UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

þ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2010

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 001-32671

INTERCONTINENTALEXCHANGE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**58-2555670**
(State or other jurisdiction of	***(IRS Employer***
incorporation or organization)	***Identification Number)***

2100 RiverEdge Parkway, Suite 500, Atlanta, Georgia 30328

(Address of principal executive offices) (Zip Code)

(770) 857-4700

(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 Securities Exchange Act of 1934 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 þ 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 þ 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 the definitions of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	þ	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

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

As of July 30, 2010, the number of shares of the registrant s Common Stock outstanding was 74,043,648 shares.

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IntercontinentalExchange, Inc.

Form 10-Q

Quarterly Period Ended June 30, 2010

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Part I. Financial Information

Item 1. Consolidated Financial Statements (Unaudited)

IntercontinentalExchange, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except per share amounts)

(Unaudited)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 307,108	$ 552,465
Short-term restricted cash	710,839	81,970
Short-term investments	2,005	2,005
Customer accounts receivable, net of allowance for doubtful accounts of $1,472 and $1,710 at June 30, 2010 and December 31, 2009, respectively	135,942	109,068
Margin deposits and guaranty funds	23,879,030	18,690,238
Prepaid expenses and other current assets	26,992	24,105
Total current assets	25,061,916	19,459,851
Property and equipment, net	93,549	91,735
Other noncurrent assets:		
Goodwill	1,452,004	1,465,831
Other intangible assets, net	670,998	702,460
Long-term restricted cash	123,823	123,823
Long-term investments	25,499	23,492
Cost method investments	7,501	7,501
Other noncurrent assets	14,591	10,182
Total other noncurrent assets	2,294,416	2,333,289
Total assets	$ 27,449,881	$ 21,884,875
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 63,068	$ 57,288
Accrued salaries and benefits	31,099	52,185
Current portion of licensing agreement	16,631	15,223
Current portion of long-term debt	112,250	99,000
Income taxes payable	12,009	23,327
Margin deposits and guaranty funds	23,879,030	18,690,238
Other current liabilities	44,657	30,571
Total current liabilities	24,158,744	18,967,832

Noncurrent liabilities:		
Noncurrent deferred tax liability, net	161,476	181,102
Long-term debt	367,250	208,500
Noncurrent portion of licensing agreement	67,436	73,441
Other noncurrent liabilities	20,788	20,353
Total noncurrent liabilities	616,950	483,396
Total liabilities	24,775,694	19,451,228
Commitments and contingencies		
EQUITY		
IntercontinentalExchange, Inc. shareholders equity:		
Preferred stock, $0.01 par value; 25,000 shares authorized; no shares issued or outstanding at June 30, 2010 and December 31, 2009		
Common stock, $0.01 par value; 194,275 shares authorized; 78,186 and 77,573 shares issued at June 30, 2010 and December 31, 2009, respectively; 74,028 and 73,489 shares outstanding at June 30, 2010 and December 31, 2009, respectively	782	776
Treasury stock, at cost; 4,158 and 4,084 shares at June 30, 2010 and December 31, 2009, respectively	(357,612)	(349,646)
Additional paid-in capital	1,717,848	1,674,919
Retained earnings	1,251,976	1,049,125
Accumulated other comprehensive income	24,978	24,558
Total IntercontinentalExchange, Inc. shareholders equity	2,637,972	2,399,732
Noncontrolling interest in consolidated subsidiaries	36,215	33,915
Total equity	2,674,187	2,433,647
Total liabilities and equity	$ 27,449,881	$ 21,884,875

See accompanying notes.

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IntercontinentalExchange, Inc. and Subsidiaries

Consolidated Statements of Income

(In thousands, except per share amounts)

(Unaudited)

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009
Revenues:				
Transaction and clearing fees, net	$ 515,922	$ 426,433	$ 264,860	$ 222,955
Market data fees	54,039	51,599	27,186	25,485
Other	7,814	3,938	4,109	1,977
Total revenues	577,775	481,970	296,155	250,417
Operating expenses:				
Compensation and benefits	117,110	110,303	58,870	55,597
Professional services	16,578	16,042	8,029	8,813
Acquisition-related transaction costs	2,043	6,139	1,498	529
Selling, general and administrative	43,806	45,844	21,549	22,938
Depreciation and amortization	56,128	54,882	27,914	27,579
Total operating expenses	235,665	233,210	117,860	115,456
Operating income	342,110	248,760	178,295	134,961
Other income (expense):				
Interest and investment income	1,066	954	340	344
Interest expense	(14,612)	(12,160)	(7,502)	(6,906)
Other expense, net	(16,013)	(10,656)	(15,317)	(10,577)
Total other expense, net	(29,559)	(21,862)	(22,479)	(17,139)
Income before income taxes	312,551	226,898	155,816	117,822
Income tax expense	106,506	82,618	53,289	45,764
Net income	$ 206,045	$ 144,280	$ 102,527	$ 72,058
Net income attributable to noncontrolling interest	(3,194)		(839)	
Net income attributable to IntercontinentalExchange, Inc.	$ 202,851	$ 144,280	$ 101,688	$ 72,058
Earnings per share attributable to IntercontinentalExchange, Inc. common shareholders:				
Basic	$ 2.75	$ 1.98	$ 1.37	$ 0.99
Diluted	$ 2.72	$ 1.95	$ 1.36	$ 0.97
Weighted average common shares outstanding:				
Basic	73,818	72,759	73,960	72,892

Diluted	74,645	73,818	74,763	74,074

See accompanying notes.

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IntercontinentalExchange, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

(In thousands)

(Unaudited)

	IntercontinentalExchange Inc. Shareholders Equity										
							Accumulated Other Comprehensive Income (Loss) from				
	Common Stock		Treasury Stock		Additional		Foreign	Available-	Cash	Noncontrolling Interest in	
	Shares	Value	Shares	Value	Paid-in Capital	Retained Earnings	Currency Translation	For-Sale Securities	Flow Hedges	Consolidated Subsidiaries	Total Equity
Balance, January 1, 2009	76,502	$ 765	(4,138)	$ (355,520)	$ 1,608,344	$ 732,752	$ 22,389	$ (49)	$ (2,450)	$ 5,949	$ 2,012,180
Other comprehensive income (loss)							6,869	(435)	(1,766)		4,668
Exercise of common stock options	653	6			12,698						12,704
Issuance of shares for acquisitions	50	1			5,894						5,895
Change in fair value of redeemable stock put						385					385
Treasury shares received for restricted stock and stock option tax payments			(157)	(12,220)							(12,220)
Stock-based compensation					57,477						57,477
Issuance of restricted stock	368	4	211	18,094	(18,098)						
Tax benefits from stock option plans					8,604						8,604
Noncontrolling interest issued in connection with an acquisition										29,800	29,800
Net loss attributable to noncontrolling interest						1,834				(1,834)	
Net income						314,154					314,154
Balance, December 31, 2009	77,573	776	(4,084)	(349,646)	1,674,919	1,049,125	29,258	(484)	(4,216)	33,915	2,433,647
Other comprehensive income (loss)							(823)	1,494	(251)		420
Exercise of common stock options	385	4			9,816						9,820
Treasury shares received for restricted stock and stock option tax payments			(75)	(7,980)							(7,980)
Stock-based compensation					27,275						27,275
Issuance of restricted stock	228	2	1	14	343						359
Tax benefits from stock option plans					5,495						5,495
Noncontrolling interest issued in connection with an acquisition										(894)	(894)
Net income attributable to noncontrolling interest						(3,194)				3,194	
Net income						206,045					206,045

Balance, June 30, 2010	78,186	$ 782	(4,158)	$ (357,612)	$ 1,717,848	$ 1,251,976	$ 28,435	$ 1,010	$ (4,467)	$ 36,215	$ 2,674,187

See accompanying notes.

