICE") is a leading global operator of exchanges and clearing houses. The Company currently operates 11 global exchanges and five central clearing houses. The Company was previously known as IntercontinentalExchange Group, Inc. and changed its name to Intercontinental Exchange, Inc. on June 2, 2014. The Company was organized on March 6, 2013 as a direct, wholly-owned subsidiary of Intercontinental Exchange Holdings, Inc. (formerly known as IntercontinentalExchange, Inc.) for the purpose of effecting the acquisition of NYSE Holdings LLC (formerly known as NYSE Euronext Holdings LLC) ("NYSE"), which occurred on November 13, 2013 (Note 3). Upon the completion of the acquisition, Intercontinental Exchange Holdings, Inc. and NYSE each became wholly-owned subsidiaries of the Company.

The Company, through its subsidiaries, operates regulated global markets and clearing houses, including derivatives and equities exchanges, over-the counter markets and derivatives clearing houses, and is a provider of market data, technology, benchmark administration and post-trade services. The Company's global marketplaces serve a broad array of markets for energy, environmental and agricultural commodities, interest rates, credit derivatives, equity derivatives, metals and currency derivatives contracts, as well as equity and equity options securities.

On June 24, 2014, the Company sold 65.8 million shares of common stock of its wholly-owned subsidiary Euronext N.V. ("Euronext"), representing 94% of Euronext's outstanding shares, in three transactions. The transactions include the Company's sale of 42.2 million shares of Euronext common stock in an initial public offering ("IPO") at €20 per share, 23.4 million shares of Euronext common stock to a group of European institutional investors at €19.20 per share, and 0.2 million shares of Euronext common stock to eligible Euronext employees at €16 per share. These transactions generated an aggregate €1.4 billion (\$1.9 billion) of net cash proceeds for the Company. The net cash proceeds received included cash of \$220 million distributed from Euronext as part of the separation of Euronext from the Company. Euronext is comprised of the continental European-based exchanges acquired by the Company as part of the NYSE acquisition, including the London, Paris, Amsterdam, Brussels and Lisbon exchanges. Also, during the three months ended September 30, 2014, the Company sold its entire interest in three companies that comprised the former NYSE Technologies (NYFIX, Metabit and Wombat). Due to the sales a controlling interest in Euronext and the three companies comprising NYSE Technologies, the Company de-consolidated the assets and liabilities of Euronext (as of the IPO date) and NYSE Technologies (as of the sales dates) and included the financial results of these entities in discontinued operations in the accompanying unaudited consolidated financial statements. As of September 30, 2014, the Company continues to own 4.2 million shares of Euronext common stock, representing 6% of the outstanding shares of Euronext. See Note 13 for further information regarding the IPO of Euronext and the sales of the three NYSE Technologies businesses.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared by the Company in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Accordingly, the unaudited consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2013. The accompanying unaudited consolidated financial statements reflect all adjustments that are, in the opinion of the Company's management, necessary for a fair presentation of results for the interim periods presented. These adjustments are of a normal recurring nature. Preparing financial statements requires management to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future, actual results may be different from these estimates. The results of operations for the nine and three months ended September 30, 2014 are not necessarily indicative of the results to be expected for any future period or the full fiscal

year.

The accompanying unaudited consolidated financial statements include the accounts of the Company and its wholly-owned and controlled subsidiaries. All intercompany balances and transactions between the Company and its wholly-owned and controlled subsidiaries have been eliminated in consolidation. As discussed in Note 3, the Company completed the acquisition of Singapore Mercantile Exchange Pte. Ltd. ("SMX") during the nine months ended September 30, 2014 and has included the financial results of SMX in the consolidated financial statements effective from the acquisition date. As discussed in Note 13, the Company completed the IPO of Euronext on June 24, 2014, the sale of Wombat on July 23, 2014 and the sale of NYFIX and Metabit on September 19, 2014, and has included the financial results of these companies through these dates in discontinued operations in the consolidated financial statements.

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For those consolidated subsidiaries in which the Company's ownership is less than 100% and for which the Company has control over the assets and liabilities and the management of the entity, the outside stockholders' interests are shown as non-controlling interests.

#### Segment Information

The Company previously operated as a single reportable business segment as of December 31, 2013. As of March 31, 2014, the Company reported two business segments, the ICE segment and the Euronext segment, which was reflective of how the Company's chief operating decision maker reviewed and operated the Company's business. Following the IPO and de-consolidation of Euronext in June 2014, the Company reverted to one operating segment, which is reflective of how the Company's chief operating decision maker reviews and operates the business as of June 30, 2014 and September 30, 2014.

#### Recently Adopted and New Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of Entity, which changes the criteria for reporting discontinued operations while enhancing disclosure requirements. This amendment clarifies the financial reporting of discontinued operations. The guidance defines a discontinued operation as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has a major effect on an entity's operations and financial results. This amendment will be effective in the first quarter of 2015 and early adoption is permitted. The Company does not expect to adopt this amendment early, and the adoption is not expected to have a material effect on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which amended revenue recognition guidance. The amendment's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This amendment will be effective for interim and annual periods beginning after December 15, 2016 and early adoption is not permitted. The Company is currently in the process of evaluating the impact of adoption of this amendment but it currently does not expect the adoption to have a material effect on the Company's consolidated financial statements.

### 3. Acquisitions

#### NYSE Acquisition

On November 13, 2013, the Company acquired 100% of NYSE for a combination of cash and stock. The total purchase price was \$11.1 billion, comprised of cash consideration of \$2.7 billion and 42.4 million shares of the Company's common stock. The fair value of the shares issued was \$8.4 billion based on the closing share price of the Company's common stock of \$197.80 per share on November 12, 2013.

Under purchase accounting, the total purchase price was allocated to NYSE's preliminary net tangible and identifiable intangible assets based on the estimated fair values of those assets as of November 13, 2013, as set forth below. The excess of the purchase price over the preliminary net tangible and identifiable intangible assets was recorded as goodwill. Goodwill represents potential revenue synergies related to clearing and new product development, expense synergies related to technology and clearing, and opportunities to enter new markets. The preliminary purchase price allocation is as follows (in millions):

Property and equipment	\$637
Goodwill	7,362
Identifiable intangible assets	8,516
Other assets and liabilities, net	198
Deferred tax liabilities on identifiable intangible assets	(2,768 )
Short-term and long-term debt	(2,529 )
Non-controlling interests	(327 )
Total preliminary purchase price allocation	\$11,089

In performing the preliminary purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, analysis of historical financial performance and estimates of future performance of NYSE's business. The preliminary allocation of the purchase price will be finalized upon the completion of the remaining analysis of the acquired assets and liabilities. During the nine months ended September 30, 2014, the Company adjusted the preliminary purchase price allocation based on updated fair value analyses of the NYSE tangible and intangible assets and liabilities. The fair value adjustments reflected in the tables above and below, primarily result in an increase in the customer relationships intangible assets of \$60 million, an increase in the

deferred tax liabilities on identifiable intangible assets of \$34 million, an increase in other assets and liabilities, net, of \$39 million, and a corresponding decrease to goodwill of \$60 million. The income statement impact for 2013 relating to these fair value adjustments is not material to the consolidated financial statements. The Company has not yet obtained all of the information related to the fair value of the acquired assets and liabilities related to the acquisition to finalize the purchase price allocation. The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the valuation of acquired income tax assets and liabilities and the valuation of these items will be finalized during the fourth quarter of 2014.

The following table sets forth the components of the preliminary intangible assets and the net book value as of September 30, 2014 (in millions, except years):

Preliminary Intangible Assets	Preliminary Acquisition-Date Fair Value	Foreign Currency Translation	De-Consolidation of Euronext and NYSE Technologies (Note 13)	Accumulated Amortization	Net Book Value	Useful Life
Exchange registrations and licenses	\$ 6,960	\$ 15	\$(1,258)	\$ —	\$5,717	Indefinite
Customer relationships	1,128	2	(165)	(48)	917	17-25 years
Trade names	315	—	(30)	(4)	281	1 year to Indefinite
Developed technology	113	—	(19)	(30)	64	3 years
Total	\$ 8,516	\$ 17	\$(1,472)	\$(82)	\$6,979	

The Company incurred \$82 million and \$36 million in NYSE employee termination costs related to continuing operations during the nine and three months ended September 30, 2014, respectively, with such costs included in acquisition-related transaction and integration costs. NYSE had net income of \$342 million and \$64 million from continuing operations during the nine and three months ended September 30, 2014, respectively, which includes the employee termination costs discussed above, but is net of the discontinued operations of Euronext, NYFIX, Metabit and Wombat discussed in Note 13.