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IntercontinentalExchange, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

(In thousands)

(Unaudited)

	Six Months Ended June 30,		Three Months Ended June 30,	
	2010	2009	2010	2009
Net income	$ 206,045	$ 144,280	$ 102,527	$ 72,058
Other comprehensive income (loss):				
Change in foreign currency translation adjustments, net of tax	(823)	2,276	(1,557)	4,166
Change in fair value of cash flow hedges, net of tax	(251)	587	208	587
Change in available-for-sale securities, net of tax	1,494	5,952	7,859	5,922
Comprehensive income	$ 206,465	$ 153,095	$ 109,037	$ 82,733
Comprehensive income attributable to noncontrolling interest	(3,194)		(839)	
Comprehensive income attributable to IntercontinentalExchange, Inc.	$ 203,271	$ 153,095	$ 108,198	$ 82,733

See accompanying notes.

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IntercontinentalExchange, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Operating activities		
Net income	$ 206,045	$ 144,280
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56,128	54,882
Amortization of debt issuance costs	2,867	2,314
Provision for doubtful accounts	(238)	970
Net realized gains on sales of available-for-sale investments	(2)	(6)
Stock-based compensation	26,313	21,793
Loss on foreign currency option hedge relating to CLE acquisition	14,278	
Loss on impairment of NCDEX		9,276
Gain on sale of business		(719)
Deferred taxes	(12,163)	(15,140)
Excess tax benefits from stock-based compensation	(5,115)	(4,676)
Changes in assets and liabilities:		
Customer accounts receivable	(26,628)	(38,736)
Prepaid expenses and other current assets	(2,628)	3,918
Noncurrent assets	247	2,147
Income taxes payable	(3,396)	14,606
Accounts payable, accrued salaries and benefits, and other liabilities	3,611	(11,770)
Total adjustments	53,274	38,859
Net cash provided by operating activities	259,319	183,139
Investing activities		
Capital expenditures	(12,085)	(9,079)
Capitalized software development costs	(12,189)	(9,342)
Purchase of foreign currency option hedge relating to CLE acquisition	(15,080)	
Cash paid for acquisitions, net of cash acquired		(39,419)
Proceeds from sales of cost method investments		2,389
Proceeds from sale of business		1,578
Proceeds from sales of available-for-sale investments	2,000	3,747
Purchases of available-for-sale investments	(1,999)	(26,092)
Increase in restricted cash	(634,421)	(55,474)
Net cash used in investing activities	(673,774)	(131,692)
Financing activities		
Proceeds from credit facilities	220,000	5,000
Repayments of credit facilities	(48,000)	(31,875)
Issuance costs for credit facilities	(7,485)	(10,306)
Excess tax benefits from stock-based compensation	5,115	4,676

Payments relating to treasury shares received for restricted stock and stock option tax payments	(7,980)	(7,777)
Payments on capital lease obligations	(1,484)	(1,719)
Proceeds from exercise of common stock options	9,820	7,975
Net cash provided by (used in) financing activities	169,986	(34,026)
Effect of exchange rate changes on cash and cash equivalents	(888)	(484)
Net increase (decrease) in cash and cash equivalents	(245,357)	16,937
Cash and cash equivalents, beginning of period	552,465	283,522
Cash and cash equivalents, end of period	$ 307,108	$ 300,459
Supplemental cash flow disclosure		
Cash paid for income taxes	$ 119,475	$ 90,480
Cash paid for interest	$ 5,170	$ 7,198
Supplemental noncash investment activities		
Common stock issued for acquisitions	$	$ 5,894
Equity of subsidiary issued for acquisition	$	$ 29,800

See accompanying notes.

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IntercontinentalExchange, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

1. Nature of Business and Organization

IntercontinentalExchange, Inc. (the Company) is a leading operator of global regulated futures exchanges and over-the-counter (OTC) markets for commodities and derivative financial products. The Company owns ICE Futures Europe, which operates as a United Kingdom (U.K.) Recognized Investment Exchange for the purpose of price discovery, trading and risk management within the energy commodity futures and options markets. The Company owns ICE Futures U.S., Inc. (ICE Futures U.S.), which operates as a United States (U.S.) Designated Contract Market for the purpose of price discovery, trading and risk management within the agricultural commodity, equity index and currency futures and options markets. The Company owns ICE Futures Canada, Inc. (ICE Futures Canada), which operates as a Canadian derivatives exchange for the purpose of price discovery, trading and risk management within the agricultural futures and options markets. In addition to operating an OTC exempt commercial market for trading energy commodities and derivatives, the Company owns Creditex Group Inc. (Creditex), which operates in the OTC credit default swap (CDS) trade execution markets. The Company also owns and operates five central counterparty clearing houses, including ICE Clear U.S., Inc. (ICE Clear U.S.), ICE Clear Europe Limited (ICE Clear Europe), ICE Clear Canada, Inc. (ICE Clear Canada), The Clearing Corporation (TCC) and ICE Trust U.S. LLC (ICE Trust). Headquartered in Atlanta, Georgia, the Company also has offices in London, New York, Chicago, Houston, Calgary, Winnipeg, Washington, D.C. and Singapore.

2. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared by the Company in accordance with U.S. generally accepted accounting principles 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. generally accepted accounting principles 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, 2009. 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 the estimates. The results of operations for the six months and three months ended June 30, 2010 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 majority-owned subsidiaries. All intercompany balances and transactions between the Company and its wholly-owned and majority-owned subsidiaries have been eliminated in consolidation.

Certain prior period amounts have been reclassified to conform to the current period s financial statement presentation. Acquisition-related transaction costs of $6.1 million and $529,000 were reclassified from professional services expenses in the accompanying consolidated statements of income for the six months and three months ended June 30, 2009, respectively.

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2010-06, *Improving Disclosures about Fair Value Measurements (Topic 820) Fair Value Measurements and Disclosures,* to add additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1, 2, and 3. The Company adopted this guidance in January 2010, and adoption did not have a material impact on the Company s consolidated financial statements. The portion of guidance relating to disclosures about purchases, sales, issuances and settlements in the Level 3 reconciliation are not effective until fiscal years beginning after December 15, 2010. The Company does not expect that the portion of this guidance not yet adopted will have a material impact on the Company s consolidated financial statements.

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In February 2010, the FASB issued Accounting Standards Update No. 2010-09, *Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements*. This update defines an SEC filer and eliminates the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated. This guidance became effective and was adopted by the Company in February 2010. The adoption did not have a material impact on the Company s consolidated financial statements.

3. Goodwill and Other Intangible Assets

The following is a summary of the activity in the goodwill balance for the six months ended June 30, 2010 (in thousands):

Goodwill balance at December 31, 2009	$ 1,465,831
Other activity	(13,827)
Goodwill balance at June 30, 2010	$ 1,452,004

The following is a summary of the activity in the other intangible assets balance for the six months ended June 30, 2010 (in thousands):

Other intangible assets balance at December 31, 2009	$ 702,460
Amortization of other intangible assets	(31,462)
Other intangible assets balance at June 30, 2010	$ 670,998

The other activity in the goodwill balance relates to adjustments to the purchase price and related goodwill for previous acquisitions, primarily relating to $5.9 million in adjustments for excess tax benefits on share based payments and $7.9 million in tax adjustments due to rate changes. The Company did not recognize any impairment losses on goodwill or other intangible assets during the six months or three months ended June 30, 2010 and 2009.