The financial information in the table below summarizes the combined results of operations of the Company and NYSE, on a pro forma basis, as though the companies had been combined as of January 1, 2013. The pro forma financial information is presented for informational purposes only and is not indicative of the actual results of operations that would have been achieved if the acquisition had taken place at the beginning of the periods presented. Such pro forma financial information is based on the historical financial statements of the Company and NYSE and includes the results of Euronext and the NYSE Technology companies as discontinued operations. This pro forma financial information is based on estimates and assumptions that have been made solely for purposes of developing such pro forma information, including, without limitation, the preliminary purchase accounting adjustments. The pro forma financial information does not reflect any synergies or operating cost reductions that may be achieved from the combined operations. The pro forma financial information combines the historical results for the Company and NYSE for nine and three months ended September 30, 2013 in the following table (in millions, except per share amounts):

	Nine Months Ended September 30, 2013	Three Months Ended September 30, 2013
Total revenues, less transaction-based expenses	\$2,287	\$722
Operating income	\$1,091	\$334
Income from continuing operations	\$776	\$282
Income from discontinued operations, net of tax	\$134	\$35
Net income attributable to the Company	\$910	\$317

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Basic earnings per common share:		
Continuing operations	\$6.75	\$2.46
Discontinued operations	1.17	0.30
Basic earnings per share	\$7.92	\$2.76
Diluted earnings per common share:		
Continuing operations	\$6.71	\$2.44
Discontinued operations	1.16	0.30
Diluted earnings per share	\$7.87	\$2.74

SMX Acquisition

On February 3, 2014, the Company acquired 100% of the outstanding common stock of Singapore Mercantile Exchange Pte. Ltd. ("SMX"). The acquisition included Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. ("SMXCC"), a wholly-owned

subsidiary of SMX which was the clearing house for all SMX trades. SMX operated futures markets in Singapore across metals, currencies, energy and agricultural commodities, and SMXCC cleared the contracts executed on SMX. SMX and SMXCC retain licenses to operate as an approved exchange and an approved clearing house, regulated by the Monetary Authority of Singapore. These licenses provided the Company with exchange and clearing licenses in Asia. The exchange and clearing infrastructures are expected to transition to the ICE trading and clearing platforms in the first quarter of 2015. As a result, a period of business transition is currently underway and the exchange and clearing house have been temporarily closed.

The SMX purchase price was allocated to the net tangible and identifiable intangible assets based on the fair value of those assets as of February 3, 2014. The net tangible and identifiable intangible assets acquired were \$45 million, inclusive of intangible assets of \$31 million for exchange registrations and licenses, which have been assigned an indefinite life. The excess of the purchase price over the net tangible and identifiable intangible assets was \$105 million and was recorded as goodwill. SMX and SMXCC have been renamed ICE Futures Singapore and ICE Clear Singapore, respectively.

#### SuperDerivatives Acquisition

On September 5, 2014, the Company entered into a definitive agreement to acquire 100% of the outstanding common stock of SuperDerivatives Inc. ("SuperDerivatives"), a leading provider of risk management analytics, financial market data and valuation services. The acquisition closed on October 7, 2014. The acquisition is intended to accelerate the Company's multi-asset class clearing, risk management and market data strategy. The Company paid \$350 million in cash to acquire SuperDerivatives.

Founded in 2000, SuperDerivatives provides risk management analytics and systems across all asset classes, including interest rates, foreign exchange, credit, equities, energy and commodities to customers including banks, asset managers, corporations, central banks, auditors and brokers. Key risk management and data products and services include independent valuation services, market data for mark-to-market, multi-asset derivatives front office and risk systems and a multi-asset over-the-counter execution platform. SuperDerivatives' DGX front-end data system is a web-based platform that delivers analytics, data, news and chat with video in a cost-efficient manner.

#### Pending Holland Clearing House Acquisition

On September 10, 2014, the Company entered into a definitive agreement to acquire 75% of the outstanding common stock of Holland Clearing House N.V. ("HCH"), a continental European clearing house, to support the Company's comprehensive clearing strategy for financial products. ABN AMRO Clearing Bank N.V. will retain the remaining 25% minority interest in HCH. Completion of the transaction is subject to regulatory approval and other customary closing conditions. The transaction is expected to close in the fourth quarter of 2014.

HCH is a continental European derivatives clearing house based in Amsterdam and is the primary clearing house for The Order Machine ("TOM"), a multi-lateral trading facility for equity options. HCH is regulated and supervised in the Netherlands by the Authority For the Financial Markets and the Dutch Central Bank.

#### 4. Short-Term and Long-Term Restricted Cash and Investments

The Company classifies all cash and cash equivalents that are not available for general use by the Company, either due to regulatory requirements or through restrictions in specific agreements, as restricted in the accompanying consolidated balance sheets. In connection with ICE Clear U.S.'s election to be subject to Subpart C of the Commodity Futures Trading Commission's ("CFTC") regulation (which accordingly, permits recognition as a Qualified Central Counter Party ("QCCP")), the Company contributed \$50 million to ICE Clear U.S.'s guaranty fund on January 1, 2014 (Note 9), with such amount being reflected as long-term restricted cash in the accompanying consolidated balance sheet as of September 30, 2014. The Company also had net increases in restricted cash and investments during the nine months ended September 30, 2014 due to increases in the regulatory capital of ICE Clear Europe and Liffe due to additional costs incurred at both of these companies due to growth of these businesses.

#### 5. Goodwill and Other Intangible Assets

The following is a summary of the activity in the goodwill balance for the nine months ended September 30, 2014 (in millions):

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Goodwill balance at December 31, 2013	\$9,501	
Acquisition	105	
Foreign currency translation	(66	)
De-consolidation of Euronext and NYSE Technologies and reclassification of goodwill relating to discontinued operations (Note 13)	(1,008	)
Other activity, net	(61	)
Goodwill balance at September 30, 2014	\$8,471	

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The following is a summary of the activity in the other intangible assets balance for the nine months ended September 30, 2014 (in millions):

Other intangible assets balance at December 31, 2013	\$9,404	
Acquisition	39	
Foreign currency translation	(152	)
De-consolidation of Euronext and NYSE Technologies and reclassification of other intangible assets relating to discontinued operations (Note 13)	(1,472	)
Other activity, net	55	
Amortization of other intangible assets	(120	)
Other intangible assets balance at September 30, 2014	\$7,754	

The Company completed the SMX acquisition (Note 3) and purchased certain patent rights during the nine months ended September 30, 2014. The foreign currency translation adjustments in the tables above result from a portion of the Company's goodwill and other intangible assets related to the Company's United Kingdom, European, Singapore and Canadian subsidiaries, some of whose functional currencies are not the U.S. dollar. The other activity, net in the tables above results from adjustments to the fair value of the net tangible and identifiable intangible assets and liabilities relating to the NYSE acquisition, with a corresponding adjustment to goodwill (Note 3). The Company did not recognize any impairment losses on goodwill or other intangible assets during the nine and three months ended September 30, 2014 and 2013.

## 6. Debt

The Company's total debt, including short-term and long-term debt, consisted of the following as of September 30, 2014 and December 31, 2013 (in millions):

	As of September 30, 2014	As of December 31, 2013
Debt:		
Commercial Paper	\$690	\$1,080
NYSE EUR Notes (5.375% senior unsecured notes due June 30, 2015)	1,199	—
2011 Credit Facilities - Term Loan Facility	—	55
Short-term debt	1,889	1,135
2018 Senior Notes (2.5% senior unsecured notes due October 15, 2018)	600	599
2023 Senior Notes (4.0% senior unsecured notes due October 15, 2023)	794	794
NYSE EUR Notes (5.375% senior unsecured notes due June 30, 2015)	—	1,353
NYSE USD Notes (2.0% senior unsecured notes due October 5, 2017)	853	854
2011 Credit Facilities - Term Loan Facility	—	323
Long term debt	2,247	3,923
Total debt	\$4,136	\$5,058
2014 Credit Facility		

On April 3, 2014, the Company, as parent borrower, and its subsidiary ICE Europe Parent Limited, as subsidiary borrower, entered into a \$3.0 billion senior unsecured revolving credit facility (the "2014 Credit Facility") pursuant to a credit agreement dated as of April 3, 2014 with Wells Fargo Bank, National Association ("Wells Fargo"), as administrative agent, issuing lender and swing line lender, Bank of America, N.A., as syndication agent, and the lenders party thereto. The 2014 Credit Facility includes an option for the Company to propose an increase in the aggregate amount by up to \$1.0 billion, subject to the consent of the lenders funding the increase and certain other conditions.