4. Credit Facilities

On March 31, 2010, the Company entered into new aggregate $725.0 million three-year senior unsecured revolving credit facilities (the New Revolving Credit Facilities) with Wells Fargo Bank, National Association (Wells Fargo), as Administrative Agent, Bank of America, N.A., as Syndication Agent, and the lenders named therein.

The New Revolving Credit Facilities consist of (i) an aggregate $575.0 million unsecured revolving U.S. dollar credit facility (the Dollar Facility), pursuant to which the Company may borrow, repay and reborrow up to $575.0 million in U.S. dollars, and (ii) an aggregate $150.0 million unsecured revolving multicurrency credit facility, pursuant to which the Company may borrow, repay and reborrow up to the equivalent of $150.0 million in U.S. dollars, euros or pounds sterling, at the option of the Company (the Multicurrency Facility). The New Revolving Credit Facilities mature on March 31, 2013.

In connection with entering into the New Revolving Credit Facilities, on March 31, 2010, the Company terminated its then existing revolving credit facilities which provided for a $300.0 million 364-day senior unsecured revolving credit facility that was scheduled to expire on April 9, 2010, and a $100.0 million senior unsecured revolving credit facility that was scheduled to expire on April 9, 2012. Two existing term loan facilities, under which $259.5 million in aggregate is outstanding as of June 30, 2010, are still outstanding.

Loans under the Dollar Facility and U.S. dollar only loans under the Multicurrency Facility would bear interest on the principal amount outstanding, at the option of the Company, at either (i) LIBOR plus an applicable margin rate or (ii) a base rate plus an applicable margin rate. Loans under the Multicurrency Facility that are not in U.S. dollars would bear interest on the principal amount outstanding at LIBOR plus an applicable margin rate. The base rate will be equal to 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 1.50%. The applicable margin rate ranges from 2.00% to 3.00% on the LIBOR loans and from 1.00% to 2.00% for the base rate loans, in each case based on the Company s total leverage ratio calculated on a trailing twelve month period.

On April 29, 2010, the Company borrowed $220.0 million under the New Revolving Credit Facilities, including $174.0 million borrowed under the Dollar Facility and $46.0 million borrowed under the Multicurrency Facility. The cash from the borrowings was used together with excess cash on hand for the Company s acquisition of Climate Exchange plc (CLE) (Note 12). As of June 30, 2010, the Company has LIBOR-rate loans with a stated interest rate of 2.03% per annum, which includes the applicable margin rate, related to the $220.0 million borrowed under the New Revolving Credit Facilities.

The closing of the New Revolving Credit Facilities increased the Company s deferred debt issuance costs to $11.4 million as of June 30, 2010. The debt issuance costs are being amortized over the remaining life of the credit facilities, including $2.9 million and $1.3 million that was amortized during the six months and three months ended June 30, 2010, respectively. The Company will amortize $2.6 million over the remaining six months in 2010 and $4.7 million, $3.4 million and $757,000 in 2011, 2012 and 2013, respectively.

The New Revolving Credit Facilities include an unutilized revolving credit commitment fee that is equal to the unused maximum revolver amount multiplied by an applicable margin rate and is payable in arrears on a quarterly basis. The applicable margin rate ranges from 0.35% to 0.50% based on the Company s total leverage ratio calculated on a trailing twelve month period. Based on this calculation, the applicable margin rate was 0.35% as of June 30, 2010.

Of the amounts available under the New Revolving Credit Facilities, (i) up to $150.0 million of such amounts has been reserved to provide liquidity for the clearing operations of ICE Clear Europe, (ii) up to $100.0 million of such amounts has been reserved to provide liquidity for the clearing operations of ICE Trust, (iii) up to $50.0 million of such amounts has been reserved to provide liquidity for the clearing operations of ICE Clear U.S., and (iv) up to $3.0 million of such amounts has been reserved to provide liquidity for certain of the clearing operations of ICE Clear Canada. The remaining outstanding balances may be used by the Company for working capital and general corporate purposes.

With limited exceptions, the Company may prepay any outstanding loans under the New Revolving Credit Facilities and the two term loans outstanding, in whole or in part, without premium or penalty. The credit facilities contain affirmative and negative covenants, including, but not limited to, leverage and interest coverage ratios, as well as limitations or required notices or approvals for acquisitions, dispositions of assets and certain investments in subsidiaries, the incurrence of additional debt or the creation of liens and other fundamental changes to the Company s business. The Company has been and is currently in compliance with all applicable covenants.

The Company has entered into interest rate swap contracts to reduce its exposure to interest rate volatility on the two outstanding term loan facilities. The interest rate swaps are effective from December 31, 2009 through the maturity dates of the term loan facilities. The unrealized gain or loss is recognized in earnings when the designated interest expense under the term loans is recognized in earnings. The amounts received under the variable component of the swaps will fully offset the variable interest payments under the term loan facilities. With the two variable components offsetting, the net interest expense will equal the fixed interest component. The fair value of the interest rate swaps as of June 30, 2010 is ($3.2 million), or ($2.0 million) net of taxes, and is included in the accompanying balance sheet in non-current liabilities with the unrealized loss included under the equity section as accumulated other comprehensive loss from cash flow hedges. The Company realized $2.2 million and $1.1 million in additional interest expense as a result of the interest rate swap contracts during the six months and three months ended June 30, 2010, respectively. The portion of the unrealized loss expected to be reclassified into earnings within the next 12 months is not expected to be significant.

5. Stock-Based Compensation

The Company currently sponsors employee stock option and restricted stock plans. All stock options 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 the 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 the stock options and restricted stock were $26.3 million and $21.8 million for the six months ended June 30, 2010 and 2009, respectively, and $14.4 million and $12.0 million for the three months ended June 30, 2010 and 2009, respectively.

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The following is a summary of stock options for the six months ended June 30, 2010:

	Number of Options	Weighted Average Exercise Price Per Option
Outstanding at December 31, 2009	1,871,028	$ 47.68
Exercised	(385,300)	25.44
Forfeited or expired	(79,578)	49.05
Outstanding at June 30, 2010	1,406,150	53.69

Details of stock options outstanding as of June 30, 2010 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (In thousands)
Vested or expected to vest	1,402,674	$ 53.65	6.21	$ 90,168
Exercisable	1,098,811	$ 44.96	5.57	$ 80,600

The total intrinsic value of stock options exercised during the six months ended June 30, 2010 and 2009 was $32.7 million and $34.0 million, respectively, and was $8.6 million and $31.3 million during the three months ended June 30, 2010 and 2009, respectively. As of June 30, 2010, there were $15.7 million in total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of 1.8 years as the stock options vest.

In December 2009, the Company reserved a maximum of 381,110 restricted shares for potential issuance as performance-based restricted shares for certain Company employees. The number of shares granted under the performance awards will be based on the Company s performance targets set by the Company s compensation committee for the year ending December 31, 2010. These restricted shares are subject to a market condition that may reduce the number of shares that are granted above the target performance level if the 2010 Company total shareholder return falls below that of the S&P 500 Index. These shares vest over a three-year period. The compensation expenses to be recognized under these performance-based restricted shares are expected to be $7.8 million if the Threshold Performance Target is met and 76,222 shares vest, $15.6 million if the Target Performance Target is met and 152,444 shares vest, $27.3 million if the Above Target Performance Target is met and 266,777 shares vest, and $38.9 million if the Maximum Performance Target is met and 381,110 shares vest. Shares to be granted will be prorated on a straight-line basis between performance level targets. 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 2010 actual performance as compared to the 2010 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 June 30, 2010, the Company determined that it is probable that a performance level between Target and Above Target will be met for 2010. The Company has recorded non-cash compensation expense of $7.4 million and $5.0 million for the six months and three months ended June 30, 2010, respectively, related to these shares. The remaining $16.9 million in estimated non-cash compensation expense will be recorded on an accelerated basis over the remaining vesting period.