The 2014 Credit Facility matures on April 3, 2019. Amounts borrowed under the 2014 Credit Facility may be prepaid at any time without premium or penalty. The 2014 Credit Facility provides for a \$3.0 billion multi-currency revolving facility, with sub-limits for non-dollar borrowings, swing line borrowings and letters of credit. No amounts were outstanding under the 2014 Credit Facility as of September 30, 2014. Of the \$3.0 billion that is available for

borrowing under the 2014 Credit Facility, \$690 million is required to back-stop the amount outstanding under the Company's commercial paper program as of September 30, 2014 and \$303 million is reserved for the Company's clearing houses, both as discussed below. The amount required to back stop the commercial paper program will fluctuate as the Company increases or decreases its commercial paper borrowings. The remaining \$2.0 billion as of September 30, 2014 is available to the Company to use for working capital and general corporate purposes, and any portion of the revolving credit



facility no longer necessary in the future to be reserved for the foregoing purposes will be available to the Company to use for working capital and general corporate purposes.

Borrowings under the 2014 Credit Facility will bear interest on the principal amount outstanding at either (a) LIBOR plus an applicable margin rate or (b) a “base rate” plus an applicable margin rate; provided, however, that all loans denominated in a foreign currency will bear interest at LIBOR plus an applicable margin rate. The “base rate” equals the higher of (i) Wells Fargo’s prime rate, (ii) the federal funds rate plus 0.50%, or (iii) the one month LIBOR rate plus 1.00%. The applicable margin rate is based upon the Company’s public long term debt ratings and ranges from 0.875% to 1.5% on LIBOR borrowings and from 0.00% to 0.50% on base rate borrowings.

The 2014 Credit Facility includes an unutilized revolving credit commitment fee that is equal to the unused maximum revolver amount, multiplied by an applicable commitment fee rate and is payable in arrears on a quarterly basis. The applicable commitment fee rate ranges from 0.080% to 0.200% and is determined based on the Company’s long term debt rating. As of September 30, 2014, the applicable commitment fee rate was 0.125% based on the Company’s current long term debt ratings.

Of the amounts available under the 2014 Credit Facility: (i) \$150 million of such amounts has been reserved to provide liquidity or required financial resources for the clearing operations of ICE Clear Europe, (ii) \$100 million of such amounts has been reserved to provide liquidity or required financial resources for the clearing operations of ICE Clear Credit, (iii) \$50 million of such amounts has been reserved to provide liquidity or required financial resources for the clearing operations of ICE Clear U.S., and (iv) \$3 million of such amounts has been reserved to provide liquidity or required financial resources for the clearing operations of ICE Clear Canada. From time to time, the Company may agree to provide additional liquidity to its subsidiaries to meet regulatory capital requirements, general corporate purposes or short term liquidity needs.

The 2014 Credit Facility contains customary representations and warranties, covenants and events of default, including a leverage ratio, as well as limitations on liens on the Company’s assets, indebtedness of non-obligor subsidiaries, the sale of all or substantially all of the Company’s assets, and other matters.

#### Revolving Facility and Term Loan Facility (2011 Credit Facilities)

In November 2011, the Company entered into senior unsecured credit facilities in the aggregate amount of \$2.6 billion (the “2011 Credit Facilities”). The 2011 Credit Facilities consisted of (i) an aggregate \$500 million five-year senior unsecured term loan facility (the “Term Loan Facility”) and (ii) an aggregate \$2.1 billion five-year senior unsecured multicurrency revolving credit facility (the “Revolving Facility”). In connection with the Company entering into the 2014 Credit Facility on April 3, 2014, the 2011 Credit Facilities were terminated and the \$367 million outstanding under the Term Loan Facility (which had a stated interest rate of 2.0275%) was repaid through the issuance of new commercial paper, as discussed below. No amounts were outstanding under the Revolving Facility when it was terminated on April 3, 2014.

#### 364 Day Facility

In July 2013, the Company entered into a \$600 million 364 day senior unsecured revolving credit facility (the “364 Day Facility”). The 364 Day Facility was available for working capital and general corporate purposes. In connection with the Company entering into the 2014 Credit Facility, the 364 Day Facility was terminated on April 3, 2014, at which time no amounts were outstanding under the 364 Day Facility.

#### Commercial Paper Program

In December 2013, the Company entered into a U.S. dollar commercial paper program (the “Commercial Paper Program”). The Commercial Paper Program is currently backed by the borrowing capacity available under the 2014 Credit Facility, equal to the amount of the commercial paper that is issued and outstanding at any given point in time. The effective interest rate of commercial paper issuances does not materially differ from short term interest rates (such as USD LIBOR). The fluctuation of these rates due to market conditions may therefore impact the interest expense incurred by the Company.

Commercial paper notes of \$690 million with original maturities ranging from 1 to 59 days were outstanding as of September 30, 2014 under the Commercial Paper Program. As of September 30, 2014, the weighted average interest rate on the \$690 million outstanding under the Commercial Paper Program was 0.29% per annum, with a weighted average maturity of 19 days.

The Company used net proceeds from \$367 million in commercial paper issued under the Commercial Paper Program on April 1, 2014 to repay the \$367 million that was outstanding under the Term Loan Facility upon termination of the Term Loan Facility as discussed above. The Company also issued commercial paper during the three months ended September 30, 2014 and used the proceeds to repurchase its common stock (Note 7). The Company repaid a portion of the amounts outstanding under the Commercial Paper Program during the nine months ended September 30, 2014 using a combination of the cash proceeds received from the Euronext IPO (Note 13) and cash flows from operations. Subsequent to September 30, 2014, the Company used the net proceeds from

\$350 million in commercial paper issued under the Commercial Paper Program on October 1, 2014 to fund the acquisition of SuperDerivatives, which closed on October 7, 2014 (Note 3).

#### Senior Notes and NYSE Notes

In October 2013, the Company issued \$600 million aggregate principal amount of 2.50% senior unsecured fixed rate notes due October 2018 (the "2018 Senior Notes") and \$800 million aggregate principal amount of 4.00% senior unsecured fixed rate notes due October 2023 (the "2023 Senior Notes", together with the 2018 Senior Notes, the "Senior Notes"). In connection with the acquisition of NYSE, one of the Company's subsidiaries assumed the outstanding NYSE debt instruments, which included \$850 million of 2.0% senior unsecured fixed rate notes due in October 2017 (the "NYSE USD Notes") and €920 million (\$1.2 billion) of 5.375% senior unsecured fixed rate notes due in June 2015 (the "NYSE EUR Notes", and together with the NYSE USD Notes, the "NYSE Notes").

Upon closing of the Euronext IPO, the Company received €1.4 billion (\$1.9 billion) in net cash proceeds. The Company elected to set aside sufficient euro-denominated cash from the proceeds to effectively pre-fund the maturity of the NYSE EUR Notes and the related final interest coupon payment, both due on June 30, 2015. In connection with this, in July 2014, the Company placed €969 million (\$1.2 billion) of the cash proceeds from the Euronext IPO in term deposits at various banks with a maturity date of June 25, 2015 to cover the €920 million (\$1.2 billion) principal and the €49 million (\$62 million) final interest coupon payment due on June 30, 2015. These deposits are classified as short-term investments in the accompanying consolidated balance sheet as of September 30, 2014. The balance of the cash proceeds received in connection with the Euronext IPO were converted to U.S. dollars and used to repay outstanding commercial paper as discussed above.

#### 7. Equity

The Company currently sponsors employee and director stock option and restricted stock plans. Stock options and restricted stock are granted at the discretion of the compensation committee of the board of directors. All stock options and restricted stock awards are granted at an exercise price equal to the fair value of the common stock on the date of grant. The grant date fair value is based on the closing stock price on the date of grant. The fair value of the stock options and restricted stock on the date of grant is recognized as expense over the vesting period, net of estimated forfeitures. The non-cash compensation expenses recognized in the Company's consolidated statements of income for stock options and restricted stock were \$59 million and \$42 million for the nine months ended September 30, 2014 and 2013, respectively, and were \$22 million and \$12 million for the three months ended September 30, 2014 and 2013, respectively.

#### Stock Option Plans

The following is a summary of stock options for the nine months ended September 30, 2014:

	Number of Options	Weighted Average Exercise Price per Option
Outstanding at December 31, 2013	872,347	\$ 97.92
Granted	154,202	206.87
Exercised	(227,703)	45.38
Outstanding at September 30, 2014	798,846	134.54

Details of stock options outstanding as of September 30, 2014 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In millions)
Vested or expected to vest	798,846	\$ 134.54	6.2	\$50
Exercisable	571,248	\$ 115.99	5.2	\$45

The total intrinsic value of stock options exercised during the nine months ended September 30, 2014 and 2013 were \$35 million and \$17 million, respectively, and were \$12 million and \$3 million during the three months ended September 30, 2014 and 2013, respectively. As of September 30, 2014, there were \$8 million in total unrecognized

compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of 1.9 years as the stock options vest.

The Company uses the Black-Scholes option pricing model for purposes of valuing stock option awards. During the nine months ended September 30, 2014 and 2013, the Company used the weighted-average assumptions in the table below to compute the value of all options for shares of common stock granted to employees:

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Assumptions	Nine Months Ended September 30,			
	2014	2013		
Risk-free interest rate	1.23	% 0.53		%
Expected life in years	5.0	4.0		
Expected volatility	27	% 37		%
Expected dividend yield	1.26	% 0		%
Estimated weighted-average fair value of options granted per share	\$45.23	\$38.41		

The risk-free interest rate is based on the zero-coupon U.S. Treasury yield curve in effect at the time of grant. The expected life computation is derived from historical exercise patterns and anticipated future patterns. Expected volatilities are based on historical volatility of the Company's stock. Expected dividend yields were 0% prior to the November 13, 2013 acquisition of NYSE since the Company did not pay (and had not contemplated paying) a dividend prior to the acquisition of NYSE. The Company's new dividend policy will impact the expected dividend yield on all stock options granted post-acquisition.

#### Restricted Stock Plans

In February 2014, the Company reserved a maximum of 351,310 restricted shares for potential issuance as performance-based restricted shares to certain Company employees. The number of shares that will ultimately be granted under the performance awards will be based on the Company's actual financial performance as compared to financial performance targets set by the Company's board of directors and compensation committee for the year ending December 31, 2014. These restricted shares are also subject to a market condition that could reduce the number of shares that are ultimately granted. The reduction would occur if the Company's 2014 total shareholder return falls below the 2014 return of the S&P 500 Index and the Company achieves an above "target" financial performance level threshold. If the Company's 2014 total shareholder return were to fall below the 2014 return of the S&P 500 Index, the reduction would be either 10% or 20% of the number of shares granted, depending on the difference in the aforementioned returns (the "market condition").

The grant date of this award was February 27, 2014, which was the date when the Company and the employees reached a mutual understanding of award terms. February 27, 2014 is also the service inception date as that is the date when the requisite service period began. The maximum compensation expense to be recognized under these performance-based restricted shares is \$71 million if the maximum financial performance target is met and all 351,310 shares vest. The compensation expense to be recognized under these performance-based restricted shares will be \$35 million if the target financial performance is met, which would result in 175,655 shares vesting. The Company will recognize expense on an accelerated basis over the three-year vesting period based on the Company's quarterly assessment of the probable 2014 actual financial performance as compared to the 2014 financial performance targets. If the market condition is not achieved, compensation cost will not be affected since the grant date fair value of the award gave consideration to the probability of market condition achievement.

As of September 30, 2014, the Company determined that it is probable that the financial performance level will be below target for 2014. Based on this assessment, the Company recorded non-cash compensation expense of \$11 million and \$4 million for the nine and three months ended September 30, 2014, respectively, related to these shares and the remaining \$18 million in non-cash compensation expense will be recorded on an accelerated basis over the remaining vesting period, including \$4 million of which will be recorded during the three months ended December 31, 2014.

The following is a summary of the non-vested restricted shares for the nine months ended September 30, 2014:

	Number of Restricted Stock Shares	Weighted Average Grant-Date Fair Value per Share
Non-vested at December 31, 2013	1,234,552	\$ 147.00
Granted	690,736	204.51
Vested	(544,769)	136.98
Forfeited	(44,631)	152.39
Non-vested at September 30, 2014	1,335,888	180.64

Restricted stock shares granted in the table above include both time-based and performance-based grants. Performance-based shares have been adjusted to reflect the actual shares to be issued based on the achievement of past performance targets. Non-vested performance-based restricted shares granted are presented in the table above at the maximum number of restricted shares that would vest if the maximum performance targets are met. As of September 30, 2014, there were \$109 million in total unrecognized compensation costs related to the time-based restricted stock and the performance-based restricted stock. These costs are expected to be recognized over a weighted-average period of 2.1 years as the restricted stock vests. These unrecognized compensation costs assume that a below target performance level will be met on the performance-based restricted shares granted in February 2014, as

discussed above. During the nine months ended September 30, 2014 and 2013, the total fair value of restricted stock vested under all restricted stock plans was \$114 million and \$60 million, respectively.

#### Stock Repurchase Program

In March 2014, the Company entered into a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934 permitting open market repurchases of the Company's common stock. The trading plan contemplated purchases of stock based on certain triggers described in the trading plan. During the nine and three months ended September 30, 2014, the Company repurchased 2.3 million shares of its common stock in an open trading window or under the Rule 10b5-1 trading plan at an aggregate cost of \$448 million, which was paid for through cash on hand and the issuance of commercial paper. In September 2014, the Company entered into a new Rule 10b5-1 trading plan. As of September 30, 2014, the Company has board approval for another \$601 million for stock repurchases under the Company's stock repurchase programs, with no fixed expiration dates. The Company repurchased 319,500 shares of its common stock on the open market through the Company's Rule 10b5-1 trading plan at an aggregate cost of \$64 million during the month of October 2014, through cash on hand. The shares repurchased are held as treasury stock. The Company expects to fund any remaining share repurchases with a combination of cash on hand, future cash flows and by borrowing under the Company's credit facilities and the Commercial Paper Program. The timing and extent of any future repurchases that are not pursuant to the Rule 10b5-1 trading plan adopted in September 2014 are at the discretion of the Company's management and will depend upon market conditions, amount authorized by the Company's board of directors, the Company's stock price, the Company's target debt ratio and corporate debt rating, and the Company's strategic growth initiatives at that time. The Company may discontinue the stock repurchases at any time or may enter into a new Rule 10b5-1 trading plan in the future. In addition, the Company's board of directors may increase or decrease the amount of capacity the Company has for repurchases from time to time.

#### 8. Income Taxes from Continuing Operations

The Company's effective tax rate from continuing operations was 29% and 27% for the nine months ended September 30, 2014 and 2013, respectively, and 29% and 25% for the three months ended September 30, 2014 and 2013, respectively. The effective tax rates for the nine and three months ended September 30, 2014 and 2013 are lower than the federal statutory rate primarily due to favorable foreign tax rate differentials, partially offset by state income taxes. Favorable foreign income tax rate differentials result primarily from lower tax rates in the United Kingdom, the Netherlands and various other lower tax jurisdictions. The effective tax rates for the nine and three months ended September 30, 2014 are higher than the effective tax rates for the comparable periods in 2013 primarily due to lower foreign income mix and lack of research and development tax credits in the current year periods and favorable income tax rate reductions in the United Kingdom in the prior year periods. The Company's unrecognized tax benefit at September 30, 2014 no longer includes \$104 million in unrecognized tax benefits disposed of in connection with the sales of Euronext, NYFIX, Metabit and Wombat (Note 13).