The following is a summary of the nonvested restricted shares for the six months ended June 30, 2010:

	Number of Restricted Stock Shares	Weighted Average Grant-Date Fair Value per

		Share
Nonvested at December 31, 2009	1,108,452	$ 97.96
Granted	154,234	105.82
Vested	(234,245)	95.11
Forfeited	(48,324)	84.68
Nonvested at June 30, 2010	980,117	100.54

Restricted stock shares granted in the table above include both time-based and performance-based grants. Performance-based shares awarded in prior years have been adjusted to reflect the actual shares to be issued based on the achievement of past performance targets. Unvested 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 June 30, 2010, there were $54.5 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 performance level between Target and Above Target, as discussed above, will be met on the performance-based restricted shares granted in December 2009. During the six months ended June 30, 2010 and 2009, the total fair value of restricted stock vested under all restricted stock plans was $24.8 million and $15.7 million, respectively.

6. Income Taxes

The Company s effective tax rate decreased to 34% for the six months ended June 30, 2010 from 36% for the six months ended June 30, 2009 and to 34% for the three months ended June 30, 2010 from 39% for the three months ended June 30, 2009. The effective tax rate for the six months and three months ended June 30, 2010 is lower than the federal statutory rate primarily due to favorable foreign income tax rate differentials and tax credits, which are partially offset by state taxes and non-deductible expenses. The effective tax rate for the six months and three months ended June 30, 2009 is higher than the federal statutory rate primarily due to the tax impact of the $9.3 million impairment loss related to the Company s investment in National Commodity and Derivatives Exchange, Ltd. (NCDEX), state taxes and non-deductible expenses, which are partially offset by favorable foreign income tax rate differentials and tax credits.

We have not recorded U.S. deferred taxes on the undistributed earnings of foreign subsidiaries that are deemed to be indefinitely reinvested in foreign jurisdictions. The undistributed earnings of the Company s foreign subsidiaries indefinitely reinvested totaled $701.2 million and $614.7 million as of June 30, 2010 and December 31, 2009, respectively. These earnings are not subject to U.S. income tax until they are distributed to the United States.

7. Clearing Organizations

ICE Clear U.S. performs the clearing and settlement of every futures and options contract traded through ICE Futures U.S., ICE Clear Canada performs the same function for every futures and options contract traded through ICE Futures Canada, ICE Trust performs the same function for North American CDS contracts and ICE Clear Europe performs the same function for every futures and options contract traded through ICE Futures Europe, as well as for all of the Company s cleared OTC energy contracts and cleared European CDS contracts. TCC performs clearing and settlement services to its participants for trades in futures contracts, options contracts and OTC transactions executed on various exchanges and marketplaces. ICE Clear U.S., ICE Clear Europe, ICE Clear Canada, ICE Trust and TCC are referred to herein collectively as the ICE Clearing Houses .

Each of the ICE Clearing Houses requires all clearing members to maintain on deposit or pledge certain assets, which may include cash, government obligations, money market mutual fund shares, certificates of deposit, letters of credit, or emissions allowances to secure payment of risk-based margin as may become due and such amounts in total are known as original margin. The daily payment of profits and losses from and to the ICE Clearing Houses in respect of relevant contracts is known as variation margin. The ICE Clearing Houses mark all outstanding contracts to market, and therefore pays and collects variation margin, at least once daily, and in some cases throughout the day. Our Clearing Houses may make multiple intraday original margin calls in circumstances where market conditions require they take additional protection.

Each of the ICE Clearing Houses requires that each clearing member make deposits into a fund known as a guaranty or clearing 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 deposits and may be used to cover losses sustained by the respective ICE Clearing House in the event of a default of a clearing member. For ICE Clear Canada, all income earned from investing clearing members cash deposits in the Guaranty Fund and from the cash margin deposits, and for ICE Clear U.S., all income earned from investing clearing members cash deposits in the Guaranty Fund and from the cash variation margin deposits, belongs to the respective ICE Clearing House and is included in interest income in the accompanying consolidated statements of income. All other interest earned on the cash margin deposits, less costs incurred by the ICE Clearing Houses, belongs to the clearing members. Pursuant to agreements, ICE Clear Europe currently pays energy clearing members all interest earned on their cash margin deposits plus an additional 115 basis points on cash deposits made to the Guaranty Fund and an additional 10 basis points for cash deposits made for original margin requirements. These additional basis point amounts paid to the energy clearing members are recorded net against other revenues in the accompanying consolidated statements of income.

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Each of the ICE Clearing Houses has equal and offsetting claims to and from their respective clearing members on opposite sides of each contract, standing as the central financial counterparty on every contract cleared. To the extent that funds are not otherwise available to satisfy an obligation under an applicable contract, each ICE Clearing House bears financial counterparty credit risk in the event that market movements create conditions that could lead to its clearing members failing to meet their 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 settled on at least a daily basis for each clearing member, the ICE Clearing Houses maximum exposure for this guarantee, excluding the risk management program discussed below, is $27.8 billion as of June 30, 2010, which represents the maximum estimated value by the ICE Clearing Houses of a hypothetical one to five 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 the unsettled contracts was $938.1 billion as of June 30, 2010.

The ICE Clearing Houses seek to reduce their exposure through a risk management program that includes initial and ongoing financial standards for clearing firm admission and ongoing membership, original and variation margin requirements, and mandatory deposits to the Guaranty Fund. As of June 30, 2010 and December 31, 2009, the ICE Clearing Houses have received or have been pledged $38.6 billion and $31.3 billion, respectively, in cash and non-cash collateral in original margin, variation margin, performance collateral for delivery and Guaranty Fund deposits to cover movements in the pricing of the 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 terms of each ICE Clearing House s rules.

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 original margin and Guaranty Fund deposits to make up the amount owed. In the event that those deposits are not sufficient to pay that owed amount in full, the ICE Clearing Houses may utilize the respective Guaranty Fund deposits of all clearing members pro rata for that purpose. In addition, ICE Clear Europe and ICE Trust have contributed $110.0 million and $10.0 million, respectively, to their respective Guaranty Funds as of June 30, 2010.

As of June 30, 2010, original margin, unsettled variation margin, Guaranty Fund and performance collateral for delivery cash deposits are as follows for the ICE Clearing Houses (in thousands):

	ICE Clear U.S.	ICE Clear Europe	ICE Clear Canada	ICE Trust	TCC	Total
Original margin	$ 644,419	$ 11,207,684	$ 10,242	$ 5,914,339	$ 23,436	$ 17,800,120
Variation margin	2,555				1,607	4,162
Guaranty Fund	11,872	2,368,504	5,559	3,665,212	9,578	6,060,725
Performance collateral for delivery		13,281	742			14,023
Total	$ 658,846	$ 13,589,469	$ 16,543	$ 9,579,551	$ 34,621	$ 23,879,030

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 only available to meet the financial obligations of that clearing firm to the relevant ICE Clearing House. ICE Clear U.S., ICE Clear Europe, ICE Clear Canada, ICE Trust 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.

ICE Trust holds all of its cash deposits in the ICE Trust Federal Reserve account. As of June 30, 2010, this amount totaled $9.6 billion. Of the ICE Clear Europe cash deposits above, $12.7 billion represent funds invested under reverse repurchase agreements with several different counterparty banks, through a third party custodian bank. 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 purchase back the instruments on the set repurchase date at the set repurchase price, plus interest. In accordance with the ICE Clear Europe investment policy, maturities of these securities may not exceed one month and at least 50% of the investments must have a maturity of one business day. The remaining cash deposits are held in demand deposit accounts at various financial institutions.