The Company's non-U.S. subsidiaries had \$2.1 billion in cumulative undistributed earnings as of September 30, 2014. This amount represents the post-income tax earnings under U.S. GAAP adjusted for previously taxed income. The earnings from the Company's non-U.S. subsidiaries are considered to be indefinitely reinvested. Accordingly, no provision for U.S. federal and state income taxes has been made in the accompanying consolidated financial statements. Further, a determination of the unrecognized deferred tax liability is not practicable. Any future distribution by way of dividend of these non-U.S. earnings may subject the Company to both U.S. federal and state income taxes, as adjusted for non-U.S. tax credits, and withholding taxes payable to various non-U.S. countries.

#### 9. Clearing Organizations

The Company currently operates five regulated central counterparty clearing houses for the settlement and clearance of derivative contracts. The five central counterparty clearing houses include ICE Clear Europe, ICE Clear U.S., ICE Clear Canada, ICE Clear Credit and The Clearing Corporation ("TCC"), and are referred to herein collectively as the "ICE Clearing Houses". ICE Clear Singapore is not yet operational due to the transition to ICE technology that is underway, as discussed in Note 3.

Each of the ICE Clearing Houses requires all clearing members to maintain cash on deposit or pledge certain assets, which may include government obligations, letters of credit, gold or emission allowances to guarantee performance on

the clearing members' open positions. Such amounts in total are known as "original margin." The ICE Clearing Houses may make intraday original margin calls in circumstances where market conditions require additional protection. The daily profits and losses from and to the ICE Clearing Houses in respect of marking to market open contracts is known as "variation margin". The ICE Clearing Houses mark all outstanding contracts to market, and therefore pay and collect variation margin, at least once daily, and in some cases multiple times throughout the day. Marking-to-market allows the ICE Clearing Houses to identify any clearing members that may be unable to satisfy the financial obligations resulting from changes in the prices of their open contracts before those financial obligations become exceptionally large and jeopardize the ability of the ICE Clearing Houses to ensure financial performance of clearing members' open positions.



Each of the ICE Clearing Houses requires that each clearing member make deposits into a fund known as a guaranty fund (“Guaranty Fund”), which is maintained by the relevant ICE Clearing House. These amounts serve to secure the obligations of a clearing member to the ICE Clearing House to which it has made the Guaranty Fund deposit and may be used to cover losses sustained by the respective ICE Clearing House in the event of a default of a clearing member. Each of the ICE Clearing Houses has equal and offsetting claims to and from their respective clearing members on opposite sides of each cleared contract. This arrangement allows the ICE Clearing Houses to serve as the central financial counterparty on every cleared contract. Each ICE Clearing House bears financial counterparty credit risk in the event that market movements create conditions that lead to its clearing members failing to meet their financial obligations to that ICE Clearing House. Accordingly, the ICE Clearing Houses account for this central counterparty guarantee as a performance guarantee. Given that each contract is margined and marked or settled on at least a daily basis for each clearing member, the ICE Clearing Houses’ maximum estimated exposure for this guarantee, excluding the effects of original and variation margin requirements and mandatory deposits to the applicable Guaranty Fund by clearing members, is \$61.7 billion as of September 30, 2014, which represents the maximum estimated value by the ICE Clearing Houses of a hypothetical one day movement in pricing of the underlying unsettled contracts. This amount is based on calculations determined using proprietary risk management software that simulates gains and losses based on historical market prices, volatility and other factors present at that point in time for those particular unsettled contracts. Future actual market price volatility could result in the exposure being significantly different than the amount estimated by the ICE Clearing Houses. The net notional value of unsettled contracts was \$2.7 trillion as of September 30, 2014. The Company performed calculations to determine the fair value of its counterparty performance guarantee taking into consideration factors such as daily settlement of contracts, margining requirements, other elements of the Company’s risk management program, historical evidence of default payments, and estimated probability of potential default payouts by the ICE Clearing Houses. Based on these analyses, the estimated counterparty performance guaranty liability was determined to be nominal and no liability was recorded as of September 30, 2014 and December 31, 2013.

The ICE Clearing Houses seek to reduce their exposure through a risk management program that includes initial and ongoing financial standards for clearing member admission and continued membership, original and variation margin requirements, and mandatory deposits to the Guaranty Fund. The amounts that the clearing members are required to maintain in the original margin and Guaranty Fund accounts are determined by standardized parameters established by the margin or risk committees, risk management departments and the boards of directors of each of the ICE Clearing Houses and may fluctuate over time. As of September 30, 2014 and December 31, 2013, the ICE Clearing Houses have received or have been pledged \$73.8 billion and \$68.2 billion, respectively, in cash and non-cash collateral in original margin and Guaranty Fund deposits to cover price movements of underlying contracts. The ICE Clearing Houses also have powers of assessment that provide the ability to collect additional funds from their clearing members to cover a defaulting member’s remaining obligations up to the limits established under the respective rules of each ICE Clearing House.

Should a particular clearing member fail to deposit original margin, or to make a variation margin payment, when and as required, the relevant ICE Clearing House may liquidate or hedge the clearing member’s open positions and use the clearing member’s margin and Guaranty Fund deposits to make up the amount owed. In the event that those deposits are not sufficient to pay the amount owed in full, the ICE Clearing Houses may utilize the respective Guaranty Fund deposits of their respective clearing members on a pro-rata basis for that purpose. The Company has contributed \$128 million, \$50 million and \$50 million to the ICE Clear Europe, ICE Clear Credit and ICE Clear U.S. Guaranty Funds, respectively, as of September 30, 2014, and such amounts are at risk and could be used in the event of a clearing member default where the amount of the defaulting clearing member’s original margin and Guaranty Fund deposits are insufficient. The \$228 million combined contributions as of September 30, 2014 are included in long-term restricted cash in the accompanying consolidated balance sheet and includes \$50 million contributed to ICE Clear U.S. on January 1, 2014 (Note 4).

As of September 30, 2014, original margin and Guaranty Fund cash deposits are as follows for the ICE Clearing Houses (in millions):

ICE Clear U.S.	ICE Clear Europe	ICE Clear Canada	ICE Clear Credit	TCC	Total
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Original margin	\$3,877	\$22,067	\$59	\$14,884	\$—	\$40,887
Guaranty Fund	289	3,189	11	2,149	2	5,640
Total	\$4,166	\$25,256	\$70	\$17,033	\$2	\$46,527

As of December 31, 2013, original margin and Guaranty Fund cash deposits are as follows for the ICE Clearing Houses (in millions):

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	ICE Clear U.S.	ICE Clear Europe	ICE Clear Canada	ICE Clear Credit	TCC	Total
Original margin	\$1,642	\$22,007	\$61	\$13,274	\$—	\$36,984
Guaranty Fund	242	2,542	11	2,434	3	5,232
Total	\$1,884	\$24,549	\$72	\$15,708	\$3	\$42,216

The Company has recorded these cash deposits in the accompanying consolidated balance sheets as current assets with corresponding current liabilities to the clearing members of the relevant ICE Clearing House. All cash, securities and letters of credit are available only to meet the financial obligations of that clearing member to the relevant ICE Clearing House. ICE Clear U.S., ICE Clear Europe, ICE Clear Canada, ICE Clear Credit and TCC are separate legal entities and are not subject to the liabilities of the other ICE Clearing Houses or the obligations of the members of the other ICE Clearing Houses. The amount of these cash deposits may fluctuate due to the types of margin collateral choices available to clearing members and the change in the amount of deposits required. As a result, these assets and corresponding liabilities may vary significantly over time.

Of the \$17.0 billion of ICE Clear Credit cash deposits as of September 30, 2014, \$12.9 billion represent funds invested under reverse repurchase agreements with several counterparty banks, which are all large commercial financial institutions. Under these arrangements, ICE Clear Credit purchases U.S. Treasury securities and other U.S. securities and the various counterparties agree to repurchase the instruments the following business day at a set price, plus interest. The remaining \$4.1 billion in ICE Clear Credit cash deposits represent primarily euro cash in demand deposit accounts at large, highly rated financial institutions.