In addition to the cash deposits for original margin, variation margin, and the Guaranty Fund made to the relevant ICE Clearing House, clearing members also pledge assets, including government obligations, money market mutual funds, certificates of deposit, letters of credit or emission allowances to the relevant ICE Clearing House to mitigate its credit risk. These assets are not reflected in the accompanying consolidated balance sheets as the ICE Clearing Houses do not take legal ownership of the assets as the risks and rewards remain with the clearing members. The ICE Clearing Houses have the ability to access the accounts where these assets are held at the financial institutions and depositories in the event of a clearing member default. These assets are held in safekeeping and any interest and gain or loss accrues to the clearing member. ICE Clear Europe pays energy clearing members all interest earned on their non-cash margin deposits plus an additional 50 basis points on non-cash deposits made to the Guaranty Fund and ICE Clear Europe charges energy clearing members 5 basis points for non-cash deposits made for original margin requirements. ICE Clear Europe pays CDS clearing members all interest earned on their non-cash margin deposits and charges CDS clearing members 5 basis points for all non-cash deposits, including original margin and Guaranty Fund requirements. The amounts paid to the clearing members are recorded net against revenue in the accompanying consolidated statements of income.

As of June 30, 2010, the non-cash assets pledged by the clearing members for ICE Clear U.S., ICE Clear Europe, ICE Clear Canada and TCC were $8.9 billion, $5.7 billion, $37.2 million and $75.1 million, respectively. As of June 30, 2010, there were only cash deposits and no assets were pledged for ICE Trust.

8. Russell Licensing Agreement

The Company has an exclusive licensing agreement (the Licensing Agreement) with the Russell Investment Group (Russell) to offer futures and options on futures contracts based on the full range of Russell s benchmark U.S. equity indexes. These rights became exclusive on September 19, 2008, and subject to achieving specified trading volume for the various indexes, will remain exclusive throughout the remainder of the Licensing Agreement through June 2014.

In exchange for the license rights, the Company paid Russell $50.0 million in 2007 and will also make annual cash payments based on the annual contract trade volumes, subject to certain minimum annual royalty payments. The Company has recorded the license rights as intangible assets, which were valued based on the net present value of all minimum annual royalty payments that the Company is required to make to Russell throughout the term of the agreement. As of June 30, 2010 and December 31, 2009, the net assets related to the Licensing Agreement are $103.6 million and $116.6 million, respectively, and are included in other intangible assets in the accompanying consolidated balance sheets. The intangible assets are being amortized over their contractual life. For both the six months ended June 30, 2010 and 2009, amortization expense related to the Licensing Agreement was $13.0 million, and for both the three months ended June 30, 2010 and 2009, amortization expense was $6.5 million.

The Company currently believes that the projected cash flows from the Russell contracts will be greater than the current carrying value of the intangible assets and no impairment has occurred. The Company will continue to monitor the intangible assets if events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

9. Fair Value Measurements

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

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

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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 and 2 inputs to determine the fair value of investments. The Level 1 investments include U.S. Treasury securities and equity securities. If quoted prices are not available to determine fair value, the Company uses other inputs that are observable either directly or indirectly. The Company determined the fair value of the interest rate swap contracts using Level 2 inputs, consisting of standard valuation models that are based on market-based observable inputs including interest rate curves. The fair value of interest rate swap contracts is included in other noncurrent liabilities in the accompanying consolidated balance sheet as of June 30, 2010. 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 sheet as of June 30, 2010 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 June 30, 2010 are as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Short-term investments:				
U.S. Treasury securities	$ 2,000	$	$	$ 2,000
Equity securities	5			5
Total short-term investments	2,005			2,005
Foreign currency option contract		802		802
Long-term investments in equity securities	25,499			25,499
Total assets at fair value	$ 27,504	$ 802	$	$ 28,306
Liabilities at fair value:				
Interest rate swap contracts	$	$ 3,152	$	$ 3,152

The Company entered into a foreign currency option hedge on May 3, 2010 related to the cash consideration that was paid to acquire CLE, in order to mitigate the risk of currency fluctuations between the announcement and closing of the acquisition as the cash consideration was being held in U.S. dollars and it was required to be paid in pounds sterling. The foreign currency option hedge was not designated and does not qualify as a hedging instrument. The foreign currency hedge included an upfront $15.1 million option premium. The fair value of the option as of June 30, 2010 is $802,000, which is included in other current assets, resulting in a loss of $14.3 million recorded through other expense in the accompanying consolidated statements of income for the six months and three months ended June 30, 2010. The $802,000 value was recognized as a loss in the July 2010 consolidated statement of income upon the termination of the hedge. The Company used a Level 2 input to determine the fair value of the foreign currency option hedge.

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 during the six months and three months ended June 30, 2010. The Company measures certain assets, such as intangible assets, at fair value on a non-recurring basis. These assets are recognized at fair value if they are deemed to be impaired. During the six months and three months ended June 30, 2010, there were no assets that were required to be recorded at fair value since no impairment indicators were present.

10. Segment Reporting

The Company s principal business segments consist of its global OTC segment, its futures segment and its market data segment. The operations of ICE Futures Europe, ICE Futures U.S. and ICE Futures Canada, and the respective clearing of the futures contracts that trade at each of these exchanges, make up the futures segment and the operations of ICE Data make up the market data segment. The remaining companies and operations have been

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included in the global OTC segment as they primarily support the Company s OTC business operations. Intersegment revenues and transactions attributable to the performance of services are recorded at cost plus an agreed market percentage intercompany profit. Intersegment revenues attributable to licensing transactions have been priced in accordance with comparable third party agreements. Financial data for the Company s business segments are as follows:

	Global OTC Segment	Futures Segment	Market Data Segment	Total
		(In thousands)		
Six Months Ended June 30, 2010:				
Revenues from external customers	$ 291,623	$ 255,477	$ 30,675	$ 577,775
Intersegment revenues	33,549	15,363	16,519	65,431
Depreciation and amortization	39,745	16,304	79	56,128
Interest and investment income	551	394	121	1,066
Interest expense	11,271	3,341		14,612
Income tax expense	41,494	53,931	11,081	106,506
Net income attributable to IntercontinentalExchange, Inc.	62,909	119,270	20,672	202,851
Total assets	12,461,924	14,958,216	29,741	27,449,881

Revenues from three clearing members of the futures segment comprised 18%, 12% and 11% of the Company s futures revenues for the six months ended June 30, 2010. The primary function of these clearing members is as intermediaries representing a broad range of principal trading firms. If a clearing member ceased its operations, the Company believes that the trading firms would continue to conduct transactions and would clear those transactions through another clearing member firm. No additional members or customers accounted for more than 10% of the Company s segment revenues or consolidated revenues for the six months ended June 30, 2010.

	Global OTC Segment	Futures Segment	Market Data Segment	Total
		(In thousands)		
Six Months Ended June 30, 2009:				
Revenues from external customers	$ 251,303	$ 203,017	$ 27,650	$ 481,970
Intersegment revenues	24,592	14,979	16,758	56,329
Depreciation and amortization	37,270	17,541	71	54,882
Interest and investment income	182	742	30	954
Interest expense	8,095	4,065		12,160
Income tax expense	25,789	48,682	8,147	82,618
Net income attributable to IntercontinentalExchange, Inc.	43,672	81,730	18,878	144,280

Revenues from four clearing members of the futures segment comprised 16%, 16%, 14% and 12% of the Company s futures revenues for the six months ended June 30, 2009. No additional members or customers accounted for more than 10% of the Company s segment revenues or consolidated revenues for the six months ended June 30, 2009.