Of the \$25.3 billion of ICE Clear Europe cash deposits as of September 30, 2014, \$20.7 billion represent funds invested under reverse repurchase agreements through two third party investment and custody agents, with several different counterparty banks, some of which are also our clearing members and are large commercial financial institutions, and \$4.1 billion represent funds invested directly in sovereign debt. Under these arrangements, ICE Clear Europe primarily purchases U.S. Treasury securities and certain sovereign debt obligations from the seven largest industrialized nations, and the various counterparties agree to repurchase the instruments on the set repurchase date at the set repurchase price, plus interest. The carrying value of these securities approximates their fair value due to the short-term nature of the instruments and repurchase agreements. The remaining cash deposits at the ICE Clearing Houses are held in demand deposit accounts at large, highly rated financial institutions and directly in U.S. Treasury securities with original maturities of less than 12 months.

In addition to the cash deposits for original margin and the Guaranty Fund, the ICE Clearing Houses have also received other assets from clearing members, which may include government obligations, letters of credit, gold or emission allowances to mitigate its credit risk. These assets are not reflected in the accompanying consolidated balance sheets as the risks and rewards of these assets remain with the clearing members. These assets are held in safekeeping and any interest and gain or loss accrues to the clearing member. For certain non-cash deposits, the ICE Clearing Houses may impose discount or "haircut" rates to ensure adequate collateral levels to account for fluctuations in the market value of these deposits. As of September 30, 2014 and December 31, 2013, the assets pledged by the clearing members as original margin and Guaranty Fund deposits for each of the ICE Clearing Houses are detailed below (in millions):

	As of September 30, 2014					As of December 31, 2013				
	ICE Clear U.S.	ICE Clear Europe	ICE Clear Canada	ICE Clear Credit	TCC	ICE Clear U.S.	ICE Clear Europe	ICE Clear Canada	ICE Clear Credit	TCC
Original margin:										
Government securities at face value	\$7,175	\$17,047	\$ 124	\$2,004	\$—	\$5,011	\$15,670	\$ 93	\$2,620	\$—
Letters of credit	—	—	4	—	—	—	1,386	4	—	—
Gold	—	92	—	—	—	—	92	—	—	—
Total	\$7,175	\$17,139	\$ 128	\$2,004	\$—	\$5,011	\$17,148	\$ 97	\$2,620	\$—
Guaranty Fund:										

Government securities at face value	\$ 186	\$ 348	\$ 14	\$ 325	\$ 1	\$ 267	\$ 268	\$ 19	\$ 516	\$ 1
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10. Commitments and Contingencies

Legal Proceedings

The Company is subject to legal proceedings and claims, like the ones described below, that arise in the ordinary course of business. Typically, the Company does not believe that the resolution of these ordinary course matters, including those described below, will have a material adverse effect on the Company's consolidated financial condition, results of operations, or liquidity. It is possible, however, that future results of operations for any particular quarterly or annual period could be materially and adversely affected by any developments relating to the legal proceedings and claims.

In April 2014, the first of four purported class action lawsuits was filed in the U.S. District Court for the Southern District of New York (the "Southern District") by the City of Providence, Rhode Island, against more than 40 defendants, including "Exchange Defendants", "Brokerage Defendants" and "HFT (High Frequency Trading) Defendants" (the "City of Providence lawsuit"). New York Stock Exchange LLC and NYSE Arca, Inc., two of the Company's subsidiaries, were among the named Exchange Defendants. On July 2, 2014, the court ordered the cases consolidated for all purposes, and appointed lead plaintiffs. On September 3, 2014, the lead plaintiffs filed an amended complaint asserting claims against only a subset of the original Exchange Defendants, including New York Stock Exchange LLC and NYSE Arca, Inc., and also asserting claims against Barclays PLC ("Barclays"), a subsidiary of which operates an alternative trading system known as Barclays LX. The lead plaintiffs are suing on behalf of a class of "all public investors" who bought or sold stock from April 18, 2009 to the present on the U.S.-based equity exchanges operated by the remaining Exchange Defendants or on Barclays LX. The amended complaint asserts violations by all remaining Exchange Defendants of Sections 10(b) and 6(b) of the Securities Exchange Act of 1934, and seeks unspecified compensatory damages against all defendants, jointly and severally, as well as various forms of equitable relief. The defendants filed a motion on November 3, 2014 to dismiss the amended complaint.

On October 2, 2014, Barclays filed a motion before the United States Judicial Panel on Multidistrict Litigation requesting that a separate lawsuit filed against Barclays in the U.S. District Court for the Central District of California be transferred to the Southern District judge handling the City of Providence lawsuit for consolidated or coordinated pre-trial proceedings. The transfer motion and the motion to dismiss remain pending and depending on the Panel's ruling on the transfer motion, the scope of this litigation could be expanded.

In May 2014, three purported class action lawsuits were filed in the Southern District by Harold Lanier against the securities exchanges that are participants in each of the three national market system data distribution plans - the Consolidated Tape Association/Consolidated Quotation Plan, the Nasdaq UTP Plan, and the Options Price Reporting Authority (the "Plans") - which are established under the Securities Exchange Act of 1934 and regulated by the SEC. On August 15, 2014, Lanier filed amended complaints in each of the three lawsuits but did not alter the named defendants. New York Stock Exchange LLC, NYSE Arca, Inc. and NYSE MKT LLC, which are subsidiaries of the Company, are among the defendants named in one or more of the suits. Lanier is claiming to sue on behalf of himself and all other similarly situated subscribers to the market data disseminated by the Plans. Lanier's allegations include that the exchange participants in the Plans breached agreements with subscribers by disseminating market data in a discriminatory manner in that other "preferred" customers allegedly received their data faster than the proposed class. The complaints seek, among other relief, unspecified compensatory damages, restitution of the putative class's subscription fees paid to the defendants, disgorgement of the fees paid by the so-called preferred customers, and injunctive and declaratory relief. On September 29, 2014, the defendants moved to dismiss the amended complaint, and the motion remains pending. A range of possible loss related to the cases above cannot be reasonably estimated at this time.

One of the Company's subsidiaries, NYSE Brazil Holdings, B.V. ("NYSE BV"), is a party to a pending arbitration proceeding initiated by an arbitration demand dated June 4, 2014 in Brazil, filed by ATG Americas Trading Group, S.A. ("ATG") and ATS Brasil S.A. ("ATS"). NYSE BV and ATG own 20% and 80%, respectively, of the equity in ATS, a company with a prospective cash equity trading platform in Brazil, which is not yet operational. ATG and ATS allege NYSE BV breached certain obligations and assert damages of at least 100 million Brazilian Reais (\$41 million based on the Brazilian Real/U.S. dollar exchange rate of 0.4100 as of September 30, 2014). NYSE BV has served ATG and ATS with a responsive statement which denies liability in connection with the claims, and the Company is defending the proceeding.

#### Tax Audits

The Company is engaged in ongoing discussions and audits with taxing authorities on various tax matters, the resolutions of which are uncertain. Currently, there are matters that may lead to assessments involving the Company or one of its subsidiaries, some of which may not be resolved for several years. Based on currently available information, the Company believes it has adequately provided for any assessments that could result from those proceedings where it is more likely than not that the Company will be assessed. The Company continuously reviews its positions as these matters progress.

#### Redeemable Non-controlling Interest

Prior to the Company's acquisition of NYSE, NYSE completed the sale of a significant equity interest in NYSE Amex Options, one of its two U.S. options exchanges, to seven external investors. Under the terms of the sale, the external investors have the option to require the Company to repurchase a portion of its equity interest on an annual basis over the course of five years, which began in 2011. Since the likelihood of the Company acquiring the non-controlling interest in the future is probable, the full redemption fair value has been recorded as mezzanine equity and the related balance as "redeemable non-controlling interest" in the accompanying consolidated balance sheet.

In July 2014, the Company repurchased half of the 32% interest held by the seven external investors in NYSE Amex Options for \$129 million in cash. After the repurchase, the Company owns 84% of NYSE Amex Options and the remaining 16% of the

outstanding shares of NYSE Amex Options, currently valued at \$126 million, can be put back to the Company by the external investors in 2015 and these shares are recorded as redeemable non-controlling interest as of September 30, 2014.

#### 11. Pension and Other Benefit Programs

In connection with the Company's acquisition of NYSE on November 13, 2013 (Note 3), the Company assumed NYSE's pension plans covering its U.S. and certain European operations, as well as other benefit plans. Following the Euronext IPO in June 2014, there are no longer any NYSE European operations covered by the pension or benefit plans (Note 13). The following table provides the components of net periodic expense (benefit) associated with the pension plans, the supplemental executive retirement ("SERP") plans and the post-retirement benefit plans for the nine and three months ended September 30, 2014 in the accompanying consolidated statements of income (in millions):

	Nine Months Ended September 30, 2014			Three Months Ended September 30, 2014		
	Pension Plans	SERP Plans	Post-retirement Benefit Plans	Pension Plans	SERP Plans	Post-retirement Benefit Plans
Service costs	\$—	\$—	\$ —	\$—	\$—	\$ —
Interest costs	27	3	6	9	1	2
Estimated return on plan assets	(36 )	—	—	(12 )	—	—
Net periodic expense (benefit)	\$(9 )	\$3	\$ 6	\$(3 )	\$1	\$ 2

During the nine and three months ended September 30, 2014, the Company contributed \$51 million and \$43 million, respectively, to its pensions plans. Based on current actuarial assumptions, the Company does not anticipate any additional funding to its pension plans during the fourth quarter of 2014. During the fourth quarter of 2014, lump sums will be offered to certain terminated vested participants as part of a de-risking strategy in the pension plans. Any settlement charge resulting from this program is expected to be recognized in the fourth quarter of 2014.

#### 12. Fair Value Measurements

The Company's financial instruments consist primarily of cash and cash equivalents, short-term and long-term restricted cash and investments, short-term and long-term investments, customer accounts receivable, margin deposits and guaranty funds, cost and equity method investments, short-term and long-term debt and other short-term assets and liabilities. The fair value of the Company's financial instruments are measured based on a three-level hierarchy:

• Level 1 inputs — quoted prices for identical assets or liabilities in active markets.

• Level 2 inputs — observable inputs other than Level 1 inputs such as quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices that are directly observable.

• Level 3 inputs — unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In general, the Company uses Level 1 inputs to determine fair value. The Level 1 assets consist of U.S. Treasury securities, equity and other securities listed in active markets, and investments in publicly traded mutual funds held for the purpose of providing future payments of the SERP plans and the supplemental executive savings plan. The fair value of each of these assets are based on quoted prices. If quoted prices are not available to determine fair value, the Company uses other inputs that are observable either directly or indirectly. Level 2 assets consist of foreign exchange derivative contracts not designated as hedging instruments. Such values are based on published currency rates. As of September 30, 2014, the fair values of the Company's \$1.40 billion Senior Notes and \$2.05 billion NYSE Notes are \$1.44 billion and \$2.07 billion, respectively. The fair values of these fixed rate notes were estimated using quoted market prices for these instruments. The fair value of the Company's other short-term and long-term debt approximates the carrying value since the rates of interest on the debt approximate market rates as of September 30, 2014. All other financial instruments are determined to approximate carrying value due to the short period of time to their maturities. Financial assets and liabilities recorded in the accompanying consolidated balance sheets as of September 30, 2014 and December 31, 2013 are classified in their entirety based on the lowest level of input that is significant to the asset or liability's fair value measurement. Financial instruments measured at fair value on a recurring basis as of September 30, 2014 and December 31, 2013 are as follows (in millions):





	As of September 30, 2014			As of December 31, 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets at fair value:						
Long-term investments in equity securities	\$496	\$—	\$496	\$324	\$—	\$324
U.S. Treasury securities	374	—	374	100	—	100
Mutual Funds	24	—	24	33	—	33
Foreign exchange derivative contracts	—	—	—	—	4	4
Total assets at fair value	\$894	\$—	\$894	\$457	\$4	\$461

The long-term investments in equity securities as of September 30, 2014 represents the Company's 12% investment in Cetip, S.A. ("Cetip") and the Company's 6% stake in Euronext (Note 13), recorded at their fair values using quoted market prices. The long-term investment in equity securities as of December 31, 2013 represents the Cetip investment only. The Company's investment in Cetip, which is recorded as an available-for-sale, long-term investment and was recorded in and is held in Brazilian reais, was valued at \$393 million as of September 30, 2014, including an unrealized gain of \$68 million. The Company's investment in Euronext which is recorded as an available-for-sale, long-term investment and was recorded in and is held in euros, was valued at \$103 million as of September 30, 2014, including an unrealized loss of \$11 million. Changes in the fair values of the Cetip and Euronext investments are reflected in accumulated other comprehensive income and do not impact earnings until realized, except to the extent that unrealized losses are deemed to be other than temporary.

The mutual funds represent equity and fixed income mutual funds held for the purpose of providing future payments to the supplemental executive retirement plan and supplemental executive savings plan. As of September 30, 2014, the Company was holding \$374 million in U.S. Treasury securities, all of which had maturities of less than one year from the date of purchase. Of these securities, \$159 million were recorded as cash and cash equivalents, \$87 million were recorded as short-term restricted cash and investments and \$128 million were recorded as long-term restricted cash and investments in the accompanying consolidated balance sheet as of September 30, 2014 (all of the U.S. Treasury securities recorded as cash have original maturities of less than 90 days). As of December 31, 2013, the Company was holding \$100 million in U.S. Treasury securities, all of which had maturities of less than one year from the date of purchase. Of these securities, \$37 million were recorded as short-term investments and \$63 million were recorded as short-term restricted cash and investments in the accompanying consolidated balance sheet as of December 31, 2013. The Company accounted for the U.S. Treasury securities using the available-for-sale method.

The Company did not use Level 3 inputs to determine the fair value of assets or liabilities measured at fair value on a recurring basis as of September 30, 2014 or December 31, 2013. The Company measures certain assets, such as intangible assets and cost and equity method investments, at fair value on a non-recurring basis. These assets are recognized at fair value if they are deemed to be impaired. As of September 30, 2014 and December 31, 2013, none of these assets were required to be recorded at fair value since no impairment indicators were present. Cost and equity method investments were \$24 million and \$177 million as of September 30, 2014 and December 31, 2013, respectively. The decrease in the cost and equity investments relate to investments in LCH.Clearnet and Euroclear owned by Euronext that were de-recognized as part of the de-consolidation of Euronext (Note 13).

### 13. Discontinued Operations

On June 24, 2014, the Company sold an aggregate 65.8 million shares of common stock of Euronext, representing 94% of all outstanding shares, in three transactions (Note 1). These transactions generated an aggregate €1.4 billion (\$1.9 billion) of net cash proceeds for the Company. The net cash proceeds received includes cash of \$220 million distributed from Euronext as part of the separation of Euronext from the Company. Due to the sale of a controlling interest in Euronext, the Company de-consolidated the assets and liabilities of Euronext as of the IPO date. As of September 30, 2014, the Company owns 4.2 million shares of Euronext common stock, representing 6% of all outstanding shares, which are subject to a 180-day lockup period from the IPO date that prohibits the sale of these shares without the prior written consent of a majority of the joint global coordinators that underwrote the IPO.

On June 18, 2014, the Company signed a definitive agreement with SR Labs for the sale of Wombat, a unit of NYSE Technologies, and the transaction closed on July 23, 2014. On June 23, 2014, the Company signed a definitive agreement with ULLINK for the combined sale of NYFIX and Metabit, the remaining businesses of NYSE

Technologies, and the transaction closed on September 19, 2014. These agreements complete the Company's previously announced intention to divest non-core NYSE Technologies assets.

The Company has reflected the results of Euronext, NYFIX, Metabit and Wombat as discontinued operations in the accompanying consolidated statements of income for the nine months and three months ended September 30, 2014 and the accompanying consolidated statement of cash flows for the nine months ended September 30, 2014. No comparable data for the prior year periods is presented as the Company did not complete the acquisition of NYSE until November 2013.

The results below include external advisory costs and professional services costs related to the Euronext IPO and sales of NYFIX, Metabit and Wombat of \$51 million and \$2 million for the nine and three months ended September 30, 2014, respectively, which have been included with acquisition-related transaction and integration costs below from discontinued operations. The results below include deal-related compensation and severance costs related to the Euronext IPO and sales of NYFIX, Metabit and Wombat of \$42 million and \$5 million for the nine and three months ended September 30, 2014, respectively, which have been included with acquisition-related transaction and integration costs below from discontinued operations. None of the Company's interest expense has been allocated to the results of the discontinued operations.