	Global OTC Segment	Futures Segment	Market Data Segment	Total
		(In thousands)		
Three Months Ended June 30, 2010:				
Revenues from external customers	$ 149,743	$ 130,808	$ 15,604	$ 296,155
Intersegment revenues	18,775	7,679	8,188	34,642
Depreciation and amortization	19,742	8,133	39	27,914
Interest and investment income	113	164	63	340
Interest expense	5,943	1,559		7,502

Income tax expense	19,220	28,047	6,022	53,289
Net income attributable to IntercontinentalExchange, Inc.	37,826	54,109	9,753	101,688

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Revenues from three clearing members of the futures segment comprised 18%, 12% and 11% of the Company s futures revenues for the three months ended June 30, 2010. No additional members or customers accounted for more than 10% of the Company s segment revenues or consolidated revenues for the three months ended June 30, 2010.

	Global OTC Segment	Futures Segment	Market Data Segment	Total
		(In thousands)		
Three Months Ended June 30, 2009:				
Revenues from external customers	$ 131,722	$ 105,039	$ 13,656	$ 250,417
Intersegment revenues	12,939	7,327	8,320	28,586
Depreciation and amortization	19,111	8,432	36	27,579
Interest and investment income	104	223	17	344
Interest expense	4,719	2,187		6,906
Income tax expense	13,604	28,563	3,597	45,764
Net income attributable to IntercontinentalExchange, Inc.	23,367	38,808	9,883	72,058

Revenues from two clearing members of the futures segment comprised 18% and 15% of the Company s futures revenues for the three months ended June 30, 2009. No additional members or customers accounted for more than 10% of the Company s segment revenues or consolidated revenues for the three months ended June 30, 2009.

11. Earnings Per Common Share

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per common share computations for the six months and three months ended June 30, 2010 and 2009:

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009
	(In thousands, except per share amounts)			
Basic:				
Net income attributable to IntercontinentalExchange, Inc.	$ 202,851	$ 144,280	$ 101,688	$ 72,058
Weighted average common shares outstanding	73,818	72,759	73,960	72,892
Basic earnings per common share	$ 2.75	$ 1.98	$ 1.37	$ 0.99
Diluted:				
Weighted average common shares outstanding	73,818	72,759	73,960	72,892
Effect of dilutive securities:				
Stock options and restricted shares	827	1,059	803	1,182
Diluted weighted average common shares outstanding	74,645	73,818	74,763	74,074
Diluted earnings per common share	$ 2.72	$ 1.95	$ 1.36	$ 0.97

Basic earnings per common share is calculated using the weighted average common shares outstanding during the period. Common equivalent shares from stock options and restricted stock awards, using the treasury stock method, are also included in the diluted per share calculations unless their effect of inclusion would be antidilutive. During the six months ended June 30, 2010 and 2009, 227,000 and 151,000 outstanding stock options, respectively, were not included in the computation of diluted earnings per common share, because to do so would have had an antidilutive effect because the outstanding stock option exercise prices were greater than the average market price of the common shares during the relevant periods.

12. Subsequent Events

On April 30, 2010, the Company announced that it had agreed to acquire Climate Exchange plc (CLE), a leader in the development of traded emissions markets. CLE operates the European Climate Exchange (ECX), the Chicago Climate Exchange (CCX) and the Chicago Climate Futures Exchange (CCFE). On July 8, 2010, the Company completed the acquisition of CLE. The Company previously owned a 4.8% stake in CLE that it purchased in June 2009 for £6.45 (pounds sterling) per share.

Under the terms of the acquisition, CLE shareholders received £7.50 in cash for each share in CLE, valuing the issued and to be issued share capital of CLE at £393.4 million, or $597.2 million, including £17.1 million, or $25.9 million, in shares that were held by the Company at the date of the acquisition. The Company recognized a gain of $1.8 million at the date of the acquisition based upon its existing 4.8% stake in CLE, which was recorded as other income in the July 2010 consolidated statement of income.

The transaction consideration included $220.0 million that was drawn from the New Revolving Credit Facilities for these purposes (Note 4) and the remainder came from existing cash resources of the Company. During the second quarter of 2010 and prior to the closing of the acquisition on July 8, 2010, the Company was required by U.K. law to put $632.1 million into escrow accounts relating to the CLE acquisition and this cash is reflected as restricted cash in the accompanying consolidated balance sheet as of June 30, 2010. The $34.9 million in excess cash in the escrow accounts were reclassified to cash and cash equivalents after the closing of the acquisition on July 8, 2010.

The Company and its affiliates have multiple contracts in place with CLE and its affiliates to provide technology and clearing services, which were put in place beginning in 2003. These contracts include a cooperation and licensing agreement to provide an electronic trading platform and clearing to ECX for European emissions trading, a licensing technology agreement to provide an electronic trading platform to CCX and CCFE for U.S. emissions trading and a clearing services agreement to provide clearing for CCX and CCFE s U.S. emissions markets. Pursuant to these contracts, the Company previously charged fees to CLE for the services provided and shared in the revenues with respect to the trading and clearing of emissions contracts.

The Company will record the acquisition using the acquisition method of accounting and, accordingly, will allocate the purchase price to the assets acquired and liabilities assumed based on their estimated fair market value at the date of acquisition. The Company has not yet obtained all the information related to the fair value of acquired assets and acquisition liabilities related to the acquisition to finalize the purchase price allocation.

The Company has evaluated subsequent events and determined that other than the item discussed above, no events or transactions met the definition of a subsequent event for purposes of recognition or disclosure in the accompanying consolidated financial statements.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q, including the sections entitled Notes to Consolidated Financial Statements , Legal Proceedings and Management s Discussion and Analysis of Financial Condition and Results of Operations , contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995 that are based on our present beliefs and assumptions and on information currently available to us. You can identify forward-looking statements by terminology such as may, will, should, could, would, targets, goal, expect, intend, plan, anticipate, believe, estimate, predict, potential, continue, or the negative of these terms or other comparable terminology. These statements relate to future events or our future financial performance and involve risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. These risks and other factors include those set forth under the heading Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2009.

Forward-looking statements and other risks and factors that may affect our performance include, but are not limited to: our business environment and trends in our industry; general economic conditions and conditions in global financial markets; increasing competition and consolidation in our industry; volatility in commodity prices; our ability to identify and effectively pursue acquisitions and strategic alliances and successfully integrate the companies we acquire; minimizing the risks associated with operating multiple clearing houses in multiple jurisdictions; changes in domestic and foreign regulations or government policy; the success of our clearing initiative for the credit default swap market; the success of our global clearing strategy; technological developments, including clearing developments; the accuracy of our cost estimates and expectations; our belief that cash flows will be sufficient to fund our working capital needs and capital expenditures at least through the end of 2011; our ability to increase the connectivity to our marketplace; our ability to develop new products and services and pursue strategic acquisitions and alliances on a timely, cost-effective basis; maintaining existing market participants and attracting new ones; protecting our intellectual property rights; not violating the intellectual property rights of others; threatened or pending litigation and adverse litigation results; our belief in our electronic platform and disaster recovery system technologies; and our ability to gain access to comparable products and services if our key technology contracts were terminated. We caution you not to place undue reliance on these forward-looking statements as they speak only as of the date on which such statements were made, and we undertake no obligation to update any forward-looking statement or to reflect the occurrence of an unanticipated event. New factors emerge from time to time, and it is not possible for management to predict all factors that may affect our business and prospects. Further, management cannot assess the impact of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

In this Quarterly Report on Form 10-Q, unless otherwise indicated, the terms IntercontinentalExchange , ICE , we , us , our , our company and our business refer to IntercontinentalExchange, Inc., together with its consolidated subsidiaries. Due to rounding, figures may not sum exactly.