The Company used the cash proceeds from the Euronext IPO to repay debt (Note 6). The Company expects to use the net cash proceeds from the sales of NYFIX, Metabit and Wombat to repay debt, invest in growth initiatives, pursue strategic investments and return capital to shareholders via dividends and share repurchases. Results of discontinued operations were as follows for the nine and three months ended September 30, 2014 (in millions):

	Nine Months Ended September 30, 2014	Three Months Ended September 30, 2014
Total revenues, less transaction-based expenses	\$347	\$18
Operating expenses:		
Compensation and benefits	105	5
Technology and communication	31	4
Professional services	31	1
Rent and occupancy	12	—
Acquisition-related transaction and integration costs	103	7
Selling, general, administrative	16	1
Depreciation and amortization	16	—
Total operating expenses	314	18
Operating income	33	—
Other income, net	5	—
Income tax expense	27	10
Income (loss) from discontinued operations, net of tax	\$11	\$(10)

The total assets and total liabilities of Euronext removed from the Company's consolidated balance sheet as of the June 24, 2014 de-consolidation were \$2.9 billion and \$1.1 billion, respectively, including \$2.3 billion in goodwill and other intangible assets. The \$1.8 billion in Euronext net assets removed in the de-consolidation is net of the 6% investment in Euronext held by the Company, valued at \$103 million in the accompanying consolidated balance sheet as of September 30, 2014 (Note 12). The total assets and total liabilities of Wombat, NYFIX and Metabit removed from the Company's consolidated balance sheet as of the July 23, 2014 and September 19, 2014 de-consolidations were \$199 million and \$31 million, respectively, including \$145 million in goodwill and other intangible assets. There was no gain or loss recognized on the Euronext IPO and related de-consolidation, or on the sale of the NYSE Technologies companies, as any differences in the carrying value of these net assets was adjusted in the NYSE purchase price allocation (Note 3). The results above are inclusive of \$6 million in net gains included in other income, net, which were reclassified from other comprehensive income for Euronext currency translation adjustments and the discontinuance of the Company's net investment hedge.

#### 14. Condensed Consolidating Financial Statements

In connection with the Company's acquisition of NYSE on November 13, 2013 (Note 3), ICE, Intercontinental Exchange Holdings, Inc. and NYSE established various guarantees to protect against structural subordination of each entities' existing indebtedness. Each of Intercontinental Exchange Holdings, Inc. and NYSE are wholly-owned subsidiaries of ICE, and each fully and unconditionally guaranteed, on an unsecured and unsubordinated basis, the payment of principal, premium, if any, and interest of ICE's Senior Notes and, following its establishment, the Commercial Paper Program. Similarly, ICE and Intercontinental Exchange Holdings, Inc. each fully and

unconditionally guaranteed, on an unsecured and unsubordinated basis, the payment of principal, premium, if any, and interest of the NYSE Notes. Finally, ICE and NYSE each fully and unconditionally guaranteed, on an unsecured and unsubordinated basis, the payment of principal, premium, if any, and interest of the 2011 Credit Facilities and the 364 Day Facility. All of the guarantees are joint and several with all other guarantees and indebtedness. ICE's guarantees, as a standalone entity, will remain in place until each applicable debt obligation has been satisfied.

As discussed in Note 6, the Company entered into the 2014 Credit Facility and terminated the 2011 Credit Facilities and the 364 Day Facility on April 3, 2014. Upon the termination of the 2011 Credit Facilities and the 364 Day Facility, Intercontinental

Exchange Holdings, Inc.'s guarantees were no longer required and therefore Intercontinental Exchange Holdings, Inc.'s guarantees were automatically released in accordance with their terms on April 3, 2014. In connection with the Company's entry into the 2014 Credit Facility, NYSE agreed to guarantee the 2014 Credit Facility as a subsidiary guarantor.

For as long as NYSE remains a guarantor of the 2014 Credit Facility, it will remain a guarantor of the Senior Notes and the Commercial Paper Program. The Company expects that NYSE's guarantee of the 2014 Credit Facility, the Senior Notes and the Commercial Paper Program will be released when the NYSE Notes have been repaid, as the 2014 Credit Facility provides that NYSE's guarantee will be released in accordance with their terms if certain conditions are satisfied, including compliance with the covenant limiting the amount of indebtedness of non-obligor subsidiaries and an investment-grade credit rating.

The following consolidating financial information sets forth, under the equity method of accounting, the condensed consolidating statements of income and comprehensive income, the condensed consolidating balance sheets, and the condensed consolidating statements of cash flows for (i) ICE (Parent); (ii) NYSE; (iii) the subsidiary non-guarantors; (iv) elimination entries necessary to consolidate each of ICE and NYSE with the non-guarantor subsidiaries; and (v) the Company on a consolidated basis. As discussed in Note 1, ICE was formed on March 6, 2013 for purposes of effecting the acquisition of NYSE. Therefore, the condensed consolidating statements for periods prior thereto reflect how these statements would have been presented had the Company been established for all periods presented. The condensed consolidating financial statements only include activity related to NYSE for the period subsequent to November 13, 2013, the closing date of the NYSE acquisition, for the condensed consolidating statements of income, comprehensive income and cash flows. The condensed consolidating financial information has been retrospectively restated to reflect Intercontinental Exchange Holdings, Inc. no longer being a guarantor of the Senior Notes. The condensed consolidating financial information should be read in conjunction with the accompanying consolidated financial statements.

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Intercontinental Exchange, Inc.  
 Condensed Consolidating Balance Sheets  
 As of September 30, 2014  
 (In millions)

	ICE (Parent)	Subsidiary Guarantor - NYSE	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
<b>Current assets:</b>					
Cash and cash equivalents	\$ 12	\$—	\$ 626	\$ —	\$ 638
Intercompany receivable	3,732	—	463	(4,195 )	—
Margin deposits and guaranty funds	—	—	46,527	—	46,527
Notes receivable from affiliate, current	—	420	26	(446 )	—
Other current assets	51	—	2,213	(51 )	2,213
Total current assets	3,795	420	49,855	(4,692 )	49,378
Property and equipment, net	—	—	839	—	839
<b>Other non-current assets:</b>					
Goodwill and other intangible assets, net	—	—	16,225	—	16,225
Investment in subsidiaries	12,753	8,868	—	(21,621 )	—
Notes receivable from affiliate, non-current	—	2,651	1,493	(4,144 )	—
Other non-current assets	26	—	818	—	844
Total other non-current assets	12,779	11,519	18,536	(25,765 )	17,069
Total assets	\$16,574	\$11,939	\$ 69,230	\$ (30,457 )	\$ 67,286
<b>Current liabilities:</b>					
Short-term debt	\$690	\$1,199	\$ —	\$ —	\$ 1,889
Margin deposits and guaranty funds	—	—	46,527	—	46,527
Intercompany payable	—	1,657	2,538	(4,195 )	—
Notes payable to affiliates, current	353	—	93	(446 )	—
Other current liabilities	30	—	942	(51 )	921
Total current liabilities	1,073	2,856	50,100	(4,692 )	49,337
<b>Non-current liabilities:</b>					
Long-term debt	1,394	853	—	—	2,247
Notes payable to affiliates, non-current	1,493	—	2,651	(4,144 )	—
Other non-current liabilities	—	—	2,915	—	2,915
Total non-current liabilities	2,887	853	5,566	(4,144 )	5,162
Total liabilities	3,960	3,709	55,666	(8,836 )	54,499
Redeemable non-controlling interest	—	—	144	—	144
<b>Equity:</b>					
Retained earnings	3,000	379	781	(1,160 )	3,000
Equity from parent	—	8,893	12,291	(21,184 )	—
Other shareholders' equity	9,614	(1,042 )	319	723	9,614
Total shareholders' equity	12,614	8,230	13,391	(21,621 )	12,614
Non-controlling interest in consolidated subsidiaries	—	—	29	—	29
Total equity	12,614	8,230	13,420	(21,621 )	12,643
Total liabilities and equity	\$16,574	\$11,939	\$ 69,230	\$ (30,457 )	\$ 67,286



Intercontinental Exchange, Inc.  
 Condensed Consolidating Balance Sheets  
 As of December 31, 2013  
 (In millions)

	ICE (Parent)	Subsidiary Guarantor - NYSE	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Current assets:					
Cash and cash equivalents	\$2	\$—	\$ 959	\$ —	\$ 961
Intercompany receivable	1,395	2,398	—	(3,793 )	