Overview and Our Business Environment

We are a leading operator of regulated global futures exchanges, over-the-counter, or OTC, markets and derivatives clearing houses. We operate the leading electronic futures and OTC marketplace for trading and clearing a broad array of energy and agricultural commodities, credit default swaps, or CDS, equity indexes and foreign exchange contracts. Currently, we are the only marketplace to offer an integrated electronic platform for side-by-side trading of products in both futures and OTC markets, together with post-trade processing and clearing services. Through our widely-distributed electronic markets, we bring together buyers and sellers of derivative and physical commodities and financial contracts and offer a range of services to support our participants risk management and trading activities.

We conduct our regulated U.K.-based energy futures exchange through our wholly-owned subsidiary, ICE Futures Europe. We conduct our regulated U.S.-based futures exchange through our wholly-owned subsidiary, ICE Futures U.S. We conduct our regulated Canadian futures exchange through our wholly-owned subsidiary, ICE Futures Canada. We conduct our OTC energy markets primarily through our OTC exempt commercial market. ICE Futures Europe, as well as our OTC energy and European CDS markets, clears contracts through ICE Clear Europe,

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ICE Futures U.S. clears its contracts through ICE Clear U.S. and ICE Futures Canada clears its contracts through ICE Clear Canada. We conduct our OTC CDS trade execution markets through Creditex and clear our OTC North American CDS markets through ICE Trust.

Our business is primarily transaction-based, and our revenues and profitability relate directly to the level of trading activity in our markets. Trading volume is driven by a number of factors, including the degree of price volatility of commodities and financial instruments such as equity indexes and foreign exchange, as well as economic conditions, new product introductions, fees, regulation of our markets and market participants, and competition. Price volatility increases the need to hedge price risk and creates opportunities for the exchange of risk between market participants. Changes in our futures trading volume and OTC average daily commissions are also driven by varying levels of volatility and liquidity in our markets and in the broader commodities markets, which influence trading volume across all of the markets we operate.

Since our business is primarily transaction-based, declines in trading volumes and market liquidity could adversely affect our business and profitability. Market liquidity is one of the primary keys to attracting and maintaining customers and is an important indicator of a market s strength.

We operate our futures and OTC markets primarily on our electronic platform and we offer ICE Futures U.S. s options markets on both our electronic platform and our New York-based trading floor. We also operate certain of our OTC markets through voice brokering.

Financial Highlights

- Our consolidated revenues increased 20% to $577.8 million for the six months ended June 30, 2010, compared to the same period in 2009, and increased 18% or $296.2 million for the three months ended June 30, 2010, compared to the same period in 2009. Revenue growth was primarily due to higher trading volume in the ICE Brent Crude and ICE Gas Oil futures contracts, OTC North American natural gas, power and global oil contracts, and an increase in CDS clearing revenues.

- Our consolidated operating expenses increased 1% to $235.7 million for the six months ended June 30, 2010, compared to the same period in 2009, and increased 2% to $117.9 million for the three months ended June 30, 2010, compared to the same period in 2009. Our compensation and benefits expenses increased $6.8 million for the six months ended June 30, 2010 from the comparable period in 2009 and increased $3.3 million for the three months ended June 30, 2010 from the comparable period in 2009 primarily due to employee headcount increases and an increase in non-cash compensation expenses. We incurred $2.0 million and $1.5 million in transaction costs primarily relating to our acquisition of the Climate Exchange plc, or CLE, during the six months and three months ended June 30, 2010, respectively, compared to $5.6 million and $529,000 in transaction costs incurred related to our acquisition of The Clearing Corporation, or TCC, during the six months and three months ended June 30, 2009, respectively.

- Our consolidated operating margin increased to 59% for the six months ended June 30, 2010, compared to 52% for the same period in 2009, and increased to 60% for the three months ended June 30, 2010, compared to 54% for the same period in 2009.

- Our consolidated net income attributable to ICE increased 41% to $202.9 million for the six months ended June 30, 2010, compared to the same period in 2009, and increased 41% to $101.7 million for the three months ended June 30, 2010, compared to the same period in 2009. We recorded a pre-tax loss of $14.3 million during the six months and three months ended June 30, 2010 on our foreign currency option hedge relating to the pounds sterling cash consideration paid to acquire CLE, or $10.3 million net of taxes. We recorded a pre-tax impairment loss of $9.3 million during the six months and three months ended June 30, 2009 relating to our investment in the National Commodity and Derivatives Exchange, Ltd, or NCDEX, or $11.0 million net of taxes. The foreign currency option loss and the impairment loss were classified as other expenses in our consolidated statements of income.

- Our consolidated cash flows from operations increased 42% to $259.3 million for the six months ended June 30, 2010, compared to the same period in 2009.

During the six months ended June 30, 2010, 166.4 million contracts were traded in our futures markets, up 31% from 127.3 million contracts traded during the six months ended June 30, 2009. During the six months ended June 30, 2010, 166.7 million contract equivalents were traded in our OTC energy markets, up 60% from 104.2 million contract equivalents traded during the six months ended June 30, 2009. During the three months ended June 30, 2010, 87.7 million contracts were traded in our futures markets, up 36% from 64.7 million contracts traded during the three months ended June 30, 2009. During the three months ended June 30, 2010, 87.7 million contract equivalents were traded in our OTC energy markets, up 58% from 55.7 million contract equivalents traded during the three months ended June 30, 2009.

Regulatory Update

On July 21, 2010, President Obama signed into law the Dodd/Frank Wall Street Reform and Consumer Protection Act, or the Financial Reform Act. The Financial Reform Act is intended to reduce the risk of future financial crises and will make major changes to the U.S. financial regulatory system. The Financial Reform Act gives the Commodity Futures Trading Commission, or CFTC, together with the Securities and Exchange Commission, or SEC, expansive authority over the OTC derivatives market and market participants, and provides the Federal Reserve Bank with authority over systemically important financial entities. Through extensive rulemaking authority under the Financial Reform Act, the CFTC and SEC will create a comprehensive new regulatory regime for OTC derivative markets and market participants that is intended to provide more transparency and stability to the OTC derivatives market. Key changes to the derivatives market include: (i) requiring clearing and centralized trading of most types of derivatives (with limited exceptions) and imposing aggregate position limits across markets on traded derivatives, (ii) imposing additional margin and capital requirements on cleared and uncleared derivatives, (iii) prohibiting proprietary trading in certain derivative instruments by some regulated financial institutions (known as the Volcker Rule), (iv) prohibiting certain swap market participants from receiving federal assistance, a change that may force energy, agricultural, high yield credit default swaps and other contracts to be pushed out of insured banks into separately capitalized affiliates, (v) establishing a comprehensive framework for the registration and regulation of dealers and major non-dealer market participants, and (vi) giving the CFTC broad power to draft rules setting specific requirements under the core principles applicable to designated contract markets and derivatives clearing organizations, thus altering the flexibility these entities currently have to determine how to operate their business in compliance with the core principles.

Our markets operated transparently and efficiently during the financial crisis and the new requirements to centrally execute and clear OTC swaps is consistent with our existing OTC business model, thereby providing us with potential new business opportunities. However, our OTC energy platform will have to register with the CFTC as a swap execution facility, or SEF, and will be regulated similarly to a designated contract market that is regulated by the CFTC. Our OTC energy platform already meets many of the SEF obligations through our compliance with the significant price discovery contract provisions of the 2008 Farm Bill with respect to certain of our contract markets. However, other contracts traded on our energy trading platform will have to be operated differently as a SEF, and other sectors of our business, including Creditex, our CDS platform; Chatham Energy, our OTC energy options brokerage; and YellowJacket, our electronic energy options platform, may have to be registered as SEFs. As a result of this additional regulation, registering as a SEF for these business sectors could increase the cost of regulation to which these markets are subject, which could cause them to be less attractive to market participants.

In addition, the Financial Reform Act has an open access provision that would require a clearing house to accept swaps that originate from any SEF if the clearing house already accepts the swap for clearing. We currently have a vertically integrated model in which we only clear swaps that are executed on our OTC platform and have the power to determine who clears OTC swaps at our clearing houses. Depending on implementation of the Financial Reform Act by regulators, the open access provisions could diminish the value of our OTC swaps execution platform.

The Financial Reform Act also will make changes to the regulatory requirements of our market participants, including large market participants such as investment banks and hedge funds. For example, some of our participants will have to register as swaps dealers or major swaps participants, and certain clearing members of our ICE Trust clearing house may have to register as futures commission merchants, or FCM s. Registration as a swaps dealer or major swaps participant will result in much more regulation of these entities, including higher capital and margin requirements and greater business conduct standards. They will also be required to segregate clients or counterparties margin in a manner similar to the segregation of futures margin. In addition, the Volcker Rule and swaps push out provisions may cause our market participants to make major changes to their businesses, including,

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in some cases, the potential termination of some trading activities. Given the higher regulatory requirements, participants could migrate away from transacting in swaps to other derivatives, such as futures, that will not subject them to the more stringent regulatory requirements. The Financial Reform Act will also make changes to the current anti-manipulation provisions of the Commodity Exchange Act. Currently, the CFTC must prove specific intent to prove manipulation, but the Financial Reform Act allows the CFTC to prove manipulation under a lower reckless standard. This could create uncertainty for our market participants. Any of the above actions could adversely impact our OTC swaps business.

The Financial Reform Act also imposes changes on portions of our business operated outside the United States. With respect to the ICE Futures Europe and ICE Futures Canada products, we have permission to allow screen-based access to the United States pursuant to a no action letter from the CFTC. Pursuant to the Financial Reform Act, the CFTC will be able to require foreign exchanges, such as ICE Futures Europe and ICE Futures Canada, to register with the CFTC and be subject to direct regulation in the United States. While we expect that the registration process will impose obligations similar to the obligations currently imposed under the informal no-action process, direct regulation of our non-U.S. exchanges by U.S. regulators may prove to be unattractive for certain of our market participants due to the additional costs, and greater oversight, associated with such regulation.

The Financial Reform Act requires the CFTC to set position limits on energy commodities within 180 days of enactment to prevent excessive speculation. Traditionally, for energy commodity contracts, exchanges have set position limits (hard limits that apply in the final days of trading of the expiration month) and position accountability levels (soft limits that apply at all other times in all other months) for the purpose of preventing market manipulation such as corners (securing control of a commodity to manipulate the price of the commodity) and delivery squeezes (a situation where the lack of physical commodity supply tends to force a person holding a short position to cover their position at higher prices). In addition, the Financial Reform Act changes the definition of bona fide hedging that is required to obtain a hedge exemption from these position limits, which may curtail the ability of certain of our participants to hold larger positions in our markets. While position limits currently apply to our U.S.-linked contracts traded on ICE Futures Europe and to our OTC contracts deemed to be significant price discovery contracts, should the CFTC set the position limits and limit hedge exemptions in a manner that unduly limits the hedging or trading ability of our participants, trading volume may shift away from our markets to areas outside the present jurisdictional reach of the CFTC and trading volumes in our markets may be adversely impacted.

The Financial Reform Act also contains provisions for public reporting of swaps transaction data. We currently sell our OTC energy data to market participants. Depending on how the CFTC implements this provision of the Financial Reform Act, public reporting of OTC transaction data, such as pricing information, could negatively impact our market data revenue.

With the exception of the position limit rules, most provisions of the Financial Reform Act do not become effective for one year, and the Financial Reform Act leaves significant discretion on implementation to regulators such as the CFTC and the SEC. In most cases, the regulators will have up to one year to draft rules and regulations implementing the Financial Reform Act, but given the volume of new regulations that will need to be promulgated, it may take longer to finalize all rules and regulations. In connection with implementation of new rules, market participants will likely then have additional time to conform to the new rules and regulations depending on the requirement of individual provisions. We expect to incur additional costs to make the necessary changes to our business to comply with the Financial Reform Act.

Acquisition of CLE

On April 30, 2010, we announced that we had agreed to acquire CLE, a leader in the development of traded emissions markets. CLE operates the European Climate Exchange, the Chicago Climate Exchange and the Chicago Climate Futures Exchange. On July 8, 2010, we completed our acquisition of CLE.

Under the terms of the acquisition, CLE shareholders received £7.50 (pounds sterling) in cash for each share in CLE, valuing the entire existing issued and to be issued share capital of CLE at £393.4 million, or $597.2 million. The transaction consideration included $220.0 million that was drawn from our revolving credit facilities for these purposes and the remainder came from our existing cash resources. We previously owned a 4.8% stake in CLE that we purchased in June 2009 for £6.45 per share.

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Variability in Quarterly Comparisons

In addition to general economic conditions and conditions in the financial markets, particularly the commodities markets, trading volume is subject to variability due to a number of key factors. These factors include geopolitical events, weather, real and perceived supply and demand imbalances, regulatory considerations, availability of capital, the number of trading days in a period and seasonality. These and other factors could cause our revenues to fluctuate from quarter to quarter. These fluctuations may affect the reliability of quarter to quarter comparisons of our revenues and operating results.

Segment Reporting

Our business is currently divided into three segments: our futures segment, our global OTC segment and our market data segment. In our futures markets, we offer trading in standardized derivative contracts on our regulated exchanges. In our OTC markets, which include energy markets and credit derivatives, we offer both electronic trading and voice brokering services. Through our market data segment, we offer a variety of market data services and products for both futures and OTC market participants and observers. For a discussion of these segments and related financial disclosure, refer to Note 10 to our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q.

Intersegment Fees

Intersegment fees include charges for developing, operating, managing and supporting the platform for electronic trading and clearing in our futures segment. Our global OTC segment provides and supports the platform for electronic trading and clearing in our futures segment. Our futures segment and our global OTC segment provide access to trading data to our market data segment. Our market data segment provides marketing and other promotional services to our global OTC segment. These internal charges are reflected as intersegment revenues and expenses. We determine the intercompany or intersegment fees to be paid by the business segments based on transfer pricing standards and independent documentation. These intersegment fees have no impact on our consolidated operating results. We expect the structure of these intersegment fees to remain unchanged and expect that they will continue to have no impact on our consolidated operating results.

Our Futures Segment

The following table presents selected statement of income data in dollars and as a percentage of revenues for our futures segment:

	Six Months Ended June 30,			
	2010	**%**	**2009**	**%**
	(Dollar amounts in thousands)			
Revenues:				
Transaction and clearing fees, net:				
ICE Brent Crude futures(1)	$ 73,142	27%	$ 53,726	24%
ICE WTI Crude futures	25,544	10	24,112	11
ICE Gas Oil futures(1)	38,600	14	25,943	12
Sugar futures and options	39,599	15	38,797	18
Cotton futures and options(2)	9,452	3	6,730	3
Russell Index futures and options	16,457	6	15,604	7
Other futures products and options(3)	49,597	18	38,790	18
Intersegment fees	15,363	6	14,979	7
Other(4)	3,086	1	(684)	
Total revenues	270,840	100	217,997	100